

Staff Report

FISCAL YEAR 2025-26 FIRST QUARTER FINANCIAL UPDATE

October 28, 2025

BACKGROUND:

Governmental accounting best practices emphasize the importance of timely and periodic financial reviews throughout the fiscal year. The Government Finance Officers Association (GFOA) specifically recommends that governments conduct interim reviews to ensure data accuracy, identify variances as they occur, and give decision-makers the information they need to respond promptly to emerging trends.

While the Finance Department has historically reviewed financial information internally, this information has not been formally compiled for presentation to the City Council. Establishing quarterly reporting represents a significant step toward aligning the City's financial practices with GFOA guidance, strengthening transparency, and enhancing oversight of the City's finances.

Quarterly reporting supports more effective budget monitoring by enabling the City to evaluate revenues and expenditures as they occur rather than waiting until year-end. This proactive approach ensures that unexpected changes can be addressed in time to protect service delivery. It also provides comparative and trend data, which are essential for evaluating financial performance, understanding the causes of variances, and supporting informed decision-making by elected officials. Regular reporting not only improves financial management and but also promotes accountability and transparency.

In keeping with these best practices, the Finance Department has prepared the City's first quarterly financial report as of September 30, 2025 which is attached for your review. The report provides fund balances, revenues, and expenditures for FY 2025/26 through the end of the first quarter, along with comparative information from the prior fiscal year. The quarterly report will serve two purposes: it will offer the City Council a clear picture of the City's financial position during the year, and it will function as an internal monitoring tool for the Finance Department to identify inaccuracies, anomalies, and unanticipated changes in financial activity.

OPTIONS:

Should the City Council desire additional or more detailed information, staff should be directed to include that information in a future report.

STAFF COMMENTS:

The Finance Department intends to make quarterly reporting a standard practice moving forward. Reports will be provided after each quarter of the fiscal year, with accompanying analysis to highlight major findings and explain significant variances. By implementing this practice, the City demonstrates its commitment to sound financial management, transparency, and adherence to GFOA's recognized best practices in governmental finance.

ATTACHMENT(S):

[2025-26 Quarter 1 Financial Report final.pdf](#)