



Q1 2026 Budget & Financial Update

CITY COUNCIL – May 19, 2026

City Staff Representative:

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Finance & Budget & Innovation

Departments:



Financial Overview

Caveats, Disclosures and CYAs

- Financial results are reported on a cash basis.
- Results are preliminary and subject to change.
- Governmental Funds = Primarily Funded by Taxes and Fees
 - General Fund
 - Capital Improvement Funds
 - Restricted Revenue Funds (e.g. Lottery, Lodging Tax, Impact Fees, Etc.)
- Proprietary Funds = Funded by User Fees that must sustain operations
 - Water Fund
 - Wastewater Fund
 - Storm Drainage Fund
- Information is provided in detail and with more explanation in the Q1 2026 Financial Report included in your packet.

Financial Results and Trends

Governmental Fund Highlights – Revenues

Q1 2026 Revenues (excluding transfers) totaled \$19.4M

- Overall **increase** of \$1.9M, or 10.8%

Revenue Stream	\$ Change	% Change
Use Taxes	+\$1.6M	+111.9%
Charges for Services	+\$2.1M	+82.3%
Sales Taxes ⁺	+\$279K	+4.6%
Investment Earnings	-\$1.2M	-72.4%
Property Taxes	-\$633K	-26.8%

+ Sales Tax revenues reported here are net of rebates paid under incentive agreements.

Themes

Development had a strong quarter

Everything else is a mixed bag

Governmental Fund Highlights – Spending

Q1 2026 Spending (excluding transfers) totaled \$21.6M

- Overall **increase** of \$1.8M, or 8.8%

Spending Category	\$ Change	% Change
Personnel	+\$472K	+5.4%
Operating Costs	-\$29K	-0.7%
Repairs & Maintenance	+\$1.4M	668.0%
Capital Outlay	+\$536K	+9.2%
Debt Service	-\$658K	-71.7%

Themes

Earlier start to repairs and maintenance

Q1 2026 General Fund Summary

(presented in 000's)

	2026 Budget (Amended)	Q1 2026 Actual
Revenues		
Taxes	\$ 50,098	\$ 9,574
Charges for Services	6,866	2,026
Intergovernmental	3,078	921
Investment Earnings	1,843	153
Miscellaneous	1,038	106
Transfers In	376	293
Total Revenues	<u>\$ 63,299</u>	<u>\$ 13,073</u>
Expenditures		
Personnel	\$ 44,209	\$ 9,055
Operations and R&M	18,781	4,908
Capital Outlay	58	14
Transfers Out	700	700
Budget Reserves	200	0
Total Expenditures	<u>\$ 63,948</u>	<u>\$ 14,677</u>
Use of Reserves	<u>(\$ 649)</u>	<u>(\$ 1,604)</u>

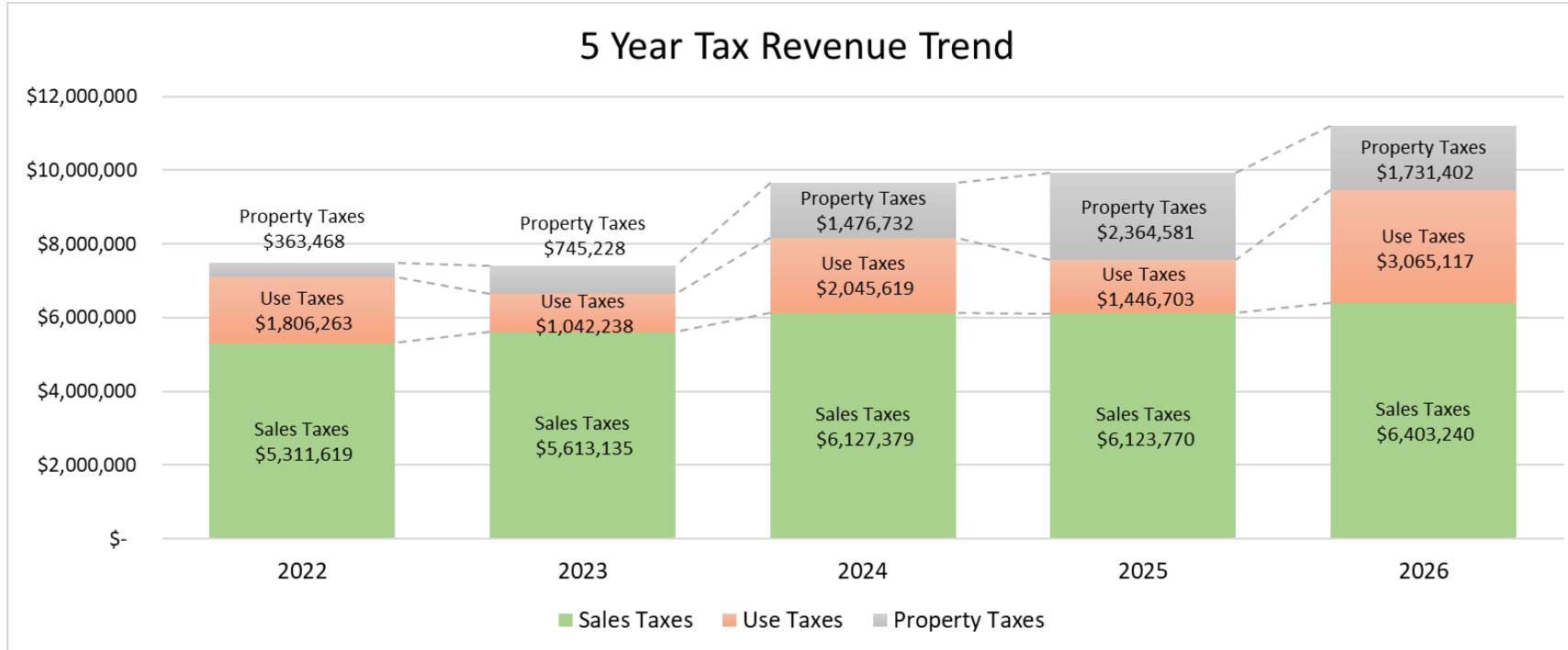
Q1 2026 Other Governmental Funds Summary

(presented in 000's)

	2026 Budget (Amended)	Q1 2026 Actual
Revenues		
Taxes	\$ 18,761	\$ 2,273
Intergovernmental	8,808	1,003
Charges for Services	3,135	2,638
Oil and Gas Royalties	2,000	376
Investment Earnings	777	317
Miscellaneous	685	22
Transfers In	<u>300</u>	<u>310</u>
Total Revenues	\$ 34,466	\$ 6,939
Expenditures		
Personnel	\$ 411	\$ 97
Operations & R&M	7,847	952
Developer Reimbursements	1,000	0
Capital Outlay	66,018	6,348
Debt Service	3,661	259
Transfers Out	3,497	403
Budget Reserves	<u>632</u>	<u>0</u>
Total Expenditures	\$ 83,066	\$ 8,059
Use of Reserves	<u><u>\$(48,600)</u></u>	<u><u>\$(1,120)</u></u>

Tax Revenue Trends

Revenue received for Q1 of each year presented



Revenue reported in this chart is based on date of collection, the period of the tax return. Sales taxes are received in the month following their collection by the business, so Q1 in this chart reflects taxes for January and February only as March taxes would be collected in April.

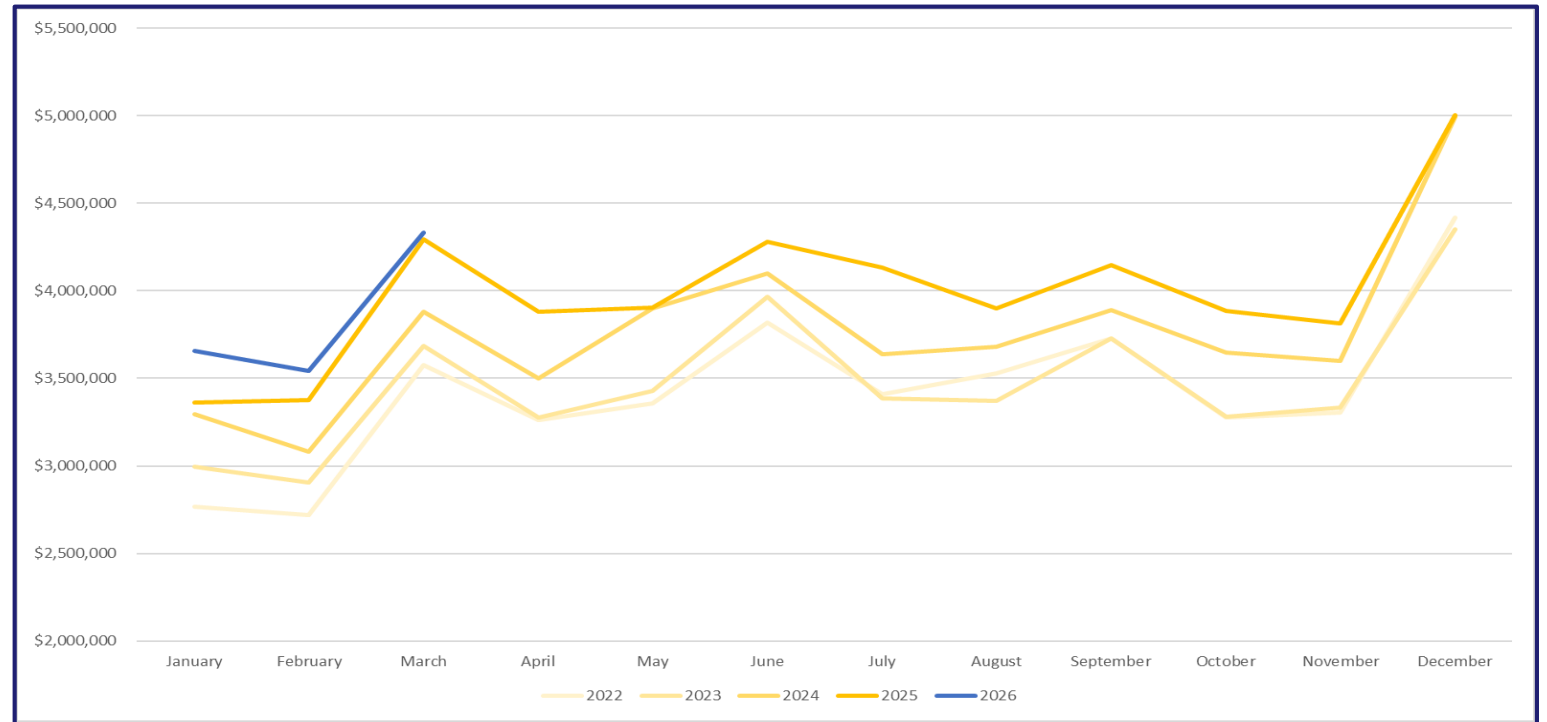
Tax Overview

General Fund Taxes include:
 2% General Sales Tax
 3.75% Construction Use Tax
 Property and Franchise Taxes

These taxes make up more than 75% of General Fund Revenues

Other Governmental Fund Taxes include:
 1.00% Capital Projects
 0.75% Parks Projects

Sales Tax Revenues by Month 2022 through 2026 before payment of rebates



Revenues increased by 4.5%

Accommodations/Food Service	\$1.5M	+9.3%
Retail	\$4.9M	+0.9%
Retail – Online	\$1.5M	+22.4%
Retail – Dispensary	\$80.4K	+56.5%
Retail – Auto Sales	\$259K	-17.7%

Other Taxes and Fees

Bag Fee Revenue	\$37.4K	+11.2%
Lodging Tax	\$99.7K	-2.5%
Incentive Rebates Paid	\$503.4K	+13.4%



Sales Tax Results Q1 2026 – Top 20 Taxpayers

AMAZON	SAFEWAY
BRIGHTON FORD	TARGET
DOORDASH	TEXAS ROADHOUSE *
FLOW-ZONE	TRANS- WEST
JOHNSON AUTO	UNITED POWER
HOME DEPOT	VERIZON WIRELESS *
KING SOOPERS	WALMART
LOWES	WELLS CONCRETE *
MCDONALD'S	WESTERN UNITED ELECTRIC SUPPLY
ROSS DRESS FOR LESS	XCEL ENERGY

Highlights

- Top 20 provide 48% of sale tax revenue (\$5.6M) and increased by \$154K (+2.8%)
- New to the Top 20 – Texas Roadhouse, Verizon, Wells Concrete
- Out of the Top 20 – Apple, TikTok, Tractor Supply



Budget Overview

Q1 Expenditures by Fund

Fund	2026 Budget	Year to Date Spending	Percent Spent
Capital Improvement Fund	\$39,448,797	\$4,632,169	12%
General Fund	\$65,293,758	\$14,498,895	22%
Parks and Recreation Capital Fund	\$37,435,908	\$2,452,846	7%
Storm Drainage Fund	\$3,995,689	\$228,024	6%
Wastewater Enterprise Fund	\$73,385,184	\$1,433,033	2%
Water Enterprise Fund	\$107,958,147	\$16,052,633	15%
Special Revenue Funds	\$6,181,051	\$915,851	15%
Internal Service Funds	\$8,236,059	\$1,706,462	21%
Grand Total	\$341,934,593	\$41,919,914	12%

Q1 Expenditures by Type

Account Class	2026 Budget	Year to Date Spending	Percent Spent
Capital Outlay	\$222,580,905	\$21,911,930	10%
Budget Contingency	\$1,514,787	\$-	0%
Debt Service	\$18,338,432	\$290,876	2%
Operating Supplies	\$18,613,837	\$3,671,188	20%
Personnel	\$52,312,101	\$10,637,249	20%
Purchased Services	\$24,177,225	\$4,305,819	18%
Transfers	\$4,397,306	\$1,102,852	25%
Grand Total	\$341,934,593	\$41,919,914	12%