



# CITY OF WHEATLAND

## CITY COUNCIL MEETING STAFF REPORT October 14, 2025

**SUBJECT:** Budget Status Report

**PREPARED BY:** Susan Mahoney, Finance Director

### Recommendation

Receive and file this Budget Status Report for the fiscal year (FY) ended June 30, 2025 and the quarter ended September 30, 2025.

### Background

The FY 2025-26 budget was adopted by the City Council on June 10, 2025. The budget included:

- Proposed FY 2025-26 revenue and expenses for all funds. A discussion of financial activity for the first three months of FY 2025-26, July 1 through September 30, 2025 is included in this report.
- Projected FY 2024-25 revenue and expenses based on 10 months of fiscal activity. Final numbers for FY 2024-25 are now available and a discussion follows. An independent auditing firm will audit these numbers and a report will be presented to Council in December.

### Discussion FY 2024-25

#### General Fund

General Fund revenues for FY 2024-25 totaled \$3,566,600 which is \$133,428 over the adopted budget. One-time revenue and new construction-related revenue helped to offset the significant drop in transaction sales tax revenue.

REVENUES	Actual	Budget	Over/(Under)	
Property Related Taxes	\$1,053,341	\$990,446	\$62,895	New Homes
Sales Tax	382,617	381,100	1,517	
Transaction Sales Tax	548,456	730,168	(181,712)	½ cent on purchases in & outside the City
Excise Tax	144,781	100,000	44,781	Tax on new construction
Administrative Fees	27,749	0	27,749	Fee on development related projects
Recovery of Labor Costs	189,985	103,000	86,985	One-time 401a reimbursement
Interest	103,770	95,000	8,770	
Other	1,115,901	1,033,458	82,443	One-time reimbursements
<b>REVENUE TOTALS</b>	<b>\$3,566,600</b>	<b>\$3,433,172</b>	<b>\$133,428</b>	

General Fund expenditures for FY 2024-25 totaled \$3,264,543 which is \$124,350 under the budgeted amount. All departments spent less than budgeted with the exception of Administration and Public Works. In the Administration Department, legal fees were double the budgeted amount. Staff changes in the Public Works Department created the need for temporary additional staffing.

EXPENSES	Actual	Budget	Over/(Under)	
Council	\$28,386	\$39,642	(\$11,256)	
Administration	520,439	467,188	53,251	Legal Fees
Finance	135,761	164,492	(28,731)	
Community Development	227,226	279,912	(52,686)	
Police	1,581,014	1,669,856	(88,842)	
Fire	307,804	307,804	0	
Public Works	100,294	94,012	6,282	Staff Changes
Parks	149,893	152,261	(2,368)	
Replacement Funds	100,000	100,000	0	
Streets and Roads	75,290	75,290	0	
Lighting & Landscape	38,436	38,436	0	
<b>EXPENSE TOTALS</b>	<b>\$3,264,543</b>	<b>\$3,388,893</b>	<b>(\$124,350)</b>	

The General Fund unaudited net income for FY 2024-25 is \$302,057. This amount is \$257,778 over budgeted net income. The amount over budget is mainly due to one-time revenues related to building activity and recovery of labor costs. The Fund ended

Unreserved Fund Balance	\$953,546
Economic Uncertainty Reserve	1,305,817
Transaction Sales Tax Reserve	401,858
Insurance Reserve	30,000
<b>TOTAL</b>	<b>\$2,691,221</b>

the fiscal year with an unreserved fund balance totaling \$953,546, an increase of \$164,284 over the previous fiscal year. The fully funded economic uncertainty reserve (40% of expenses) is \$1,305,817, the transaction sales tax reserve is \$401,858, and the insurance reserve is \$30,000. The total FY 2024-25 ending fund balance for the General Fund is \$2,691,221.

#### Enterprise Funds

The Water and Wastewater (Sewer) operating funds report net position rather than fund balance. The net position amount includes capital assets less accumulated depreciation. Accumulated depreciation is the estimated amount needed for major maintenance, repair and eventual replacement of the existing assets in the fund.

The FY 2024-25 Water Fund net position increased \$330,113 which is \$303,206 over the budgeted amount. The Water Fund net position on June 30, 2025, is \$2,440,679. This amount does not cover accumulated depreciation for this fund totaling \$3,762,730.

The FY 2024-25 Wastewater net position increased \$255,916 which is \$277,351 over the budgeted amount. The Wastewater Fund net position on June 30, 2025, is \$1,531,413. This amount does not cover accumulated depreciation for this fund totaling \$5,426,218.

#### Other Funds

Other City funds include Special Revenue Funds, Impact Funds, and Project Funds. The revenue accounted for in Special Revenue Funds and Impact Funds is restricted as to how it can be spent. Project Funds generally account for the revenue and expenses associated with large projects such as the Drinking Water Project and the Regional Sewer Pipeline Project, community development projects, and grants. All of these funds were generally within their budgeted amounts with the following exceptions:

- Impact Funds – Revenue in these funds is typically not budgeted due to the uncertainty of building activity. In FY 2024-25 the City received impact fee revenue due to home construction in the Caliterra subdivision, the Wheatland Senior Apartments, and a storage unit facility.
- Wheatland Road Complete Streets Fund was under budget due to the deferral of construction projects.

### **Discussion FY 2025-26, Quarter Ended September 30,2025**

#### **General Fund**

The General Fund receives property tax revenue in December and January each fiscal year, therefore, no property tax revenue has been received as of the end of September. Sales tax revenue is received monthly, generally about two months after the tax is received by the State. As of September 30, 2025, we have received the July sales tax payment which is slightly below the projected budget. All other General Fund revenues are normal for this quarter.

General Fund expenses show no extraordinary costs for the quarter.

#### **Enterprise Funds**

Water and sewer utility revenue is on target with budget.

Water expenses are on target with budget except for Bank Charges. The bank charges a fee for processing credit card and online payments. This fee continues to increase as more customers are using our online payment system. Staff is researching ways to reduce this fee.

Sewer expenses are also on target with budget except for Bank Charges, Equipment Rental, and Small Equipment. Bank charges are split between the Water and Sewer Fund so the reason for the excess costs is the same for both funds. Equipment Rental is over budget due to a pump rental when the sewer lift station pumps failed. Small Equipment is over budget due to necessary purchase of an auto dialer. An auto dialer notifies the City when a lift station has failed.

#### **Other Funds**

As of September 30, 2025, the revenue and expenses for all other funds are in line with budget projections.

#### **Fiscal Impact**

There are no fiscal impacts from receiving and filing this report.

#### **Attachments**

None