



**DATE:** May 23, 2016  
**TO:** All Department Heads  
**FROM:** Commissioners' Court  
**SUBJECT:** Fiscal Year (FY) 2017 Budget Policy

The mission of Burleson County is to maintain overall efficient and effective management of county resources while providing the services mandated by state and federal law and desired by the citizens of Burleson County.

Goals and objectives are incorporated into formal policy statements, it is through the formation, adherence and continued re-evaluation of these formal policy statements that provide the necessary structure for achieving these goals and objectives.

A comprehensive budget shall be prepared on an annual basis covering all proposed expenditures for the succeeding fiscal year. This policy is in accordance with Texas Local Government Code §111.003. It should further provide the Commissioners' Court and the general public with the necessary financial information to evaluate the overall financial condition of Burleson County. The FY 2017 Budget will be prepared in the 10<sup>th</sup> month of the fiscal year pursuant to the change from a calendar year basis beginning 10/01/2008 as approved by Commissioners Court on May 14, 2007.

The budget shall be prepared in such a manner as to facilitate its understanding by the general public and the Commissioners' Court. The County Judge/Budget Officer will be striving to provide the general public and the Court with a more informative and comprehensive budget document that not only provides financial data, but addresses policy statements and issues pertinent to the decisions of the County. This budget document will be designed to give a more complete understanding of the facts and circumstances supporting the decisions being made by county officials.

The Commissioners' Court shall hold public hearings and workshops on the budget. Texas Local Government Code §111.007 requires the county to hold a public hearing on the proposed budget. Budget hearings with the Commissioners' Court will be held during the budget process and the hearings are subject to the Texas Open Meetings Act.

**The budget shall be prepared in such a manner as to support the reporting requirements promulgated by the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP).** A goal of the County Judge/Budget Officer is to corroborate the financial reporting requirements of GASB and GAAP by coordinating the budget documentation with financial reports provided through the County Auditor's office.

**Burleson County shall maintain a budgetary control system for adherence to the adopted budget.** All approved appropriations in the annual budget are expended only through the issuance and approval of purchase orders.

**Basis of Accounting and Budgeting will be the modified accrual method.** The FY2017 Burleson County budget will be prepared on a modified accrual basis. Under modified accrual basis of accounting, revenues are recognized for budgetary purposes when they are received or become measurable and expenditures are recognized when incurred.

In accordance with GAAP, the FY2017 Burleson County budget will represent a balanced budget in that total expenditures will not exceed total resources (total estimated revenues plus reserves). In its operating funds, the County attempts to maintain its unrestricted reserve balances within a range of 15-25 percent of estimated expenditures.

The FY2017 budget will be adopted in a categorical format. This format requires line item transfers requested between categories, as well as transfers between departments and funds, to be approved by the Commissioners' Court. This format also allows elected and appointed officials to request line item transfers within their department's expenditure categories without the approval of the Commissioners' Court. Even though the FY2017 budget is adopted in the categorical format, budgetary control is monitored by the County Auditor at the line item level.

Expenditure budget amendments are considered only in emergency situations as allowed by Texas Local Government Code §111.010 (c). All budget amendment and transfer requests (in accordance with the above guidelines established by the Commissioners' Court) are submitted to the County Auditor with comments regarding the necessity of each request. The County Auditor will submit all requests, requiring Commissioners' Court approval, for budget amendments and transfers to the County Judge. The County Judge is responsible for placing the requests on the Commissioners' Court agenda and the Court has the authority to grant or deny any request.

**As required by GAAP, Capital Projects are accounted for in separate capital project funds that remain available for use until project completion.** It is the County's policy to appropriate known funding levels during the budget process for specific projects and, when necessary, roll the budget forward into the next year until the project is completed. In accordance with Burleson County's Capital Asset Policy, items costing \$5,000 or more will be considered capital purchases. Additionally, small equipment expenditures for items costing between \$500 and \$5,000 are identified and tagged for inventory purposes. Items costing less than \$500 will be tagged as deemed necessary by the County Auditor.

## HIGHLIGHTS FOR FISCAL YEAR (FY) 2017 BUDGET

The 2017 fiscal year will begin Oct. 1, 2016 and end Sep. 30, 2017. Following is a summary of the changes necessary for the preparation:

- Property tax revenue: we are anticipating a decrease in tax revenue
- Retirement rate: Currently **7.90**, new rate **6.66%**
- Death Benefits: Currently **0.60%**, new rate **0.53%**
- Unemployment Insurance rate: Currently **0.30%**, Proposed new rate **0.???%**
- Health Insurance: Currently \$7,469.28 per employee plus \$1,200 for dependent per employee. New rates to be determined in July by the TAC Risk Pool Board. This year any change in cost is unknown at this time, but an increase is anticipated. We may ask employees to bear the cost of any increase.
- Pay Periods: (Full year = 26 pay periods/2080 hours) FY2016 salaries were budgeted at 2160 hours. In September 2016 we will have 100% of the final pay period paid in October that must be accrued. The FY2017 budget will be adjusted back to 2080 hours.
- Year End Purchases/Accruals: **Please remember that purchases made before Sept. 30<sup>th</sup>, that are paid after October 1<sup>st</sup> as year-end purchases will be booked in September 2016 and shall be within the limits of the FY2016 budget.** Budget adjustments for purchases should be approved before Sept. 30<sup>th</sup> but may be processed during October Commissioners Courts only if absolutely necessary. As such the county will budget on a modified accrual basis.
- Projected to Year End: Projected expenses based on YTD Totals for bills paid through 04/30/2016. Bills in process or received after that date will NOT be included in this total.
- Reclassification of certain line items is in progress. Some line items will be moved during the budget process to a more appropriate Category. You will be notified when these changes take effect for your respective budget(s).
- Salary Increases: We will consider any increase for employees and officials but the amount will be dependent upon final benefit rates and the level of certified property values received in July. We may ask that pay levels stay the same as FY2016.
- Capital Purchases: All capital purchase requests must be accompanied by detailed justifications including estimates for each item requested. A bid estimate or quote may be necessary depending on the item requested.
- Tax Rate: The Commissioners Court will resist any increase in the Tax Rate to the citizens of Burleson County.
- Capital Projects: Several capital projects are currently being addressed and/or continued into the next budget year. These include a courthouse annex, computer infrastructure and network updates, and the CIJIMS software projects.