2025 4th Quarter Financial Report

Executive Summary

This report provides a snapshot of the City of Des Moines' financial performance for the year ending December 31, 2025. **This report is based on financial data available as of April 6, 2026, and is subject to change pending final year-end adjustments.**

General Fund Overview
The City's General Fund ended 2025 generally in line with budget, with revenues totaling $26,541,442 (1.1% below budget) and expenditures totaling $26,849,412 (0.9% below budget). While overall performance reflects sound budget management, several notable revenue trends materially impacted the City's year-end financial position.

General Fund Highlights

- **Property Tax:** King County collects property tax on behalf of the City. In 2025, there was an unusually high number of delinquencies. Property tax payments can be delinquent due to late payments, nonpayment due to economic hardship, and true losses (foreclosure shortfalls or uncollectible parcels). In 2025, the amount of property tax received was $319,557 less than budget. Due to the unusually high amount of unpaid property tax, the City (at the time of this writing) is working with King County to understand what happened and what it means for the City's future budgets. The following report details what happens when a taxpayer fails to pay their property tax.
- **Business and Occupation (B&O) Tax**:
  - $1,252,292 million of regular B&O Tax was collected in 2025. This is 4.4% above the annual budget of $1,200,000.
  - B&O Tax – Square Footage Revenue collected totaled $378,312, which is $121,682 below budget. As 2025 is the first year of collections, it should be noted that the deadline for filing 4th quarter returns is January 31. As a result, a portion of 2025 receipts ($92,147) received in January will be recognized in 2026, with only three quarters of activity reflected in the fiscal year.
- **Sales Tax:** $4,396,062 was collected in 2025. Sales tax collections were 9.5% higher than the prior year.
- **Utility Taxes:** The City collected $4,583,980 in utility taxes in 2025 which was $273,980 (6.36%) greater than budget.
- **Red Light Running Revenue:** Revenues continue to decline because of safer driving. Receipts for 2025 were $866,621, down from $1,058,365 in 2024.

Other Funds Highlights

- Development Fund: 2025 Operating Income was $429,193 while the budget expected a loss of $337,782.

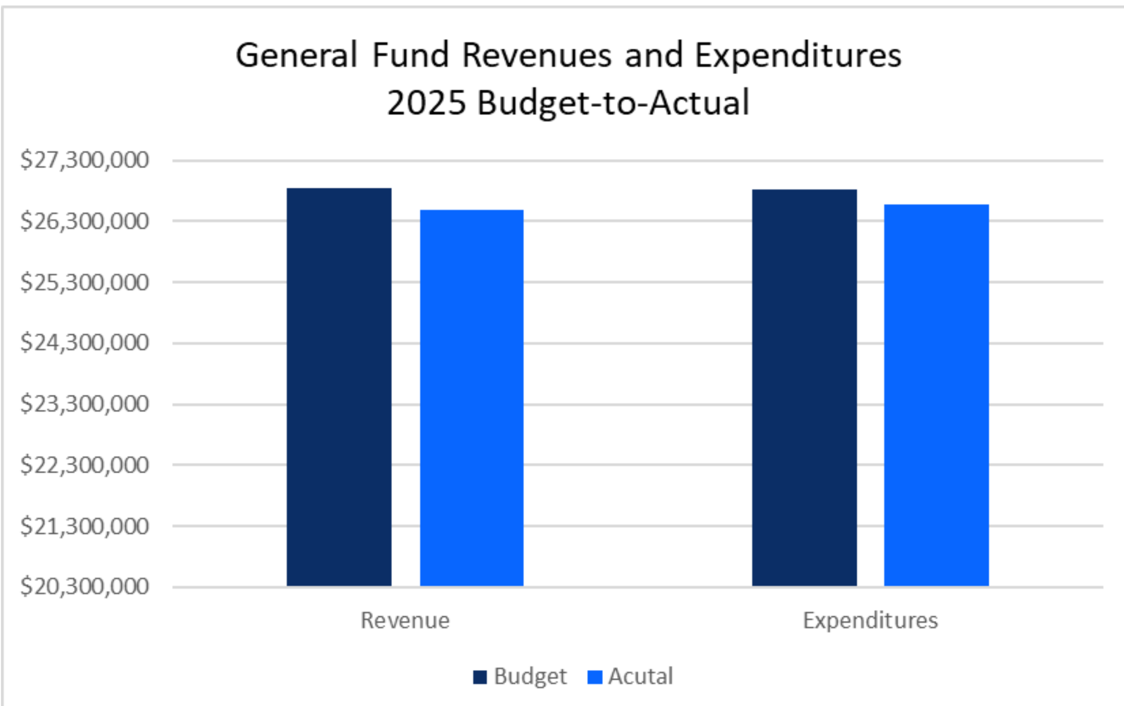
- Enterprise Funds: The Marina and Surface Water Management (SWM) Funds maintain operations and capital initiatives. The Marina Fund finished the year with an operating income of $1,098,319. SWM finished 2025 with an operating income of $2,876,207.

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, 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.

At year-end 2025, the General Fund received $26,541,442 in revenue, coming in 1.1% below the adopted budget of $26,849,412. 2025 expenditures totaled $26,587,333, or 0.9% below the annual budget of $26,832,071. The resulting Operating Loss was $45,891.



Fund Balance

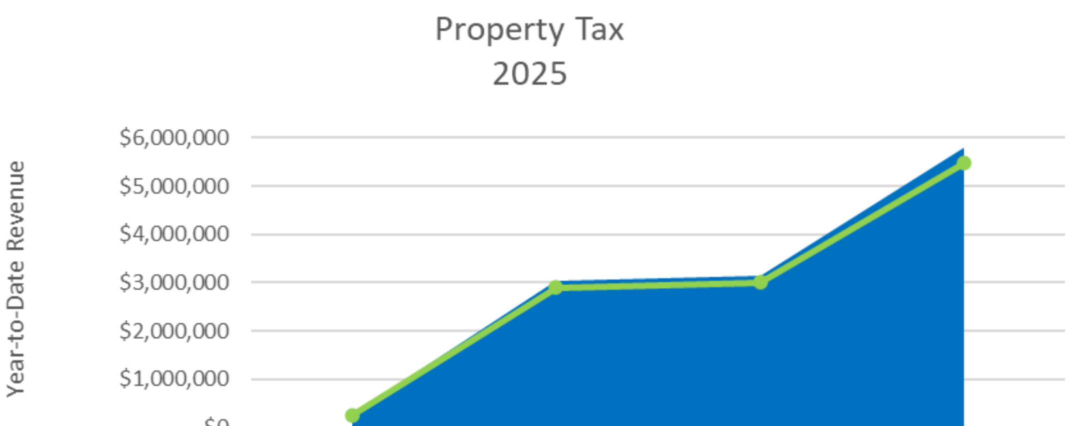
As previously noted, this report reflects financial data available as of April 6, 2026, and is subject to further adjustments as part of the year-end close. Certain calculations required to determine final fund balance have not yet been completed; therefore, the fund balance presented herein should be considered preliminary.

Currently, Unrestricted Fund Balance is $4,356,125 which is 17.0% of Recurring Operating Expenditures ($25,676,457).

A final Fund Balance amount will be presented to Council in May along with final numbers for 2025.

Revenue

Property Taxes are primarily collected in the second and fourth quarters (April and October). Property tax collected in 2025 was $5,470,900, which was $319,557 (5.5%) lower than the adopted budget of $5,790,457.



	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2025 YTD Budget	$280,331	$3,049,732	$3,152,987	$5,790,457
2025 YTD Actuals	$254,566	$2,902,869	$3,009,858	$5,470,900

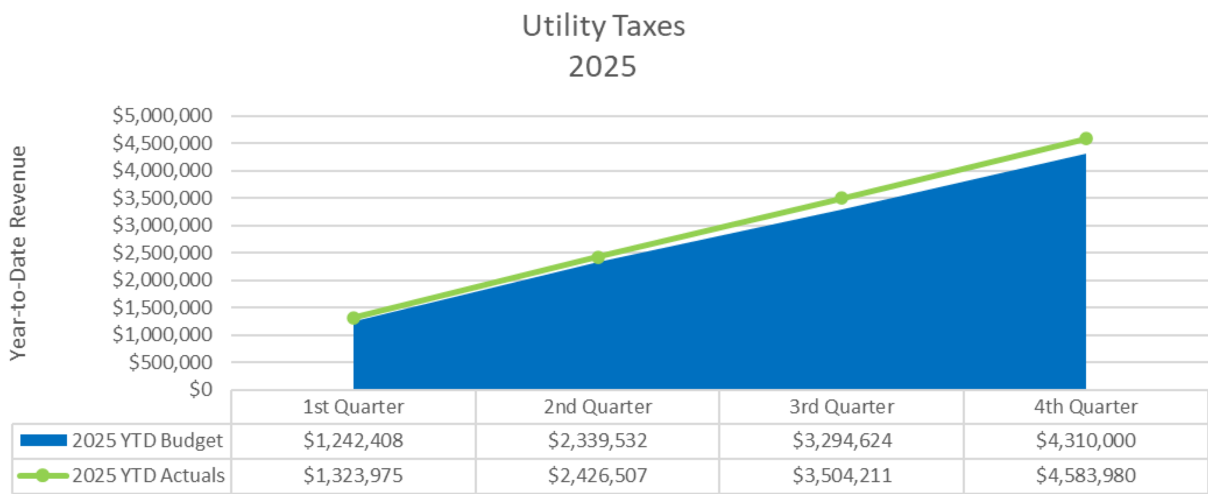
The City's 2025 property tax levy totaled $5,787,846. Property taxes are collected by King County and remitted to the City, with revenues consisting of both current-year collections and prior-year amounts. Delinquencies for the 2025 levy are over twice the typical amount.

	2021	2022	2023	2024	2025
Delinquencies	$ 103,789	$ 89,418	$ 106,701	$ 92,797	$256,978

In King County, a property tax bill becomes delinquent the day after its due date, at which point interest and penalties begin to accrue. Unpaid taxes also constitute a lien against the property and must be satisfied prior to any sale or refinancing. If the taxes remain unpaid for three years, the property becomes subject to foreclosure proceedings.

Property tax delinquencies are not uncommon, and the majority are ultimately collected. However, the elevated level of delinquencies associated with the 2025 levy is unusual. The City is working with King County to better understand the cause of this increase and its potential implications for future budgets.

Utility Taxes collected in 2025 were $4,583,980, which is $273,980 (6.4%) greater than budget. 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 was $4,310,000.



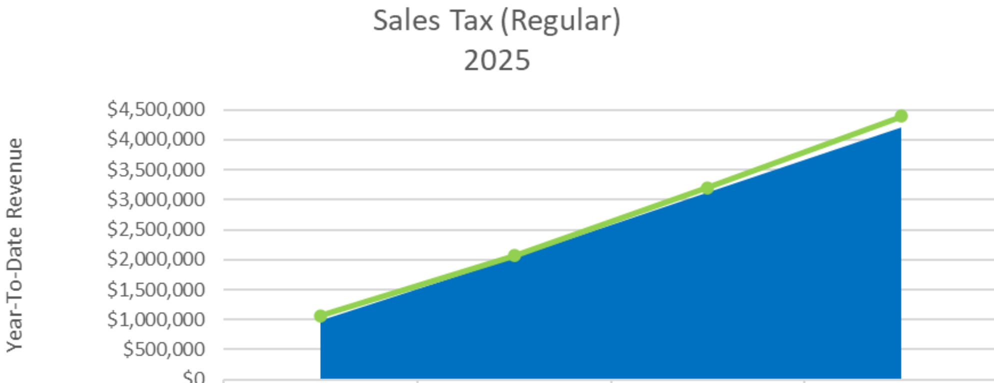
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2025 YTD Budget	$1,242,408	$2,339,532	$3,294,624	$4,310,000
2025 YTD Actuals	$1,323,975	$2,426,507	$3,504,211	$4,583,980

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

Utility Tax Type	2024 Total	2025 Total	Change from 2024	
			Amount	Percent
Electricity	$ 1,589,038	$ 1,800,510	$ 211,472	13.3%
Natural Gas	466,260	543,662	77,402	16.6%
Solid Waste	686,658	681,465	(5,193)	-0.8%
Cable TV	737,820	682,435	(55,385)	-7.5%
Telephone	227,114	226,579	(534)	-0.2%
SWM*	629,263	649,329	20,066	3.2%
YE Total	**$ 4,336,153**	**$ 4,583,980**	**$ 247,827**	**5.7%**

**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 $379,582 (9.5%) over the prior year. At year-end, the City collected $4,396,062 in sales tax, which was $196,062 (4.67%) 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 regular Sales Tax revenue for 2025 is $4,200,000.

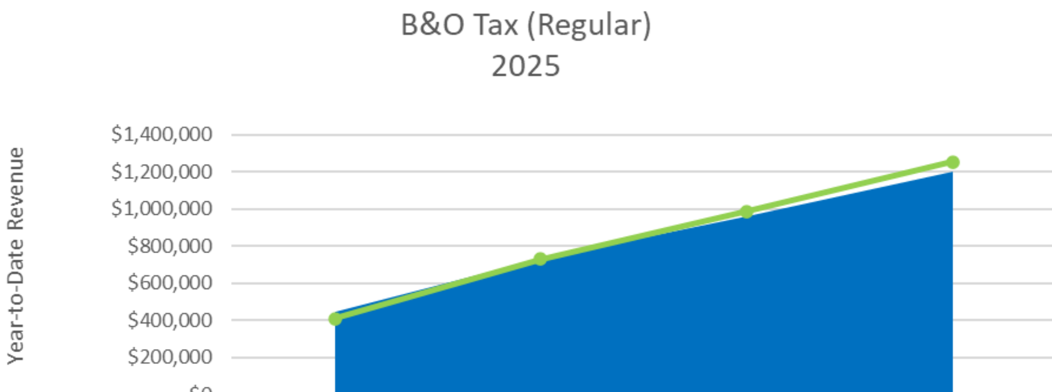


	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2025 YTD Budget	$990,947	$2,028,336	$3,112,668	$4,200,000
2025 YTD Actuals	$1,064,923	$2,070,471	$3,199,483	$4,396,062

The City receives **One-Time Sales and Use Tax** from construction projects in the City whose permits are valued at $15 million or more. In 2025, the City received $33,620 of One-Time Sales Tax revenue against a budget of $40,000.

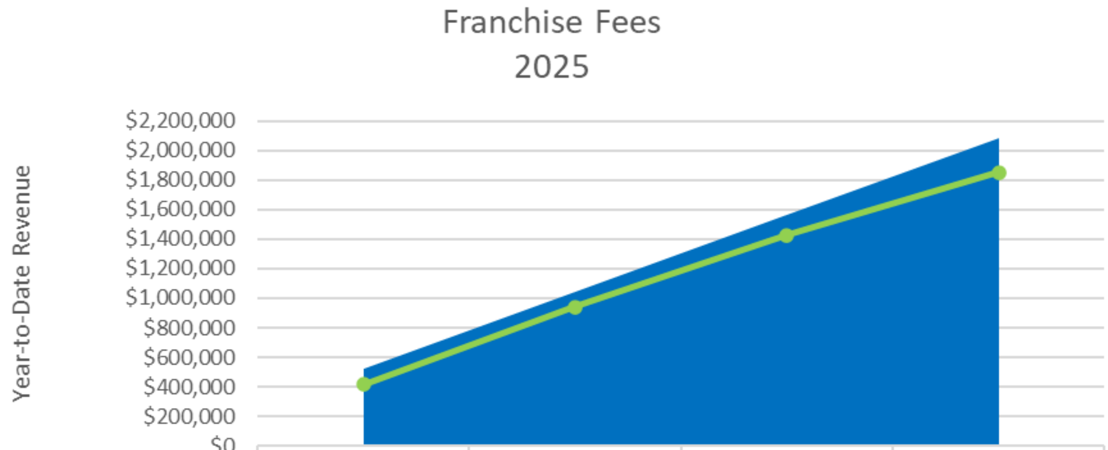
Please see Attachment #1 for a breakdown of sales tax by revenue category.

The City received $1,252,292 in **Business and Occupation Tax** in 2025. This amount was $52,292 (4.4%) more than budget. Collections of B&O Tax were also $53,019 (4.0%) more than the prior year. The B&O Tax revenue budget for 2025 was $1,200,000.



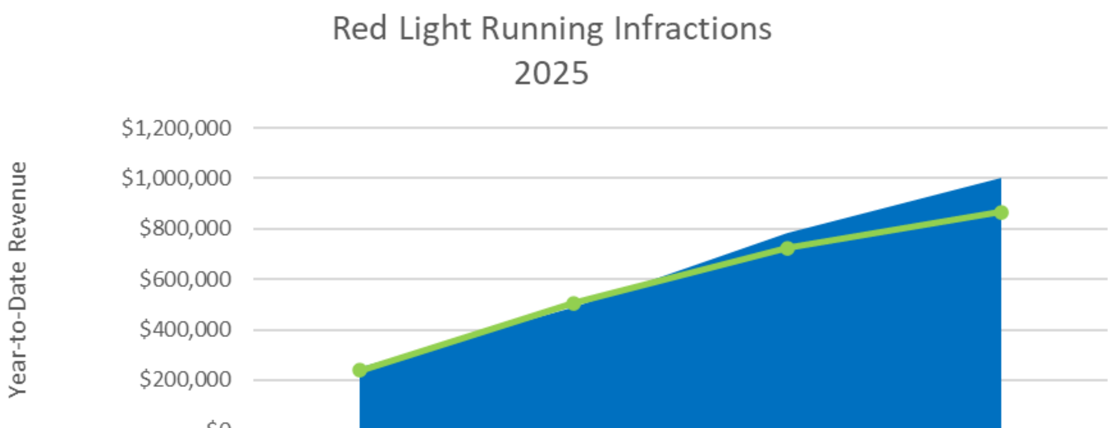
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2025 YTD Budget	$446,154	$728,589	$962,736	$1,200,000
2025 YTD Actuals	$409,882	$729,544	$987,363	$1,252,292

Franchise Fees help the City recoup the cost of allowing a utility to use its public space. In 2025, the City collected $1,851,938 in franchise fees, which was $236,062 (11.3%) less than the year-to-date budget. The adopted budget for Franchise Fee revenue for 2025 was $2,088,000.

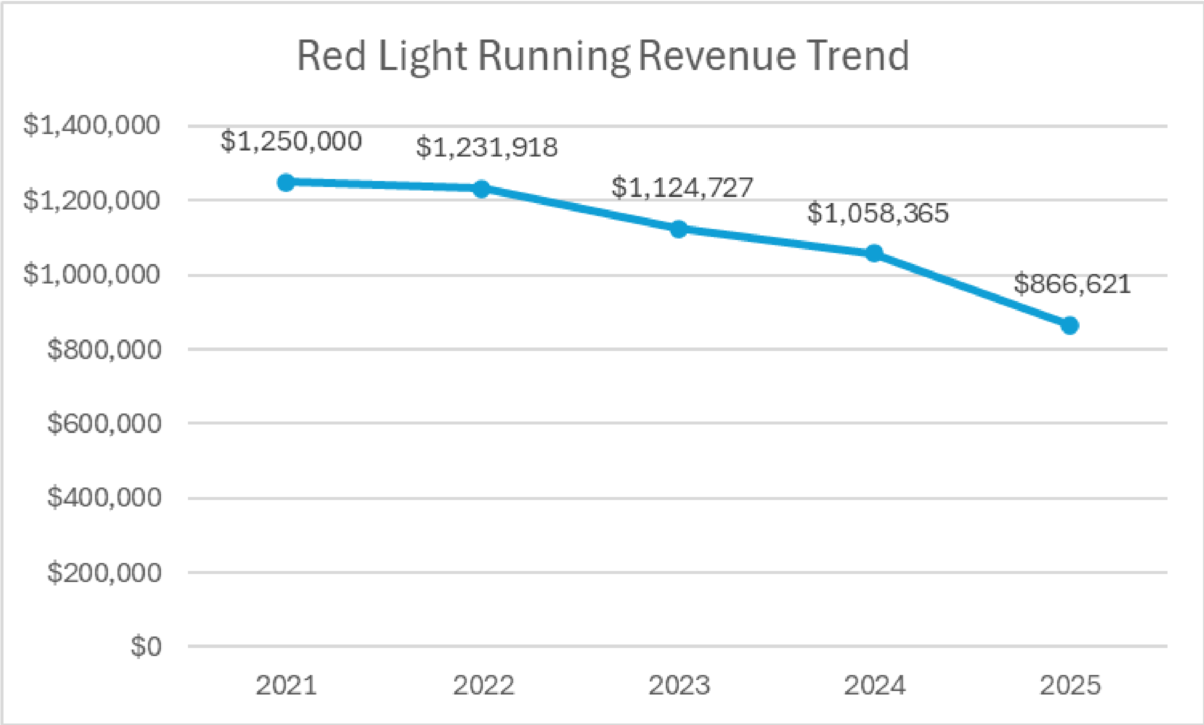


	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2025 YTD Budget	$522,000	$1,044,000	$1,566,000	$2,088,000
2025 YTD Actuals	$417,056	$941,983	$1,426,789	$1,851,938

Red Light Running Infractions is revenue received from fines generated by the red light camera ticketing system installed at select intersections in the City. In 2025, the City collected $866,621 in red light running fee revenue, which was $191,744 (18.1%) less than the prior year and $133,379 (13.3%) less than budget. This amount follows the trend of safer driving resulting in reduced revenues. The 2025 adopted budget for Red Light Running revenue was $1,000,000.

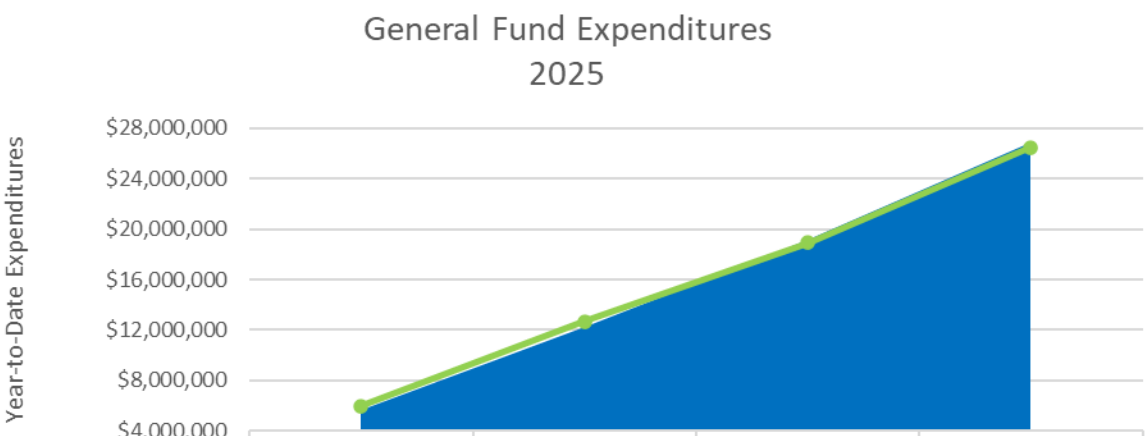


	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2025 YTD Budget	$251,269	$487,667	$782,517	$1,000,000
2025 YTD Actuals	$238,889	$504,775	$723,590	$866,621



Expenditures

General Fund expenditures were $26,587,333, which was $244,738 (0.9%) less than budget. The 2025 budget for General Fund Expenditures for 2025 was $26,832,071.



	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2025 YTD Budget	$5,588,321	$12,240,831	$19,181,943	$26,832,071
2025 YTD Actuals	$5,973,883	$12,690,766	$18,899,379	$26,494,761

General Fund Summary of Uses Year to Date through September	2024 Actual	2025 Original Budget	2025 Amended Budget	2025 Actuals	2025 vs 2024		2025 vs. Budget	
					$	%	$	%
Personnel	18,579,181	16,791,999	17,302,610	17,277,678	(1,301,503)	-7.0%	(24,932)	-0.1%
Supplies	792,195	588,255	665,265	718,146	(74,049)	-9.3%	52,881	7.4%
Services	6,177,138	6,020,345	6,120,745	5,850,136	(327,002)	-5.3%	(270,609)	-4.6%
Internal Services	1,247,751	2,713,376	2,713,376	2,713,374	1,465,623	117.5%	(2)	0.0%
Capital	60,565	-	-	-	(60,565)	-100.0%	0	0.0%
Transfers Out	326,600	-	30,075	27,998	(298,602)	-91.4%	(2,077)	-7.4%
Total Expenditures	**27,183,431**	**26,113,975**	**26,832,071**	**26,587,333**	**(596,098)**	**-2.2%**	**(244,738)**	**-0.9%**

Personnel: Personnel costs represent expenditure of funds for salary and benefits expenses. In 2025, personnel costs were $1,301,503 (7.0%) lower than the prior year and $24,932 (0.1%) less than budget.

Supplies: Expenditures for Supplies were $52,881 (7.4%) more than budget in 2025 and $74,049 (9.3%) less than the prior year. The variance was primarily due to the purchase of software that was budgeted in the Computer Replacement Fund but was required to be recorded in the General Fund.

Internal Services: Internal service fund charges were at budget in 2025 and increased by $1,465,623 compared to the prior year, reflecting the City's efforts to restore funding for vehicle replacement. Following the COVID-19 pandemic, the City had fallen behind in adequately funding fleet replacement, which placed added strain on the General Fund. With funding levels now restored and aligned with long-term needs, future required funding levels should be smaller.

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. Also, $19,992 was transferred to the Capital Projects Fund for the HVAC system in the Engineering Building.

General Fund Details

General Fund Summary of Sources and Uses	2025 Adopted Budget	2025 Amended Budget	2025 Actuals	2025 Budget vs Actual Amount	2025 Budget vs Actual Percentage	2025 Remaining Budget
Recurring Revenues						
Taxes	$ 20,343,457	$ 19,753,457	$ 19,433,545	$ (319,912)	-2%	$ 909,912
Licenses and Permits	425,500	425,500	432,054	6,554	2%	(6,554)
Intergovernmental (Grants, etc.)	910,519	910,519	1,031,357	120,838	13%	(120,838)
Fees/Charges/Fines	1,897,100	1,797,100	1,602,622	(194,478)	-11%	294,478
Other	2,057,759	2,210,758	2,270,666	59,908	3%	(212,907)
Total Recurring Revenue	**$ 25,634,335**	**$ 25,097,334**	**$ 24,770,243**	**$ (327,091)**	**-1.3%**	**$ 864,092**
Nonrecurring Revenues						
Sound Transit	154,868	154,868	198,900	44,032	28%	(44,032)
Body Cam Refresh	-	77,010	77,010	(0)	0%	-
Sales Tax (One-Time)	200,000	40,000	14,765	(25,235)	-63%	185,235
B&O Tax (One-Time)	75,000	15,000	6,364	(8,636)	-58%	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	-	0%	-
Insurance Revcoveries	-	-	9,839	9,839	-	-
Total Nonrecurring Revenues	**$ 1,119,868**	**$ 1,752,078**	**$ 1,771,198**	**$ 19,120**	**1.1%**	**$ 210,719**
Total Revenue	**$ 26,754,203**	**$ 26,849,412**	**$ 26,541,442**	**$ (307,971)**	**-1.1%**	**$ 1,074,811**
Recurring Expenditures						
City Council	$ 88,008	$ 88,008	$ 71,680	(16,328)	-19%	16,328
City Manager's Office	666,224	498,372	532,211	33,839	7%	134,013
City Clerk	501,813	538,350	575,717	37,367	7%	(73,904)
Human Resources	270,978	336,425	331,144	(5,280)	-2%	(60,166)
Emergency Management	20,900	20,900	5,421	(15,479)	-74%	15,479
Communications	177,188	250,264	313,216	62,952	25%	(136,028)
Finance	1,263,480	1,322,167	1,427,811	105,644	8%	(164,331)
Information Technology Services	1,220,197	1,220,197	1,109,273	(110,924)	-9%	110,924
Legal	994,297	994,297	917,935	(76,362)	-8%	76,362
Municipal Court	1,658,969	1,658,969	1,494,586	(164,383)	-10%	164,383
Police	11,193,645	11,505,570	11,123,348	(382,222)	-3%	70,297
Planning and Building (Tax-based)	429,601	429,601	397,583	(32,018)	-7%	32,018
Building and Parks Maintenance	1,476,135	1,476,135	1,510,991	34,856	2%	(34,856)
Community Events and Services	1,623,356	1,642,101	1,671,319	29,218	2%	(47,963)
Non-Departmental						
Professional Services - Code Update	2,000	2,000	5,100	3,100	155%	(3,100)
Official Publication Services	1,400	1,400	1,879	479	34%	(479)
Des Moines Historical Society Rent	7,800	7,800	7,150	(650)	-8%	650
County Recording Services	5,000	5,000	4,472	(528)	-11%	528
Election Services	125,000	125,000	114,872	(10,128)	-8%	10,128
Voter Registration Services	55,000	55,000	107,038	52,038	95%	(52,038)
Organizational Memberships	97,550	97,550	91,070	(6,480)	-7%	6,480
Fire Suppression - South King Fire	21,000	21,000	20,376	(624)	-3%	624
Fire Investigation Services	45,000	45,000	29,820	(15,180)	-34%	15,180
SCORE	794,310	822,710	822,710	-	0%	(28,400)
Public Defender	160,000	160,000	223,055	63,055	39%	(63,055)
Bank Fees	23,880	23,880	53,929	30,049	126%	(30,049)
Computer Replacement	164,792	164,792	164,792	(0)	0%	0
Equipment Rental Maintenance	492,787	492,787	492,787	(0)	0%	0
Equipment Rental Replacement	1,286,365	1,286,365	1,286,365	0	0%	(0)
Facility Repair and Replacement	96,230	96,230	95,606	(624)	-1%	624
Insurance	673,202	673,202	673,202	(0)	0%	0
Total Recurring Expenditures	**$ 25,636,107**	**$ 26,061,072**	**$ 25,676,457**	**$ (384,615)**	**-1.5%**	**$ (40,350)**
Nonrecurring Expenditures						
Sound Transit	154,868	154,868	198,900	44,032	28%	(44,032)
Professional Development Program	15,000	15,000	13,800	(1,200)	-8%	1,200
Professional Services - One-time	100,000	100,000	123,745	23,745	24%	(23,745)
Sustainable Airport Master Plan	114,000	114,000	16,985	(97,015)	-85%	97,015
Body Cam Refresh	-	77,010	77,010	(0)	0%	-
Government relations	54,000	54,000	74,631	20,631	38%	(20,631)
Communications Contract	40,000	40,000	16,370	(23,630)	-59%	23,630
Staff Reduction	-	114,046	289,436	175,390	154%	-
Encampment Cleanup	-	72,000	72,000	-	0%	-
Transfers Out - Fund 114 (American Rescue Plan Act Fund)	-	8,075	8,075	0	0%	-
Transfers Out - Fund 310 (Captial Projects Fund)	-	22,000	19,923	(2,077)	-9%	-
Total Nonrecurring Expenditures	**$ 477,868**	**$ 770,999**	**$ 910,876**	**$ 139,877**	**18.1%**	**$ 33,437**
Total Expenditures	**$ 26,113,975**	**$ 26,832,071**	**$ 26,587,333**	**$ (244,738)**	**-0.9%**	**$ (6,913)**
Total Operating Income (Loss)	**$ 640,228**	**$ 17,341**	**$ (45,891)**			

**December is month 12 of 12= 100.0%

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	$ 2,621,000	$ 2,507,412	95.7%	$ 2,742,053	$ 2,113,493	77.1%
Arterial Pavement	1,631,000	1,204,084	73.8%	2,798,788	1,333,252	47.6%
Development Fund	3,035,246	3,552,255	117.0%	3,373,028	3,123,062	92.6%
Police Drug Seizure	26,000	-	0.0%	20,500	5,135	25.0%
Hotel-Motel Tax	125,000	98,387	78.7%	165,000	157,925	95.7%
Affordable Housing Sales Tax	35,000	34,933	99.8%	35,000	30,667	87.6%
American Rescue Plan Act	8,455	8,455	100.0%	179,975	160,363	89.1%
Redondo Zone	189,800	123,194	64.9%	186,135	151,391	81.3%
Waterfront Zone	484,181	447,176	92.4%	559,462	484,955	86.7%
PBPW Automation Fee	195,000	159,169	81.6%	120,409	87,925	73.0%
Urban Forestry	5,000	-	0.0%	5,000	-	0.0%
Abatement	3,600	621	17.2%	2,500	-	0.0%
Automated Speed Enforcement (ASE)	360,000	165,550	46.0%	490,976	309,306	63.0%
Redondo Speed Enforcement Fund	1,111,300	1,016,280	91.4%	1,422,424	513,667	36.1%
Transport Benefit District	$ 1,040,000	$ 1,066,126	102.5%	$ 2,450,000	$ 1,900,000	77.6%

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 Original Budget	2025 Amended Budget	2025 Actuals	2025 Budget vs Actual Amount	2025 Budget vs Actual Percentage	2025 Remaining Budget
Operating Revenues						
Planning and Building						
Building Permits	$ 685,465	$ 835,465	$ 802,896	$ (32,569)	-3.9%	$ (117,431)
Other Licenses and Permits	351,799	351,799	376,039	24,240	6.9%	(24,240)
Intergovernmental (Grants, etc.)	97,749	97,749	111,406	13,657	14.0%	(13,657)
Charges for Services:						
Zoning Fees	319,278	319,278	375,137	55,859	17.5%	(55,859)
Plan Check Fees	638,000	638,000	1,325,425	687,425	107.7%	(687,425)
Other Fees	7,480	7,480	9,684	2,204	29.5%	(2,204)
Credt Card Fees	41,200	41,200	36,947	(4,253)	-10.3%	4,253
Misc. Revenue	-	-	92	92	0.0%	(92)
Penalties - Stop Work	15,500	15,500	8,876	(6,624)	-42.7%	6,624
Planning and Building Revenue Subtotal	**$ 2,156,471**	**$ 2,306,471**	**$ 3,066,631**	**$ 760,160**	**33.0%**	**$ (910,160)**
Engineering						
Right-Of-Way Permits	$ 137,500	$ 137,500	$ 267,931	$ 130,431	94.9%	$ (130,431)
Engineering Fees	159,254	159,254	151,380	(7,874)	-4.9%	7,874
Interfund Charges/ Engineering CIP Support	334,537	334,537	-	(334,537)	-100.0%	334,537
Engineering Revenue Subtotal	**$ 631,291**	**$ 631,291**	**$ 419,311**	**$ (211,980)**	**-33.6%**	**$ 211,980**
Interest Income	65,000	65,000	66,313	1,313	2.0%	(1,313)
Transfers In - PBPW Automation Fee Fund	32,484	32,484	-	(32,484)	-100.0%	32,484
Total Operating Revenues	**$ 2,885,246**	**$ 3,035,246**	**$ 3,552,255**	**$ 517,009**	**17.0%**	**$ (667,009)**
Operating Expenditures						
Planning and Building						
Salaries and Benefits	$ 1,613,355	$ 1,613,355	$ 1,598,602	$ (14,753)	-0.9%	$ 14,753
Supplies	32,927	36,427	14,972	(21,455)	-58.9%	17,955
Services	470,649	747,649	649,301	(98,348)	-13.2%	(178,652)
Planning and Building Expenditures Subtotal	$ 2,116,931	$ 2,397,431	$ 2,262,875	$ (134,556)	-5.6%	$ (145,944)
Engineering						
Salaries and Benefits	$ 715,814	$ 715,814	$ 563,158	$ (152,656)	-21.3%	$ 152,656
Supplies	12,000	12,000	4,811	(7,189)	-59.9%	7,189
Services	247,783	247,783	292,219	44,436	17.9%	(44,436)
Engineering Expenditures Subtotal	$ 975,597	$ 975,597	$ 860,187	$ (115,410)	-11.8%	$ 115,410
Total Operating Expenditures	**$ 3,092,528**	**$ 3,373,028**	**$ 3,123,062**	**$ (249,966)**	**-7.4%**	**$ (30,534)**
Total Operating Income (Loss)	**$ (207,282)**	**$ (337,782)**	**$ 429,193**	**$ 766,975**		

**December is month 12 of 12 = 100%

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.

	Revenue			Expenditures		
Fund	**Budget**	**Actual**	**% Actual to Budget**	**Budget**	**Actual**	**% Actual to Budget**
Debt Service Fund	$ 1,048,483	$ 1,048,482	100.0%	$ 1,161,980	$ 1,108,672	95.4%

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	$ 737,816	99.7%	$ 349,979	$ 327,579	93.6%
REET 2	700,000	670,517	95.8%	1,338,504	473,278	35.4%
Park Levy	150,000	224,017	149.3%	448,000	289,796	64.7%
Park in Lieu	27,500	-	0.0%	72,000	2,856	4.0%
One-Time Sales & B+O Tax Revenues	50,000	50,832	101.7%	217,000	91,090	42.0%
Municipal Capital Improvements	4,532,875	3,425,601	75.6%	5,500,380	3,957,909	72.0%
Transportation Capital Improvements	11,448,000	6,139,952	53.6%	10,819,000	5,779,482	53.4%
Traffic in Lieu	460,000	473,315	102.9%	595,000	245,000	41.2%
Traffic Impact - Citywide	345,000	141,137	40.9%	1,019,000	1,068,429	104.9%
Traffic Impact - Pac Ridge	120,000	75,744	63.1%	-	-	0.0%
Total Capital Project Fund*	**$ 18,573,375**	**$ 11,938,931**	**64%**	**$ 20,358,863**	**$ 12,235,417**	**60%**

*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 Budget vs Actual		2025
	Original Budget	Amended Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenue						
Charges for Services	$ 3,883,417	$ 3,883,417	$ 3,851,179	$ (32,238)	-0.8%	$ 32,238
Fuel Sales	1,503,000	1,503,000	1,384,315	(118,685)	-7.9%	118,685
Intergovernmental Revenues	-	19,000	18,666	(334)	0.0%	(18,666)
Miscellaneous Revenues	18,330	18,330	22,623	4,293	23.4%	(4,293)
Operating Revenue Subtotal	**$ 5,404,747**	**$ 5,423,747**	**$ 5,276,782**	**$ (146,965)**	**-2.7%**	**$ 127,965**
Operating Expense						
Salaries and Benefits	$ 1,459,598	$ 1,459,598	$ 1,331,595	$ (128,003)	-8.8%	$ 128,003
Supplies	150,550	150,550	108,039	(42,511)	-28.2%	42,511
Fuel Purchases	1,200,000	1,200,000	1,160,554	(39,446)	-3.3%	39,446
Services	713,909	796,409	525,469	(270,940)	-34.0%	188,440
Services - Interfund	1,052,806	1,052,806	1,052,806	(0)	0.0%	0
Total Operating Expenses (excl. depreciation)	**$ 4,576,863**	**$ 4,659,363**	**$ 4,178,463**	**$ (480,900)**	**-10.3%**	**$ 398,400**
Operating Income/(Loss)	**$ 827,884**	**$ 764,384**	**$ 1,098,319**	**$ 333,935**	**43.7%**	**$ (270,435)**
Non-Operating Revenue						
Insurance Recoveries	$ -	$ -	$ 105	$ 105	0.0%	$ (105)
Interest Income	280,000	343,000	401,607	58,607	17.1%	(121,607)
Non-operating Revenue Subtotal	**$ 280,000**	**$ 343,000**	**$ 401,712**	**$ 58,712**	**17.1%**	**$ (121,712)**
Non-operating Expense						
Capital Outlay	$ 14,692,000	$ 14,692,000	$ 9,965,736	$ (4,726,264)	-32.2%	$ 4,726,264
Debt Service	1,101,996	1,101,996	1,102,497	501	0.0%	(501)
Non-operating Expense Subtotal	**$ 15,793,996**	**$ 15,793,996**	**$ 11,068,233**	**$ (4,725,763)**	**-29.9%**	**$ 4,725,763**
Net Change in Unrestricted Net Position	**$ (14,686,112)**	**$ (14,686,612)**	**$ (9,568,201)**	**$ 5,118,411**	**-34.9%**	**$ (5,117,911)**

**December is month 12 of 12 = 100%

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 Adopted Budget	2025 Amended Budget	2025 Actuals	2025 Budget vs Actual Amount	2025 Budget vs Actual Percentage	2025 Remaining Budget
Operating Revenue						
Charges for Services	$ 5,794,001	$ 5,794,001	$ 6,478,347	$ 684,346	11.8%	$ (684,346)
Intergovernmental Revenue	844,000	844,000	846,236	2,236	0.3%	(2,236)
Operating Revenue Subtotal	**$ 6,638,001**	**$ 6,638,001**	**$ 7,324,583**	**$ 686,582**	**10.3%**	**$ (686,582)**
Operating Expense						
Salaries and Benefits	$ 2,023,034	$ 2,063,034	$ 1,941,657	$ (121,377)	-5.9%	$ 81,377
Supplies	119,650	119,650	81,371	(38,279)	-32.0%	38,279
Services	1,698,715	1,698,715	1,418,103	(280,612)	-16.5%	280,612
Services - Interfund	1,012,635	1,012,635	1,012,635	-	0.0%	-
Total Operating Expenses (excl. depreciation)	**$ 4,854,034**	**$ 4,894,034**	**$ 4,453,765**	**$ (440,269)**	**-9.0%**	**$ 400,269**
Operating Income/(Loss)	**$ 1,783,967**	**$ 1,743,967**	**$ 2,870,818**	**$ 1,126,851**	**64.6%**	**$ (1,086,851)**
Non-Operating Revenue						
Insurance Recovery	-	-	4,072	4,072	0.0%	(4,072)
Miscellaneous Revenue	-	-	967	967	0.0%	(967)
Interest Income	400,000	400,000	408,847	8,847	2.2%	(8,847)
Non-operating Revenue Subtotal	**$ 400,000**	**$ 400,000**	**$ 413,886**	**$ 13,886**	**3.5%**	**$ (13,886)**
Non-operating Expense						
Capital Outlay	$ 2,094,000	$ 3,978,000	$ 3,448,227	$ (529,773)	-13.3%	$ (1,354,227)
Transfers Out to Fund 319 (Transportation Improvemen	500,000	500,000	6,000	(494,000)	-98.8%	494,000
Non-operating Expense Subtotal	**$ 2,594,000**	**$ 4,478,000**	**$ 3,454,227**	**$ (1,023,773)**	**-22.9%**	**$ (860,227)**
Net Change in Unrestricted Net Position	**$ (410,033)**	**$ (2,334,033)**	**$ (169,524)**	**$ 2,164,509**	**-92.7%**	**$ (240,509)**

**December is month 12 of 12 = 100%

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	$ 1,048,718	97.3%	$ 855,438	$ 732,974	85.7%
Equipment Rental Replacement	2,518,511	2,431,178	96.5%	1,389,000	938,433	67.6%
Facility Major Repairs	380,393	499,176	131.2%	428,885	277,945	64.8%
Computer Replacement	238,000	253,852	106.7%	460,000	169,170	36.8%
Self Insurance	1,147,472	1,151,737	100.4%	1,270,971	1,184,804	93.2%
Unemployment Insurance	$ 60,000	$ 67,877	113.1%	$ 300,000	$ 99,016	33.0%

ATTACHMENT 1 – Sales Tax by Category

SALES TAX SUMMARY
December 2025 *(October 2025 Sales)*

NAICS	CONSTRUCTION	24 TOTAL	24 YTD	25 YTD	YTD % Diff
236	Construction of Buildings	347,585	347,585	539,431	55.2%
237	Heavy & Civil Construction	57,120	57,120	159,970	180.1%
238	Specialty Trade Contractors	371,885	371,885	375,073	0.9%
	TOTAL CONSTRUCTION	**$ 776,590**	**$ 776,590**	**$ 1,074,474**	
	Overall Construction Change from Previous Year			***$ 297,884***	***38.4%***

NAICS	MANUFACTURING	24 TOTAL	24 YTD	25 YTD	YTD % Diff
311	Food Manufacturing	$ 757	$ 757	$ 1,283	69.5%
312	Beverage & Tobacco Products	2,229	2,229	2,596	16.5%
313	Textile Mills	200	200	221	10.1%
314	Textile Product Mills	175	175	372	113.1%
315	Apparel Manufacturing	320	320	410	28.4%
316	Leather & Allied Products	434	434	547	26.1%
321	Wood Product Manufacturing	6,365	6,365	972	-84.7%
322	Paper Manufacturing	289	289	1,495	417.5%
323	Printing & Related Support	4,907	4,907	7,315	49.1%
324	Petroleum & Coal Products	80	80	34	-57.8%
325	Chemical Manufacturing	1,367	1,367	1,521	11.3%
326	Plastic & Rubber Products	289	289	87	-70.0%
327	Nonmetallic Mineral Products	4,459	4,459	4,191	-6.0%
331	Primary Metal Manufacturing	68	68	71	4.1%
332	Fabricated Metal Mfg Products	1,863	1,863	1,695	-9.0%
333	Machinery Manufacturing	730	730	2,539	248.0%
334	Computer & Electronic Products	2,730	2,730	10,068	268.8%
335	Electric Equipment, Appliances	1,637	1,637	1,364	-16.7%
336	Transportation Equipment Mfg	15,676	15,676	18,610	18.7%
337	Furniture & Related Products	4,249	4,249	2,945	-30.7%
339	Miscellaneous Manufacturing	4,278	4,278	5,099	19.2%
	TOTAL MANUFACTURING	**$ 53,099**	**$ 53,099**	**$ 63,434**	
	Overall Manufacturing Change from Previous Year			***$10,336***	***19.5%***

NAICS	TRANSPORTATION & WAREHOUSING	24 TOTAL	24 YTD	25 YTD	YTD % Diff
481	Air Transportation	$ -	$ -	$ -	-
482	Rail Transportation	2	2	40	2283.8%
483	Water Transportation	-	-	0	-
484	Truck Transportation	6,412	6,412	5,408	-15.7%
485	Transit and Ground Passengers	-	-	2	-
487	Scenic and Sightseeing Trans	-	-	-	-
488	Transportation Support	3,486	3,486	1,325	-62.0%
491	Postal Services	106	106	95	-10.4%
492	Couriers & Messengers	32,317	32,317	40,373	24.9%
493	Warehousing & Storage	371	371	255	-31.2%
	TOTAL TRANSP & WHSING	**$ 42,694**	**$ 42,694**	**$ 47,499**	
	Overall Transportation Change from Previous Year			***$4,804***	***11.3%***

NAICS	WHOLESALE TRADE	24 TOTAL	24 YTD	25 YTD	YTD % Diff
423	Whls Trade-Durable Goods	$ 135,627	$ 135,627	$ 160,485	18.3%
424	Whls Trade-Nondurable Goods	54,807	54,807	63,818	16.4%
425	Wholesale Electronic Markets	1,370	1,370	1,199	-12.5%
	WHOLESALE TRADE TOTAL	**$ 191,805**	**$ 191,805**	**$ 225,502**	
	Overall Wholesale Change from Previous Year			***$33,697***	***17.6%***

NAICS	AUTOMOTIVE	24 TOTAL	24 YTD	25 YTD	YTD % Diff
441	Motor Vehicle & Parts Dealer	$ 207,679	$ 207,679	$ 117,729	-43.3%
447	Gasoline Stations	-	-	-	-
	TOTAL AUTOMOTIVE	**$ 207,679**	**$ 207,679**	**$ 117,729**	
	Overall Automotive Change from Previous Year			***($89,950)***	***-43.3%***

NAICS	RETAIL TRADE	24 TOTAL	24 YTD	25 YTD	YTD % Diff
442	Furniture & Home Furnishings	$ -	$ -	$ -	-
443	Electronics & Appliances	-	-	-	-
444	Building Material & Garden	56,297	56,297	54,312	-3.5%
445	Food & Beverage Stores	184,284	184,284	186,991	1.5%
446	Health & Personal Care	-	-	-	-
448	Clothing & Accessories	-	-	-	-
449	Furniture, Home Furnishings, Electronics, and Appliances	153,056	153,056	148,810	-2.8%
451	Sporting Goods, Hobby, Books	-	-	-	-
452	General Merchandise Stores	-	-	-	-
453	Miscellaneous Store Retailers	-	-	-	-
454	Nonstore Retailers	-	-	-	-
455	General Merchandise Retailers	63,701	63,701	69,371	8.9%
456	Health and Personal Care Retailers	58,173	58,173	50,376	-13.4%
457	Gasoline Stations and Fuel Dealers	60,038	60,038	62,194	3.6%
458	Clothing, Clothing Accessories, Shoe and Jewelry Retailers	50,849	50,849	53,380	5.0%
459	Sporting Goods, Hobby, Musical Instrument, Book and Misc	675,052	675,052	707,003	4.7%
	TOTAL RETAIL TRADE	**$ 1,301,450**	**$ 1,301,450**	**$ 1,332,437**	
	Overall General Retail Change from Previous Year			***$30,988***	***2.4%***

NAICS	SERVICES	24 TOTAL	24 YTD	25 YTD	YTD % Diff
51*	Information	$ 215,632	$ 215,632	$ 223,525	3.7%
52*	Finance & Insurance	23,268	23,268	21,652	-6.9%
53*	Real Estate, Rental, Leasing	66,452	66,452	67,413	1.4%
541	Professional, Scientific, Tech	86,028	86,028	123,847	44.0%
551	Company Management	1,684	1,684	798	-52.6%
56*	Admin, Supp, Remed Svcs	262,602	262,602	264,593	0.8%
611	Educational Services	18,506	18,506	15,259	-17.5%
62*	Health Care Social Assistance	7,133	7,133	9,202	29.0%
71*	Arts & Entertainment	35,015	35,015	39,906	14.0%
72*	Accommodation & Food Svcs	429,659	429,659	448,140	4.3%
81*	Other Services	161,162	161,162	177,926	10.4%
92*	Public Administration	840	840	1,219	45.2%
	TOTAL SERVICES	**$ 1,307,978**	**$ 1,307,978**	**$ 1,393,479**	
	Overall Services Change from Previous Year			***$85,501***	***6.5%***

NAICS	MISCELLANEOUS	24 TOTAL	24 YTD	25 YTD	YTD % Diff
000	Unknown	$ -	$ -	$ -	-
111-115	Agriculture, Forestry, Fishing	701	701	688	-1.9%
211-221	Mining & Utilities	11,564	11,564	2,528	-78.1%
999	Unclassifiable Establishments	139,910	139,910	127,973	-8.5%
	MISCELLANEOUS TOTAL	**$ 152,175**	**$ 152,175**	**$ 131,189**	
	Overall Miscellaneous Change from Previous Year			***($20,987)***	***-13.8%***

	24 TOTAL	24 YTD	25 YTD	YTD % Diff
GRAND TOTALS	**$ 4,033,471**	**$ 4,033,471**	**$ 4,385,743**	
Grand Total Change from Previous Year to Date			***$352,272***	***8.73%***