



## BURLESON COUNTY, TEXAS

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**DATE:** June 9, 2025

**TO:** All Department Heads

**FROM:** Commissioners' Court

**SUBJECT:** Fiscal Year (FY) 2026 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 2026 Budget will be prepared in the 10<sup>th</sup> month of the fiscal year.

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 FY2026 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 FY2026 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 FY2026 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 FY2026 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) 2026 BUDGET**

The 2026 fiscal year will begin Oct. 1, 2025 and end Sep. 30, 2026. 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 **10.12%**, new rate **9.99%**
- Death Benefits: Currently **0.32%**, new rate **0.29%**
- Unemployment Insurance rate: Currently **0.05%**, new rate **0.05% [pending]**
- Health Insurance: Currently **\$10,801.20** per employee plus \$1,200 for dependent per employee. New rates are determined by the TAC Risk Pool Board. The new annual cost based on our current plan will be **\$11,686.56. Estimated loss \$121,000**
- Pay Periods: (Full year + one day = 26 pay periods/2088 hours) FY2025 salaries were budgeted at 2,088 hours. In September 2025 we will have 70% of the final pay period paid in October that must be accrued. The FY2026 budget will be calculated at 2,088 hours plus an adjustment for year end accruals.
- Year End Purchases/Accruals: **Please make any end of year purchases prior to August 31th to allow for invoice processing and any necessary budget adjustments. Only routine expenses should be left for the month of September. Also remember that purchases do not appear in your budgeted expenditure reports until paid. All encumbrances we handle must be done manually until invoiced, therefore, we urge purchasing to be planned and made timely within the limits of the FY2025 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.
- Projected to Year End: Projected expenses based on YTD Totals for bills paid through 04/30/2025. Bills in process or received after that date will NOT be included in this total. However each department head is responsible for reporting any known adjustments to their projected expenses to the County Auditor.
- 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 will seek to give raises as funding allows.
- Capital & Non-capital Purchases: All equipment/vehicle 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.
- Line Item Increases: If justification for any increase is not provided on the increased expenditure request form, the increase may be reduced.
- Technology Purchases: Due to network compatibility and contractual issues, all Technology purchases, including software, computers, printers, etc, shall be approved by the County Auditor in advance and facilitated through the Technology budget. No individual department budget will be allowed to purchase technology items without prior approval from the County Auditor.
- Sales Tax Revenue: *Projection of NO increase for FY2026*
- Preliminary Property Tax Roll: **Possible decrease due to new legislative exemptions.**