Fiscal 2026 2nd Quarter (Q2) Financial Report

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Lindsay Spangler
Finance & Management Services



Key Takeaways

- Overall revenues remain on target to meet budget estimates but revenue growth remains stagnant.
- Sales taxes are expected to come in slightly under budget based on prior year trends.
- Spending is occurring as expected.
- Based on current year end projections, staff estimate fund balance usage will be slightly less than budgeted (approximately $1.6 million compared to the $2.2 million budgeted).

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General Fund Revenues

- Property tax payments are due in January and are expected to come in at the normal collection rate. Through December, 77% has been collected.
- 5 months of sales tax data (July-November):
  - Collections are higher than last year as the city continues to recover from Helene but still trending below budget.
- There are projected changes to other revenues but the total remains more or less flat compared to last year at this time.

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FY26 Projected Fund Balance Use

General Fund	FY26 Adjusted Adopted Budget*	FY26 Q2 Projection
Revenues	$175.0M	$172.8M
Expenses	$177.2M	$174.4M
Fund Balance Used	**$2.2M**	**$1.6M**
Fund Balance %	**14.0%**	**14.1%**

**Reflects change in accounting for cost allocation charges.*

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Personnel & Operating Expenses

- Overall, actual expenses tracking budget as anticipated.
- APD is trending over budget due to increased personnel costs.
- Staff continues to monitor health care costs after ending last FY higher than expected.

Enterprise Fund Revenues

- Most funds are trending similar to prior years and are on track to end the year close to budget.
  - Parking Fund revenues are trending over budget. Halfway through the year we have collected 53% of budgeted revenue.
  - Harrah's revenue is also trending over budget. We are planning to take a budget amendment to Council soon to budget the additional revenue and associated event costs.

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Questions?

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