

SMITH COUNTY, TEXAS BASELINE BUDGET

The Starting Point

Use this deck to establish the current-services baseline, isolate policy choices, and support transparent budget deliberations.

Baseline

Current-service continuity and contractual obligations

Decision-ready

Separates operational necessity from additional funding requests.

Foundation

Foundation for fiscal planning and future analysis.

Prepared for: Smith County Commissioners
Court

Budget Year: 2027

Date: 06/15/2026

Presentation Roadmap

- 1 Purpose & Guardrails**
Define what the baseline is and is not.
- 2 Baseline Methodology**
Explain what's included/excluded.
- 3 Financial Position**
Summarize M&O revenue and necessary expenditures.
- 4 Decision Points**
Identify policy choices and next steps for Commissioners Court.

Purpose of the Baseline Budget

Primary Objective

Establish the cost of continuing current service levels under existing programs, staffing, contracts, and statutory obligations.

Not the Final Budget

This is not a proposed tax rate or final adopted budget. It is a decision platform for future additions, reductions, and prioritization.

Decision Support

Creates a common factual baseline for revenue assumptions, expenditure pressures, personnel, capital, and fund balance impacts.

Baseline Methodology: What Steps Were Completed to Develop the Baseline Budget?

Included

Existing positions, recurring contracts, known debt service, routine operating costs, mandated services.

Normalized

Review one-time items, unusual prior-year spending, timing distortions, and temporary grant activity.

Excluded

New positions, new programs, service expansions, and discretionary capital expenditures.



Revenue Baseline FY 2027

Property Tax

Preliminary taxable values

Sales Tax

Trend, seasonality, local economy, one-time anomalies, inflation-sensitive categories.

Fees & Charges

Court fees, permits, service fees, user charges, statutory fee constraints.

Intergovernmental

Grants, reimbursements, state/federal funds, restricted-use revenue.

	General	Road and Bridge- Special Revenue	Debit Service	Facility Improvements	Total
	10	75	70	45	
REVENUES					
<i>Taxes:</i>					
Taxes - Current	74,022,015	12,147,546	19,985,714	2,858,246	106,155,275
Taxes - Delinquent	600,000	100,000	100,000	20,000	800,000
Sales Tax	29,500,000	-	-	-	29,500,000
Other Taxes	1,560,000	-	-	-	1,560,000
<i>Reimbursements</i>	1,898,000	-	-	-	1,898,000
<i>Interlocal Agreements</i>	630,000	-	-	-	630,000
<i>Fines & Fees</i>	8,993,625	3,328,000	-	-	12,321,625
<i>Interest</i>	2,300,000	580,000	50,000	170,000	2,930,000
<i>Miscellaneous</i>	197,300	-	-	50,000	197,300
TOTAL PROJECTED REVENUE	119,700,940	16,155,546	20,135,714	3,098,246	155,992,200

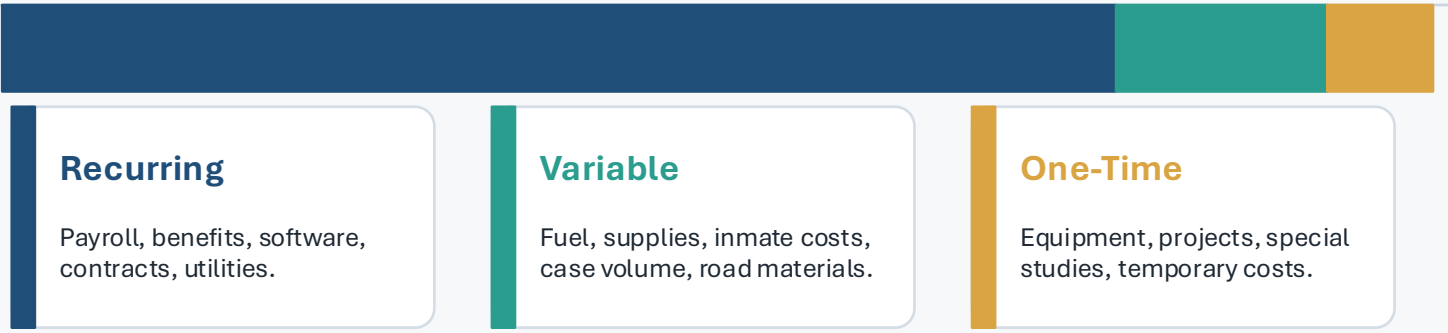
Countywide Financial Overview- Expenses

Fund / Area	FY 2026 Adopted	FY 2027 Baseline	Change	Driver
General Fund	\$110,810,514	\$114,224,027	\$3,413,513	Payroll Increases (167 Employees Received Longevity-Based Pay Range Increases), New Courthouse Expenses, Inflationary Pressures
Road & Bridge	\$16,563,549	\$23,789,429	\$7,225,880	Material Price Increase and Special Projects Using Fund Balance
Debt Service	\$18,156,489	\$19,963,464	\$1,806,975	Bond schedules/Payments
Capital Projects	\$7,732,000	\$6,732,000	\$(1,000,000)	One-time projects- Decrease in Budget for ERP Implementation

Key message

- What is structurally recurring?
- What is one-time?

Expenditure Baseline



EXPENSES

Category					
Salaries	55,071,470.00	5,472,300.00	-	-	60,543,770.00
Fringe Benefits	20,944,002.00	2,141,588.00	-	-	23,085,590.00
Supplies	935,120.00	4,990,300.00	-	-	5,925,420.00
Operating Expenses	7,206,059.50	433,500.00	-	4,657,000.00	12,296,559.50
Contract Agreements	8,744,868.85	2,093,250.00	-	-	10,838,118.85
Other Services & Charges	12,226,814.00	207,491.00	-	-	12,434,305.00
Criminal Justice Expenses	6,341,735.00	-	-	-	6,341,735.00
Capital Expenditures	2,753,957.55	8,451,000.00	19,963,464.26	-	31,168,421.81
Capital Improvements	-	-	-	2,025,000.00	2,025,000.00
Other Financing	11,500,000.00	-	-	50,000.00	11,550,000.00
TOTAL PROJECTED EXPENDITURES (Including Transfers (In/Out))	125,724,026.90	23,789,429.00	19,963,464.26	6,732,000.00	176,208,920.16
Transfers (In/Out)					
Transfer from General Fund to Health Insurance Fund	(6,000,000.00)				
Transfer from General Fund to Juvenile Services Fund	(5,500,000.00)				
Transfer From Facility Improvement Fund to JAC Maint Fund				(50,000.00)	
TOTAL PROJECTED EXPENDITURES (ADJ FOR TRANSFERS (IN/OUT))	114,224,026.90	23,789,429.00	19,963,464.26	6,682,000.00	164,658,920.16

Revenues Less Expenditures

Smith County, Texas Statement of Forecasted Revenues, Expenditures, and Changes in Fund Balances For the Budget Year 26/27 (October 1, 2026 to September 30, 2027)

	General	Road and Bridge- Special Revenue	Debit Service	Facility Improvements	Total
	10	75	70	45	
REVENUES					
<i>Taxes:</i>					
Taxes - Current	74,022,015	12,147,546	19,985,714	2,858,246	106,155,275
Taxes - Delinquent	600,000	100,000	100,000	20,000	800,000
Sales Tax	29,500,000	-	-	-	29,500,000
Other Taxes	1,560,000	-	-	-	1,560,000
<i>Reimbursements</i>	1,898,000	-	-	-	1,898,000
<i>Interlocal Agreements</i>	630,000	-	-	-	630,000
<i>Fines & Fees</i>	8,993,625	3,328,000	-	-	12,321,625
<i>Interest</i>	2,300,000	580,000	50,000	170,000	2,930,000
<i>Miscellaneous</i>	197,300	-	-	50,000	197,300
TOTAL PROJECTED REVENUE	119,700,940	16,155,546	20,135,714	3,098,246	155,992,200
EXPENSES					
<i>Category</i>					
Salaries	55,071,470	5,472,300	-	-	60,543,770
Fringe Benefits	20,944,002	2,141,588	-	-	23,085,590
Supplies	935,120	4,990,300	-	-	5,925,420
Operating Expenses	7,206,060	433,500	-	4,657,000	12,296,560
Contract Agreements	8,744,869	2,093,250	-	-	10,838,119
Other Services & Charges	12,226,814	207,491	-	-	12,434,305
Criminal Justice Expenses	6,341,735	-	-	-	6,341,735
Capital Expenditures	2,753,958	8,451,000	19,963,464	-	31,168,422
Capital Improvements	-	-	-	2,025,000	2,025,000
Other Financing	5,500,000	-	-	50,000	5,550,000
TOTAL PROJECTED EXPENDITURES (Including Transfers (In/Out))	119,724,027	23,789,429	19,963,464	6,732,000	170,208,920
Net Change in Fund Balance	(23,087)	(7,633,883)	172,250	(3,633,754)	(14,216,720)

Carry-Forward Revenue vs Expenditures- General Fund (10)

FY 26 Adopted Budget Rollforward to FY 27		
Beginning Fund Balance @ 10/1/25		52,264,051.00
Add:	Revenues	114,736,800.00
Less:	Expenditures	
	M&O Expenses (General Fund)	110,810,514.00
	Juvenile Services Yearly Transfer	5,500,000.00
	Reduction in Fund Balance- Transfer to Health Insurance Fund (One-time)	6,000,000.00
Net Change in Fund Balance: Increase/(Decrease)		(7,573,714.00)
Unrestricted Reserves (Projected Fund Balance) @ 09/30/2026		44,690,337.00
Net Change (Adj for One-Time Transfer)		(1,573,714.00)
Add:	Projected Increase in General Fund Revenue FY 27	4,964,140.00
Less:	Projected Increase in General Fund Operating Expenses for FY 27	3,413,513.00
Projected Net Change in Revenue vs Expenditures (FY 27)		(23,087.00)

Recommended Next Steps

Confirm Assumptions

Review revenue, payroll, benefits, contracts, debt, and project fund balances.

Variance Analysis Review

Identify accounts with large variances between previous years' budget to actual and determine cause to correct the surplus.

Net Taxable Value Scenarios

Prepare tax-rate scenarios based on revised revenue estimates.

Review Additional Funding Packages

Commissioners Court to rank priorities, set guardrails, and authorize proposed-budget development.