CITY OF FORT SMITH, ARKANSAS

FIRST-HALF FY2026 INTERIM FINANCIAL REPORT

Citizen Summary · Operating Funds · Q1 & Q2 · Period Ended June 30, 2026 (Unaudited)

📊 **Fort Smith, Arkansas — First-Half FY2026 Citizen Summary (Q1 + Q2)**
Period: **January 1, 2026 — June 30, 2026** · 4 operating funds, 13 departments · Source: **fortsmithar.gov/government/departments/finance**

TOTAL YTD REVENUE
$76.18M
▲ **$40.75M** from $35.42M at Q1

TOTAL YTD EXPENSE
$71.45M
All operating funds, 6 mo.

COMBINED SURPLUS
+$4.72M
▲ **$1.22M** from +$3.51M at Q1

CASH & INVESTMENTS
$354.6M
Pooled + trust + restricted

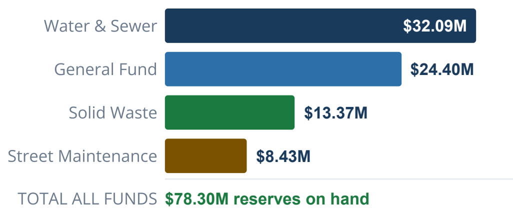
About this report: This summarizes the City of Fort Smith's actual financial performance through the first half of FY2026 — Q1 (January–March) and Q2 (April–June) combined. All fund figures are year-to-date (YTD) through June 30 and compare actual revenues and expenditures against the amended budget across all four operating funds: General, Street Maintenance, Water & Sewer Operating, and Solid Waste Operating. Q1-to-Q2 movement is shown alongside. All figures are unaudited interim results.

01 FISCAL SNAPSHOT & Q1 → Q2 MOVEMENT

Fund balances, budget pacing, and how each fund moved between the two quarters

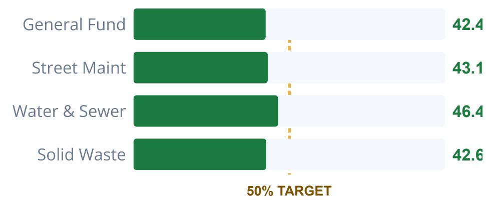
FUND BALANCES AT END OF Q2

Reserves on hand for each operating fund — Water & Sewer carries the largest working capital



BUDGET PACING AT MID-YEAR (TARGET = 50%)

All four funds tracking under the straight-line 50% pace through six months — continued spending discipline



✓ All 4 funds under-budget at the 50% mark

✓ Combined H1 surplus of $4.72M

📊 W&S Debt Service Coverage: 143.7%

Q1→Q2 QUARTER-OVER-QUARTER MOVEMENT BY FUND

Q1 = through March 31 (3 months) · H1 = through June 30 (6 months, cumulative)

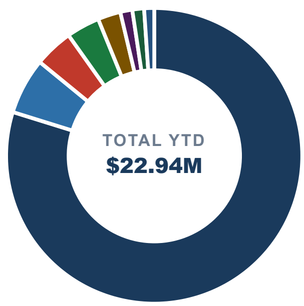
FUND	Q1 REV (MAR 31)	H1 REV (JUN 30)	Q1 NET	H1 NET	RESERVE Q1	RESERVE H1
General Fund	$9.12M	$22.94M	−$1.25M	−$0.36M	37.6%	37.5%
Street Maintenance	$2.01M	$4.88M	−$0.09M	+$0.22M	68.8%	70.3%
Water & Sewer	$17.80M	$35.19M	+$3.36M	+$2.65M	46.1%	44.3%
Solid Waste	$6.50M	$13.17M	+$1.49M	+$2.21M	48.0%	50.5%
ALL FUNDS	$35.42M	$76.18M	+$3.51M	+$4.72M	—	—

02 GENERAL FUND — TAX-SUPPORTED OPERATIONS

Where the $22.94M YTD revenue came from and how the $25.48M YTD spending was distributed

GENERAL FUND REVENUE BY SOURCE (YTD)

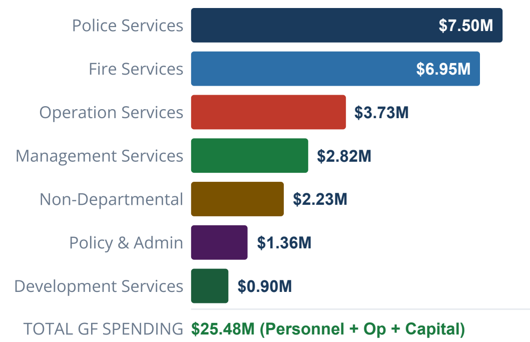
Taxes and assessments dominate at 79.8% — sales/property-tax health is the single biggest driver of GF revenue



Taxes & Assessments	**$18.30M**	Intergovernmental	**$1.41M**
Court Fines	**$972K**	Licenses & Permits	**$835K**
Transfers	**$572K**	Interest	**$302K**
Service Charges	**$292K**	Miscellaneous	**$252K**

GENERAL FUND SPENDING BY DEPARTMENT (YTD)

Public safety (Police + Fire) totals $14.45M — about 57% of all GF spending YTD

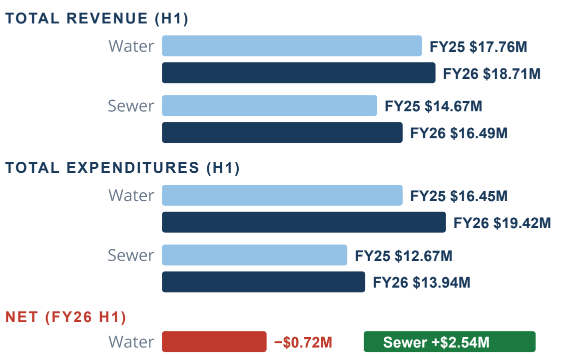


03 ENTERPRISE FUNDS — WATER, SEWER & SOLID WASTE

Self-funded operations supported by user fees, not taxes

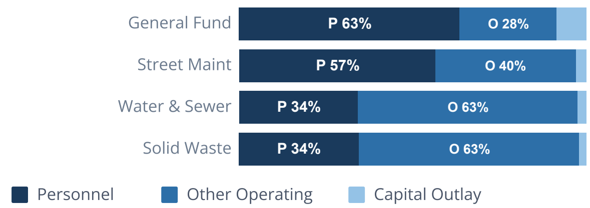
WATER VS. SEWER — YEAR-OVER-YEAR (H1)

City combining statement — total revenues & expenditures incl. capital: Water ran a small H1 deficit, Sewer a strong surplus, combined net +$1.82M. (The +$2.65M shown elsewhere is operating-only, before capital outlay.)



SPENDING COMPOSITION BY FUND

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



04 RESERVES, RECEIVABLES & TREASURY

Cash position, contingency strength, and uncollected balances

✓ Reserves strong across all 4 funds

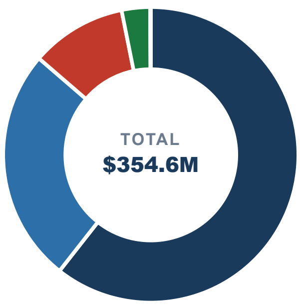
⚠ 77.7% of utility receivables current (down from 83.1%)

⚠ $385K aged 120+ days

💰 $354.6M total cash & investments

TREASURY PORTFOLIO COMPOSITION

Pooled cash + bond trust accounts + restricted funds — total $354.6M as of June 30, 2026



Pooled Cash & Invest	$214.96M	SUT Bond Trust	$91.13M
Revenue Bond Trust	$37.24M	SW Landfill Sinking	$11.05M
Escrow Account	$236K	Restricted Accounts	$4K

CONTINGENCY RESERVES — FY25 VS FY26

Water & Sewer and Solid Waste both strengthened reserves year-over-year

FUND	FY25	FY26	Δ
General Fund	29.9%	37.5%	+7.6
Street Maint	70.2%	70.3%	+0.1
Water & Sewer	33.5%	44.3%	+10.8
Solid Waste	45.7%	50.5%	+4.8

17% is the recommended minimum for governmental funds

UTILITY RECEIVABLES — AGING

$4.00M outstanding · 77.7% current — 120+ day balance grew vs Q1

Current	$3.11M
30–60	$290K
61–90	$95K
91–120	$120K
120+ days	$385K

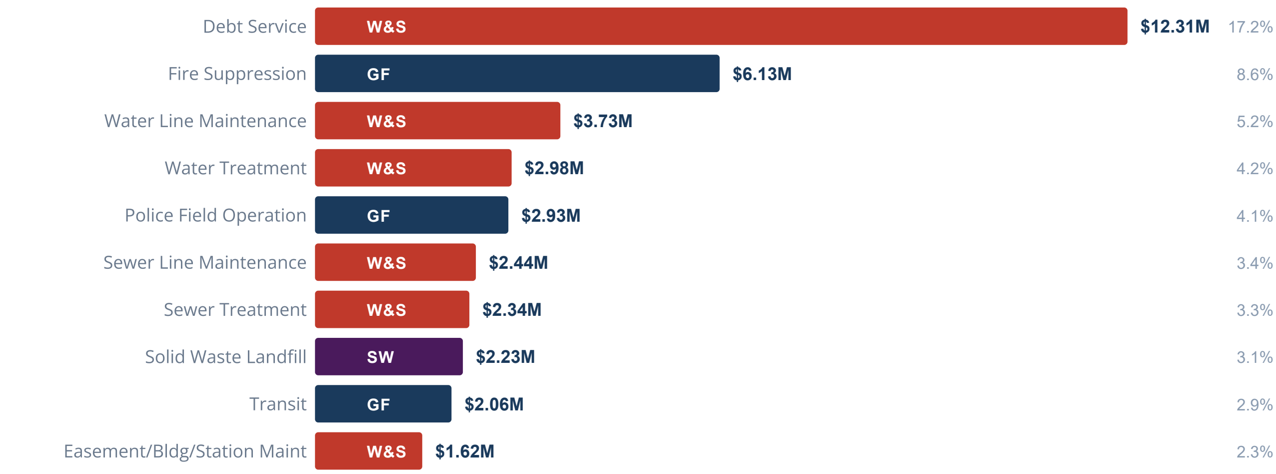
Sewer carries the largest current balance ($1.30M)

05 TOP 10 CITY PROGRAMS BY YTD SPENDING

Across all four operating funds — a large semiannual debt-service payment now dominates

LARGEST SINGLE LINE ITEMS, FY26 H1 ACTUALS

W&S Debt Service alone accounts for ~17% of all citywide operating spending YTD



Top 10 programs account for ~$38.77M (54%) of all city operating spending YTD

06 COMPLETE BUDGET VS. ACTUAL DETAIL

Major operating revenues and expenditures by fund — sorted by FY26 H1 actuals, largest first

FUND	LINE ITEM	FY25 ACTUALS	FY26 BUDGET	FY26 H1	% USED	TYPE
Water & Sewer	Service Charges and Fees	$31.40M	$71.46M	$34.03M	47.6%	REVENUE
General Fund	Taxes and Assessments	$17.43M	$43.41M	$18.30M	42.2%	REVENUE
Water & Sewer	Debt Service	$8.32M	$19.67M	$12.31M	62.6%	EXPENSE
Solid Waste	Service Charges and Fees	$10.13M	$24.45M	$12.31M	50.3%	REVENUE
General Fund	Fire Suppression & Rescue	$6.98M	$13.90M	$6.13M	44.1%	EXPENSE
Water & Sewer	Water Line Maintenance & Support	$3.55M	$8.47M	$3.73M	44.0%	EXPENSE
Street Maintenance	Intergovernmental Revenue	$3.75M	$7.57M	$3.69M	48.7%	REVENUE
Solid Waste	Solid Waste Reserve (Non-Dept)	$3.15M	$7.06M	$3.53M	50.0%	EXPENSE
Water & Sewer	Water Treatment	$2.90M	$8.91M	$2.98M	33.5%	EXPENSE
General Fund	Police Field Operation	$2.98M	$5.96M	$2.93M	49.1%	EXPENSE
Water & Sewer	Sewer Line Maintenance	$1.99M	$5.70M	$2.44M	42.8%	EXPENSE
Water & Sewer	Sewer Treatment	$2.87M	$7.38M	$2.34M	31.6%	EXPENSE
Solid Waste	Solid Waste Landfill	$2.29M	$6.26M	$2.23M	35.7%	EXPENSE
General Fund	Transit	$1.94M	$8.63M	$2.06M	23.8%	EXPENSE
Water & Sewer	Easement/Bldg/Station Maint	$1.61M	$4.94M	$1.62M	32.8%	EXPENSE
Solid Waste	Residential Collections	$1.55M	$3.59M	$1.56M	43.4%	EXPENSE
General Fund	Intergovernmental Revenue	$1.76M	$3.79M	$1.41M	37.3%	REVENUE
General Fund	Police Criminal Investigations	$1.35M	$3.04M	$1.32M	43.3%	EXPENSE
Water & Sewer	Environmental Quality	$935K	$2.46M	$1.11M	44.9%	EXPENSE
Water & Sewer	Information & Tech Services	$1.12M	$2.46M	$1.08M	44.1%	EXPENSE
Water & Sewer	Utility Administration	$871K	$1.50M	$1.06M	70.6%	EXPENSE
General Fund	Court Fines & Forfeitures	$994K	$2.08M	$972K	46.8%	REVENUE

FUND	LINE ITEM	FY25 ACTUALS	FY26 BUDGET	FY26 H1	% USED	TYPE
General Fund	Police Administration	$1.45M	$2.32M	$885K	38.1%	EXPENSE
General Fund	Police Support Services	$1.61M	$2.32M	$861K	37.1%	EXPENSE
General Fund	Licenses & Permits	$768K	$1.64M	$835K	50.9%	REVENUE
Street Maintenance	Street Drainage	$798K	$1.84M	$754K	41.0%	EXPENSE
Street Maintenance	Traffic Control Operations	$674K	$1.73M	$732K	42.2%	EXPENSE
Solid Waste	Commercial Collections	$742K	$1.70M	$697K	41.0%	EXPENSE
Street Maintenance	Street Maintenance Ops	$828K	$1.50M	$647K	43.2%	EXPENSE
General Fund	Fire Administration	$646K	$1.59M	$645K	40.5%	EXPENSE
General Fund	Library Tax Allocation	$598K	$1.47M	$625K	42.5%	EXPENSE
Solid Waste	Fleet & Grounds Maintenance	$741K	$1.62M	$619K	38.3%	EXPENSE
Solid Waste	Industrial Collection	$565K	$1.46M	$602K	41.2%	EXPENSE
Street Maintenance	Sidewalk Construction	$568K	$1.74M	$555K	32.0%	EXPENSE
Solid Waste	Solid Waste Administration	$443K	$1.23M	$445K	36.1%	EXPENSE
General Fund	Interest Earnings	$432K	$700K	$302K	43.1%	REVENUE
General Fund	Service Charges & Fees	$280K	$582K	$292K	50.2%	REVENUE
Solid Waste	Waste Reduction	$168K	$592K	$182K	30.8%	EXPENSE