

2025 2nd Quarter Financial Report

Executive Summary

This report provides a snapshot of the City of Des Moines' financial performance for the second quarter ending June 30, 2025.

General Fund Overview

Through the second quarter of 2025, the City received \$12,707,117 in revenue, representing 47% of the total annual revenue budget of \$26,754,202. However, the fund's revenue was slightly below expectations, coming in \$492,915 under budgeted expectations.

General Fund Highlights

- Business and Occupation (B&O) Tax: \$729,544 has been collected through the second quarter. This is 17.13% below budgeted expectations but slightly higher than last year.
 - B&O Tax – Square Footage revenue collected in April for the first quarter was approximately \$30,000 while budgeted expectations were to receive \$210,000 per quarter. Therefore, the City has worked diligently in communicating with the business community to bring businesses into compliance with the Des Moines Municipal Code regarding reporting B&O Tax.
- Franchise Fees: Fell short of expectations by \$102,017 (9.77%), but was \$248,639 (36%) higher than last year.
- Sales Tax: \$2,070,471 was collected through the second quarter. Sales tax collections was 8% higher than the same period last year.

Other Funds Highlights

- Development Fund: Continued to support fee-based development operations with an operating income of \$162,096.
- Enterprise Funds: The Marina and Surface Water Management (SWM) Funds maintained operations and capital initiatives. The Marina finished the quarter with an operating income of \$794,977. SWM finished the quarter with an operating income of \$998,188.

Cash & Investment Management

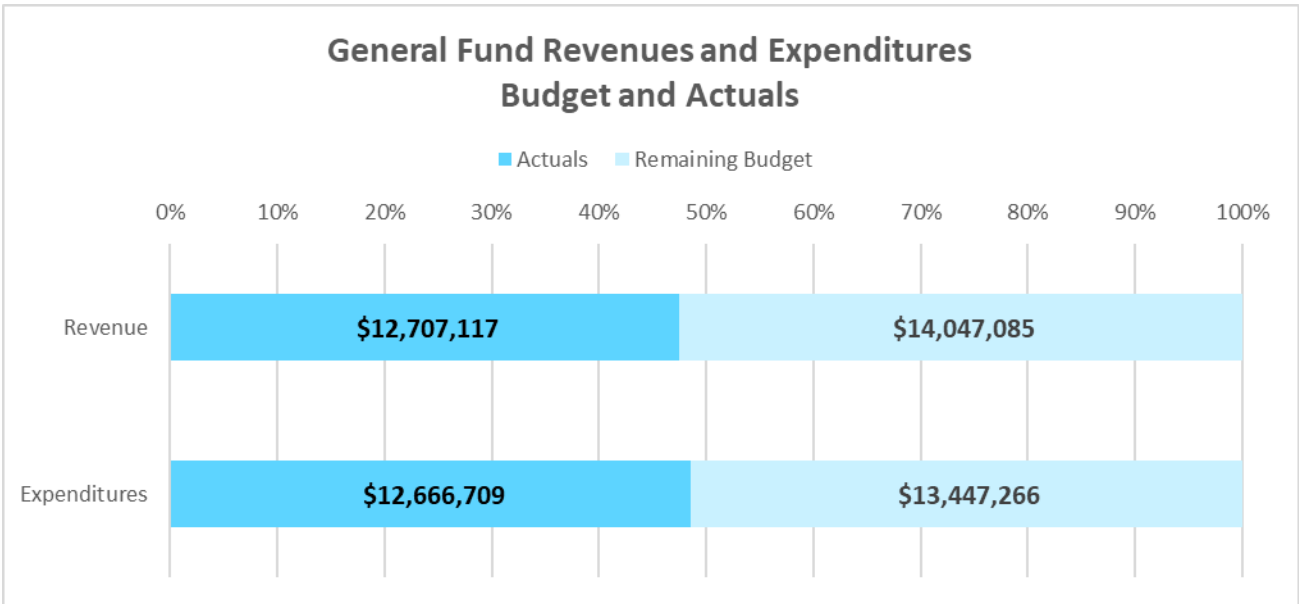
Interest earnings in the Local Government Investment Pool (LGIP) reached \$881,483, down from the prior year.

GENERAL FUND

The City’s **General Fund** is the primary operating fund. It accounts for the majority of the City’s day-to-day financial activities and supports essential public services that are not required to be funded by a separate, dedicated source.

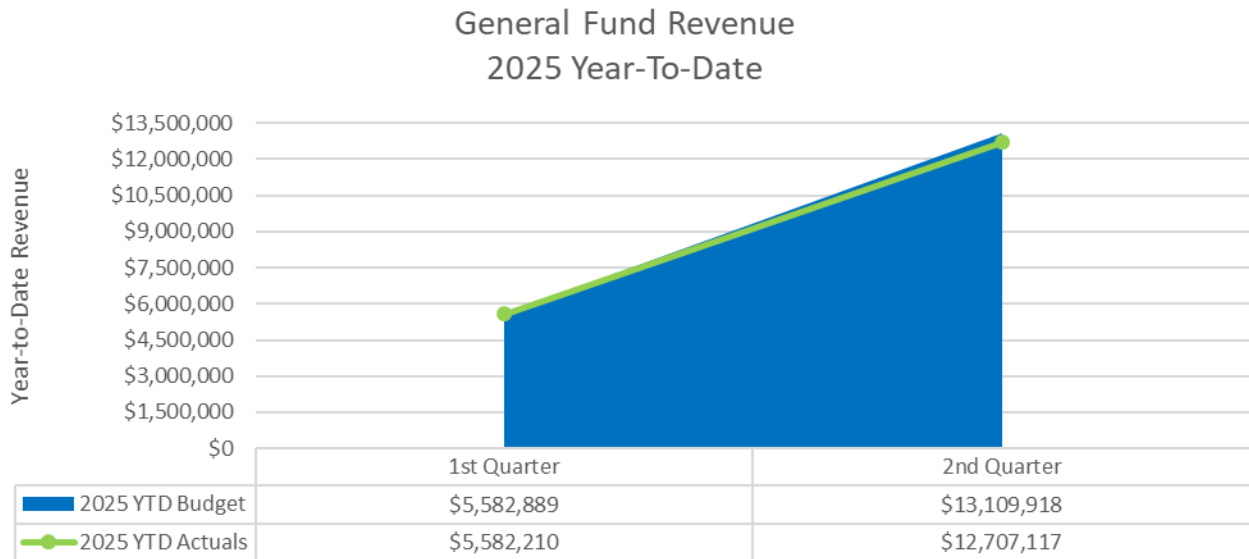
Revenues for the general fund typically come from local taxes (such as property taxes, sales taxes, and business licenses), service fees, fines, and intergovernmental transfers. These funds are used to cover general government operations—such as police, public works, parks and recreation, and administration.

Through the second quarter of 2025, the General Fund received \$12,707,117 of revenue, which represents 47% of budgeted revenue for the year. The General Fund also incurred \$12,666,607 of expenditures representing 49% of the annual 2025 expenditure budget.

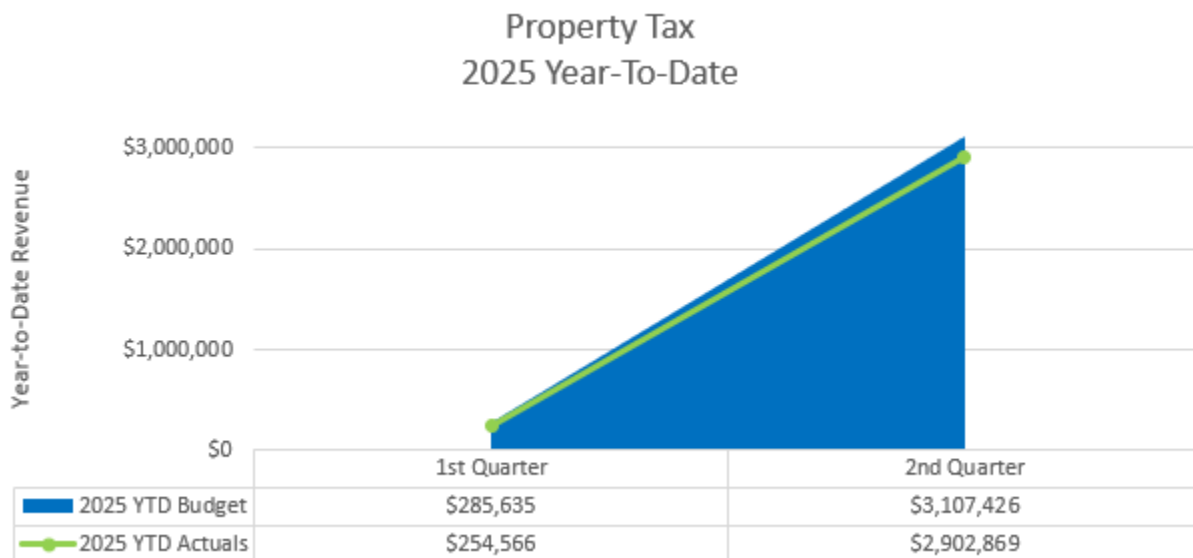


Revenue

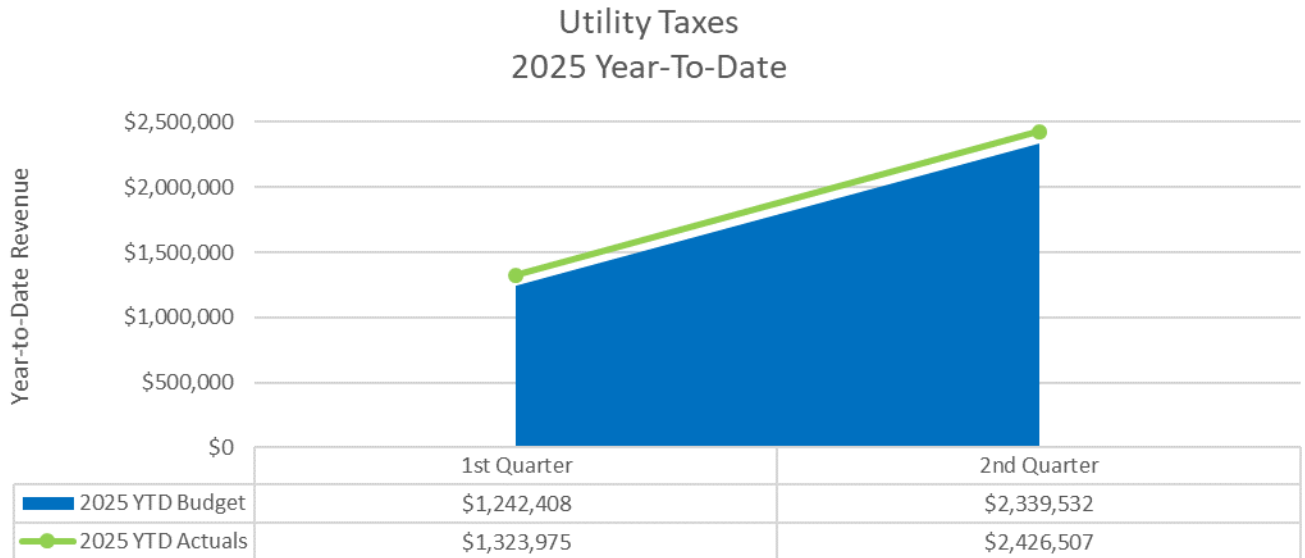
Total General Fund Revenue totaled \$12,707,117 at the end of the second quarter of 2025. This amount is \$402,801 (3.07%) under the year-to-date budget and \$519,832 (4.0%) less than the prior year. The adopted budget for 2025 is \$26,754,202.



Property Taxes are primarily collected in the second and fourth quarters (April and October). Property tax collected through the second quarter was \$2,902,869, which was a \$204,557 (6.58%) lower than budgeted assumptions. The adopted budget for Property Tax revenue for 2025 is \$5,900,000.



Utility Taxes collected through the second quarter of 2025 were \$2,426,507, which is a \$86,974 (3.72%) greater than budgeted expectations. The City collects utility tax on the usage of electricity, natural gas, solid waste disposal, cable TV, telephone, and surface water. The City continues to see an increase in utility tax collections over past years. The adopted budget for Utility Tax revenue for 2025 is \$4,310,000.



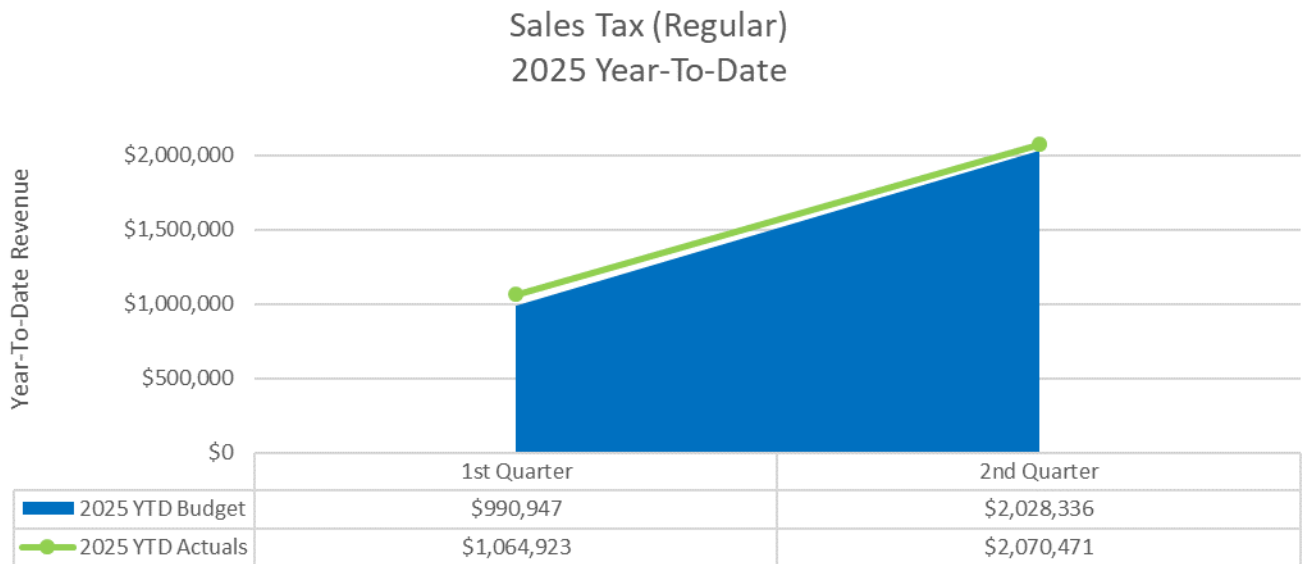
The table below demonstrates actual revenues compared to prior year collections by the different utility categories:

Utility Tax Type	2024 Q2 Total	2025 Q2 Total	Change from 2024	
			Amount	Percent
Electricity	\$ 878,200	\$ 968,252	\$ 90,052	10.3%
Natural Gas	305,084	375,328	70,244	23.0%
Solid Waste	366,165	344,157	(22,008)	-6.0%
Cable TV	379,915	290,758	(89,156)	-23.5%
Telephone	109,734	123,347	13,613	12.4%
SWM*	314,631	324,664	10,033	3.2%
YE Total	\$ 2,353,729	\$ 2,426,507	\$ 72,778	3.1%

**Surface Water Management (SWM) billings include a 15% utility tax. The 15% tax is collected by the Surface Water Management Fund then paid to the General Fund and the Street Fund. The General Fund receives 87% of the SWM utility tax with the Street Fund receiving 13%.*



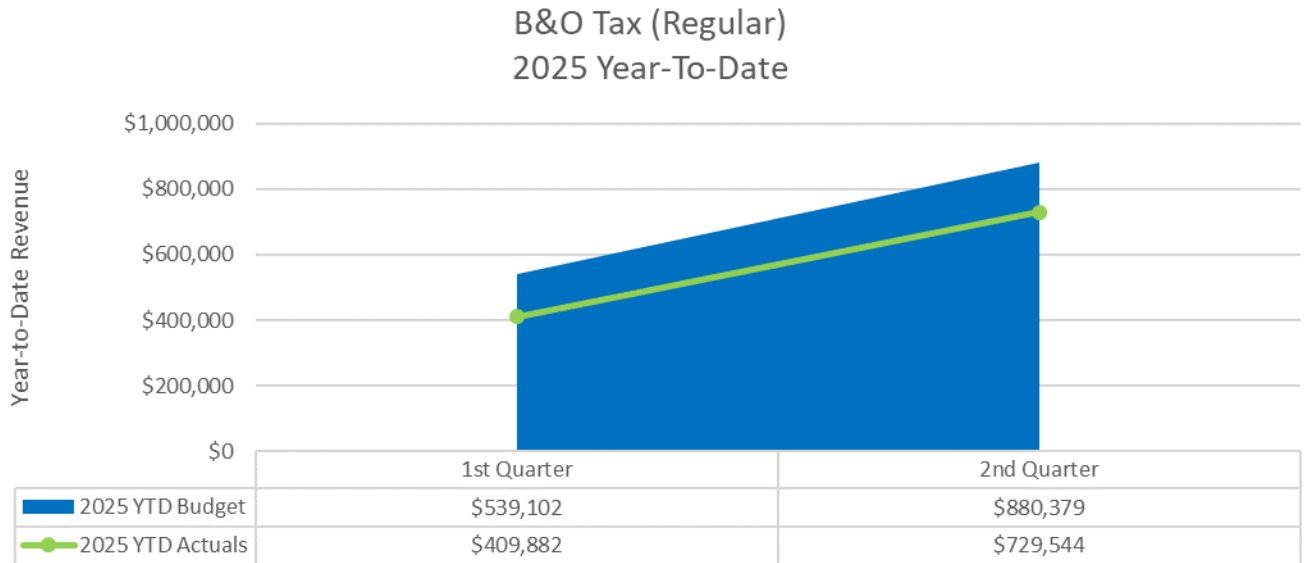
Sales and Use Tax (Regular) collection increased \$146,253 (8.0%) over the same period in the prior year. Through the second quarter, the City collected \$2,070,471 in sales tax, which was \$42,134 (2.08%) over budgeted expectations. “Regular” Sales and Use Tax excludes the sales and use tax generated by construction projects that are valued at \$15 million or more. The adopted budget for Sales Tax revenue for 2025 is \$4,200,000.



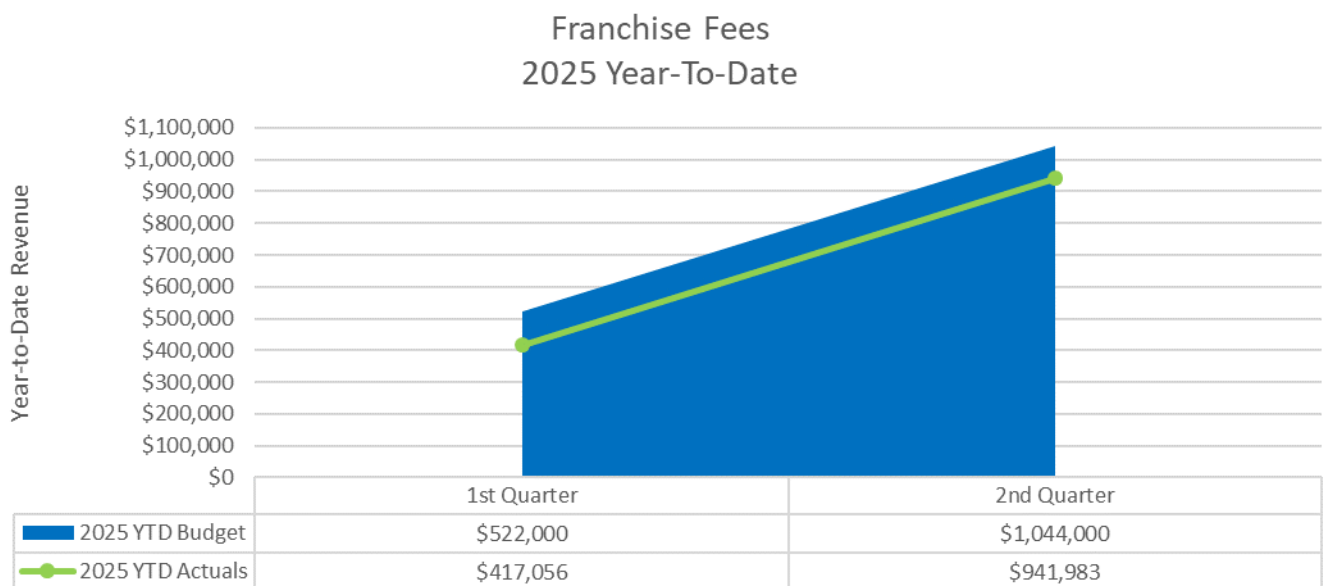
The City receives **One-Time Sales and Use Tax** from construction projects in the City whose permits are valued at \$15 million or more. Through the second quarter of 2025, the City received \$14,765 of One-Time Sales Tax revenue. As new projects are expected to begin in 2025, One-Time Sales Tax is expected to increase. The adopted budget for One-Time Sales Tax revenue for 2025 is \$200,000.

Please see Attachment #1 for a breakdown of sales tax by revenue category.

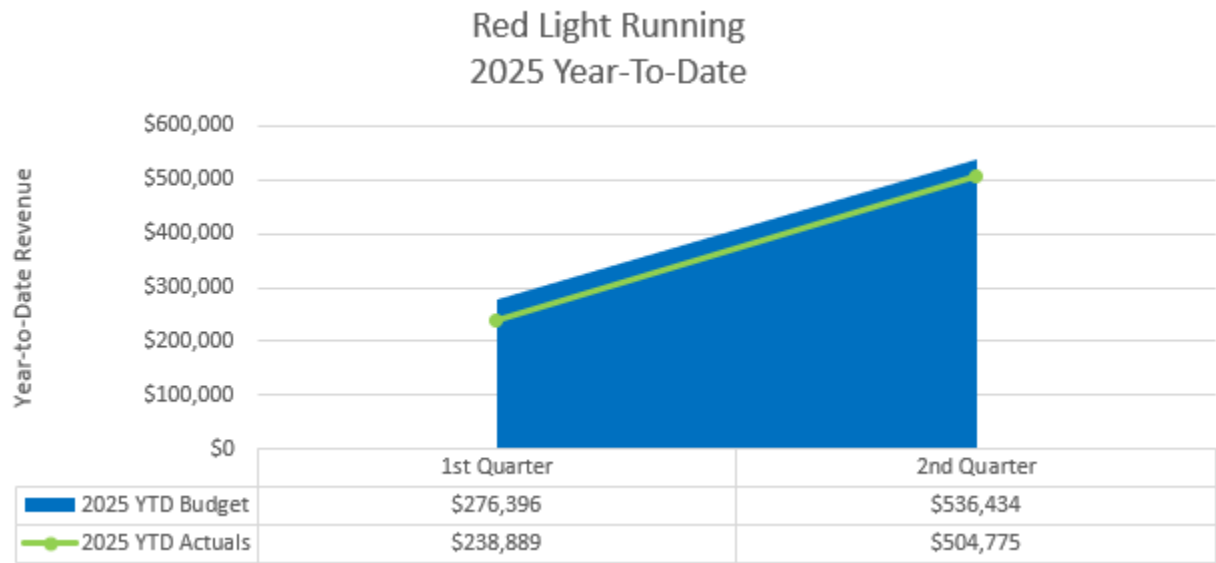
The City received \$729,544 in **Business and Occupation Tax** through the second quarter of 2025. This amount was a \$150,835 (17.13%) less than budget. Collections of B&O Tax through the second quarter were also \$1,396 (0.2%) more than the prior year. The adopted budget for B&O Tax revenue for 2025 is \$1,450,000.



Franchise Fees help the City recoup the cost of allowing a utility to use its public space. Through the second quarter of 2025, the City collected \$941,983 in franchise fees, which was \$102,017 (9.77%) less than the year-to-date budget. The adopted budget for Franchise Fee revenue for 2025 is \$2,088,000.

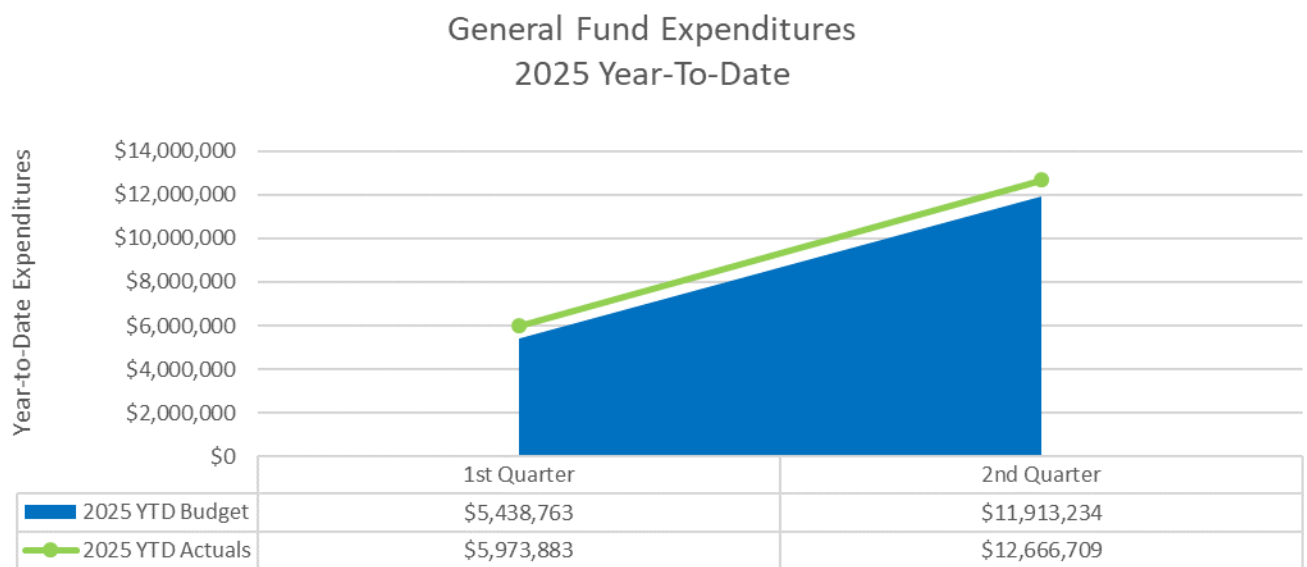


Red Light Running Infractions is revenue received from fines generated by the red light camera ticketing system installed at select intersections in the City. Through the second quarter of 2025, the City collected \$504,775 in red light running fee revenue, which was \$11,355 (2.0%) less than the same period in the prior year. This amount follows the trend of safer driving resulting in reduced revenues. The 2025 adopted budget for Red Light Running revenue is \$1.1 million.



Expenditures

General Fund expenditures were \$12,666,709, which was \$753,373 (6.32%) more than budgeted expectations. The adopted budget for General Fund Expenditures for 2025 is \$26,113,975.





General Fund Summary of Uses Year to Date through June	2024 YTD Actual	2025 Annual Budget	2025		2025 vs 2024		2025 vs. Budget	
			YTD Budget	YTD Actual	\$	%	\$	%
Personnel	8,056,977	16,791,999	7,696,053	7,936,745	(120,232)	-1.5%	240,692	3.1%
Supplies	390,624	588,255	294,128	363,407	(27,217)	-7.0%	69,279	23.6%
Services	3,111,581	6,020,345	3,158,570	3,022,727	(88,853)	-2.9%	(135,842)	-4.3%
Internal Services	746,126	2,713,376	1,356,688	1,335,754	589,629	79.0%	(20,934)	-1.5%
Transfers Out	113,300	-	-	8,075	(105,225)	-92.9%	8,075	0.0%
Total Expenditures	12,479,172	26,113,975	12,505,438	12,666,709	187,537	1.5%	161,271	1.3%

Personnel: Personnel costs represent expenditure of funds for salary and benefits expenses. Through the second quarter, personnel costs were \$120,232 (1.5%) higher than at the same point in the prior period and \$240,692 (3.1%) greater than the year-to-date budget. The budget variance is primarily due to payments due to employees who separated from the City.

Supplies: A unbudgeted bodycam refresh expenditure of \$77,230 resulted in supplies expenditures exceeding budget in the second quarter. However, these costs were reimbursed by grant funds.

Internal Services: Internal services increased \$589,629 over the same period of the prior year due to increased budgeted expenditures paid to the Equipment Rental Replacement fund.

Transfers Out: A transfer out to the American Rescue Plan Act (ARPA) Fund was recorded during the second quarter. A reconciliation of ARPA funds found that \$8,075 should not have been transferred to the General Fund in a prior year.



General Fund Details

General Fund Summary of Sources and Uses	2025			2025 YTD Budget vs Actual		2025
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenues (Recurring)						
Taxes	\$ 20,343,457	\$ 10,356,844	\$ 9,821,364	\$ (535,480)	-5%	\$ 10,522,093
Licenses and Permits	425,500	233,526	237,809	4,282	2%	187,691
Intergovernmental (Grants, etc.)	910,519	455,260	523,806	68,546	15%	386,713
Fees/Charges/Fines	1,897,100	934,984	931,860	(3,123)	0%	965,240
Other	2,057,758	1,003,879	1,005,739	1,860	0%	1,052,019
Total Operating Revenues (Recurring)	\$ 25,634,334	\$ 12,984,493	\$ 12,520,578	\$ (463,915)	-4%	\$ 13,113,756
Nonrecurring Revenues						
Sound Transit	154,868	77,434	88,400	10,966	14%	66,468
Body Cam Refresh	-	-	77,010	77,010	-	(77,010)
Sales Tax (One-Time)	200,000	100,000	14,765	(85,235)	-85%	185,235
B&O Tax (One-Time)	75,000	37,500	6,364	(31,136)	-83%	68,636
Sale of Property	690,000	-	-	-	-	690,000
Total Nonrecurring Revenues	\$ 1,119,868	\$ 214,934	\$ 186,539	\$ (28,395)	-13%	\$ 933,329
Total Revenue	\$ 26,754,202	\$ 13,199,427	\$ 12,707,117	\$ (492,310)	-4%	\$ 1,877,200
Operating Expenditures (Recurring)						
City Council	\$ 119,696	\$ 56,514	\$ 48,060	(8,455)	-15%	71,636
City Manager's Office	693,087	321,096	305,391	(15,705)	-5%	387,696
City Clerk	707,046	458,340	529,691	71,351	16%	177,355
Human Resources	279,665	133,192	115,562	(17,630)	-13%	164,103
Emergency Management	26,283	13,142	7,266	(5,876)	-45%	19,017
Communications	177,188	86,149	61,294	(24,855)	-29%	115,894
Finance	1,306,317	606,430	638,847	32,417	5%	667,470
Information Technology Services	1,332,120	642,291	648,238	5,947	1%	683,882
Legal	1,015,611	470,710	429,222	(41,488)	-9%	586,389
Municipal Court	1,706,115	792,080	678,448	(113,632)	-14%	1,027,667
Public Safety - (SCORE/Public Defender/Fire Services)	1,020,310	510,155	521,297	11,142	2%	499,013
Police	13,047,031	6,155,193	6,046,642	(108,551)	-2%	7,000,389
Planning and Building (Tax-based)	431,611	198,848	195,676	(3,172)	-2%	235,935
Building and Parks Maintenance	1,800,384	853,269	850,824	(2,444)	0%	949,560
Community Events and Services	1,860,093	888,796	881,515	(7,280)	-1%	978,578
Non-Departmental - Organizational Memberships	97,550	58,000	59,825	1,825	3%	37,725
Total Operating Expenditures (Recurring)	\$ 25,620,107	\$ 12,244,204	\$ 12,017,798	\$ (226,406)	-2%	\$ 13,602,309
Nonrecurring Expenditures						
Sound Transit	154,868	77,434	88,400	10,966	14%	66,468
Professional Development Program	15,000	13,800	13,800	-	0%	1,200
Professional Services - One-time	100,000	50,000	28,768	(21,232)	-42%	71,232
Sustainable Airport Master Plan	114,000	57,000	16,985	(40,015)	-70%	97,015
Body Cam Refresh	16,000	16,000	77,010	61,010	381%	(61,010)
Government relations	54,000	27,000	43,351	16,351	61%	10,649
Communications Contract	40,000	20,000	16,370	(3,630)	-18%	23,630
Staff Reduction	-	-	289,436	289,436	-	(289,436)
Encampment Cleanup	-	-	66,715	66,715	-	(66,715)
Transfers Out - Fund 114 (American Rescue Plan Act Fund)	-	-	8,075	8,075	-	(8,075)
Total Operating Expenditures (Recurring)	\$ 493,868	\$ 261,234	\$ 648,911	\$ 387,677	148%	\$ (155,043)
Total Expenditures	\$ 26,113,975	\$ 12,505,438	\$ 12,666,709	\$ 161,271	1%	\$ 13,447,266
Total Operating Income (Loss)	\$ 640,227	\$ 693,989	\$ 40,408	\$ (653,581)		

OTHER FUNDS

SPECIAL REVENUE FUNDS

A **special revenue fund** is a type of government fund used to account for money that must be spent on a specific purpose, as required by law or regulation.

Unlike the general fund, which can be used for a wide range of services, special revenue funds are restricted. The money that goes into these funds often comes from dedicated sources—such as grants, special taxes, or fees—and it can only be used for the specific program or service it was intended for.

For example, a city might have a special revenue fund for road maintenance that's funded by a gas tax, or one for parks and recreation funded by a portion of sales tax. The key point is that the money in these funds is legally earmarked and cannot be redirected to unrelated expenses.

These funds help ensure transparency and accountability by making it easier to track how specific revenue sources are used.

Summary of Special Revenue Funds:

Special Revenue Funds:	Revenue			Expenditures		
Fund	Budget	Actual	% of Budget	Budget	Actual	% of Budget
Street	\$ 2,618,000	\$ 1,241,922	47.4%	\$ 2,741,053	\$ 884,882	32.3%
Arterial Pavement	1,418,000	55,345	3.9%	1,466,788	28,205	1.9%
Development Fund	2,885,246	1,665,423	57.7%	3,092,952	1,503,327	48.6%
Police Drug Seizure	26,000	-	0.0%	20,500	5,135	25.0%
Hotel-Motel Tax	125,000	42,668	34.1%	120,000	118,000	98.3%
Affordable Housing Sales Tax	35,000	14,626	41.8%	35,000	30,667	87.6%
American Rescue Plan Act	-	8,455	0.0%	1,103,000	86,628	7.9%
Redondo Zone	129,800	640	0.5%	150,635	74,307	49.3%
Waterfront Zone	438,550	240,403	54.8%	394,462	209,040	53.0%
PBPW Automation Fee	195,000	79,976	41.0%	120,409	43,963	36.5%
Urban Forestry	5,000	-	0.0%	5,000	-	0.0%
Abatement	3,600	-	0.0%	2,500	-	0.0%
Automated Speed Enforcement (ASE)	360,000	93,056	25.8%	432,976	92,106	21.3%
Redondo Speed Enforcement Fund	1,000,000	644,487	64.4%	938,824	251,623	26.8%
Transport Benefit District	1,040,000	550,042	52.9%	1,400,000	450,000	32.1%

Development Fund Details

The purpose of the Development Fund is to account for revenue generated by fee-based development-related activities, including permitting, plan review, etc. and the associated cost of providing services. Divisions included in this fund include Planning and Development Services, Building, Joint and Minor Home Repair, Code Enforcement, Engineering Services, and City Project Management.

Development Fund Summary of Sources and Uses	2025			2025 YTD Budget vs Actual		2025
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenues						
Planning and Building						
Building Permits	\$ 685,465	\$ 342,733	\$ 481,361	\$ 138,628	40%	\$ 204,104
Other Licenses and Permits	351,799	175,900	157,715	(18,184)	-10%	194,084
Intergovernmental (Grants, etc.)	97,749	48,875	81,160	32,286	66%	16,589
Charges for Services:						
Zoning Fees	319,278	159,639	249,106	89,467	56%	70,172
Plan Check Fees	638,000	319,000	499,408	180,408	57%	138,592
Other Fees	7,480	3,740	5,896	2,156	58%	1,584
Credit Card Fees	41,200	20,600	17,363	(3,237)	-16%	23,837
Penalties - Stop Work	15,500	7,750	1,355	(6,395)	-83%	14,145
Planning and Building Revenue Subtotal	\$ 2,156,471	\$ 1,078,236	\$ 1,493,364	\$ 415,129	39%	\$ 663,107
Engineering						
Right-Of-Way Permits	\$ 137,500	\$ 68,750	\$ 68,538	\$ (212)	0%	\$ 68,962
Engineering Fees	159,254	79,627	66,115	(13,512)	-17%	93,139
Interfund Charges/ Engineering CIP Support	334,537	167,269	-	(167,269)	-100%	334,537
Engineering Revenue Subtotal	\$ 631,291	\$ 315,646	\$ 134,653	\$ (180,992)	-57%	\$ 496,638
Interest Income	65,000	32,500	37,406	4,906	15%	27,594
Transfers In - BPBW Automation Fee Fund	32,484	16,242	0	(16,242)	-100%	32,484
Total Operating Revenues	\$ 2,885,246	\$ 1,442,623	\$ 1,665,423	\$ 222,800	15%	\$ 1,219,823
Operating Expenditures						
Planning and Building						
Salaries and Benefits	\$ 1,613,355	\$ 739,454	\$ 749,605	\$ 10,150	1%	\$ 863,750
Supplies	33,351	16,676	10,772	(5,904)	-35%	22,580
Services	470,649	235,325	288,844	53,520	23%	181,805
Planning and Building Expenditures Subtotal	\$ 2,117,355	\$ 991,455	\$ 1,049,221	\$ 57,766	6%	\$ 1,068,135
Engineering						
Salaries and Benefits	\$ 715,814	\$ 328,081	\$ 269,196	\$ (58,886)	-18%	\$ 446,618
Supplies	12,000	6,000	2,309	(3,691)	-62%	9,691
Services	247,783	123,892	182,602	58,710	47%	65,181
Engineering Expenditures Subtotal	\$ 975,597	\$ 457,973	\$ 454,107	\$ (3,866)	-1%	\$ 521,490
Total Operating Expenditures	\$ 3,092,952	\$ 1,449,427	\$ 1,503,327	\$ 53,900	4%	\$ 1,589,625
Total Operating Income (Loss)	\$ (207,706)	\$ (6,804)	\$ 162,096	\$ 168,901		

DEBT SERVICE FUND

The **debt service fund** accounts for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Debt Service Fund:	Revenue			Expenditures		
Fund	Budget	Actual	% Actual to Budget	Budget	Actual	% Actual to Budget
Debt Service Fund	1,048,483	524,241	50.0%	1,048,480	399,723	38.1%

CAPITAL PROJECT FUND

A **capital project fund** is used by a city or town to track money set aside for large, long-term construction or improvement projects—like building a new school, library, fire station, or major road.

These funds are separate from the general fund because capital projects often involve large amounts of money and take multiple years to complete. The money in a capital project fund usually comes from sources like bonds (borrowed money), grants, or dedicated taxes.

The purpose of the fund is to ensure that all the revenues and expenses related to a specific project are kept together in one place, making it easier to manage and monitor.

A capital project fund helps a municipality plan, finance, and track big infrastructure investments over time, separate from everyday operating expenses.

Summary of Capital Project Managerial Funds

Capital Project Fund:	Revenue			Expenditures		
Fund	Budget	Actual	% of Budget	Budget	Actual	% of Budget
REET 1	\$ 740,000	\$ 364,053	49.2%	\$ 2,380,979	\$ 146,990	6.2%
REET 2	700,000	325,970	46.6%	483,504	229,436	47.5%
Park Levy	150,000	147,474	98.3%	-	-	0.0%
Park in Lieu	27,500	-	0.0%	46,000	380	0.8%
One-Time Sales & B+O Tax Revenues	50,000	28,192	56.4%	165,000	33,706	20.4%
Municipal Capital Improvements	5,526,000	1,378,190	24.9%	15,558,000	1,740,433	11.2%
Transportation Capital Improvements	8,430,000	1,604,286	19.0%	9,020,000	2,000,588	22.2%
Traffic in Lieu	460,000	459,524	99.9%	-	-	0.0%
Traffic Impact - Citywide	345,000	74,671	21.6%	140,000	100,584	71.8%
Traffic Impact - Pac Ridge	120,000	14,153	11.8%	-	-	0.0%
Total Capital Project Fund*	16,548,500	4,396,515	27%	27,793,483	4,252,116	15%

*The Capital Projects Fund exists as a single fund per City Code. The Capital Projects Fund utilizes Managerial funds to facilitate administrative tracking and financial oversight.

ENTERPRISE FUNDS

An **enterprise fund** is used by a city or town to manage services that operate like a business—where the goal is to cover the cost of providing the service through the fees charged to users.

Common examples include water and sewer utilities, public transportation, or municipal airports. These services are typically self-supporting, meaning the money to run them comes mostly from customer payments, not taxes.

Enterprise funds help keep these business-like operations financially separate from the rest of the city's budget. This makes it easier to see whether a specific service is paying for itself and to manage its revenues, expenses, and long-term investments (like equipment or infrastructure upgrades).

Marina Fund Details

The purpose of the Marina Fund is to account for the revenues and expenditures related to Marina operations, construction, and debt.

Marina Fund Summary of Sources and Uses	2025			2025 YTD Budget vs Actual		2025
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenue						
Charges for Services	\$ 3,883,417	\$ 1,941,709	\$ 2,039,664	\$ 97,955	5%	\$ 1,843,753
Fuel Sales	1,503,000	751,500	480,888	(270,612)	-36%	1,022,112
Parking Fines & Moorage Late Fees	-	-	-	-	0%	-
Intergovernmental Revenues	-	-	18,666	18,666	0%	(18,666)
Miscellaneous Revenues	18,330	9,165	12,429	3,264	36%	5,901
Trasnfer In - One-Time Sales Tax	-	-	-	-	#DIV/0!	-
Operating Revenue Subtotal	\$ 5,404,747	\$ 2,702,374	\$ 2,551,646	\$ (150,728)	-6%	\$ 2,853,101
Operating Expense						
Salaries and Benefits	\$ 1,459,598	\$ 790,616	\$ 622,787	\$ (167,828)	-21%	\$ 836,811
Supplies	150,550	75,275	57,637	(17,638)	-23%	92,913
Fuel Purchases	1,200,000	600,000	326,706	(273,294)	-46%	873,294
Services	713,909	356,955	223,136	(133,819)	-37%	490,773
Services - Interfund	1,052,806	526,403	526,403	(0)	0%	526,403
Total Operating Expenses (excl. depreciation)	\$ 4,576,863	\$ 2,349,248	\$ 1,756,669	\$ (592,579)	-25%	\$ 2,820,194
Operating Income/(Loss)	\$ 827,884	\$ 353,125	\$ 794,977	\$ 441,852	125%	\$ 32,907
Non-Operating Revenue						
Insurance Recoveries	-	-	105	105	-	(105)
Interest Income	280,000	140,000	255,259	115,259	82%	24,741
Non-operating Revenue Subtotal	\$ 280,000	\$ 140,000	\$ 255,364	\$ 115,364	82%	\$ 24,636
Non-operating Expense						
Capital Outlay	\$ 14,692,000	\$ 7,346,000	\$ 2,256,485	\$ (5,089,515)	-69%	\$ 12,435,515
Debt Service	1,101,996	550,998	349,614	(201,384)	-37%	752,382
Non-operating Expense Subtotal	\$ 15,793,996	\$ 7,896,998	\$ 2,606,099	\$ (5,290,899)	-67%	\$ 13,187,897
Net Change in Unrestricted Net Position	\$ (14,686,112)	\$ (7,403,873)	\$ (1,555,758)	\$ 5,848,115	-79%	\$ (13,130,354)



Surface Water Management (SWM) Fund Details

The purpose of the Surface Water Management(SWM) Fund is to account for revenues and expenses related to Surface Water Management operations and construction.

Surface Water Management Fund Summary of Sources and Uses	2025			2025 YTD Budget vs Actual		2025
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenue						
Charges for Services	\$ 5,794,001	\$ 1,947,178	\$ 3,085,818	\$ 1,138,640	58%	\$ 2,708,183
Intergovernmental Revenue	844,000	422,000	-	(422,000)	-100%	844,000
Operating Revenue Subtotal	\$ 6,638,001	\$ 2,369,178	\$ 3,085,818	\$ 716,640	30%	\$ 3,552,183
Operating Expense						
Salaries and Benefits	\$ 2,023,034	\$ 927,224	\$ 901,526	\$ (25,698)	-3%	\$ 1,121,508
Supplies	119,650	59,825	37,868	(21,957)	-37%	81,782
Services	1,698,715	849,358	642,879	(206,479)	-24%	1,055,836
Services - Interfund	1,012,635	506,318	505,358	(960)	0%	507,278
Total Operating Expenses (excl. depreciation)	\$ 4,854,034	\$ 2,342,724	\$ 2,087,630	\$ (255,094)	-11%	\$ 2,766,404
Operating Income/(Loss)	\$ 1,783,967	\$ 26,454	\$ 998,188	\$ 971,734	3673%	\$ 785,779
Non-Operating Revenue						
Miscellaneous Revenue	\$ -	\$ -	\$ 143	\$ 143	0%	\$ (143)
Interest Income	400,000	200,000	227,616	27,616	14%	172,384
Non-operating Revenue Subtotal	\$ 400,000	\$ 200,000	\$ 227,759	\$ 27,759	14%	\$ 172,241
Non-operating Expense						
Capital Outlay	\$ 2,094,000	\$ 1,047,000	\$ 2,217,882	\$ 1,170,882	112%	\$ (123,882)
Transfers Out to Fund 319 (Transportation Improvemen	500,000	250,000	-	(250,000)	(1)	500,000
Non-operating Expense Subtotal	\$ 2,594,000	\$ 1,297,000	\$ 2,217,882	\$ 920,882	71%	\$ 376,118
Net Change in Unrestricted Net Position	\$ (410,033)	\$ (1,070,546)	\$ (991,934)	\$ 78,612	-7%	\$ 581,901

INTERNAL SERVICE FUNDS

Internal Service Funds are funds that cities use to manage services provided internally from one department to another, rather than to the public. These funds operate like internal businesses within the government, charging city departments for the services they use—such as vehicle maintenance, information technology support, or insurance coverage.

By tracking these costs separately, Internal Service Funds help ensure accurate budgeting, promote cost accountability, and allow departments to see the true cost of the resources they consume.

The City has internal service funds for:

- Equipment maintenance (repairing city vehicles, etc.)
- Equipment replacement
- Repair and replacement of municipal facilities
- Information technology (managing computers and networks)
- Insurance

Internal Service Funds:	Revenue			Expenditures		
Fund	Budget	Actual	% Actual to Budget	Budget	Actual	% Actual to Budget
Equipment Rental Operations	1,077,976	514,655	47.7%	855,438	355,832	41.6%
Equipment Rental Replacement	2,280,778	1,258,524	55.2%	1,389,000	594,081	42.8%
Facility Major Repairs	2,128,000	273,197	12.8%	2,116,885	222,169	10.5%
Computer Replacement	238,000	129,348	54.3%	460,000	103,807	22.6%
Self Insurance	1,147,472	575,467	50.2%	1,260,971	1,151,817	91.3%
Unemployment Insurance	60,000	33,043	55.1%	300,000	56,777	18.9%

Investment Report

City of Des Moines

Cash Deposits and Investment Portfolio

Security Type	Fair Value as of 1/1/2025	2025 Activity	Fair Value as of 6/30/2025	% of Portfolio
Federal Farm Credit Bank	\$ 7,285,589	\$ 23,801	\$ 7,309,390	10.7%
Federal Home Loan Bank	6,394,945	(2,439,825)	3,955,120	5.8%
Federal Agricultural Mortgage Corp	4,250,310	18,963	4,269,273	6.2%
US Treasury Notes/Bonds	2,941,253	1,525,280	4,466,533	6.5%
United States Treasury STRIP	1,995,369	1,633,291	3,628,659	5.3%
Key Bank	5,792,655	(433,617)	5,359,039	7.8%
LGIP	41,606,900	(2,118,517)	39,488,383	57.7%
Total	\$ 71,759,746	\$ (3,283,349)	\$ 68,476,397	100.0%

Bond Investments	\$ 24,360,191	33.9%	\$ 23,628,975	34.5%
Local Government Investment Pool	41,606,900	58.0%	39,488,383	57.7%
Key Bank Account	5,792,655	8.1%	5,359,039	7.8%
Total	\$ 71,759,746	100%	\$ 68,476,397	100.0%

Local Government Investment Pool Composition

Operating Funds	17,447,505	42%	17,441,708	44%
Debt Proceeds	24,159,395	58%	22,046,675	56%
Total LGIP Funds	\$ 41,606,900	100%	\$ 39,488,383	100%

Cash Management:

The City maintains a cash balance with KeyBank to support daily operations, including a dedicated account for Municipal Court functions. All other available funds are invested in either the Local Government Investment Pool (LGIP) or in government debt.

Investment Interest Earnings

Type	6/30/2024	6/30/2025	Change
LGIP	\$991,195.56	\$881,483.48	↓ \$109,712.08
Bond Investment	\$329,625.00	\$387,450.00	↑ \$57,825
Notes	Elevated due to bond proceeds being held in LGIP		

Interest Allocation: Investment interest is allocated across all City funds based on their portion of the overall cash balance at the end of the month.

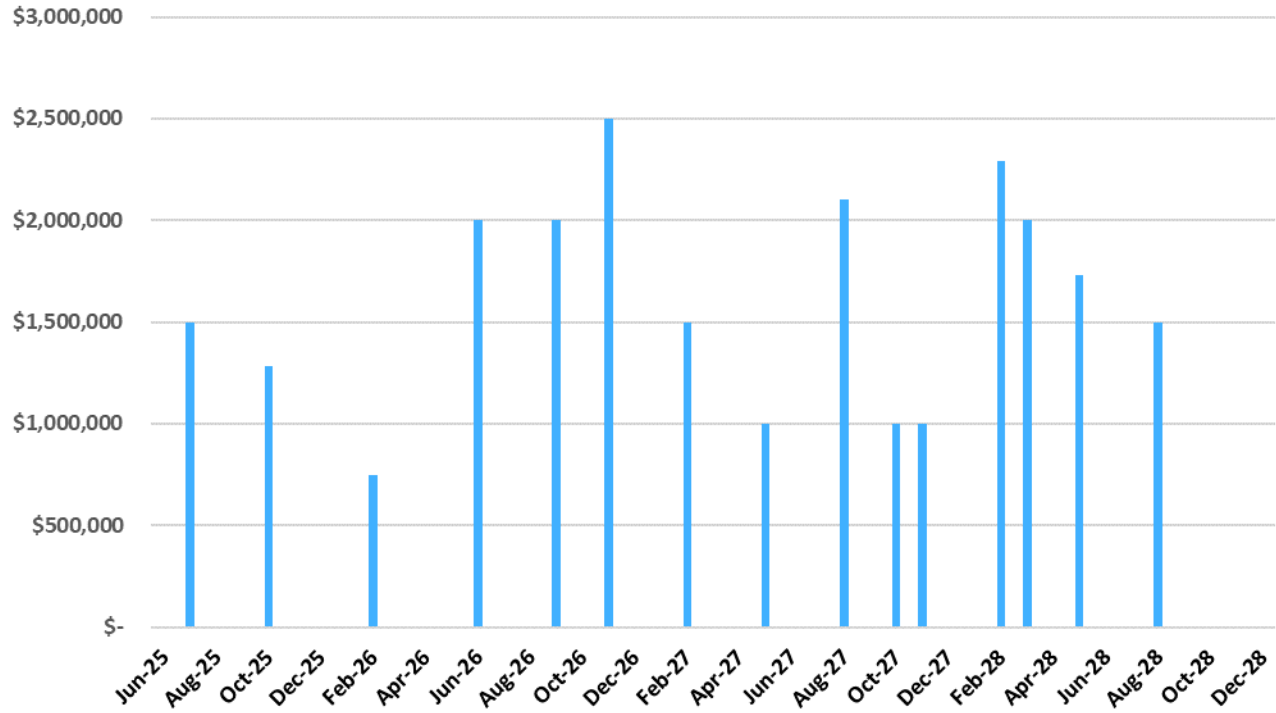
Investment Transaction Listing

During the second quarter of 2025, the following investments activity occurred:

Security Type	Amount	Maturity Date	Yield	Status
Federal Home Loan Mortgage Corp	\$1,500,000	5/1/2025	3.12%	Matured
United States Treasury Note/Bond	\$1,500,000	8/15/2028	3.78%	Purchased



City of Des Moines Investment Portfolio Maturity Distribution



Investment Asset Listing

CUSIP	Issuer	Investment Type	Moody's Rating	S&P Rating	Days to Maturity	Maturity Date	Interest Rate	Interest Yield	Par Value	Fair Market Value	Cost
313082PJ8	Federal Home Loan Bank	BONDS	Aa1	AA+	431	9/4/2026	3.6250%	3.5300%	2,000,000	1,991,740	2,006,922
313382GT4	Federal Home Loan Bank	BONDS	Aa1	AA+	984	3/10/2028	3.0000%	3.6500%	2,000,000	1,963,380	1,986,448
3133ENB74	Federal Farm Credit Bank	BONDS	Aa1	AA+	21	7/21/2025	3.1500%	3.0500%	1,500,000	1,498,995	1,504,269
3133EP2T1	Federal Farm Credit Bank	BONDS	Aa1	AA+	592	2/12/2027	4.1250%	4.3800%	1,500,000	1,504,365	1,492,047
3133EPNG6	Federal Farm Credit Bank	BONDS	Aa1	AA+	358	6/23/2026	4.3750%	4.8400%	2,000,000	2,006,680	2,010,137
3133EPYW9	Federal Farm Credit Bank	BONDS	Aa1	AA+	112	10/20/2025	5.1250%	5.0000%	1,280,000	1,282,470	1,283,537
3133ERD57	Federal Farm Credit Bank	BONDS	Aa1	AA+	675	5/6/2027	4.7500%	4.5500%	1,000,000	1,016,880	1,006,806
31422XV66	Federal Agricultural Mortgage Corp	NOTES	-	-	217	2/2/2026	3.9500%	4.3000%	750,000	748,688	744,530
31424WBU5	Federal Agricultural Mortgage Corp	NOTES	-	-	501	11/13/2026	4.8000%	4.8000%	2,500,000	2,526,775	2,500,668
31424WP29	Federal Agricultural Mortgage Corp	NOTES	-	-	829	10/7/2027	3.5800%	3.9500%	1,000,000	993,810	991,888
9128282R0	US Treasury Notes/Bonds	NOTES	Aa1	-	776	8/15/2027	2.2500%	4.4000%	2,100,000	2,036,748	1,987,298
9128283F5	US Treasury Notes/Bonds	NOTES	Aa1	-	868	11/15/2027	2.2500%	3.4403%	1,000,000	966,880	973,438
9128284V9	US Treasury Notes/Bonds	NOTES	Aa1	-	1142	8/15/2028	2.8750%	3.7800%	1,500,000	1,462,905	1,469,054
912833RY8	United States Treasury STRIP	STRIPS	-	-	960	2/15/2028	0.0000%	4.2509%	2,290,000	2,074,946	1,997,171
912833WQ9	United States Treasury STRIP	STRIPS	-	-	1050	5/15/2028	0.0000%	4.3000%	1,730,000	1,553,713	1,499,969
Grand Total									\$ 24,150,000	\$ 23,628,975	\$23,454,181

ATTACHMENT 1 – Sales Tax by Category

SALES TAX SUMMARY June 2025(April 2025 Sales)

NALCS	CONSTRUCTION	24 TOTAL	24 YTD	25 YTD	YTD
236	Construction of Buildings	347,585	174,559	216,550	25.6%
237	Heavy & Civil Construction	57,100	20,295	75,001	29.9%
238	Special Trade Contractors	371,185	156,517	161,181	4.0%
	TOTAL CONSTRUCTION	\$ 775,870	\$ 351,372	\$ 452,732	28.1%
	Overall Construction Change from Previous Year			\$ 102,235	
NALCS	MANUFACTURING	24 TOTAL	24 YTD	25 YTD	YTD
311	Food Manufacturing	757	444	403	-3.3%
312	Beverage & Tobacco Products	2,239	1,052	1,318	25.3%
313	Textile Mills	200	111	130	17.2%
314	Textile Product Mills	175	135	81	-52.5%
315	Apparel Manufacturing	320	154	199	31.8%
316	Leather & Allied Products	4,444	202	242	19.5%
317	Wood Product Manufacturing	6,385	3,051	487	-92.2%
321	Paper Manufacturing	239	63	337	302.2%
322	Printing & Related Support	4,907	2,400	4,814	100.5%
323	Plastics & Rubber Products	83	8	10	25.0%
324	Chemical Manufacturing	1,597	685	682	-0.3%
325	Plastics & Rubber Products	239	223	34	-85.8%
327	Nonmetallic Mineral Products	4,459	1,086	1,524	40.3%
331	Primary Metal Manufacturing	84	3	12	143.8%
332	Refined Metal Industries	1,683	833	955	14.5%
333	Machine Tool Manufacturing	2,730	1,033	519	-81.3%
334	Computer & Electronic Products	2,730	1,033	9,295	795.8%
335	Electric Equipment, Appliances	1,637	212	645	203.2%
336	Transportation Equipment Mfg	15,615	7,214	10,145	40.7%
337	Furniture & Related Products	4,249	3,122	555	-87.4%
339	Miscellaneous Manufacturing	4,219	2,359	2,897	21.0%
	TOTAL MANUFACTURING	\$ 53,099	\$ 25,584	\$ 48,707	94.6%
	Overall Manufacturing Change from Previous Year			\$ 23,123	
NALCS	TRANSPORTATION & WAREHOUSING	24 TOTAL	24 YTD	25 YTD	YTD
451	Air Transportation	-	-	-	-
452	Rail Transportation	2	1	10	751.2%
453	Water Transportation	-	-	0	-
454	Truck Transportation	6,412	3,549	2,510	-59.3%
455	Tunnel and Ground Passengers	-	-	-	-
456	Motor Vehicle and Parts Dealer	-	-	-	-
457	Motor Vehicle and Parts Dealer	-	-	-	-
458	Motor Vehicle and Parts Dealer	-	-	-	-
459	Motor Vehicle and Parts Dealer	-	-	-	-
460	Motor Vehicle and Parts Dealer	-	-	-	-
461	Motor Vehicle and Parts Dealer	-	-	-	-
462	Motor Vehicle and Parts Dealer	-	-	-	-
463	Motor Vehicle and Parts Dealer	-	-	-	-
464	Motor Vehicle and Parts Dealer	-	-	-	-
465	Motor Vehicle and Parts Dealer	-	-	-	-
466	Motor Vehicle and Parts Dealer	-	-	-	-
467	Motor Vehicle and Parts Dealer	-	-	-	-
468	Motor Vehicle and Parts Dealer	-	-	-	-
469	Motor Vehicle and Parts Dealer	-	-	-	-
470	Motor Vehicle and Parts Dealer	-	-	-	-
471	Motor Vehicle and Parts Dealer	-	-	-	-
472	Motor Vehicle and Parts Dealer	-	-	-	-
473	Motor Vehicle and Parts Dealer	-	-	-	-
474	Motor Vehicle and Parts Dealer	-	-	-	-
475	Motor Vehicle and Parts Dealer	-	-	-	-
476	Motor Vehicle and Parts Dealer	-	-	-	-
477	Motor Vehicle and Parts Dealer	-	-	-	-
478	Motor Vehicle and Parts Dealer	-	-	-	-
479	Motor Vehicle and Parts Dealer	-	-	-	-
480	Motor Vehicle and Parts Dealer	-	-	-	-
481	Motor Vehicle and Parts Dealer	-	-	-	-
482	Motor Vehicle and Parts Dealer	-	-	-	-
483	Motor Vehicle and Parts Dealer	-	-	-	-
484	Motor Vehicle and Parts Dealer	-	-	-	-
485	Motor Vehicle and Parts Dealer	-	-	-	-
486	Motor Vehicle and Parts Dealer	-	-	-	-
487	Motor Vehicle and Parts Dealer	-	-	-	-
488	Motor Vehicle and Parts Dealer	-	-	-	-
489	Motor Vehicle and Parts Dealer	-	-	-	-
490	Motor Vehicle and Parts Dealer	-	-	-	-
491	Motor Vehicle and Parts Dealer	-	-	-	-
492	Motor Vehicle and Parts Dealer	-	-	-	-
493	Motor Vehicle and Parts Dealer	-	-	-	-
494	Motor Vehicle and Parts Dealer	-	-	-	-
495	Motor Vehicle and Parts Dealer	-	-	-	-
496	Motor Vehicle and Parts Dealer	-	-	-	-
497	Motor Vehicle and Parts Dealer	-	-	-	-
498	Motor Vehicle and Parts Dealer	-	-	-	-
499	Motor Vehicle and Parts Dealer	-	-	-	-
500	Motor Vehicle and Parts Dealer	-	-	-	-
	TOTAL TRANSPORTATION & WAREHOUSING	\$ 42,584	\$ 19,301	\$ 23,461	21.6%
	Overall Transportation Change from Previous Year			\$ 4,160	
NALCS	WHOLESALE TRADE	24 TOTAL	24 YTD	25 YTD	YTD
423	Wholesale Trade - Durable Goods	135,627	70,235	88,944	26.7%
424	Wholesale Trade - Non-durable Goods	54,807	27,530	28,903	5.0%
425	Wholesale Trade - Miscellaneous	1,370	656	551	-14.4%
	WHOLESALE TRADE TOTAL	\$ 191,805	\$ 98,420	\$ 118,449	20.4%
	Overall Wholesale Change from Previous Year			\$ 20,029	
NALCS	RETAIL TRADE	24 TOTAL	24 YTD	25 YTD	YTD
440	Furniture & Home Furnishings	-	-	-	-
441	Electronics & Appliances	-	-	-	-
442	Building Material & Garden	56,397	26,351	26,983	0.1%
443	Food & Beverage Stores	184,284	86,330	89,707	3.9%
444	Health & Personal Care	-	-	-	-
445	Clothing & Accessories	-	-	-	-
446	Furniture, Home Furnishings, Electronics, and Appliances	153,056	78,148	77,508	-1.5%
447	Sporting Goods, Hobby, Books	-	-	-	-
448	General Merchandise Stores	-	-	-	-
449	Miscellaneous Store Retailers	-	-	-	-
450	Nonstore Retailers	-	-	-	-
451	General Merchandise Retailers	63,701	30,711	34,545	12.5%
452	Furniture and Personal Care Retailers	28,173	12,547	12,047	-4.1%
453	Grocery Stores and Food Dealers	80,026	29,538	31,047	5.1%
454	Clothing, Clothing Accessories, Shoes and Jewelry Retailers	28,649	12,534	12,534	0.0%
455	Sporting Goods, Hobby, Musical Instruments, Book and Misc.	675,052	329,714	329,208	-0.1%
	TOTAL RETAIL TRADE	\$ 1,307,450	\$ 646,996	\$ 679,409	4.2%
	Overall Retail Change from Previous Year			\$ 32,413	
NALCS	SERVICES	24 TOTAL	24 YTD	25 YTD	YTD
51*	Information	215,632	113,045	109,803	-2.9%
52*	Finance & Insurance	23,286	12,414	10,527	-12.0%
53*	Real Estate, Rental, Leasing	66,452	28,417	28,417	0.0%
541	Professional, Scientific, Tech	86,028	42,288	57,956	37.1%
551	Computing, Information, Tech	1,684	949	965	1.7%
56*	Arts, Entertainment, Recreation	282,602	133,313	129,023	-3.2%
57*	Education, Health Services	18,356	9,264	9,092	-1.8%
58*	Health Care Social Assistance	7,133	3,443	4,417	28.3%
59*	Arts & Entertainment	35,015	15,165	17,506	15.4%
60*	Accommodation & Food Services	429,659	202,504	202,504	0.0%
61*	Other Services	161,162	74,609	85,339	14.4%
62*	Public Administration	640	245	245	0.0%
	TOTAL SERVICES	\$ 1,307,918	\$ 624,511	\$ 652,235	4.5%
	Overall Services Change from Previous Year			\$ 27,724	
NALCS	MISCELLANEOUS	24 TOTAL	24 YTD	25 YTD	YTD
000	Unclassified	-	-	-	-
111-115	Agriculture, Forestry, Fishing	701	200	184	-7.8%
211-221	Mining & Utilities	11,564	7,973	965	-31.8%
999	Unclassified Establishments	139,910	64,861	44,266	-31.8%
	MISCELLANEOUS TOTAL	\$ 152,175	\$ 73,034	\$ 45,415	-37.8%
	Overall Miscellaneous Change from Previous Year			\$ (27,619)	
	GRAND TOTALS	\$ 4,033,471	\$ 1,987,102	\$ 2,088,605	4.0%
	Grand Total Change from Previous Year to Date			\$ 101,503	