



# Q1 2026 Financial Report

January-March 2026

April 27, 2026 | F&A Committee



# Preliminary 2025 Year End

- Unaudited financial statements are still being created and will be done at the end of May.
- Currently, the outcome is showing a net surplus of within less than \$100,000 of the budget meaning the budget was very close to reality.





# Report Sections

- Section I – General Fund Financial Summary
  - Revenues
  - Expenses
  - Reserves
- Section II – Other Funds Financial Summary
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# General Fund Financial Summary

## GENERAL FUND OVERVIEW

	2026 Amended Budget	Budget YTD*	Actuals YTD	\$ Variance YTD (Unfavorable)/ Favorable	% Variance YTD (Unfavorable)/ Favorable
Revenues	\$271,276,603	\$25,795,640	\$24,179,356	(\$1,616,284)	(6.3%)
Expenditures	\$276,268,691	\$56,577,625	\$60,112,039	(\$3,534,413)	(6.2%)



\*The City of Spokane budgets annual figures. In order to prepare periodic variance reporting, the annual budget is amortized using either the previous year's spend, the twelve-month calendar, or the payroll calendar.



# General Fund Dept Revenues

## GENERAL FUND REVENUES

Department	2026 Amended Budget	YTD Actuals	% Received
0020 NONDEPARTMENTAL *	236,572,941	20,431,025	9%
0030 OFFICE OF POLICE OMBUDS	303,005	-	0%
0260 OFFICE OF THE CITY CLERK	1,100	156	14%
0300 HUMAN SERVICES	33,795	4,081	12%
0320 COUNCIL	-	750	0%
0350 COMMUNITY CENTERS	95,756	23,939	25%
0370 ENGINEERING SERVICES	10,670,114	1,722,022	16%
0380 TRANSPORTATION & SUSTAINABILIT	298,645	-	
0410 FINANCE AND ADMINISTRATION	23,529	2,440	10%
0450 HOUSING AND HUMAN SERVICES	158,000	-	0%
0470 ARTS, CULTURE, & HISTORIC PRES	63,450	5,750	9%
0500 OFFICE OF THE CITY ATTORNEY	680,000	0	0%
0520 OFFICE OF THE MAYOR	139,388	9,994	7%
0550 NEIGHBORHOOD SERVICES	46,500	5,600	12%
0560 MUNICIPAL COURT	2,059,200	535,408	26%
0570 OFFICE OF HEARING EXAMINER	41,620	4,655	11%
0650 PLANNING SERVICES	68,000	16,600	24%
0680 POLICE	17,934,078	1,269,945	7%
0690 COMMUNITY JUSTICE SERVICES	1,405,806	12,872	1%
0700 PUBLIC DEFENDER	238,250	134,119	56%
0750 COMMUNITY/ECONOMIC DEV SVC	443,426	-	0%
<b>TOTAL</b>	<b>271,276,603</b>	<b>24,179,356</b>	<b>9%</b>

\*Excludes investment unrealized gain/(loss)





# NonDepartmental Revenues

**Non-departmental:** 87% of General Fund revenue is budgeted in this budgetary department because it receives most of the City's sales tax, property tax and utility tax. The majority of property taxes are received in May and November.

Non-Departmental	2026 YTD Actuals	2025 YTD Actuals	\$ Change	% Change
31000 TAXES	17,609,818	16,597,662	1,012,157	6%
32000 LICENSES & PERMITS	1,546,236	1,671,756	(125,520)	-8%
33000 INTERGOVERNMENTAL REVENUES	341,589	620,619	(279,029)	-45%
34000 CHARGES FOR SERVICES	14,612	120	14,492	12077%
35000 FINES & FORFEITS	1,701	(1,019)	2,720	-267%
36000 MISCELLANEOUS REVENUES	917,069	2,519,741	(1,602,672)	-64%
39700 OPERATING TRANSFERS-IN	0	4,000,000	(4,000,000)	-100%
<b>TOTAL REVENUE</b>	<b>20,431,025</b>	<b>25,408,878</b>	<b>(4,977,853)</b>	<b>-20%</b>

Operating transfers-in are down because of the one-time DSC transfer-in that occurred in 2025. Miscellaneous Revenues are down because Airway Heights has not made their annexation payment yet and the process of accreting investment discounts has been corrected as a result of last year's audit report.



# General Fund Category Revenues

Revenue Category	2026 Amended Budget	Budget YTD*	Actuals YTD	% Variance YTD -Unfavorable/ Favorable	\$ Actuals YTD vs. Prior Year (Unfavorable)/ Favorable
<b>Sales Tax – GF Only</b>	<b>65,762,675</b>	<b>4,526,515</b>	<b>4,710,710</b>	<b>4.1%</b>	<b>288,758</b>
<i>Local Retail Sales Tax – GF Only</i>	<i>60,463,285</i>	<i>4,138,292</i>	<i>4,324,665</i>	<i>4.5%</i>	<i>284,191</i>
<b>Property Tax</b>	<b>54,957,272</b>	<b>283,949</b>	<b>814,585</b>	<b>186.9%</b>	<b>537,834</b>
<b>Interfund Utility Taxes</b>	<b>60,902,000</b>	<b>6,349,047</b>	<b>6,518,963</b>	<b>2.7%</b>	<b>766,954</b>
<b>Business Taxes</b>	<b>31,116,210</b>	<b>6,795,986</b>	<b>5,644,520</b>	<b>-16.9%</b>	<b>(598,113)</b>
<i>Taxes on Private Utilities</i>	<i>30,709,755</i>	<i>6,785,390</i>	<i>5,638,674</i>	<i>-16.9%</i>	<i>(600,624)</i>
<b>Charges for Services (Services Provided by City Departments)</b>	<b>27,472,239</b>	<b>2,690,723</b>	<b>2,526,498</b>	<b>-6.1%</b>	<b>149,586</b>
<b>Licenses &amp; Permits</b>	<b>7,765,707</b>	<b>1,769,431</b>	<b>1,593,484</b>	<b>-9.9%</b>	<b>(107,303)</b>
<i>Business Registrations</i>	<i>5,612,315</i>	<i>1,376,744</i>	<i>1,372,606</i>	<i>-0.3%</i>	<i>63,700</i>
<i>Franchise Fees</i>	<i>1,907,852</i>	<i>338,868</i>	<i>138,310</i>	<i>-59.2%</i>	<i>(197,009)</i>
<b>Miscellaneous Revenue</b>	<b>5,297,450</b>	<b>1,748,933</b>	<b>1,005,907</b>	<b>-42.5%</b>	<b>(672,595)</b>
<i>Interest Earnings</i>	<i>4,554,632</i>	<i>1,010,344</i>	<i>719,582</i>	<i>-28.8%</i>	<i>(249,679)</i>
<b>Intergovernmental Revenues</b>	<b>5,379,620</b>	<b>921,983</b>	<b>556,392</b>	<b>-39.7%</b>	<b>(248,424)</b>
<b>Fines &amp; Forfeits</b>	<b>1,810,050</b>	<b>418,116</b>	<b>514,069</b>	<b>22.9%</b>	<b>126,887</b>
<i>Traffic &amp; Parking Violations</i>	<i>1,600,000</i>	<i>373,007</i>	<i>470,302</i>	<i>26.1%</i>	<i>114,595</i>
<b>Other Taxes</b>	<b>2,362,411</b>	<b>275,957</b>	<b>283,935</b>	<b>2.9%</b>	<b>21,196</b>
<i>Admission Tax</i>	<i>1,865,613</i>	<i>271,074</i>	<i>281,934</i>	<i>4.0%</i>	<i>20,373</i>
<b>Operating Transfer-In</b>	<b>8,435,969</b>	<b>0</b>	<b>9,994</b>		<b>9,994</b>
<b>Disposition of Fixed Assets</b>	<b>15,000</b>	<b>15,000</b>	<b>300</b>		<b>300</b>
<b>TOTAL</b>	<b>271,276,603</b>	<b>25,795,640</b>	<b>24,179,356</b>	<b>-6.3%</b>	<b>275,074</b>





# General Fund Dept Expenses

## GENERAL FUND EXPENDITURES

Department	2026 Amended Budget	Budget YTD*	Actuals YTD	\$ Variance YTD (Unfavorable)/ Favorable
Allocations to Other Funds	99,431,911	22,857,911	27,220,114	(4,362,203)
City Clerk	1,127,212	206,879	222,136	(15,257)
Civil Service	2,127,155	403,554	401,097	2,457
NHHS Division	485,266	93,877	96,334	(2,457)
Community Centers	686,603	145,677	207	145,470
Council	2,785,777	551,374	543,032	8,341
CED Services	916,657	148,070	163,251	(15,181)
Engineering Services	9,841,032	1,748,126	1,756,871	(8,744)
Finance	2,548,545	559,010	538,390	20,621
Grants Management	200,000	46,154	6,782	39,372
Historic Preservation	493,819	94,889	71,684	23,206
Human Resources	1,923,829	375,349	370,096	5,253
Human Services	1,903,024	588,212	140,455	447,757
Legal	6,446,600	1,246,461	1,180,128	66,333
Mayor	1,912,611	306,818	413,006	(106,187)
Municipal Court	6,187,942	1,265,610	1,276,931	(11,321)
Neighborhood Services	738,370	124,069	141,169	(17,100)
Non-departmental	10,127,285	1,432,915	1,398,411	34,504
Office of Civil Rights	217,696	39,394	44,800	(5,406)
Office of Hearing Examiner	321,704	65,956	69,115	(3,159)
Office of Youth	237,632	54,838	25,800	29,038
Planning Services	2,789,412	571,338	497,987	73,351
Police	111,408,304	21,451,715	21,448,575	3,140
Police Ombudsman	863,567	143,545	108,549	34,996
Community Justice Services	4,107,742	734,429	769,449	(35,020)
Public Affairs/Communications	1,697,470	336,180	322,726	13,454
Public Defender	4,442,880	916,357	833,381	82,976
Transportation & Sustainability Division	298,645	68,918	51,565	17,353
<b>TOTAL</b>	<b>276,268,691</b>	<b>56,577,625</b>	<b>60,112,039</b>	<b>(3,534,413)</b>





# Fire Expenses

Department	2026 Amended Budget	Budget YTD*	Actuals YTD	\$ Variance YTD (Unfavorable)/ Favorable
Fire/EMS	84,777,755	16,275,478	16,692,305	(416,827)

Finally, Fire is trending over YTD budget projections because of the paramedic recert incentive from the most recent supplementary L29 agreement and a handful of annual expenses that have already been paid.





# General Fund Reserves

## BEGINNING BALANCES (actual as of 12/31/2025, unaudited)

		<u>Actual %</u>
--Assigned Funds for Encumbrance Rollover	1,751,786	
--Revenue Stabilization Reserve Balance (target 3.5% of revenues)	7,362,901	2.7%
--Contingency Reserve Balance (target 10.0% of expenditures)	21,065,706	7.7%
--Unappropriated Fund Balance	5,027,435	
<b>Total Available Reserves (Revenue Stabilization, Contingency Reserves, Unappropriated)</b>	<b>33,456,042</b>	
<i>Total's (less Encumbrance Rollover) % of Adopted Expenses</i>		12.2%

The unaudited 2025 unappropriated fund balance has decreased due to prior period adjustments that occurred in 2025 to resolve the investment correcting entries triggered by the 2024 SAO audit.

As a reminder, fund balance is not cash balance.

## DIFFERENCE FROM RESERVE ACCOUNT TARGETS

--Revenue Stabilization Reserve Balance (target 3.5% of revenues)	2,131,780
--Contingency Reserve Balance (target 10.0% of expenditures)	6,325,363
	<u>8,457,143</u>



# Items Being Monitored

- The 2026 budget is very lean, as a result there has been an increase to SBOs because every request needs a funding source.
- Items being monitored...
  - *SCRAPS – a \$1.3M funding gap has been identified with the new ILA.*
  - *PSAP – portions of staffing and software maintenance is unfunded.*
  - *L29 & SAFO Negotiations – retroactive payments are TBD.*
  - *Workers' Comp elevated claims.*