

2026 1st Quarter Financial Report

This report provides a snapshot of the City of Des Moines' financial performance for the first quarter ending March 31, 2026.

Highlights

- **General Fund Operating Income:** As of March 31, the General Fund reported operating income of \$206,729. While first-quarter results are favorable, revenues and expenditures are not earned evenly throughout the year and it is too early to draw conclusions regarding year-end performance.
- **Property Tax:** Historically, the City has not received property tax on Business Park parcels owned by the Port of Seattle because the Port is exempt from property taxation. However, a review of lease agreements determined that certain buildings are privately owned and therefore taxable. King County has confirmed that improvements on two parcels will be added to the tax rolls beginning in 2026. Staff will continue working with the County to identify any additional taxable property and determine whether omitted taxes may be assessed for prior years, subject to statutory limitations.
- **One-Time Taxes:** Per the City's code, sales tax and B&O tax generated from construction projects with valuations exceeding \$15 million are classified as One-Time Tax revenue. Driven by several major construction projects currently underway in the City, One-Time Sales Tax revenue totaled \$242,227 through the first quarter, exceeding the annual budget of \$200,000 by \$42,227. One-Time B&O Tax revenue totaled \$34,355 through the first quarter, which is 45.8% of the annual budget of \$75,000.
- **Public Safety Sales Tax:** HB-2015 expanded local authority to levy 0.1% sales tax dedicated to public safety purposes. The City now qualifies to receive this revenue and began collecting the tax in 2026. In the first quarter, the City collected \$44,736 and is on pace to receive the budgeted amount of \$450,000 for the year.

Forward-Looking Considerations

- **Public Defender Costs:** New Washington Supreme Court requirements regarding public defense services and attorney caseloads have significantly increased costs for local governments. Through the first quarter, the City incurred \$71,854 in public defender costs. The annual budget is \$55,000 in the General Fund and \$110,000 in the Public Safety Sales Tax Fund. Staff will evaluate the need for budget adjustments as additional information becomes available.
- **Regular Sales Tax:** Despite strong one-time sales tax activity in the first quarter, regular sales tax revenue was \$34,886 (3.45%) below the prior year. Staff will continue to monitor collections and evaluate whether this trend persists through the remainder of the year.
- **Red Light Running:** Revenue from the City's red-light camera program continues to decline. Through the first quarter, revenue totaled \$97,065, falling \$177,935 (65%) short of the year-to-date budget of \$275,000. Staff will monitor revenue trends throughout the year and assess whether a budget adjustment may be necessary.

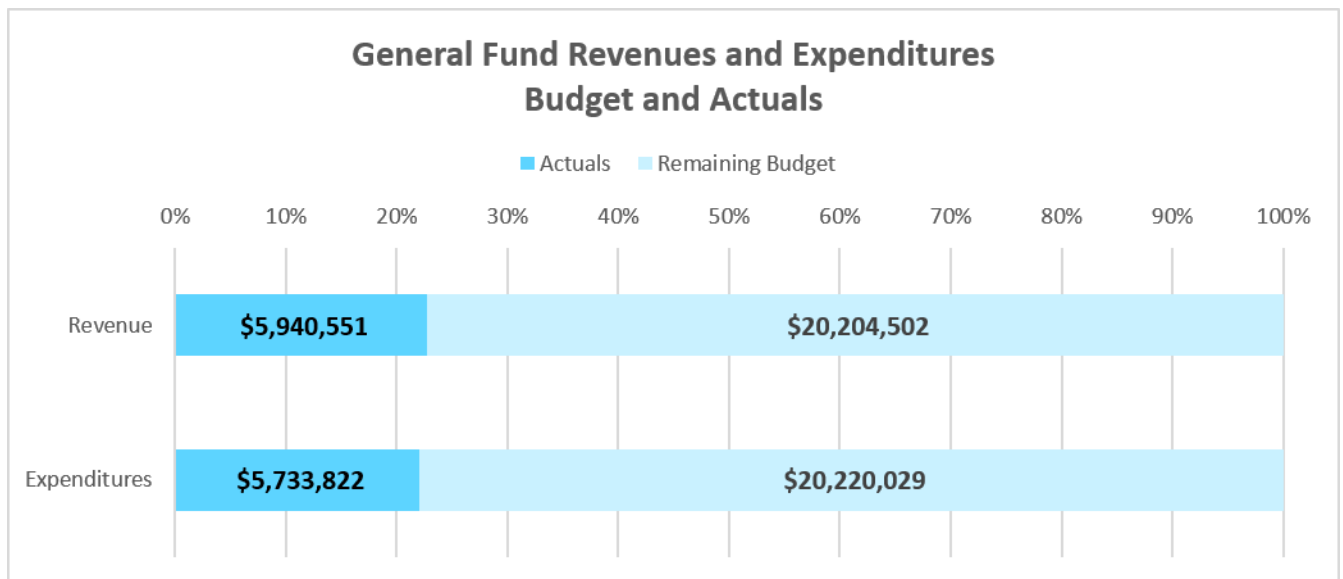


GENERAL FUND

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.

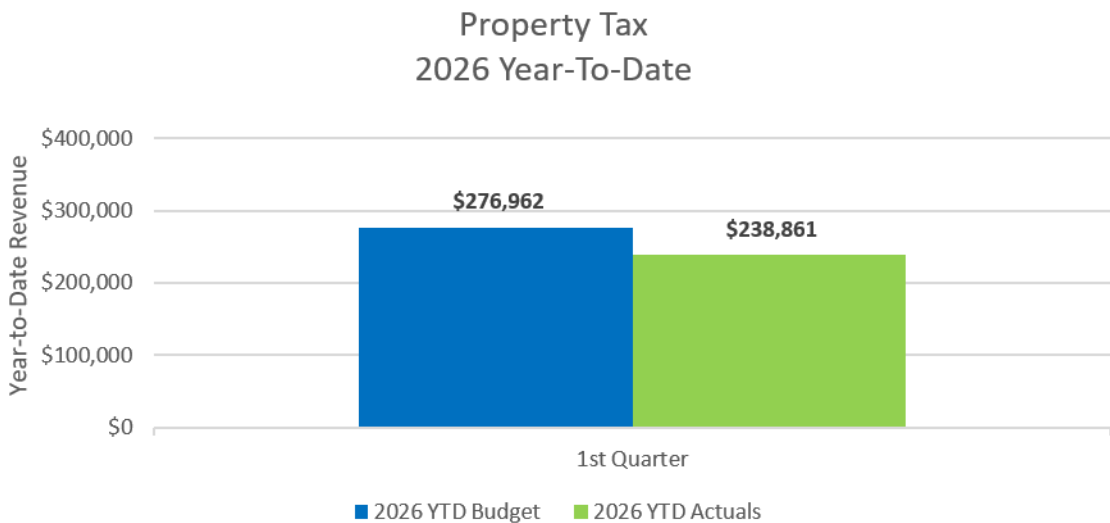
Revenues for the general fund typically come from local taxes (such as property taxes and sales taxes), business licenses, service fees, fines, and intergovernmental transfers. These funds are used to cover general government operations—such as police, public works, parks and recreation, and administration.

Through the first quarter of 2026, the General Fund received \$5,940,551 in revenue, coming in 3% over the year-to-date budget of \$5,789,325. 2026 expenditures totaled \$5,733,822, or .2% below the year-to-date budget of \$5,733,822. Operating Income was \$206,729.

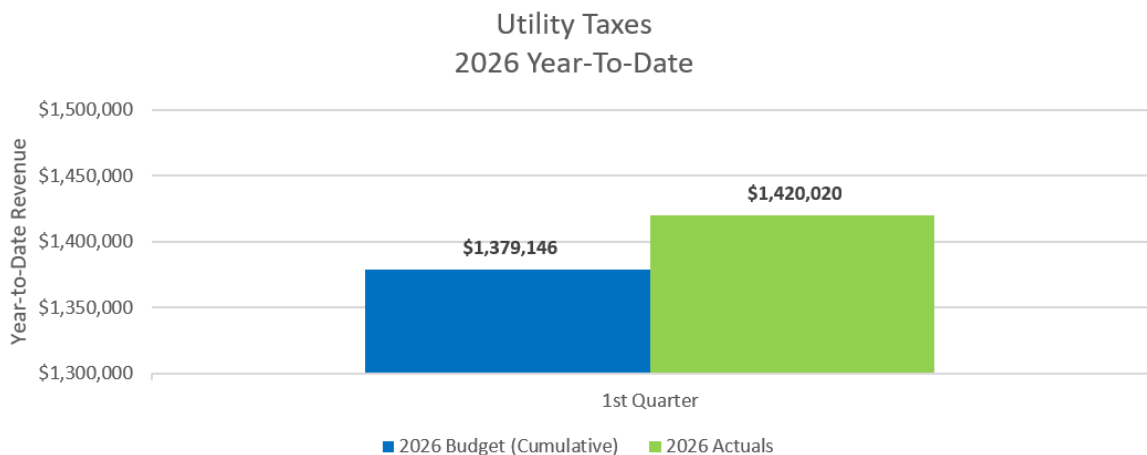


Revenue

Property Taxes are primarily collected in the second and fourth quarters (April and October). Property tax collected through the first quarter of 2026 was \$238,861, which was \$38,101 (13.76%) lower than the year-to-date budget of \$276,962.



Utility Taxes collected through the first quarter of 2026 were \$1,420,020, which is \$40,874 (2.96%) 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 2026 was \$4,775,000.



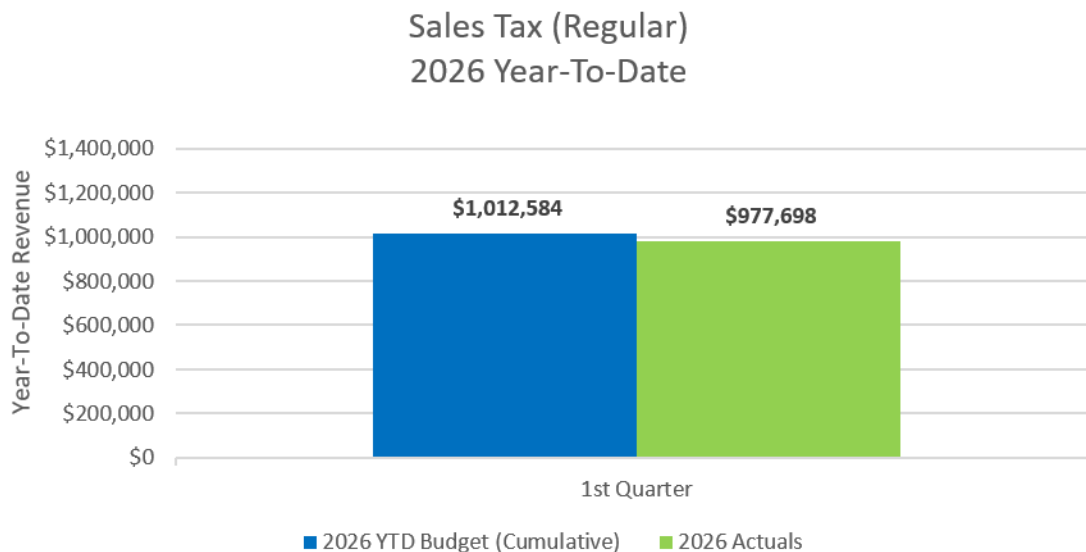


The table below demonstrates actual revenues compared to prior year collections by the different utility categories:

Utility Tax Type	2025 Q1 Total	2026 Q1 Total	Change from 2025	
			Amount	Percent
Electricity	\$ 529,286	\$ 605,563	\$ 76,277	14.4%
Natural Gas	230,456	210,269	(20,187)	-8.8%
Solid Waste	163,918	172,911	8,992	5.5%
Cable TV	175,702	158,305	(17,397)	-9.9%
Telephone	62,280	52,082	(10,198)	-16.4%
SWM*	162,332	220,890	58,558	36.1%
YE Total	\$ 1,323,975	\$ 1,420,020	\$ 96,045	7.3%

**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%.*

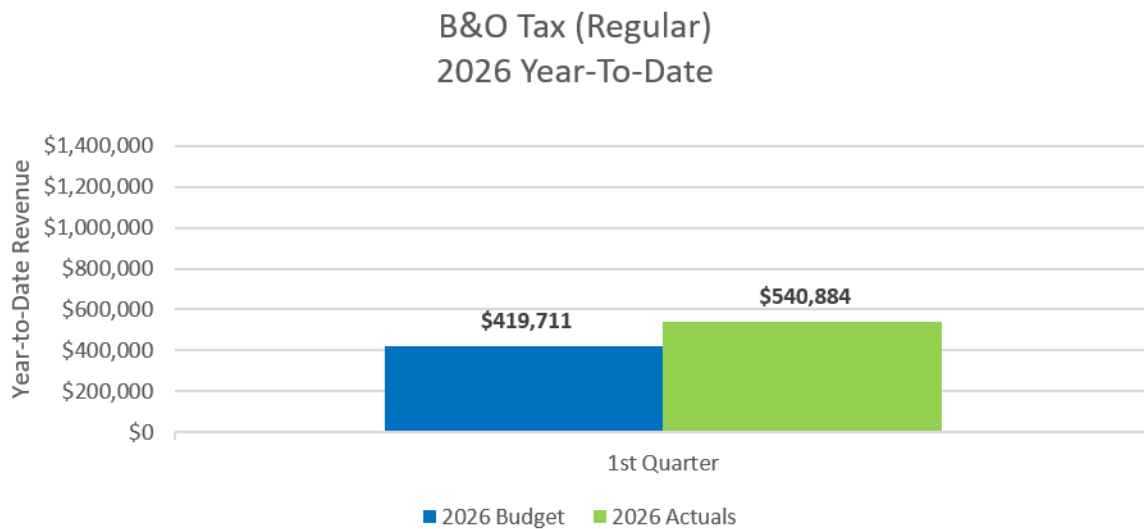
Sales and Use Tax (Regular) collection decreased \$87,226 (8.2%) compared to the prior year. Through the first quarter, the City collected \$977,698 in regular sales tax, which was \$34,866 (3.45%) less than budgeted expectations. “Regular” Sales and Use Tax excludes the sales and use tax generated by construction projects that are valued at \$15 million or more. The adopted budget for regular Sales Tax revenue for 2026 is \$4,180,000.



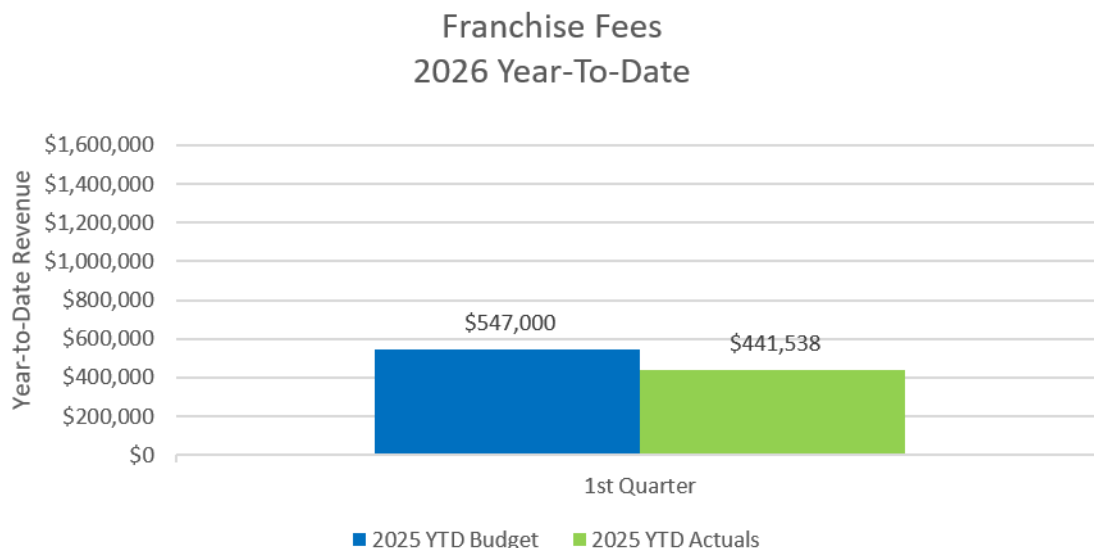
The City receives **One-Time Sales and Use Tax** from construction projects in the City whose permits are valued at \$15 million or more. Through the first quarter, the City received \$242,227 of One-Time Sales Tax revenue against a total annual budget of \$200,000.

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

The City received \$540,884 in regular **Business and Occupation Tax** through the first quarter of 2026. This amount was \$121,173 (28.9%) more than the year-to-date budget. Collections of B&O Tax were also \$131,002 (32.0%) more than the prior year.

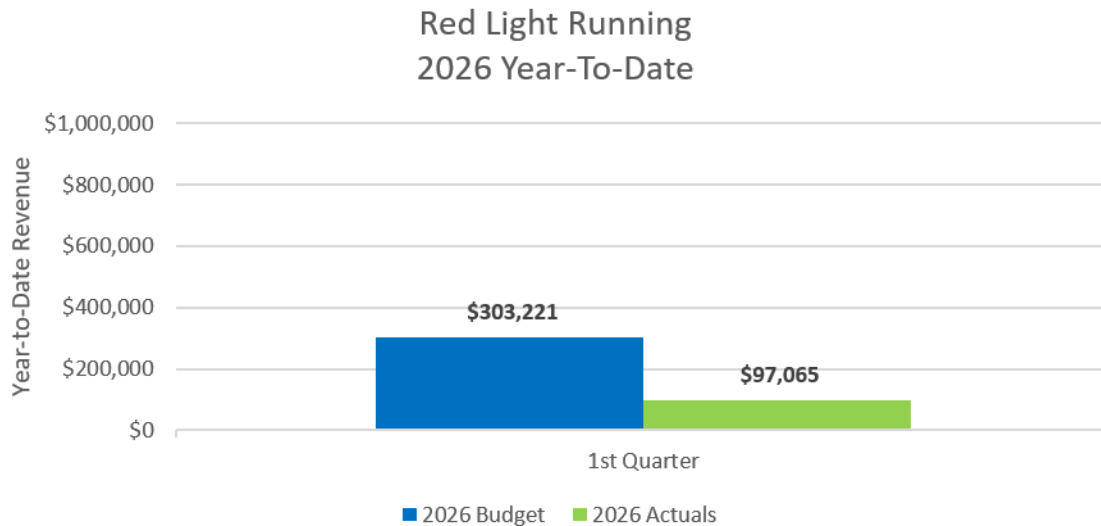


Franchise Fees help the City recoup the cost of allowing a utility to use its public space. Through the first quarter of 2026, the City collected \$441,538 in franchise fees, which was \$105,462 (19.3%) less than the year-to-date budget but \$24,481 more than the same period in the prior year. The adopted budget for Franchise Fee revenue for 2025 is \$2,188,000.



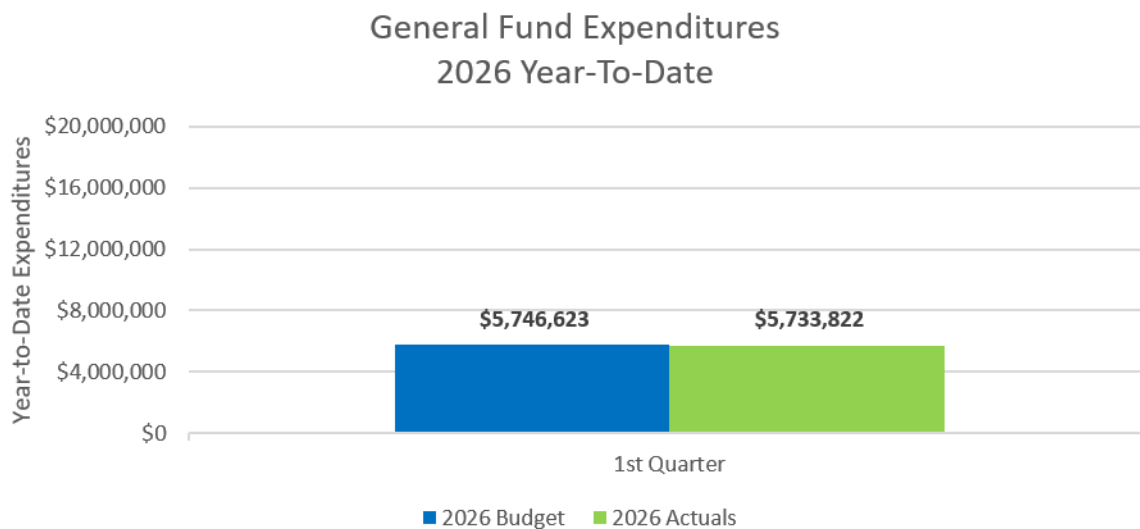


Red Light Running Infractions is revenue received from fines generated by the red light camera ticketing system installed at select intersections in the City. In the first quarter, the City collected \$97,065 in red light running fee revenue, which was \$141,824 (59.4%) less than the prior year and \$206,156 (68.0%) less than budget. This amount follows the trend of safer driving resulting in reduced revenues. The 2026 adopted budget for Red Light Running revenue was \$1.1 million.



Expenditures

General Fund expenditures were \$5,733,822, which was \$12,801 (0.2%) less than budget and \$319,911 (5.3%) less than the prior year.





General Fund Summary of Uses Year to Date through September	2025	2026	2026		2026 vs 2025		2026 vs. Budget	
	YTD Actual	Annual Budget	YTD Budget	YTD Actual	\$	%	\$	%
Personnel	3,800,503	17,444,006	3,637,000	3,628,411	(172,092)	-4.5%	(8,590)	-0.2%
Supplies	208,293	601,200	150,300	186,125	(22,168)	-10.6%	35,825	23.8%
Services	1,583,540	3,330,283	1,577,179	1,532,732	(50,807)	-3.2%	(44,447)	-2.8%
Internal Services	453,321	2,289,181	382,143	382,143	(71,178)	-15.7%	0	0.0%
Capital	0	-	-	0	0	0.0%	0	0.0%
Transfers Out	8,075	-	-	4,410	(3,665)	-45.4%	4,410	0.0%
Total Expenditures	6,053,733	23,664,670	5,746,622	5,733,822	(319,911)	-5.3%	(12,800)	-0.2%

Overall expenditures remain on target, ending the first quarter 0.2% below year-to-date budget expectations.

Personnel: Personnel costs represent expenditure of funds for salary and benefits expenses. Through the first quarter, personnel costs were \$172,092 (4.5%) lower than the prior year and \$8,590 (0.2%) less than budget.

Supplies: Expenditures for supplies were \$35,825 (23.8%) above the year-to-date budget of \$150,300. The variance is primarily attributable to software purchases and related maintenance agreements. While these costs were budgeted in the Computer Replacement Fund, the purpose of that fund, as established by municipal code, does not include these types of expenditures. As a result, the costs must be recorded in the General Fund. A budget amendment is anticipated later this year to align the budget with the appropriate fund.

Internal Services: Internal service fund charges were at budget through the first quarter and decreased by \$71,178 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 decrease from those of 2025.

Transfers Out: A transfer out to the American Rescue Plan Act (ARPA) Fund was recorded during the first quarter. A reconciliation of ARPA funds found that \$4,410 of ARPA funding was received in the General Fund in 2021 but never transferred to the ARPA Fund.



General Fund Details

General Fund Summary of Sources and Uses	2026			2026 YTD Budget vs Actual		2026 Remaining Budget
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	
Operating Revenues (Recurring)						
Taxes	\$ 20,423,000	\$ 4,180,402	\$ 4,114,436	\$ (65,966)	-2%	\$ 16,308,564
Licenses and Permits	470,000	183,965	220,201	36,236	20%	249,799
Intergovernmental (Grants, etc.)	885,381	221,345	241,172	19,826	9%	644,209
Fees/Charges/Fines	1,935,740	483,935	397,396	(86,539)	-18%	1,538,344
Other	2,136,573	646,088	716,161	70,072	11%	1,420,412
Total Operating Revenues (Recurring)	\$ 25,850,694	\$ 5,715,736	\$ 5,689,366	\$ (26,370)	0%	\$ 20,161,328
Nonrecurring Revenues						
Sound Transit	19,359	4,840	-	(4,840)	-100%	19,359
Sales Tax (One-Time)	200,000	50,000	216,850	166,850	334%	(16,850)
B&O Tax (One-Time)	75,000	18,750	34,335	15,585	83%	40,665
Total Nonrecurring Revenues	\$ 294,359	\$ 73,590	\$ 251,185	\$ 177,595	241%	\$ 43,174
Total Revenue	\$ 26,145,053	\$ 5,789,325	\$ 5,940,551	\$ 151,226	3%	\$ 66,989



General Fund Summary of Sources and Uses	2026			2026 YTD Budget vs Actual		Remaining Budget
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	
Operating Expenditures (Recurring)						
City Council	\$ 97,008	\$ 20,918	\$ 18,157	(2,761)	-13%	78,851
City Manager's Office	759,584	163,629	121,406	(42,222)	-26%	638,178
City Clerk	509,792	106,741	138,878	32,137	30%	370,914
Human Resources	230,865	50,861	75,627	24,765	49%	155,238
Emergency Management	33,750	8,438	24,009	15,572	185%	9,741
Communications	193,028	42,848	73,985	31,138	73%	119,043
Finance	1,297,475	276,141	305,957	29,816	11%	991,518
Information Technology Services	1,280,918	295,691	333,910	38,218	13%	947,009
Legal	980,643	206,830	173,032	(33,798)	-16%	807,611
Municipal Court	1,746,293	369,209	334,560	(34,649)	-9%	1,411,733
Police	11,503,328	2,499,015	2,438,480	(60,536)	-2%	9,064,848
Planning and Building (Tax-based)	392,212	82,711	104,799	22,088	27%	287,413
Building and Parks Maintenance	1,660,024	366,483	316,823	(49,661)	-14%	1,343,201
Community Events and Services	1,643,801	368,664	330,433	(38,231)	-10%	1,313,368
Non-Departmental						
Professional Services - Code Update	2,000	500	-	(500)	-100%	2,000
Official Publication Services	1,400	350	130	(220)	-63%	1,270
Des Moines Historical Society Rent	7,800	1,950	2,600	650	33%	5,200
County Recording Services	5,000	1,250	4,577	3,327	266%	424
Election Services	130,000	130,000	135,977	5,977	5%	(5,977)
Voter Registration Services	60,000	15,000	(0)	(15,000)	-100%	60,000
Organizational Memberships	99,751	99,751	125,054	25,303	25%	(25,303)
Fire Suppression - South King Fire	23,000	5,750	5,241	(509)	-9%	17,759
Fire Investigation Services	47,000	11,750	-	(11,750)	-100%	47,000
SCORE	741,454	185,364	179,040	(6,324)	-3%	562,414
Public Defender	55,000	13,750	71,854	58,104	423%	(16,854)
Bank Fees	12,880	3,220	6,026	2,806	87%	6,854
Computer Replacement	205,989	34,332	34,332	(0)	0%	171,657
Equipment Rental Maintenance	497,921	82,987	82,987	(0)	0%	414,934
Equipment Rental Replacement	819,181	137,143	137,143	0	0%	682,038
Insurance	669,860	111,643	111,643	0	0%	558,217
Facility Repair and Replacement	96,230	16,038	16,038	0	0%	80,192
Transfers Out - Fund 114 (American Rescue Plan Act Fund)	-	-	4,410	4,410	-	(4,410)
Total Operating Expenditures (Recurring)	\$ 25,803,187	\$ 5,708,957	\$ 5,707,107	\$ (1,850)	0%	\$ 20,096,080
Nonrecurring Expenditures						
Contingency	50,000	12,500	-	(12,500)	-100%	50,000
Sound Transit	19,359	4,840	-	(4,840)	-100%	19,359
Website	18,500	4,625	-	(4,625)	-100%	18,500
Professional Services - Strategic Plan	33,375	8,344	16,125	7,781	93%	17,250
Professional Services - Benchmarking Analysis	15,930	3,983	7,590	3,608	91%	8,340
Communications Contract	13,500	3,375	3,000	(375)	-11%	10,500
Total Nonrecurring Expenditures	\$ 150,664	\$ 37,666	\$ 26,715	\$ (10,951)	-29%	\$ 123,949
Total Expenditures	\$ 25,953,851	\$ 5,746,623	\$ 5,733,822	\$ (12,801)	0%	\$ 20,220,029
Total Operating Income (Loss)	\$ 191,202	\$ 42,703	\$ 206,729	\$ 164,026		

**March is month 3 of 12= 25.0%

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	\$ 2,624,000	\$ 656,472	25.0%	\$ 2,908,402	\$ 386,148	13.3%
Arterial Pavement	1,606,000	9,853	0.6%	1,757,322	2,518	0.1%
Public Safety Sales Tax	450,000	44,736	9.9%	450,000	-	0.0%
Development Fund	2,958,422	373,735	12.6%	3,500,570	678,962	19.4%
Police Drug Seizure	26,000	-	0.0%	20,500	-	0.0%
Hotel-Motel Tax	128,000	21,877	17.1%	125,000	-	0.0%
Affordable Housing Sales Tax	35,000	10,527	30.1%	35,000	-	0.0%
American Rescue Plan Act	-	4,410	0.0%	-	-	0.0%
Redondo Zone	145,130	10,492	7.2%	127,510	26,576	20.8%
Waterfront Zone	458,210	77,851	17.0%	397,452	143,878	36.2%
PBPW Automation Fee	190,000	29,973	15.8%	133,541	32,147	24.1%
Urban Forestry	5,000	-	0.0%	5,000	-	0.0%
Abatement	3,600	806	22.4%	2,500	-	0.0%
Automated Speed Enforcement (ASE)	357,500	52,315	14.6%	311,905	48,130	15.4%
Redondo Speed Enforcement Fund	1,110,000	171,215	15.4%	1,309,849	73,538	5.6%
Transport Benefit District	\$ 1,020,000	\$ 241,003	23.6%	\$ 2,605,000	\$ 225,000	8.6%

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	2026			2026 YTD Budget vs Actual		Remaining Budget
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	
Operating Revenues						
Planning and Building						
Building Permits	\$ 825,284	\$ 206,321	\$ 74,931	\$ (131,390)	-64%	\$ 750,353
Other Licenses and Permits	369,987	92,497	45,392	(47,104)	-51%	324,595
Intergovernmental (Grants, etc.)	97,749	24,437	-	(24,437)	-100%	97,749
Charges for Services:						
Zoning Fees	337,825	84,456	65,356	(19,100)	-23%	272,469
Plan Check Fees	661,050	165,263	100,674	(64,588)	-39%	560,376
Other Fees	7,914	1,979	5,188	3,209	162%	2,726
Credit Card Fees	42,436	10,609	10,448	(161)	-2%	31,988
Misc. Revenue	-	-	207	207	0%	(207)
Penalties - Stop Work	15,965	3,991	4,526	535	13%	11,439
Planning and Building Revenue Subtotal	\$ 2,358,210	\$ 589,553	\$ 306,723	\$ (282,830)	-48%	\$ 2,051,487
Engineering						
Right-Of-Way Permits	\$ 141,250	\$ 35,313	\$ 48,507	\$ 13,194	37%	\$ 92,743
Engineering Fees	28,657	7,164	3,825	(3,339)	-47%	24,832
Interfund Charges/ Engineering CIP Support	344,573	86,143	-	(86,143)	-100%	344,573
Engineering Revenue Subtotal	\$ 514,480	\$ 128,620	\$ 52,332	\$ (76,288)	-59%	\$ 462,148
Interest Income	50,000	12,500	14,680	2,180	17%	35,320
Transfers In - PBPW Automation Fee Fund	35,732	-	-	-	0%	35,732
Total Operating Revenues	\$ 2,958,422	\$ 730,673	\$ 373,735	\$ (356,937)	-49%	\$ 2,584,687
Operating Expenditures						
Planning and Building						
Salaries and Benefits	\$ 1,791,756	\$ 373,283	\$ 329,296	\$ (43,987)	-12%	\$ 1,462,460
Supplies	30,353	7,588	9,052	1,464	19%	21,301
Services	668,659	167,165	168,566	1,401	1%	500,093
Planning and Building Expenditures Subtotal	\$ 2,490,768	\$ 548,036	\$ 506,914	\$ (41,122)	-8%	\$ 1,983,855
Engineering						
Salaries and Benefits	\$ 737,287	\$ 153,601	\$ 123,283	\$ (30,318)	-20%	\$ 614,004
Supplies	12,500	3,125	2,604	(521)	-17%	9,896
Services	260,015	65,004	46,161	(18,843)	-29%	213,854
Engineering Expenditures Subtotal	\$ 1,009,802	\$ 221,730	\$ 172,048	\$ (49,682)	-22%	\$ 837,754
Total Operating Expenditures	\$ 3,500,570	\$ 769,766	\$ 678,962	\$ (90,804)	-12%	\$ 2,821,609
Total Operating Income (Loss)	\$ (542,148)	\$ (39,093)	\$ (305,226)	\$ (266,133)		

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	\$ 1,047,519	\$ 261,880	25.0%	\$ 1,047,518	\$ -	0.0%

Expenditures typically occur on June 1 (2nd Quarter) and December 1 (4th Quarter) of each year.

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.

Capital Project Fund:	Revenue			Expenditures		
Fund	Budget	Actual	% of Budget	Budget	Actual	% of Budget
REET 1	\$ 720,000	\$ 437,109	60.7%	\$ 2,628,040	\$ 67,010	2.5%
REET 2	680,000	423,049	62.2%	507,479	119,870	23.6%
Park Levy	145,000	1,985	1.4%	39,000	-	0.0%
Park in Lieu	27,500	-	0.0%	46,000	-	0.0%
One-Time Sales & B+O Tax Revenues	30,000	10,498	35.0%	550,000	12,500	2.3%
Municipal Capital Improvements	6,272,000	80,703	1.3%	17,107,000	2,251,927	13.2%
Transportation Capital Improvements	8,156,000	729,989	9.0%	9,364,000	804,108	8.6%
Traffic in Lieu	507,500	5,589	1.1%	-	-	0.0%
Traffic Impact - Citywide	335,000	198,488	59.3%	-	-	0.0%
Traffic Impact - Pac Ridge	115,000	6,057	5.3%	-	-	0.0%
Total Capital Project Fund*	\$ 16,988,000	\$ 1,893,467	11%	\$ 30,241,519	\$ 3,255,415	11%

*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	2026			2026 YTD Budget vs Actual		2026
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenue						
Charges for Services	\$ 5,133,717	\$ 1,283,429	\$ 933,578	\$ (349,851)	-27%	\$ 4,200,139
Fuel Sales	1,728,300	432,075	139,226	(292,849)	-68%	1,589,074
Miscellaneous Revenues	18,980	4,745	12,622	7,877	166%	6,358
Operating Revenue Subtotal	\$ 6,880,997	\$ 1,720,249	\$ 1,085,425	\$ (634,824)	-37%	\$ 5,795,572
Operating Expense						
Salaries and Benefits	\$ 1,503,387	\$ 313,206	\$ 272,446	\$ (40,760)	-13%	\$ 1,230,941
Supplies	154,225	38,556	17,934	(20,623)	-53%	136,291
Fuel Purchases	1,320,000	330,000	158,251	(171,749)	-52%	1,161,749
Services	781,697	195,424	94,528	(100,896)	-52%	687,168
Services - Interfund	851,099	231,518	231,518	(0)	0%	619,581
Total Operating Expenses (excl. depreciation)	\$ 4,610,408	\$ 1,108,704	\$ 774,677	\$ (334,027)	-30%	\$ 3,835,731
Operating Income/(Loss)	\$ 2,270,589	\$ 611,545	\$ 310,748	\$ (300,797)	-49%	\$ 1,959,841
Non-Operating Revenue						
Interest Income	40,000	10,000	77,440	67,440	674%	(37,440)
Non-operating Revenue Subtotal	\$ 40,000	\$ 10,000	\$ 77,440	\$ 67,440	674%	\$ (37,440)
Non-operating Expense						
Capital Outlay	\$ 880,000	\$ 220,000	\$ 1,093,042	\$ 873,042	397%	\$ (213,042)
Debt Service	1,100,399	0	0	-	0%	1,100,399
Non-operating Expense Subtotal	\$ 1,980,399	\$ 220,000	\$ 1,093,042	\$ 873,042	397%	\$ 887,357
Net Change in Unrestricted Net Position	\$ 330,190	\$ 401,545	\$ (704,854)	\$ (1,106,399)	-276%	\$ 1,035,044
** March is month 3 of 12 = 25%						

** March is month 3 of 12 = 25%



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	2026			2026 YTD Budget vs Actual		2026 Remaining Budget
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	
Operating Revenue						
Charges for Services	\$ 5,987,907	\$ 298,229	\$ 346,308	\$ 48,079	16%	\$ 5,641,599
Intergovernmental Revenue	1,408,000	352,000	172,193	(179,807)	-51%	1,235,807
Operating Revenue Subtotal	\$ 7,395,907	\$ 650,229	\$ 518,501	\$ (131,728)	-20%	\$ 6,877,406
Operating Expense						
Salaries and Benefits	\$ 2,145,600	\$ 447,000	\$ 390,070	\$ (56,930)	-13%	\$ 1,755,530
Supplies	128,050	32,013	9,009	(23,003)	-72%	119,041
Services	1,680,955	420,239	411,344	(8,895)	-2%	1,269,611
Services - Interfund	802,344	223,671	223,671	0	0%	578,673
Total Operating Expenses (excl. depreciation)	\$ 4,756,950	\$ 1,122,922	\$ 1,034,094	\$ (88,828)	-8%	\$ 3,722,855
Operating Income/(Loss)	\$ 2,638,957	\$ (472,693)	\$ (515,593)	\$ (42,901)	-9%	\$ 3,154,551
Non-Operating Revenue						
Miscellaneous Revenue	-	-	4,604	4,604	0%	(4,604)
Interest Income	300,000	75,000	83,581	8,581	11%	216,419
Non-operating Revenue Subtotal	\$ 300,000	\$ 75,000	\$ 88,185	\$ 13,185	18%	\$ 211,815
Non-operating Expense						
Capital Outlay	\$ 4,957,000	\$ 1,239,250	\$ 204,279	\$ (1,034,971)	-84%	\$ 4,752,721
Transfers Out to Fund 319 (Transportation Improvements)	88,000	-	-	-	-	88,000
Non-operating Expense Subtotal	\$ 5,045,000	\$ 1,239,250	\$ 204,279	\$ (1,034,971)	-84%	\$ 4,840,721
Net Change in Cash	\$ (2,106,043)	\$ (1,636,943)	\$ (631,687)	\$ 1,005,256	-61%	\$ (1,474,356)

** March is month 3 of 12 = 25%

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	\$ 1,085,106	\$ 191,943	17.7%	\$ 863,329	\$ 142,780	16.5%
Equipment Rental Replacement	1,311,565	248,295	18.9%	1,887,600	278,164	14.7%
Facility Major Repairs	459,150	23,248	5.1%	144,858	14,006	9.7%
Computer Replacement	280,000	53,488	19.1%	455,000	96,665	21.2%
Self Insurance	1,166,720	195,204	16.7%	1,313,220	1,068,013	81.3%
Unemployment Insurance	\$ 55,000	\$ 14,266	25.9%	\$ 50,000	\$ 5,809	11.6%

ATTACHMENT 1 – Sales Tax by Category

SALES TAX SUMMARY March 2026 (January 2026 Sales)

NAICS	CONSTRUCTION	25 TOTAL	25 YTD	26 YTD	YTD
236	Construction of Buildings	539,431	108,364	222,288	105.1%
237	Heavy & Civil Construction	159,970	32,371	46,814	44.6%
238	Specialty Trade Contractors	375,073	87,149	12,467	-16.5%
	TOTAL CONSTRUCTION	\$ 1,074,474	\$ 227,884	\$ 341,590	49.5%
	Overall Construction Change from Previous Year			\$ 113,706	
NAICS	MANUFACTURING	25 TOTAL	25 YTD	26 YTD	YTD
311	Food Manufacturing	1,283	232	770	232.1%
312	Beverage & Tobacco Products	2,596	702	510	-27.4%
313	Textile Mills	221	68	79	17.1%
314	Textile Product Mills	372	44	42	-4.4%
315	Apparel Manufacturing	410	134	155	15.7%
316	Leather & Allied Products	547	130	175	34.7%
321	Wood Product Manufacturing	972	288	187	-30.3%
322	Paper Manufacturing	1,495	71	729	919.5%
323	Printing & Related Support	7,315	3,528	1,183	-66.5%
324	Petroleum & Coal Products	34	9	7	-19.4%
325	Chemical Manufacturing	1,521	275	470	71.2%
326	Plastic & Rubber Products	87	17	172	906.7%
327	Nonmetallic Mineral Products	4,191	670	516	-22.5%
331	Primary Metal Manufacturing	71	-	-	-
332	Fabricated Metal Mfg Products	1,695	426	1,308	347.5%
333	Machinery Manufacturing	2,539	238	208	-12.5%
334	Computer & Electronic Products	10,068	236	233	-21.5%
335	Electric Equipment, Appliances	1,364	40	63	58.9%
336	Transportation Equipment/Mfg	18,610	5,728	3,571	-37.7%
337	Furniture & Related Products	2,945	297	628	111.1%
339	Miscellaneous Manufacturing	5,099	1,202	750	-37.6%
	TOTAL MANUFACTURING	\$ 63,434	\$ 14,375	\$ 12,357	-14.0%
	Overall Manufacturing Change from Previous Year			(\$2,016)	
NAICS	TRANSPORTATION & WAREHOUSING	25 TOTAL	25 YTD	26 YTD	YTD
481	Air Transportation	-	-	-	-
482	Rail Transportation	40	1	10	1264.4%
483	Water Transportation	0	0	-	-100.0%
484	Truck Transportation	5,408	1,278	1,191	-6.8%
485	Transit and Ground Passengers	2	-	3	-
487	Scenic and Sightseeing Trans	-	-	-	-
488	Postal Services	1,325	616	1,612	161.7%
491	Postal Services	95	23	23	-1.4%
492	Couriers & Messengers	40,373	9,692	11,338	17.0%
493	Warehousing & Storage	255	63	14	-78.4%
	TOTAL TRANSP & WHSNG	\$ 47,499	\$ 11,673	\$ 14,190	21.6%
	Overall Transportation Change from Previous Year			\$2,517	
NAICS	WHOLESALE TRADE	25 TOTAL	25 YTD	26 YTD	YTD
423	Wholesale Trade-Durable Goods	160,465	45,000	37,382	-17.0%
424	Wholesale Trade-Nondurable Goods	63,818	15,790	11,661	-26.1%
425	Wholesale Electronic Markets	1,199	303	709	133.3%
	WHOLESALE TRADE TOTAL	\$ 225,502	\$ 61,153	\$ 49,750	-18.6%
	Overall Wholesale Change from Previous Year			(\$11,409)	

NAICS	AUTOMOTIVE	25 TOTAL	25 YTD	26 YTD	YTD
441	Motor Vehicle & Parts Dealer	117,729	37,391	25,445	-32.0%
447	Gasoline Stations	-	-	-	-
	TOTAL AUTOMOTIVE	\$ 117,729	\$ 37,391	\$ 25,445	-32.0%
	Overall Automotive Change from Previous Year			(\$11,946)	
NAICS	RETAIL TRADE	25 TOTAL	25 YTD	26 YTD	YTD
442	Furniture & Home Furnishings	-	-	-	-
443	Electronics & Appliances	-	-	-	-
444	Building Material & Garden	54,312	14,536	8,879	-38.9%
445	Food & Beverage Stores	186,991	43,591	46,158	5.9%
446	Health & Personal Care	-	-	-	-
448	Clothing & Accessories	-	-	-	-
449	Furniture, Home Furnishings, Electronics, and Appliances	148,810	39,500	39,306	-0.5%
451	Sporting Goods, Hobby, Books	-	-	-	-
452	General Merchandise Stores	-	-	-	-
453	Miscellaneous Store Retailers	-	-	-	-
454	Nonstore Retailers	-	-	-	-
455	General Merchandise Retailers	69,371	18,851	21,368	13.4%
456	Health and Personal Care Retailers	50,376	13,347	12,397	-7.1%
457	Gasoline Stations and Fuel Dealers	62,194	16,740	13,715	-17.7%
458	Clothing, Clothing Accessories, Shoe and Jewelry Retailers	53,380	16,054	17,207	7.2%
459	Sporting Goods, Hobby, Musical Instrument, Book and Misc	707,003	188,939	195,409	3.4%
	TOTAL RETAIL TRADE	\$ 1,332,437	\$ 351,558	\$ 354,499	0.8%
	Overall General Retail Change from Previous Year			\$2,941	
NAICS	SERVICES	25 TOTAL	25 YTD	26 YTD	YTD
51*	Information	223,525	52,397	72,856	39.0%
52*	Finance & Insurance	21,652	5,888	5,622	-4.5%
53*	Real Estate, Rental, Leasing	67,413	12,995	15,179	16.8%
541	Professional, Scientific, Tech	123,847	32,706	53,158	62.5%
551	Company Management	788	261	131	-50.1%
56*	Admin, Supp, Remed Svcs	264,593	68,590	75,327	9.8%
611	Educational Services	15,259	3,805	4,397	15.6%
62*	Health Care Social Assistance	9,202	2,021	2,323	15.0%
71*	Arts & Entertainment	39,906	8,430	8,880	5.3%
72*	Accommodation & Food Svcs	448,140	96,554	100,011	3.6%
81*	Other Services	177,926	44,573	40,550	-9.0%
92*	Public Administration	1,219	757	127	-83.3%
	TOTAL SERVICES	\$ 1,393,479	\$ 328,977	\$ 378,560	15.1%
	Overall Services Change from Previous Year			\$48,583	
NAICS	MISCELLANEOUS	25 TOTAL	25 YTD	26 YTD	YTD
000	Unknown	-	-	-	-
111-115	Agriculture, Forestry, Fishing	688	135	52	-61.2%
211-221	Mining & Utilities	2,528	75	94	25.5%
999	Unserviceable Establishments	127,973	27,986	32,238	15.6%
	MISCELLANEOUS TOTAL	\$ 131,189	\$ 28,196	\$ 32,483	15.2%
	Overall Miscellaneous Change from Previous Year			\$4,289	
GRAND TOTALS		25 TOTAL	25 YTD	26 YTD	YTD
	Grand Total Change from Previous Year to Date	\$ 4,385,743	\$ 1,061,207	\$ 1,208,876	13.92%