

# City of Brighton, Colorado

## Q1 2026 Financial Update (unaudited, as of May 2026)

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**About this report:**

This report is intended to provide a summary of the City's financial activities for a specific time period and as of a specific date. The financial reports were prepared as of May 3, 2026 and are unaudited. Sales tax reports were prepared based on tax filings and reflects revenues due or received based on the due date of the tax return.

**Executive Summary — Governmental (non-utility) Funds****Revenue Results:**

- Governmental Fund revenues (excluding transfers in) totaled \$19.4M, an increase of \$1.9M, or 11% compared to the prior year.
- Tax revenues totaled \$11.8M, an increase of \$1.5M or 14.1%. This includes a 112% increase in use tax revenues which are driven by development.
- Sales tax revenues collected make up 33% of total revenues and amount to \$6.4M, an increase of \$279K, or 4.6% compared to the prior year.
- Charges for services and license & permit revenues are driven by development and permitting activity and totaled \$4.7M, an increase of \$2.1M, or 82% compared to the prior year.
- Interest earnings generated by invested cash reserves and are reported at fair market value as of the end of the quarter. Interest earnings totaled \$470K for Q1 2026.

**Spending Results:**

- Governmental Fund spending (excluding transfers out) totaled \$21.6M, an increase of \$1.8M, or 9%, compared to the prior year.
- Personnel costs totaled \$9.2M, an increase of \$472K, or 5%. This is due to a combination of cost of living adjustments, annual increases, market adjustments, additional retirement contributions, and the addition of new positions.
- Operational spending, including repairs and maintenance, and excluding personnel, totaled \$5.9M and increased by \$1.4M, or 32%, with repairs and maintenance driving the increase.
- Capital Outlay spending totaled \$6.4M, an increase of \$536K, or 9% compared to the prior year as progress continued on major projects, including the Rec Center Expansion and Sable Improvements. Refer to the [Capital Project Report Card](#) available online for more information.

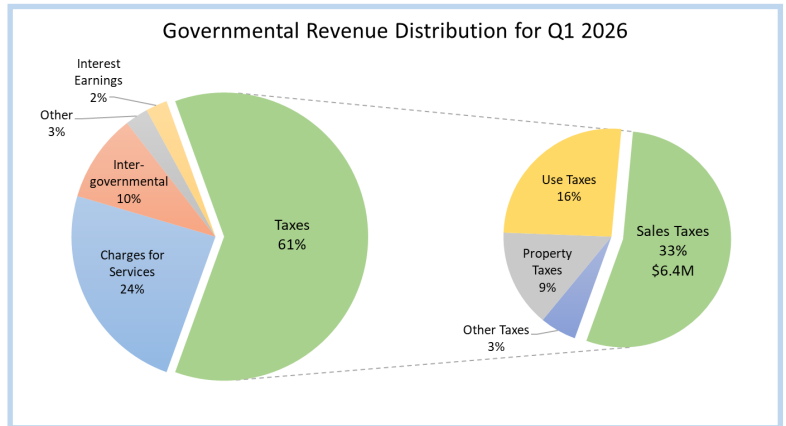
**Financial Reserves:**

- Governmental Fund reserves decreased by \$2.7M during Q1 2026 as reserves are being intentionally spent down. Governmental Funds are budgeted to utilize \$49.2M of reserves in 2026, the majority of which is funded from restricted capital and parks improvement funds. Reserves reside in various funds and may be restricted in how they may be used.

### Municipal Funding Overview and Trends (Governmental Funds)

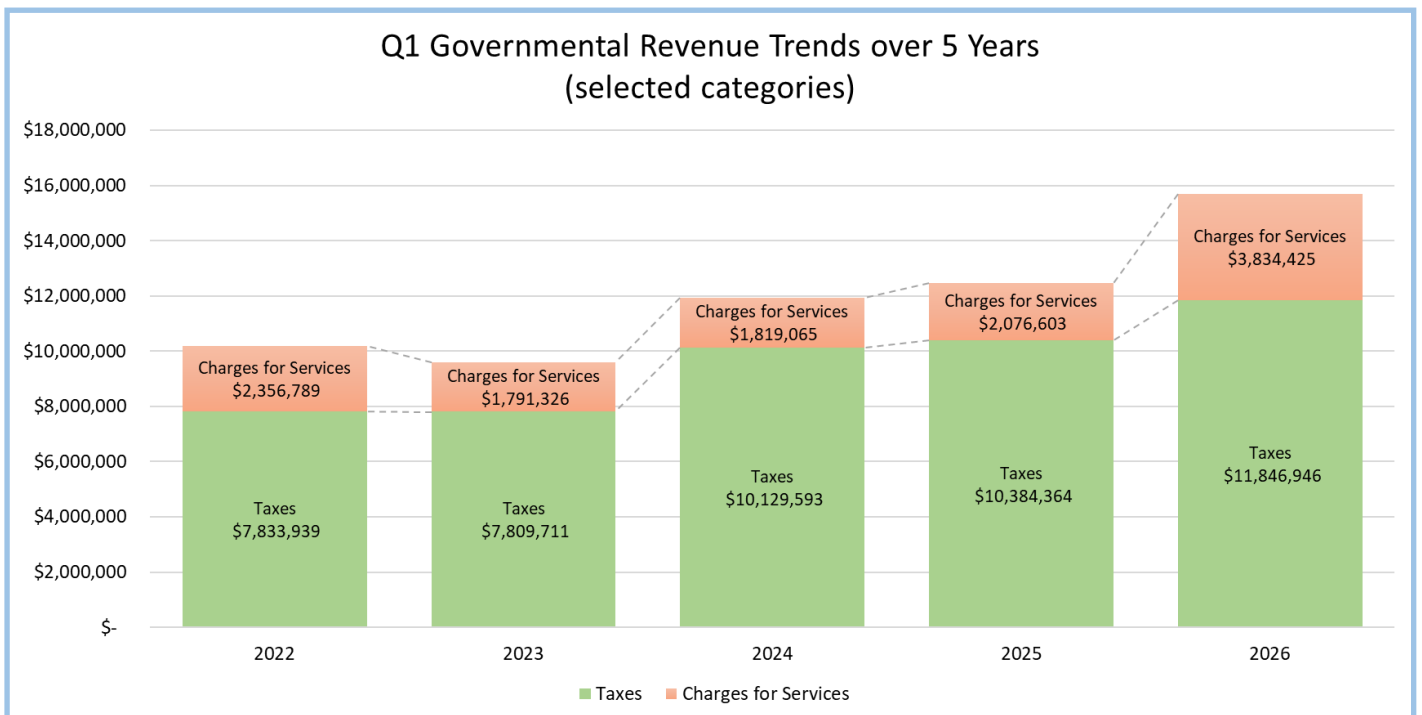
The City's governmental (non-utility) activities are funded primarily by unrestricted revenue sources, like taxes and charges for services. It is important to ensure the City's ongoing revenue sources are diverse and stable, and that they grow as the City grows and services are provided to a larger population.

During the first quarter of 2026, the City generated \$19.4M in Governmental Fund Revenues, and of that amount, \$11.8M or 61% came from taxes collected. Tax revenues, which include sales, use and property taxes, are a primary source of funding for the City and typically provide the majority of Governmental Fund Revenues. Sales taxes provided \$6.4M in revenue and are the largest source of unrestricted funds for ongoing governmental activities.



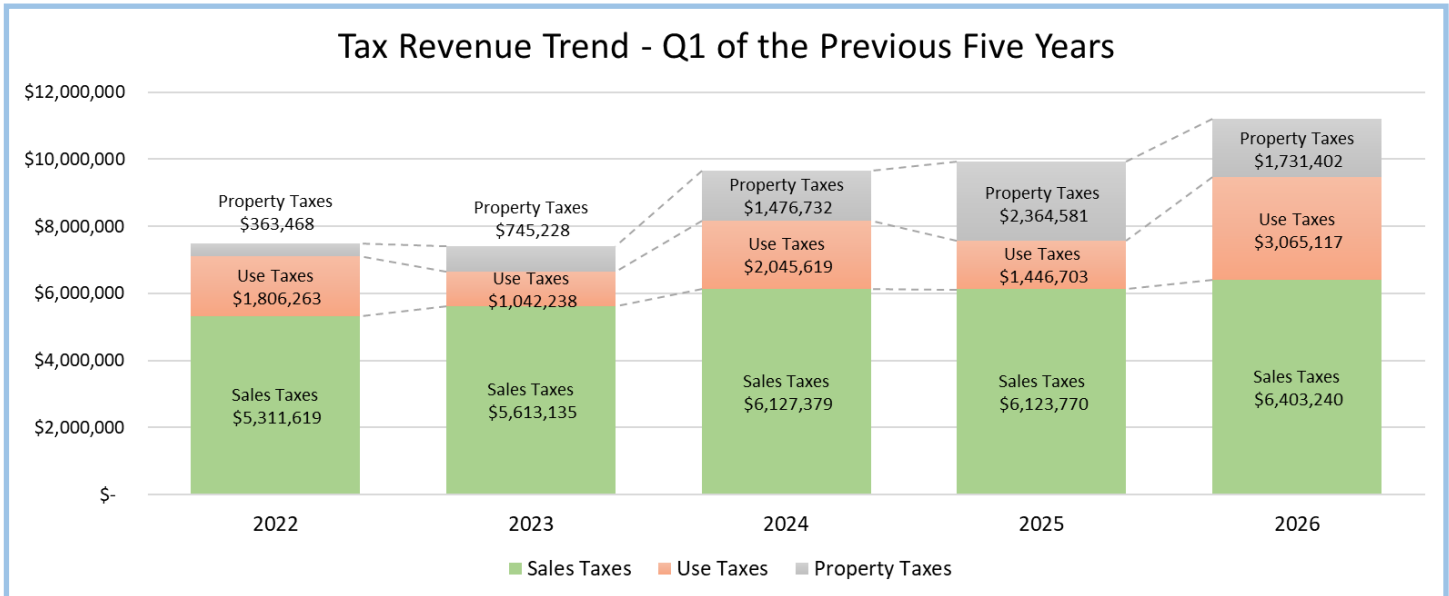
Tax revenues overall increased compared to the same period in the prior year, providing an additional \$1.5M (14%) in revenue. This includes increases to revenues from sales, use and other taxes, offset by decreases to property taxes. Tax revenues are discussed in more detail later in this report.

Charges for services revenues are revenues collected for specific services provided. This could include admission to the City's recreation center, or a fee paid in connection with new development permits. These revenues are highly dependent on development, and permit issuance activity in the first quarter was much higher than in the prior year. This drove an increase of \$2.1M, or 82% in these revenues. The permitting activity in the first quarter was unusually high based on one large multi-family development.



**Municipal Funding Overview (Governmental Funds), continued:**
**Tax Revenue Trends**

Tax revenues made up 61% of the City's Governmental Fund Revenues for Q1 2026. This section of the report will focus on tax revenue trends in various categories. Tax revenues, including sales, use and property tax revenues, were up slightly compared to the same period in the prior year



**Sales tax** revenues collected increased compared to the prior year, providing an additional \$279K of revenue, a 4.6% increase. Sales taxes are discussed more later in this report.

**Use taxes** are charged on new construction. This means that use tax trends are tied closely to permitting and development activity. While taxable permit activity was fairly consistent with the prior year, one large tenant improvement permit during the first quarter of 2026 provided 75% of use tax collected during this period. This is an unusually large revenue event and is not expected to recur.

**Property tax** revenues decreased by 633K, or 27% compared to the prior year. This is likely due to the timing of tax payments and remittances from the Counties. Property tax revenues are based on assessed values and mill levies so the amount of revenues due is known, and property taxes will increase marginally in 2026.

Property taxes are calculated by the County based on a combination of the property's type, actual value, assessment rate, and mill levy. Properties are valued every other year to determine the actual value to which assessment rates and mill levies are applied. The City sees changes to property tax revenues based on valuation changes every other year (even numbered years). Revenue changes also include growth (new properties developed) and property types that are valued annually (e.g. oil & gas).

For more information about your property taxes, how they are calculated, and where they go, visit the County Assessor's website for your property's location.

### Financial Overview—General Fund

#### General Fund Description:

The General Fund is the primary operating fund for the City and is funded largely by unrestricted sales, use and property taxes, all of which are used to fund general operations, including staffing.

All of the City's revenues and expenses are recorded in the General Fund unless there is an administrative or regulatory need to report those transactions separately and the transactions qualify for separate reporting. Therefore, any revenues or spending that do not meet the criteria to be recorded elsewhere are recorded in the General Fund.

Activity reported in this fund includes the general operations of most departments, including public safety and courts, parks and recreation, community planning and development, and public works planning and management. This fund also reports costs associated with internal administration and support functions for staff and City Council, including communications and meeting support, facility maintenance, technology support, financial functions and planning, human resources support, and the functions of the City Manager's Office and City Attorney's Office. Note that utilities functions are reported in the utilities funds (Water, Wastewater, and Storm Drainage), discussed later in this report.

Because the revenue sources in the General Fund are primarily unrestricted, excess resources are often used to fund projects in other funds. These uses are shown as "Transfers Out." In order to reflect the financial strength of the fund, Change in Fund Balance is presented both with and without transfers out

The following table reports financial activity during the first quarter for each year represented.

General Fund Revenues and Expenditures					
Amounts Reported for January through March of each year					
Description	2022	2023	2024	2025	2026
<b>Revenues</b>					
Taxes	\$ 6,066,106	\$ 5,913,149	\$ 8,070,693	\$ 8,349,922	\$ 9,574,103
Charges for Services	1,462,204	1,543,731	1,151,016	981,860	1,196,780
Licenses & Permits	419,842	163,472	574,222	482,086	829,188
Intergovernmental & Grants	628,059	627,345	932,292	1,726,684	920,641
Fines & Forfeitures	67,385	46,397	84,583	111,633	42,166
Investment Earnings (Loss)	(777,011)	757,665	231,925	537,149	153,233
Miscellaneous	92,640	183,177	228,171	49,804	64,068
Transfers In	-	-	256,000	661,000	293,213
<b>Total Revenues</b>	<b>7,959,225</b>	<b>9,234,936</b>	<b>11,528,900</b>	<b>12,900,139</b>	<b>13,073,392</b>
<b>Expenditures</b>					
Personnel	6,259,944	6,976,086	7,909,423	8,600,106	9,055,176
Purchased Services	193,138	246,718	238,446	396,441	856,783
Operating Expenses	2,759,223	3,355,795	3,159,867	3,763,362	4,051,255
Capital Outlay	-	-	-	13,800	13,800
Transfers Out	-	-	20,400,000	2,300,000	700,000
<b>Total Expenditures</b>	<b>9,212,305</b>	<b>10,578,599</b>	<b>31,707,736</b>	<b>15,073,710</b>	<b>14,677,014</b>
<b>Change in Fund Balance</b>	<b>\$ (1,253,079)</b>	<b>\$ (1,343,663)</b>	<b>\$ (20,178,836)</b>	<b>\$ (2,173,570)</b>	<b>\$ (1,603,622)</b>
<b>Change in Fund Balance WITHOUT Transfers Out</b>	<b>\$ (1,253,079)</b>	<b>\$ (1,343,663)</b>	<b>\$ 221,164</b>	<b>\$ 126,430</b>	<b>\$ (903,622)</b>

## General Fund Financial Results Discussion

### Revenues:

#### **Sales, Use and Property Taxes**

The General Fund is funded primarily by unrestricted sales, use, property, and other taxes which make up 75% of General Fund revenues for this period. These revenues totaled \$9.6M and increased by \$1.2M, or 15%, with increases to sales and use taxes and decreases to property taxes as discussed previously.

#### **Charges for Services and Permits and Licensing**

The General Fund includes revenues from charges related to the specific use of City services. This includes fees related to permitting and development as well as fees paid for recreation and other services. Overall, the fee revenue in these combined categories increased \$562K, or 38%. This increase was driven by strong permitting and development activity in 2026 with several large, multifamily development permits issued. Large permit activity like this is infrequent and may not recur each quarter.

#### **Intergovernmental**

This revenue category decreased \$806K, or 47%. This is due primarily to the timing of payments received from agencies with whom the City holds IGAs (payments processed in April instead of March).

### Expenditures:

**Personnel Expenditures** make up 65% of General Fund spending (excluding transfers out) and total \$9.1M, 5% higher than they were for the same period last year. This increase is due to a combination of annual salary adjustments (cost of living, anniversary, and market adjustments), increases to health insurance costs and retirement contributions, and several new positions added in the adopted budget.

**Operating and Purchase Services Expenditures** make up 35% of General Fund expenditures (excluding transfers out). Spending on operations is up \$748K, or 18% compared to the prior year. This was mainly due to increased insurance costs as rates increased and new facilities were added to the City's portfolio.

**Transfers Out** includes a transfer to the Water Fund in support of the Water Treatment Plant project. The large transfer in 2023 represents an intentional spend down of reserves on Parks capital projects.

### Fund Balance / Reserves:

As of Q1 2026, the General Fund spent or transferred out \$1.6M more than it received in revenues resulting in an unassigned (available) fund balance of \$18.0M. The fund is budgeted (planned) spend down \$649K in reserves by year end.

The General Fund fund balance is outlined to the right, including amounts that are reserved due to external legal restrictions or internal actions taken through ordinances or resolutions.

Emergency reserves total \$17.6M and represent 48% of total fund balance. Unassigned fund balance totals \$18.0M and is sufficient to fund 29% of the 2026 adopted budget for the General Fund (excluding transfers), or 3 1/2 months of budgeted spending.

Fund Balance as of Q1 2026	\$ 36,693,349
Emergency Reserves	
Emergency Reserve	10,487,053
General Fund Stabilation Reserve	5,243,526
TABOR Reserve	1,897,454
Other Reserves	
Plastic Bag Fee Unspent Proceeds	435,368
DIA Noise Mitigation Funds	496,000
Food Sales Tax Rebate Reserve	134,000
Unassigned Fund Balance	\$ 17,999,948

### Financial Overview—Other Governmental Funds

#### Other Governmental Funds Description:

This category of funds includes the Capital Improvement, Parks & Recreation Capital Improvement, Landscaping, Impact Fees, Highway, Lottery, Lodging Tax, & Cemetery Funds.

These funds are used to account for revenues that are formally restricted or otherwise designated for specific purposes. Those revenues may be restricted by intergovernmental agreements (grants), by ballot measures that generate the revenues (sales taxes) or by other agreements.

The City utilizes the Capital Improvement Fund to track the revenue generated from a sales tax dedicated to capital improvement projects. The projects in this fund are also financed through oil & gas revenues, intergovernmental funds, grants, and transfers from the General Fund and Impact Fees Fund.

The Parks & Recreation Capital Improvement Fund tracks revenue generated from a sales tax dedicated to parks & recreation improvements and maintenance, which is the primary revenue source for this fund.

The Lottery Fund reports contributions from the State of Colorado's Conservation Trust Fund, which is generated through the State Lottery and allocated to communities for parks and recreation services.

The Impact Fee Fund records impact fee revenues received through new development permits and ensures those funds are utilized on eligible capital projects that support community growth.

The Lodging Tax Fund accounts for revenue from a 3% tax on short term rentals that is restricted to be used towards economic development and community arts and culture initiatives.

The Cemetery Fund and Cemetery Perpetual Fund track revenues and spending on management and maintenance of the City's cemeteries.

Other Governmental Fund Revenues and Expenditures					
Amounts Reported for January through March of each year					
Description	2022	2023	2024	2025	2026
<b>Revenues</b>					
Taxes	\$ 1,767,832	\$ 1,896,562	\$ 2,058,901	\$ 2,034,442	\$ 2,272,843
Charges for Services	894,585	247,595	668,049	1,094,743	2,637,645
Intergovernmental & Grants	5,527,495	550,918	414,321	512,716	1,003,733
Investment Earnings (Loss)	(1,104,284)	926,886	560,803	1,166,915	316,570
Oil & Gas Proceeds	517,286	49,991	33,365	431,431	375,994
Miscellaneous	109,179	18,973	198,163	44,246	22,302
Transfers In	-	-	24,601,000	200,000	309,639
<b>Total Revenues</b>	<b>7,712,094</b>	<b>3,690,925</b>	<b>28,534,603</b>	<b>5,484,493</b>	<b>6,938,727</b>
<b>Expenditures</b>					
Personnel	58,908	70,104	88,950	80,439	97,464
Purchased Services	250,000	311	145,516	13,445	426,878
Operating Expenses	48,046	59,982	76,575	68,556	58,132
Repairs & Maintenance	171,731	254,563	210,851	214,384	466,515
Capital Outlay	1,544,160	1,036,611	4,691,100	5,812,218	6,347,996
Debt Service	257,070	257,127	257,179	917,925	259,495
Transfers Out	-	-	4,457,000	661,000	402,852
<b>Total Expenditures</b>	<b>2,329,915</b>	<b>1,678,699</b>	<b>9,927,170</b>	<b>7,767,967</b>	<b>8,059,332</b>
<b>Change in Fund Balance</b>	<b>\$ 5,382,179</b>	<b>\$ 2,012,227</b>	<b>\$ 18,607,432</b>	<b>\$ (2,283,474)</b>	<b>\$ (1,120,604)</b>

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**Other Governmental Fund Financial Results Discussion****Revenues:*****Sales and Lodging Taxes***

The City's capital and other governmental funds are funded largely by taxes that are restricted in their use based on voter approved ballot measures. This includes sales taxes for capital and parks projects and lodging taxes charged on short term rentals and used for economic development and community art and culture initiatives. These combined revenues totaled \$2.3M and increased \$238K , or 12% compared to the prior year. Lodging tax revenues are down slightly while sales taxes are up. The overall increase also factors in the timing of rebate payments related to incentive agreements.

***Charges for Services***

This category primarily includes impact fees which are charged for new development. Impact fees increased marginally at the beginning of the year and permit issuance activity was very strong in the first quarter. These factors combined to result in revenue totaling \$2.6M, an increase of \$1.5M, or 141%.

***Oil and Gas Royalties***

The City receives royalty revenue from oil well operators. Revenues from oil and gas operations (royalties) are based on volume produced as well as the sale price of oil and tend to fluctuate from year to year.

***Other Revenues***

Intergovernmental revenues are driven by grants received and project timing which vary from year to year.

Investment earnings down due to decreased cash reserves and market conditions resulting in a decline in the fair market value of some investments compared to the prior year.

Transfers In reflects significant transfers from the General Fund as well as transfers among funds within this category (e.g. from Impact Fees to Capital Improvement). In 2024, the General Fund provided \$24.6M in funding for parks and open space projects and the impact fee fund provided \$3.7M for the Bridge Street Widening project. There are no significant transfers in planned for 2026.

**Expenditures:**

Total spending for the quarter was \$8.1M, roughly 4% less than in the prior year. Capital spending accounts for 83% of the spending in this group of funds (excluding transfers out). Spending on capital projects increased \$535K, or 9%, compared to the prior year as the City made continued progress on various projects, including expansion of the Recreation Center and design work on Sable Improvements.

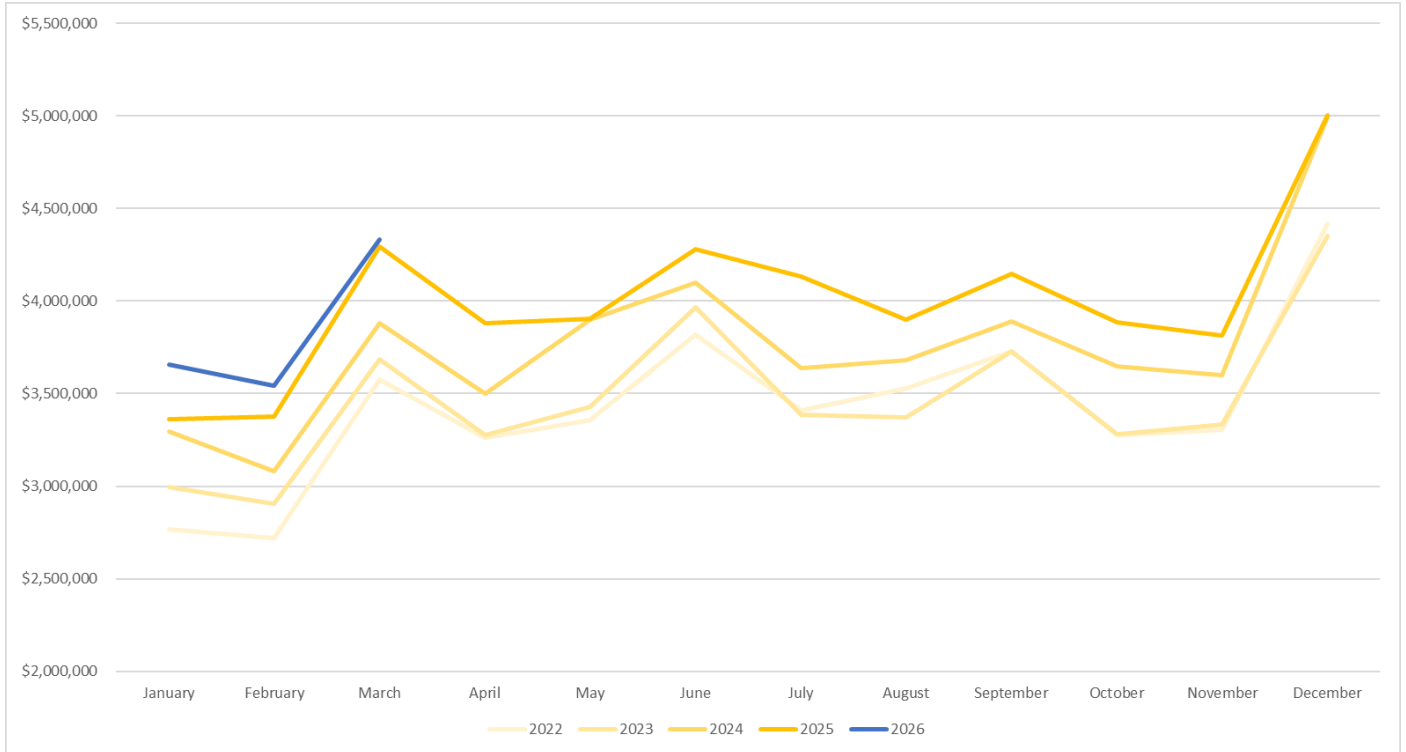
Spending in these funds is project based and will fluctuate based on the timelines of projects in process. Project information can be found in the City's [Capital Project Report Card](#) available online.

**Reserves:**

Reserves decreased by \$1.1M during the quarter, bringing total reserves to \$76.1M. Reserves in these funds have accumulated in anticipation of projects. As those projects occur, the reserves will be spent down with a \$48.6M reduction budgeted in 2026. All reserves in these funds are either formally restricted or otherwise committed to planned projects.

**Sales Tax Revenues by Month**

2022 through Q1 2026, gross amount due before payment of rebates


**Q1 2026 performance by industry**

Retail—Dispensary	<b>+56.5%</b>
Retail Online	<b>+ 22.4%</b>
Food/Accommodations	<b>+ 9.3%</b>
Utilities	<b>+ 4.3%</b>
Retail	<b>+ 0.9%</b>
Food Delivery	<b>-16.6%</b>

Sales tax due to the City for Q1 2026 was \$11.5 million prior to the payment of rebates, up 4.5% compared to Q1 2025. Sales Tax after the payment of \$503K in rebates was up 4.1%.

Sales tax revenues from food service providers physically located in the City performed strongly with the addition of new dining establishments in 2025. During the same period, food delivery sales declined. The addition of a new marijuana dispensary near the end of 2025 resulted in a strong increase to sales in this category. The City now has four active marijuana dispensaries.

The City continues to see strong growth in online retail sales while brick and mortar retail stays relatively unchanged. Within the retail category, auto sales decreased 18% compared to the prior year due in part to increased purchases made ahead of tariff worries in Q1 2025.

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**Q1 2026 Top 20 taxpayers**  
*(in alphabetical order)*

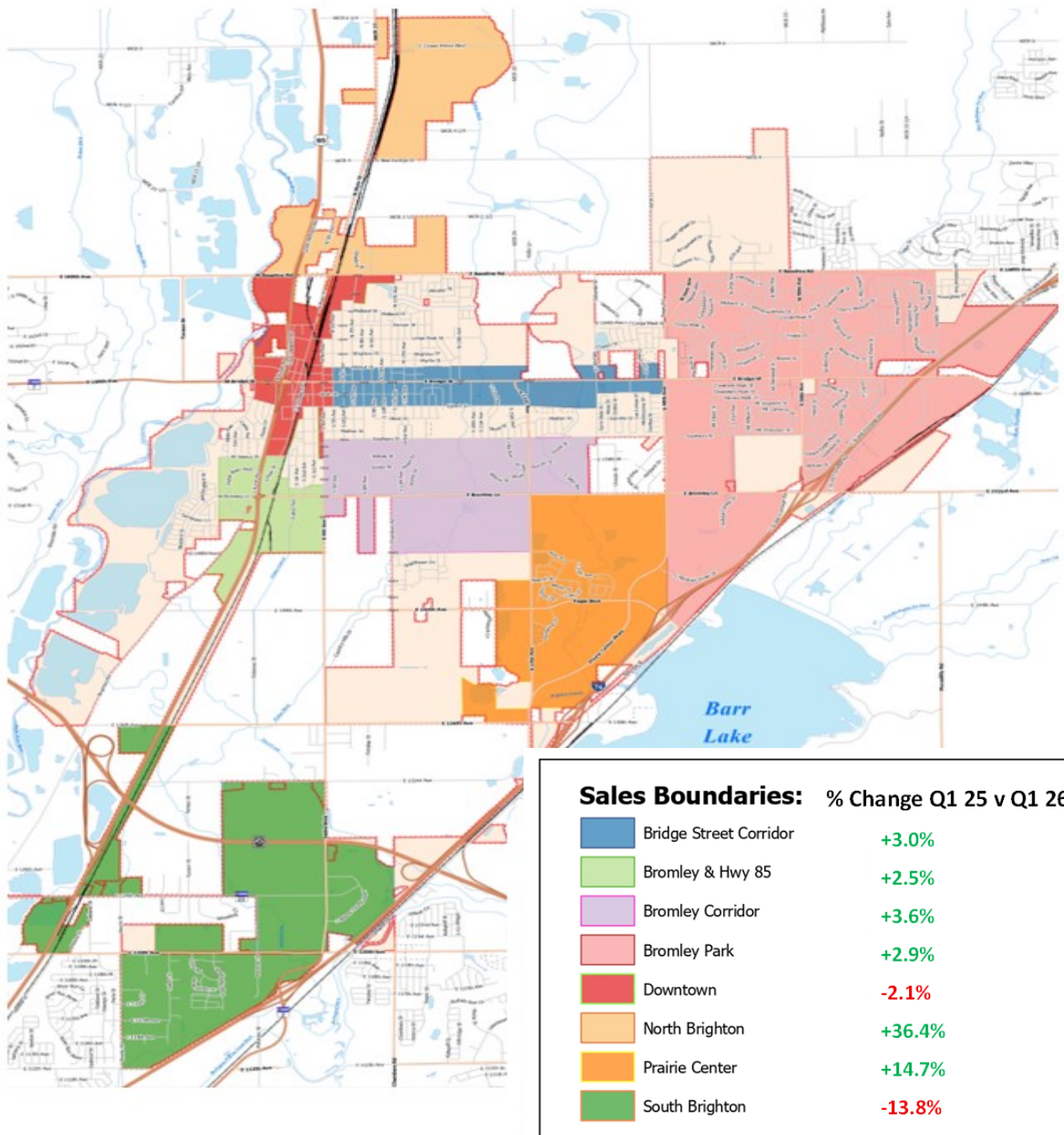
Amazon	Safeway
Brighton Ford	Target
DoorDash, Inc.	Texas Roadhouse
Flow-Zone LLC	Transwest
Home Depot	United Power
Johnston Auto Sales	Verizon Wireless
King Soopers	Walmart
Lowe's	Wells Concrete
McDonald's	Western United
Ross Dress for Less	Electric Supply
	Xcel Energy

Lodging tax, which is not included in the sales tax results reported above, was down 2.5%. Bag fee revenues, which are collected when shoppers purchase a paper bag at a retail store, are up 11.2%.

### Sales Tax Percent Change by City Area Q1 2025 vs. Q1 2026

The following map shows the percent change in sales tax revenues (prior to the payment of rebates), for various areas of the City. Most areas showed growth, with North Brighton and Prairie Center showing significant gains. Prairie Center added several new establishments during 2025 and North Brighton is bolstered by several businesses that have experienced growth in recent months.

South Brighton was impacted negatively by decreased auto sales. This decrease may be due to purchases made ahead of tariff worries in Q1 2025.



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## Financial Overview—Utility Funds

### Utility Funds Descriptions:

The City manages three utility funds that provide water, wastewater, and storm drainage services to residents and businesses. These are considered “proprietary funds,” which means that they are funded by rates and fees rather than taxes.

The Water Fund and Wastewater Fund combine to form the City’s Water Activity Enterprise, which is an enterprise as defined under Colorado TABOR regulations. This means that these funds cannot receive more than 10% of their revenues from other City sources (taxes) or from state and local grants.

### Utility Fund Financial Management:

City Staff maintain forward looking financial models for utility funds that factor in expected growth in revenues and expenses as well as planned capital project needs. Rates and fees are reviewed annually and recommendations for changes are proposed to City Council. All rates and fees must be approved by City Council through an Ordinance or Resolution. Financial results are reviewed continuously throughout the year.

The Water Fund revenue analysis includes an annual rate study conducted in coordination with a third party consultant that is skilled in the area of rate setting for utilities. Staff works closely with the consultant, providing financial results for previous years and forecasts for future years.

### Revenue Sources

The City’s Utility Funds are funded by a combination of fixed and usage based charges and impact fees. Fixed and usage based charges are charged based on the account type (e.g. residential vs. commercial) and the amount of water or wastewater being used by the customer. These charges are the primary ongoing source of revenue for the funds and are used to pay for ongoing operations, including treatment of water, repairs of water and sewer lines and billing processes.

Impact fees are collected on new development permits and are required to be used on expansion of the system, including storage and treatment capacity or water acquisition. These revenues can not be used for ongoing operations or maintenance costs.

### Electronic Statements and Bill Payment

Customers can choose to receive their utility bills electronically (through email) and can review options for paying their utility bill on the City’s website linked below. Bills can be paid online or through the automated phone system. Customers can also pay their utility bill in person at City Hall (500 S. 4th Avenue, Brighton, CO 80601).

[Online Payments | Brighton Colorado](#)

### Utility Rates and Assistance

Updates to the rates for the Water and Wastewater Funds were approved by City Council in October 2024 became effective in January 2025. More information on utility rates can be found on the City’s [Utility Services and Rates](#) website.

Customers having challenges paying their utility bill can apply for financial assistance up to \$500 per year. The application is available on the City’s [Assistance and Rebates](#) website.

**Financial Overview—Water Fund**

Water Fund Revenues and Expenses					
Amounts Reported for January through March of each year					
Description	2022	2023	2024	2025	2026
<b>Revenues</b>					
Charges for Services	\$ 1,555,011	\$ 2,095,433	\$ 1,873,735	\$ 2,501,521	\$ 2,292,996
Impact Fees	4,547,728	694,303	3,888,540	2,513,627	5,989,322
Investment Earnings (Loss)	(524,813)	574,090	1,668,795	1,703,809	523,448
Intergovernmental	44,460	10,444,588	-	102,790	-
Miscellaneous	40,011	(8,228)	20,452	107,423	92,124
Borrowing Proceeds	-	80,000,000	-	85,000,000	-
Transfer In	-	-	-	2,100,000	500,000
<b>Total Revenues</b>	<b>5,662,397</b>	<b>93,800,185</b>	<b>7,451,522</b>	<b>94,029,171</b>	<b>9,397,890</b>
<b>Expenses</b>					
Personnel	657,815	463,732	932,989	816,146	878,935
Purchased Services	1,252,800	1,138,265	951,261	1,008,124	871,346
Operating Expenses	958,975	553,956	524,857	595,334	567,990
Repairs and Maintenance	28,964	117,712	114,485	736,670	197,695
Administrative Allocation	698,696	521,605	-	-	-
Capital Outlay	9,253,379	4,988,681	3,887,668	12,550,979	13,546,931
Debt Service	1,975,730	3,540,773	26,044	1,123,763	26,044
<b>Total Expenses</b>	<b>14,826,359</b>	<b>11,324,723</b>	<b>6,437,304</b>	<b>16,831,016</b>	<b>16,088,942</b>
<b>Change in Net Position</b>	<b>\$ (9,163,962)</b>	<b>\$ 82,475,462</b>	<b>\$ 1,014,217</b>	<b>\$ 77,198,155</b>	<b>\$ (6,691,052)</b>

**Revenues**
***Charges for Services and Impact Fees***

This is the primary, ongoing source of funds for the City's Water utility. Usage-based revenues have decreased compared to the prior year due to the timing of billing cycles. Impact fees increased in January, and that increase, paired with very strong permit numbers resulted in a large increase to this category.

***Investment Earnings (Loss)***

This revenue includes earnings on unspent borrowing proceeds from the 2025 bond issuance. Interest earned on those proceeds must be used on the Water Treatment Plant Project.

***Debt Issuance***

The City issued \$85M in bonds in February 2025 to finance the Water Treatment Plant project.

**Expenses**
***Personnel and Operational Expenses***

Personnel spending was up 7.7% compared to the prior year based on various pay increases and filling of open positions

The administrative allocation for 2024, 2025 and 2026 has been waived in support of water fund projects.

***Capital Outlay***

The Water Fund spent \$13.6M on capital projects in Q1 2026, up 8%. The City purchased \$5.5M in new water rights and spent \$6.8M on the Water Treatment Plant construction project.

***Debt Service***

Payments were made in accordance with debt service agreement schedules.

**Financial Overview—Wastewater Fund**

Wastewater Fund Revenues and Expenses Amounts Reported for January through March of each year					
Description	2022	2023	2024	2025	2026
<b>Revenues</b>					
Charges for Services	\$ 1,492,834	\$ 1,219,269	\$ 1,465,333	\$ 1,695,815	\$ 2,068,862
Connection Fees	122,760	15,345	92,907	79,794	185,433
Investment Earnings (Loss)	(354,940)	280,819	42,870	78,240	17,449
Miscellaneous	7,100	750	42,840	7,628	31,439
Borrowing Proceeds	-	31,599,000	-	-	-
<b>Total Revenues</b>	<b>1,267,754</b>	<b>33,115,183</b>	<b>1,643,949</b>	<b>1,861,477</b>	<b>2,303,183</b>
<b>Expenses</b>					
Personnel	379,231	218,136	242,142	262,873	331,910
Purchased Services	246,150	191,463	189,619	96,583	869,994
Operating Expenses	551,264	431,211	950,398	875,008	198,589
Administrative Allocation	171,070	284,777	234,509	165,053	145,184
Capital Outlay	1,407,517	476,435	244,003	353,258	-
Metro Water Recovery Buy in	-	46,597,325	-	-	-
Debt Service	3,574	814,580	5,337	5,337	5,337
<b>Total Expenses</b>	<b>2,758,806</b>	<b>49,013,927</b>	<b>1,866,008</b>	<b>1,758,111</b>	<b>1,551,015</b>
<b>Change in Net Position</b>	<b>\$ (1,491,052)</b>	<b>\$ (15,898,744)</b>	<b>\$ (222,059)</b>	<b>\$ 103,367</b>	<b>\$ 752,168</b>

**Revenues**
**Charges for Services and Impact Fees**

This category is the primary, ongoing source of funds for the City's Wastewater utility. Revenue increased as accounts were added and rate/fee increases took effect in January.

Connection fees are driven by development which was very strong in the first quarter of 2026 with multiple large multifamily residential properties being permitted.

**Borrowing Proceeds**

In 2023, the City obtained a loan for \$31.6M that was used for the City's buy-in agreement with Metro Water Recovery. This loan will be repaid over 15 years.

**Expenses**
**Personnel and Operational Expenses**

Personnel and Operating costs overall increased by \$146K, or 10%. A portion of this increase is due to staffing costs increasing. As we are early in the year, some fluctuation is due to timing of payments.

**Capital Outlay**

Capital outlay spending in prior years was driven by the fund's contribution to the cost of new, shared facilities which are now complete. No capital costs were incurred this period. Capital investment in this fund will be limited in the future as all flows are processed by external processors.

**Debt Service**

Payments were made in accordance with debt service agreement schedules.

**Financial Overview—Storm Drainage Fund**

Storm Drainage Fund Revenues and Expenses					
Amounts Reported for January through March of each year					
Description	2022	2023	2024	2025	2026
<b>Revenues</b>					
Charges for Services	\$ 232,462	\$ 252,461	\$ 338,173	\$ 388,188	\$ 664,904
Impact Fees	215,720	165,945	224,460	372,332	767,045
Investment Earnings (Loss)	(2,597)	28,406	17,670	16,887	6,071
Transfers In	-	-	-	-	-
Total Revenues	445,585	446,812	580,302	777,407	1,438,021
<b>Expenses</b>					
Personnel	69,874	61,672	55,990	123,582	133,937
Purchased Services	27,682	44,504	-	958	10,139
Operating Expenses	217,099	33,835	7,173	8,801	65,621
Administrative Allocation	29,367	43,391	54,780	56,066	58,870
Capital Outlay	4,500,520	57,429	438,353	635,336	-
Total Expenses	4,844,541	240,832	556,296	824,742	268,568
<b>Change in Net Position</b>	<b>\$ (4,398,956)</b>	<b>\$ 205,980</b>	<b>\$ 24,006</b>	<b>\$ (47,335)</b>	<b>\$ 1,169,453</b>

**Revenues**
**Charges for Services and Impact Fees**

This category is the primary, ongoing source of funds for the City's Storm Drainage Fund. Residential properties are charged a flat monthly fee and commercial properties are charged a fee based on the impervious area of the property. The impervious area approach was approved in 2021 and implemented in 2022. That implementation included rate increases for commercial properties in 2023 and 2024, resulting in increased revenues in those years. In 2026, rates were increased for all users to generate funding needed for future projects. The results is increased revenues in 2026.

Impact fees are driven by development which was very strong in the first quarter of 2026. There were also increases to the impact fees charged for this fund starting in January.

**Expenses**
**Personnel and Operational Expenses**

Personnel costs increased \$10.4K, or 8% due to increased salary and benefit costs.

Other operational costs increased \$68.8K related to costs of outfall maintenance that began early in the year.

**Capital Outlay**

There has been no capital spending in this fund during the first quarter of the year.

Project information can be found in the City's [Capital Project Report Card](#) available online.