

City of Flatonia Official Statement

The City of Flatonia has received a letter from the Office of the Texas Attorney General, notifying the City that it is not in compliance with Chapter 103 of the Texas Local Government Code, which requires Texas municipalities such as the City of Flatonia, to undergo an annual financial audit and file a financial statement, including the auditor's comments or findings within 180 days (6 months) after the end of the municipality's fiscal year. The City of Flatonia's Fiscal Year begins October 1st and ends September 30th.

What this means, is that the City of Flatonia when preparing and adopting the next Fiscal Year Budget, the City may **not adopt** an ad valorem tax rate that exceeds the municipality's "No New Revenue" Tax Rate, until the City is in compliance with Section 103 of the Texas Local Government Code.

When adopting the current FY 2025-2026 Annual Budget for the City of Flatonia, the Flatonia City Council adopted the "Voter Approval Rate" of **\$0.28264 per \$100 of property valuation** which was lower than the previous year tax rate of \$0.28359 per \$100 of property valuation.

The City of Flatonia wants to ensure the citizens of Flatonia and all of our utility customers that we strive to be very transparent and to maintain compliance with State Law. The City of Flatonia is committed to bringing our Financial Audits into compliance and is diligently working with our financial advisor and auditors to ensure that.