

Q1 FY2026 INTERIM FINANCIAL REPORT

Citizen Summary · Operating Funds · Period Ended March 31, 2026 (Unaudited)

Fort Smith, Arkansas — Q1 FY2026 Citizen Summary

Period: **January 1, 2026 — March 31, 2026** · Generated: May 15, 2026 · 4 operating funds, 13 departments · Source: fortsmithar.gov/government/departments/finance

01 SNAPSHOT

02 GENERAL

03 ENTERPRISE

04 TREASURY

05 TOP 10

06 ACTUALS

TOTAL YTD REVENUE

\$35.42M

All four operating funds

TOTAL YTD EXPENSE

\$31.92M

All operating funds combined

COMBINED SURPLUS

+\$3.50M

YTD operating net position

CASH & INVESTMENTS

\$349.4M

Pooled + trust + restricted

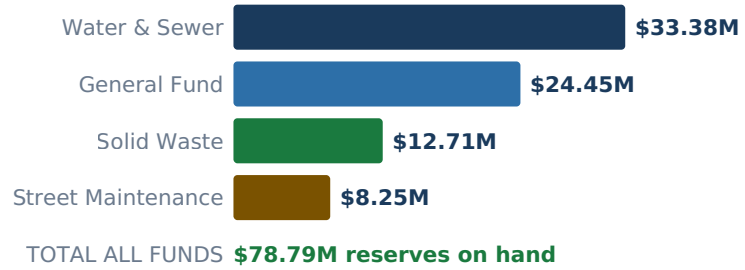
About this report: This document summarizes the City of Fort Smith's actual Q1 FY2026 financial performance — the first three months (January through March 2026) of the fiscal year. It compares actual revenues and expenditures against the amended budget across all four operating funds: General, Street Maintenance, Water & Sewer Operating, and Solid Waste Operating. All figures are unaudited interim results.

01 FISCAL SNAPSHOT — WHERE EACH FUND STANDS

Fund balances and budget pacing through the first three months of FY2026

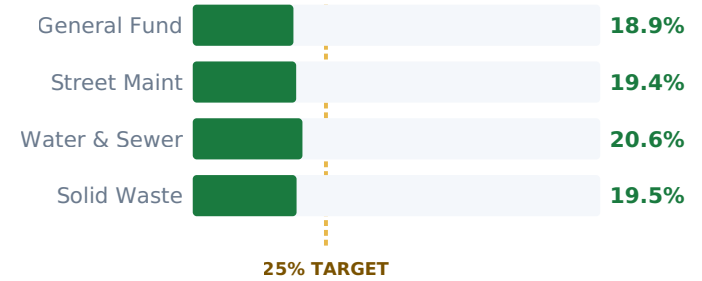
FUND BALANCES AT END OF Q1

Reserves on hand for each operating fund — Water & Sewer carries the largest working capital due to its enterprise scale



BUDGET PACING AT Q1 (TARGET = 25%)

All funds tracking under straight-line pace through 3 months — a sign of disciplined Q1 spending



✓ All 4 funds pacing under-budget at Q1

✓ Combined Q1 surplus of \$3.50M

□ W&S Debt Service Coverage: 163.5%

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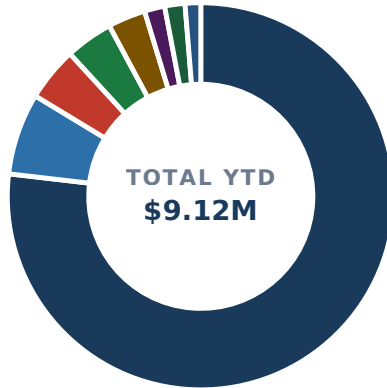
06 ACTUALS

02 GENERAL FUND — TAX-SUPPORTED OPERATIONS

Where the \$9.12M YTD revenue came from and how the \$10.36M YTD spending was distributed

GENERAL FUND REVENUE BY SOURCE (YTD)

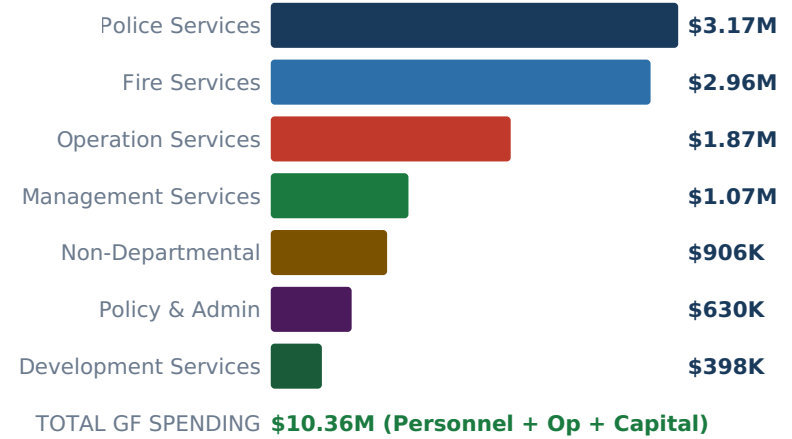
Taxes and assessments dominate at 76.9% — making sales/property tax health the single biggest driver of GF revenue



■ Taxes & Assessments	\$7.01M	■ Intergovernmental	\$622K
■ Licenses & Permits	\$411K	■ Court Fines	\$363K
■ Transfers	\$286K	■ Interest	\$155K
■ Miscellaneous	\$153K	■ Service Charges	\$120K

GENERAL FUND SPENDING BY DEPARTMENT (YTD)

Public safety (Police + Fire) totals \$6.13M — about 59% of all GF spending YTD



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03 ENTERPRISE FUNDS — WATER, SEWER & SOLID WASTE

Self-funded operations supported by user fees, not taxes

WATER VS. SEWER — YEAR-OVER-YEAR (Q1)

Sewer side carries the disproportionate surplus — net contribution grew \$720K vs FY25

TOTAL REVENUE



TOTAL EXPENDITURES

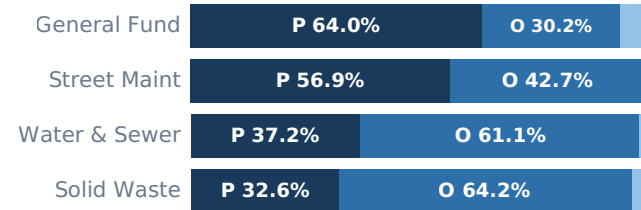


NET SURPLUS (Q1 FY26)



SPENDING COMPOSITION BY FUND

Personnel-heavy funds (GF, Streets) vs. operating-heavy enterprise funds (W&S, SW) — driven by debt service and major contracts



■ Personnel ■ Other Operating ■ Capital Outlay

Labor-intensive funds (GF, Street) spend most on staff. Enterprise funds (W&S, SW) carry heavier operating costs due to debt service (\$4.9M YTD) and treatment contracts.

CAPITAL OUTLAY YTD: GF \$645K · Street \$7K · W&S \$237K · SW \$166K

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04 RESERVES, RECEIVABLES & TREASURY

Cash position, contingency strength, and uncollected balances

✓ All 4 reserves grew YoY

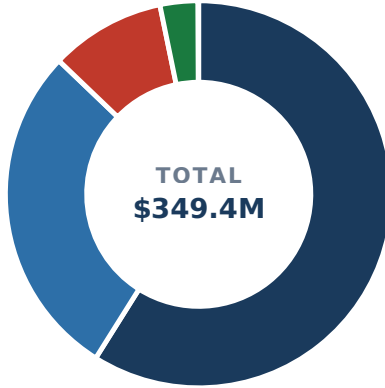
✓ 83.1% of utility receivables current

△ \$270K aged 120+ days

□ \$349.4M total cash & investments

TREASURY PORTFOLIO COMPOSITION

Pooled cash + bond trust accounts + restricted funds — total \$349.4M as of March 31, 2026



■ Pooled Cash & Invest	\$206.0M	■ SUT Bond Trust	\$98.5M
■ Revenue Bond Trust	\$33.7M	■ SW Landfill Sinking	\$11.0M
■ Escrow Account	\$251K	■ Restricted Accounts	\$9K

CONTINGENCY RESERVES — FY25 VS FY26

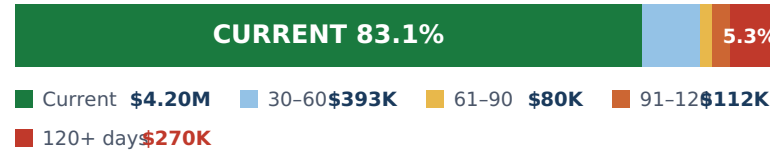
All four funds strengthened reserves YoY — Water & Sewer led with a +13.8 point gain

FUND	FY25	FY26	Δ
General Fund	33.8%	37.6%	+3.8
Street Maint	62.7%	68.8%	+6.1
Water & Sewer	32.3%	46.1%	+13.8
Solid Waste	46.2%	48.0%	+1.8

17% is the recommended minimum for governmental funds

UTILITY RECEIVABLES — AGING

\$5.06M outstanding · 83.1% current — collection health is strong



Sewer carries the largest current balance (\$2.07M)

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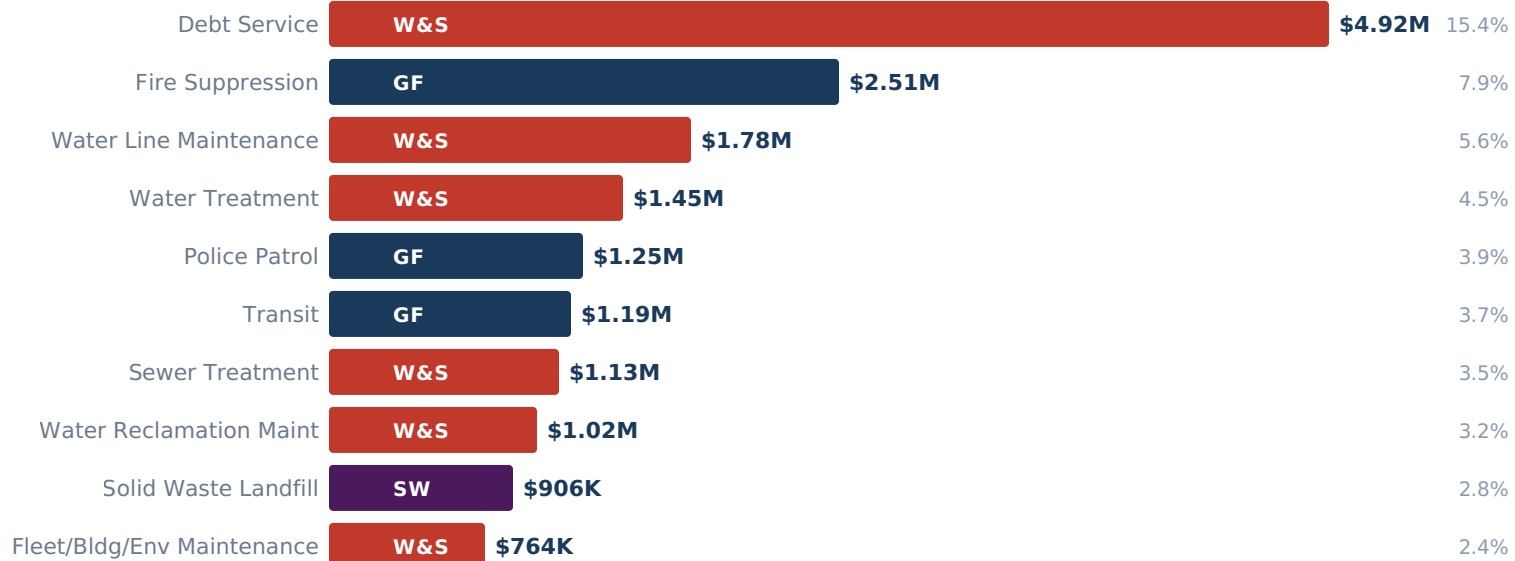
06 ACTUALS

05 TOP 10 CITY PROGRAMS BY YTD SPENDING

Across all four operating funds — debt service dominates, public safety follows

LARGEST SINGLE LINE ITEMS, FY26 Q1 ACTUALS

W&S Debt Service alone accounts for 15% of all citywide operating spending YTD



Top 10 programs account for ~\$16.9M (53%) of all city operating spending YTD

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06 COMPLETE BUDGET VS. ACTUAL DETAIL

All operating revenues and expenditures by fund — sorted by FY26 Q1 actuals, largest first

FUND	LINE ITEM	FY25 ACTUALS	FY26 BUDGET	FY26 YTD	% USED	TYPE
Water & Sewer	Service Charges and Fees	\$15.36M	\$71.46M	\$17.19M	24.0%	Revenue
Water & Sewer	Debt Service	\$4.31M	\$19.67M	\$4.92M	25.0%	Expense
General Fund	Taxes and Assessments	\$6.77M	\$43.41M	\$7.01M	16.1%	Revenue
Solid Waste	Service Charges and Fees	\$4.92M	\$24.45M	\$5.99M	24.5%	Revenue
General Fund	Fire Suppression	\$2.96M	\$13.89M	\$2.51M	18.1%	Expense
Water & Sewer	Water Line Maintenance	\$1.41M	\$8.47M	\$1.78M	21.1%	Expense
Street Maintenance	Intergovernmental Revenue	\$1.82M	\$7.57M	\$1.69M	22.4%	Revenue
Solid Waste	Solid Waste Reserve (Non-Dept)	\$1.58M	\$7.06M	\$1.76M	25.0%	Expense
Water & Sewer	Water Treatment	\$1.24M	\$8.95M	\$1.45M	16.2%	Expense
General Fund	Police Patrol	\$1.35M	\$5.96M	\$1.25M	20.9%	Expense
General Fund	Transit Operations	\$936K	\$8.61M	\$1.19M	13.8%	Expense
Water & Sewer	Sewer Treatment	\$853K	\$7.38M	\$1.13M	15.3%	Expense
Water & Sewer	Water Reclamation Maintenance	\$905K	\$5.68M	\$1.02M	18.0%	Expense
Solid Waste	Solid Waste Landfill	\$901K	\$6.26M	\$906K	14.5%	Expense
Water & Sewer	Fleet/Building/Environmental Maint	\$758K	\$4.93M	\$764K	15.5%	Expense
Solid Waste	Residential Collections	\$680K	\$3.59M	\$747K	20.8%	Expense

FUND	LINE ITEM	FY25 ACTUALS	FY26 BUDGET	FY26 YTD	% USED	TYPE
Water & Sewer	Information & Tech Services	\$732K	\$2.44M	\$601K	24.6%	Expense
General Fund	Investigations	\$602K	\$3.04M	\$554K	18.2%	Expense
Water & Sewer	Environmental Quality	\$422K	\$2.46M	\$516K	21.0%	Expense
Water & Sewer	Engineering	\$460K	\$2.38M	\$468K	19.7%	Expense
General Fund	Police Support Services	\$533K	\$2.32M	\$413K	17.8%	Expense
General Fund	Police Administration	\$420K	\$2.31M	\$431K	18.6%	Expense
Water & Sewer	Utility Administration	\$443K	\$1.50M	\$394K	26.3%	Expense
General Fund	Parks Maintenance (Operating)	\$313K	\$1.90M	\$369K	19.4%	Expense
General Fund	Fire Administration	\$345K	\$1.59M	\$336K	21.1%	Expense
Solid Waste	Commercial Collections	\$303K	\$1.70M	\$332K	19.6%	Expense
General Fund	District Court	\$386K	\$1.98M	\$317K	16.0%	Expense
General Fund	Animal Services	\$359K	\$1.51M	\$276K	18.3%	Expense
Solid Waste	Fleet & Grounds Maintenance	\$353K	\$1.62M	\$268K	16.6%	Expense
Solid Waste	Industrial Collections	\$236K	\$1.46M	\$250K	17.1%	Expense
Street Maintenance	Street Drainage	\$366K	\$1.84M	\$418K	22.7%	Expense
Street Maintenance	Traffic Control	\$307K	\$1.71M	\$277K	16.2%	Expense
Street Maintenance	Street Maintenance Operations	\$537K	\$1.50M	\$249K	16.6%	Expense
Street Maintenance	Sidewalk Construction	\$233K	\$1.74M	\$224K	12.9%	Expense
General Fund	Library Tax Allocation	\$244K	\$1.47M	\$256K	17.4%	Expense
General Fund	Intergovernmental Revenue	\$847K	\$3.79M	\$622K	16.4%	Revenue
General Fund	Licenses & Permits	\$350K	\$1.64M	\$411K	25.0%	Revenue
General Fund	Court Fines & Forfeitures	\$384K	\$2.08M	\$363K	17.5%	Revenue
General Fund	Transfers In	\$25K	\$1.14M	\$286K	25.0%	Revenue
General Fund	Interest Earnings	\$260K	\$700K	\$155K	22.1%	Revenue
General Fund	Service Charges & Fees	\$131K	\$582K	\$120K	20.6%	Revenue
Solid Waste	Solid Waste Administration	\$189K	\$1.23M	\$197K	16.0%	Expense
Solid Waste	Waste Reduction	\$62K	\$592K	\$72K	12.2%	Expense