



Meeting Date: March 11, 2026

TOWN OF MORAGA

STAFF REPORT

To: Honorable Mayor and Councilmembers
From: Katie Bruner, Administrative Services Director
Subject: Fiscal Year 2025-26 Mid-Year Budget Update

RECOMMENDATION

By motion, accept the Fiscal Year 2025-26 Mid-Year Budget Report

BACKGROUND

The Town Council adopted the Fiscal Year (FY) 2025-26 Operating and Capital Improvement Budgets on June 25, 2025 per Resolution 39-2025. This report is an update on the financial condition of the Town at the mid-point of the fiscal year.

The Audit & Finance Committee reviewed this report on March 4, 2026.

The adopted FY 2025-26 Operating and Capital Improvement Budget projected General Fund revenues equaling budgeted appropriations.

DISCUSSION

At mid-year, there is the opportunity to assess the revenues and expenditures for the first half of the fiscal year for the purpose of identifying variances between actual transactions and estimated budget amounts. Staff reviewed the Town's audited financial results from FY 2024-25 and analyzed the current fiscal year-to-date revenue and expenditure trends. Staff then applied our best and most prudent professional judgment to confirm the revenue and expenditure projections for the rest of the fiscal year.

Upon review of fiscal year-to-date revenue and expenditure trends, staff have no recommended adjustments for the FY 2025-26 operating budget at this time.

Attachment A is the FY2025-26 General Fund Summary which includes the FY 2025-26 Audited Comprehensive Financial Report (ACFR) Actuals, FY 2025-26 Adopted Budget and FY 2025-26 Actual Activity, through December 31, 2025.

General Fund Budget Review

Revenues

General Fund revenues as of December 31, 2025, total \$4,048,497, or 30% of budgeted revenues. General revenues received to date, including property tax and sales tax, total \$2,805,357, or 30% of budgeted revenues. The revenue received through December 31, 2025, is consistent with the historical receipt and distribution of these revenues. Property tax revenues are primarily received in December and April, with minor amounts received in June. Sales tax revenues are received monthly, but about 2 months after the month in which it is collected by retailers.

Department Revenues through December 31, 2025 total \$1,242,140, or about 39% of budgeted revenues. Department revenues include charges for staff time related to Capital Improvement and development projects, and fees for services and programs, such as Parks and Recreation programs.

Expenditures

As of December 31, 2025, General Fund expenditures total \$7,261,853, or 55% of budgeted appropriations. Expenditures in ASD and General Government include annual payments for the Town's insurance premium and CalPERS unfunded accrued liability, which is why those departments have used a higher percent of their appropriations half-way through the fiscal year.

General Fund Reserves

The General Fund 50% reserve has a balance of \$6,824,996 as of June 30, 2025. This amount allows the Town to meet its reserve required based on the FY 2026-27 (next fiscal year) adopted budget.

Other Funds (Non-General Funds)

Attachment B shows revenue and expenditures for all other funds through December 31, 2025. No budget adjustments for other funds are recommended at this time.

FISCAL IMPACT

None. The Town's FY 2025-26 General Fund budget remains balanced with revenues equaling expenditure and the General Fund reserve policy of 50% of operating expenditures will be met at fiscal year-end.

CEQA COMPLIANCE

The Fiscal Year 2025-26 Mid Year Budget Report is not subject to review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.), because it constitutes an organizational or administrative activity that will not result in direct or indirect

physical changes in the environment.

ALTERNATIVES

1. Do not accept the report and provide direction to staff.

NEXT STEPS

Staff will continue to monitor the FY 2025-26 Budget, to ensure budgeted revenues and appropriations remain within authorized limits.

ATTACHMENTS

[Attachment A - FY 2025-26 General Fund Budget Summary.pdf](#)

[Attachment B - Other Funds Budget Summary 12.31.25.pdf](#)