

General Fund Financial Update

Village of Salado · Board of Aldermen

Presentation · FY2026 Year-to-Date through March 31,
2026

Tonight's Agenda

A focused briefing on the General Fund, followed by Board questions and direction.

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Executive Summary

The General Fund is performing well through the first six months of FY2026, with revenues ahead of target and expenditures well controlled.

108%

Revenues vs. YTD Budget

\$1,866,790 collected — exceeding the YTD target

90.75%

Expenditures vs. YTD Budget

Strong cost control across all departments

\$1.16M

Unrestricted Fund Balance

Available for general operations

\$2.06M

Cash Position

Healthy liquidity across the General Fund





FY2025 AUDIT

Clean Audit Opinion

The Village of Salado received an **unmodified (clean) audit opinion** for FY2025 — the highest standard of assurance from an independent auditor.

Source: FY2025 Independent Audit Report

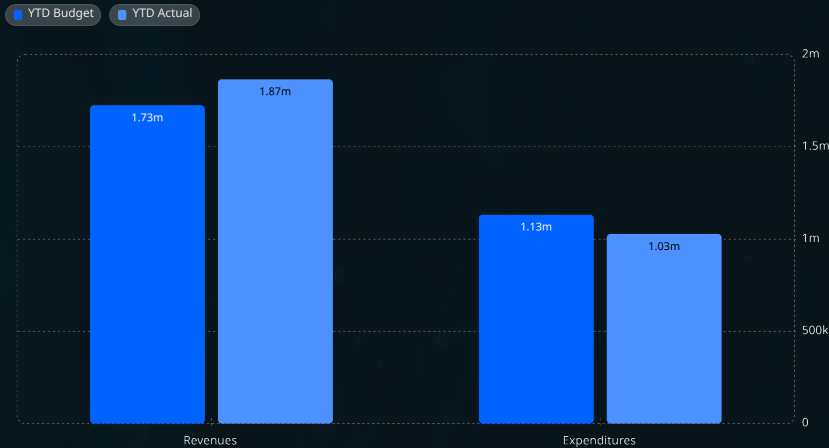
✓ Financial Reporting

Statements are accurate and fairly presented

✓ Compliance

Sound internal controls and regulatory adherence

Budget vs. Actual — YTD through March 31, 2026



Key Takeaways

The Village has exceeded revenue targets while keeping expenditures well under budget — resulting in a strong mid-year position.

\$1,866,790

Revenues — **108.15%** of YTD budget

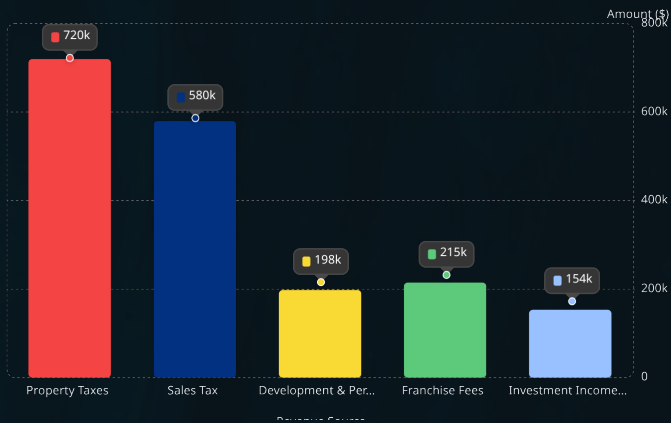
\$1,028,642

Expenditures — **90.75%** of YTD budget

\$819,921

YTD Net Income (surplus)

Revenue Trends & Sales Tax Outlook



Revenue Highlights

- **Property Taxes:** Strong — largely collected for the year
- **Sales Tax:** On track, with a permanent increase expected from **September 2026** (QuikTrip, Taco Bell, Starbucks, Anytime Fitness)
- **Development & Permit Fees:** \$198,163 — **127.89%** of YTD budget, driven by one large project not expected to recur at this pace
- **Franchise Fees & Investment Income:** Performing well

- ✓ Ongoing sales tax increase from new commercial development begins **September 2026** — a positive permanent revenue gain.

Expenditure Trends by Department



Cost Control Across the Board

All departments are operating at or under their **YTD budget**, reflecting disciplined spending through the first half of FY2026.

- **Public Safety** is the largest expenditure category at 94.49% of YTD — within acceptable range
- **Development Services** at 86.27% — well under budget
- Overall expenditure control has been a key driver of the \$819,921 YTD surplus

Balance Sheet Snapshot — March 31, 2026

Assets

\$2,058,534

Cash & Equivalents — strong liquidity position

\$1,155,145

Unrestricted Fund Balance available for general operations

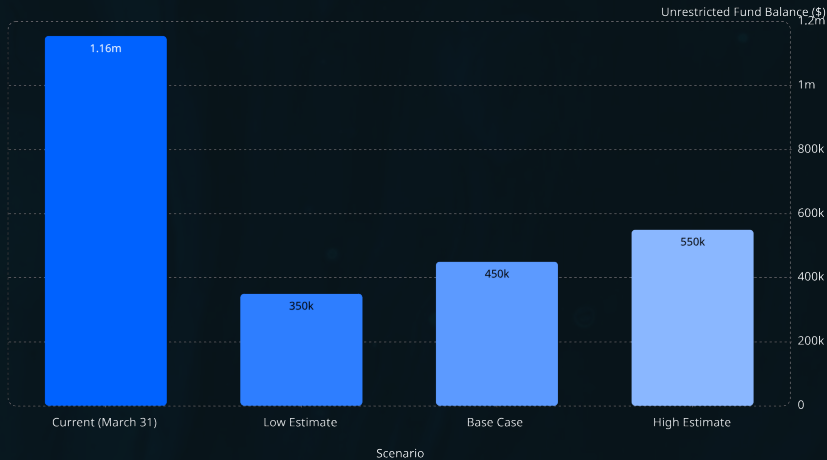
Liabilities & Notes

~\$1,075,766

Development Escrows — held as a liability; **not available** for general operations

⚠️ Development escrow funds belong to developers and are restricted; they are excluded from the operational fund balance calculation.

Year-End Reserve Projection — September 30, 2026



Conservative Year-End Outlook

Even assuming **full spending** in personnel, professional services, and development services through September, the Village is projected to end FY2026 with a healthy operational reserve.

Based on March 2026 VOS reports and conservative assumptions including normalized development fees.

\$1,155,145

Current unrestricted fund balance (March 31, 2026)

\$350K – \$550K

Projected year-end range · **Base Case: ~\$450,000**

Remaining 6-Month Outlook — April through September 2026

The table below reflects a realistic, conservative view of the second half of FY2026.

Category	Estimated Amount	Notes
Projected Revenues	\$750,000 – \$950,000	Sales tax (incl. ongoing increase starting Sept.) + normalized permit fees
Projected Expenditures	\$1,250,000 – \$1,400,000	Full personnel, professional services & development services spending
Net Change	(\$300,000 – \$500,000)	Planned use of YTD surplus — anticipated and budgeted
Projected Ending Fund Balance	\$350,000 – \$550,000	Base Case: ~\$450,000 — remains a healthy operational reserve

- ☐ Projections are based on March 2026 financial reports using conservative assumptions. The Village is on track to maintain adequate reserves through fiscal year-end.

Financial Health KPIs & Outlook

The General Fund remains financially sound entering the second half of FY2026, with positive indicators across all key dimensions.



Fund Balance

Adequate — \$1,155,145 currently; projected \$350K–\$550K at year-end



Cash Position

Strong — \$2,058,534 in cash & equivalents as of March 31



Revenue Outlook

Positive — permanent sales tax increase from new businesses beginning September 2026



Overall Outlook

Stable — sound audit opinion, controlled spending, and growing revenue base

Thank You

The General Fund is in a strong position, and the Village is well-positioned for a stable fiscal year-end. The Board's continued oversight and guidance are appreciated.

Questions or Direction?

We welcome questions from the Board and are happy to provide additional scenarios or detail as needed.

Contact

Village Administrator — All data sourced from official Village financial records.

All data from official Village of Salado financial reports · FY2026 YTD through
March 31, 2026

