



## **Village of Salado**

### **Comprehensive Financial Notice**

Regarding January 2023 Restricted Deposit, Bond Fund Transfers, and Financial Position

Prepared for Public Release and Board Review

Date: 4/2/2026



## **Executive Summary**

This report provides a comprehensive explanation of several interconnected financial matters impacting the Village:

- A \$945,625.08 check received in January 2023 without accompanying documentation.
- Historical declines in unrestricted fund balances.
- Capital expenditure overages in multiple fiscal years.
- Interfund loans to the wastewater fund.
- Auditor recommendations regarding bond fund consolidation.
- The financial implications if the restricted deposit were required to be returned.

The January 2023 check was recorded as restricted due to lack of guidance and has been reported monthly to the Board as part of restricted funds. However, no agreement governs the funds.

If repayment or segregation of the full amount were required:

- Restricted funds would decrease to approximately \$1,983,559.
- Unrestricted funds would remain approximately \$833,411

The unrestricted balance funds payroll and daily operations.

In July 2024, the Village auditor recommended consolidating the wastewater bond fund into the wastewater operating fund to improve liquidity and allow repayment of interfund loans.

This report is issued to ensure full transparency and to outline governance steps required for any formal action.



## **Full Public Notice**

### **I. January 2023 Deposit**

In January 2023, the Village received a check for \$945,625.08 from Mr. Collins without accompanying documentation or agreement. The funds were deposited and classified as restricted escrow. The Village has not located any documentation or agreement associated with its receipt of this check, as none appears to exist.

The amount has been included in restricted fund balances reported monthly to the Board. Although classified as restricted, funds were used for internal cash flow on projects experiencing overages.

### **II. Legal Considerations**

Because no agreement exists:

- There are no defined terms governing use or return.
- No escrow or other agreement exists.
- No repayment or reimbursement structure is documented.

Any return of funds or formal escrow designation would require a written agreement between the Board and Mr. Collins or his legally authorized estate representative.

Following a full internal investigation, review of the State Attorney General, and the Bell County District Attorney, a determination was made that the actions taken were not criminally negligent.

### **III. Historical Financial Trends**

Unrestricted Fund Balances:

FY21: \$1,326,848

FY22: \$975,025

FY23: \$681,971

FY24: (\$89,071)

These figures reflect operating deficits and capital pressure in recent years.



#### IV. Capital Spending and Liquidity

Capital outlays exceeded budget in several fiscal years, placing additional strain on unrestricted cash reserves. The general fund has also extended loans to the wastewater fund.

#### V. Wastewater Bond Fund and Auditor Recommendations

In July 2024, the Village's auditor noted that wastewater bonds had been fully expended and recommended consolidating the remaining bond fund balance into the wastewater operating fund. This would allow partial repayment of interfund loans and improve general fund liquidity.

#### VI. Financial Impact if January 2023 Check is Returned to Collins

If \$945,625.08 were returned:

- Restricted balance  $\approx$  \$1,983,559
- Unrestricted balance  $\approx$  \$833,411

Unrestricted funds support payroll and operational expenses. Any payout would require careful cash flow planning.

#### VII. Audit findings

Full audits have been conducted annually and reports received by the Village indicate that the financial information presented fairly in all material aspects.

#### VII. Moving Forward

The \$945,625.08 has been moved from the general fund to a restricted fund; should there be a need to access these funds, this will require an action by the Board of Aldermen and all transfer requests shall be signed by at least 2 elected members of the Board of Aldermen with a plan to replenish the funds accessed.

A 5-year capital improvement plan will be submitted annually with the operating budget for the Village.

The Village of Salado Comprehensive Fund Balance Policy will be reviewed, updated, and any revisions adopted over the coming months.



IX. Commitment to Transparency

This report is provided to ensure full public disclosure, clarify financial relationships between funds, and outline governance requirements for future Board action.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Uryan Nelson', is written over the typed name.

Uryan Nelson  
Interim Village Administrator  
Village of Salado  
[villageadministrator@saladotx.gov](mailto:villageadministrator@saladotx.gov)



## **Appendix A – Financial Data Summary**

### **Unrestricted Fund Balance History**

<b>Fiscal Year</b>	<b>Unrestricted Fund Balance</b>
FY21	\$1,326,848
FY22	\$975,025
FY23	\$681,971
FY24	(\$89,071)

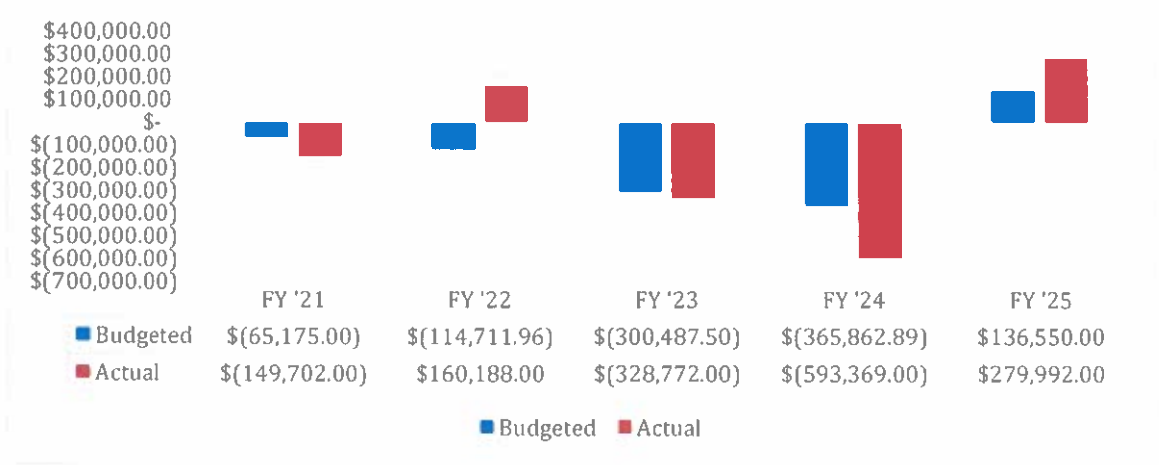


## Appendix B – Financial Charts

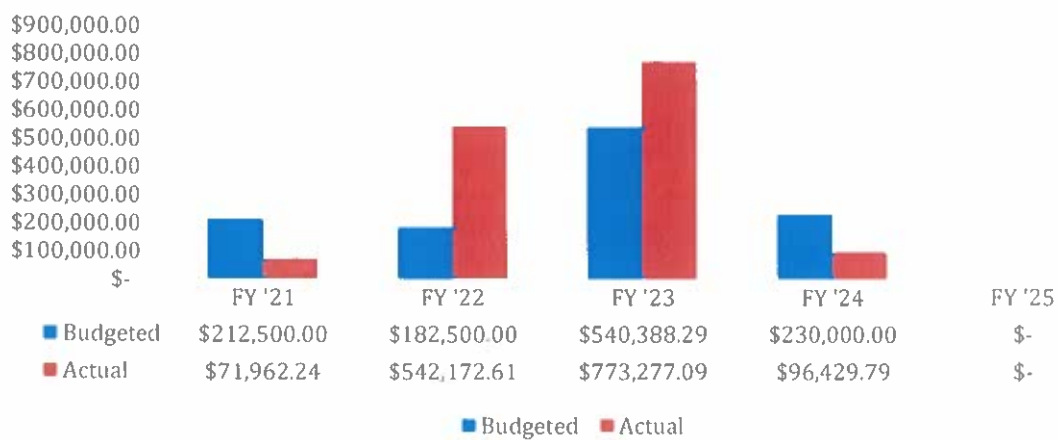
See attached Financial Charts.pdf for graphical representations of:

- Budgeted vs Actual Net Revenues FY21–FY25
- Capital Outlays Budgeted vs Actual FY21–FY25
- Unrestricted Fund Balance Trends

### Budgeted vs Actual Net Revenues FY'21-FY'25

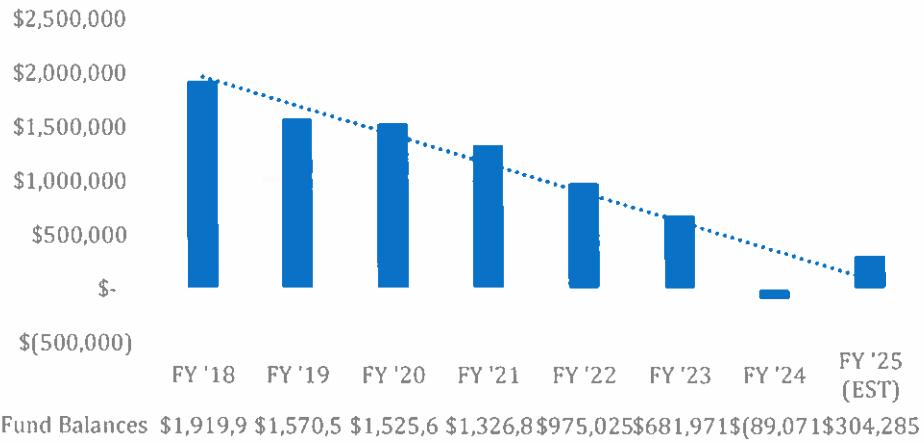


### Capital Outlays Budgeted vs Actual FY'21-FY'25

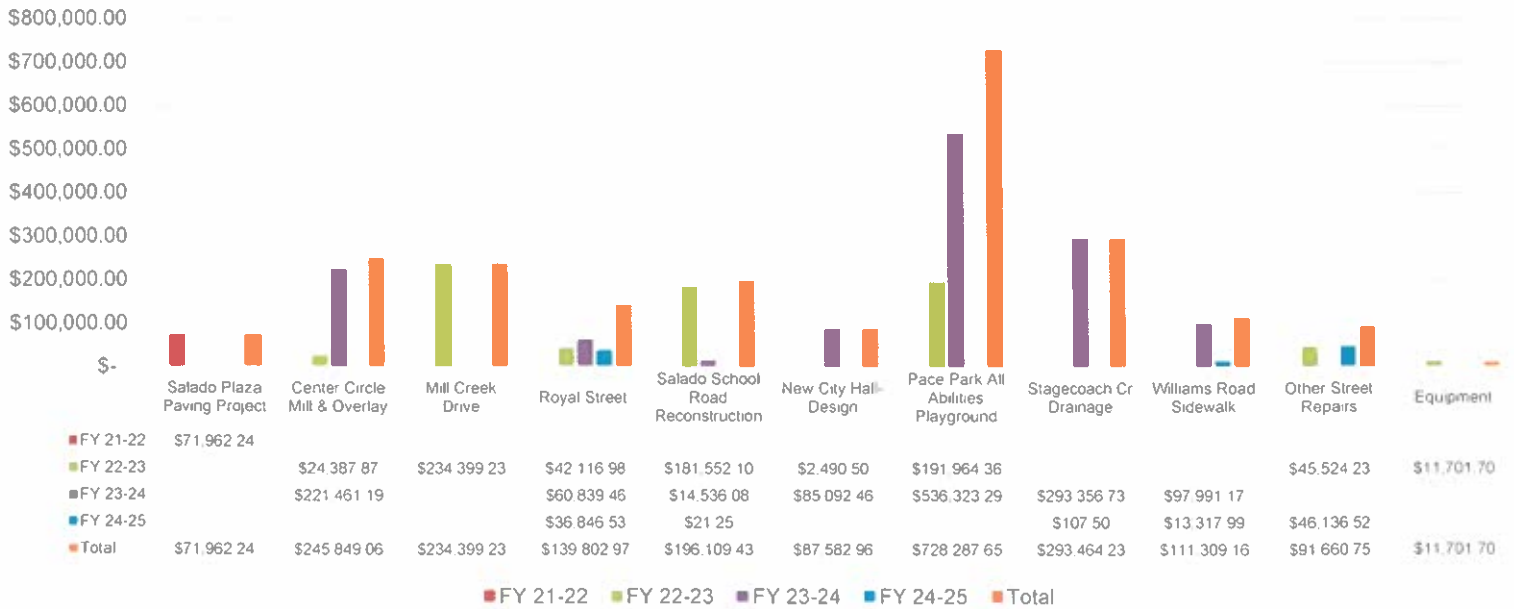




### Unrestricted Fund Balances



### Capital Outlay Costs by Projects



\*Total capital outlay funding FY21-FY25 \$2,212,129.38