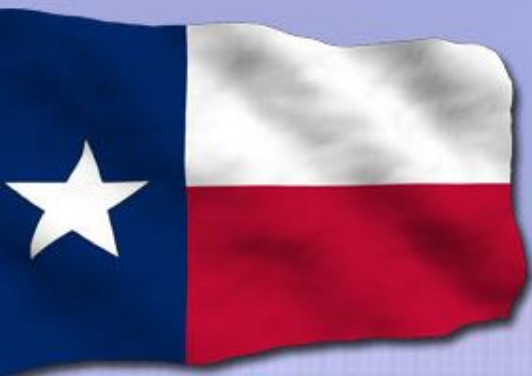
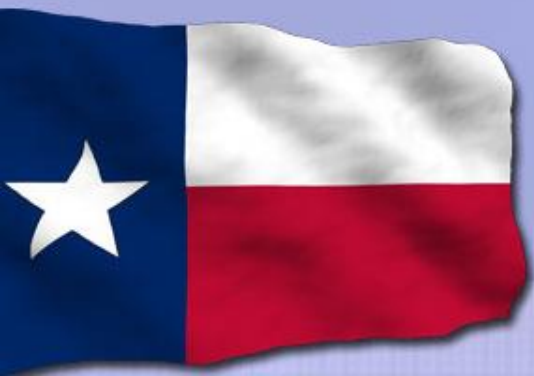


UNDERSTANDING THE BUDGET PROCESS IN A TEXAS COUNTY

Presented By: Wally Hardgrove

Budget/Finance Mgr. El Paso County Auditor's Office





Why We Have Budgets

Accountability: by law it legitimizes the level of proposed expenditures

Planning: a great tool to manage

Information: a great tool to communicate

Evaluation: it serves as a basis for evaluating the extent of compliance



Stress Reduction Kit



**Bang
Head
Here**

Directions:

1. Place kit on FIRM surface.
2. Follow directions in circle of kit.
3. Repeat step 2 as necessary, or until unconscious.
4. If unconscious, cease stress reduction activity.

Purpose of the Budget

An expression of public policy

A method to control the use of resources

A method to evaluate performance

It develops a means of accountability

**It is a lot broader than a financial plan,
once adopted it carries the force of the
LAW!**



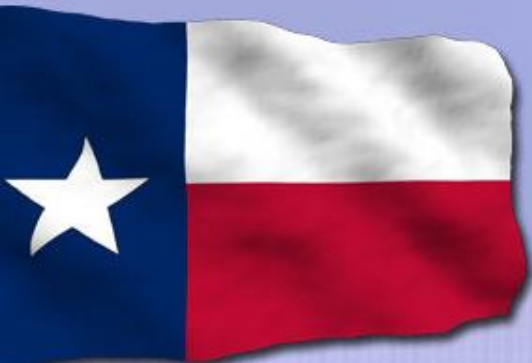
Understanding the Recipe

Texas Local Government Code Chapter 111

<http://www.statutes.legis.state.tx.us/>

Attorney General Opinions

<http://www.oag.state.tx.us/>



The Comprehensive Budget

**A Budget Policy with background information
and demographics**

**A statement as to mission, goals and
objectives**

**An analysis of economic conditions – past,
present, future**

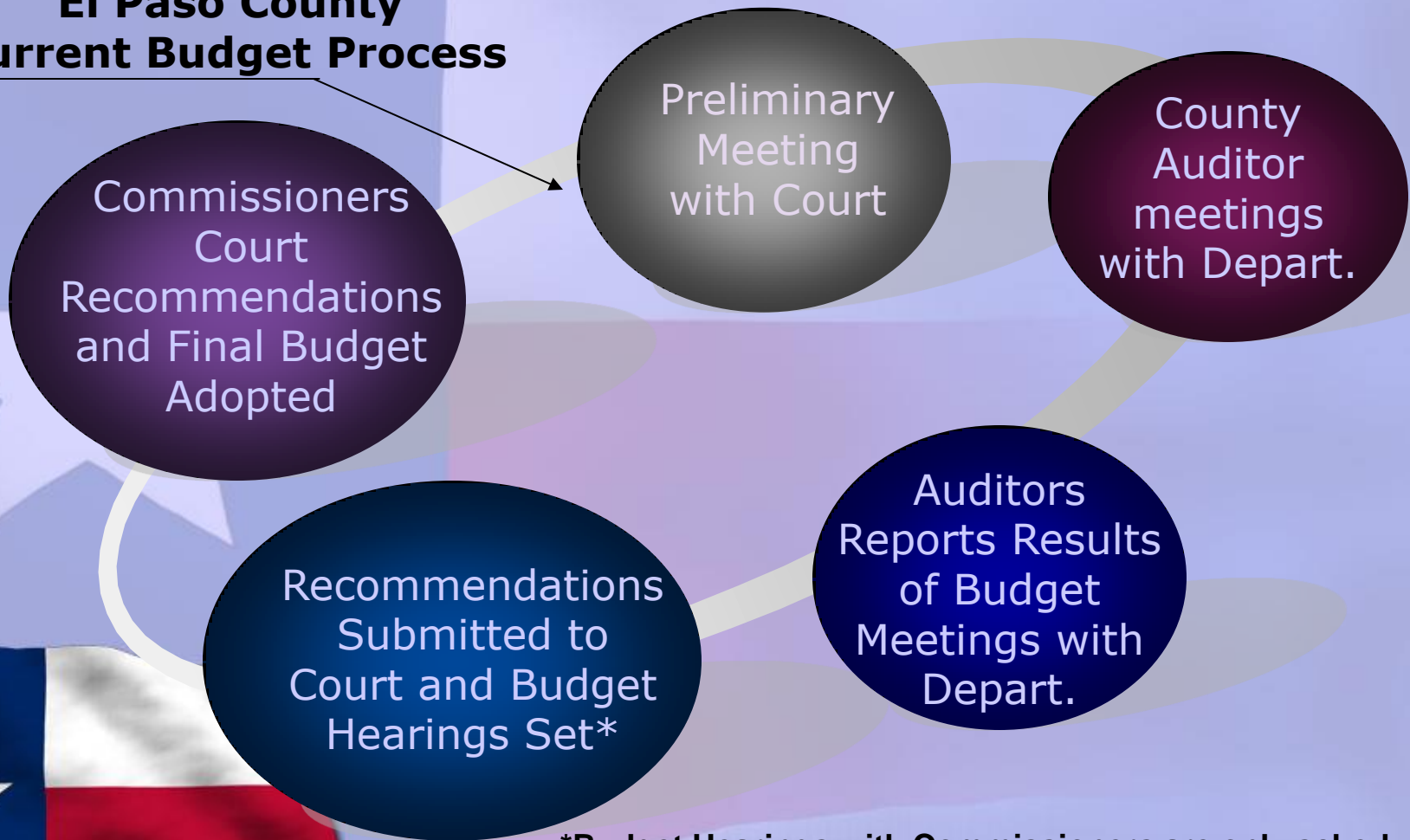
An organizational chart of the county

A budget calendar



The Comprehensive Budget

El Paso County Current Budget Process



***Budget Hearings with Commissioners are only scheduled with those departments requesting changes in personnel and those that are in disagreement with County Auditor recommendations.**

The Comprehensive Budget

An analysis of tax rates to include appraised values as well as taxable values

A breakdown of the operating budget – by line item and along with comparables

A break down of the capital budget

An overview of the special revenue funds

An analysis of staffing needs, changes and related costs



The Comprehensive Budget

There should be some historical information provided either in one document or throughout which allows one to see comparative data for prior periods, to include:

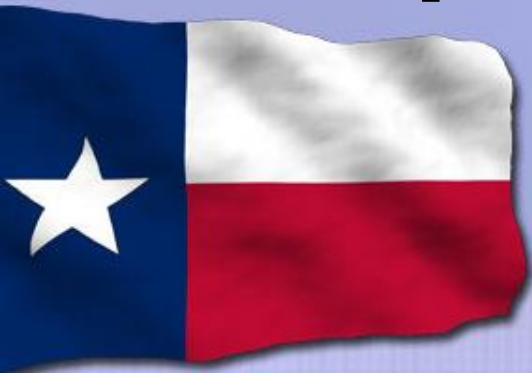
Revenues

Expenditures (personnel, operating and capital)

Property Values

Debt

Adopt Financial Policies as a guide



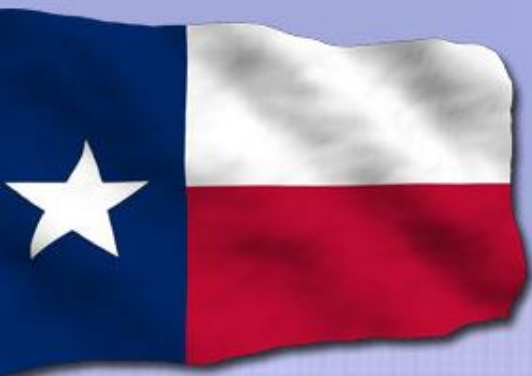
County Auditor Budget Responsibilities

**Provides a Certified Revenue Estimate
for all funds**

Estimate the fund balance for all funds

Assist the county judge as required

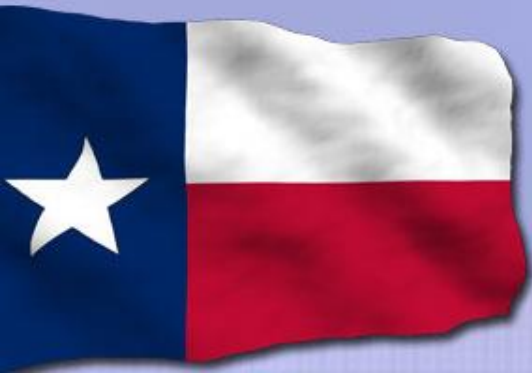
**Certify the revenue from grants and
intergovernmental contracts**



County Auditor Budget Responsibilities

**Insure that revenue estimates and
expenditure appropriations balance**

**Provide the budget officer with sufficient
information to prepare a complete
financial statement for inclusion with
the budget – to include.....**



County Auditor Budget Responsibilities

- Outstanding obligations of the county
- Outstanding receivables of the county
- Anticipated cash balance for each fund at year end
- Funds received from all sources
- Revenue estimate for the current fiscal year
- Revenue estimate for the coming fiscal year
- Anticipated fund balances



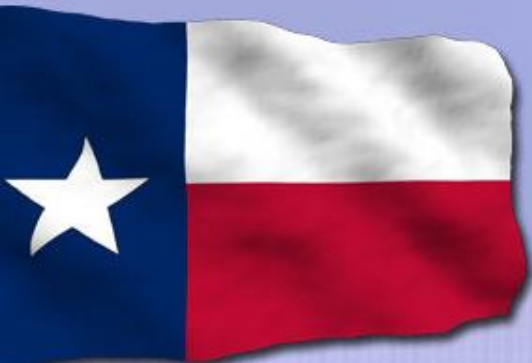
County Auditor Responsibilities After the Budget is Adopted

To open an appropriation account for each item as directed in the budget

To insure that all encumbrances are properly charged to the correct appropriation account

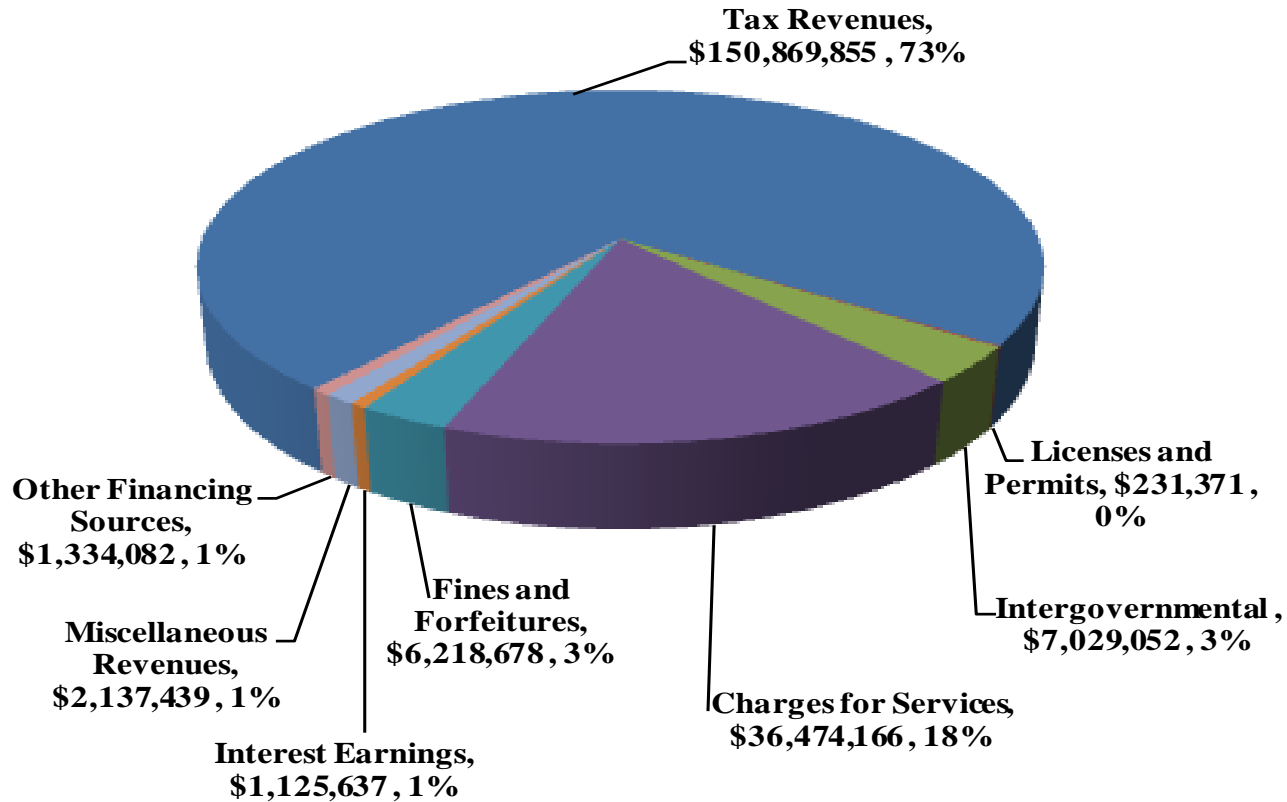
To periodically report to commissioner's court the condition of the appropriation accounts (*strict enforcement*)

To monitor position control



The County Revenue Overview

General Fund Revenues



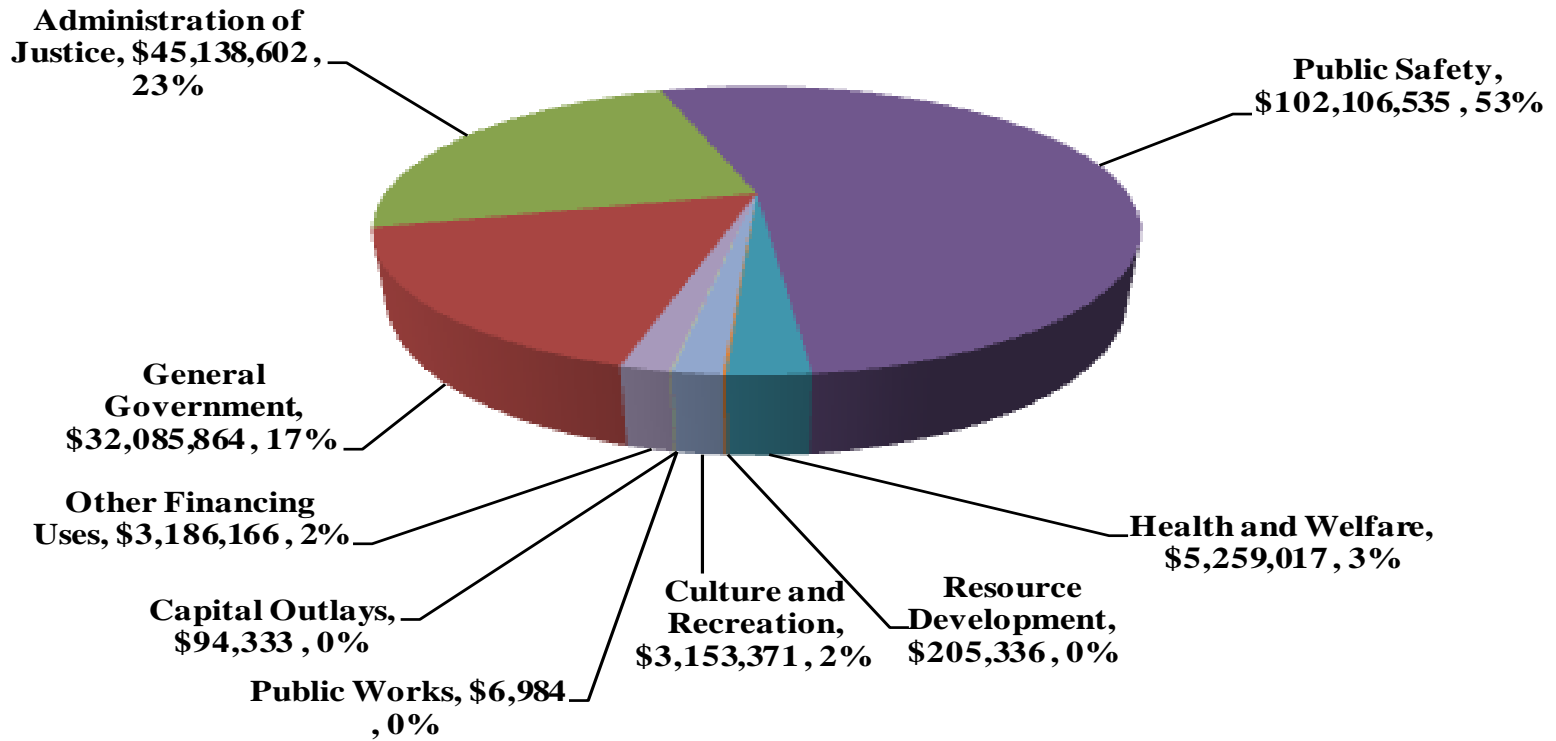
*Taxes – Property Taxes (\$111 million), Sales Taxes (\$39 million)

The County Revenue Overview

	2011 Actual	2010 Actual	Amount Increase / Decrease from FY 2010	% Increase / Decrease	2011 Actual as a % of Total Revenue & Other Sources
Tax Revenues	\$150,869,855	\$135,687,883	\$15,181,972	11.19%	73.44%
Licenses and Permits	231,371	266,313	(34,942)	(13.12%)	.011%
Intergovernmental	7,029,052	4,638,202	2,390,850	51.55%	3.42%
Charges for Services	36,474,166	31,470,380	5,003,786	15.90%	17.76%
Fines and Forfeits	6,218,678	4,481,117	1,737,561	38.78%	3.03%
Interest	1,125,637	1,258,459	(132,822)	(10.55%)	.055%
Miscellaneous	2,137,439	2,073,810	63,629	3.07%	1.04%
Other Financing Sources	1,334,082	6,323,455	(4,989,373)	(78.90%)	.65%
Total Revenues and Other Sources	\$205,420,280	\$186,199,619	\$19,220,661	10.32%	100.00%

The County Expense Overview

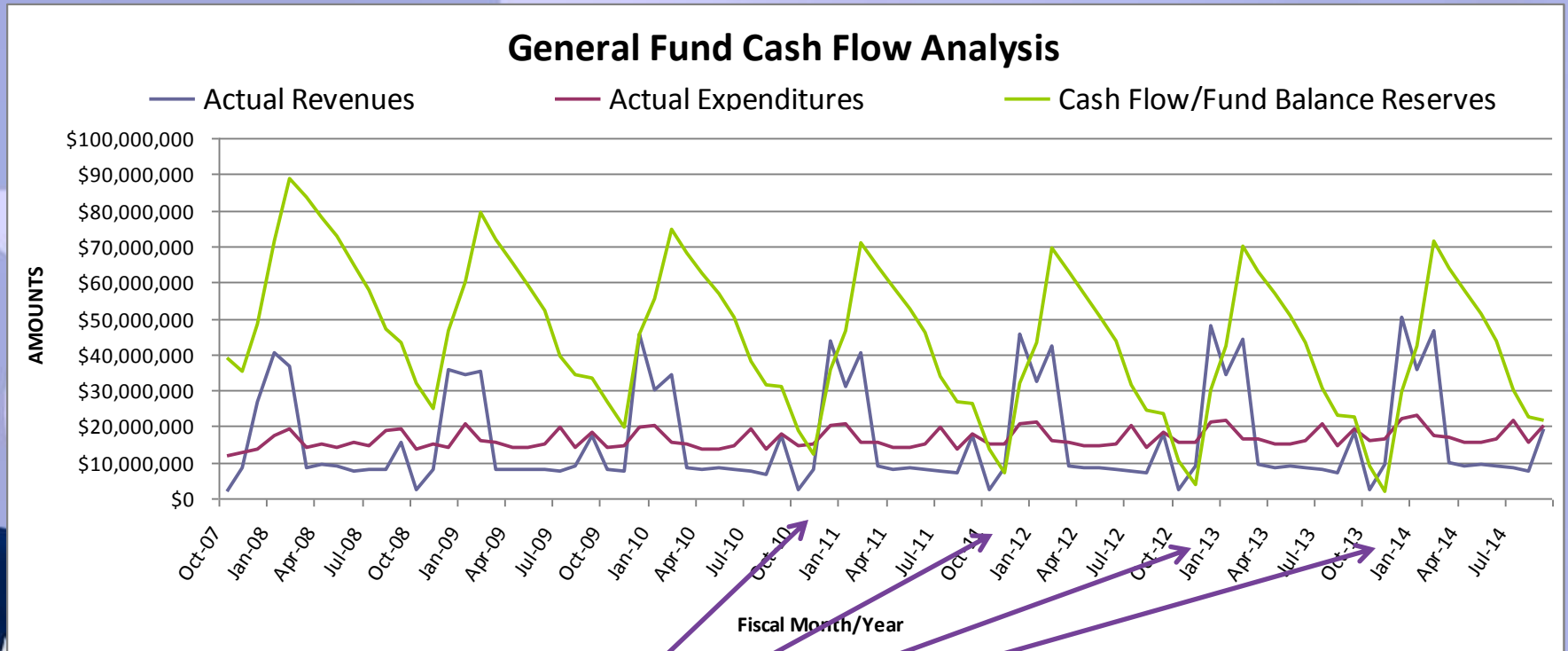
General Fund Expenditures



The County Expense Overview

	2011 Actual	2010 Actual	Amt Increase / Decrease from FY 2010	% Increase / Decrease	2011 Actual as a % of Total Expenses
General Government	\$32,085,864	\$33,117,900	(\$1,032,036)	(3.12%)	16.78%
Administration of Justice	45,138,602	45,367,759	(229,157)	(0.51%)	23.60%
Public Safety	102,1060,535	96,067,196	6,039,339	6.29%	53.39%
Health and Welfare	5,259,017	5,095,471	163,546	3.21%	2.75%
Resource Development	205,336	241,166	(35,830)	(14.86%)	0.11%
Culture and Recreation	3,153,371	2,642,251	511,120	19.34%	1.65%
Public Works	6,984		6,984	100%	0.00%
Capital Outlays	94,333	155,816	(61,483)	(39.46%)	0.05%
Other Financing Uses	3,186,166	3,281,060	(94,894)	(2.89%)	1.67%
Total Expenditures and Other Uses	\$191,236,208	\$185,968,619	\$5,267,589	2.83%	100.00%

Cash Balance Summary and Projections FY2007-FY2014



Note declining cash Balances

The County Fund Balance Overview

General Fund- Fund Balance, cont'd FY 2010 Beginning balance

\$32.6 Mil.

- ❖ Revenues and Transfers-In
(Incr. \$19.2 mil or 10.32%) \$205.4 Mil.
- ❖ Expenditures and Transfers-Out
(Increase \$5.2 mil or 2.83%) \$191.4 Mil.
- ❖ FY 2011 Rev-less Expend \$13.9 Mil.

FY 2011 Ending balance

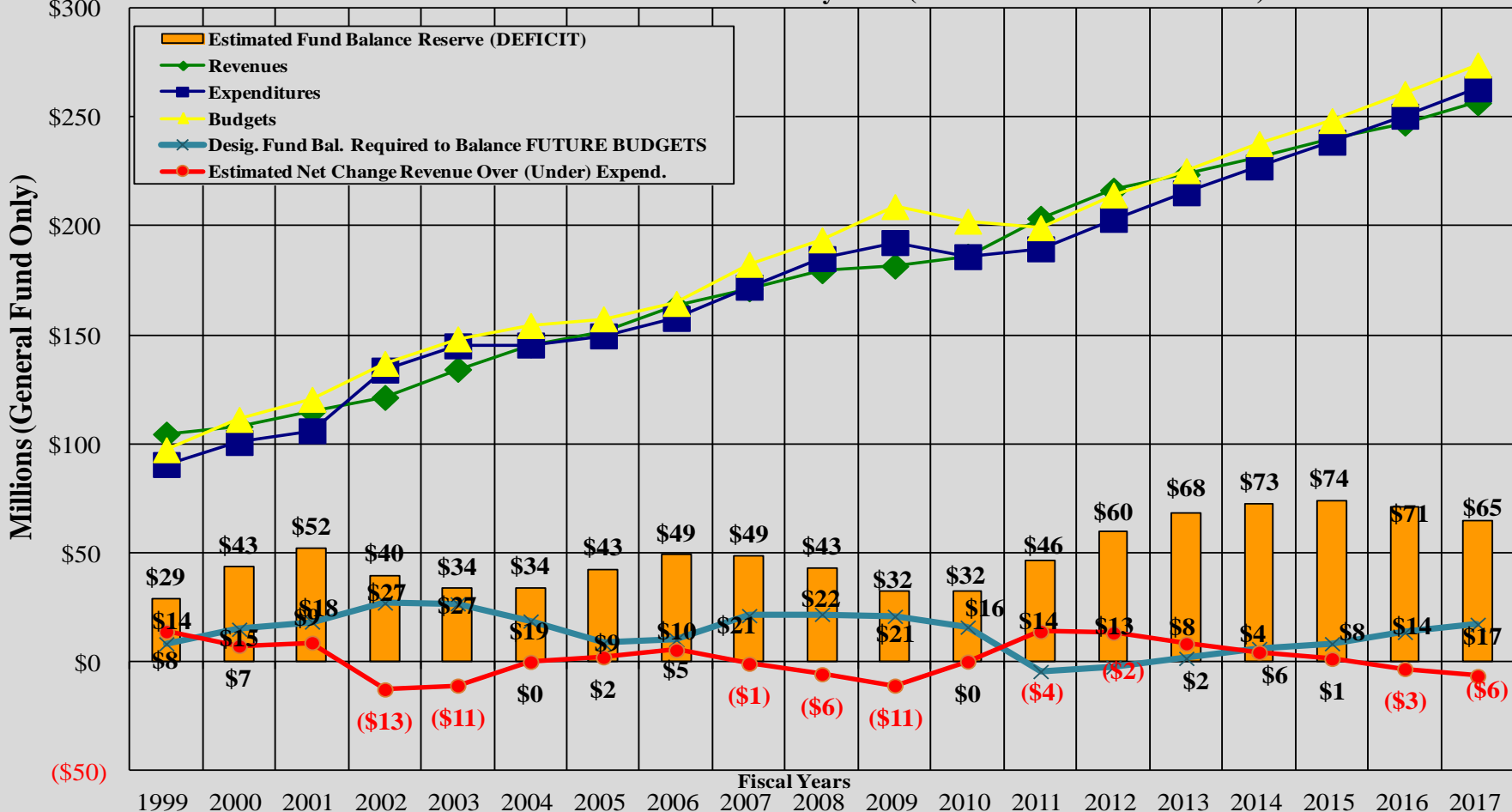
\$46.5 Mil.



The Big Picture

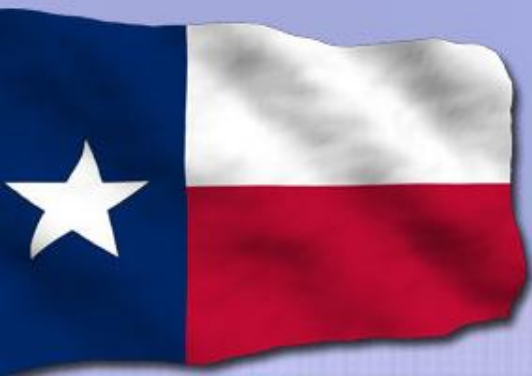
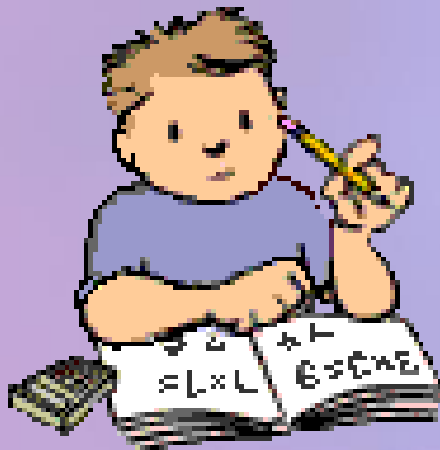
County Auditor's Financial Forecast February 2012 (Unaudited)

Assumes Adopted FY 2012 Effective Tax Plus and
Est. Future Growth in Tax Base Revenue by 2.5% (Includes Uncertified Revenues)



Important Point

**Make Sure You Understand The
Rules Of the Game!!**





Because of budget cuts we have to use the photocopier until we can get the mugshot camera repaired.

The County Auditor's Budget

Auditor's salary is set by District Judge(s)

**Auditor's travel and other allowances set by
District Judge(s)**

Asst. Auditor's salary set by District Judge(s)

**Auditor's operating budget may not exceed
more than 5% of prior year's operating
budget**



The County Auditor's Budget

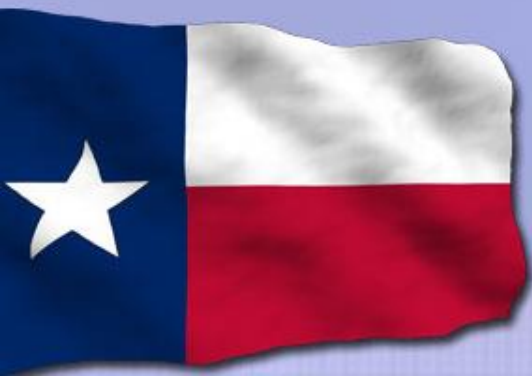
To calculate the 5% limitation take.....

Current Budget, less

**County Auditor's salary, less current
benefits**

**No individual existing asst. auditor's position
may be increased more than 5%**

LGC §111



Future Planning and Impacts

Actively monitor economic impacts on revenue trends and possible future negative legislative impacts

Budget Level Funding-Special Budget Workshops between departments and County Auditor (as warranted)

Regular updates to Comm. Court-Next meeting (Dates TBD)

Assess revenue enhancement to collection on assessments

Timely use of existing bond proceeds for eligible projects.

Identify future capital needs (CIP)

Budget change restrictions (by category)

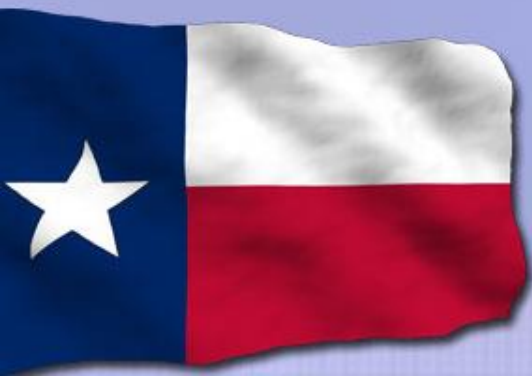
Savings through attrition

Contingency planning

Fuel, Utility, Contracts



PARTING THOUGHT



In Closing

ANALYSIS
SOLUTION
PROCESS
OBJECTIVES
TEAMWORK
VISION
SERVICE

