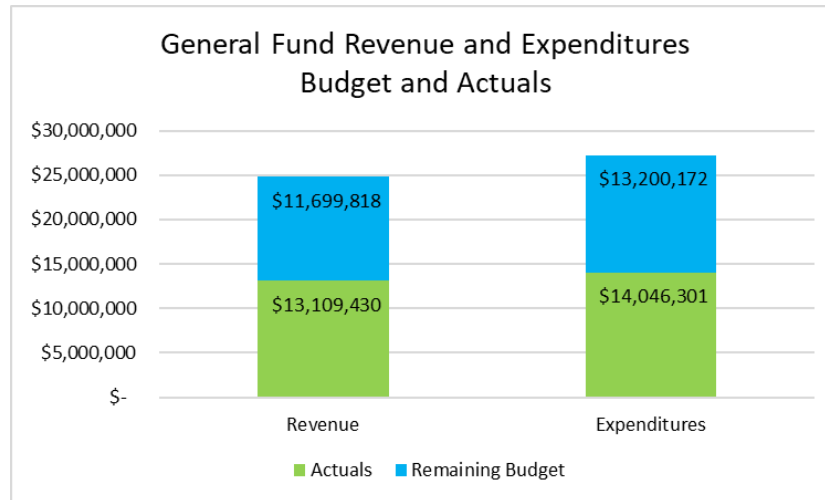


## 2023 2ND QUARTER FINANCIAL REPORT

This report provides an overview of the City's overall financial position for the second quarter of 2023, reflecting financial data available August 6, 2023.

### GENERAL FUND

Through the second quarter of 2023, the General Fund received \$13,109,430 of revenue which represents 52.8% of budgeted revenue for the year. The general fund also incurred \$14,406,301 of expenditures representing 51.5% of the annual 2023 expenditure budget.



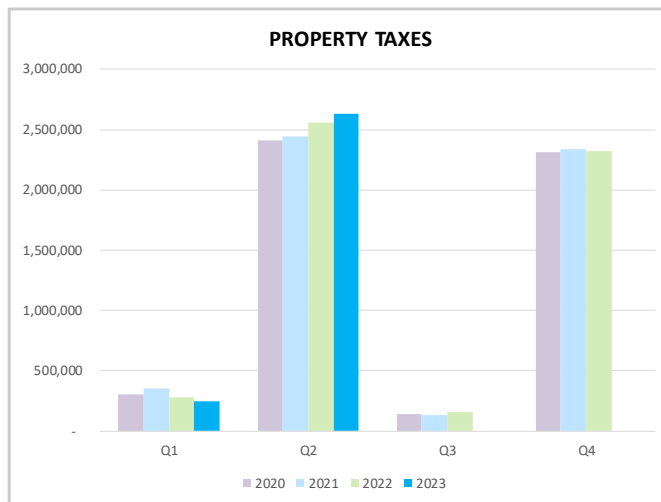
### Revenue

**Property Tax** collected through the second quarter was \$2,877,584 which was a \$42,182 (1.5%) increase from the same period in the prior year. Property tax levies by the City are based on the assessed value of the City which has steadily increased over the past few years. Property taxes are primarily collected in April and October.

PROPERTY TAXES				
	2020	2021	2022	2023
Jan	7,893	15,727	41,595	11,454
Feb	49,315	42,269	8,972	33,302
Mar	244,488	292,081	226,701	204,610
Apr	1,776,167	1,427,756	1,374,884	1,984,065
May	388,009	956,647	1,133,679	618,824
Jun	245,697	56,028	49,571	25,329
Jul	53,783	19,615	6,852	
Aug	11,412	29,051	39,674	
Sep	76,970	84,841	112,850	
Oct	1,841,432	1,815,634	1,592,366	
Nov	443,996	502,576	702,505	
Dec	27,193	19,660	26,685	
<b>Totals</b>	<b>5,166,355</b>	<b>5,261,886</b>	<b>5,316,334</b>	<b>2,877,584</b>

	2020	2021	2022	2023
Q1	301,696	350,077	277,268	249,366
Q2	2,409,872	2,440,432	2,558,134	2,628,219
Q3	142,165	133,507	159,376	-
Q4	2,312,621	2,337,870	2,321,557	-
<b>Totals</b>	<b>5,166,355</b>	<b>5,261,886</b>	<b>5,316,334</b>	<b>2,877,584</b>



2023 Budget and YTD % collected: 5,522,043 52.1%

2023 YTD to 2022 YTD variance: 42,182 1.5%

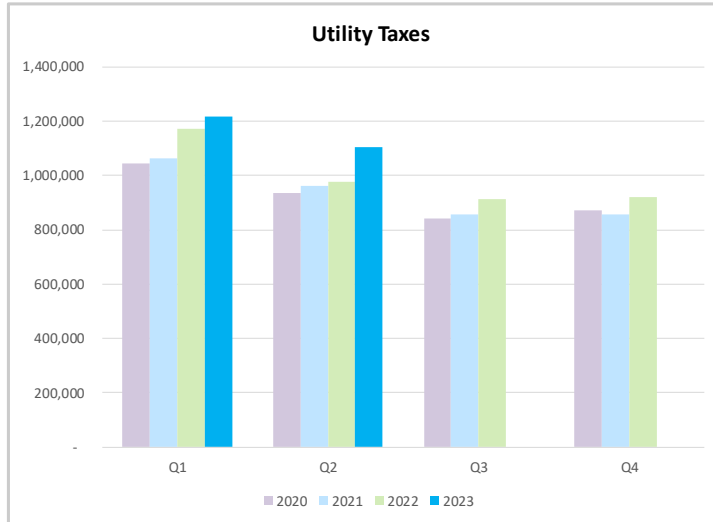
## 2023 2ND QUARTER FINANCIAL REPORT

**Utility Taxes** collected through the second quarter of 2023 were \$2,322,454 which is a \$174,254 (8.1%) increase from the same period in the prior year. 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.

UTILITY TAXES				
	2020	2021	2022	2023
Jan	317,812	356,912	415,812	408,403
Feb	361,372	333,424	381,052	392,084
Mar	365,521	372,379	373,550	417,758
Apr	339,749	350,317	342,928	396,489
May	318,816	321,555	372,039	392,783
Jun	276,056	289,060	262,819	314,936
Jul	287,198	284,693	334,278	
Aug	279,933	161,581	292,009	
Sep	274,822	409,898	288,223	
Oct	276,644	277,060	343,898	
Nov	228,718	288,366	330,062	
Dec	364,761	289,923	245,224	
<b>Totals</b>	<b>3,691,401</b>	<b>3,735,164</b>	<b>3,981,894</b>	<b>2,322,454</b>

	2020	2021	2022	2023
Q1	1,044,704	1,062,714	1,170,414	1,218,246
Q2	934,621	960,931	977,786	1,104,208
Q3	841,953	856,171	914,509	-
Q4	870,123	855,348	919,184	-
<b>Totals</b>	<b>3,691,401</b>	<b>3,735,164</b>	<b>3,981,894</b>	<b>2,322,454</b>



**2023 Budget and YTD % collected:** 4,550,105 51.0%

**2023 YTD to 2022 YTD variance:** 174,254 8.1%

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

Utility Tax Type	2022 Q2 Total	2023 Q2 Total	Change from 2022	
			Amount	Percent
Electricity	\$ 762,514	\$ 828,933	\$ 66,418	8.7%
Natural Gas	313,303	377,878	64,574	20.6%
Solid Waste	233,544	267,914	34,370	14.7%
Cable TV	437,638	423,166	(14,472)	-3.3%
Telephone	129,791	123,951	(5,841)	-4.5%
SWM 13%	271,409	300,612	29,204	10.8%
<b>YE Total</b>	<b>\$2,148,200</b>	<b>\$2,322,454</b>	<b>\$ 174,254</b>	<b>8.1%</b>

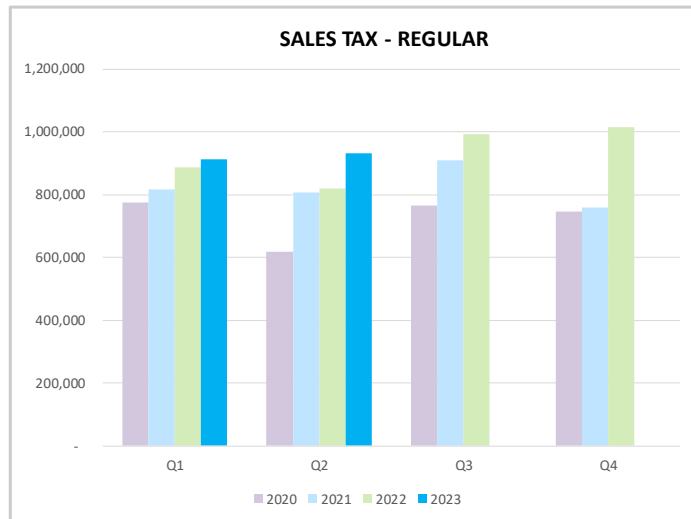
## 2023 2ND QUARTER FINANCIAL REPORT

**Sales and Use Tax (Regular)** collection increased \$134,757 (7.9%) over the same period in the prior year. Through the second quarter, the City collected \$1,842,888 in sales tax which represented 48.6% of budgeted expectations.

SALES TAX - REGULAR				
	2020	2021	2022	2023
Jan	265,951	279,627	307,248	324,361
Feb	267,496	300,346	318,149	348,280
Mar	243,442	238,440	261,291	239,565
Apr	212,562	234,236	250,089	325,182
May	215,822	287,523	309,451	354,939
Jun	191,318	285,449	261,903	250,560
Jul	260,777	308,345	334,498	
Aug	258,143	312,079	314,775	
Sep	247,601	288,774	343,648	
Oct	251,749	312,723	400,408	
Nov	260,740	322,999	362,060	
Dec	232,429	124,590	254,194	
<b>Totals</b>	<b>2,908,029</b>	<b>3,295,131</b>	<b>3,717,713</b>	<b>1,842,888</b>

	2020	2021	2022	2023
Q1	776,888	818,413	886,688	912,207
Q2	619,702	807,207	821,443	930,681
Q3	766,521	909,198	992,921	-
Q4	744,918	760,312	1,016,662	-
<b>Totals</b>	<b>2,908,029</b>	<b>3,295,131</b>	<b>3,717,713</b>	<b>1,842,888</b>



**2023 Budget and YTD % collected:** 3,790,875 48.6%

**2023 YTD to 2022 YTD variance:** 134,757 7.9%

The following table breaks out the City's retail taxes by major business sector (the table includes only "regular" sales and use tax):

Component Group	Q1 Totals		Change from 2022	
	2022	2023	Amount	Percent
Construction	\$ 291,743	\$ 314,797	\$ 23,054	7.9%
Manufacturing	21,471	22,780	1,309	6.1%
Transportation & Warehousing	10,766	17,071	6,305	58.6%
Wholesale Trade	105,659	109,010	3,351	3.2%
Automotive	64,807	63,550	(1,257)	-1.9%
Retail Trade	590,255	682,056	91,801	15.6%
Services	541,754	555,615	13,861	2.6%
Miscellaneous	81,676	78,009	(3,667)	-4.5%
<b>YE Total</b>	<b>\$1,708,130</b>	<b>\$1,842,888</b>	<b>\$ 134,758</b>	<b>7.9%</b>

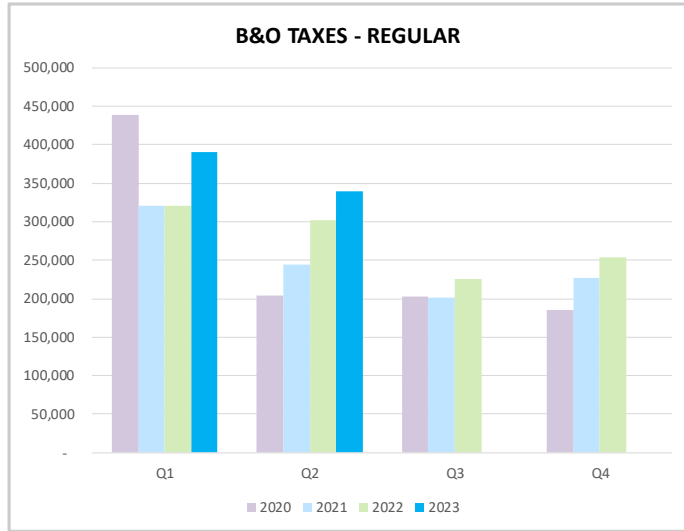
## 2023 2ND QUARTER FINANCIAL REPORT

The City received \$729,892 in **Business and Occupation Tax** through the second quarter of 2023. This amount was a \$107,282 (17.2%) increase over the prior year. Collections of Business and Occupation Tax are on an upward trend as the City refines its filing process and pursues delinquent payments.

B&O TAXES - REGULAR				
	2020	2021	2022	2023
Jan	181,573	66,546	109,430	220,009
Feb	287,559	245,260	191,636	152,492
Mar	(30,676)	8,303	19,159	18,194
Apr	58,498	132,192	198,624	192,814
May	151,649	104,127	109,204	126,709
Jun	(6,004)	8,121	(5,444)	19,675
Jul	86,791	74,594	92,251	
Aug	109,513	125,512	83,386	
Sep	6,202	878	49,720	
Oct	67,009	67,391	163,660	
Nov	119,457	155,885	109,623	
Dec	(874)	4,159	(19,099)	
<b>Totals</b>	<b>1,030,698</b>	<b>992,966</b>	<b>1,102,150</b>	<b>729,892</b>

	2020	2021	2022	2023
Q1	438,456	320,109	320,226	390,695
Q2	204,144	244,440	302,384	339,197
Q3	202,506	200,983	225,357	-
Q4	185,592	227,435	254,183	-
<b>Totals</b>	<b>1,030,698</b>	<b>992,966</b>	<b>1,102,150</b>	<b>729,892</b>



**2023 Budget and YTD % collected:** 1,251,050 58.3%

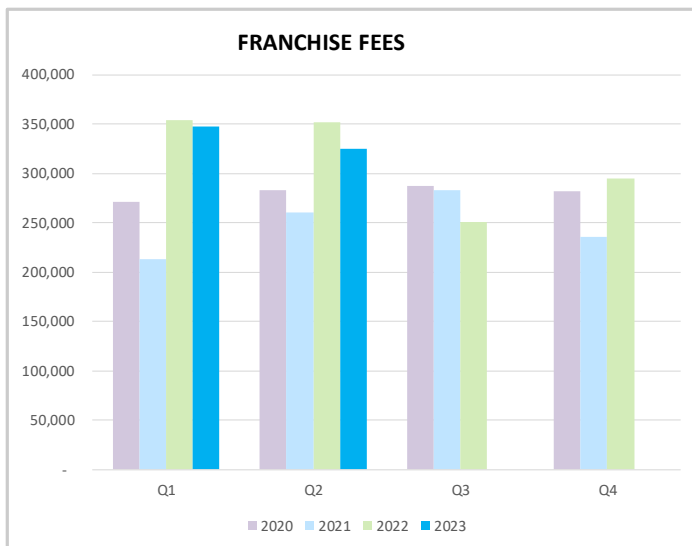
**2023 YTD to 2022 YTD variance:** 107,282 17.2%

**Franchise Fees** help the City recoup the cost of allowing a utility to use its public space. Through the second quarter of 2023, the City collected \$672,426 in franchise fees which was \$33,490 (4.7%) less than the same period in the prior year.

FRANCHISE FEES				
	2020	2021	2022	2023
Jan	112,153	119,037	245,777	173,449
Feb	86,857	86,631	70,914	123,221
Mar	72,149	7,587	37,062	50,955
Apr	117,654	115,318	256,013	181,577
May	92,344	55,721	96,150	0
Jun	72,643	89,430	0	143,224
Jul	117,875	168,994	159,775	
Aug	94,716	72,647	59,357	
Sep	74,400	41,418	32,238	
Oct	114,376	177,795	179,959	
Nov	37,178	57,945	75,358	
Dec	130,998	-	40,035	
<b>Totals</b>	<b>1,123,342</b>	<b>992,524</b>	<b>1,252,638</b>	<b>672,426</b>

	2020	2021	2022	2023
Q1	271,158	213,255	353,753	347,625
Q2	282,641	260,469	352,163	324,801
Q3	286,991	283,060	251,371	-
Q4	282,552	235,740	295,352	-
<b>Totals</b>	<b>1,123,342</b>	<b>992,524</b>	<b>1,252,638</b>	<b>672,426</b>



**2023 Budget and YTD % collected:** 1,130,000 59.5%

**2023 YTD to 2022 YTD variance:** (33,490) -4.7%

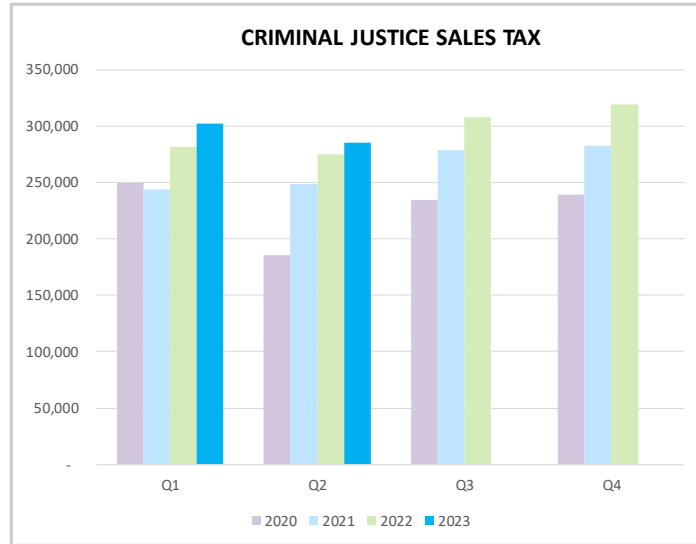
## 2023 2ND QUARTER FINANCIAL REPORT

**Criminal Justice Sales Tax** is a sales tax imposed by King County but shared with its cities and towns. State law allows counties to impose a .1% sales tax in which the receipts are dedicated for criminal justice purposes. Through the second quarter of 2023, the City collected \$587,322 in Criminal Justice Sales Tax which was \$30,818 (5.5%) more than the same period in the prior year.

CRIMINAL JUSTICE SALES TAX				
	2020	2021	2022	2023
Jan	78,038	75,664	91,875	98,970
Feb	95,920	94,898	104,753	112,129
Mar	75,957	73,495	84,742	91,155
Apr	62,259	71,268	82,227	87,140
May	61,534	90,850	100,285	101,324
Jun	61,848	86,287	92,622	96,606
Jul	75,823	87,808	96,685	
Aug	79,504	95,648	107,009	
Sep	79,408	95,318	103,851	
Oct	78,382	93,711	106,482	
Nov	80,694	97,160	109,175	
Dec	80,289	91,753	103,618	
<b>Totals</b>	<b>909,656</b>	<b>1,053,859</b>	<b>1,183,324</b>	<b>587,322</b>

	2020	2021	2022	2023
Q1	249,914	244,056	281,370	302,253
Q2	185,642	248,405	275,134	285,069
Q3	234,735	278,774	307,544	-
Q4	239,365	282,624	319,275	-
<b>Totals</b>	<b>909,656</b>	<b>1,053,859</b>	<b>1,183,324</b>	<b>587,322</b>



**2023 Budget and YTD % collected: 1,187,500 49.5%**

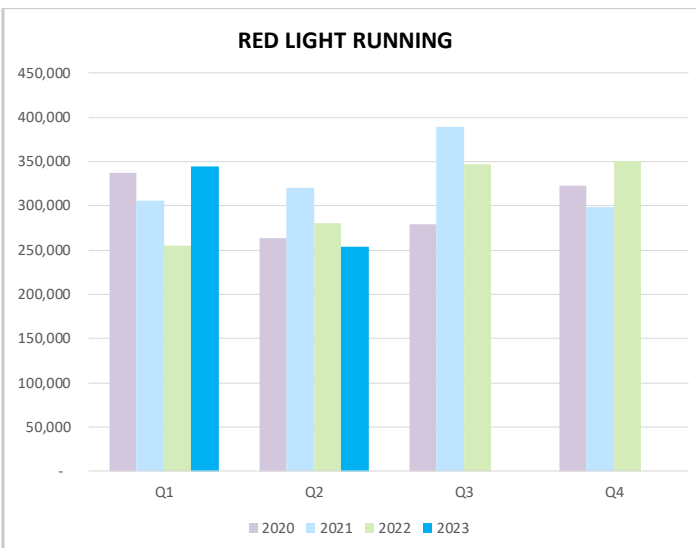
**2023 YTD to 2022 YTD variance: 30,818 5.5%**

**Red Light Running Infractions** is revenue received from fines generated by the red light camera ticketing system installed at select intersections in the City. Through the second quarter of 2023, the City collected \$598,831 in red light running fee revenue which was \$63,625 (11.9%) more than the same period in the prior year.

RED LIGHT RUNNING				
	2020	2021	2022	2023
Jan	117,300	111,284	85,665	150,079
Feb	105,681	85,275	77,910	99,253
Mar	114,283	109,113	91,168	95,658
Apr	99,100	101,518	81,893	73,351
May	78,670	97,293	96,361	84,756
Jun	85,511	121,298	102,210	95,734
Jul	93,361	81,076	96,754	
Aug	92,523	154,085	142,340	
Sep	93,035	154,312	107,359	
Oct	123,470	121,645	101,010	
Nov	104,826	99,958	97,034	
Dec	94,946	76,358	152,214	
<b>Totals</b>	<b>1,202,707</b>	<b>1,313,215</b>	<b>1,231,918</b>	<b>598,831</b>

	2020	2021	2022	2023
Q1	337,263	305,673	254,743	344,990
Q2	263,282	320,109	280,464	253,841
Q3	278,919	389,473	346,453	-
Q4	323,243	297,961	350,259	-
<b>Totals</b>	<b>1,202,707</b>	<b>1,313,215</b>	<b>1,231,918</b>	<b>598,831</b>



**2023 Budget and YTD % collected: 1,200,000 49.9%**

**2023 YTD to 2022 YTD variance: 63,625 11.9%**

## 2023 2ND QUARTER FINANCIAL REPORT

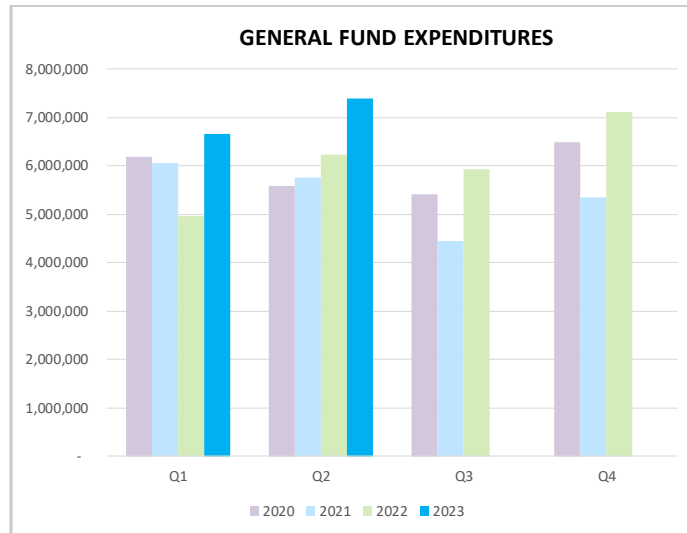
### Expenditures

General Fund expenditures were \$14,046,301 which was \$2,849,253 (25.4%) more the same period in the prior year.

GENERAL FUND EXPENDITURES				
	2020	2021	2022	2023
Jan	2,525,301	2,144,873	1,732,897	1,665,629
Feb	1,852,855	1,521,148	1,507,316	1,916,138
Mar	1,819,238	2,389,548	1,716,968	3,072,135
Apr	1,750,911	1,617,624	2,492,685	2,659,645
May	1,862,348	1,921,701	1,852,949	1,539,854
Jun	1,973,698	2,225,871	1,894,233	3,192,900
Jul	1,968,490	559,043	1,710,505	
Aug	1,625,045	1,699,309	1,832,064	
Sep	1,820,620	2,186,707	2,394,505	
Oct	2,354,881	1,865,683	1,317,298	
Nov	2,025,944	1,560,582	2,118,374	
Dec	2,110,204	1,917,077	3,670,925	
<b>Totals</b>	<b>23,689,536</b>	<b>21,609,165</b>	<b>24,240,719</b>	<b>14,046,301</b>

	2020	2021	2022	2023
Q1	6,197,395	6,055,568	4,957,181	6,653,902
Q2	5,586,957	5,765,197	6,239,867	7,392,399
Q3	5,414,155	4,445,058	5,937,074	-
Q4	6,491,029	5,343,342	7,106,596	-
<b>Totals</b>	<b>23,689,536</b>	<b>21,609,165</b>	<b>24,240,719</b>	<b>14,046,301</b>



**2023 Budget and YTD % collected: 27,246,473 51.6%**

**2023 YTD to 2022 YTD variance: 2,849,253 25.4%**

### Fund Balance

At the end of the second quarter of 2023, the General Fund's Fund Balance was \$6,842,069; a decrease of \$936,871 (12.0%) from the end of 2022 (\$7,778,940). The City is required by code to maintain a fund balance that is equal to or greater than 16.67% of its annual operating expenditures. At June 30<sup>th</sup>, the General Fund's Fund Balance was 25.1% of annual operating expenditures. It should be noted that the collection of property tax influences the level of fund balance on a quarterly basis. Property tax is collected in the second and fourth quarters of each year resulting in increased fund balance in those quarters and decreased fund balance in the first and third quarters.

## 2023 2ND QUARTER FINANCIAL REPORT

### General Fund Details

General Fund Summary of Sources and Uses	2023			2023 YTD Budget vs Actual		2023
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
<b>Operating Revenues</b>						
Property Tax	\$ 5,522,043	\$ 2,761,022	\$ 2,877,584	\$ 116,563	4%	\$ 2,644,459
Utility Tax	4,550,105	2,275,053	2,322,454	47,402	2%	2,227,651
Sales Tax	3,965,875	1,982,938	2,026,801	43,863	2%	1,939,074
B+O Tax	1,338,550	669,275	705,733	36,458	5%	632,817
Franchise Fees	1,130,000	565,000	672,426	107,426	19%	457,574
Criminal Justice Tax	1,187,500	593,750	587,322	(6,428)	-1%	600,178
Gambling Tax	50,000	25,000	19,560	(5,440)	-22%	30,440
Leasehold Tax	239,000	119,500	95,680	(23,820)	-20%	143,320
<b>Taxes Subtotal</b>	<b>\$ 17,983,073</b>	<b>\$ 8,991,537</b>	<b>\$ 9,307,560</b>	<b>\$ 316,024</b>	<b>4%</b>	<b>\$ 8,675,513</b>
Business Licenses and Permits	231,000	115,500	170,016	54,516	47%	60,984
Other Licenses and Permits	12,000	6,000	10,993	4,993	83%	1,007
Intergovernmental (Grants, etc.)	1,016,020	508,010	674,228	166,218	33%	341,792
Charges for Services:						
General Government Services	263,000	131,500	176,923	45,423	35%	86,078
Court	94,624	47,312	40,933	(6,379)	-13%	53,691
Public Safety	80,900	40,450	57,093	16,643	41%	23,807
Culture and Recreation	718,900	359,450	208,649	(150,801)	-42%	510,251
Red Light Running Infractions	1,200,000	600,000	598,831	(1,169)	0%	601,169
Other fees and penalties	157,850	78,925	40,777	(38,148)	-48%	117,073
<b>Fees/Charges/Fines Subtotal</b>	<b>\$ 3,774,294</b>	<b>\$ 1,887,147</b>	<b>\$ 1,978,442</b>	<b>\$ 91,295</b>	<b>5%</b>	<b>\$ 1,795,852</b>
Interest Income	40,000	20,000	17,040	(2,960)	-15%	22,960
Rentals and Leases	344,869	172,435	244,371	71,936	42%	100,498
Contributions and Donations	10,600	5,300	5,015	(285)	-5%	5,585
Miscellaneous	25,925	12,963	8,018	(4,944)	-38%	17,907
Interfund Charges	1,571,728	785,864	699,241	(86,624)	-11%	872,488
Transfers In	1,058,759	529,380	849,743	320,364	61%	209,016
<b>Other Revenues Subtotal</b>	<b>\$ 3,051,881</b>	<b>\$ 1,525,941</b>	<b>\$ 1,823,427</b>	<b>\$ 297,487</b>	<b>19%</b>	<b>\$ 1,228,454</b>
<b>Total Operating Revenues</b>	<b>\$ 24,809,248</b>	<b>\$ 12,404,624</b>	<b>\$ 13,109,430</b>	<b>\$ 704,806</b>	<b>6%</b>	<b>\$ 11,699,818</b>
<b>Operating Expenditures</b>						
City Council	\$ 96,129	\$ 48,065	\$ 40,988	(7,076)	-15%	55,141
City Manager/Administration	1,627,728	813,864	1,029,399	215,535	26%	598,329
City Clerk	718,782	359,391	462,868	103,477	29%	255,914
Human Resources	542,420	271,210	248,056	(23,154)	-9%	294,364
Finance	1,425,025	712,513	757,596	45,083	6%	667,429
Technology Services	1,322,951	661,476	626,503	(34,972)	-5%	696,448
City Attorney	881,428	440,714	407,243	(33,471)	-8%	474,185
Municipal Court	1,735,114	867,557	925,239	57,682	7%	809,875
Public Safety - Business Office	1,244,972	622,486	577,438	(45,048)	-7%	667,534
Police	11,393,049	5,696,525	6,343,551	647,027	11%	5,049,498
Social Services	486,416	243,208	227,012	(16,196)	-7%	259,404
Parks, Recreation, and Senior Services	5,283,559	2,641,780	2,174,008	(467,772)	-18%	3,109,551
Transfers Out	488,900	244,450	226,400	(18,050)	-7%	262,500
<b>Total Operating Expenditures</b>	<b>\$ 27,246,473</b>	<b>\$ 13,623,237</b>	<b>\$ 14,046,301</b>	<b>\$ 423,064</b>	<b>3%</b>	<b>\$ 13,200,172</b>
<b>Total Operating Income (Loss)</b>	<b>\$ (2,437,225)</b>	<b>\$ (1,218,613)</b>	<b>\$ (936,871)</b>	<b>\$ 281,742</b>		

\*\* June is month 6 of 12 = 50%

BEGINNING FUND BALANCE	7,778,940	
ENDING FUND BALANCE	6,842,069	25.1%
16.67% Minimum Ending Fund Balance	4,541,987	

## 2023 2ND QUARTER FINANCIAL REPORT

### City of Des Moines Deposits and Investment Portfolio Year-to-date June 30, 2023

Security Type	Fair Value as of 1/1/2023	2023 Activity	Fair Value as of 3/31/2023	% of Portfolio
Federal Farm Credit Bank	\$ 9,024,625	\$ 97,210	\$ 9,121,835	18.1%
Federal Home Loan Bank	4,264,860	62,005	4,326,865	8.6%
Federal Home Loan Mtg. Corp.	6,228,667	(1,165,041)	5,063,626	10.1%
Federal Agricultural Mortgage Corp	748,485	(13,215)	735,270	1.5%
Federal National Mortgage Association	1,422,975	26,235	1,449,210	2.9%
US Treasury Notes/Bonds	5,294,300	1,317,243	6,611,543	13.2%
United States Treasury STRIP	2,819,324	41,935	2,861,259	5.7%
Key Bank	3,573,280	2,474,359	6,047,639	12.0%
LGIP	17,193,610	(3,147,830)	14,045,780	27.9%
<b>Total</b>	<b>\$ 50,570,126</b>	<b>\$ (307,098)</b>	<b>\$ 50,263,028</b>	<b>100.0%</b>

Bond Investments	29,803,236	59%	30,169,609	60%
Local Government Investment Pool	17,193,610	34%	14,045,780	28%
Key Bank Account	3,573,280	7%	6,047,639	12%
	<b>\$ 50,570,126</b>	<b>100%</b>	<b>\$ 50,263,028</b>	<b>100.0%</b>