

FY 25 AUDIT RESULTS & FY 26 FINANCIAL UPDATE



Town Council Work Session
February 11, 2026

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FY 2025
AUDIT RESULTS

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FINANCIAL HIGHLIGHTS

- Unqualified Audit Opinion (clean bill of health)
- Financial Reporting & Budget Awards from GFOA
- Triple A Bond Rating

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GENERAL FUND – BOTTOM LINE

We have about \$3 million available to appropriate
from FY 2025 excess fund balance

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RECOMMENDED USE OF ONE-TIME FUNDS

• Greene Tract MOU	\$ 100,000	} \$3,000,000
• FEMA Administrative Support Contract	140,000	
• Street Maintenance Equipment	400,000	
• Downtown Funding Needs	360,000	
• Fire Station 4 Demolition	1,000,000	
• Infusion of \$ to debt fund to ensure funding plan stays on scheduled timeline	1,000,000	

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GENERAL FUND (GF) – FUND BALANCE RESULTS

- Overall, General Fund fund balance is up \$2,650,391
- Unassigned fund balance is \$24,886,356
- Available fund balance percent is 29.0%
- Amount of excess fund balance is \$6,004,676

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GF – AVAILABLE FUND BALANCE

- Available Fund Balance calculation
 $\$24,886,356 / \$85,825,816 = \mathbf{29.0\%}$
(unassigned fund balance/total expenditures)
- Amount Available to Appropriate per calculation

\$ 24,886,356	unassigned fund balance @ 29%
<u>(18,881,680)</u>	unassigned fund balance @ 22%
\$ 6,004,676	

GF - FUND BALANCE RECOMMENDATION

Calculation: \$21.9 million / \$99.0 million = 22.1%
 (estimated unassigned fund balance/total expenditures)

Numerator: \$ 24.9 million FY 2025 unassigned fund balance
 (3.0)million Recommended excess fund balance appropriation
 \$ 21.9 million

Denominator: \$ 94.9 million FY 2026 General Fund adopted budget
 (1.0) million Typical year-end savings
 2.1 million FY 2025 carryforward
 3.0 million Recommended excess fund balance appropriation
 \$ 99.0million

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GF – FUND BALANCE RECOMMENDATION

- Things to consider when determining amount to appropriate:
 - Each year, budget gets bigger (larger denominator)
 - FY 2025 expenditures were lower than normal
 - Amount available to appropriate continues to decrease each year
- Recommendation
 - Safe to appropriate \$3 million in excess fund balance

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OTHER GOVERNMENTAL FUND RESULTS

- **Debt Fund** – addition of \$1.42 million in fund balance
- **Capital Projects Ordinance Fund** – planned use of \$352K in fund balance
- **American Rescue Plan Fund** – no change in fund balance
- **Transit Capital Grants Fund** – decrease of \$667K in fund balance

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ENTERPRISE FUND RESULTS

- **Transit Fund** – addition of \$7.2 million in fund balance
- **Parking Fund** – addition of \$1.6 million in fund balance
- **Housing Fund** – reduction of \$13K in fund balance
- **Stormwater Fund** – planned reduction of \$194K in fund balance

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FY 2026
FINANCIAL UPDATE

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FY 26 GENERAL FUND REVENUE UPDATE

REVENUE SOURCE	FY 2026 BUDGET	FY 2026 ACTUAL @ 12/31	FY 2025 ACTUAL @ 12/31
Property Taxes	\$ 50,530,000	\$ 38,864,057	\$ 31,728,629
Sales Taxes	21,528,427	5,763,799	5,423,061
Other Taxes	1,850,000	802,088	814,092
Intergovernmental	9,703,272	3,035,464	3,058,791
Charges for Services	6,173,959	1,166,633	1,680,780
Licenses & Permits	2,898,530	1,740,530	1,197,872
Other Revenues	1,223,662	770,661	806,288
Approp Fund Balance	3,090,239	0	0
TOTAL	\$ 96,998,089	\$ 52,143,232	\$ 44,709,513

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FY 26 GENERAL FUND EXPENDITURE UPDATE

- At the end of the 2nd quarter, we would expect to have spent about 50% of the budget; actual is 48.6%
- Town has spent 47.1% of personnel budget
- Town has spent 58.7% of operating budget

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NEXT STEPS

- No decision required tonight
- Feb/Mar - Return to Council at upcoming business meeting to discuss and vote on the appropriation of \$3 million of excess fund balance.
- Mar/Apr - Begin discussing FY 2027 budget

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