

## City Finances - Transparency & Accountability

Frances F. Rodriguez, City Manager

Del Rio, Texas – (June 17, 2010) As we enter the last quarter of Fiscal Year 2009-2010 we are finalizing our Fiscal Year 2010-2011 City Budget and it is essential that as we continue there be transparency and accountability in the process. Only the continuous practice of efficient accounting practices can adequately deal with issues of accountability. We follow the budget process as defined by our City Charter to ensure transparency and accountability.

The budget requires forecasting of anticipated revenues by utilizing data from the last completed year, the estimated amount for the current fiscal year, and the proposed amount for the upcoming budget year. Revenue forecasting allows the City to evaluate financial risk, evaluate the sustainability of services currently provided to our citizens and identifies future commitments and resource demands. Forecasting is essential in making assumptions about future events based on available data, approved city service rates, increase or decrease in property value, local, regional and national economic conditions, interpretation of citizen's requests, and the historical data of our City.

The City of Del Rio's budget year begins October 1 and runs through September 30 of the following year. The City Manager, at least forty-five (45) days prior to the beginning of each budget year, submits a proposed budget to the City Council for approval. This year the City Council will schedule two special meetings (workshops) to review by fund(s) the proposed budget for Fiscal Year 2010-2011. The meetings are tentatively scheduled for August 5 and August 17, 2010, to be held at the City Hall Council Chambers.

At the first meeting (workshop) planned for August 5, 2010 the budget for the Enterprise Funds will be reviewed. This meeting is open to the public and citizens can comment on the proposed budget. Funds in this category include the Gas, Water, International Bridge, Refuse, Airport, Municipal Facilities and Wastewater funds. The Internal Service Funds will also be reviewed and include the Utility Billing, Fleet Maintenance, Management Information System (M.I.S.) and Health Insurance Funds. During this meeting the City Tax Collector will submit to the City Council the certified property values received from the Val Verde County Appraisal District and also submit the effective tax rates as calculated.

The second meeting (workshop) is planned for August 17, 2010, the budgets for the General Fund, Special Revenue Funds and Capital Project Funds will be reviewed during this meeting. A 'Public Hearing' to allow for interested persons to have an opportunity to be heard, for or against the proposed tax rate also will be held that night.

The City budget must be adopted by a majority vote of all members of the City Council. During the regularly scheduled City Council meeting to be held on September 14, 2010 the City will hold a 'Public Hearing' to hear comments for or against the proposed budget from interested citizens and at that meeting City Council may choose to adopt the proposed budget. Upon final adoption by City Council, the budget is filed with the City Secretary, the county clerk of Val Verde County, and the State Comptroller of Public Accounts in Austin. The budget and budget message is open to public inspection by anyone, available by request in the City Secretary's office, allowing for transparency.

Financial accounting is information that must be assembled and reported objectively, the information must be free from bias and inconsistency, for this reason, the City follows standards defined by the

General Accepting Accounting Principles (GAAP). The classification of City revenue and expenditure accounts are guided by GAAP, the total estimated expenditures of the general fund and debt service fund cannot exceed the total estimated income plus current cash on hand of each fund.

The City Council in May 22, 2007, passed Resolution No. 2007-071 which requires that the fund balance be maintained at no less than 25% of the budgeted annual expenditures for the year. At the end of each fiscal year, the City Council appoints a firm of independent certified public accountants who audit the financial statements of the City. This annual audit ensures the City of Del Rio safeguards its assets through sound accounting practices.

The firm of Garza/Gonzalez & Associates, Certified Public Accountants, was appointed by City Council to conduct an independent audit on the financial statements and activities that collectively comprised the City of Del Rio during Fiscal Year 2008-2009. The auditor's gave the City an 'unqualified opinion', meaning an opinion given without any reservations, the auditor feels the City followed all accounting rules appropriately and the financial reports are an accurate representation of the City's financial condition. The final report states "The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards." This annual audit reflected that the City maintained a higher reserve; this enables the City to maintain the higher bond rating that we presently have. The City continually strives to maintain a high bond rating; this rating allows us to borrow funds for capital projects at a lower interest rate because the City of Del Rio is considered a low risk for repayment of debt. City Council has once again selected the firm of Garza/Gonzalez & Associates to conduct an independent audit on the financial statements and activities during Fiscal Year 2009-2010.

Throughout the fiscal year the City Council is provided various financial reports for their review that allows them to monitor the financial condition of the City, such as, monthly Financial Reports, quarterly Investment Reports, quarterly Construction in Progress Reports, just to mention a few. I am also continuously meeting with City Council to discuss any concerns that they might have about the economic vitality and growth of our City.

This past year we have seen an economic downturn that has yielded budget cuts, shown revenues in decline, and had us evaluate and prioritize our services, seeking other funding methods. By continuing to be fiscally responsible and by constantly addressing any budget short falls in a timely manner the City will emerge from our current economic challenge continuing to be in a financially sound position.

I encourage you to get involved in our budget process, understand the revenues and expenditures. By being involved you are helping move Del Rio forward. The public hearing(s) will be published in the Del Rio News Herald, on our city website ([www.cityofdelrio.com](http://www.cityofdelrio.com)) or you may contact my office at 830-774-8558 and provide your contact information so that we can notify you when the proposed hearing date(s) I mentioned above have been approved by City Council.

Thank you for you support and remember my door is always open for your questions and concerns.