SECTION B

Recap By Fund

Section B. Recap By Fund

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SUMMARY

Comparative Actual and Budgeted Revenues
Summary for All Funds 2025–2028

Fund No.	Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
001	General Fund	$ 45,744,946	$ 41,141,602	$ 40,573,391	$ 42,566,214
010	Self Insurance Fund	-	10,000	10,000	10,000
	Subtotal General Purpose Funds	**$ 45,744,946**	**$ 41,151,602**	**$ 40,583,391**	**$ 42,576,214**
110	Street Fund	$ 7,138,191	$ 4,741,332	$ 7,165,712	$ 3,825,017
130	Contingency Fund	-	-	-	-
140	1% For the Arts Fund	52,474	45,836	38,812	35,000
160	Youth and Family Services Fund	3,379,802	4,142,433	4,063,618	4,277,760
180	Development Services Fund	6,215,818	4,739,136	4,887,687	5,064,702
	Subtotal Special Revenue Funds	**$ 16,786,285**	**$ 13,668,737**	**$ 16,155,829**	**$ 13,202,479**
210	Bond Redemption (Voted)	$ -	$ -	$ -	$ -
220	Bond Redemption (Non-Voted)	-	137,462	139,919	136,647
	Subtotal Debt Service Funds	**$ -**	**$ 137,462**	**$ 139,919**	**$ 136,647**
320	Capital Improvement Fund	$ 8,021,008	$ 12,956,441	$ 10,040,019	$ 7,136,428
330	Technology and Equipment Fund	908,419	1,014,795	637,000	547,500
350	Municipal Facility Replacement Fund	11,267,781	587,549	-	-
	Subtotal Capital Funds	**$ 20,197,209**	**$ 14,558,785**	**$ 10,677,019**	**$ 7,683,928**
410	Water Fund	$ 21,198,189	$ 36,776,282	$ 33,592,915	$ 26,556,456
420	Sewer Fund	12,987,038	21,832,142	40,895,484	38,283,439
430	Storm Water Fund	3,336,365	4,069,802	6,045,474	5,927,659
	Subtotal Enterprise Funds	**$ 37,521,592**	**$ 62,678,226**	**$ 80,533,873**	**$ 70,767,554**
510	Equipment Rental Fund	$ 2,733,581	$ 4,442,172	$ 3,070,823	$ 2,663,893
520	Computer Equipment Fund	1,485,730	1,618,389	1,837,142	1,807,282
	Subtotal Internal Service Funds	**$ 4,219,311**	**$ 6,060,561**	**$ 4,907,965**	**$ 4,471,175**
610	Firefighters Pension Fund	$ 116,717	$ 145,000	$ 131,000	$ 136,000
	Subtotal Trust Funds	**$ 116,717**	**$ 145,000**	**$ 131,000**	**$ 136,000**
	TOTAL REVENUES	**$ 124,586,060**	**$ 138,400,373**	**$ 153,128,995**	**$ 138,973,996**

Comparative Actual and Budgeted Expenditures
Summary for All Funds 2025–2028

Fund No.	Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
001	General Fund	$ 42,014,646	$ 40,126,837	$ 40,573,391	$ 42,566,214
010	Self Insurance Fund	-	10,000	10,000	10,000
	Subtotal General Purpose Funds	**$ 42,014,646**	**$ 40,136,837**	**$ 40,583,391**	**$ 42,576,214**
110	Street Fund	$ 5,602,881	$ 4,741,332	$ 7,165,712	$ 3,278,241
130	Contingency Fund	-	-	-	-
140	1% For the Arts Fund	31,953	45,836	35,000	35,000
160	Youth and Family Services Fund	3,379,802	4,142,433	4,063,618	4,277,760
180	Development Services Fund	3,778,219	4,334,220	4,887,687	5,064,702
	Subtotal Special Revenue Funds	**$ 12,792,855**	**$ 13,263,821**	**$ 16,152,017**	**$ 12,655,703**
210	Bond Redemption (Voted)	$ -	$ -	$ -	$ -
220	Bond Redemption (Non-Voted)	-	137,462	139,919	136,647
	Subtotal Debt Service Funds	**$ -**	**$ 137,462**	**$ 139,919**	**$ 136,647**
320	Capital Improvement Fund	$ 8,021,008	$ 12,956,441	$ 6,667,669	$ 7,136,428
330	Technology and Equipment Fund	247,053	1,014,795	637,000	378,500
350	Municipal Facility Replacement Fund	11,267,781	562,283	-	-
	Subtotal Capital Project Funds	**$ 19,535,842**	**$ 14,533,519**	**$ 7,304,669**	**$ 7,514,928**
410	Water Fund	$ 21,198,189	$ 36,776,282	$ 32,967,033	$ 26,556,456
420	Sewer Fund	12,713,996	21,832,142	19,460,193	38,283,439
430	Storm Water Fund	2,771,831	4,069,802	6,045,474	5,927,659
	Subtotal Enterprise Funds	**$ 36,684,017**	**$ 62,678,226**	**$ 58,472,700**	**$ 70,767,554**
510	Equipment Rental Fund	$ 2,733,581	$ 4,442,172	$ 3,070,823	$ 2,426,928
520	Computer Equipment Fund	1,345,220	1,618,389	1,837,142	1,569,842
	Subtotal Internal Service Funds	**$ 4,078,801**	**$ 6,060,561**	**$ 4,907,965**	**$ 3,996,770**
610	Firefighters Pension Fund	$ 89,949	$ 145,000	$ 131,000	$ 136,000
	Subtotal Trust Funds	**$ 89,949**	**$ 145,000**	**$ 131,000**	**$ 136,000**
	TOTAL EXPENDITURES	**$ 115,196,109**	**$136,955,426**	**$127,691,660**	**$137,783,815**

GENERAL PURPOSE FUNDS

GENERAL FUND – 001

The General Fund is the City's largest fund and accounts for most of the City's "general purpose" revenues and "general government" (non-utility) operations.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ 5,661,994	$ 1,981,938	$ 720,008	$ 1,696,704	-63.7%	135.7%
Property Tax	13,871,768	14,469,462	14,613,789	14,799,697	1.0%	1.3%
Sales Tax	7,860,457	8,040,918	8,352,836	8,676,939	3.9%	3.9%
Business & Utility Taxes	6,692,664	6,903,859	7,095,379	7,292,227	2.8%	2.8%
State Shared Revenues	1,514,046	1,285,117	1,237,908	1,255,911	-3.7%	1.5%
Overhead Allocation Charges	2,224,512	2,527,397	2,629,682	2,735,712	4.0%	4.0%
Licenses and Permits	300,948	305,000	301,000	304,000	-1.3%	1.0%
General Government	2,627,704	2,542,572	2,580,185	2,649,891	1.5%	2.7%
Recreation Programs	1,612,823	1,555,500	1,614,500	1,634,500	3.8%	1.2%
Municipal Court Fines	199,174	209,132	219,589	230,568	5.0%	5.0%
Interest	1,676,126	1,320,707	1,208,515	1,290,065	-8.5%	6.7%
Interfund Transfers In	1,502,730	-	-	-	N/A	N/A
Total Budgeted Revenues	**$45,744,946**	**$ 41,141,602**	**$ 40,573,391**	**$ 42,566,214**	**-1.4%**	**4.9%**
Not Budgeted						
Beginning Fund Balance (Reserved)	6,683,462	8,431,824	8,726,581	7,029,877	3.5%	-19.4%
TOTAL REVENUES	**$52,428,408**	**$ 49,573,426**	**$ 49,299,972**	**$ 49,596,091**	**-0.6%**	**0.6%**

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
EXPENDITURES						
Budgeted						
Administrative Services	$ 2,026,698	$ 2,418,792	$ 2,531,003	$ 2,641,094	4.6%	4.3%
City Attorney's Office	1,265,507	1,114,022	1,017,437	1,061,598	-8.7%	4.3%
City Council	52,072	61,123	60,423	60,856	-1.1%	0.7%
City Manager's Office	773,735	802,408	900,516	928,075	12.2%	3.1%
Community Planning & Developmer	47,971	252,029	-	-	-100.0%	N/A
Finance	1,252,290	1,530,964	1,478,753	1,518,366	-3.4%	2.7%
Fire and EMS	9,135,706	9,269,259	9,646,400	9,932,338	4.1%	3.0%
Municipal Court	614,325	727,664	761,018	785,074	4.6%	3.2%
Non-Departmental	8,466,991	5,455,706	4,246,286	5,016,883	-22.2%	18.1%
Recreation	2,141,881	2,423,758	2,487,838	2,588,097	2.6%	4.0%
Police	9,915,287	9,947,207	10,527,078	10,919,930	5.8%	3.7%
Public Works	6,322,183	6,123,905	6,916,639	7,113,903	12.9%	2.9%
Total Budgeted Expenditures	**$42,014,646**	**$ 40,126,837**	**$ 40,573,391**	**$ 42,566,214**	**1.1%**	**4.9%**
Not Budgeted						
Ending Fund Balance	10,413,762	9,446,589	8,726,581	7,029,877	-7.6%	-19.4%
TOTAL EXPENDITURES	**$52,428,408**	**$ 49,573,426**	**$ 49,299,972**	**$ 49,596,091**	**-0.6%**	**0.6%**

Recap by Fund

General Fund: Expenditure Summary

Presented in the table below are expenditures by category for 2025-2028.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
EXPENDITURES						
Budgeted						
Salaries and Wages	$ 12,778,945	$ 13,098,649	$ 13,686,922	$ 14,351,550	4.5%	4.9%
Benefits	4,314,872	5,156,658	4,923,196	5,010,925	-4.5%	1.8%
Contractual Services	10,600,226	10,734,114	11,286,618	11,639,429	5.1%	3.1%
Other Services and Charges	7,944,641	8,192,341	8,788,259	9,059,295	7.3%	3.1%
Interfund Transfers	6,375,962	2,945,075	1,888,395	2,505,015	-35.9%	32.7%
Total Budgeted Expenditures	**$ 42,014,646**	**$ 40,126,837**	**$ 40,573,391**	**$ 42,566,214**	**1.1%**	**4.9%**
Not Budgeted						
Ending Fund Balance	10,413,762	9,446,589	8,726,581	7,029,877	-7.6%	-19.4%
TOTAL EXPENDITURES	**$ 52,428,409**	**$ 49,573,426**	**$ 49,299,972**	**$ 49,596,091**	**-0.6%**	**0.6%**

General Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 12,345,456	$ 10,413,762	$ 9,446,589	$ 8,726,581
Plus Revenues	40,082,952	39,159,664	39,853,383	40,869,510
Less Expenditures	(42,014,646)	(40,126,837)	(40,573,391)	(42,566,214)
Ending Fund Balance	**$ 10,413,762**	**$ 9,446,589**	**$ 8,726,581**	**$ 7,029,877**
Consisting of:				
Compensated Absence Reserve	675,299	675,299	675,299	675,299
LEOFF1 Long Term Care Reserve	2,954,174	3,113,103	3,198,178	3,283,253
Inventory of Supplies	120,857	120,857	120,857	120,857
Law Enforcement & CJ	81,793	81,793	81,793	81,793
Petty Cash	1,000	1,000	1,000	1,000
Customer Deposits/Deferred Revenue	574,676	573,009	573,009	573,009
Expenditure control reserve	45,092	45,092	45,092	45,092
Appropriated for Expenditures Next Year	2,022,782	720,008	1,696,704	-
WSDOT	1,667	-	-	-
Unassigned	3,938,089	4,116,429	2,334,650	2,249,574
Ending Fund Balance	**$ 10,415,429**	**$ 9,446,589**	**$ 8,726,581**	**$ 7,029,877**

SELF-INSURANCE CLAIM RESERVE – 010

The Self-Insurance Claim Reserve Fund accounts for payments of deductibles ($5,000 per claim) and insurance claims not covered under the City's property insurance policy through the Washington Cities Insurance Authority (WCIA). Mercer Island Municipal Code section 4.40.130 sets the minimum balance of this fund at $40,000. Any expenditures from this fund for physical loss to property would be reimbursed to the fund through insurance recoveries.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ -	$ -	$ -	$ -	N/A	N/A
Interfund Transfers In	-	-	-	-	N/A	N/A
Insurance Recoveries	-	10,000	10,000	10,000	0.0%	0.0%
Total Budgeted Revenues	**$ -**	**$ 10,000**	**$ 10,000**	**$ 10,000**	**0.0%**	**0.0%**
Not Budgeted						
Beginning Fund Balance (Reserved)	60,000	60,000	60,000	60,000	0.0%	0.0%
TOTAL REVENUES	**$ 60,000**	**$ 70,000**	**$ 70,000**	**$ 70,000**	**0.0%**	**0.0%**
EXPENDITURES						
Budgeted						
Repairs & Maintenance	$ -	$ 10,000	$ 10,000	$ 10,000	0.0%	0.0%
Interfund Transfer	-	-	-	-	N/A	N/A
Total Budgeted Expenditures	**$ -**	**$ 10,000**	**$ 10,000**	**$ 10,000**	**0.0%**	**0.0%**
Not Budgeted						
Ending Fund Balance	60,000	60,000	60,000	60,000	0.0%	0.0%
TOTAL EXPENDITURES	**$ 60,000**	**$ 70,000**	**$ 70,000**	**$ 70,000**	**0.0%**	**0.0%**

Self-Insurance Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 60,000	$ 60,000	$ 60,000	$ 60,000
Plus Revenues	-	10,000	10,000	10,000
Less Expenditures	-	(10,000)	(10,000)	(10,000)
Ending Fund Balance	**$ 60,000**	**$ 60,000**	**$ 60,000**	**$ 60,000**
Consisting of:				
Self Insurance Reserve	60,000	60,000	60,000	60,000
Ending Fund Balance	**$ 60,000**	**$ 60,000**	**$ 60,000**	**$ 60,000**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City of Mercer Island has six Special Revenue Funds: City Street Fund, Contingency Fund, 1% for the Arts Fund, Youth & Family Services Fund, ARPA Fund and the Community Planning & Development Fund.

STREET FUND – 110

The Street Fund is a restricted fund that accounts for revenues and expenditures for street maintenance, preservation, and construction. Major sources of revenue include Real Estate Excise Tax (REET), Fuel Tax, and Federal and State Grants. The Transportation Improvement Plan (TIP) determines the annual expenditures for street and pedestrian facility improvements. For additional detail on the TIP see the Capital Improvement Program section of the budget.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ -	$ 310,296	$ 2,751,903	$ -	786.9%	-100.0%
Real Estate Excise Tax	1,738,243	2,161,288	1,782,709	1,824,817	-17.5%	2.4%
Motor Vehicle Fuel Tax	470,697	480,000	475,000	475,000	-1.0%	0.0%
General Govt / Grants / Fines	4,378,595	991,150	1,241,000	923,600	25.2%	-25.6%
Vehicle Excise Tax	361,064	367,000	365,000	365,000	-0.5%	0.0%
Interfund Transfers In	189,592	431,598	550,100	236,600	27.5%	-57.0%
Total Budgeted Revenues	**$ 7,138,191**	**$ 4,741,332**	**$ 7,165,712**	**$ 3,825,017**	**51.1%**	**-46.6%**
Not Budgeted						
Beginning Fund Balance (Reserved)	2,825,066	4,050,080	1,298,177	1,298,177	-67.9%	0.0%
TOTAL REVENUES	**$ 9,963,257**	**$ 8,791,412**	**$ 8,463,889**	**$ 5,123,194**	**-3.7%**	**-39.5%**
EXPENDITURES						
Budgeted						
Street and Right of Way Maintenance	$ 505,501	$ 502,729	$ 466,750	$ 474,164	-7.2%	1.6%
Transportation Project Management	717,185	709,165	1,081,862	1,125,377	52.6%	4.0%
Transportation Improvement Program	4,329,201	2,941,889	5,577,100	1,526,200	89.6%	-72.6%
Interfund Transfer	50,994	587,549	40,000	152,500	-93.2%	281.3%
Total Budgeted Expenditures	**$ 5,602,881**	**$ 4,741,332**	**$ 7,165,712**	**$ 3,278,241**	**51.1%**	**-54.3%**
Not Budgeted						
Ending Fund Balance	4,360,376	4,050,080	1,298,177	1,844,953	-67.9%	42.1%
TOTAL EXPENDITURES	**$ 9,963,257**	**$ 8,791,412**	**$ 8,463,889**	**$ 5,123,194**	**-3.7%**	**-39.5%**

Street Fund: Expenditure Summary

Presented in the table below are expenditures by category for 2025-2028.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
EXPENDITURES						
Budgeted						
Salaries and Wages	$ 231,564	$ 193,200	$ 187,477	$ 192,763	-3.0%	2.8%
Benefits	84,578	73,911	60,043	59,282	-18.8%	-1.3%
Other Services and Charges	189,359	235,618	219,230	222,119	-7%	1.3%
Capital Program	5,046,386	3,651,054	6,658,962	2,651,577	82.4%	-60.2%
Interfund Transfers	50,994	587,549	40,000	152,500	-93.2%	281.3%
Total Budgeted Expenditures	**$ 5,602,881**	**$ 4,741,332**	**$ 7,165,712**	**$ 3,278,241**	**51.1%**	**-54.3%**
Not Budgeted						
Ending Fund Balance	4,360,376	4,050,080	1,298,177	1,844,953	-67.9%	42.1%
TOTAL EXPENDITURES	**$ 9,963,257**	**$ 8,791,412**	**$ 8,463,889**	**$ 5,123,194**	**-3.7%**	**-39.5%**

Street Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 2,825,066	$ 4,360,376	$ 4,050,080	$ 1,298,177
Plus Revenues	7,138,191	4,431,036	4,413,809	3,825,017
Less Expenditures	(5,602,881)	(4,741,332)	(7,165,712)	(3,278,241)
Ending Fund Balance	**$ 4,360,376**	**$ 4,050,080**	**$ 1,298,177**	**$ 1,844,953**
Consisting of:				
Town Center street (north) reserve	99,684	99,684	99,684	99,684
Appropriated for Expenditures Next Year	310,296	2,751,903	-	-
Operating Fund Balance Minimum	87,000	87,000	85,000	85,000
Tree Fee-in-lieu	201,261	656,261	716,261	776,261
Transportation Impact Fees	148,262	408,262	493,262	578,262
Unreserved	3,513,873	46,970	(96,030)	305,746
Ending Fund Balance	**$ 4,360,376**	**$ 4,050,080**	**$ 1,298,177**	**$ 1,844,953**

CONTINGENCY FUND – 130

The Contingency Fund accounts for resources that can only be used to address one of the following unanticipated situations in the General Fund or other general government operating fund: 1) a significant revenue shortfall; 2) a significant, non-recurring, expenditure; and 3) a significant increase in service delivery costs. As part of the 2019-2020 budget process, the City Council increased the target funding level from 10% to 12.5% (which equals 1.5 months) of General Fund budgeted expenditures, capped by state law at 37.5 cents per $1,000 of the City's total assessed valuation.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ -	$ -	$ -	$ -	N/A	N/A
Interest	-	-	-	-	N/A	N/A
Total Budgeted Revenues	**$ -**	**$ -**	**$ -**	**$ -**	**N/A**	**N/A**
Not Budgeted						
Beginning Fund Balance (Reserved)	4,937,673	4,937,673	4,937,673	4,937,673	0.0%	0.0%
TOTAL REVENUES	**$ 4,937,673**	**$ 4,937,673**	**$ 4,937,673**	**$ 4,937,673**	**0.0%**	**0.0%**
EXPENDITURE						
Budgeted						
Interfund Transfers	$ -	$ -	$ -	$ -	N/A	N/A
Total Budgeted Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**N/A**	**N/A**
Not Budgeted						
Ending Fund Balance	4,937,673	4,937,673	4,937,673	4,937,673	0.0%	0.0%
TOTAL EXPENDITURES	**$ 4,937,673**	**$ 4,937,673**	**$ 4,937,673**	**$ 4,937,673**	**0.0%**	**0.0%**

Contingency Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 4,937,673	$ 4,937,673	$ 4,937,673	$ 4,937,673
Plus Revenues	-	-	-	-
Less Expenditures	-	-	-	-
Ending Fund Balance	**$ 4,937,673**	**$ 4,937,673**	**$ 4,937,673**	**$ 4,937,673**
Consisting of:				
Reserve at 12.5% of General Fund Expenditures*	4,454,836	4,647,720	4,835,624	5,007,650
Contingency Reserve (Under)/Over Policy	482,837	289,953	102,049	(69,977)
Ending Fund Balance	**$ 4,937,673**	**$ 4,937,673**	**$ 4,937,673**	**$ 4,937,673**

**Note - General Fund Expenditures excluding Interfund Transfers Out*

1% FOR THE ARTS FUND – 140

The 1% For the Arts Fund accounts for the 1% contribution from Capital Improvement Program (CIP) projects, excluding utilities, technology, and equipment. As stated in MICC 4.40.200 funds accumulated in the 1% for Arts Fund are restricted to 1) the selection, acquisition, and installation or display of original works of visual art; 2) repairs and maintenance of public art acquired with 1%-for-the-arts funds; and 3) other project-specific expenses of selection and acquisition; provided, that no part of the funds shall be used to pay administrative staffing expenses of the program.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ -	$ 43,836	$ -	$ 35,000	-100.0%	N/A
One Percent for Arts	52,474	2,000	38,812	-	1840.6%	-100.0%
Insurance Proceeds	-	-	-	-	N/A	N/A
Interfund Transfers In	-	-	-	-	N/A	N/A
Total Budgeted Revenues	**$ 52,474**	**$ 45,836**	**$ 38,812**	**$ 35,000**	**-15.3%**	**-9.8%**
Not Budgeted						
Beginning Fund Balance (Reserved)	193,420	170,106	170,106	138,918	0.0%	-18.3%
TOTAL REVENUES	**$ 245,894**	**$ 215,942**	**$ 208,918**	**$ 173,918**	**-3.3%**	**-16.8%**
EXPENDITURES						
Budgeted						
Public Art Maintenance	$ 31,953	$ 45,836	$ 35,000	$ 35,000	-23.6%	0.0%
Total Budgeted Expenditures	**$ 31,953**	**$ 45,836**	**$ 35,000**	**$ 35,000**	**-23.6%**	**0.0%**
Not Budgeted						
Ending Fund Balance	213,942	170,106	173,918	138,918	2.2%	-20.1%
TOTAL EXPENDITURES	**$ 245,895**	**$ 215,942**	**$ 208,918**	**$ 173,918**	**-3.3%**	**-16.8%**

1% for the Arts Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 193,420	$ 213,942	$ 170,106	$ 173,918
Plus Revenues	52,474	2,000	38,812	-
Less Expenditures	(31,953)	(45,836)	(35,000)	(35,000)
Ending Fund Balance	**$ 213,942**	**$ 170,106**	**$ 173,918**	**$ 138,918**
Consisting of:				
Funding for Expenditures Next Year	43,836	-	35,000	-
Art in public places reserve	170,106	170,106	138,918	138,918
Ending Fund Balance	**$ 213,942**	**$ 170,106**	**$ 173,918**	**$ 138,918**

YOUTH & FAMILY SERVICES FUND – 160

The Youth & Family Services Fund was created to account for all revenues and expenditures directly related to the Youth & Family Services (YFS) Department. These programs include the Thrift Shop operations, Individual & Family Counseling, Senior Services, Emergency Assistance, and the School-Based Services program. YFS is largely supported by donations, grants, and the MIYFS Foundation.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Use of Operating Reserves	$ 219,246	$ 638,194	$ 438,105	$ 62,132	-31.4%	-85.8%
Federal, State & Local Grants	84,712	96,496	58,020	45,700	-39.9%	-21.2%
Healthy Youth Initiative Grants	85,668	92,500	109,879	-	18.8%	-100.0%
School Counselor Program Support	60,000	60,000	60,000	60,000	0.0%	0.0%
Thrift Shop	1,744,698	1,903,269	2,093,596	2,198,276	10.0%	5.0%
Program Fees	139,217	277,500	130,000	130,000	-53.2%	0.0%
Emergency Assistance Program Support	59,789	35,000	48,000	48,000	37.1%	0.0%
MIYFS Foundation Support	547,550	610,000	580,000	580,000	-4.9%	0.0%
Affordable and Supplemental Housing	40,209	35,000	35,000	35,000	0.0%	0.0%
Opioid Settlement Agreements	48,714	44,474	34,018	51,752	-23.5%	52.1%
Interfund Transfer	350,000	350,000	477,000	1,066,900	36.3%	123.7%
Total Budgeted Revenues	**$ 3,379,802**	**$ 4,142,433**	**$ 4,063,618**	**$ 4,277,760**	**-1.9%**	**5.3%**
Not Budgeted						
Beginning Fund Balance (Reserved)	1,208,866	570,672	132,567	70,435	-76.8%	-46.9%
TOTAL REVENUES	**$ 4,588,668**	**$ 4,713,105**	**$ 4,196,185**	**$ 4,348,195**	**-11.0%**	**3.6%**
EXPENDITURES						
Budgeted						
YFS Administration	$ 459,456	$ 519,783	$ 549,000	$ 601,298	5.6%	9.5%
Thrift Shop	1,190,953	1,372,915	1,470,493	1,592,263	7.1%	8.3%
School Counselor Program	837,013	976,767	990,776	1,068,900	1.4%	7.9%
Senior Outreach	-	100,843	100,951	102,718	0.1%	1.8%
Family Counseling	422,698	632,617	453,954	473,974	-28.2%	4.4%
Emergency Assistance & Food Pantry	332,638	340,544	317,412	325,414	-6.8%	2.5%
Healthy Youth Initiative Grants	137,045	198,964	181,032	113,193	-9.0%	-37.5%
Total Budgeted Expenditures	**$ 3,379,802**	**$ 4,142,433**	**$ 4,063,618**	**$ 4,277,760**	**-1.9%**	**5.3%**
Not Budgeted						
Ending Fund Balance	1,208,866	570,672	132,567	70,435	-76.8%	-46.9%
TOTAL EXPENDITURES	**$ 4,588,668**	**$ 4,713,105**	**$ 4,196,185**	**$ 4,348,195**	**-11.0%**	**3.6%**

YFS Fund: Expenditure Summary

Presented in the table below are expenditures by category for 2025-2028.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	27-28
EXPENDITURES						
Budgeted						
Salaries and Wages	$ 2,122,182	$ 2,420,642	$ 2,388,231	$ 2,564,823	-1.3%	7.4%
Benefits	567,101	1,049,291	940,892	952,150	-10.3%	1.2%
Contractual Services	230,462	209,300	250,000	264,300	19.4%	5.7%
Other Services and Charges	460,056	463,199	484,495	496,487	4.6%	2.5%
Total Budgeted Expenditures	**$ 3,379,802**	**$ 4,142,432**	**$ 4,063,618**	**$ 4,277,760**	**-1.9%**	**5.3%**
Not Budgeted						
Ending Fund Balance	1,208,866	570,672	132,567	70,435	-76.8%	-46.9%
TOTAL EXPENDITURES	**$ 4,588,668**	**$ 4,713,104**	**$ 4,196,185**	**$ 4,348,195**	**-11.0%**	**3.6%**

YFS Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

` Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 1,428,112	$ 1,208,866	$ 570,672	$ 132,567
Plus Revenues	3,160,556	3,504,239	3,625,513	4,215,628
Less Expenditures	(3,379,802)	(4,142,433)	(4,063,618)	(4,277,760)
Ending Fund Balance	**$ 1,208,866**	**$ 570,672**	**$ 132,567**	**$ 70,435**
Consisting of:				
Emergency Assistance & Food Pantry	12,025	12,025	12,025	12,025
Opioid Settlement Funds	237,245	175,247	119,851	58,410
Unreserved	959,596	383,400	691	0
Ending Fund Balance	**$ 1,208,866**	**$ 570,672**	**$ 132,567**	**$ 70,435**

DEVELOPMENT SERVICES FUND – 180

The Development Services Fund is established to account for the revenues and expenditures specific to land use, development engineering, and development permitting. Previously accounted for within the General Fund, this new special revenue fund separates these restricted permit and land use functions. The fund is established using prior year restricted development revenue transferred in from the General Fund.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
RESOURCES						
Budgeted						
Beginning Fund Balance	$ -	$ -	$ 71,717	$ 129,007	N/A	79.9%
Permit & Land Use Fees	4,137,585	3,772,971	3,948,165	4,041,170	4.6%	2.4%
Grants	37,500	-	-	-	N/A	N/A
Interfund Transfers In	2,040,733	966,165	867,805	894,525	-10.2%	3.1%
Total Budgeted Resources	**$6,215,818**	**$ 4,739,136**	**$ 4,887,687**	**$ 5,064,702**	**3.1%**	**3.6%**
Not Budgeted						
Beginning Fund Balance (Reserved)	-	2,437,598	2,770,797	2,641,790	13.7%	-4.7%
TOTAL RESOURCES	**$6,215,818**	**$ 7,176,734**	**$ 7,658,484**	**$ 7,706,492**	**6.7%**	**0.6%**
USES						
Budgeted						
Administration	$1,230,197	$ 1,261,702	$ 1,268,132	$ 1,315,886	0.5%	3.8%
Permit Center	302,471	454,713	752,099	783,582	65.4%	4.2%
Building Plan Review & Inspection	836,516	974,260	958,597	984,174	-1.6%	2.7%
Planning & Land Use	1,124,122	1,354,562	1,614,673	1,680,165	19.2%	4.1%
Development Engineering	284,914	288,983	294,186	300,895	1.8%	2.3%
Total Budgeted Expenditures	**$3,778,219**	**$ 4,334,220**	**$ 4,887,687**	**$ 5,064,702**	**12.8%**	**3.6%**
Not Budgeted						
Ending Fund Balance	2,437,598	2,842,514	2,770,797	2,641,790	-2.5%	-4.7%
TOTAL USES	**$6,215,818**	**$ 7,176,734**	**$ 7,658,484**	**$ 7,706,492**	**6.7%**	**0.6%**

Development Services Fund: Expenditure Summary

Presented in the table below are expenditures by category for 2025-2028.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
USES						
Budgeted						
Salaries and Wages	$ 2,369,528	$ 2,453,143	$ 2,948,099	$ 3,099,203	20.2%	5.1%
Benefits	634,656	936,487	1,013,719	1,006,788	8.2%	-0.7%
Other Services and Charges	393,086	516,005	521,864	532,626	1.1%	2.1%
City Administration Overhead	380,949	428,585	404,005	426,085	-5.7%	5.5%
Total Budgeted Expenditures	**$ 3,778,219**	**$ 4,334,220**	**$ 4,887,687**	**$ 5,064,702**	**12.8%**	**3.6%**
Not Budgeted					N/A	N/A
Ending Fund Balance	2,437,598	2,842,514	2,770,797	2,641,790	-2.5%	-4.7%
TOTAL USES	**$6,215,818**	**$7,176,734**	**$7,658,484**	**$7,706,492**	**6.7%**	**0.6%**

Development Services Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ -	$ 2,437,598	$ 2,842,514	$ 2,770,797
Plus Revenues	6,215,818	4,739,136	4,815,970	4,935,695
Less Expenditures	(3,778,219)	(4,334,220)	(4,887,687)	(5,064,702)
Ending Fund Balance	**$ 2,437,598**	**$ 2,842,514**	**$ 2,770,797**	**$ 2,641,790**
Consisting of:				
Unreserved	2,437,598	2,842,514	2,770,797	2,641,790
Ending Fund Balance	**$ 2,437,598**	**$ 2,842,514**	**$ 2,770,797**	**$ 2,641,790**

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for the payment of principal and interest on general obligation bonds. General obligation bonds are those for which the full faith and credit of the City are pledged. They are payable from property taxes. The City of Mercer Island has two Debt Service Funds: Bond Redemption Fund – Voted, and Bond Redemption Fund – Non-Voted.

BOND REDEMPTION FUND (VOTED) – 210

This fund accounts for "excess" (i.e., voted bond) property tax levies that are dedicated to paying the debt service (i.e., principal and interest) on unlimited tax general obligation (UTGO) bonds. The City currently has no outstanding UTGO Bonds.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted					N/A	N/A
Beginning Fund Balance	$ -	$ -	$ -	$ -	N/A	N/A
Total Budgeted Revenues	**$ -**	**$ -**	**$ -**	**$ -**	**N/A**	**N/A**
Not Budgeted						
Beginning Fund Balance (Reserved)	18,943	18,943	18,943	18,943	0.0%	0.0%
TOTAL REVENUES	**$ 18,943**	**$ 18,943**	**$ 18,943**	**$ 18,943**	**0.0%**	**0.0%**
EXPENDITURES						
Budgeted						
Principal - Voted	$ -	$ -	$ -	$ -	N/A	N/A
Interest - Voted	-	-	-	-	N/A	N/A
Total Budgeted Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**N/A**	**N/A**
Not Budgeted						
Ending Fund Balance	18,943	18,943	18,943	18,943	0.0%	0.0%
TOTAL EXPENDITURES	**$ 18,943**	**$ 18,943**	**$ 18,943**	**$ 18,943**	**0.0%**	**0.0%**

Bond Redemption Fund (Voted): Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 18,943	$ 18,943	$ 18,943	$ 18,943
Plus Revenues	-	-	-	-
Less Expenditures	-	-	-	-
Ending Fund Balance	**$ 18,943**	**$ 18,943**	**$ 18,943**	**$ 18,943**
Consisting of:				
Debt Service Reserve	18,943	18,943	18,943	18,943
Ending Fund Balance	**$ 18,943**	**$ 18,943**	**$ 18,943**	**$ 18,943**

BOND REDEMPTION FUND (NON-VOTED) – 220

This fund accounts for revenues that are dedicated to paying the debt service (i.e., principal and interest) on limited (i.e., non-voted) general obligation (LTGO) bonds and loans. The City currently has one general government loan outstanding.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUE						
Budgeted						
Beginning Fund Balance	$ -	$ -	$ -	$ -	N/A	N/A
Interfund Transfer In	-	137,462	139,919	136,647	1.8%	-2.3%
Total Budgeted Revenues	**$ -**	**$ 137,462**	**$ 139,919**	**$ 136,647**	**1.8%**	**-2.3%**
Not Budgeted						
Beginning Fund Balance (Reserved)	5,080	5,080	5,080	5,080	0.0%	0.0%
TOTAL REVENUES	**$ 5,080**	**$ 142,542**	**$ 144,999**	**$ 141,727**	**1.7%**	**-2.3%**
EXPENDITURES						
Budgeted						
Debt Payments						
9655 Building	$ -	$ 137,462	$ 139,919	$ 136,647	1.8%	-2.3%
Total Budgeted Expenditures	**$ -**	**$ 137,462**	**$ 139,919**	**$ 136,647**	**1.8%**	**-2.3%**
Not Budgeted						
Ending Fund Balance	5,080	5,080	5,080	5,080	0.0%	0.0%
TOTAL EXPENDITURES	**$ 5,080**	**$ 142,542**	**$ 144,999**	**$ 141,727**	**1.7%**	**-2.3%**

Bond Redemption Fund (Non-voted): Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 5,080	$ 5,080	$ 5,080	$ 5,080
Plus Revenues	-	137,462	139,919	136,647
Less Expenditures	-	(137,462)	(139,919)	(136,647)
Ending Fund Balance	**$ 5,080**	**$ 5,080**	**$ 5,080**	**$ 5,080**
Consisting of:				
Debt Service Reserve	5,080	5,080	5,080	5,080
Ending Fund Balance	**$ 5,080**	**$ 5,080**	**$ 5,080**	**$ 5,080**

CAPITAL PROJECT FUNDS

Capital Project Funds include financial resources for the acquisition or construction of capital facilities other than those financed by Enterprise or Internal Service Funds. The City of Mercer Island has three Capital Project Funds: Capital Improvement Fund, Technology & Equipment Fund, and Municipal Facility Replacement Fund.

CAPITAL IMPROVEMENT FUND – 320

The Capital Improvement Fund accounts for revenues that can only be spent on the following types of general government capital projects: parks, open spaces, and buildings. The projects planned for 2027 and 2028 are described in detail in the Capital Improvement Program.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUE						
Budgeted						
Beginning Fund Balance	$ 2,863,436	$ 5,977,339	$ -	$ 2,288,550	-100.0%	N/A
Property Tax	906,391	921,016	930,226	939,528	1.0%	1.0%
Real Estate Excise Tax	2,136,478	2,641,574	2,178,867	2,230,332	-17.5%	2.4%
General Govt / Grants / Fines	1,780,808	2,084,484	6,750,926	1,653,018	223.9%	-75.5%
Sound Transit Mitigation	295,394	-	-	-	N/A	N/A
GMA Impact Fees	38,502	20,605	25,000	25,000	21.3%	0.0%
Interfund Transfers	-	1,311,423	155,000	-	-88.2%	-100.0%
Total Budgeted Revenues	**$ 8,021,008**	**$ 12,956,441**	**$10,040,019**	**$ 7,136,428**	**-22.5%**	**-28.9%**
Not Budgeted						
Beginning Fund Balance (Reserved)	6,782,251	804,912	804,912	1,888,713	0.0%	134.6%
TOTAL REVENUES	**$ 14,803,259**	**$ 13,761,353**	**$10,844,931**	**$ 9,025,141**	**-21.2%**	**-16.8%**
EXPENDITURES						
Budgeted						
Capital Improvement Program	$ 5,603,497	$ 12,166,610	$ 5,441,700	$ 5,881,100	-55.3%	8.1%
Project Management Expenses	746,759	652,369	1,086,050	1,118,681	66.5%	3.0%
Debt Service	-	137,462	139,919	136,647	1.8%	-2.3%
Interfund Transfers Out	1,670,752	-	-	-	N/A	N/A
Total Budgeted Expenditures	**$ 8,021,008**	**$ 12,956,441**	**$ 6,667,669**	**$ 7,136,428**	**-48.5%**	**7.0%**
Not Budgeted						
Ending Fund Balance	6,782,251	804,912	4,177,263	1,888,713	419.0%	-54.8%
TOTAL EXPENDITURES	**$ 14,803,259**	**$ 13,761,353**	**$10,844,931**	**$ 9,025,141**	**-21.2%**	**-16.8%**

Capital Improvement Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 9,645,687	$ 6,782,251	$ 804,912	$ 4,177,263
Plus Revenues	5,157,572	6,979,102	10,040,019	4,847,878
Less Expenditures	(8,021,008)	(12,956,441)	(6,667,669)	(7,136,428)
Ending Fund Balance	**$ 6,782,251**	**$ 804,912**	**$ 4,177,263**	**$1,888,713**
Consisting of:				
RCO Property sale proceeds	28,400	28,400	28,400	28,400
Freeman Landing Reserve	329,891	329,891	329,891	329,891
King Count Parks Levy reserve	650,347	-	-	-
Parks Impact Fee reserve	8,732	29,337	54,337	79,337
All Weather Field Repl Reserve	755,162	955,162	1,155,162	1,355,162
Operating Fund Balance Minimum	114,000	114,000	114,000	114,000
Unreserved	4,895,720	(651,878)	2,495,473	(18,077)
Ending Fund Balance	**$ 6,782,251**	**$ 804,912**	**$ 4,177,263**	**$1,888,713**

TECHNOLOGY & EQUIPMENT FUND – 330

The Technology & Equipment Fund accounts for general government capital investments in technology software, furnishings, and equipment. An interfund transfer from the General Fund is the main source of revenue for this Fund. Other Funds may contribute resources for specific projects when shared by multiple operating departments. The projects planned for 2027 and 2028 are described in detail in the Capital Improvement Program.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ -	$ 618,873	$ 202,000	$ -	-67.4%	-100.0%
General Govt / Grants / Fines	421,490	-	-	-	N/A	N/A
Interfund Transfers	486,929	395,922	435,000	547,500		
Total Budgeted Revenues	**$ 908,419**	**$ 1,014,795**	**$ 637,000**	**$ 547,500**	**-37.2%**	**-14.1%**
Not Budgeted						
Beginning Fund Balance (Reserved)	1,225,045	1,267,538	1,065,538	1,065,538	-15.9%	0.0%
TOTAL REVENUES	**$ 2,133,464**	**$ 2,282,333**	**$ 1,702,538**	**$ 1,613,038**	**-25.4%**	**-5.3%**
EXPENDITURES						
Budgeted						
Technology Improvements	$ 247,053	$ 1,014,795	$ 482,000	$ 378,500	-52.5%	-21.5%
Interfund Transfers	-	-	155,000	-	N/A	-100.0%
Total Budgeted Expenditures	**$ 247,053**	**$ 1,014,795**	**$ 637,000**	**$ 378,500**	**-37.2%**	**-40.6%**
Not Budgeted						
Ending Fund Balance	1,886,411	1,267,538	1,065,538	1,234,538	-15.9%	15.9%
TOTAL EXPENDITURES	**$ 2,133,464**	**$ 2,282,333**	**$ 1,702,538**	**$ 1,613,038**	**-25.4%**	**-5.3%**

Technology & Equipment Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 1,225,045	$ 1,886,411	$ 1,267,538	$ 1,065,538
Plus Revenues	908,419	395,922	435,000	547,500
Less Expenditures	(247,053)	(1,014,795)	(637,000)	(378,500)
Ending Fund Balance	**$ 1,886,411**	**$ 1,267,538**	**$ 1,065,538**	**$ 1,234,538**
Consisting of:				
Federal and State seizure funds	41,345	41,345	41,345	41,345
MICEC Equipment Replacement Reserve	49,210	24,632	24,632	24,632
Police In-car Cameral Replacement Reserve	85,710	12,000	24,000	36,000
EPSCA Distribution	321,490	321,490	321,490	321,490
Funding for Expenditures Next Year	618,873	202,000	-	-
Unreserved	769,783	666,071	654,071	811,071
Ending Fund Balance	**$ 1,886,411**	**$ 1,267,538**	**$ 1,065,538**	**$ 1,234,538**

MUNICIPAL FACILITY REPLACEMENT FUND – 350

The Municipal Facility Capital Replacement Fund was established to account for resources accumulated to address short- and long-term municipal facility needs.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ 3,819,752	$ -	$ -	$ -	N/A	N/A
Proceeds of LTGO Debt	1,540,000	-	-	-		
Interfund Transfer	5,908,029	587,549	-	-	-100.0%	N/A
Total Budgeted Revenues	**$ 11,267,781**	**$ 587,549**	**$ -**	**$ -**	**-100.0%**	**N/A**
Not Budgeted						
Beginning Fund Balance (Reserved)	160,056	160,056	185,322	185,322	15.8%	0.0%
TOTAL REVENUES	**$ 11,427,837**	**$ 747,605**	**$ 185,322**	**$ 185,322**	**-75.2%**	**0.0%**
EXPENDITURES						
Budgeted						
Capital Facilites	$ 9,765,051	$ 562,283	$ -	$ -	-100.0%	N/A
Transfer Out	1,502,730	-	-	-	#DIV/0!	#DIV/0!
Total Budgeted Expenditures	**$ 11,267,781**	**$ 562,283**	**$ -**	**$ -**	**-100.0%**	**N/A**
Not Budgeted						
Ending Fund Balance	160,056	185,322	185,322	185,322	0.0%	0.0%
TOTAL EXPENDITURES	**$ 11,427,837**	**$ 747,605**	**$ 185,322**	**$ 185,322**	**-75.2%**	**0.0%**

Municipal Facility Replacement Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 160,056	$ 160,056	$ 185,322	$ 185,322
Plus Revenues	11,267,781	587,549	-	-
Less Expenditures	(11,267,781)	(562,283)	-	-
Ending Fund Balance	**$ 160,056**	**$ 185,322**	**$ 185,322**	**$ 185,322**
Consisting of:				
Unreserved	160,056	185,322	185,322	185,322
Ending Fund Balance	**$ 160,056**	**$ 185,322**	**$ 185,322**	**$ 185,322**

ENTERPRISE FUNDS

Enterprise Funds account for government activities that are financed and operated in a manner similar to private business. Costs of providing services to the community are primarily financed by user fees. The City of Mercer Island has three Enterprise Funds: Water Fund, Sewer Fund, and Stormwater Fund.

WATER FUND – 410

The Water Fund, which encompasses the City's water utility, accounts for all activities (i.e., administration, operations, maintenance, and capital investment) related to the provision of water services to the City's residential, commercial, and public customers.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ 5,998,403	$ 22,046,447	$ -	$ 9,908,689	-100.0%	N/A
Sales to Customers	13,356,191	13,604,295	14,053,030	15,577,957	3.3%	10.9%
Proceeds of Debt Issuance	-	-	18,500,000	-	N/A	-100.0%
Interest Earnings	1,473,244	1,125,540	1,039,885	1,069,810	-7.6%	2.9%
Other Services and Charges	370,351	-	-	-	N/A	N/A
Total Budgeted Revenues	**$ 21,198,189**	**$ 36,776,282**	**$ 33,592,915**	**$ 26,556,456**	**-8.7%**	**-20.9%**
Not Budgeted						
Beginning Fund Balance (Reserved)	33,793,044	11,746,597	11,746,597	2,463,790	0.0%	-79.0%
TOTAL REVENUES	**$ 54,991,233**	**$ 48,522,879**	**$ 45,339,512**	**$ 29,020,246**	**-6.6%**	**-36.0%**
EXPENDITURES						
Budgeted						
Maintenance and Operations	$ 4,137,449	$ 4,345,630	$ 4,541,798	$ 4,710,589	4.5%	3.7%
Water Purchased for Resale	1,912,436	2,334,585	2,122,887	2,314,560	-9.1%	9.0%
Debt Service	2,337,226	2,430,188	3,834,087	3,829,307	57.8%	-0.1%
City Administration	655,658	748,134	795,846	821,264	6.4%	3.2%
Water System Improvements (CIP)	11,618,477	25,983,442	20,709,000	13,971,000	-20.3%	-32.5%
CIP Project Overhead	440,435	719,599	740,650	767,371	2.9%	3.6%
Interfund Transfer - CIP	96,507	214,704	222,765	142,365	3.8%	-36.1%
Total Budgeted Expenditures	**$ 21,198,189**	**$ 36,776,282**	**$ 32,967,033**	**$ 26,556,456**	**-10.4%**	**-19.4%**
Not Budgeted						
Ending Fund Balance	33,793,044	11,746,597	12,372,479	2,463,790	5.3%	-80.1%
TOTAL EXPENDITURES	**$ 54,991,233**	**$ 48,522,879**	**$ 45,339,512**	**$ 29,020,246**	**-6.6%**	**-36.0%**

Recap by Fund

Water Fund: Expenditure Summary

Presented in the table below are expenditures by category for 2025-2028.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
EXPENDITURES						
Budgeted						
Salaries and Wages	$ 1,335,421	$ 1,359,711	$ 1,617,630	$ 1,693,400	19.0%	4.7%
Benefits	620,610	589,698	602,480	603,711	2.2%	0.2%
Water Purchased for Resale	1,912,436	2,334,585	2,122,887	2,314,560	-9.1%	9.0%
Other Services and Charges	2,837,077	3,144,355	3,117,534	3,234,742	-0.9%	3.8%
Debt Service	2,337,226	2,430,188	3,834,087	3,829,307	57.8%	-0.1%
Water System Improvements (CIP)	11,618,477	25,983,442	20,709,000	13,971,000	-20.3%	-32.5%
CIP Project Overhead	440,435	719,599	740,650	767,371	2.9%	3.6%
Interfund Transfer - CIP	96,507	214,704	222,765	142,365	3.8%	-36.1%
Total Budgeted Expenditures	**$ 21,198,189**	**$ 36,776,282**	**$ 32,967,033**	**$ 26,556,456**	**-10.4%**	**-19.4%**
Not Budgeted						
Ending Fund Balance	33,793,044	11,746,597	12,372,479	2,463,790	5.3%	-80.1%
TOTAL EXPENDITURES	**$ 54,991,233**	**$ 48,522,879**	**$ 45,339,512**	**$ 29,020,246**	**-6.6%**	**-36.0%**

Water Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Working Capital Balance	$ 39,791,447	$ 33,793,044	$ 11,746,597	$ 12,372,479
Plus Revenues	15,199,786	14,729,835	33,592,915	16,647,767
Less Expenditures	(21,198,189)	(36,776,282)	(32,967,033)	(26,556,456)
Ending Working Capital Balance	**$ 33,793,044**	**$ 11,746,597**	**$12,372,479**	**$ 2,463,790**
Consisting of:				
Operating Fund Balance Minimum	1,646,600	1,739,900	1,056,700	1,157,900
Capital Minimum Target Balance	641,300	904,800	1,101,400	1,261,500
Funding for Expenditures Next Year	22,046,447	-	9,908,689	-
Unreserved	9,458,697	9,101,897	305,690	44,390
Ending Working Capital Balance	**$ 33,793,044**	**$ 11,746,597**	**$12,372,479**	**$ 2,463,790**

SEWER FUND – 420

The Sewer Fund, which encompasses the City's sewer utility, accounts for all activities (i.e., administration, operation, maintenance, and capital investment) related to the provision of sewer services to the City's residential, commercial, and public customers.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ -	$ 8,137,707	$ -	$ 21,809,478	-100.0%	N/A
Sales to Customers	12,559,976	13,359,815	14,586,329	16,033,451	9.2%	9.9%
Proceeds of Debt Issuance	-	-	26,000,000	-	N/A	-100.0%
Interest Earnings	427,062	334,620	309,155	440,510	-7.6%	42.5%
Total Budgeted Revenues	**$ 12,987,038**	**$ 21,832,142**	**$ 40,895,484**	**$ 38,283,439**	**87.3%**	**-6.4%**
Not Budgeted						
Beginning Fund Balance (Reserved)	10,438,073	2,573,408	2,573,408	2,199,221	0.0%	-14.5%
TOTAL REVENUES	**$ 23,425,111**	**$ 24,405,550**	**$ 43,468,892**	**$ 40,482,660**	**78.1%**	**-6.9%**
EXPENDITURES						
Budgeted						
King County Sewer Treatment	$ 6,043,299	$ 6,603,600	$ 7,500,791	$ 8,457,368	13.6%	12.8%
Maintenance and Operations	2,689,388	3,067,120	3,564,064	3,658,287	16.2%	2.6%
Debt Service	1,028,615	1,029,611	2,730,999	2,734,006	165.2%	0.1%
City Admin Charges	450,075	511,863	489,045	504,755	-4.5%	3.2%
Sewer System Improvements (CIP)	2,207,717	10,177,631	4,778,000	22,529,200	-53.1%	371.5%
CIP Project Overhead	267,456	276,850	351,229	367,558	26.9%	4.6%
Interfund Transfer - CIP	27,446	165,467	46,065	32,265	-72.2%	-30.0%
Total Budgeted Expenditures	**$ 12,713,996**	**$ 21,832,142**	**$ 19,460,193**	**$ 38,283,439**	**-10.9%**	**96.7%**
Not Budgeted						
Ending Fund Balance	10,711,115	2,573,408	24,008,699	2,199,221	833.0%	-90.8%
TOTAL EXPENDITURES	**$ 23,425,111**	**$ 24,405,550**	**$ 43,468,892**	**$ 40,482,660**	**78.1%**	**-6.9%**

Recap by Fund

Sewer Fund: Expenditure Summary

Presented in the table below are expenditures by category for 2025-2028.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
EXPENDITURES						
Budgeted						
Salaries and Wages	$ 1,023,531	$ 1,182,837	$ 1,265,705	$ 1,321,850	7.0%	4.4%
Benefits	467,857	502,809	475,672	476,914	-5.4%	0.3%
King County Sewer Treatment	6,043,299	6,603,600	7,500,791	8,457,368	13.6%	12.8%
Debt Sevice	1,028,615	1,029,611	2,730,999	2,734,006	165.2%	0.1%
Other Services and Charges	1,648,075	1,893,337	2,311,732	2,364,278	22.1%	2.3%
Capital Program	2,475,173	10,454,481	5,129,229	22,896,758	-50.9%	346.4%
Interfund Transfers	27,446	165,467	46,065	32,265	-72.2%	-30.0%
Total Budgeted Expenditures	**$ 12,713,996**	**$ 21,832,142**	**$ 19,460,193**	**$ 38,283,439**	**-10.9%**	**96.7%**
Not Budgeted						
Ending Fund Balance	10,711,115	2,573,408	24,008,699	2,199,221	833.0%	-90.8%
TOTAL EXPENDITURES	**$ 23,425,111**	**$ 24,405,550**	**$ 43,468,892**	**$ 40,482,660**	**78.1%**	**-6.9%**

Sewer Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Working Capital Balance	$ 10,438,073	$10,711,115	$ 2,573,408	$24,008,699
Plus Revenues	12,987,038	13,694,435	40,895,484	16,473,961
Less Expenditures	(12,713,996)	(21,832,142)	(19,460,193)	(38,283,439)
Ending Working Capital Balance	**$ 10,711,115**	**$ 2,573,408**	**$24,008,699**	**$ 2,199,221**
Consisting of:				
Operating Fund Balance Minimum	782,900	860,300	938,300	1,029,600
Capital Minimum Target Balance	489,100	591,200	639,600	865,300
Funding for Expenditures Next Year	8,137,707	-	21,809,478	-
Unreserved	1,301,408	1,121,908	621,321	304,321
Ending Working Capital Balance	**$ 10,711,115**	**$ 2,573,408**	**$24,008,699**	**$ 2,199,221**

STORM WATER FUND – 430

The Stormwater Fund, which encompasses the City's stormwater utility, accounts for all activities (i.e., administration, operations, maintenance, and capital investment) related to the provision of storm and surface water management services to the City's residential, commercial, and public customers.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ -	$ 538,314	$ 2,514,641	$ 2,185,779	367.1%	-13.1%
Sales to Customers	2,875,606	3,103,968	3,287,203	3,478,090	5.9%	5.8%
Permitting Fee-in-lieu	97,813	50,000	-	-	-100.0%	N/A
Grant	130,000	195,000	75,000	75,000	-61.5%	0.0%
Interest Earnings	232,946	182,520	168,630	188,790	-7.6%	12.0%
Total Budgeted Revenues	**$ 3,336,365**	**$ 4,069,802**	**$ 6,045,474**	**$ 5,927,659**	**48.5%**	**-1.9%**
Not Budgeted						
Beginning Fund Balance (Reserved)	5,124,305	5,150,524	2,635,883	450,104	-48.8%	-82.9%
TOTAL REVENUES	**$ 8,460,670**	**$ 9,220,326**	**$ 8,681,357**	**$ 6,377,763**	**-5.8%**	**-26.5%**
EXPENDITURES						
Budgeted						
Maintenance and Operations	$ 1,853,914	$ 2,304,321	$ 2,562,815	$ 2,621,884	11.2%	2.3%
City Admin Charges	168,761	189,227	200,884	207,524	6.2%	3.3%
Stormwater System Improvements (CIP)	439,378	911,911	2,445,000	2,456,600	168.1%	0.5%
CIP Project Overhead	188,988	208,638	492,595	516,771	136.1%	4.9%
Interfund Transfer - CIP	120,791	455,705	344,180	124,880	-24.5%	-63.7%
Total Budgeted Expenditures	**$ 2,771,831**	**$ 4,069,802**	**$ 6,045,474**	**$ 5,927,659**	**48.5%**	**-1.9%**
Not Budgeted						
Ending Fund Balance	5,688,838	5,150,524	2,635,883	450,104	-48.8%	-82.9%
TOTAL EXPENDITURES	**$ 8,460,670**	**$ 9,220,326**	**$ 8,681,357**	**$ 6,377,763**	**-5.8%**	**-26.5%**

Storm Water Fund: Expenditure Summary

Presented in the table below are expenditures by category for 2025-2028.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
EXPENDITURES						
Budgeted						
Salaries and Wages	$ 715,547	$ 852,391	$ 1,003,201	$ 1,050,987	17.7%	4.8%
Benefits	318,174	351,758	366,649	366,281	4.2%	-0.1%
Contractual Services	99,173	304,700	204,750	207,250	-32.8%	1.2%
Other Services and Charges	889,780	984,699	1,189,099	1,204,890	20.8%	1.3%
Capital Program	628,365	1,120,549	2,937,595	2,973,371	162.2%	1.2%
Interfund Transfers	120,791	455,705	344,180	124,880	-24.5%	-63.7%
Total Budgeted Expenditures	**$ 2,771,831**	**$ 4,069,802**	**$ 6,045,474**	**$ 5,927,659**	**48.5%**	**-1.9%**
Not Budgeted						
Ending Fund Balance	5,688,838	5,150,524	2,635,883	450,104	-48.8%	-82.9%
TOTAL EXPENDITURES	**$ 8,460,670**	**$ 9,220,326**	**$ 8,681,357**	**$ 6,377,763**	**-5.8%**	**-26.5%**

Storm Water Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Working Capital Balance	$ 5,124,305	$ 5,688,838	$ 5,150,524	$ 2,635,883
Plus Revenues	3,336,365	3,531,488	3,530,833	3,741,880
Less Expenditures	(2,771,831)	(4,069,802)	(6,045,474)	(5,927,659)
Ending Working Capital Balance	**$ 5,688,838**	**$ 5,150,524**	**$ 2,635,883**	**$ 450,104**
Consisting of:				
Operating Fund Balance Minimum	247,800	308,600	319,700	330,500
Capital Minimum Target Balance	12,600	29,100	56,600	83,600
Funding for Expenditures Next Year	538,314	2,514,641	2,185,779	-
Unreserved	4,890,124	2,298,183	73,804	36,004
Ending Working Capital Balance	**$ 5,688,838**	**$ 5,150,524**	**$ 2,635,883**	**$ 450,104**

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing, on a cost-reimbursement basis, of goods and services provided by one department of the City to another department. The City of Mercer Island has two Internal Service Funds: Equipment Rental Fund and Computer Equipment Fund.

EQUIPMENT RENTAL FUND – 510

The Equipment Rental Fund accounts for the cost of maintaining, operating, and replacing all City owned vehicles, heavy equipment, and radios. This equipment is funded through internal user charges developed for each class of vehicle, heavy equipment, and radio.

Maintenance and operating costs primarily include fuel, parts, insurance, mechanic services, and administrative support. A vehicle replacement reserve within the Fund accumulates the resources needed to replace a vehicle when its useful life has been reached.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ 1,047,657	$ 1,244,097	$ 414,498	$ -	-66.7%	-100.0%
Property Taxes	169,958	171,657	173,374	175,107	1.0%	1.0%
Vehicle Maintenance & Operations	562,116	562,111	762,467	762,467	35.6%	0.0%
Vehicle Replacement Contributions	690,000	690,000	1,375,000	1,375,000	99.3%	0.0%
Insurance Proceeds (Fuel Cleanup)	-	111,250	111,500	111,500	0.2%	0.0%
Sale of Assets	121,028	10,000	-	-	-100.0%	N/A
Fire Apparatus Financing	-	1,267,470	-	-	-100.0%	N/A
Investment Interest	31,571	24,336	22,484	28,319	-7.6%	26.0%
Interfund Transfer	111,251	361,251	211,500	211,500	-41.5%	0.0%
Total Budgeted Revenues	**$ 2,733,581**	**$ 4,442,172**	**$ 3,070,823**	**$ 2,663,893**	**-30.9%**	**-13.3%**
Not Budgeted						
Beginning Fund Balance (Reserved)	3,149,120	1,905,023	1,490,525	1,490,525	-21.8%	0.0%
TOTAL REVENUES	**$ 5,882,701**	**$ 6,347,195**	**$ 4,561,348**	**$ 4,154,418**	**-28.1%**	**-8.9%**
EXPENDITURES						
Budgeted						
Fleet Services	$ 608,254	$ 572,795	$ 741,584	$ 750,875	29.5%	1.3%
Pollution Remediation (Fuel Cleanup)	190,680	472,500	223,000	223,000	-52.8%	0.0%
Lease Payments-Fire Fleet	96,587	268,153	376,939	280,353	40.6%	-25.6%
Vehicle Replacements	1,838,059	3,128,724	1,729,300	1,172,700	-44.7%	-32.2%
Total Budgeted Expenditures	**$ 2,733,581**	**$ 4,442,172**	**$ 3,070,823**	**$ 2,426,928**	**-30.9%**	**-21.0%**
Not Budgeted						
Ending Fund Balance	3,149,120	1,905,023	1,490,525	1,727,490	-21.8%	15.9%
TOTAL EXPENDITURES	**$ 5,882,701**	**$ 6,347,195**	**$ 4,561,348**	**$ 4,154,418**	**-28.1%**	**-8.9%**

Equipment Rental Fund: Expenditure Summary

Presented in the table below are expenditures by category for 2025-2028.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
EXPENDITURES						
Budgeted						
Salaries and Wages	$ 115,087	$ 109,113	$ 111,151	$ 119,759	1.9%	7.7%
Benefits	58,582	50,815	43,992	44,520	-13.4%	1.2%
Debt Service Payments	96,587	268,153	376,939	280,353	40.6%	-25.6%
Other Services and Charges	434,585	412,867	586,441	586,593	42.0%	0.0%
Capital Program	2,028,739	3,601,224	1,952,300	1,395,700	-45.8%	-28.5%
Total Budgeted Expenditures	**$ 2,733,581**	**$ 4,442,172**	**$ 3,070,823**	**$ 2,426,928**	**-30.9%**	**-21.0%**
Not Budgeted						
Ending Fund Balance	3,149,120	1,905,023	1,490,525	1,727,490	-21.8%	15.9%
TOTAL EXPENDITURES	**$ 5,882,701**	**$ 6,347,195**	**$ 4,561,348**	**$ 4,154,418**	**-28.1%**	**-8.9%**

Equipment Rental Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 4,196,777	$ 3,149,120	$ 1,905,023	$ 1,490,525
Plus Revenues	1,685,924	3,198,075	2,656,325	2,663,893
Less Expenditures	(2,733,581)	(4,442,172)	(3,070,823)	(2,426,928)
Ending Fund Balance	**$ 3,149,120**	**$ 1,905,023**	**$ 1,490,525**	**$ 1,727,490**
Consisting of:				
800 MHz Radio Replacement	373,610	373,610	373,610	373,610
Fire Apparatus Sinking Fund	818,603	722,107	618,542	613,296
Vehicle Replacement Reserve	1,956,907	809,306	498,373	740,584
Ending Fund Balance	**$ 3,149,120**	**$ 1,905,023**	**$ 1,490,525**	**$ 1,727,490**

COMPUTER EQUIPMENT FUND – 520

The Computer Equipment Fund accounts for the cost of operating, maintaining, and replacing all City owned computer-related hardware and equipment (servers, networks, PCs, laptops, printers, and phones). Computer equipment is funded through internal user charges developed for each type of technology-related device. The computer replacement reserve within the Fund accumulates the resources needed to replace a computer when its useful life has been reached.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ -	$ 64,245	$ 86,671	$ -	34.9%	-100.0%
Computer Support and Replacement	1,485,730	1,554,144	1,750,471	1,807,282	12.6%	3.2%
Total Budgeted Revenues	**$ 1,485,730**	**$ 1,618,389**	**$ 1,837,142**	**$ 1,807,282**	**13.5%**	**-1.6%**
Not Budgeted						
Beginning Fund Balance (Reserved)	970,970	1,047,235	960,564	960,564	-8.3%	0.0%
TOTAL REVENUES	**$ 2,456,700**	**$ 2,665,624**	**$ 2,797,706**	**$ 2,767,846**	**5.0%**	**-1.1%**
EXPENDITURES						
Budgeted						
Network Administration	$ 1,194,036	$ 1,312,585	$ 1,438,242	$ 1,481,242	9.6%	3.0%
Capital Replacement - Computers	151,184	305,804	398,900	88,600	30.4%	-77.8%
Total Budgeted Expenditures	**$ 1,345,220**	**$ 1,618,389**	**$ 1,837,142**	**$ 1,569,842**	**13.5%**	**-14.5%**
Not Budgeted						
Ending Fund Balance	1,111,480	1,047,235	960,564	1,198,004	-8.3%	24.7%
TOTAL EXPENDITURES	**$ 2,456,700**	**$ 2,665,624**	**$ 2,797,706**	**$ 2,767,846**	**5.0%**	**-1.1%**

Computer Equipment Fund: Expenditure Summary

Presented in the table below are expenditures by category for 2025-2028.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
EXPENDITURES						
Budgeted						
Salaries and Wages	$ 523,348	$ 554,050	$ 567,327	$ 587,726	2.4%	3.6%
Benefits	139,852	205,438	185,165	181,958	-9.9%	-1.7%
Contractual Services	456,699	446,997	579,150	604,958	29.6%	4.5%
Other Services and Charges	74,137	106,100	106,600	106,600	0.5%	0.0%
Capital Program	151,184	305,804	398,900	88,600	30.4%	-77.8%
Total Budgeted Expenditures	**$ 1,345,220**	**$ 1,618,389**	**$ 1,837,142**	**$ 1,569,842**	**13.5%**	**-14.5%**
Not Budgeted						
Ending Fund Balance	1,111,480	1,047,235	960,564	1,198,004	-8.3%	24.7%
TOTAL EXPENDITURES	**$ 2,456,700**	**$ 2,665,624**	**$ 2,797,706**	**$ 2,767,846**	**5.0%**	**-1.1%**

Computer Equipment Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 970,970	$ 1,111,480	$ 1,047,235	$ 960,564
Plus Revenues	1,485,730	1,554,144	1,750,471	1,807,282
Less Expenditures	(1,345,220)	(1,618,389)	(1,837,142)	(1,569,842)
Ending Fund Balance	**$ 1,111,480**	**$ 1,047,235**	**$ 960,564**	**$ 1,198,004**
Consisting of:				
Computer Replacements Next Year	305,804	398,900	88,600	319,900
Computer Replacement Reserve	805,676	648,335	871,964	878,104
Ending Fund Balance	**$ 1,111,480**	**$ 1,047,235**	**$ 960,564**	**$ 1,198,004**

FIDUCIARY TRUST FUND

Trust Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. The City of Mercer Island has one Trust Fund, the Firefighters Pension Fund.

FIREFIGHTERS PENSION FUND – 610

The Firefighters Pension Fund accounts for pension benefits available to all firefighters hired on or before March 1, 1970. On that date the Washington Law Enforcement Officers' and Firefighters' System (the LEOFF Retirement Plan) was established. Each City maintaining a Firefighters Pension Fund retained responsibility for all benefits payable to eligible members (or their survivors). Cities with a Firefighters' Pension Fund receive state-shared fire insurance premium taxes.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget	Percent Change 26-27	Percent Change 27-28
REVENUES						
Budgeted						
Beginning Fund Balance	$ -	$ 36,299	$ 22,253	$ 26,032	-38.7%	17.0%
Property Tax	26,410	26,410	26,410	26,410	0.0%	0.0%
Insurance Premium Tax	45,822	42,745	45,800	45,800	7.1%	0.0%
Interest	44,485	39,546	36,537	37,758	-7.6%	3.3%
Transfer In - from General Fund	-	-	-	-	N/A	N/A
Total Budgeted Revenues	**$ 116,717**	**$ 145,000**	**$ 131,000**	**$ 136,000**	**-9.7%**	**3.8%**
Not Budgeted						
Beginning Fund Balance (Reserved)	1,033,057	1,023,526	1,001,273	975,241	-2.2%	-2.6%
TOTAL REVENUES	**$ 1,149,774**	**$ 1,168,526**	**$ 1,132,273**	**$ 1,111,241**	**-3.1%**	**-1.9%**
EXPENDITURES						
Budgeted						
Retirement Benefits	$ 89,949	$ 145,000	$ 131,000	$ 136,000	-9.7%	3.8%
Total Budgeted Expenditures	**$ 89,949**	**$ 145,000**	**$ 131,000**	**$ 136,000**	**-9.7%**	**3.8%**
Not Budgeted						
Ending Fund Balance	1,059,825	1,023,526	1,001,273	975,241	-2.2%	-2.6%
TOTAL EXPENDITURES	**$ 1,149,774**	**$ 1,168,526**	**$ 1,132,273**	**$ 1,111,241**	**-3.1%**	**-1.9%**

Firefighters Pension Fund: Fund Balance

Fund balance consists of the following restricted and unrestricted amounts.

Description	2025 Actual	2026 Forecast	2027 Budget	2028 Budget
Beginning Fund Balance	$ 1,033,057	$ 1,059,825	$ 1,023,526	$ 1,001,273
Plus Revenues	116,717	108,701	108,747	109,968
Less Expenditures	(89,949)	(145,000)	(131,000)	(136,000)
Ending Fund Balance	**$ 1,059,825**	**$ 1,023,526**	**$ 1,001,273**	**$ 975,241**
Consisting of:				
Funding for Expenditures Next Year	36,299	22,253	26,032	-
Pension Reserve	1,023,526	1,001,273	975,241	975,241
Ending Fund Balance	**$ 1,059,825**	**$ 1,023,526**	**$ 1,001,273**	**$ 975,241**