Sweet Home Oregon

FY2026 – End of Year – Financial Report

Overall, the city remains in a good financial position. Beginning balances can still change as audits are completed. “Actuals” shown in this report are not finalized until after the audit for FY26 is completed.

I anticipate the FY25 audit to be completed by October. Afterwards, the FY26 audit can begin which I’m assuming will be completed by April of 2027. After that, the City will be back on track with audits.

General Fund

Beginning Balance **Budget: $4,175,000** **ACTUAL: $4,030,401**

The beginning balance came in less than budgeted but did not have any impact on services. This is nothing to worry about at this time.

Revenues **Budget: $3,536,000** **ACTUAL: $6,003,335**

Revenues appear much higher than budgeted due to interest revenue. This, again, is a preliminary number. Bank reconciliations and a final year clean up in preparation for the FY26 audit are still to be completed. General Fund property taxes came in 2.6% over budget. Franchise Fee revenue was 10% higher than budgeted. Community & Economic Development revenue (permits & fees) came in 51% over budget.

Expenditures **Budget: $4,204,000** **ACTUAL: $4,057,722**

Overall General Fund expenses came in at 97%. A couple departments went over budget this year, but overall expenditures were still under budget authority with the help of other departments that came in under budget. The City is remaining steady services and programs, which is assisting the General Fund in controlling expenses.

Police Fund

Beginning Balance **Budget: $3,420,000** **ACTUAL: $3,508,492**

The beginning balance remains strong and steady.

Revenues **Budget: $4,500,000** **ACTUAL: $4,595,876**

Property taxes are the main source of revenue for the Police Fund and came in 2.7% higher than budgeted.

Expenditures **Budget: $4,795,000** **ACTUAL: $4,579,142**

Overall expenses came in at 95% of what was budgeted. The Police Department should be able to maintain long term sustainability as long as expenditures do not overreach anticipated revenues that are solely based on property taxes.

Library Fund

Beginning Balance **Budget: $1,539,000** **ACTUAL: $1,483,109**

The beginning balance is still strong and steady even though there was a small drop compared to what was originally budgeted.

Revenues **Budget: $693,000** **ACTUAL: $736,584**

Property taxes are the main source of revenue for the Library Fund and came in 4.9% higher than budgeted. Grant revenues came in higher than budgeted as well.

Expenditures **Budget: $1,512,000** **ACTUAL: $669,345**

Even though overall expenditures did come in under budget authority, the Library did go over budget by 1% in materials and services. Utilities came in higher than budgeted, which was the main contributor to going over budget. Of the $1.5 Million in expenses, $850k was earmarked for potential capital outlay that did not occur this year.

SDC Funds (Water, Sewer, Storm, Transportation & Parks)

Beginning Balances (Combined) **Budget: $3,928,000** **ACTUAL: $4,110,951**

The beginning balance came in higher than budgeted which is great.

Revenues (Combined) **Budget: $187,000** **ACTUAL: $498,930**

Revenues for SDCs this year came in much higher than budgeted. SDC revenue is solely based on potential development and all SDC funds saw an increase in revenue this past year.

Expenditures (Combined) **Budget: $4,115,000** **ACTUAL: $4,743**

Expenses came in well under budget, but this is to be expected. The City may struggle in the future to spend SDC funds depending on future projects and specifically around SDC-eligible projects. This is something the City is reviewing on an ongoing basis with updated capital project plans.

Transportation Fund

Beginning Balance **Budget: $787,000** **ACTUAL: $853,214**

The beginning balance came in higher than budgeted which is great.

Revenues **Budget: $919,000** **ACTUAL: $1,004,663**

Revenues came in higher than budgeted. The main source of revenue for the Transportation Fund is the State Gas Tax, which came in at 1% higher than budgeted.

Expenditures **Budget: 863,000** **ACTUAL: $723,552**

Expenses came in lower than budgeted, which is great for this fund. There is not a lot of available resources in the Transportation Fund, and if the City chooses to use fund balance for capital projects, it will deplete the entire fund in less than a year. Grants will be an important resource for Transportation projects moving forward for the city.

Water Fund

Beginning Balance **Budget: $3,100,000** **ACTUAL: $3,737,312**

The beginning balance came in higher than budgeted which is great news.

Revenues **Budget: $2,810,000** **ACTUAL: $2,870,626**

Revenues mainly come from Water utility sales, which came in 2% higher than budgeted.

Expenditures **Budget: $2,916,000** **ACTUAL: $2,085,183**

Expenses came in lower than budgeted, due mainly to capital projects that did not occur during the year. If you remove capital outlay from the expenditure, then expenses were spent at 98%.

Sewer Fund

Beginning Balance **Budget: $5,999,000** **ACTUAL: $4,977,900**

The beginning fund balance did drop; however it is important to remember that these balances will continue to change as we finalize audits for FY25 and FY26.

Revenues **Budget: $3,241,000** **ACTUAL: $3,324,220**

The main source of revenue for this fund are Sewer utility sales, which came in 3% higher than budget.

Expenditures **Budget: $2,400,000** **ACTUAL: $2,280,947**

Expenses came in spent at 95% of budget.

Storm Fund

Beginning Balance **Budget: $630,000** **ACTUAL: $580,201**

The beginning balance for Storm Fund fell slightly.

Revenues **Budget: 270,000** **ACTUAL: $269,681**

The main source of revenue for this fund is the Storm fee on the utility bill. This flat fee makes forecasting revenue fairly simple and thus the revenue came in at basically 100% of what was budgeted.

Expenditures **Budget: $567,000** **ACTUAL: $217,304**

Expenses came in at 38%, however this number includes budgeted capital projects. If you remove capital projects from the equation, spending was at 69%. This fund does have vital capital projects upcoming that will require additional revenue. This means that rate hikes for this fee will be required if the city wants to keep up with its capital planning.

Other Information

The city still maintains a reserve fund in its finances. As of right now, the balance in this reserve fund is $673,986. Through finalizing old audits and simplifying the fund structure over the past few years, I have been able to relocate specific funding for the Library and other resources to ensure that dedicated funding remains in its dedicated place, which has been done in the past through journal entries. This balance that still remains has been placed on hold until audits are made current. At this time, I believe that these funds may be able to be placed back into the General Fund, but I will wait for this to be done when the final audit is complete.