2025 3rd Quarter Financial Report

Executive Summary

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

General Fund Overview
Through the third quarter of 2025, the City received $18,924,184 in revenue representing 71% of the total annual revenue budget of $26,754,202. Revenue was slightly lower than expectations, coming in at $258,440 (1.35%) less than budgeted expectations.

General Fund Highlights

- Business and Occupation (B&O) Tax: $987,363 has been collected through the third quarter. This is 15.12% below budgeted expectations but $25,209 higher than last year.
    - B&O Tax – Square Footage revenue collected the third quarter was approximately $103,000 while budgeted expectations were to receive $420,000. The City has worked with businesses throughout the year to increase compliance with the City's tax code. As of October 31, the City has collected $314,000 of Square Footage Tax.

- Franchise Fees: Receipts fell short of expectations by $139,211 (8.89%), but was $304,474 (27%) higher than last year.

- Sales Tax: $3,199,483 was collected through the third quarter. Sales tax collections was 5.15% higher than the same period last year.

Other Funds Highlights

- Development Fund: Continued to support fee-based development operations with an operating income of $152,005.

- 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 $1,056,667. SWM finished the quarter with an operating income of $983,470.

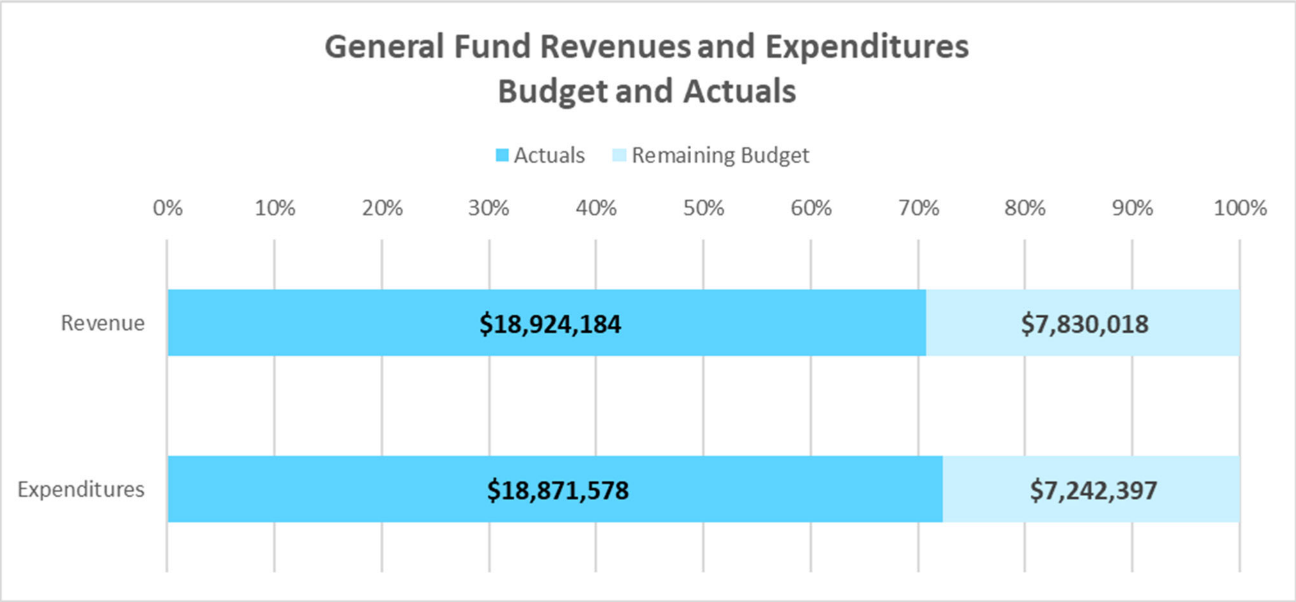
Cash & Investment Management
Interest earnings in the Local Government Investment Pool (LGIP) reached $1,164,743.58, down from the prior year.

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.

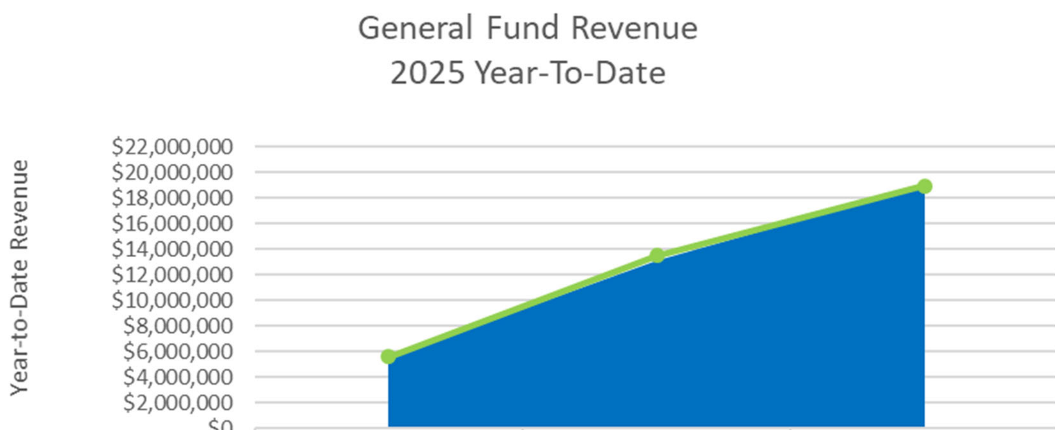
Revenues for the general fund typically come from local taxes (such as property taxes, sales taxes, and business licenses), service fees, fines, and intergovernmental transfers. These funds are used to cover general government operations—such as police, public works, parks and recreation, and administration.

Through the third quarter of 2025, the General Fund received $18,924,184 of revenue, which represents 71% of budgeted revenue for the year. The General Fund also incurred $18,871,578 of expenditures representing 72% of the annual 2025 expenditure budget.



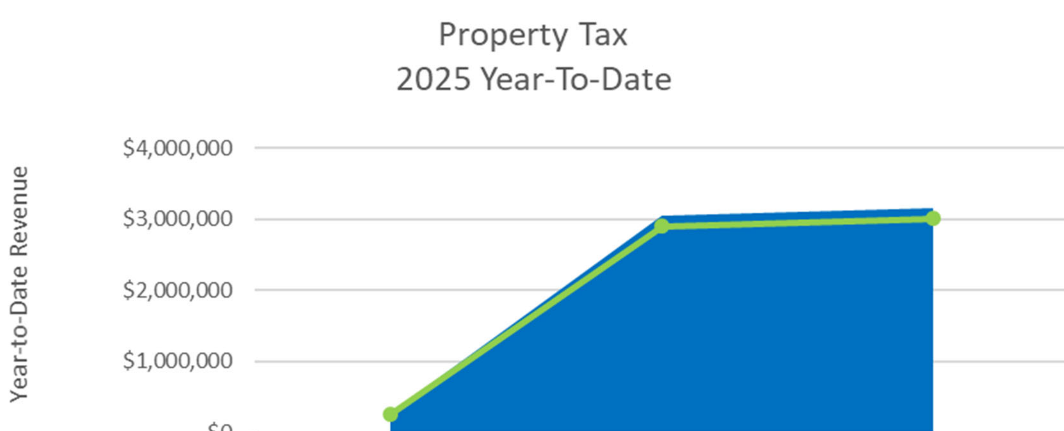
Revenue

Total General Fund Revenue totaled $18,924,184 at the end of the third quarter of 2025. This amount is $48,440 (0.26%) less than the year-to-date budget and $73,404 (0.4%) less than the prior year. The adopted budget for 2025 is $26,754,202.



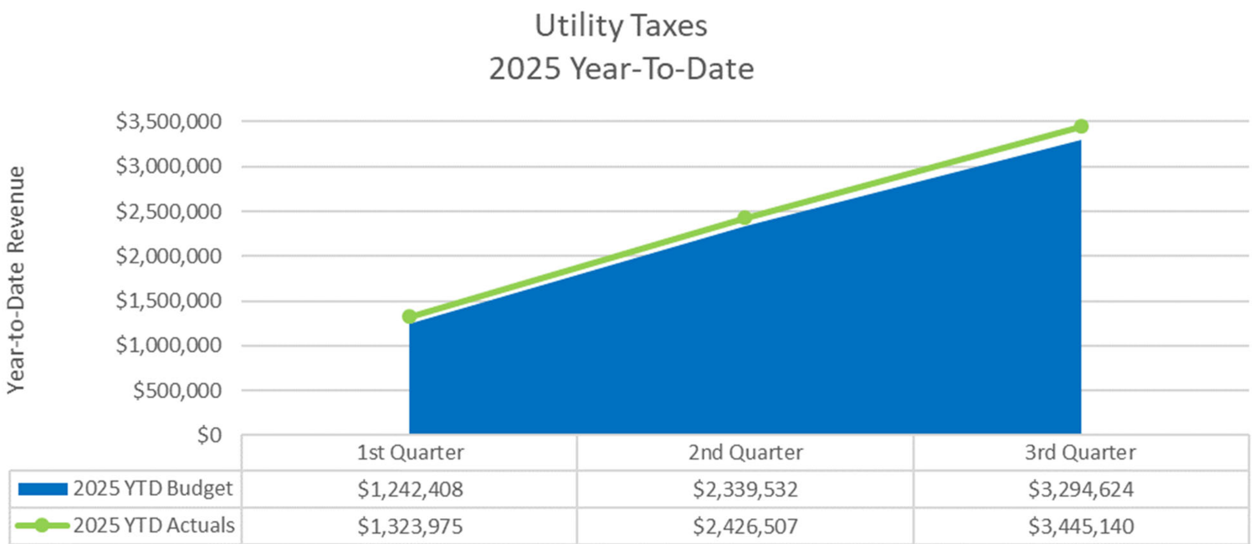
	1st Quarter	2nd Quarter	3rd Quarter
2025 YTD Budget	$5,550,328	$13,120,894	$18,972,624
2025 YTD Actuals	$5,582,210	$13,482,317	$18,924,184

Property Taxes are primarily collected in the second and fourth quarters (April and October). Property tax collected through the third quarter was $3,009,858, which was a $143,129 (4.54%) lower than budgeted assumptions. The adopted budget for Property Tax revenue for 2025 is $5,790,457.



	1st Quarter	2nd Quarter	3rd Quarter
2025 YTD Budget	$280,331	$3,049,732	$3,152,987
2025 YTD Actuals	$254,566	$2,902,869	$3,009,858

Utility Taxes collected through the third quarter of 2025 were $3,445,140, which is a $150,515 (4.57%) 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.

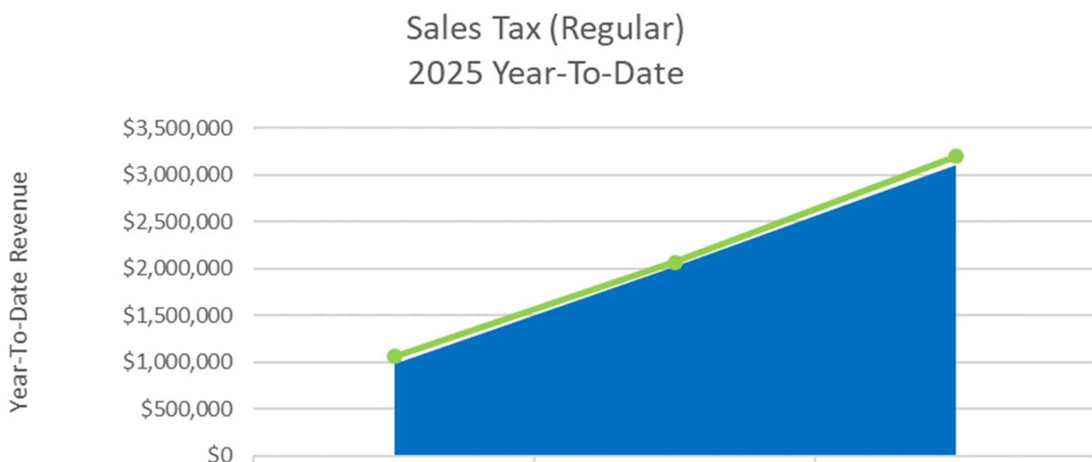


The table below demonstrates actual revenues compared to prior year collections by the different utility categories:

Utility Tax Type	2024 Q3 Total	2025 Q3 Total	Change from 2024 Amount	Change from 2024 Percent
Electricity	$ 1,227,502	$ 1,367,352	$ 139,850	11.4%
Natural Gas	368,550	444,489	75,939	20.6%
Solid Waste	526,087	512,125	(13,962)	-2.7%
Cable TV	561,852	403,727	(158,125)	-28.1%
Telephone	158,677	176,339	17,662	11.1%
SWM*	471,947	541,107	69,160	14.7%
YE Total	**$ 3,314,616**	**$ 3,445,140**	**$ 130,524**	**3.9%**

**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 $246,594 (8.0%) over the same period in the prior year. Through the third quarter, the City collected $3,199,483 in sales tax, which was $86,815 (2.79%) 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.

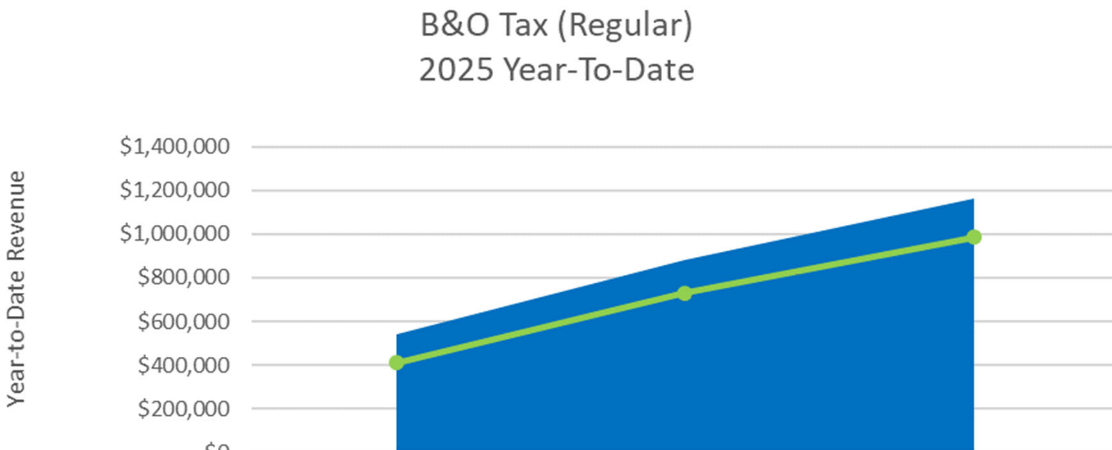


	1st Quarter	2nd Quarter	3rd Quarter
2025 YTD Budget	$990,947	$2,028,336	$3,112,668
2025 YTD Actuals	$1,064,923	$2,070,471	$3,199,483

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 third 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.

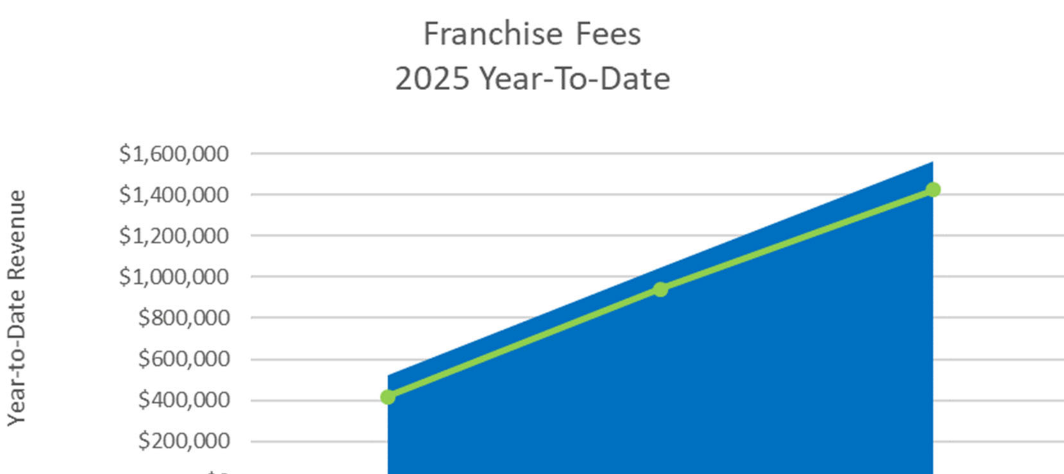
Please see Attachment #1 for a breakdown of sales tax by revenue category.

The City received $987,363 in **Business and Occupation Tax** through the third quarter of 2025. This amount was a $175,944 (15.12%) less than budget. Collections of B&O Tax through the third quarter were also $25,209 (2.6%) more than the prior year. The adopted budget for B&O Tax revenue for 2025 is $1,450,000.



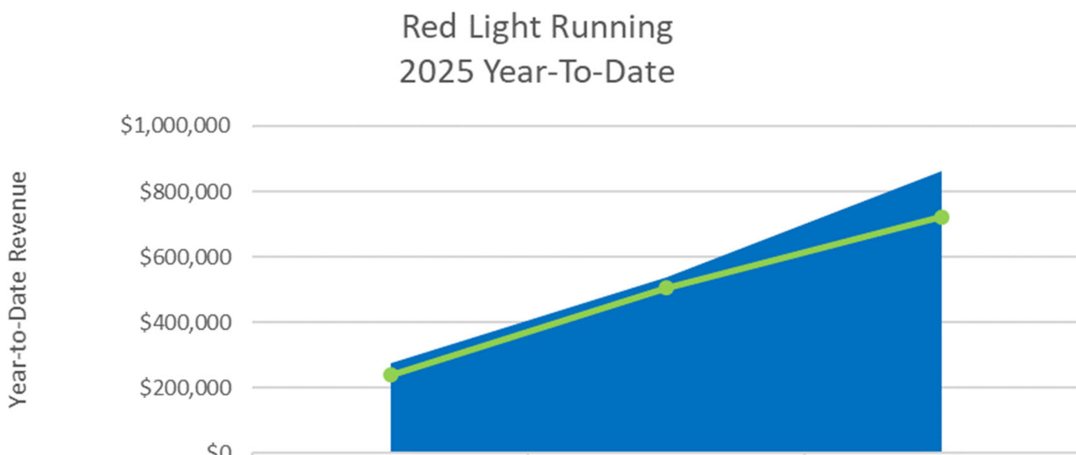
	1st Quarter	2nd Quarter	3rd Quarter
2025 YTD Budget	$539,102	$880,379	$1,163,307
2025 YTD Actuals	$409,882	$729,544	$987,363

Franchise Fees help the City recoup the cost of allowing a utility to use its public space. Through the third quarter of 2025, the City collected $1,426,789 in franchise fees, which was $139,211 (8.89%) less than the year-to-date budget. The adopted budget for Franchise Fee revenue for 2025 is $2,088,000.



	1st Quarter	2nd Quarter	
2025 YTD Budget	$522,000	$1,044,000	$1,566,000
2025 YTD Actuals	$417,056	$941,983	$1,426,789

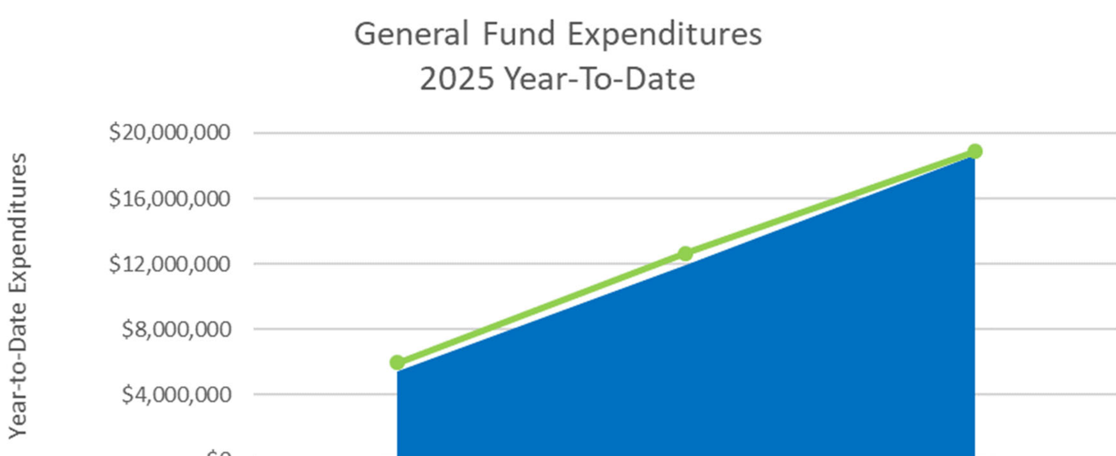
Red Light Running Infractions is revenue received from fines generated by the red light camera ticketing system installed at select intersections in the City. Through the third quarter of 2025, the City collected $723,590 in red light running fee revenue, which was $104,598 (13%) less than the same period 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.



	1st Quarter	2nd Quarter	3rd Quarter
2025 YTD Budget	$276,396	$536,434	$860,769
2025 YTD Actuals	$238,889	$504,775	$723,590

Expenditures

General Fund expenditures were $18,871,578, which was $380,950 (2.06%) more than budgeted expectations. The adopted budget for General Fund Expenditures for 2025 is $26,113,975.



	1st Quarter	2nd Quarter	3rd Quarter
2025 YTD Budget	$5,438,763	$11,913,234	$18,673,478
2025 YTD Actuals	$5,973,883	$12,666,709	$18,871,578

General Fund Summary of Uses Year to Date through September	2024 YTD Actual	2025 Annual Budget	2025 YTD Budget	2025 YTD Actual	2025 vs 2024 $	2025 vs 2024 %	2025 vs. Budget $	2025 vs. Budget %
Personnel	12,798,103	16,791,999	11,894,053	12,133,884	(664,219)	-5.2%	239,831	2.0%
Supplies	590,097	588,255	441,191	526,214	(63,883)	-10.8%	85,023	19.3%
Services	4,551,878	6,020,345	4,303,202	4,409,399	(142,479)	-3.1%	106,197	2.5%
Internal Services	1,119,188	2,713,376	2,035,032	1,789,025	669,837	59.9%	(246,007)	-12.1%
Capital	60,565	-	-	-	(60,565)	-100.0%	0	0.0%
Transfers Out	169,950	-	-	13,056	(156,894)	-92.3%	13,056	0.0%
Total Expenditures	**19,289,782**	**26,113,975**	**18,673,478**	**18,871,578**	**(418,204)**	**-2.2%**	**198,100**	**1.1%**

Personnel: Personnel costs represent expenditure of funds for salary and benefits expenses. Through the third quarter, personnel costs were $664,219 (5.2%) lower than at the same point in the prior year and $239,831 (2.0%) greater than the year-to-date budget. The budget variance is primarily due to contractual payments made to employees who were separated from the City.

Supplies: A unbudgeted bodycam refresh expenditure of $77,010 resulted in supplies expenditures exceeding budget in the third quarter. However, these costs were reimbursed by grant funds from the Washington Association of Sheriffs and Police Chiefs. (WASPC).

Internal Services: Internal services increased $669,837 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 third 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 Adopted Budget	2025 YTD Budget	2025 YTD Actual	2025 YTD Budget vs Actual Amount	2025 YTD Budget vs Actual Percentage	2025 Remaining Budget
Operating Revenues (Recurring)						
Taxes	$ 20,343,457	$ 13,937,692	$ 13,271,059	$ (666,633)	-5%	$ 7,072,398
Licenses and Permits	425,500	256,599	280,245	23,646	9%	145,255
Intergovernmental (Grants, etc.)	910,519	682,890	777,690	94,801	14%	132,829
Fees/Charges/Fines	1,897,100	1,458,594	1,288,595	(169,998)	-12%	608,505
Other	2,057,758	1,624,449	1,601,697	(22,752)	-1%	456,061
Total Operating Revenues (Recurring)	**$ 25,634,334**	**$ 17,960,223**	**$ 17,219,286**	**$ (740,937)**	**-4%**	**$ 8,415,048**
Nonrecurring Revenues						
Sound Transit	154,868	116,151	132,600	16,449	14%	22,268
Body Cam Refresh	-	-	77,010	77,010	-	(77,010)
Sales Tax (One-Time)	200,000	150,000	14,765	(135,235)	-90%	185,235
B&O Tax (One-Time)	75,000	56,250	6,364	(49,886)	-89%	68,636
Sale of Tract C to Port of Seattle	690,000	690,000	689,120	(880)	0%	880
Street Vacation Revenue from Sound Transit	-	-	775,200	775,200	-	(775,200)
Insurance Revcoveries	-	-	9,839	9,839	-	(9,839)
Total Nonrecurring Revenues	**$ 1,119,868**	**$ 1,012,401**	**$ 1,704,898**	**$ 692,497**	**68%**	**$ (585,030)**
Total Revenue	**$ 26,754,202**	**$ 18,972,624**	**$ 18,924,184**	**$ (48,439)**	**0%**	**$ (1,115,319)**
Operating Expenditures (Recurring)						
City Council	$ 119,696	$ 84,731	$ 74,359	(10,372)	-12%	45,337
City Manager's Office	693,087	491,680	526,207	34,527	7%	166,880
City Clerk	707,046	508,544	685,763	177,219	35%	21,283
Human Resources	279,665	202,384	172,287	(30,097)	-15%	107,378
Emergency Management	26,283	19,712	8,896	(10,816)	-55%	17,387
Communications	177,188	130,446	109,859	(20,587)	-16%	67,329
Finance	1,306,317	929,648	999,877	70,229	8%	306,440
Information Technology Services	1,332,120	965,995	949,960	(16,034)	-2%	382,160
Legal	1,015,611	722,836	651,283	(71,553)	-10%	364,328
Municipal Court	1,706,115	1,214,705	1,065,148	(149,557)	-12%	640,967
Public Safety - (SCORE/Public Defender/Fire Services)	1,020,310	765,233	764,230	(1,003)	0%	256,080
Police	13,063,031	9,276,445	9,003,185	(273,260)	-3%	4,059,846
Planning and Building (Tax-based)	431,611	306,583	295,450	(11,134)	-4%	136,161
Building and Parks Maintenance	1,800,384	1,278,782	1,307,605	28,823	2%	492,779
Community Events and Services	1,860,093	1,341,642	1,463,021	121,380	9%	397,072
Non-Departmental - Organizational Memberships	97,550	73,163	91,070	17,907	24%	6,480
Total Operating Expenditures (Recurring)	**$ 25,636,107**	**$ 18,312,527**	**$ 18,168,201**	**$ (144,326)**	**-1%**	**$ 7,467,906**
Nonrecurring Expenditures						
Sound Transit	154,868	116,151	132,600	16,449	14%	22,268
Professional Development Program	15,000	13,800	13,800	-	0%	1,200
Professional Services - One-time	100,000	75,000	28,768	(46,232)	-62%	71,232
Sustainable Airport Master Plan	114,000	85,500	16,985	(68,515)	-80%	97,015
Body Cam Refresh	-	-	77,010	77,010	-	(77,010)
Government relations	54,000	40,500	43,351	2,851	7%	10,649
Communications Contract	40,000	30,000	16,370	(13,630)	-45%	23,630
Staff Reduction	-	-	289,436	289,436	-	(289,436)
Encampment Cleanup	-	-	72,000	72,000	-	(72,000)
Transfers Out - Fund 114 (American Rescue Plan Act Fund)	-	-	13,056	13,056	-	(13,056)
Total Operating Expenditures (Recurring)	**$ 477,868**	**$ 360,951**	**$ 703,377**	**$ 342,426**	**95%**	**$ (225,509)**
Total Expenditures	**$ 26,113,975**	**$ 18,673,478**	**$ 18,871,578**	**$ 198,100**	**1%**	**$ 7,242,397**
Total Operating Income (Loss)	**$ 640,227**	**$ 299,146**	**$ 52,606**	**$ (246,539)**		

**September is month 9 of 12= 75.0%

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	$ 1,882,160	71.9%	$ 2,741,053	$ 1,397,486	51.0%
Arterial Pavement	1,418,000	93,658	6.6%	1,466,788	300,048	20.5%
Development Fund	2,885,246	2,450,031	84.9%	3,092,952	2,298,026	74.3%
Police Drug Seizure	26,000	-	0.0%	20,500	5,135	25.0%
Hotel-Motel Tax	125,000	78,419	62.7%	120,000	157,925	131.6%
Affordable Housing Sales Tax	35,000	24,418	69.8%	35,000	30,667	87.6%
American Rescue Plan Act	-	8,455	0.0%	1,103,000	103,819	9.4%
Redondo Zone	129,800	63,173	48.7%	150,635	116,089	77.1%
Waterfront Zone	438,550	381,195	86.9%	394,462	328,090	83.2%
PBPW Automation Fee	195,000	122,657	62.9%	120,409	72,058	59.8%
Urban Forestry	5,000	-	0.0%	5,000	-	0.0%
Abatement	3,600	175	4.9%	2,500	-	0.0%
Automated Speed Enforcement (ASE)	360,000	116,137	32.3%	432,976	150,574	34.8%
Redondo Speed Enforcement Fund	1,000,000	840,335	84.0%	938,824	380,051	40.5%
Transport Benefit District	$ 1,040,000	$ 819,980	78.8%	$ 1,400,000	$ 675,000	48.2%

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 Adopted Budget	2025 YTD Budget	2025 YTD Actual	2025 YTD Budget vs Actual Amount	2025 YTD Budget vs Actual Percentage	2025 Remaining Budget
Operating Revenues						
Planning and Building						
Building Permits	$ 685,465	$ 514,099	$ 732,776	$ 218,678	43%	$ (47,311)
Other Licenses and Permits	351,799	263,849	322,465	58,616	22%	29,334
Intergovernmental (Grants, etc.)	97,749	73,312	88,508	15,197	21%	9,241
Charges for Services:						
Zoning Fees	319,278	239,459	305,503	66,045	28%	13,775
Plan Check Fees	638,000	478,500	571,551	93,051	19%	66,449
Other Fees	7,480	5,610	6,893	1,283	23%	587
Credt Card Fees	41,200	30,900	28,622	(2,278)	-7%	12,578
Misc. Revenue	-	-	92	92	0%	(92)
Penalties - Stop Work	15,500	11,625	8,152	(3,473)	-30%	7,348
Planning and Building Revenue Subtotal	**$ 2,156,471**	**$ 1,617,353**	**$ 2,064,563**	**$ 447,210**	**28%**	**$ 91,908**
Engineering						
Right-Of-Way Permits	$ 137,500	$ 103,125	$ 238,749	$ 135,624	132%	$ (101,249)
Engineering Fees	159,254	119,441	100,545	(18,896)	-16%	58,709
Interfund Charges/ Engineering CIP Support	334,537	250,903	-	(250,903)	-100%	334,537
Engineering Revenue Subtotal	**$ 631,291**	**$ 473,468**	**$ 339,294**	**$ (134,174)**	**-28%**	**$ 291,997**
Interest Income	65,000	48,750	46,174	(2,576)	-5%	18,826
Transfers In - PBPW Automation Fee Fund	32,484	24,363	-	(24,363)	-100%	32,484
Total Operating Revenues	**$ 2,885,246**	**$ 2,163,935**	**$ 2,450,031**	**$ 286,097**	**13%**	**$ 435,215**
Operating Expenditures						
Planning and Building						
Salaries and Benefits	$ 1,613,355	$ 1,142,793	$ 1,137,934	$ (4,859)	0%	$ 475,421
Supplies	33,351	25,014	13,142	(11,872)	-47%	20,210
Services	470,649	352,987	490,038	137,051	39%	(19,389)
Planning and Building Expenditures Subtotal	$ 2,117,355	$ 1,520,793	$ 1,641,114	$ 120,320	8%	$ 476,242
Engineering						
Salaries and Benefits	$ 715,814	$ 507,035	$ 408,865	$ (98,170)	-19%	$ 306,949
Supplies	12,000	9,000	4,188	(4,812)	-53%	7,812
Services	247,783	185,837	243,860	58,022	31%	3,923
Engineering Expenditures Subtotal	$ 975,597	$ 701,872	$ 656,913	$ (44,960)	-6%	$ 318,684
Total Operating Expenditures	**$ 3,092,952**	**$ 2,222,666**	**$ 2,298,026**	**$ 75,360**	**3%**	**$ 794,926**
Total Operating Income (Loss)	**$ (207,706)**	**$ (58,731)**	**$ 152,005**	**$ 210,736**		

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	$ 786,362	75.0%	$ 1,048,480	$ 400,083	38.2%

CAPTIAL 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	$ 557,374	75.3%	$ 2,380,979	$ 220,484	9.3%
REET 2	700,000	510,651	73.0%	483,504	347,126	71.8%
Park Levy	150,000	152,841	101.9%	-	189,715	0.0%
Park in Lieu	27,500	-	0.0%	46,000	-	0.0%
One-Time Sales & B+O Tax Revenues	50,000	35,141	70.3%	165,000	63,095	38.2%
Municipal Capital Improvements	5,526,000	1,867,277	33.8%	15,558,000	2,237,400	14.4%
Transportation Capital Improvements	8,430,000	1,841,937	21.8%	9,020,000	3,790,531	42.0%
Traffic in Lieu	460,000	464,318	100.9%	-	-	0.0%
Traffic Impact - Citywide	345,000	116,780	33.8%	140,000	240,584	171.8%
Traffic Impact - Pac Ridge	120,000	17,752	14.8%	-	-	0.0%
Total Capital Project Fund*	**$ 16,548,500**	**$ 5,564,071**	**34%**	**$ 27,793,483**	**$ 7,088,936**	**26%**

*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 Adopted Budget	2025 YTD Budget	2025 YTD Actual	2025 YTD Budget vs Actual Amount	2025 YTD Budget vs Actual Percentage	2025 Remaining Budget
Operating Revenue						
Charges for Services	$ 3,883,417	$ 2,912,563	$ 3,045,864	$ 133,301	5%	$ 837,553
Fuel Sales	1,503,000	1,127,250	1,185,279	58,029	5%	317,721
Miscellaneous Revenues	18,330	13,748	14,859	1,111	8%	3,471
Operating Revenue Subtotal	**$ 5,404,747**	**$ 4,053,560**	**$ 4,264,668**	**$ 211,108**	**5%**	**$ 1,140,079**
Operating Expense						
Salaries and Benefits	$ 1,459,598	$ 1,033,882	$ 954,594	$ (79,288)	-8%	$ 505,004
Supplies	150,550	112,913	76,089	(36,824)	-33%	74,461
Fuel Purchases	1,200,000	900,000	1,022,255	122,255	14%	177,745
Services	713,909	535,432	367,081	(168,351)	-31%	346,828
Services - Interfund	1,052,806	789,605	787,982	(1,622)	0%	264,824
Total Operating Expenses (excl. depreciation)	**$ 4,576,863**	**$ 3,371,831**	**$ 3,208,001**	**$ (163,829)**	**-5%**	**$ 1,368,862**
Operating Income/(Loss)	**$ 827,884**	**$ 681,730**	**$ 1,056,667**	**$ 374,937**	**55%**	**$ (228,783)**
Non-Operating Revenue						
Insurance Recoveries	-	-	105	105	-	(105)
Interest Income	280,000	210,000	284,206	74,206	35%	(4,206)
Non-operating Revenue Subtotal	**$ 280,000**	**$ 210,000**	**$ 284,311**	**$ 74,311**	**35%**	**$ (4,311)**
Non-operating Expense						
Capital Outlay	$ 14,692,000	$ 11,019,000	$ 6,163,990	$ (4,855,010)	-44%	$ 8,528,010
Debt Service	1,101,996	826,497	349,954	(476,543)	-58%	752,042
Non-operating Expense Subtotal	**$ 15,793,996**	**$ 11,845,497**	**$ 6,513,944**	**$ (5,331,553)**	**-45%**	**$ 9,280,052**
Net Change in Unrestricted Net Position	**$ (14,686,112)**	**$ (10,953,767)**	**$ (5,172,966)**	**$ 5,780,801**	**-53%**	**$ (9,513,146)**

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.

Surnface 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	$ 4,808,981	$ 4,116,163	$ (692,818)	-14%	$ 1,677,838
Intergovernmental Revenue	844,000	633,000	26,215	(606,785)	-96%	817,785
Operating Revenue Subtotal	**$ 6,638,001**	**$ 5,441,981**	**$ 4,142,378**	**$ (1,299,603)**	**-24%**	**$ 2,495,623**
Operating Expense						
Salaries and Benefits	$ 2,023,034	$ 1,432,982	$ 1,380,712	$ (52,271)	-4%	$ 642,322
Supplies	119,650	89,738	54,819	(34,919)	-39%	64,831
Services	1,698,715	1,274,036	968,858	(305,178)	-24%	729,857
Services - Interfund	1,012,635	759,476	754,520	(4,957)	-1%	258,116
Total Operating Expenses (excl. depreciation)	**$ 4,854,034**	**$ 3,556,232**	**$ 3,158,908**	**$ (397,324)**	**-11%**	**$ 1,695,126**
Operating Income/(Loss)	**$ 1,783,967**	**$ 1,885,749**	**$ 983,470**	**$ (902,278)**	**-48%**	**$ 800,497**
Non-Operating Revenue						
Judgements and Settlements	$ -	$ -	$ -	$ -	0%	$ -
Insurance Recovery	-	-	4,072	4,072	0%	(4,072)
Miscellaneous Revenue	-	-	967	967	0%	(967)
Interest Income	400,000	300,000	282,060	(17,940)	-6%	117,940
Non-operating Revenue Subtotal	**$ 400,000**	**$ 300,000**	**$ 287,098**	**$ (12,902)**	**-4%**	**$ 112,902**
Non-operating Expense						
Capital Outlay	$ 2,094,000	$ 1,570,500	$ 2,857,801	$ 1,287,301	82%	$ (763,801)
Debt Service	-	-	-	-	-	-
Transfers Out to Fund 319 (Transportation Improvemen	500,000	375,000	-	(375,000)	(1)	500,000
Non-operating Expense Subtotal	**$ 2,594,000**	**$ 1,945,500**	**$ 2,857,801**	**$ 912,301**	**47%**	**$ (263,801)**
Net Change in Unrestricted Net Position	**$ (410,033)**	**$ 240,249**	**$ (1,587,232)**	**$ (1,827,481)**	**-761%**	**$ 1,177,199**

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	$ 721,376	66.9%	$ 855,438	$ 541,715	63.3%
Equipment Rental Replacement	2,280,778	1,646,690	72.2%	1,389,000	712,091	51.3%
Facility Major Repairs	2,128,000	345,711	16.2%	2,116,885	227,680	10.8%
Computer Replacement	238,000	170,146	71.5%	460,000	156,075	33.9%
Self Insurance	1,147,472	766,896	66.8%	1,260,971	1,181,089	93.7%
Unemployment Insurance	$ 60,000	$ 47,338	78.9%	$ 300,000	$ 81,264	27.1%

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 9/30/2025	% of Portfolio
Federal Farm Credit Bank	$ 7,285,589	$ (1,472,655)	$ 5,812,935	8.9%
Federal Home Loan Bank	6,394,945	(2,426,365)	3,968,580	6.1%
Federal Agricultural Mortgage Corp	4,250,310	26,380	4,276,690	6.6%
US Treasury Notes/Bonds	2,941,253	2,533,707	5,474,960	8.4%
United States Treasury STRIP	1,995,369	1,676,886	3,672,255	5.6%
Key Bank	5,792,655	(1,148,497)	4,644,158	7.1%
LGIP	41,606,900	(4,187,750)	37,419,150	57.3%
Total	**$ 71,759,746**	**$ (6,491,018)**	**$ 65,268,727**	**100.0%**

Bond Investments	$ 24,360,191	33.9%	$ 23,205,420	35.6%
Local Government Investment Pool	41,606,900	58.0%	37,419,150	57.3%
Key Bank Account	5,792,655	8.1%	4,644,158	7.1%
Total	**$ 71,759,746**	100%	**$ 65,268,727**	100.0%
Local Government Investment Pool Composition				
Operating Funds	17,447,505	42%	15,372,475	41%
Debt Proceeds	24,159,395	58%	22,046,675	59%
Total LGIP Funds	**$ 41,606,900**	100%	**$ 37,419,150**	100%

<u>Cash Management</u>:
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.

<u>Investment Interest Earnings</u>

Type	9/30/2024	9/30/2025	Change
LGIP	$1,540,239.44	$1,312,250.31	↓ $227,989.13
Bond Investment	$605,000.33	$568,262.50	↓ $36,737.83
Notes	Elevated due to bond proceeds being held in LGIP		

**9/30/2025 LGIP Revenue Includes Prior Period Adjustment.*

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

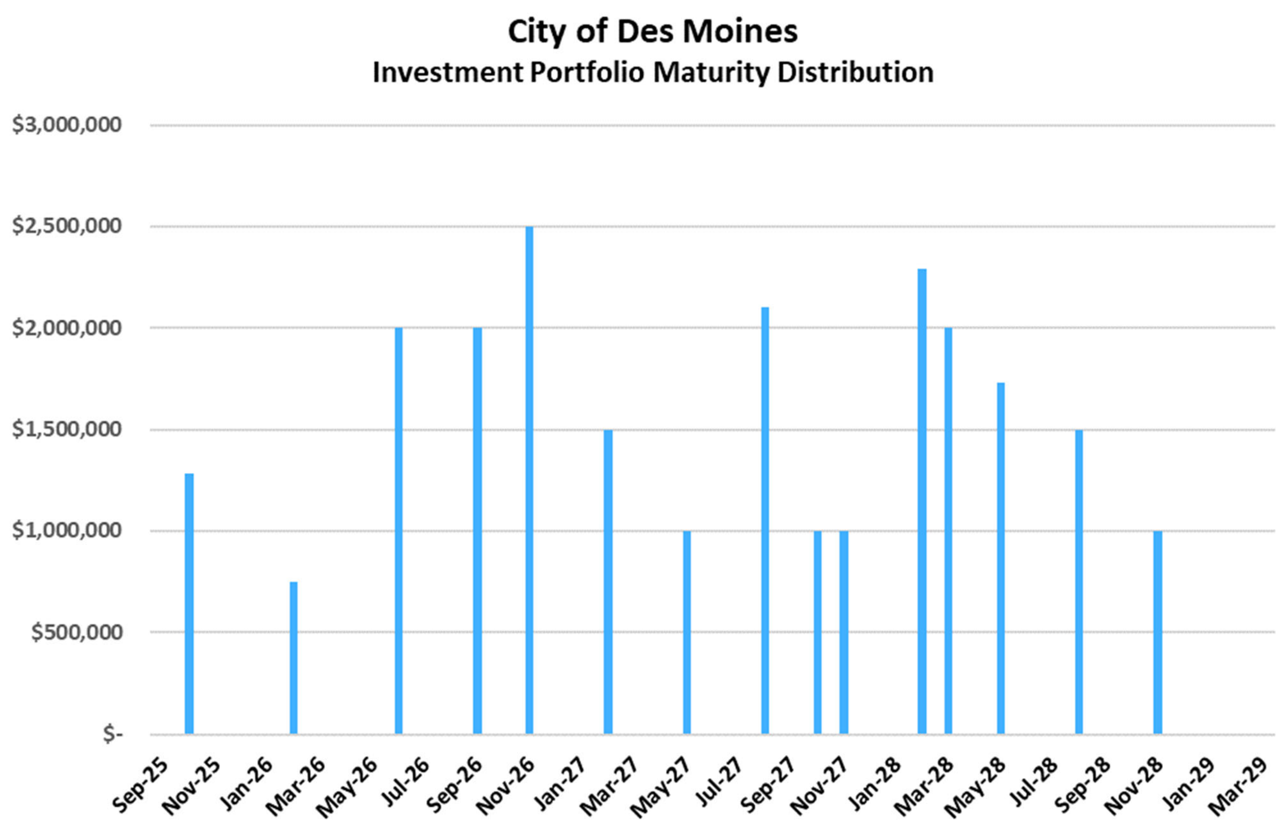
Investment Performance Comparisons:

Performance Comparison	9/30/2024	9/30/2025	Change
LGIP Net Earnings Rate	5.2278%	4.2934%	↓ 0.9344%
Average Bond Yield	3.2474%	4.1251%	↑0.8776%
LGIP/Bond Comparison	1.9804%	0.1683%	↓ 1.8120%
Average Days to Maturity	715	623	↓ 92

Investment Transaction Listing

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

Security Type	Amount	Maturity Date	Yield	Status
United States Treasury STRIPES	$3,030,000	8/15/2024	0.35%	Matured
Federal Farm Credit Bank	$1,500,000	7/21/2025	3.05%	Matured
US Treasury Notes/Bonds	$1,000,000	7/30/2025	3.78%	Purchased
United States Treasury STRIPES	$3,030,000	8/15/2024	0.35%	Matured



Des Moines
WATERLAND CITY

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
3130B2PJ8	**Federal Home Loan Bank**	BONDS	**Aa1**	AA+	**339**	9/4/2026	**3.6250%**	3.5300%	2,000,000	1,997,800	2,006,922
313382GT4	**Federal Home Loan Bank**	BONDS	**Aa1**	AA+	**892**	3/10/2028	**3.0000%**	3.6500%	2,000,000	1,970,780	1,986,448
3133EP2T1	**Federal Farm Credit Bank**	BONDS	**Aa1**	AA+	**500**	2/12/2027	**4.1250%**	4.3800%	1,500,000	1,507,950	1,492,047
3133EPNG6	**Federal Farm Credit Bank**	BONDS	**Aa1**	AA+	**266**	6/23/2026	**4.3750%**	4.8400%	2,000,000	2,007,960	2,010,137
3133EPYW9	**Federal Farm Credit Bank**	BONDS	**Aa1**	AA+	**20**	10/20/2025	**5.1250%**	5.0000%	1,280,000	1,280,525	1,283,537
3133ERDS7	**Federal Farm Credit Bank**	BONDS	**Aa1**	AA+	**583**	5/6/2027	**4.7500%**	4.5500%	1,000,000	1,016,500	1,006,806
31422XV66	**Federal Agricultural Mortgage Corp**	NOTES	**-**	-	**125**	2/2/2026	**3.9500%**	4.3000%	750,000	749,745	744,530
31424WBU5	**Federal Agricultural Mortgage Corp**	NOTES	**-**	-	**409**	11/13/2026	**4.8000%**	4.8000%	2,500,000	2,528,975	2,500,668
31424WPZ9	**Federal Agricultural Mortgage Corp**	NOTES	**-**	-	**737**	10/7/2027	**3.5800%**	3.9500%	1,000,000	997,970	991,888
9128282R0	**US Treasury Notes/Bonds**	NOTES	**Aa1**	-	**684**	8/15/2027	**2.2500%**	4.4000%	2,100,000	2,048,235	1,987,298
9128283F5	**US Treasury Notes/Bonds**	NOTES	**Aa1**	-	**776**	11/15/2027	**2.2500%**	3.4403%	1,000,000	972,310	973,438
9128284V9	**US Treasury Notes/Bonds**	NOTES	**Aa1**	-	**1050**	8/15/2028	**2.8750%**	3.7800%	1,500,000	1,469,415	1,469,054
912833RY8	**United States Treasury STRIP**	STRIPS	**-**	-	**868**	2/15/2028	**0.0000%**	4.2509%	2,290,000	2,100,342	1,997,171
912833WQ9	**United States Treasury STRIP**	STRIPS	**-**	-	**958**	5/15/2028	**0.0000%**	4.3000%	1,730,000	1,571,913	1,499,969
9128285M8	**US Treasury Notes/Bonds**	NOTES	**-**	-	**1142**	11/15/2028	**3.1250%**	3.7800%	1,000,000	985,000	986,324
Grand Total									**$ 23,650,000**	**$ 23,205,420**	**$22,936,236**

ATTACHMENT 1 – Sales Tax by Category

SALES TAX SUMMARY
September 2025 *(July 2025 Sales)*

NAICS	CONSTRUCTION	24 TOTAL	24 YTD	25 YTD	YTD % Diff
236	Construction of Buildings	347,585	263,347	334,074	26.9%
237	Heavy & Civil Construction	57,120	34,333	111,135	223.7%
238	Specialty Trade Contractors	371,885	266,861	264,724	-0.8%
	TOTAL CONSTRUCTION	$ 776,590	$ 564,541	$ 709,933	
	Overall Construction Change from Previous Year			$ 145,392	25.8%

NAICS	MANUFACTURING	24 TOTAL	24 YTD	25 YTD	YTD % Diff
311	Food Manufacturing	$ 757	$ 583	$ 602	3.3%
312	Beverage & Tobacco Products	2,229	1,519	1,882	23.9%
313	Textile Mills	200	157	158	0.5%
314	Textile Product Mills	175	152	129	-14.7%
315	Apparel Manufacturing	320	240	266	10.8%
316	Leather & Allied Products	434	324	388	19.7%
321	Wood Product Manufacturing	6,365	4,959	764	-84.6%
322	Paper Manufacturing	289	197	833	322.4%
323	Printing & Related Support	4,907	3,582	5,963	66.5%
324	Petroleum & Coal Products	80	78	10	-87.3%
325	Chemical Manufacturing	1,367	1,004	1,059	5.5%
326	Plastic & Rubber Products	289	242	70	-71.0%
327	Nonmetallic Mineral Products	4,459	3,356	2,624	-21.8%
331	Primary Metal Manufacturing	68	58	26	-55.2%
332	Fabricated Metal Mfg Products	1,863	1,400	1,288	-8.1%
333	Machinery Manufacturing	730	635	1,039	63.6%
334	Computer & Electronic Products	2,730	2,031	9,562	370.8%
335	Electric Equipment, Appliances	1,637	605	654	8.1%
336	Transportation Equipment Mfg	15,676	11,397	14,591	28.0%
337	Furniture & Related Products	4,249	3,618	2,316	-36.0%
339	Miscellaneous Manufacturing	4,278	3,503	4,088	16.7%
	TOTAL MANUFACTURING	$ 53,099	$ 39,640	$ 48,313	
	Overall Manufacturing Change from Previous Year			$8,673	21.9%

NAICS	TRANSPORTATION & WAREHOUSING	24 TOTAL	24 YTD	25 YTD	YTD % Diff
481	Air Transportation	$ -	$ -	$ -	-
482	Rail Transportation	2	1	14	1002.4%
483	Water Transportation	-	-	0	-
484	Truck Transportation	6,412	4,824	3,727	-22.7%
485	Transit and Ground Passengers	-	-	-	-
487	Scenic and Sightseeing Trans	-	-	-	-
488	Transportation Support	3,486	2,298	1,391	-39.5%
491	Postal Services	106	83	73	-11.7%
492	Couriers & Messengers	32,317	23,071	30,169	30.8%
493	Warehousing & Storage	371	344	205	-40.4%
	TOTAL TRANSP & WHSING	$ 42,694	$ 30,621	$ 35,578	
	Overall Transportation Change from Previous Year			$4,957	16.2%

NAICS	WHOLESALE TRADE	24 TOTAL	24 YTD	25 YTD	YTD % Diff
423	Whls Trade-Durable Goods	$ 135,627	$ 106,507	$ 124,528	16.9%
424	Whls Trade-Nondurable Goods	54,807	41,733	49,618	18.9%
425	Wholesale Electronic Markets	1,370	995	803	-19.3%
	WHOLESALE TRADE TOTAL	$ 191,805	$ 149,235	$ 174,949	
	Overall Wholesale Change from Previous Year			$25,714	17.2%

NAICS	AUTOMOTIVE	24 TOTAL	24 YTD	25 YTD	YTD % Diff
441	Motor Vehicle & Parts Dealer	$ 207,679	$ 183,031	$ 90,597	-50.5%
447	Gasoline Stations	-	-	-	-
	TOTAL AUTOMOTIVE	$ 207,679	$ 183,031	$ 90,597	
	Overall Automotive Change from Previous Year			($92,435)	-50.5%

NAICS	RETAIL TRADE	24 TOTAL	24 YTD	25 YTD	YTD % Diff
442	Furniture & Home Furnishings	$ -	$ -	$ -	-
443	Electronics & Appliances	-	-	-	-
444	Building Material & Garden	56,297	42,846	38,586	-9.9%
445	Food & Beverage Stores	184,284	136,571	139,861	2.4%
446	Health & Personal Care	-	-	-	-
448	Clothing & Accessories	-	-	-	-
449	Furniture, Home Furnishings, Electronics, and Appliances	153,056	113,420	113,677	0.2%
451	Sporting Goods, Hobby, Books	-	-	-	-
452	General Merchandise Stores	-	-	-	-
453	Miscellaneous Store Retailers	-	-	-	-
454	Nonstore Retailers	-	-	-	-
455	General Merchandise Retailers	63,701	48,181	52,098	8.1%
456	Health and Personal Care Retailers	58,173	45,332	39,049	-13.9%
457	Gasoline Stations and Fuel Dealers	60,038	45,436	47,327	4.2%
458	Clothing, Clothing Accessories, Shoe and Jewelry Retailers	50,849	38,261	40,322	5.4%
459	Sporting Goods, Hobby, Musical Instrument, Book and Misc	675,052	510,436	535,208	4.9%
	TOTAL RETAIL TRADE	$ 1,301,450	$ 980,482	$ 1,006,127	
	Overall General Retail Change from Previous Year			$25,645	2.6%

NAICS	SERVICES	24 TOTAL	24 YTD	25 YTD	YTD % Diff
51*	Information	$ 215,632	$ 164,006	$ 162,645	-0.8%
52*	Finance & Insurance	23,268	17,914	16,176	-9.7%
53*	Real Estate, Rental, Leasing	66,452	41,460	47,183	13.8%
541	Professional, Scientific, Tech	86,028	60,717	84,304	38.8%
551	Company Management	1,684	1,540	606	-60.6%
56*	Admin, Supp, Remed Svcs	262,602	198,604	194,324	-2.2%
611	Educational Services	18,506	12,460	11,210	-10.0%
62*	Health Care Social Assistance	7,133	5,239	6,877	31.3%
71*	Arts & Entertainment	35,015	25,064	28,599	14.1%
72*	Accommodation & Food Svcs	429,659	314,614	332,060	5.5%
81*	Other Services	161,162	119,003	130,941	10.0%
92*	Public Administration	840	400	990	147.4%
	TOTAL SERVICES	$ 1,307,978	$ 961,021	$ 1,015,915	
	Overall Services Change from Previous Year			$54,894	5.7%

NAICS	MISCELLANEOUS	24 TOTAL	24 YTD	25 YTD	YTD % Diff
000	Unknown	$ -	$ -	$ -	-
111-115	Agriculture, Forestry, Fishing	701	500	416	-16.8%
211-221	Mining & Utilities	11,564	11,283	1,872	-83.4%
999	Unclassifiable Establishments	139,910	101,045	93,421	-7.5%
	MISCELLANEOUS TOTAL	$ 152,175	$ 112,828	$ 95,709	
	Overall Miscellaneous Change from Previous Year			($17,118)	-15.2%

	24 TOTAL	24 YTD	25 YTD	YTD % Diff
GRAND TOTALS	$ 4,033,471	$ 3,021,400	$ 3,177,121	
Grand Total Change from Previous Year to Date			$155,721	5.15%