

Financial Update for the City of Big Lake



Finance Department Update

Unaudited as of September 2025 – 75% of Budget Year

Budget to Actual Revenues

Changes compared to prior year:

- Charges for Services
 - Multifamily rental inspection fees have been collected for 2025
- Interest Earned
 - Timing on when interest is paid, a lot of the City’s investments are bonds, interest is only received twice a year, February and August
- License & Permits
 - New commercial construction and 39 single family home, however 2024 was a year of storms (roofing and siding permits)
- Property Taxes
 - First half payment has been collected and in line with projections. Higher compared to 2024 as the levy was more

SERVICE GENERAL FUND	GENERAL GOVERNMENT			2025	% OF BUDGET
	2024 YTD AMOUNT	2025 YTD AMOUNT	2025 ORIG BUDGET	REMAINING BUDGET	
Charges for Services	\$ 204,983	\$ 230,268	\$ 262,028	\$ 31,760	87.88%
Donations/Grants	6,898	22	3,300	3,278	0.68%
Fines/Forfeitures	34,894	42,863	49,250	6,388	87.03%
Franchise Fees	234,692	238,085	451,263	213,178	52.76%
Insurance Proceeds	36,608	-	2,500	2,500	0.00%
Interest Earned	71,635	42,990	64,534	21,544	66.62%
Intergovernmental	414,837	397,396	495,779	98,383	80.16%
License & Permits	503,196	459,035	694,545	235,510	66.09%
Other Uses	8,664	15,862	4,951	(10,911)	320.38%
Property Tax	2,254,534	2,530,571	4,887,539	2,356,968	51.78%
Special Assessment	1,045	407	1,000	593	40.75%
Transfers	450,000	450,000	450,000	-	100.00%
TOTAL GENERAL FUND	\$ 4,221,987	\$4,407,500	\$ 7,366,689	\$ 2,959,189	59.83%

Revenues collected through September
\$4.4M or 60% of budget



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Budget to Actual Expenditures by Object

Personnel costs

- Currently at 65% of budget, which aligns with expected staffing levels.

Elections

- Although 2025 is a non-election year, expenses reflect annual training for staff involved in election management.

Professional Services

- At 105% of the budget, these is due to the increase in the IT Consultant.

Operation Expense

- At 75% of the budget, these are on pace and consistent with normal spending patterns for this time of year.
- Marketing Expenses
 - At 62% of budget, these are in line with projections and consistent with planned outreach and engagement activities.

GENERAL GOVERNMENT					
SERVICE GENERAL FUND	2024 YTD AMOUNT	2025 YTD AMOUNT	2025 ORIG BUDGET	2025 REMAINING BUDGET	% OF BUDGET
Personnel	\$ 2,952,302	\$3,116,005	\$ 4,761,878	\$ 1,645,873	65.44%
Elections	17,345	1,796	2,000	204	89.82%
Professional Services	138,597	191,031	181,068	(9,963)	105.50%
Operation Expense	1,274,424	1,374,893	1,839,882	464,989	74.73%
Marketing	5,689	4,916	8,000	3,084	61.45%
Flow Through	6,000	-	113,000	113,000	0.00%
Capital Expenditures	7,979	8,463	-	(8,463)	100.00%
Transfers to CIP & other Funds	489,685	460,861	460,861	-	100.00%
TOTAL GENERAL FUND	\$ 4,892,021	\$5,157,966	\$ 7,366,689	\$ 2,208,723	70.02%

Expenditures through September \$5.1M or 70% of Budget



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Budget to Actual Expenditures by Service

Service	2024 Actual	2025 Actual	2025 Final Budget	Variance +/-	% of Budget Left
<u>General Government</u>					
Mayor/Council	25,825	27,833	33,681	5,848	17.36%
Planning	184,164	73,009	238,666	165,657	69.41%
Elections	17,345	7,796	8,000	204	2.54%
Administration/Finance	774,160	728,056	883,655	155,599	17.61%
Computer/Software/IT	125,775	170,252	170,539	287	0.17%
<u>Total General Government</u>	1,127,269	1,006,947	1,334,541	327,594	24.55%
<u>Public Safety</u>					
Police	1,930,740	2,165,192	3,116,735	951,543	30.53%
Fire	230,203	238,831	352,168	113,337	32.18%
Building	139,240	151,798	223,104	71,306	31.96%
<u>Total Public Safety</u>	2,300,182	2,555,821	3,692,007	1,136,186	30.77%

Service	2024 Actual	2025 Actual	2025 Final Budget	Variance +/-	% of Budget Left
<u>Streets & Highways</u>					
Engineering	76,708	84,362	137,914	53,552	38.83%
Fleets	192,663	193,629	232,182	38,553	16.60%
Streets	375,657	495,958	770,234	274,276	35.61%
<u>Total Streets & Highways</u>	645,028	773,949	1,140,330	366,381	32.13%
<u>Culture & Recreation</u>					
Parks	534,927	542,991	811,430	268,440	33.08%
BLCSC	64,425	51,167	73,661	22,494	30.54%
Community - Recreation (other)	92,680	94,420	131,309	36,889	28.09%
<u>Total Culture & Recreation</u>	692,032	688,578	1,016,400	327,822	32.25%
<u>Economic Development</u>	127,510	132,671	183,411	50,740	27.66%
<u>Total General Fund Expenditure:</u>	4,892,021	5,157,966	7,366,689	2,208,723	29.98%
		-		70.02%	spent

All departments are in line with anticipated expenditures through September

- Administration/Finance 82% spent – indicates the yearly budgeted transfers have been done
- Computer Software/IT 99% spent – indicates the yearly software payments due at the first of each year have been completed as well as the increase cost for IT support



Finance Department Update

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Unassigned Fund Balance

2025 General Fund Cash Balance \$ 4,398,342.27

2025 General Fund Balance

101,319.37 Nonspendable - prepaids

65,639.58 Assigned fund Balance

3,909,666.43 Unassigned Fund Balances

4,076,625.38

7,366,689.00 2025 Final Budget

53.07% Unassigned Fund Balance-% of 2025 Approved Budget

50.18% Unassigned Fund Balance-% of 2026 Preliminary Budget

Assigned Fund Balances by Department and/or Program - Adjusted at Year End

Administration/Finance \$ 6,000.00 Liquor Check Violations

Police 42,088.57 Using for unbudgeted items

Wellness Program 1,239.55 Using for Staff lunch and learns

Advance Resignation 6,000.00 Advance Resignation Program

Movie in the Park Program 10,311.46 Using for Movie in Park

\$ 65,639.58

As of September 30, 2025, the City’s unassigned General Fund balance is **\$3,909,666**, which represents:

- **53%** of the adopted 2025 General Fund Budget
- **50%** of the preliminary 2026 Proposed Budget

This level of fund balance exceeds the City’s financial policy target of maintaining **42% to 50%** of the following year’s operating budget.

A healthy fund balance provides flexibility to respond to unforeseen expenditures, economic changes, or revenue shortfalls without requiring immediate service reductions or tax increases.

Maintaining this reserve position also supports the City’s creditworthiness and long-term financial sustainability.

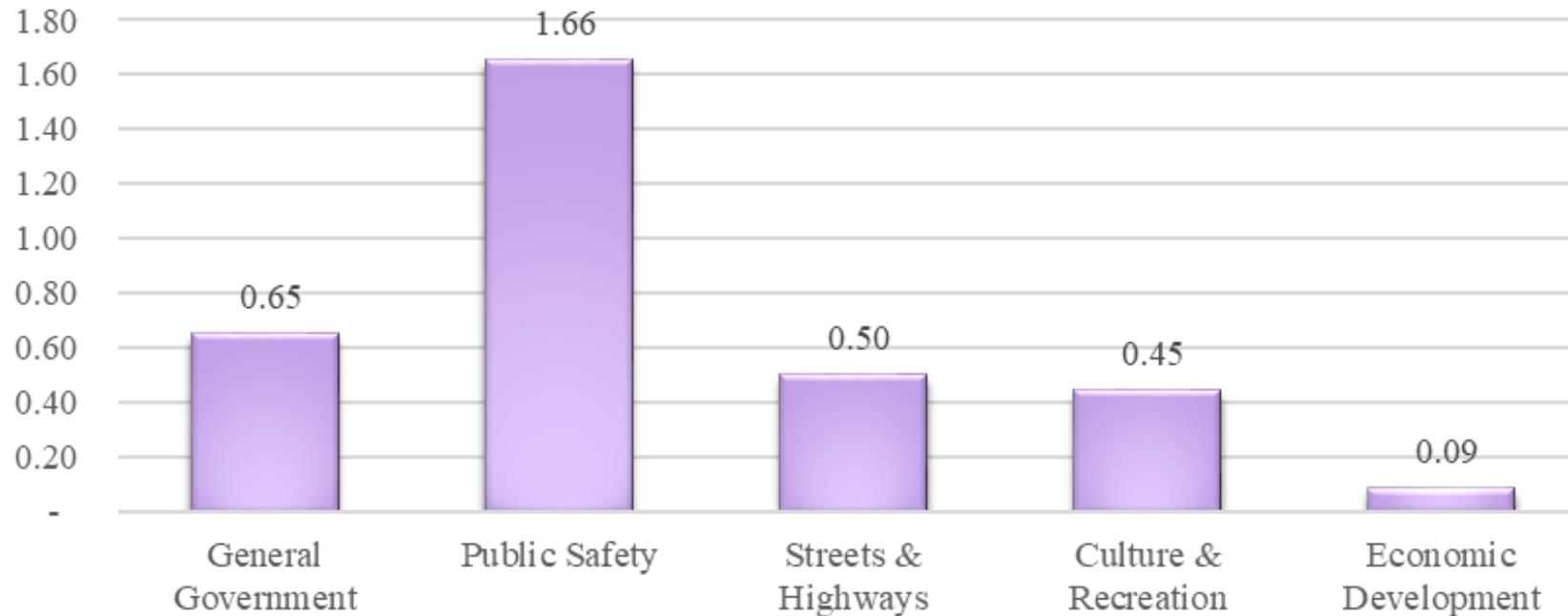
The unassigned fund balance are the funds available to cover the cost of providing City services.



Finance Department Update

Cost to Provide City Services

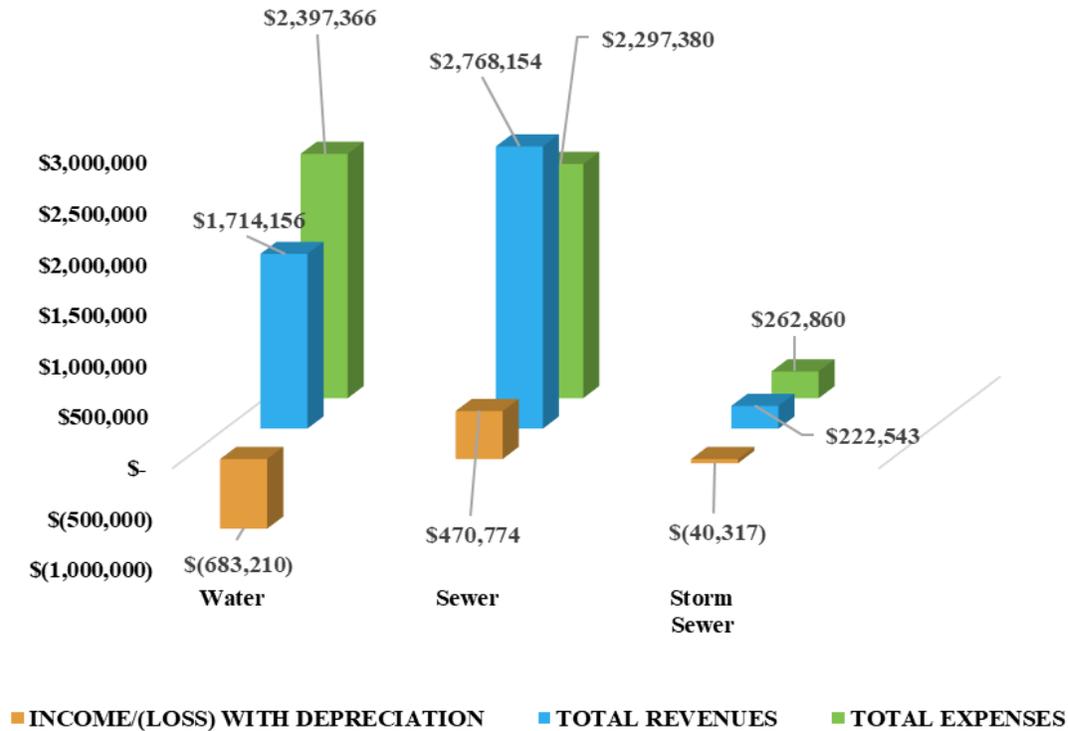
**Cost per day to provide City services per household
and businesses through month end \$3.34**
For 2025 total budget the cost is \$4.77



Finance Department Update

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Utility Enterprise Funds



Revenues and Expenses are in line with budget projections

Net Profit/Loss with depreciation expense are as follows:

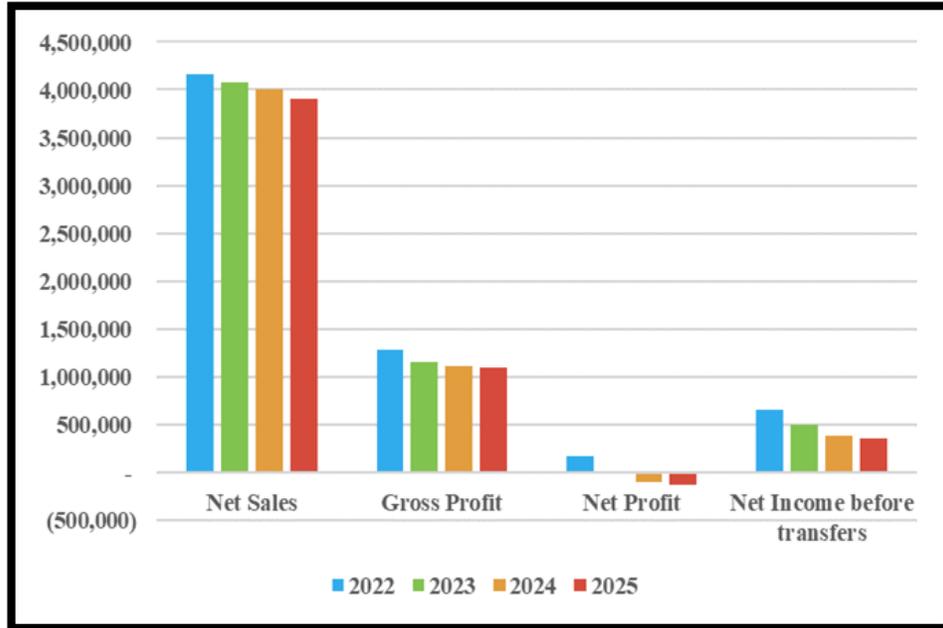
- Water net loss of **\$683,210** due to the transfer to Water CIP fund for capital projects
- Sewer net profit of \$470,774 and in line with projections
- Storm Sewer shows a net loss of **\$40,317** and in line with projections



Finance Department Update

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Liquor Store



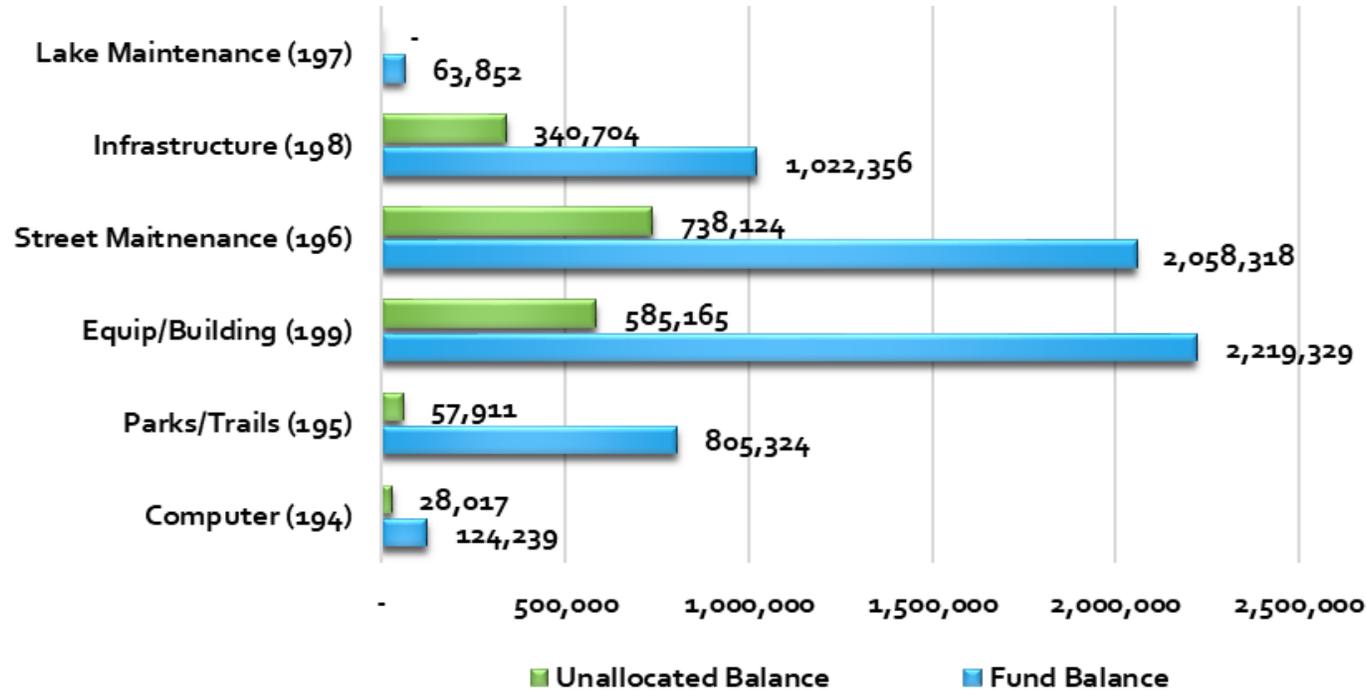
Total Revenues through September are \$3.9M or 72% of budget, down compared to 2024 by 2.46%

Total Expenses through September are \$4.1M or 70% of budget

- Personnel Expense through September is 13% of total sales.

Liquor Fund is showing a paper loss due to two planned transfers, but operationally strong with a net profit of \$352,407 or 9% of gross revenues

Finance Department Update Capital Improvement Funds



Capital Improvement Funds

Total Fund Balance = \$6.2M

Total Unallocated Fund Balance = \$1.7M

Most of the capital improvements funds have been allocated to designated projects

The Enterprise Funds also maintenance Capital Improvements for future projects.

Water = \$1.5M

Wastewater = \$3.4M

Storm Water = \$287K

Liquor Store = \$101K

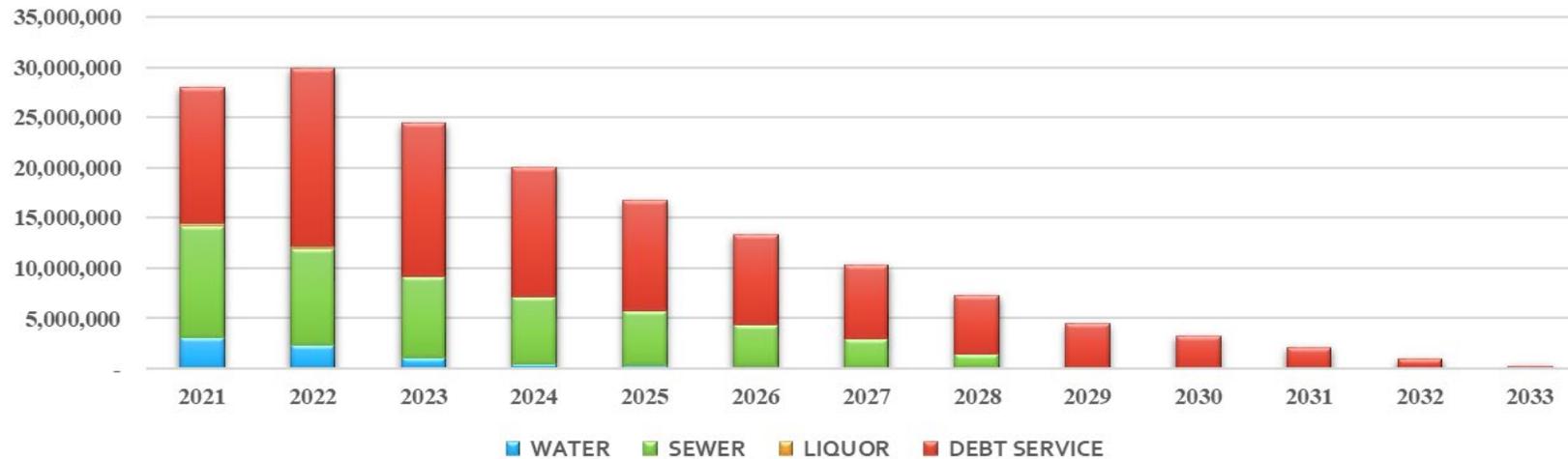


Finance Department Update

Current Outstanding Debt

After the 2026 payments, will be \$13,374,006

Principal and Interest by Fund



Finance Department Update 2026 Budget Cycle

Truth in Taxation Public Input Meeting

☐ November 25, 2025

Final Budget and Levy approval

☐ December 10, 2025, council meeting.



Looking Ahead – Planning for Future Years

As a reminder, staff consistently looks ahead, presenting not only the upcoming year’s budget but also future projections for Council consideration.

While Council formally approves only the **next year’s budget and levy**, including concept years allows Council to see how today’s decisions could impact future levies and long-term financial stability.



Finance Department Update

As part of the City's budget process, and in accordance with City policies, we maintain a balanced budget—meaning that expenses equal revenues.

Here's a brief overview of how the budgeting process works for all budget years included:

Expenditure Projections:

- Staff begins by estimating the costs required to operate the City, factoring in:
 - Inflationary increases
 - Rising personnel costs
 - Known one-time projects

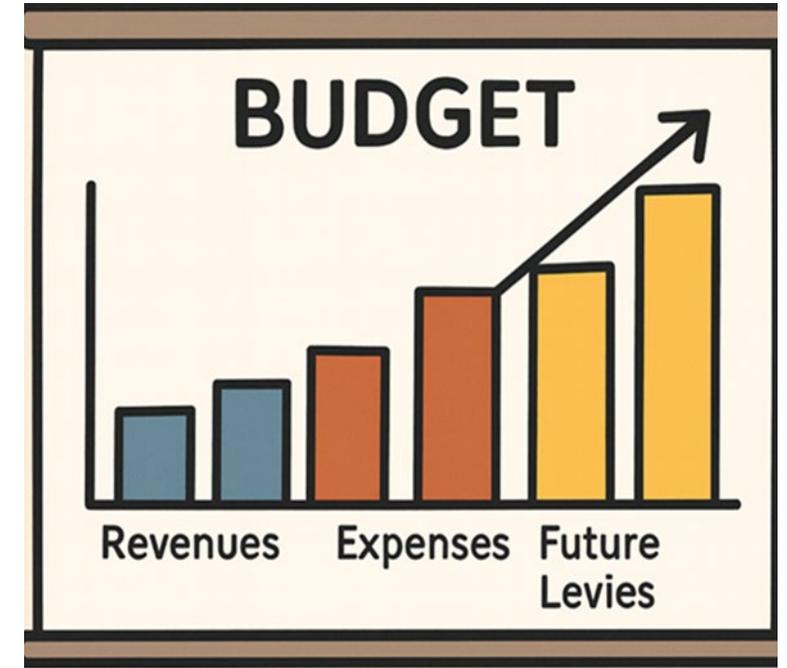
Revenue Projections:

- Staff reviews trends in:
 - New developments, permits, and licenses
 - Charges for services, state aids, and grants
 - Investment income

These projections determine **non-property tax revenues**.

Levy Calculation:

- The projected non-property tax revenues are subtracted from the projected expenditures.
- The difference represents the amount that must be raised through the property tax levy to achieve a balanced budget.



Fund Balance Variability

Although a balanced budget assumes no change in the fund balance, actual results often vary due to unforeseen factors. Increases to the fund balance typically occur when actual revenues exceed projections or when expenses come in lower than anticipated.

Finance Department Thought for the month



LIVE BIG!

Any Questions?

**Please Contact
Deb at 763-251-2974**

or

dwegeleben@biglakemn.org

