

## Example Budget

Category	FY25 Budgeted Amount	FY25 Actuals	Difference between Budget and Actuals For FY25	FY26 Budget	FY27 Proposed Budget with 5% escalatio n over 2025 Actuals	FY27 Proposed Budget Following Input from Staff	Comments  (Input from Staff to determine what the 2027 budget should be compared to 2025 actuals and 2026 budgeted amounts)
<b>Operating Revenues</b>							
Wastewater Charges	475,000	497,365	22,365	512,286	522,233	500,000	The utility is not expecting a large increase in wastewater sales. The wastewater treated is expected to be slightly higher than 2025 actuals but less than 2025 budgeted amounts. Thus far , the budget overestimates the revenues. The utility is also concerned about over-estimating revenue so wants to keep projections reasonable.
Connection Fees	12,000	10,000	(2,000)	10,300	10,500	10,000	Originally, the utility thought there would be more customers connecting to the utility than actually occurred in 2025. The belief is that the number in 2027 will be similar to the number in 2025, so the revenue is expected to be the same as 2025 actuals.
Late Charges	3,000	4,000	1,000	4,120	4,200	4,200	It is hard to predict late charges, but the utility believes that the amount will go up due to the economic conditions in the community.
Other	0	0	0	0	0	0	The utility does not expect any revenue to come from other sources
<b>Total Revenues</b>	<b>490,000</b>	<b>511,365</b>	<b>21,365</b>	<b>526,706</b>	<b>536,933</b>	<b>514,200</b>	This value is calculated.

Category	FY25 Budgeted Amount	FY25 Actuals	Difference between Budget and Actuals For FY25	FY26 Budget	FY27 Proposed Budget with 5% escalation over 2025 Actuals	FY27 Proposed Budget Following Input from Staff	Comments (Input from Staff to determine what the 2027 budget should be compared to 2025 actuals and 2026 budgeted amounts)
<b>Operating Expenses</b>							
Salary and Wages - Operation	72,000	87,800	15,800	90,434	92,190	92,190	The wages are expected to increase slightly so a 5% inflation factor will be used over 2025 actual amounts. The utility does not anticipate augmenting the operations workforce
Salary and Wages - Administrative	28,000	26,250	(1,750)	27,038	27,563	27,563	Same as the operations workforce
Payroll Taxes	10,870	11,456	586	11,800	12,029	12,029	Payroll taxes are anticipated to increase a bit so the inflated amount is being used.
Contract Services	5,800	9,800	4,000	10,094	10,290	12,000	The original estimate in the budget was \$5,800 but FY25 actuals were \$9,800. The utility had to undertake more contract services to avoid hiring additional staff. It anticipates having even higher contracting.
Other Personnel Expenses	4,750	3,890	(860)	4,007	4,085	4,007	Other personnel expenses are assumed to be the inflated number. No better information is available.
Insurance – Plant and Equipment	10,200	10,200	0	10,506	10,710	11,000	Information on insurance rates for 2026 was obtained to determine an estimate. The estimate is higher than the inflated cost.
Insurance - General	2,800	2,800	0	2,884	2,940	3,000	Same as above.
Chemicals	8,800	9,200	400	9,476	9,660	9,800	Chemical costs have increased and slightly higher sewage flows are expected.

Category	FY25 Budgeted Amount	FY25 Actuals	Difference between Budget and Actuals For FY25	FY26 Budget	FY27 Proposed Budget with 5% escalation over 2025 Actuals	FY27 Proposed Budget Following Input from Staff	Comments (Input from Staff to determine what the 2027 budget should be compared to 2025 actuals and 2026 budgeted amounts)
Supplies	5,500	4,700	(800)	4,841	4,935	4,700	The expenditures on supplies seemed to be about what was necessary and no one seemed concerned about needing additional items. It was decided to put the estimate for 2026 at 2025 actual expenditures.
Lab Fees	12,000	13,050	1,050	13,442	13,703	14,000	Lab fees have been increasing so there is a concern that the budget needs to be higher than the 3%
Utilities (power)	46,000	48,000	2,000	49,440	50,400	50,880	Power is expected to increase but it is unclear by how much. Therefore using 6% increase.
Utilities (other)	3,700	3,650	(50)	3,760	3,833	3,869	Costs expected to increase but unclear by how much. Therefore using 6% increase.
Office Supplies	4,250	3,680	(570)	3,790	3,864	3,680	The office supplies are expected to be about the same as 2025.
Vehicle Expenses	22,050	26,300	4,250	27,089	27,615	30,000	Vehicles are an increasing expense, especially as the vehicles continue to age. The costs are expected to rise higher than 5%.
Travel Expenses	1,500	800	(700)	824	840	800	Travel has had to be curtailed to keep costs down so using actual expenditures from 2025.
Professional Fees (e.g., legal, accounting)	2,400	2,400	0	2,400	2,520	2,400	The utility has a contract with an accounting firm and a lawyer to provide limited services for a fixed fee. Therefore, only \$2400 is needed.
Repairs and Maintenance	16,000	17,650	1,650	18,180	18,533	20,000	Repairs are expected to continue to rise at a faster rate than 5% increase.
Engineering	1,000	0	(1,000)	0	0	0	No engineering fees were used in 2025. None are expected in 2027.

Category	FY25 Budgeted Amount	FY25 Actuals	Difference between Budget and Actuals For FY25	FY26 Budget	FY27 Proposed Budget with 5% escalation over 2025 Actuals	FY27 Proposed Budget Following Input from Staff	Comments (Input from Staff to determine what the 2027 budget should be compared to 2025 actuals and 2026 budgeted amounts)
Training/ Conferences	2,400	650	(1,750)	670	683	2,400	Since the operators' certification is up for renewal, an amount equal to the budget in 2025 is being used. so they can attend events to get their CEUs this year.
Dues	1,000	980	(20)	1,009	1,029	1,029	The escalated number is being used.
Fees	450	380	(70)	391	399	399	No approximate information exists so the inflation rate is being used.
Leases	7,500	7,500	0	7,500	7,875	7,500	The lease rates are not going to increase over 2025 rates.
Debt Service – principle and interest	36,800	36,800	0	36,800	38,640	36,800	The annual debt service payments are the same, so no inflation is needed.
Depreciation	125,000	125,000	0	128,750	131,250	128,750	The utility has decided to go with the budgeted amount from FY26 because assets were added in FY26 but are not being added in FY27.
<i>Total Operating Expenses</i>	430,770	452,936	22,166	465,123	475,583	478,795	This is a calculated value.
<b>Net Income</b>	59,230	58,429	(801)	61,583	61,350	35,405	This is a calculated value
<b>Income Available for Debt Service and Reserves</b>							
Net Income	59,230	58,429	(801)	61,583	61,350	35,405	This is a calculated value
Depreciation	125,000	125,000	0	128,750	131,250	128,750	This is a repeat of the number used for depreciation

Category	FY25 Budgeted Amount	FY25 Actuals	Difference between Budget and Actuals For FY25	FY26 Budget	FY27 Proposed Budget with 5% escalation over 2025 Actuals	FY27 Proposed Budget Following Input from Staff	Comments (Input from Staff to determine what the 2027 budget should be compared to 2025 actuals and 2026 budgeted amounts)
Total Available for Debt Service and Reserves	184,230	183,429	(801)	190,333	192,600	164,155	This is a calculated value.
<b>Transfers to Reserves</b>							
Debt Service Reserve	36,800	36,800	0	36,800	38,640	36,800	The annual payment is fixed so this amount is also a fixed number.
Repair and Replacements Reserve	25,000	25,000	0	28,255	26,250	25,750	This number is being increased to allow for some additional funds for repair and replacement.
Capital Improvement Reserve	47,430	46,629	(801)	48,028	48,960	26,605	This number is calculated by taking the total available and subtracting the other reserve amounts. This reserve account accommodates any additional funds or lack of funds to keep the payments as required for the other reserve accounts.
Emergency Reserve	75,000	75,000	0	77,250	78,750	75,000	This is the amount the system chooses to put into emergency reserves every year.
Total Transfers to Reserves	184,230	183,429	(801)	190,333	192,600	164,155	This is a calculated value.