

a city on the right track!

Fiscal Year 2027 Budget
City of Commerce, Georgia



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Transmittal Letter

This budget reflects our continued commitment to responsible stewardship of public resources, long-term financial stability, and the delivery of high-quality services to our residents, businesses, and visitors. It has been prepared in accordance with state law, the City's financial policies, and the basis of accounting used in the City's annual financial statements.

The FY27 budget focuses on maintaining essential services, supporting our workforce, and investing in the infrastructure and facilities that sustain our growing community. Departments were asked to evaluate their operations, identify efficiencies, and submit requests that align with the City's strategic priorities. As a result, this budget balances operational needs with fiscal discipline, ensuring that resources are allocated where they will have the greatest impact.

This year's budget also reflects several key initiatives, including continued investment in public safety, improvements to transportation and utility infrastructure, and enhancements to customer service and technology. These priorities support the City's long-term vision and position us to meet the needs of a changing and expanding community. The budget also maintains healthy reserves, supports compliance with financial policies, and preserves the City's strong financial position.

Basis of Accounting

The City's budget and financial reporting follow accounting principles established by generally accepted accounting standards for state and local governments. These standards outline when revenues and expenditures—or expenses—are recognized, depending on the type of fund. Because different funds serve different purposes, the basis of accounting varies to reflect either short-term financial resources or the full cost of operations.

Governmental funds, which include the General Fund, special revenue funds, capital projects funds, and debt service funds, are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available to support current operations, and expenditures are recorded when the related liability is incurred. This approach focuses on short-term financial resources and provides a clear picture of the City's ability to meet current-year obligations.

Proprietary funds, which include enterprise funds and internal service funds, follow the full accrual basis of accounting, similar to private-sector business practices. Revenues are recognized when earned, and expenses are recognized when incurred, regardless of the timing of cash flows. This method provides a comprehensive view of the long-term costs, financial performance, and sustainability of the City's business-type activities.

Basis of Budgeting

The City's budget is prepared using the same basis of accounting applied in its financial statements, ensuring consistency between budgeting, accounting, and financial reporting. Under this approach, revenues and expenditures—or expenses—are recognized according to the standards previously described above for each fund type.

Capital items, the full purchase price is budgeted as an expenditure in the year the asset is acquired. Depreciation is not included in the budget; however, in the Annual Comprehensive Financial Report (ACFR), capital assets are depreciated over their useful lives in accordance with accounting standards.

Compensated absences, including earned but unused leave, are not budgeted. These amounts are recognized only in the ACFR, where they are recorded as long-term liabilities in accordance with applicable accounting standards.

Debt service, the City budgets the full amount of principal and interest payments as expenditures in the appropriate debt service fund. In the ACFR, principal payments reduce the outstanding debt liability on the balance sheet for both governmental and enterprise fund statements, rather than being reported as an expense.

Amortization, like depreciation, is not included in the City's budget. It is recorded only in the ACFR in accordance with GASB accounting standards, reflecting the systematic allocation of certain intangible or long-term costs over time.

Pension and other post-employment benefit (OPEB) liabilities and related deferred inflows and outflows are recognized in the ACFR under GASB Statements No. 68 and 75. These actuarially determined, noncash adjustments are required for financial reporting purposes but are not included in the City's budget.

Budget Process

The budget process begins with strategic planning, where the City reviews long-term goals, financial policies, and organizational priorities to guide development of the upcoming fiscal year's budget. This stage sets the foundation for resource allocation and ensures alignment with the City's overall vision.

Departments then prepare and submit their operating and capital requests based on service needs, workload trends, and planned projects. These requests are reviewed by the Finance Department, which updates revenue projections, analyzes expenditures, and evaluates each submission for accuracy, feasibility, and policy compliance.

Next, the City Manager reviews the consolidated requests, prioritizes needs, and makes adjustments to develop a balanced proposed budget. This proposed budget is presented to the Mayor and City Council during work sessions, where elected officials review service levels, discuss funding priorities, and request refinements as needed.

Public engagement follows through hearings and transparency tools that allow residents to review information and provide input. After considering feedback from both Council and the community, the governing body formally adopts the budget through ordinance or resolution.

Once adopted, the budget becomes the City's spending plan for the fiscal year. Departments implement their approved budgets, and the Finance Department monitors revenues and expenditures throughout the year to ensure compliance with financial policies, legal requirements, and Council direction.



Financial Policies

Basis of Budgeting

The City prepares its annual budget using the same basis of accounting as its financial statements. Non-cash items such as depreciation, amortization, compensated absences, and actuarially determined pension and OPEB adjustments are not included in the budget.

Balanced Budget

The City adopts a balanced budget in which planned expenditures do not exceed anticipated revenues and available fund balance.

Revenue Management

Revenue estimates are developed using conservative assumptions. The City maintains a diversified revenue structure and periodically reviews fees to ensure they reflect the cost of service.

Expenditure Management

Expenditures must align with strategic priorities and be supported by available resources. Recurring costs are funded with recurring revenues. Capital needs are planned through a multi-year process.

Fund Balance and Reserves

The City maintains adequate reserves to ensure financial stability, support cash flow, and respond to emergencies.

Capital Planning

A multi-year Capital Improvement Plan guides the timing, funding, and prioritization of capital projects.

Debt Management

Debt is used only for long-term capital needs. The City maintains prudent debt levels and budgets all debt service payments annually.

Financial Monitoring and Reporting

Revenues and expenditures are monitored throughout the year, and financial reports are provided to City leadership to support informed decision-making.

Transparency

The City is committed to providing clear, accessible financial information to the public through published budget documents and financial reports.

Demographics

Commerce, Georgia has 8,803 residents, with one of the fastest growth rates in the state. The city's daytime population rises to 9,801, reflecting strong inflow for work and shopping. Commerce includes 2,771 households, most of which are family households (61%), and the median household income is \$60,961. Housing is primarily owner-occupied (64% owners) with a 2024 median home value of \$239,900.

Population



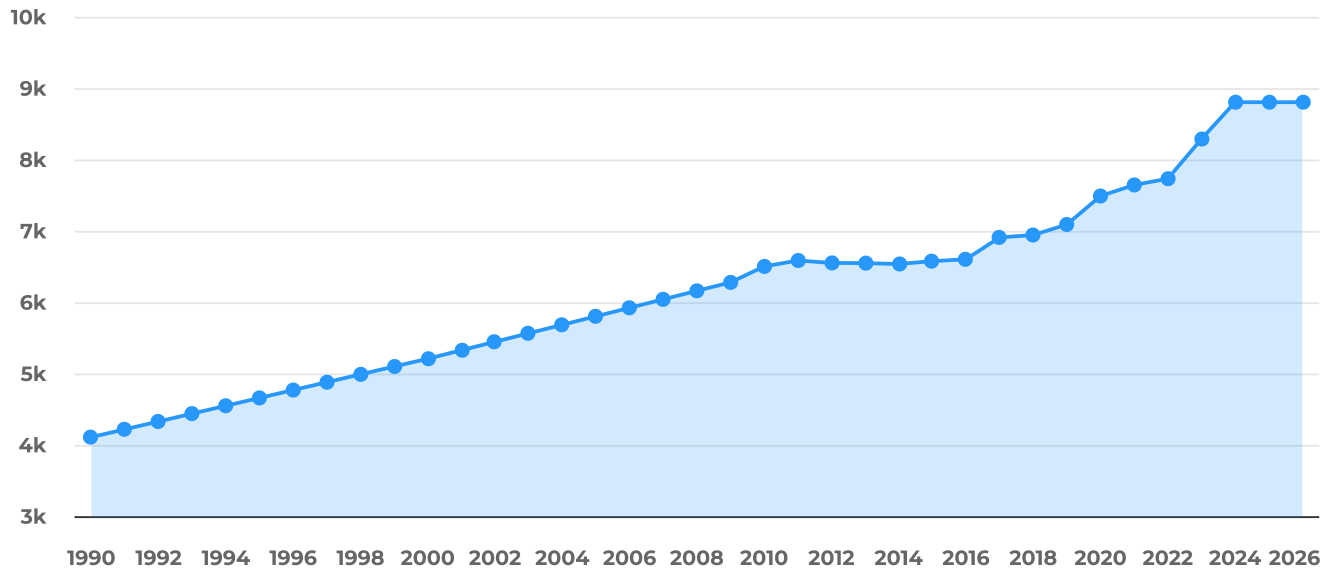
TOTAL POPULATION

8,803

0.00%
vs. 2025

GROWTH RANK

2 out of **540** Municipalities in Georgia



* Data Source: Client entered data for year 2026



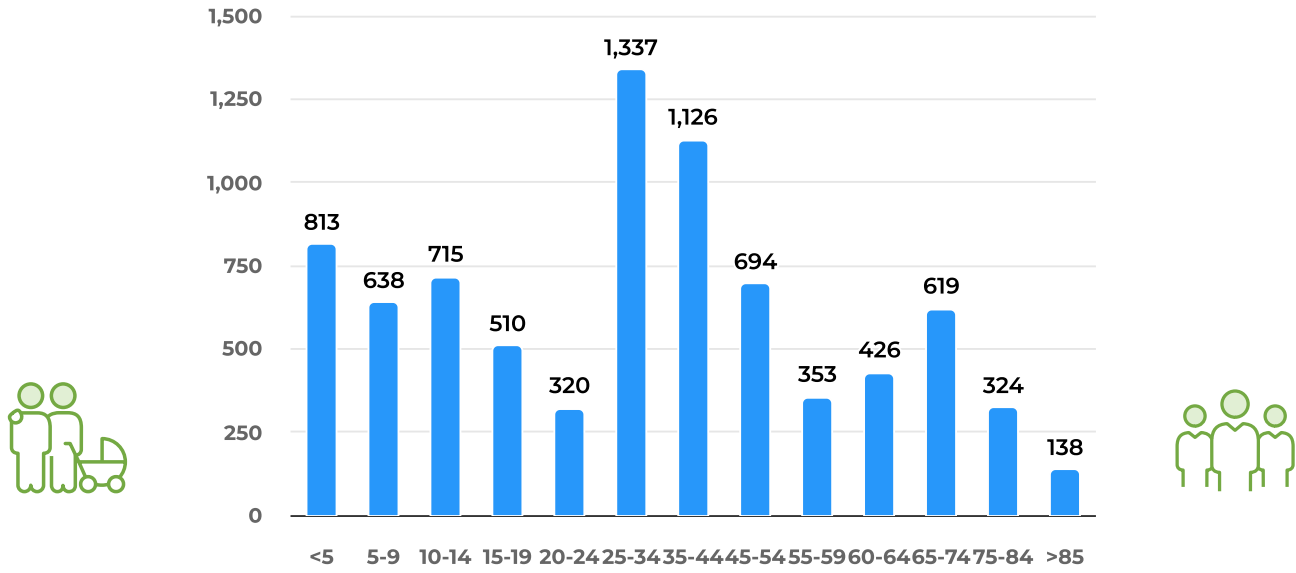
DAYTIME POPULATION

9,801

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

* Data Source: American Community Survey 5-year estimates

POPULATION BY AGE GROUP



Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

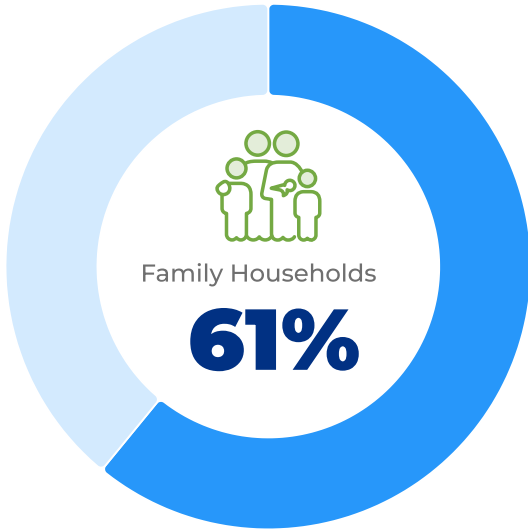
** Data Source: American Community Survey 5-year estimates*

Household

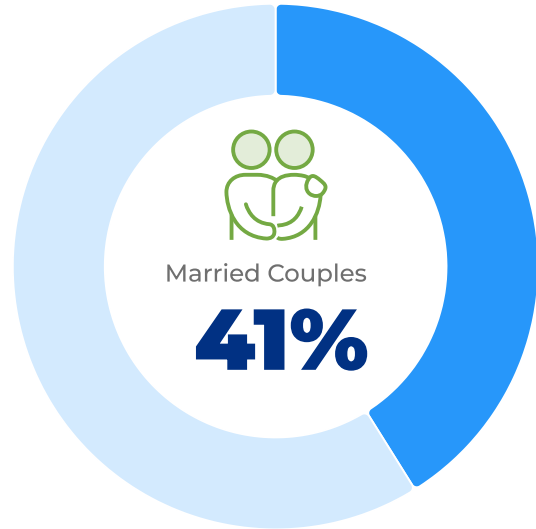
TOTAL HOUSEHOLDS

2,771

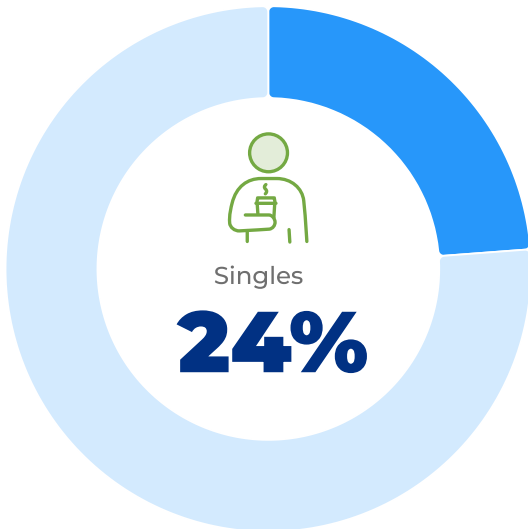
Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



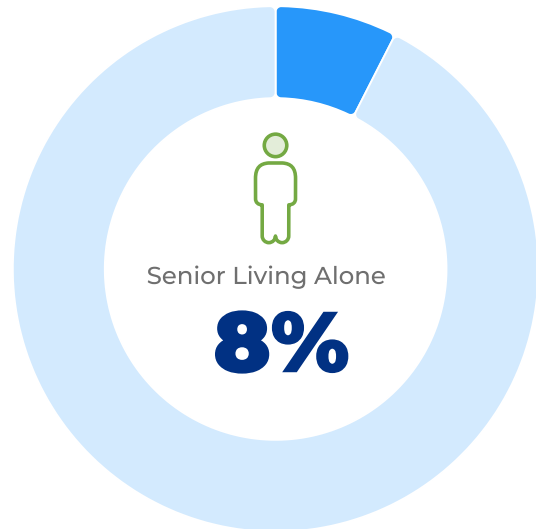
13%
higher than state average



-14%
lower than state average



-12%
lower than state average

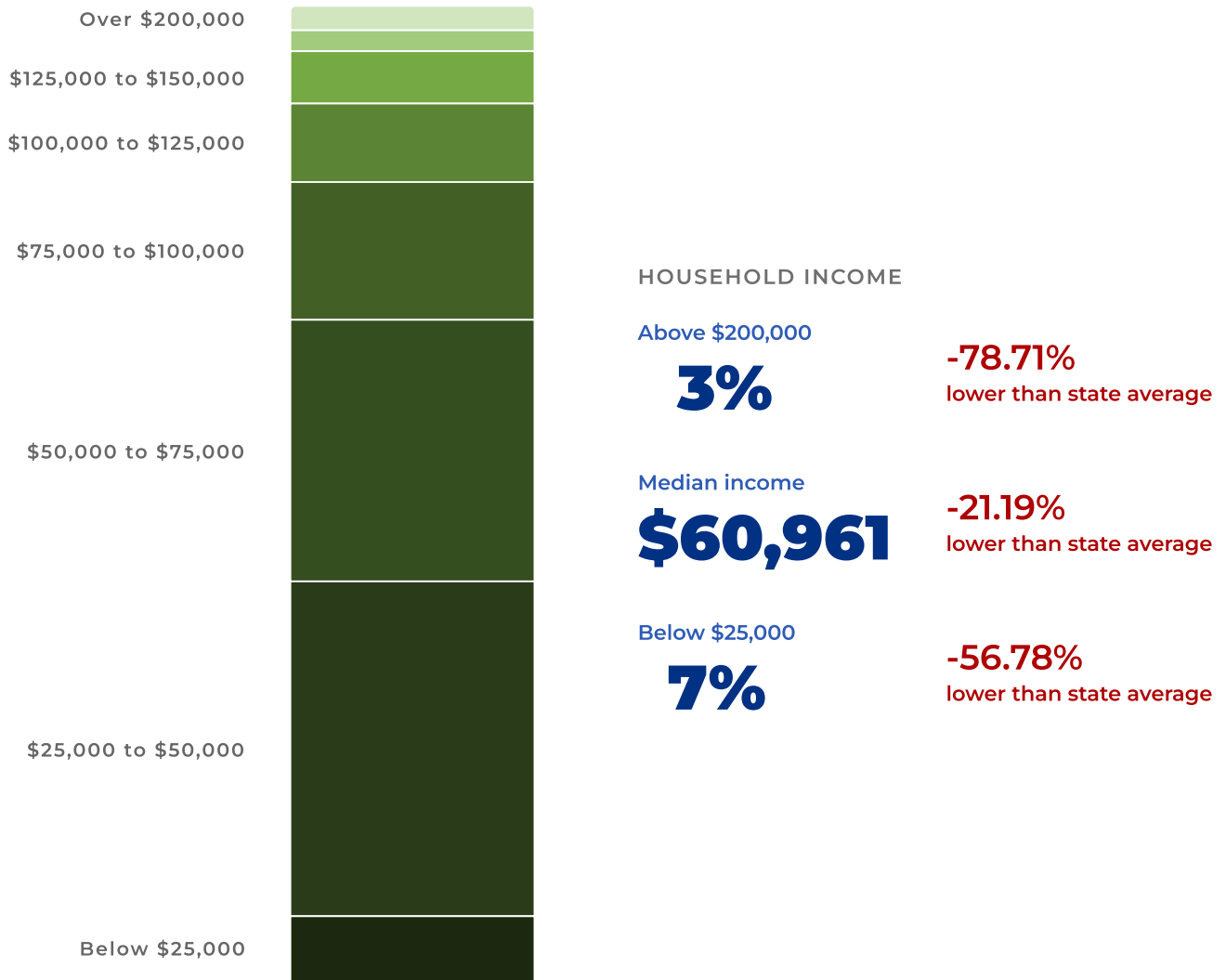


-26%
lower than state average

** Data Source: American Community Survey 5-year estimates*

Economic

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



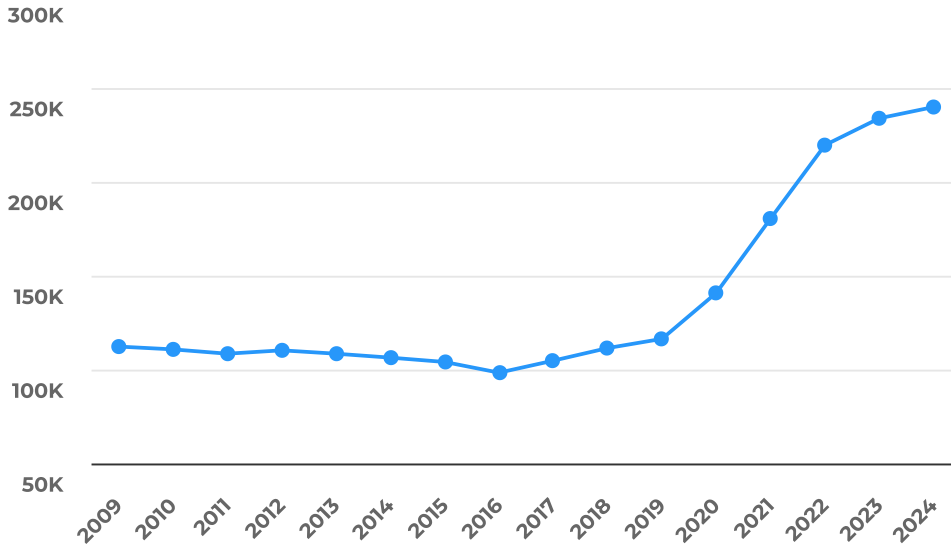
* Data Source: American Community Survey 5-year estimates

Housing



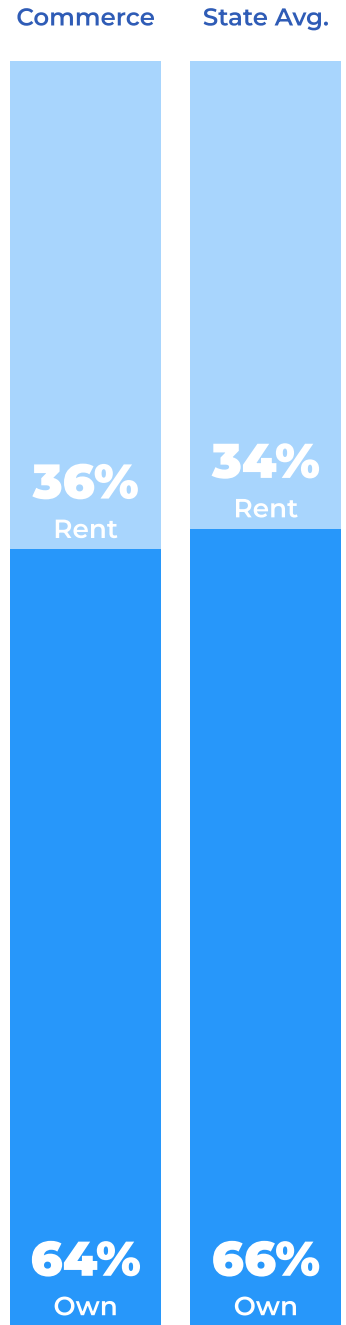
2024 MEDIAN HOME VALUE

\$239,900



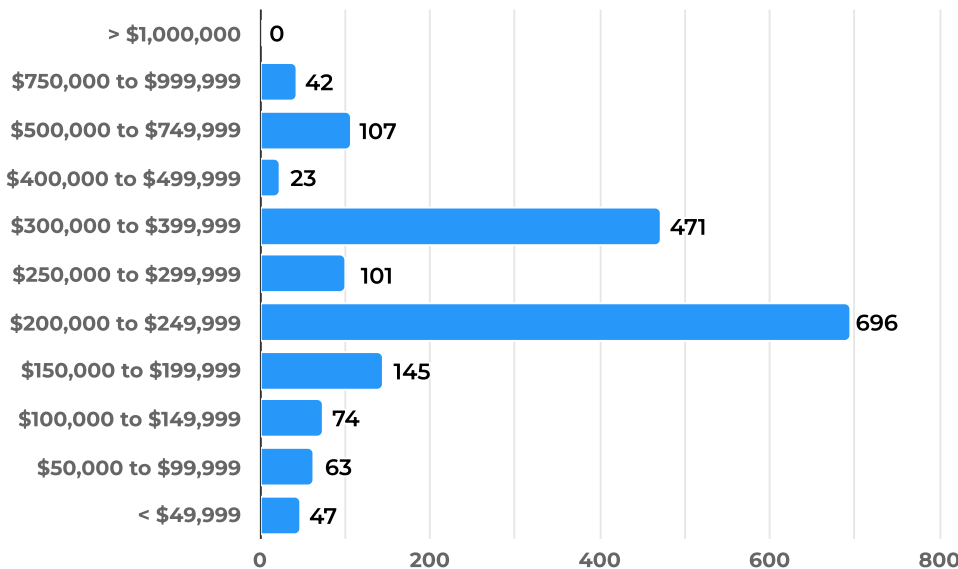
* Data Source: 2024 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.

HOME OWNERS VS RENTERS



* Data Source: 2024 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.

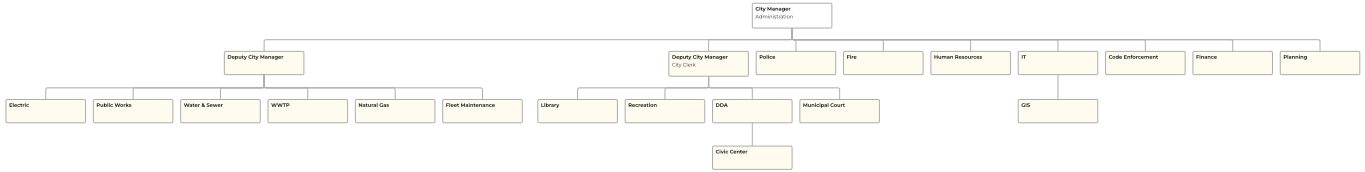
HOME VALUE DISTRIBUTION



* Data Source: 2024 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.

Organizational Chart

Organization Chart



History of the City

Commerce began as the community of Harmony Grove, founded in 1818 and incorporated in 1884. The city officially changed its name to Commerce in 1909 to reflect its growing role as a regional trade center. Early growth centered on the cotton market and later expanded into textiles with the establishment of Harmony Grove Mills in 1893.

The city also has notable cultural and educational roots. The Harmony Grove Female Academy, founded in 1824, was the first school for girls in Georgia. Commerce later gained literary recognition as the setting for the novel *Cold Sassy Tree* by Olive Ann Burns.

Commerce has contributed to state leadership and the arts. Local resident Larmartine G. Hardman served as Georgia's governor from 1927 to 1931, and his historic Hardman House remains a downtown landmark. The city is also the hometown of Bill Anderson, the award-winning country music singer and songwriter known as "Whisperin' Bill," who has been a prominent figure in American country music for decades.



Executive Summary

The FY27 Budget continues Commerce’s focus on strengthening essential infrastructure while investing in projects that enhance quality of life and support long-term community growth. This year places added emphasis on downtown beautification, improving public spaces and reinforcing the vitality of the city’s core.

The FY27 Budget reflects Commerce’s commitment to transparency, fiscal stewardship, and strategic investment in projects that deliver meaningful value to residents.

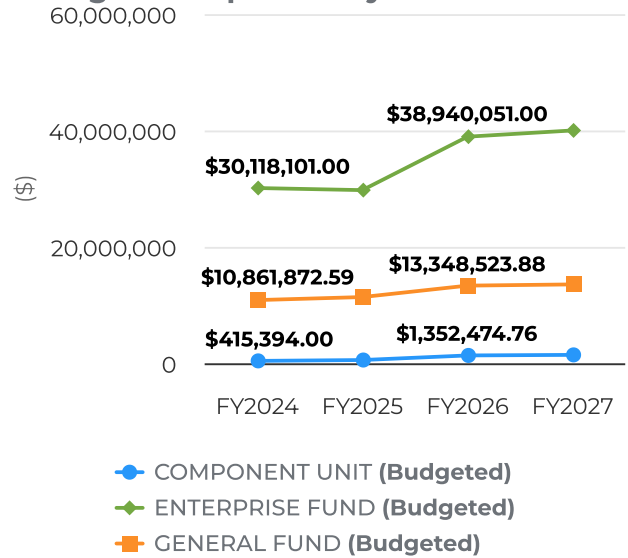
Expenditures

Key FY27 capital priorities include:

- **New water-supply wells** to secure additional drinking water sources and strengthen long-term system reliability.
- **Construction of a new Wastewater Treatment Plant**, expanding capacity to support future residential and commercial growth.
- **Playground equipment upgrades** to improve safety, accessibility, and recreational opportunities for families.
- **Utility building improvements** to modernize critical operational facilities.
- **Stormwater system upgrades** to reduce flooding risks and improve environmental resilience.
- **Cultural Center renovations**, funded through SPLOST, to preserve and enhance a key community and event space.

Both the new wells and the new Wastewater Treatment Plant are substantially funded through grants, reducing the financial impact on local taxpayers and supporting responsible long-term planning.

Budgeted Expenses by Fund FY24-27

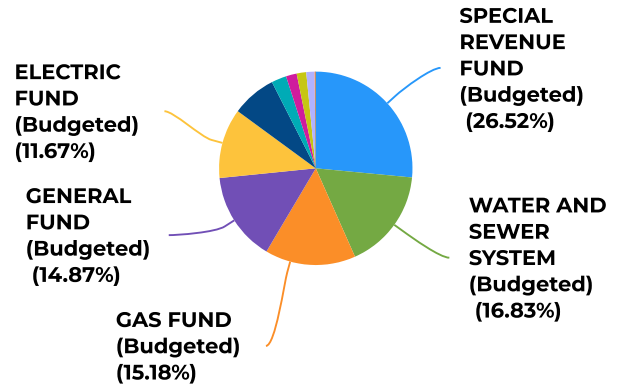


Revenues

Commerce's FY27 revenues remain stable and diversified, reflecting steady economic activity and disciplined fiscal management.

- **General Fund** shows modest growth (~3%), led by sales tax and property tax gains.
- **Investment income** rises sharply due to higher interest rates.
- **Permit and fee revenues** normalize after prior one-time construction peaks.
- **Utility and enterprise funds** sustain full cost recovery, supporting infrastructure and service reliability.

FY27 Proposed Revenues



Strategic Alignment

Commerce's FY27 budget aligns financial decisions with the City's core strategic priorities: infrastructure reliability, public safety, financial stability, economic development, and quality of life. Funding is directed toward projects and services that strengthen essential systems, support community safety, and prepare for long-term growth.

Infrastructure investments such as water, wastewater, and stormwater improvements advance system reliability and future development capacity. Public safety allocations ensure readiness through equipment, staffing, and facility needs. Economic development and quality-of-life initiatives—such as downtown improvements and park enhancements—support community vitality and business attraction. All decisions are evaluated for sustainability to maintain strong financial footing. Together, these choices create a clear roadmap that ties FY27 resources to measurable strategic outcomes.

Strategic Plan

The City's Strategic Plan provides a unified direction for all departments, aligning daily operations and annual budgets with long-term community goals. It establishes clear priorities—financial stability, public safety, infrastructure investment, economic vitality, quality of life, and organizational excellence—so resources are focused where they create the greatest impact.

The plan is developed through leadership alignment, departmental input, community engagement, and analysis of financial and operational trends. These priorities guide budget decisions, capital planning, and performance expectations across the organization.

By connecting vision, strategy, and resources, the Strategic Plan ensures the City can manage growth, maintain essential services, and invest responsibly in the community's future.

City Council Review

The City Council participates in a structured annual review process that aligns strategic priorities with the development of the budget. Early in the year, Council receives an overview of financial conditions, service demands, and long-term needs to help frame priorities for the upcoming cycle. Departments then prepare their operational and capital requests based on this direction, while the City Manager evaluates and refines these proposals into a balanced recommended budget. Council reviews the draft through work sessions, examining revenues, expenditures, staffing, and major initiatives, and provides guidance for adjustments. Public hearings and transparency tools allow residents to offer input before final adoption. This timeline ensures Council remains engaged at every key stage—setting priorities, reviewing progress, and confirming that the final budget reflects the community's long-term vision and responsible fiscal stewardship.

Departmental Use

Departments use the City's strategic goals as the foundation for planning their operations, budgets, and service delivery. Each department reviews the citywide priorities—such as financial stability, public safety, infrastructure investment, economic development, and quality of life—and translates them into specific objectives, performance measures, and operational plans. These goals guide decisions on staffing, equipment, capital needs, and process improvements, ensuring that daily work aligns with long-term community priorities. By grounding their operations in the Strategic Plan, departments maintain consistency across the organization, support Council's direction, and contribute to a coordinated, accountable approach to serving residents.

Budget Integration

Strategic goals and priorities guide every stage of the City's budget process, ensuring that financial decisions directly support long-term community outcomes. Departments use these goals to shape their operational plans and budget requests, demonstrating how proposed initiatives, staffing needs, and capital projects advance citywide priorities. The City Manager evaluates each request for alignment with these goals when preparing the recommended budget, ensuring consistency and responsible resource allocation. During Council work sessions, strategic priorities serve as the framework for reviewing proposals, weighing trade-offs, and determining which investments provide the greatest community benefit. By grounding both analysis and decision-making in the Strategic Plan, the final adopted budget reflects a clear, intentional connection between the City's vision, organizational performance, and the allocation of public resources.

Budget Timeline



Budget Timeline

The City of Commerce prepares its annual budget through a transparent, multiphase process that spans January through July. Here's how the FY2027 budget comes together:

Phase 1 — Preparation (January – February 2026) Budget request forms are prepared and distributed to department heads in late January. Departments complete and return their requests by late February, while staff develops preliminary revenue projections. A Council budget retreat is held if needed.

Phase 2 — Review (March 2026) The City Manager and Finance team meet individually with department heads from March 17–31 to review preliminary budget requests. Council-suggested items are incorporated in early April.

Phase 3 — Public Input & Adoption (April – June 2026) The proposed budget is advertised and made available for public review in late April and May. Citizens and Council review the proposed budget at a public meeting on May 18 at the Admin Complex. A public hearing and work session follow on June 1. After final adjustments in early June, the budget is formally adopted on June 15 at the Civic Center.

Fiscal Year 2027 begins July 1, 2026.

Priorities and Issues

The City of Commerce enters FY27 with several major capital priorities focused on strengthening infrastructure, improving community spaces, and supporting long-term growth. Key projects include Cultural Center renovations, upgrades at the Grove Creek Wastewater Treatment Plant, expanded stormwater improvements, new playground equipment, development of additional water-supply wells, and continued work on Little Street and downtown design initiatives. These projects represent the City's largest planned investments for the year and reflect ongoing commitments to reliability, safety, and quality of life.

On the revenue side, the City continues to monitor the impacts of statewide property tax reform, which introduces uncertainty for future collections and long-term forecasting. At the same time, Commerce will begin receiving revenue from the new TSPLOST referendum, providing a dedicated funding source for transportation and infrastructure improvements. Together, these factors shape the City's financial outlook and guide decisions for the upcoming fiscal year.

Priorities and Revenues

**FY27 City of Commerce
Priorities & Revenue Outlook**

Cultural Center Renovations **Wastewater Plant Upgrades** **Stormwater Improvements** **New Playground Equipment** **Water Supply Wells**

Investing in Infrastructure & Community Improvements

Property Tax Reform Impact **TSPLOST Funding**

Revenue Uncertainty Transportation & Infrastructure Funds

The graphic features a central banner with five project categories: Cultural Center Renovations, Wastewater Plant Upgrades, Stormwater Improvements, New Playground Equipment, and Water Supply Wells. Below this is a section titled 'Investing in Infrastructure & Community Improvements' which is split into two parts: 'Property Tax Reform Impact' (showing a house with a 'PROPERTY TAX' sign and a red question mark) and 'TSPLOST Funding' (showing a road construction scene with a truck and a bridge). The bottom of the graphic includes the text 'Revenue Uncertainty' and 'Transportation & Infrastructure Funds'.

Personnel Changes

The FY27 Budget includes several strategic personnel additions to support public safety, strengthen financial operations, and staff the City's new utility infrastructure. These changes reflect both operational needs and long-term service demands across departments.

In the **Police Department**, the City has added one School Resource Officer (SRO) to enhance campus safety and strengthen partnerships with local schools. This position provides dedicated support for student well-being, improves incident prevention and response within school facilities, and helps meet growing expectations for onsite law enforcement presence as enrollment and school activity levels increase.

The City has also added one new Patrol Officer to address rising call volume, improve response times, and maintain adequate coverage across the community. Commerce's population growth, expanded commercial activity, and increased traffic have placed greater demands on patrol operations. Adding this position helps ensure the department can sustain 24/7 coverage, reduce overtime reliance, and maintain proactive policing efforts rather than operating in a reactive mode.

Within the **Finance Department**, the City added one Accounting Manager to strengthen internal controls, support audit readiness, and provide essential backup for core financial functions. This position increases the department's capacity to manage grants, capital projects, utility revenues, and expanding regulatory requirements, ensuring Commerce can keep pace with growth while maintaining strong financial stewardship.

For the past decade, the City of Commerce Finance Department has operated with a minimal number of employees, even as the community has grown and state and federal regulations have become more stringent. This lean staffing model has required the department to take on expanding responsibilities while maintaining service levels, compliance, and transparency.

To support the City's new **Wastewater Treatment Plant**, the FY27 Budget includes two new Utility Operators. These positions are necessary to ensure proper staffing for a modern facility, maintain regulatory compliance, and provide reliable service as the plant comes online.

Overall, these personnel changes strengthen operational capacity, improve service delivery, and position the City to meet both current and future demands.

Long-Range Operating Plan

Over the next five years, the City of Commerce will focus on strengthening core infrastructure, expanding public safety capacity, modernizing internal systems, and enhancing the community's overall quality of life. These long-range goals provide a roadmap for aligning capital investments, operational planning, and staffing needs with the City's strategic priorities.

1. Launch and Optimize Operations of the New Wastewater Treatment Plant (WWTP)

The City will transition to full operations of the new Grove Creek Wastewater Treatment Plant, ensuring reliable capacity to support residential, commercial, and industrial growth. Long-term goals include optimizing plant performance, implementing energy-efficient processes, strengthening regulatory compliance, and planning for future expansion as development along the I-85 corridor accelerates.

2. Expand and Secure New Water Supply Capacity

To meet rising demand and improve system resilience, the City will continue developing new water-supply wells and associated infrastructure. Over the next five years, goals include diversifying water sources, improving redundancy, and reducing vulnerability to drought or single-source disruptions. These investments support long-term growth and ensure dependable service for residents and businesses.

3. Implement a Sustainable Stormwater Utility

Commerce will establish and phase in a stormwater utility to provide a dedicated, long-term funding source for drainage improvements, regulatory compliance, and system maintenance. Five-year goals include completing a citywide inventory of stormwater assets, prioritizing high-risk areas, reducing flooding and erosion, and building a sustainable program that supports ongoing capital needs.

4. Construct and Staff New Fire Station 3

To improve emergency response times and support growth in underserved areas, the City will construct and operationalize a new Fire Station 3. Long-term goals include securing land, completing design and construction, acquiring apparatus, and hiring and training personnel. This investment strengthens public safety coverage and supports Commerce's expanding residential and commercial footprint.

5. Expand Geographic Information Systems (GIS) Capabilities

The City will broaden its GIS program to improve asset management, planning, permitting, and service delivery. Over the next five years, goals include building a comprehensive GIS database, integrating GIS with public works and utility operations, supporting data-driven decision-making, and improving public access to maps and information.

6. Advance Downtown Design, Streetscape, and Beautification Initiatives

Commerce will continue implementing long-term downtown design and beautification projects to enhance walkability, support local businesses, and strengthen the city's identity. Five-year goals include completing design plans, improving sidewalks and lighting, expanding landscaping and public art, and creating a more vibrant, attractive downtown environment that supports economic development and community pride.



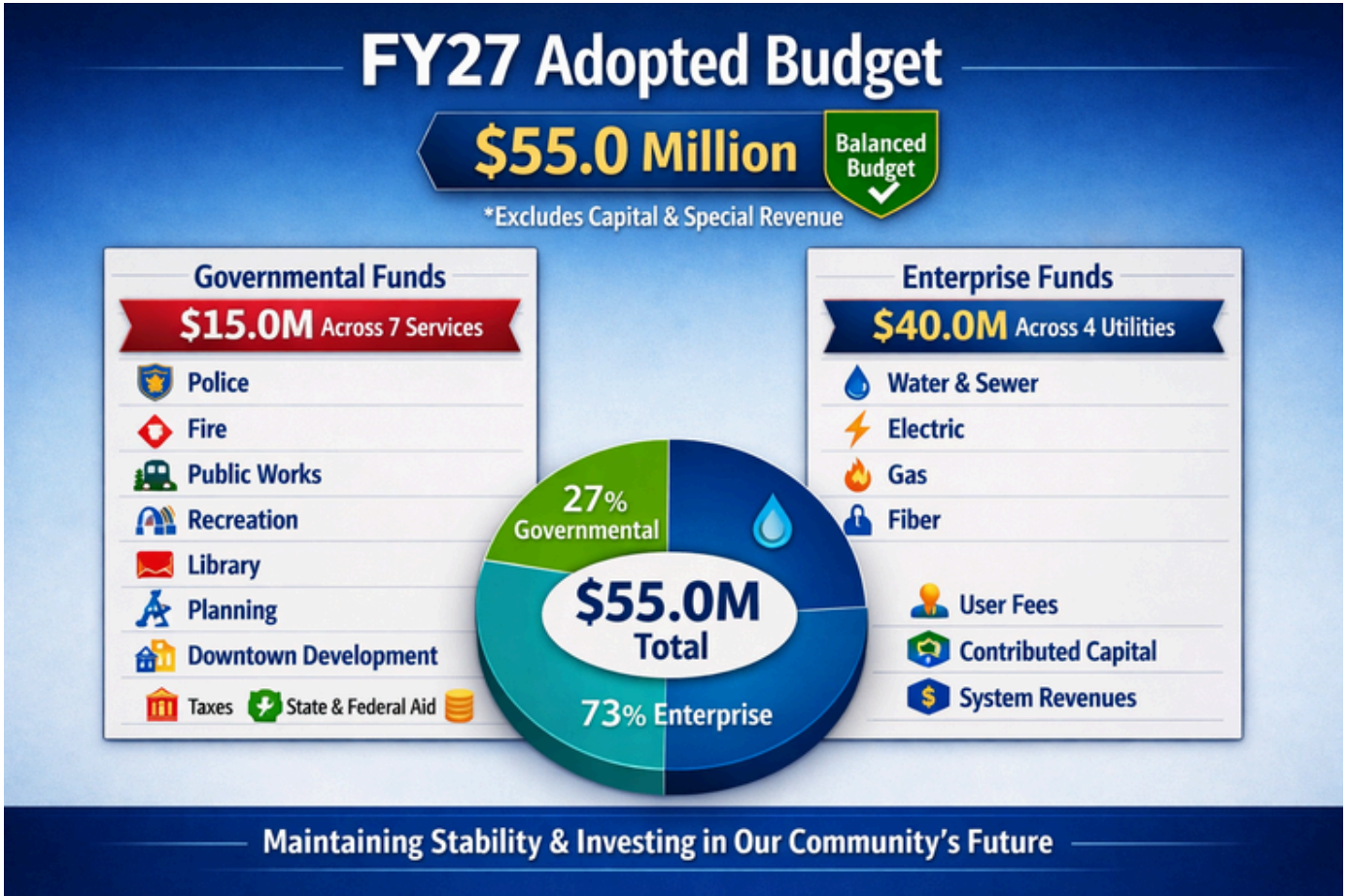
Short-Term Organization Factors

During FY27, the City of Commerce will focus on advancing several major capital projects that strengthen infrastructure, improve community spaces, and support long-term growth. Work will continue on Cultural Center renovations, ensuring the facility remains safe, functional, and able to support expanded community use. The City will also move forward with upgrades at the Grove Creek Wastewater Treatment Plant, completing near-term improvements that enhance reliability and prepare for future operational needs.

Short-term goals include expanding stormwater improvements in priority areas to reduce flooding risks and address aging drainage infrastructure. The City will also replace and upgrade playground equipment to improve safety, accessibility, and recreational opportunities for families. Development of additional water-supply wells will progress through design, permitting, and early construction steps to support system capacity and long-term resilience.

Commerce will also continue work on Little Street improvements and downtown design initiatives, refining plans and beginning early-phase enhancements that improve walkability, appearance, and overall community appeal. Together, these efforts represent the City's largest planned investments for the year and reflect ongoing commitments to reliability, safety, and quality of life.

Funds Summary Overview



Funds Summary Overview

The FY27 budget is fully balanced across all governmental and enterprise funds, reflecting stable revenues and continued investment in core services and infrastructure. Governmental funds total \$15.0 million, supporting police, fire, public works, recreation, library services, planning, and downtown development. Revenues remain steady, with strong support from taxes, intergovernmental funding, and service charges.

Enterprise operations—including Water & Sewer, Electric, Gas, and Fiber—total \$40.0 million and are fully supported by user fees, contributed capital, and system revenues. FY27 includes significant utility infrastructure investment, particularly in water, sewer, and gas systems.

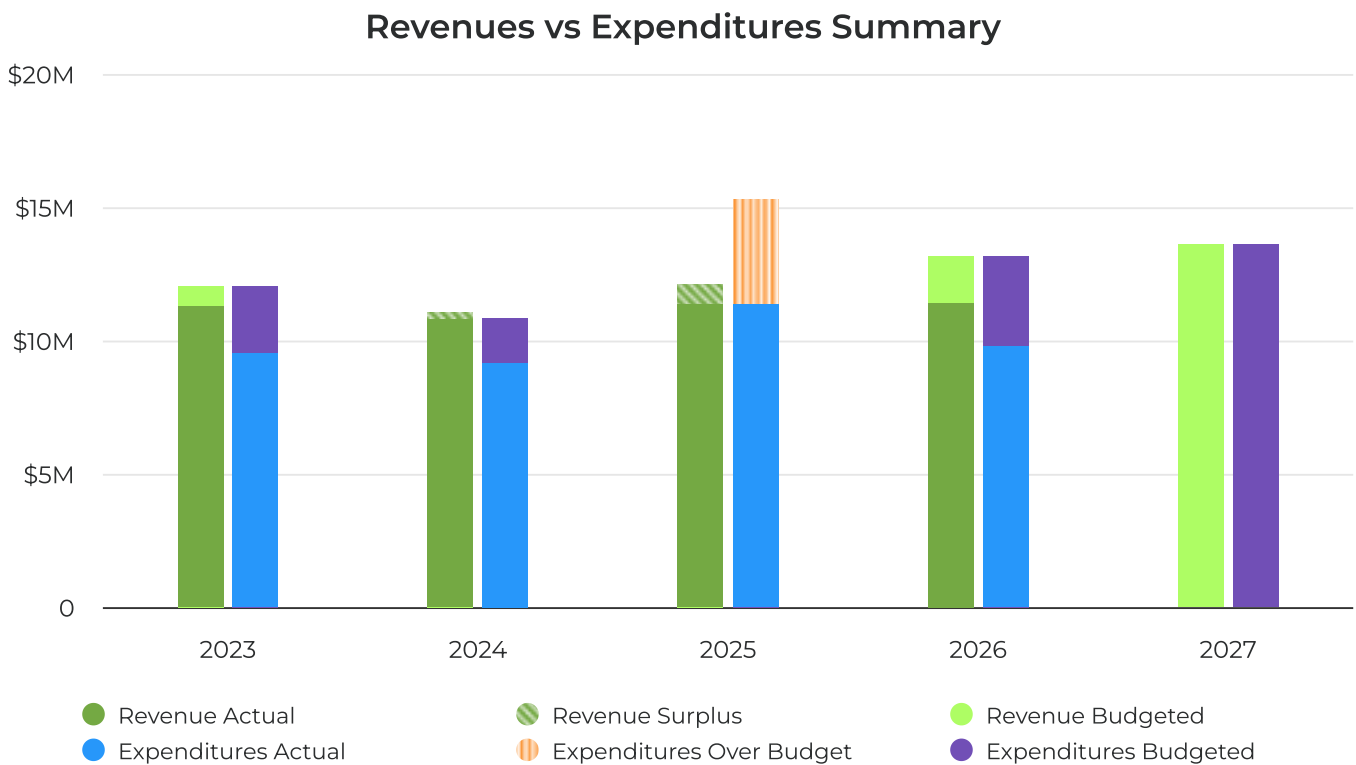
Overall, the FY27 budget maintains financial stability while advancing major capital priorities and supporting long-term community growth.

GENERAL FUND

The General Fund serves as the primary operating fund for the City of Commerce and supports the core services residents rely on every day. It accounts for the majority of routine governmental activities, including public safety, public works, parks and recreation, planning, administration, and general government operations.

Because it is funded largely through taxes and other unrestricted revenues, the General Fund provides the flexibility needed to maintain essential services, respond to community needs, and support the day-to-day functions that keep the City running. It also plays a central role in sustaining service levels, managing personnel costs, and ensuring the long-term financial stability of the organization.

Summary



In the 2027 budget for the General Fund, both expenditures and revenues are budgeted at \$13.6 million, reflecting a 3.09% increase from the 2026 budgeted amounts of \$13.2 million. This continues the trend of balanced budgeting seen in the previous year, where expenditures and revenues were also equal at \$13.2 million, following a significant 15.51% increase from the prior period.

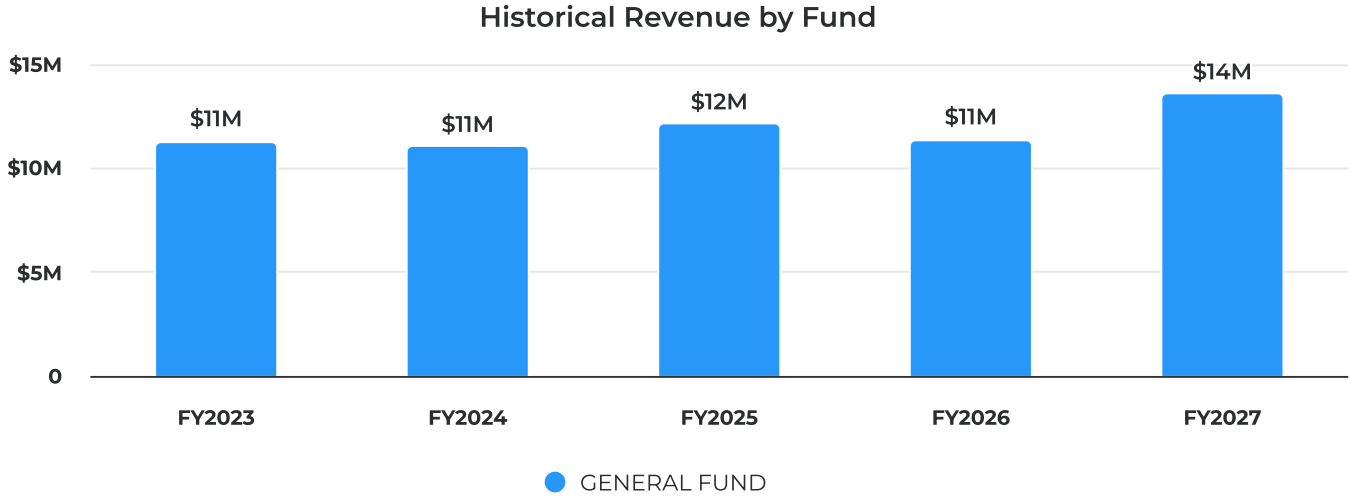
The growth rate in 2027 is notably smaller compared to the 15.51% increase experienced in 2026, indicating a more moderate rise in both expenditures and revenues. There are no actual revenue or expenditure figures reported for either year, so the focus remains on the budgeted amounts and their changes.

Comprehensive Fund Summary

Comprehensive Fund Summary

Category	FY 2026 Adopted Budget	FY 2027 Budgeted
Beginning Fund Balance	\$9,238,592.26	-
Revenues		
TAXES	\$4,437,390.00	\$4,848,327.00
LICENSES AND PERMITS	\$396,500.00	\$191,500.00
INTERGOVERNMENTAL REVENUES	\$3,682,916.98	\$3,775,917.00
CHARGES FOR SERVICES	\$3,471,682.00	\$3,604,795.00
FINES AND FORFEITURES	\$318,952.00	\$393,875.00
INVESTMENT INCOME	\$50,000.00	\$200,000.00
CONTRIBUTIONS AND DONATIONS FROM PRIVATE	\$30,264.40	\$44,598.00
MISCELLANEOUS REVENUE	\$50,600.00	\$60,600.00
OTHER FINANCING SOURCES	\$712,148.50	\$437,580.00
Total Revenues	\$13,150,453.88	\$13,557,192.00
Expenditures		
PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$7,588,031.00	\$8,242,117.00
PURCHASED/CONTRACTED SERVICES	\$2,797,589.40	\$2,789,063.00
SUPPLIES	\$1,205,572.00	\$1,303,925.00
CAPITAL OUTLAYS	\$5,000.00	-
OTHER COSTS	\$10,000.00	\$110,000.00
DEBT SERVICE	\$20,318.22	\$71,818.00
OTHER FINANCING USES	\$1,523,943.26	\$1,040,269.00
Total Expenditures	\$13,150,453.88	\$13,557,192.00
Total Revenues Less Expenditures	-	-
Ending Fund Balance	\$9,238,592.26	-

Revenues by Fund



In FY2027, the General Fund revenue is budgeted at \$13.6 million, representing a 3.09% increase of \$406,738 compared to the FY2026 budget of \$13.2 million. The General Fund remains the largest and sole category, accounting for 100% of the total revenue in both years. This follows a notable increase of 8.54% or \$1 million from the prior period to FY2026. Overall, the total revenue continues to grow, with the FY2027 budget reflecting a moderate increase over the previous year.

FY27 Revenues by Fund

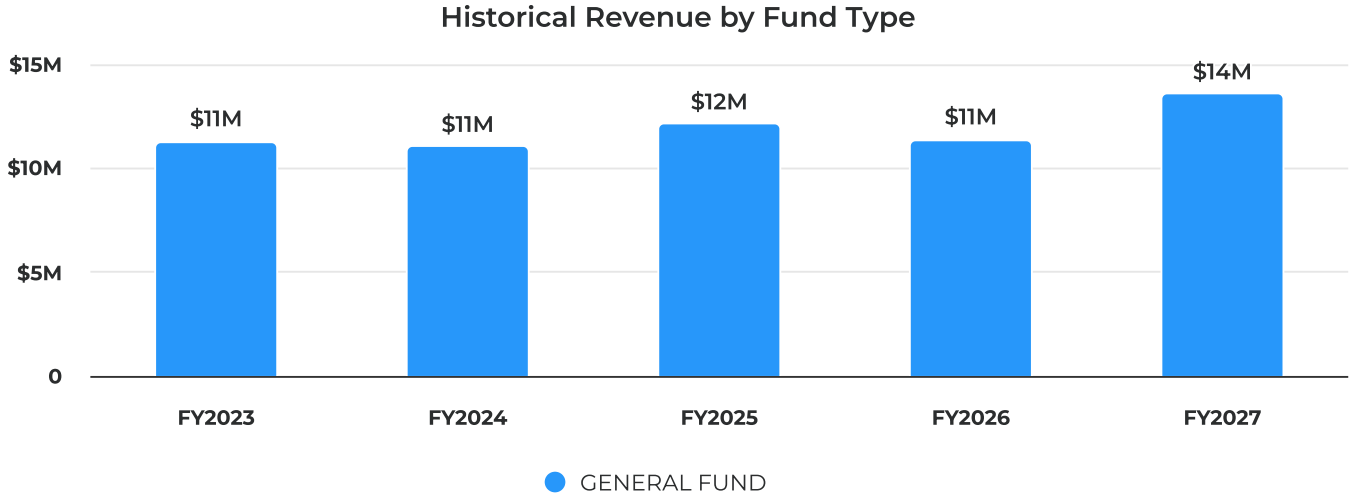


The GENERAL FUND has a total fiscal year revenue of \$13.6 million, representing 100% of the fund's revenue.

Revenues by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
GENERAL FUND	\$13,150,453.88	\$13,557,192.00	3.09%
Total Revenues	\$13,150,453.88	\$13,557,192.00	3.09%

Revenues by Fund Type



In FY2027, the General Fund revenue is budgeted at \$13.6 million, representing 100% of the total revenue for the General Fund. This amount reflects an increase of \$406,738, or 3.09%, compared to the FY2026 budget of \$13.2 million. The total revenue for FY2027 shows a growth of 3.09% from the previous year's total of \$13.2 million. The General Fund remains the largest and sole category in the revenue by fund type, continuing its position from FY2026 with a consistent share of 100% of the total revenue.

FY27 Revenues by Fund Type

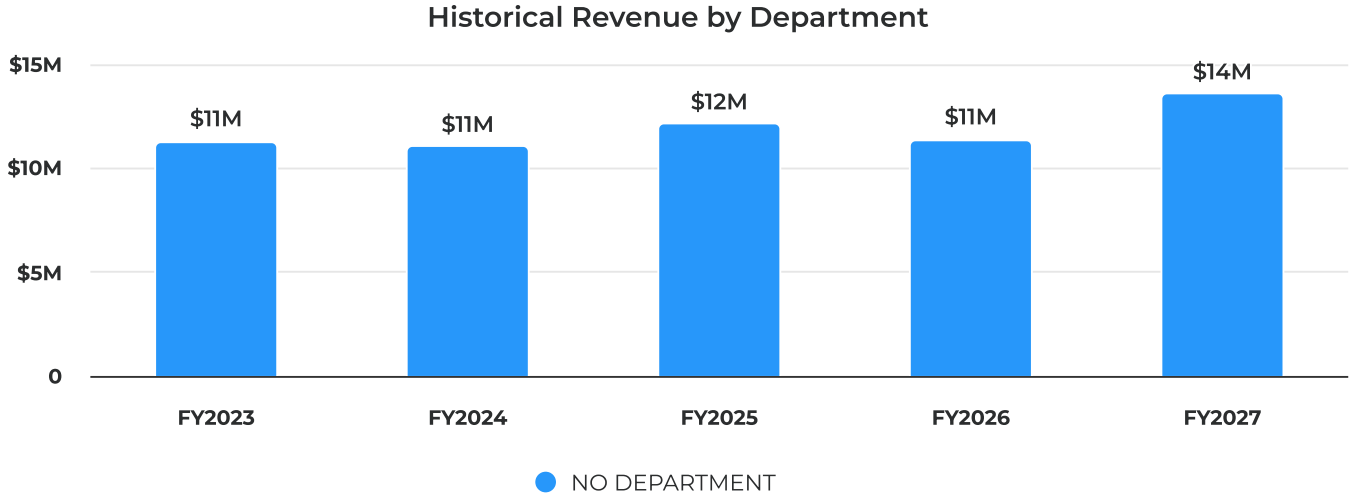


The GENERAL FUND has a total fiscal year revenue of \$13.6 million, representing 100% of the fund's revenue for the fiscal year.

Revenues by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
GENERAL FUND	\$13,150,453.88	\$13,557,192.00	3.09%
Total Revenues	\$13,150,453.88	\$13,557,192.00	3.09%

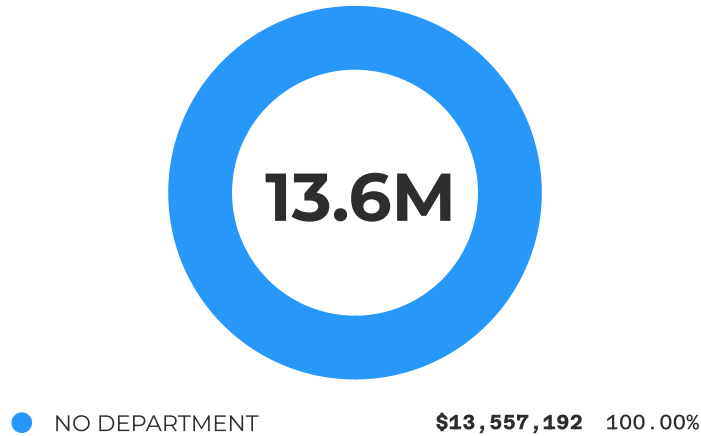
Revenues by Department



In the General Fund for FY2027, total historical revenue by department is budgeted at \$13.6 million, representing a 3.09% increase from the FY2026 total of \$13.2 million. The entire revenue continues to be attributed to the "NO DEPARTMENT" category, which accounts for 100% of the total revenue in both years.

The "NO DEPARTMENT" category shows an increase of \$406,738, or 3.09%, compared to the previous year's \$13.2 million, which itself had increased by \$1 million or 8.54% from its prior value. This marks a continued upward trend in revenue within this category, though at a slower growth rate than the previous year.

FY27 Revenues by Department



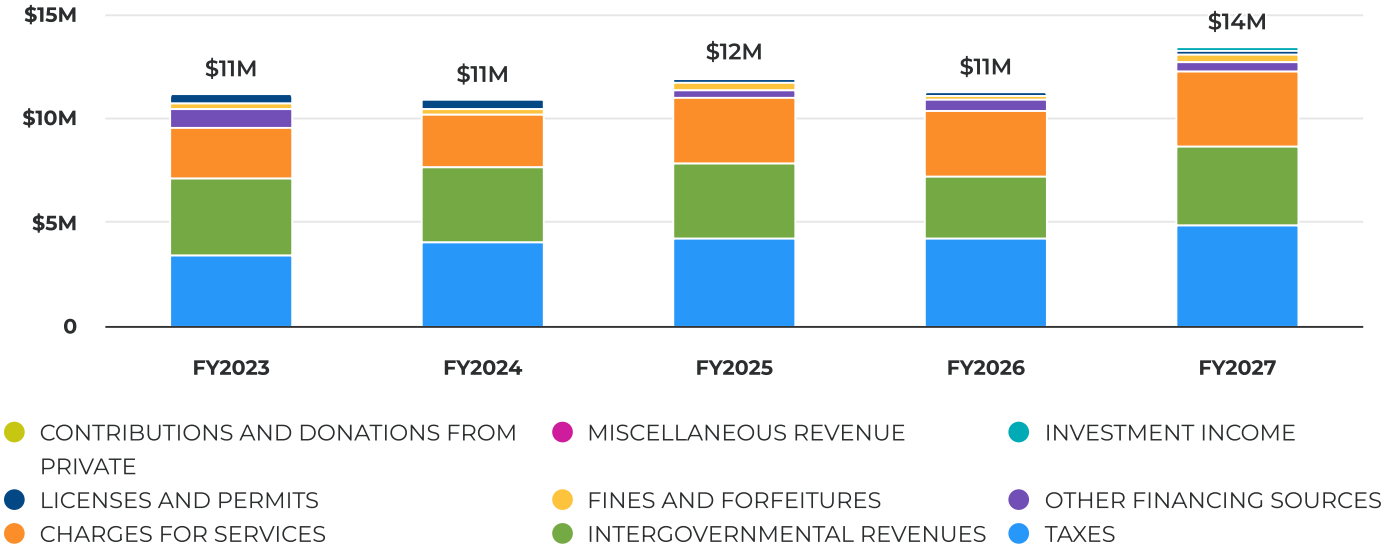
For the GENERAL FUND Fiscal Year Revenue by Department, the NO DEPARTMENT category accounts for \$13.6 million, representing 100% of the total revenue.

Revenues by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENT	\$13,150,453.88	\$13,557,192.00	3.09%
Total Revenues	\$13,150,453.88	\$13,557,192.00	3.09%

Revenues by Revenue Source

Historical Revenue by Revenue Source



The General Fund's total revenue for FY2027 is \$13.6 million, reflecting a 3.09% increase from FY2026's \$13.2 million. Taxes remain the largest revenue source, increasing by \$480,142 or 10.82% to \$4.9 million, now representing 36.27% of the total, up from 33.74% the previous year.

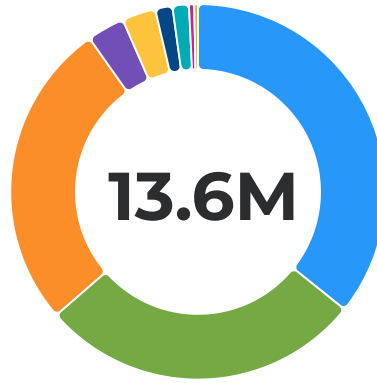
Intergovernmental Revenues slightly increased by \$93,000 or 2.53% to \$3.8 million, accounting for 27.85% of total revenue, a slight decrease in share from 28.01%. Charges for Services rose modestly by \$63,908 or 1.84% to \$3.5 million, making up 26.08% of the total, a small decline in percentage from 26.4%.

Other Financing Sources saw a significant decrease of \$274,569 or 38.55%, dropping to \$437,580 and reducing its share to 3.23% from 5.42%. Licenses and Permits also declined sharply by \$205,000 or 51.7% to \$191,500, now 1.41% of total revenue compared to 3.02% previously.

Fines and Forfeitures increased by \$74,923 or 23.49% to \$393,875, raising their share to 2.91% from 2.43%. Investment Income experienced a substantial rise of \$150,000 or 300%, reaching \$200,000 and increasing its share to 1.48% from 0.38%. Miscellaneous Revenue grew by \$10,000 or 19.76% to \$60,600, now 0.45% of total revenue, up from 0.38%.

Contributions and Donations from Private sources increased by \$14,334 or 47.36% to \$44,598, representing 0.33% of total revenue, up from 0.23% in FY2026.

FY27 Revenues by Revenue Source



● TAXES	\$4,848,327	35.76%
● INTERGOVERNMENTAL REVENUES	\$3,775,917	27.85%
● CHARGES FOR SERVICES	\$3,604,795	26.59%
● OTHER FINANCING SOURCES	\$437,580	3.23%
● FINES AND FORFEITURES	\$393,875	2.91%
● INVESTMENT INCOME	\$200,000	1.48%
● LICENSES AND PERMITS	\$191,500	1.41%
● MISCELLANEOUS REVENUE	\$60,600	0.45%
● CONTRIBUTIONS AND DONATIONS FROM PRIVATE	\$44,598	0.33%

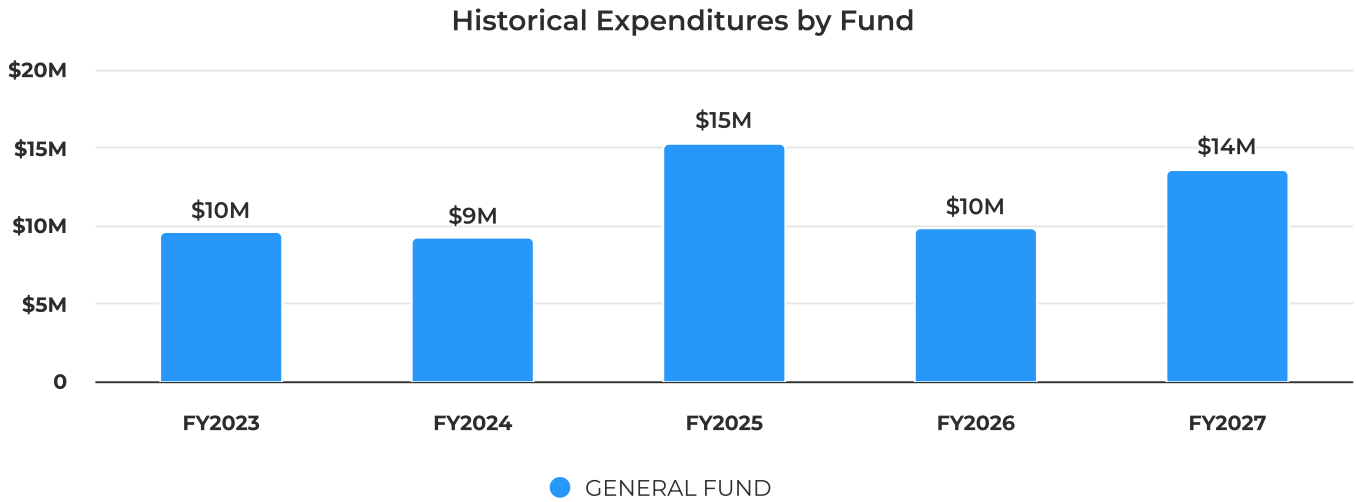
The GENERAL FUND's Fiscal Year Revenue by Revenue Source is composed of several categories. Taxes contribute \$4.9 million, accounting for 36.27% of the total revenue. Intergovernmental Revenues provide \$3.8 million, which is 27.85%. Charges for Services add \$3.5 million, representing 26.08% of the revenue. Other Financing Sources amount to \$437,580, or 3.23%. Fines and Forfeitures contribute \$393,875, making up 2.91%. Investment Income is \$200,000, which is 1.48%. Licenses and Permits bring in \$191,500, accounting for 1.41%. Miscellaneous Revenue totals \$60,600, or 0.45%. Contributions and Donations from Private sources add \$44,598, representing 0.33% of the revenue.

Revenues by Revenue Source

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
TAXES	\$4,437,390.00	\$4,848,327.00	9.26%
LICENSES AND PERMITS	\$396,500.00	\$191,500.00	-51.70%
INTERGOVERNMENTAL REVENUES	\$3,682,916.98	\$3,775,917.00	2.53%
CHARGES FOR SERVICES	\$3,471,682.00	\$3,604,795.00	3.83%
FINES AND FORFEITURES	\$318,952.00	\$393,875.00	23.49%
INVESTMENT INCOME	\$50,000.00	\$200,000.00	300.00%
CONTRIBUTIONS AND DONATIONS FROM PRIVATE	\$30,264.40	\$44,598.00	47.36%
MISCELLANEOUS REVENUE	\$50,600.00	\$60,600.00	19.76%

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
OTHER FINANCING SOURCES	\$712,148.50	\$437,580.00	-38.55%
Total Revenues	\$13,150,453.88	\$13,557,192.00	3.09%

Expenditures by Fund



In FY2027, the General Fund expenditures total \$13.6 million, representing 100% of the total expenditures for the fund. This amount reflects an increase of \$406,739, or 3.09%, compared to the previous year's total of \$13.2 million in FY2026.

Notably, the General Fund remains the largest and sole category in the Historical Expenditures by Fund, maintaining its full share of the total expenditures. This marks a reversal from the prior year, FY2026, when the General Fund experienced a significant decrease of \$2.1 million, or 13.88%.

Overall, FY2027 shows a modest growth in total expenditures within the General Fund, following the prior year's decline, with the fund increasing by 3.09% to \$13.6 million.

FY27 Expenditures by Fund

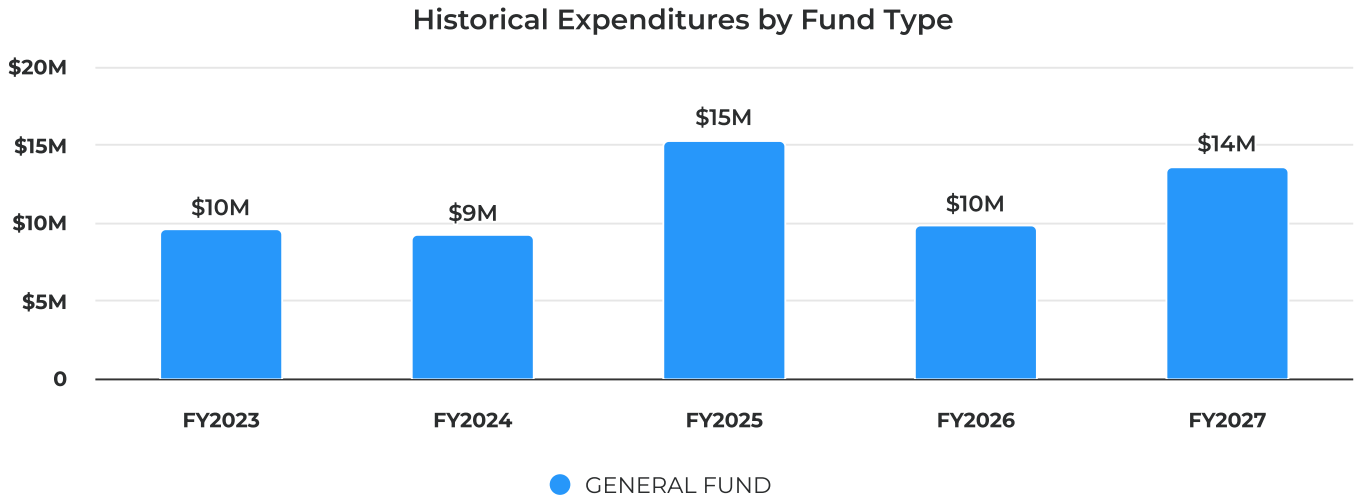


The GENERAL FUND's Fiscal Year Expenditures total \$13.6 million, representing 100% of the fund's expenditures.

Expenditures by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
GENERAL FUND	\$13,150,453.88	\$13,557,192.00	3.09%
Total Expenditures	\$13,150,453.88	\$13,557,192.00	3.09%

Expenditures by Fund Type



In FY2027, the General Fund budget is \$13.6 million, representing a 3.09% increase of \$406,739 compared to the FY2026 budget of \$13.2 million. The General Fund remains the largest and sole category, accounting for 100% of the total expenditures in both years.

This increase in the General Fund follows a previous decrease of \$2.1 million, or 13.88%, from the prior period to FY2026. Overall, the total expenditures in FY2027 show a modest growth of 3.09% from FY2026, driven entirely by the General Fund.

FY27 Expenditures by Fund Type



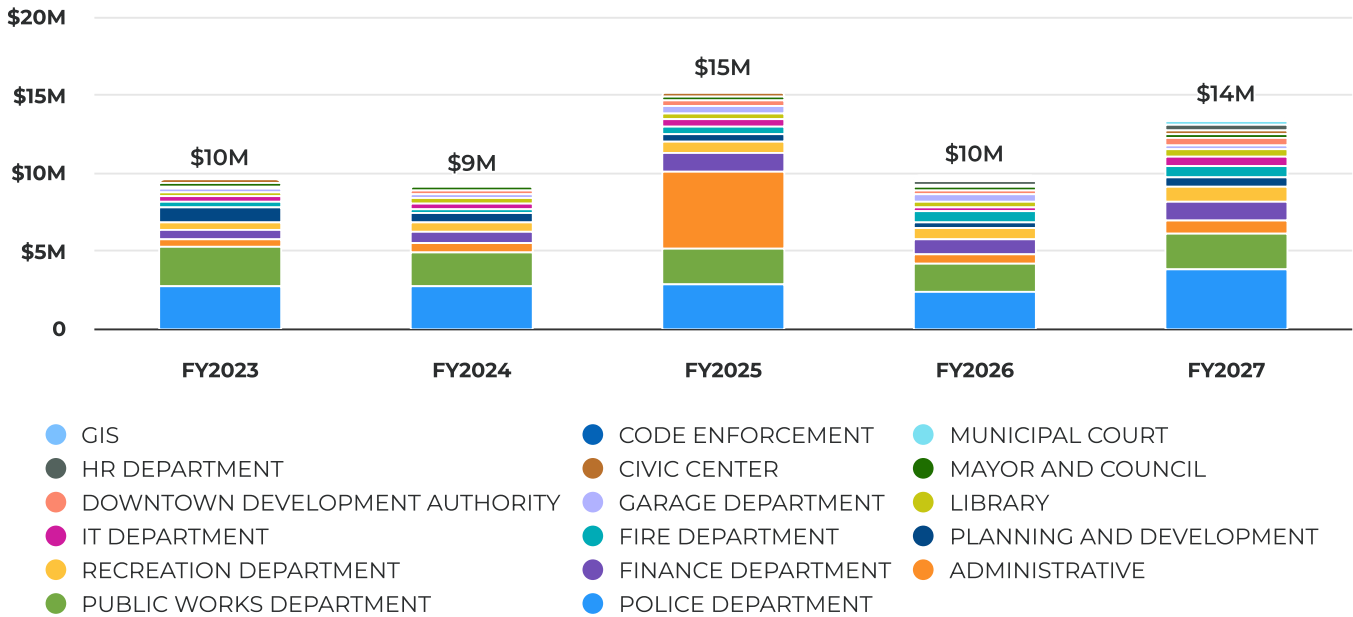
The GENERAL FUND's fiscal year expenditures total \$13.6 million, representing 100% of the fund's expenditures.

Expenditures by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
GENERAL FUND	\$13,150,453.88	\$13,557,192.00	3.09%
Total Expenditures	\$13,150,453.88	\$13,557,192.00	3.09%

Expenditures by Department

Historical Expenditures by Department



In FY2027, the General Fund's total expenditures increased by 3.09% to \$13.6 million compared to FY2026's \$13.2 million. The Police Department remained the largest expenditure category, rising by 19.32% to \$3.8 million, now representing 28.35% of the total budget, up from 24.5% the previous year.

The Public Works Department saw a decrease of 5.74%, dropping to \$2.2 million and accounting for 16.58% of the total, down from 18.13%. The Finance Department experienced a notable increase of 23.6%, reaching \$1.2 million and 8.56% of the budget, reversing its prior decline.

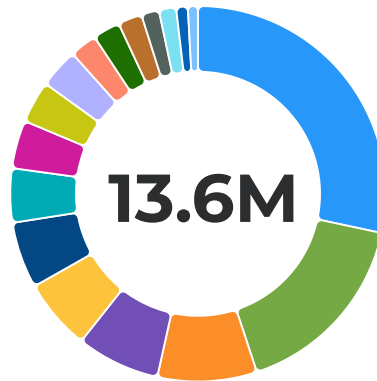
The Recreation Department's budget grew by 8.19% to \$973,032, making up 7.18% of the total. The Administrative category remained relatively stable with a slight increase of 0.02% to \$832,597, representing 6.14% of expenditures. Conversely, the Fire Department's allocation decreased by 22.58% to \$774,383, reducing its share to 5.71%.

Planning and Development increased by 5.71% to \$633,022 (4.67%), while the IT Department rose by 20.31% to \$560,883 (4.14%). The Library's budget slightly declined by 0.99% to \$491,519, accounting for 3.63% of the total. The Downtown Development Authority increased by 24.43% to \$464,217, now 3.42% of the budget.

Among the largest increases, the Police Department led with a \$622,358 rise, followed by Finance with \$221,498, and the Civic Center more than doubling its budget with a 112.33% increase to \$201,882. The IT Department, Downtown Development Authority, Recreation Department, Municipal Court, Planning and Development, Code Enforcement, and Mayor and Council also saw budget increases ranging from 3.07% to 33.98%.

Significant decreases included the Garage Department, which dropped by 71.25% to \$206,789, the Fire Department's 22.58% reduction, and Public Works' 5.74% decrease. GIS and HR Department budgets also declined by 26.8% and 2.33%, respectively, while the Library saw a minor decrease of 0.99%.

FY27 Expenditures by Department



● POLICE DEPARTMENT	\$3,844,002	28.35%
● PUBLIC WORKS DEPARTMENT	\$2,247,684	16.58%
● FINANCE DEPARTMENT	\$1,160,207	8.56%
● RECREATION DEPARTMENT	\$973,032	7.18%
● ADMINISTRATIVE	\$832,597	6.14%
● FIRE DEPARTMENT	\$774,383	5.71%
● PLANNING AND DEVELOPMENT	\$633,022	4.67%
● IT DEPARTMENT	\$560,883	4.14%
● LIBRARY	\$491,519	3.63%
● DOWNTOWN DEVELOPMENT AUTHORITY	\$464,217	3.42%
● HR DEPARTMENT	\$317,307	2.34%
● MAYOR AND COUNCIL	\$317,256	2.34%
● MUNICIPAL COURT	\$280,077	2.07%
● GARAGE DEPARTMENT	\$206,789	1.53%
● CIVIC CENTER	\$201,882	1.49%
● CODE ENFORCEMENT	\$135,123	1.00%
● GIS	\$117,212	0.86%

The GENERAL FUND fiscal year expenditures by department are led by the POLICE DEPARTMENT at \$3.8 million, representing 28.35% of the total. Following is the PUBLIC WORKS DEPARTMENT with \$2.2 million, or 16.58%. The FINANCE DEPARTMENT accounts for \$1.2 million, which is 8.56% of the expenditures. The RECREATION DEPARTMENT's share is \$973,032, making up 7.18%. ADMINISTRATIVE expenses total \$832,597, or 6.14%, while the FIRE DEPARTMENT has \$774,383, representing 5.71%.

PLANNING AND DEVELOPMENT expenditures are \$633,022, comprising 4.67%. The IT DEPARTMENT accounts for \$560,883, or 4.14%. The LIBRARY's portion is \$491,519, which is 3.63%, and the DOWNTOWN DEVELOPMENT AUTHORITY has \$464,217, representing 3.42%. There are also seven smaller categories not listed here.

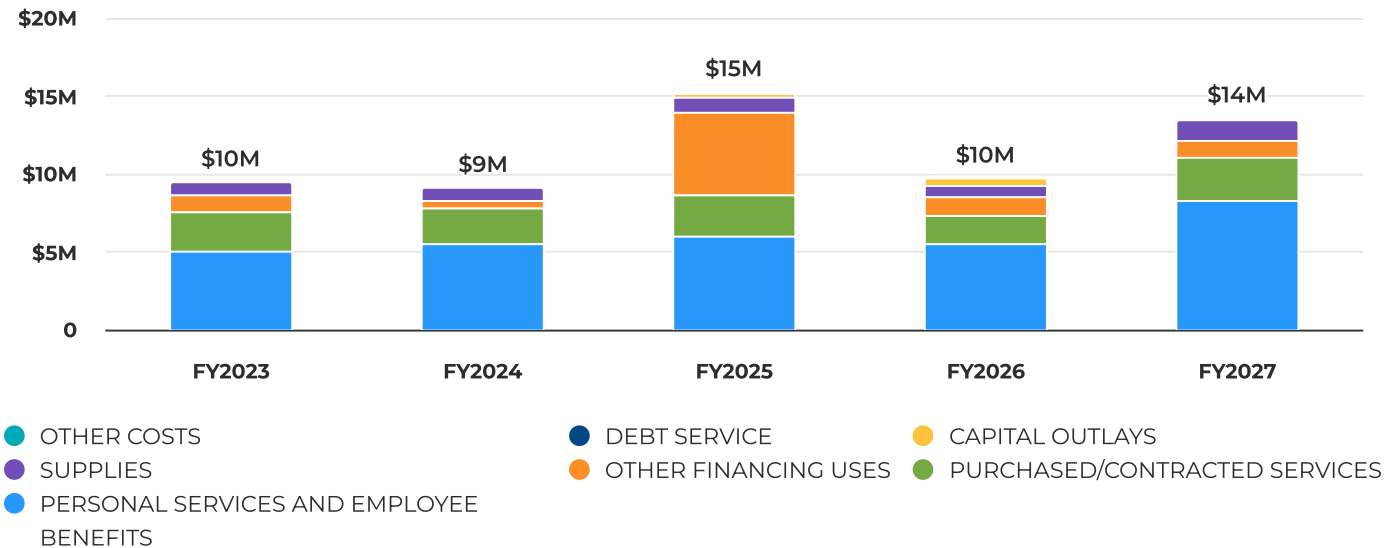
Expenditures by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
MAYOR AND COUNCIL	\$307,798.00	\$317,256.00	3.07%

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
MUNICIPAL COURT	\$209,051.00	\$280,077.00	33.98%
POLICE DEPARTMENT	\$3,221,644.40	\$3,844,002.00	19.32%
FIRE DEPARTMENT	\$1,000,268.22	\$774,383.00	-22.58%
PUBLIC WORKS DEPARTMENT	\$2,384,576.00	\$2,247,684.00	-5.74%
GARAGE DEPARTMENT	\$719,202.00	\$206,789.00	-71.25%
RECREATION DEPARTMENT	\$899,378.00	\$973,032.00	8.19%
LIBRARY	\$496,446.00	\$491,519.00	-0.99%
CODE ENFORCEMENT	\$122,701.00	\$135,123.00	10.12%
PLANNING AND DEVELOPMENT	\$598,842.00	\$633,022.00	5.71%
DOWNTOWN DEVELOPMENT AUTHORITY	\$373,081.00	\$464,217.00	24.43%
CIVIC CENTER	\$95,078.26	\$201,882.00	112.33%
ADMINISTRATIVE	\$832,468.00	\$832,597.00	0.02%
FINANCE DEPARTMENT	\$938,709.00	\$1,160,207.00	23.60%
IT DEPARTMENT	\$466,212.00	\$560,883.00	20.31%
GIS	\$160,122.00	\$117,212.00	-26.80%
HR DEPARTMENT	\$324,877.00	\$317,307.00	-2.33%
Total Expenditures	\$13,150,453.88	\$13,557,192.00	3.09%

Expenditures by Expense Type

Historical Expenditures by Expense Type

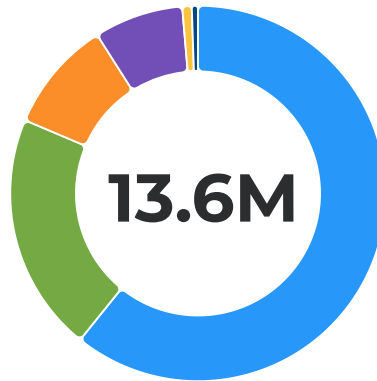


In FY2027, the General Fund's total expenditures increased by 3.09% to \$13.6 million compared to FY2026. The largest expenditure category, Personal Services and Employee Benefits, rose by \$654,086 or 8.62%, reaching \$8.2 million and representing 60.8% of the total budget, up from 57.7% the previous year.

Supplies also saw an increase, growing by \$98,353 or 8.16% to \$1.3 million, accounting for 9.62% of total expenditures. Debt Service experienced a significant rise of \$51,500 or 253.47%, increasing to \$71,818 and making up 0.53% of the budget, up from 0.15% in FY2026. Other Costs increased notably by \$100,000 or 1,000%, reaching \$110,000 and comprising 0.81% of the total.

Purchased/Contracted Services slightly decreased by \$8,526 or 0.3% to \$2.8 million, representing 20.57% of the budget, a small decline from 21.27%. Other Financing Uses declined by \$483,674 or 31.74% to \$1 million, reducing its share to 7.67% from 11.59%. Capital Outlays were eliminated entirely, decreasing by \$5,000 or 100% to zero.

FY27 Expenditures by Expense Type



● PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$8,242,117	60.80%
● PURCHASED/CONTRACTED SERVICES	\$2,789,063	20.57%
● SUPPLIES	\$1,303,925	9.62%
● OTHER FINANCING USES	\$1,040,269	7.67%
● OTHER COSTS	\$110,000	0.81%
● DEBT SERVICE	\$71,818	0.53%

For the GENERAL FUND Fiscal Year Expenditures by Expense Type, Personal Services and Employee Benefits account for \$8.2 million, representing 60.8% of the total expenditures. Purchased/Contracted Services follow with \$2.8 million, or 20.57%. Supplies make up \$1.3 million, which is 9.62% of the expenditures. Other Financing Uses total \$1 million, comprising 7.67%. Other Costs are \$110,000, accounting for 0.81%, and Debt Service is \$71,818, representing 0.53% of the expenditures.

Expenditures by Expense Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$7,588,031.00	\$8,242,117.00	8.62%
PURCHASED/CONTRACTED SERVICES	\$2,797,589.40	\$2,789,063.00	-0.30%
SUPPLIES	\$1,205,572.00	\$1,303,925.00	8.16%
CAPITAL OUTLAYS	\$5,000.00	-	-100.00%
OTHER COSTS	\$10,000.00	\$110,000.00	1,000.00%
DEBT SERVICE	\$20,318.22	\$71,818.00	253.47%
OTHER FINANCING USES	\$1,523,943.26	\$1,040,269.00	-31.74%

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
Total Expenditures	\$13,150,453.88	\$13,557,192.00	3.09%

COMPONENT UNIT

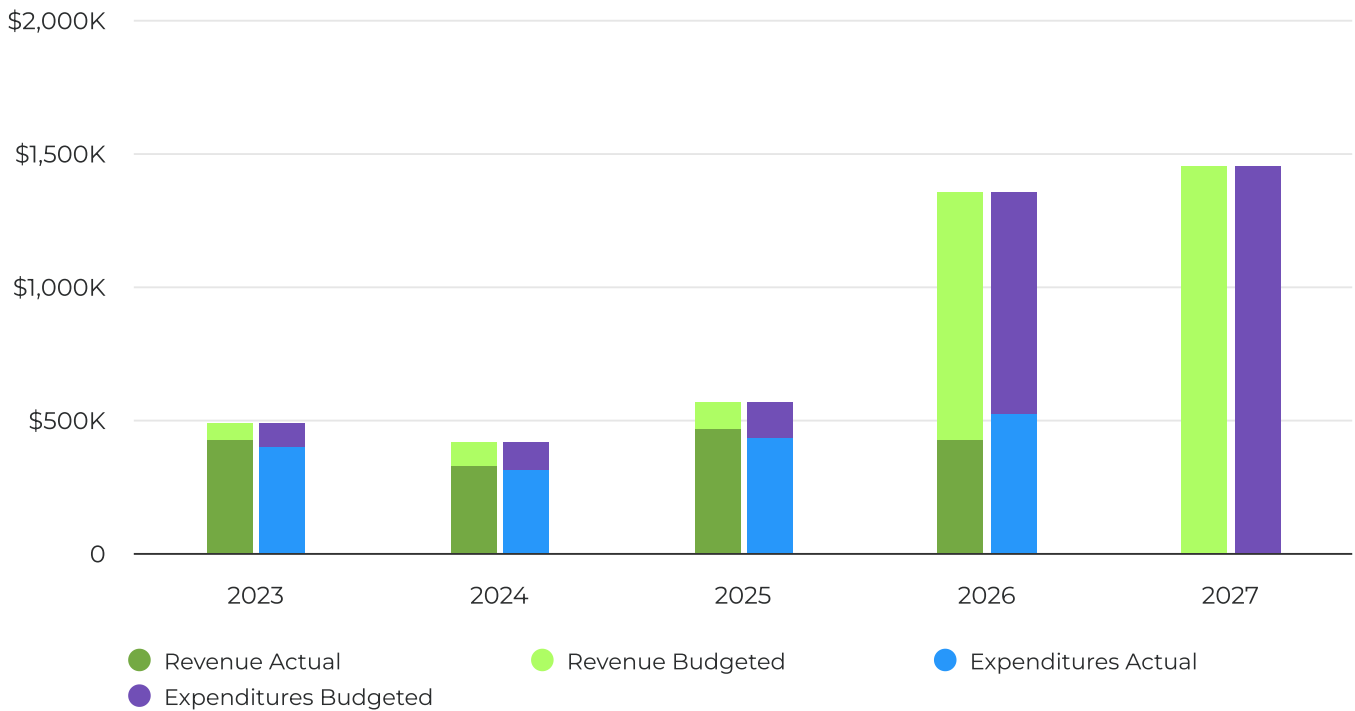
Component units are legally separate organizations that operate independently of the City but are included in the City’s financial statements because the City is financially accountable for them. While they maintain their own boards, budgets, and operations, their financial information is presented alongside the City’s to provide a complete picture of the government’s overall activities.

For the City of Commerce, the primary component units are:

- Downtown Development Authority (DDA) / Main Street Program** The DDA/Main Street serves as the City’s lead organization for downtown revitalization, business support, and economic development within the central business district. Its work includes façade improvements, business recruitment, events, and long-term planning to strengthen the economic vitality and appearance of downtown Commerce.
- Civic Center** The Civic Center operates as a separate entity responsible for managing the community’s events and meeting space. It provides facilities for public gatherings, private rentals, and community programming. Although it functions independently, its operations support the City’s broader goals for community engagement and quality of life.

Summary

Revenues vs Expenditures Summary



For the COMPONENT UNIT in 2027, the budgeted expenditures are \$1.4 million, reflecting a 7.03% increase from the previous year’s budgeted expenditures of \$1.3 million. Similarly, the budgeted revenues are also \$1.4 million, showing a 7.03% increase from the prior year’s budgeted revenues of \$1.3 million.

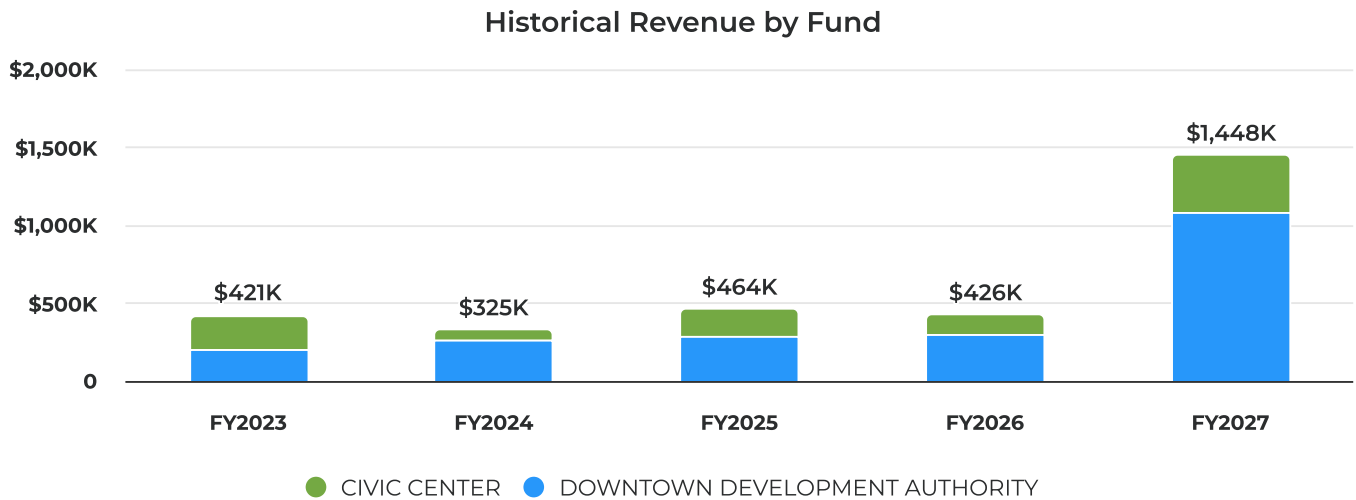
Both expenditures and revenues maintain parity in 2027, continuing the trend from 2026 where budgeted amounts for both categories were equal. The 7.03% growth in both budgeted expenditures and revenues indicates a consistent scaling up from the previous year’s budget.

Comprehensive Fund Summary

Comprehensive Fund Summary

Category	FY 2026 Adopted Budget	FY 2027 Budgeted
Beginning Fund Balance	\$886,285.25	-
Revenues		
CHARGES FOR SERVICES	\$120,950.00	\$78,250.00
CONTRIBUTIONS AND DONATIONS FROM PRIVATE	\$5,300.00	\$5,500.00
MISCELLANEOUS REVENUE	\$162,000.00	\$104,800.00
OTHER FINANCING SOURCES	\$1,064,224.76	\$1,258,972.00
Total Revenues	\$1,352,474.76	\$1,447,522.00
Expenditures		
PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$294,996.00	\$319,340.00
PURCHASED/CONTRACTED SERVICES	\$190,430.00	\$269,259.00
SUPPLIES	\$92,250.00	\$163,700.00
CAPITAL OUTLAYS	\$688,873.00	\$621,373.00
DEPRECIATION AND AMORTIZATION	\$70,361.00	\$70,361.00
DEBT SERVICE	\$15,564.76	\$3,489.00
Total Expenditures	\$1,352,474.76	\$1,447,522.00
Total Revenues Less Expenditures	-	-
Ending Fund Balance	\$886,285.25	-

Revenues by Fund

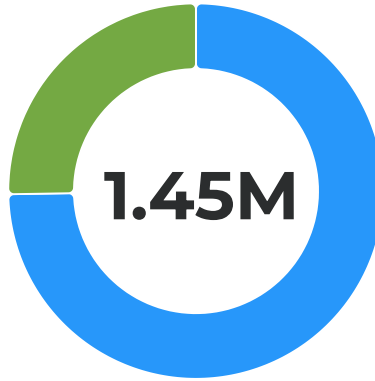


In FY2027, the total historical revenue by fund for the COMPONENT UNIT is \$1.4 million, representing a 7.03% increase from FY2026. The largest revenue source remains the DOWNTOWN DEVELOPMENT AUTHORITY, which accounts for

74.74% of the total with \$1.1 million. This is an increase of \$94,444 or 9.56% compared to the previous year.

The CIVIC CENTER contributes \$365,632, making up 25.26% of the total revenue. This amount shows a slight increase of \$604 or 0.17% from FY2026. Overall, both major categories have increased, with the DOWNTOWN DEVELOPMENT AUTHORITY showing a more significant growth in dollar and percentage terms, while the CIVIC CENTER's revenue remains relatively stable.

FY27 Revenues by Fund



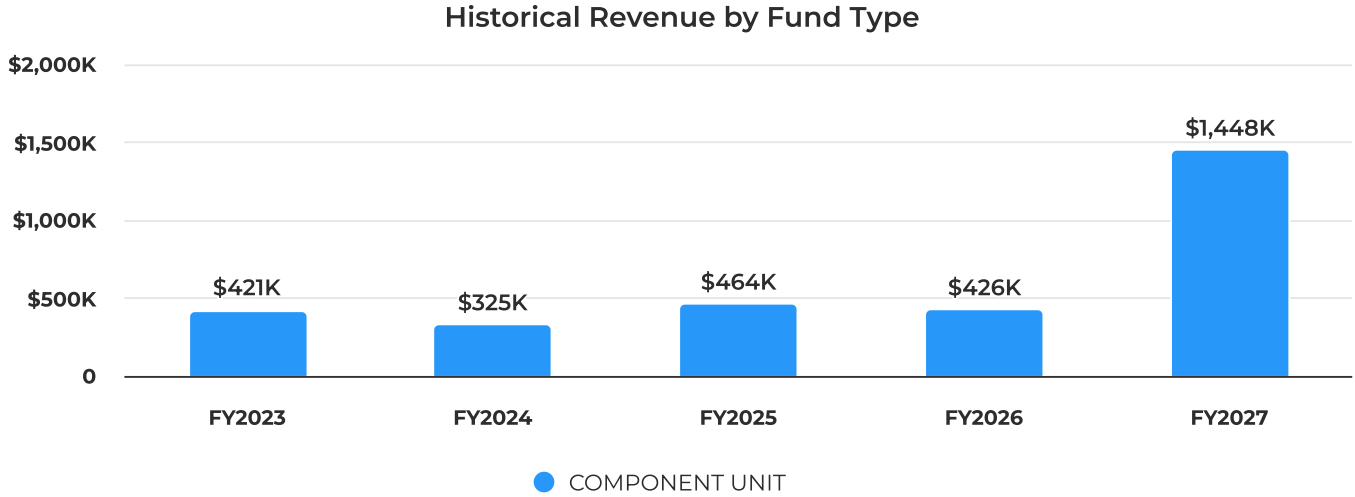
- DOWNTOWN DEVELOPMENT AUTHORITY **\$1,081,890** 74.74%
- CIVIC CENTER **\$365,632** 25.26%

For the COMPONENT UNIT's Fiscal Year Revenue by Fund, the DOWNTOWN DEVELOPMENT AUTHORITY accounts for \$1.1 million, representing 74.74% of the total revenue. The CIVIC CENTER contributes \$365,632, which is 25.26% of the total revenue.

Revenues by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
DOWNTOWN DEVELOPMENT AUTHORITY	\$987,446.50	\$1,081,890.00	9.56%
CIVIC CENTER	\$365,028.26	\$365,632.00	0.17%
Total Revenues	\$1,352,474.76	\$1,447,522.00	7.03%

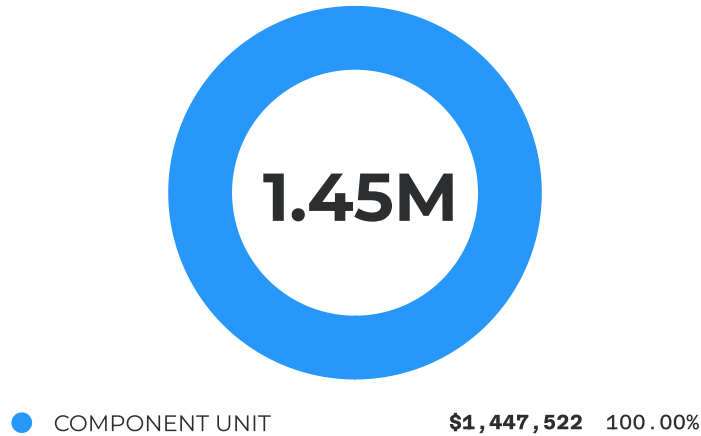
Revenues by Fund Type



In FY2027, the COMPONENT UNIT's total revenue is budgeted at \$1.4 million, representing a 7.03% increase from the previous year, FY2026. This continues the trend of the COMPONENT UNIT being the sole contributor to the total revenue, maintaining 100% of the total fund type revenue.

Compared to FY2026, where the COMPONENT UNIT saw a significant increase of \$888,687 or 191.61%, the growth in FY2027 is more moderate, with an increase of \$95,047 or 7.03%. The COMPONENT UNIT remains the largest and only category in the historical revenue by fund type, sustaining its dominant position in the budget.

FY27 Revenues by Fund Type

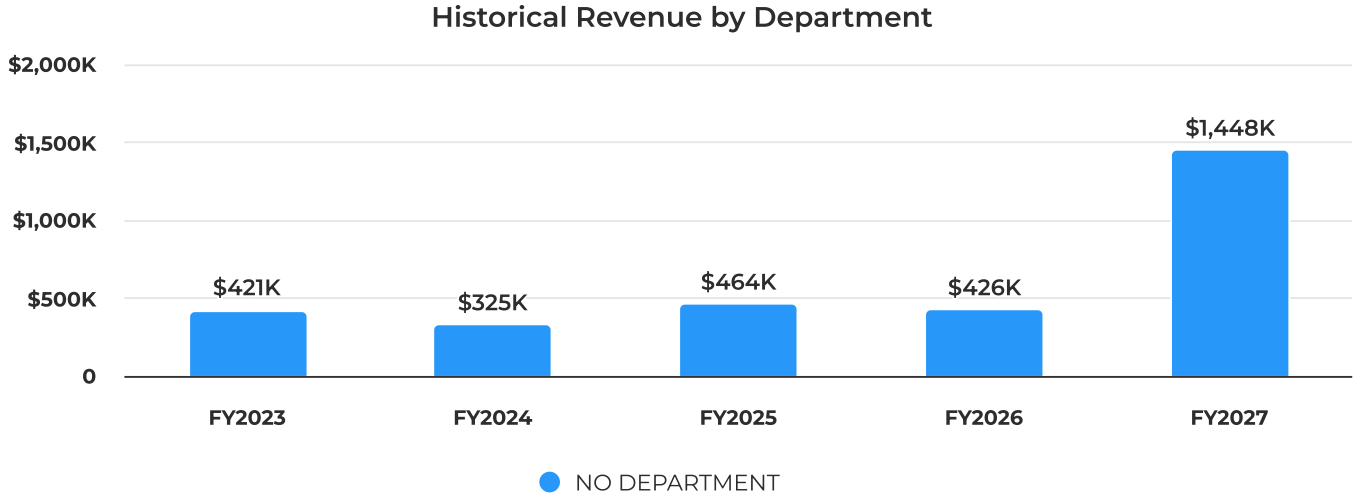


The COMPONENT UNIT's Fiscal Year Revenue by Fund Type totals \$1.4 million, representing 100% of the revenue for the fiscal year.

Revenues by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
COMPONENT UNIT	\$1,352,474.76	\$1,447,522.00	7.03%
Total Revenues	\$1,352,474.76	\$1,447,522.00	7.03%

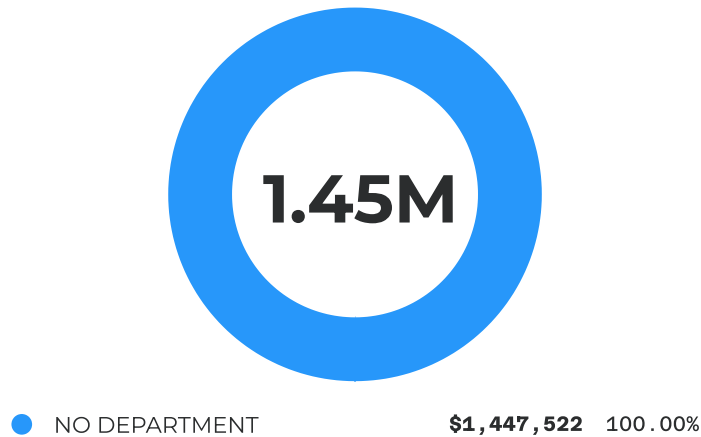
Revenues by Department



In FY2027, the total historical revenue for the COMPONENT UNIT is budgeted at \$1.4 million, representing a 7.03% increase from the previous year's total of \$1.4 million in FY2026. The entire revenue continues to be attributed to the NO DEPARTMENT category, which remains the largest and sole contributor, accounting for 100% of the total revenue.

The NO DEPARTMENT category shows a revenue increase of \$95,047, or 7.03%, compared to FY2026. This follows a significant growth in the prior year, where the same category increased by \$888,687, or 191.61%. Overall, the FY2027 budget reflects a continued but more moderate upward trend in revenue within the NO DEPARTMENT category, maintaining its dominant share of the COMPONENT UNIT's total revenue.

FY27 Revenues by Department



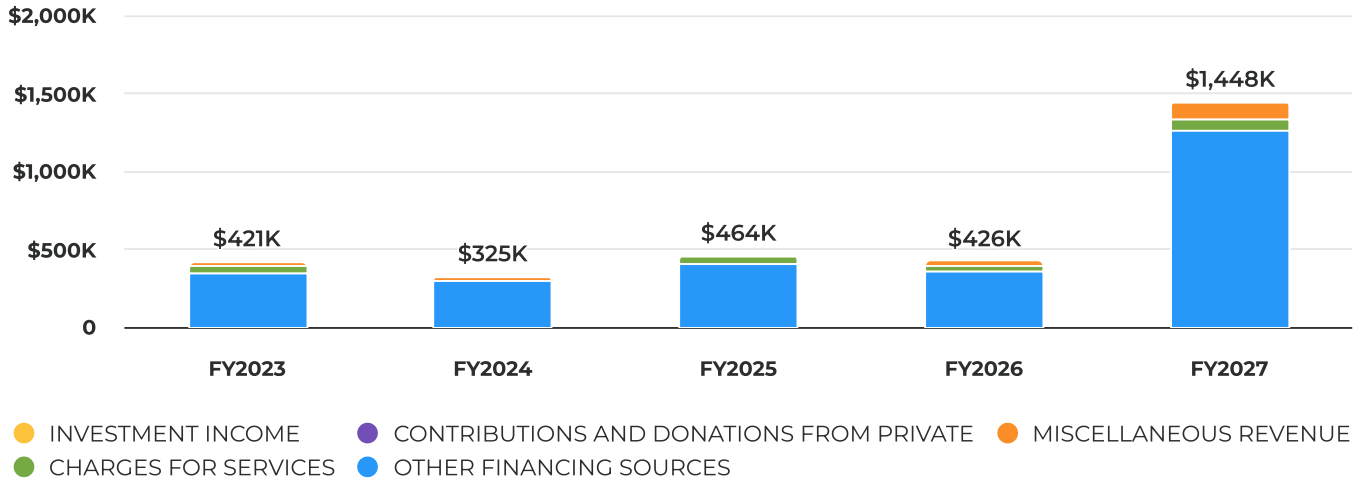
For the COMPONENT UNIT, the Fiscal Year Revenue by Department consists solely of the NO DEPARTMENT category, which accounts for \$1.4 million, representing 100% of the total revenue.

Revenues by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENT	\$1,352,474.76	\$1,447,522.00	7.03%
Total Revenues	\$1,352,474.76	\$1,447,522.00	7.03%

Revenues by Revenue Source

Historical Revenue by Revenue Source

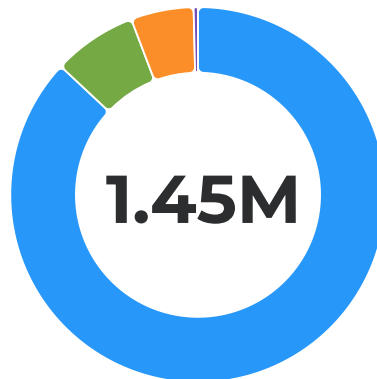


In FY2027, the total revenue for the COMPONENT UNIT is \$1.4 million, reflecting a 7.03% increase from FY2026. The largest revenue source remains OTHER FINANCING SOURCES, which increased by \$194,747 or 18.3%, reaching \$1.3 million and accounting for 86.97% of the total revenue.

MISCELLANEOUS REVENUE decreased by \$57,200 or 35.31%, totaling \$104,800 and representing 7.24% of the total. Similarly, CHARGES FOR SERVICES declined by \$42,700 or 35.3%, amounting to \$78,250 and making up 5.41% of the total revenue.

CONTRIBUTIONS AND DONATIONS FROM PRIVATE showed a slight increase of \$200 or 3.77%, totaling \$5,500 and comprising 0.38% of the total revenue. INVESTMENT INCOME remained at \$0, with no change from the previous year.

FY27 Revenues by Revenue Source



● OTHER FINANCING SOURCES	\$1,258,972	86.97%
● MISCELLANEOUS REVENUE	\$104,800	7.24%
● CHARGES FOR SERVICES	\$78,250	5.41%
● CONTRIBUTIONS AND DONATIONS FROM PRIVATE	\$5,500	0.38%

For the COMPONENT UNIT's Fiscal Year Revenue by Revenue Source, OTHER FINANCING SOURCES account for \$1.3 million, representing 86.97% of the total revenue. MISCELLANEOUS REVENUE contributes \$104,800, which is 7.24%.

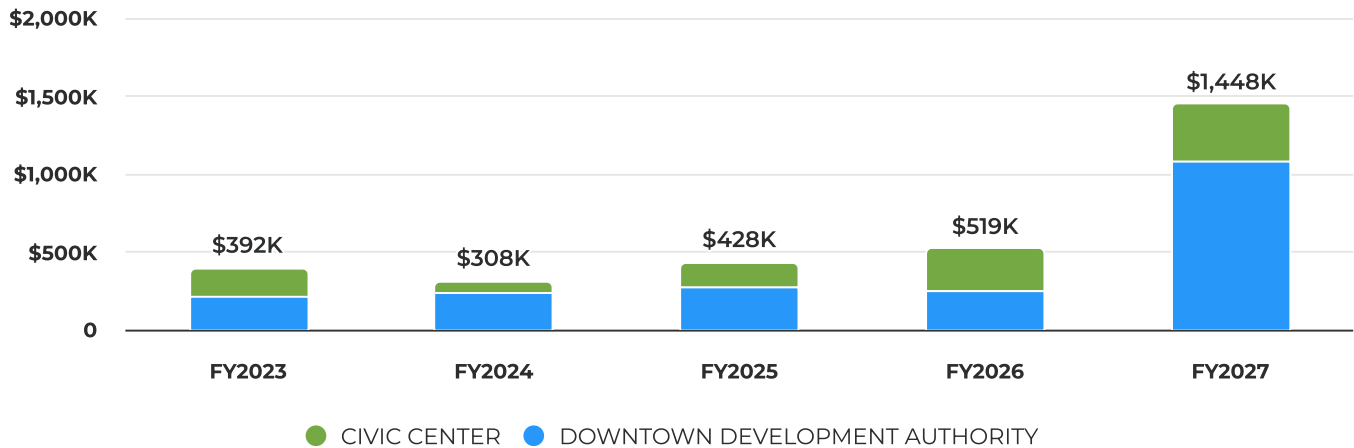
CHARGES FOR SERVICES provide \$78,250, making up 5.41%. CONTRIBUTIONS AND DONATIONS FROM PRIVATE sources total \$5,500, comprising 0.38% of the revenue.

Revenues by Revenue Source

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
CHARGES FOR SERVICES	\$120,950.00	\$78,250.00	-35.30%
CONTRIBUTIONS AND DONATIONS FROM PRIVATE	\$5,300.00	\$5,500.00	3.77%
MISCELLANEOUS REVENUE	\$162,000.00	\$104,800.00	-35.31%
OTHER FINANCING SOURCES	\$1,064,224.76	\$1,258,972.00	18.30%
Total Revenues	\$1,352,474.76	\$1,447,522.00	7.03%

Expenditures by Fund

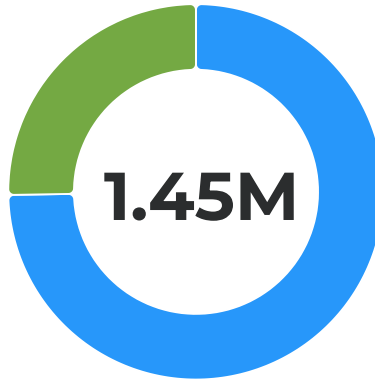
Historical Expenditures by Fund



In FY2027, the total expenditures for the COMPONENT UNIT are budgeted at \$1.4 million, reflecting a 7.03% increase from FY2026. The largest expenditure category remains the Downtown Development Authority, which accounts for 74.74% of the total at \$1.1 million. This represents a \$94,444 increase or 9.56% growth compared to the previous year.

The Civic Center continues as the second-largest category, comprising 25.26% of the total expenditures with a budget of \$365,632. This amount shows a slight increase of \$604 or 0.17% from FY2026. Overall, the Downtown Development Authority and Civic Center together make up 100% of the COMPONENT UNIT expenditures in FY2027, with both categories experiencing modest increases following significant growth in the prior year.

FY27 Expenditures by Fund



● DOWNTOWN DEVELOPMENT AUTHORITY	\$1,081,890	74.74%
● CIVIC CENTER	\$365,632	25.26%

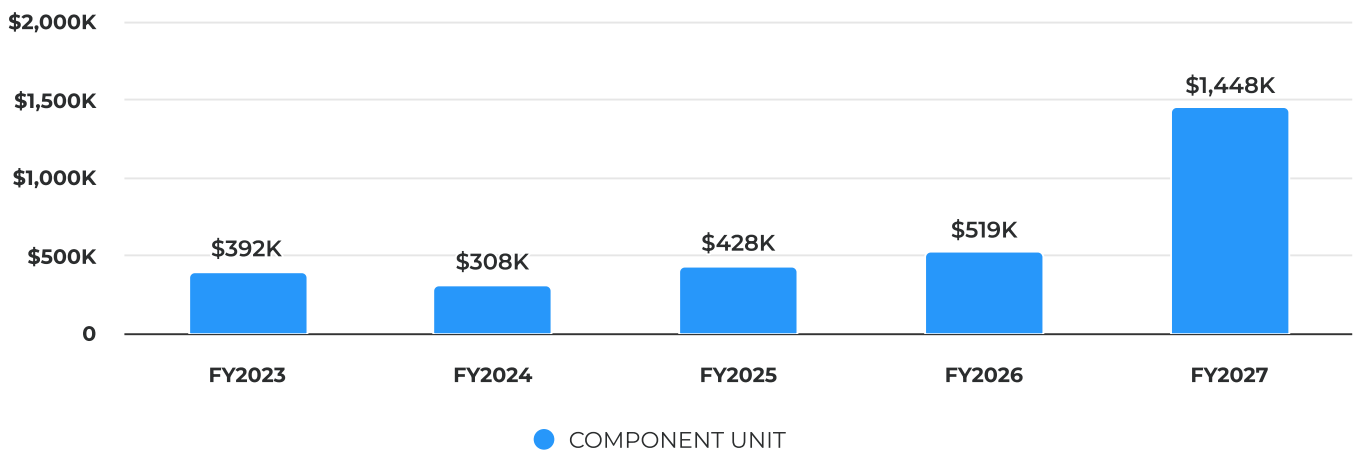
For the COMPONENT UNIT's Fiscal Year Expenditures by Fund, the Downtown Development Authority accounts for \$1.1 million, representing 74.74% of the total expenditures. The Civic Center comprises \$365,632, which is 25.26% of the total expenditures.

Expenditures by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
DOWNTOWN DEVELOPMENT AUTHORITY	\$987,446.50	\$1,081,890.00	9.56%
CIVIC CENTER	\$365,028.26	\$365,632.00	0.17%
Total Expenditures	\$1,352,474.76	\$1,447,522.00	7.03%

Expenditures by Fund Type

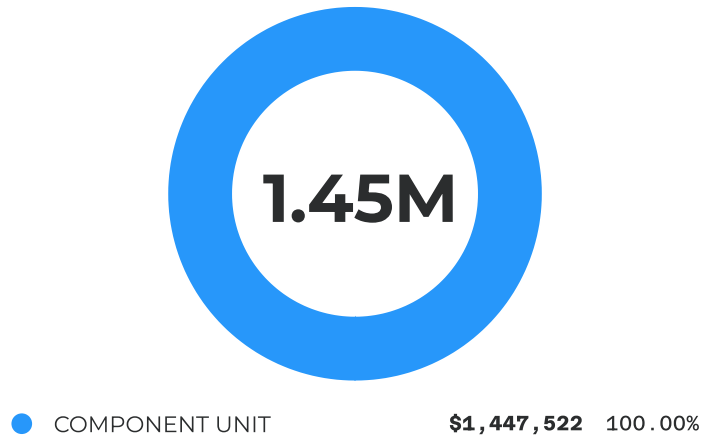
Historical Expenditures by Fund Type



In FY2027, the COMPONENT UNIT's total expenditures reached \$1.4 million, representing 100% of the total expenditures for that year. This amount increased by \$95,047, or 7.03%, compared to the previous year, FY2026.

Compared to FY2026, the COMPONENT UNIT also accounted for 100% of total expenditures at \$1.4 million, which was a significant increase of \$924,396 or 215.94% from the prior period before FY2026. The growth from FY2026 to FY2027 is more moderate but continues the upward trend in expenditures for the COMPONENT UNIT.

FY27 Expenditures by Fund Type



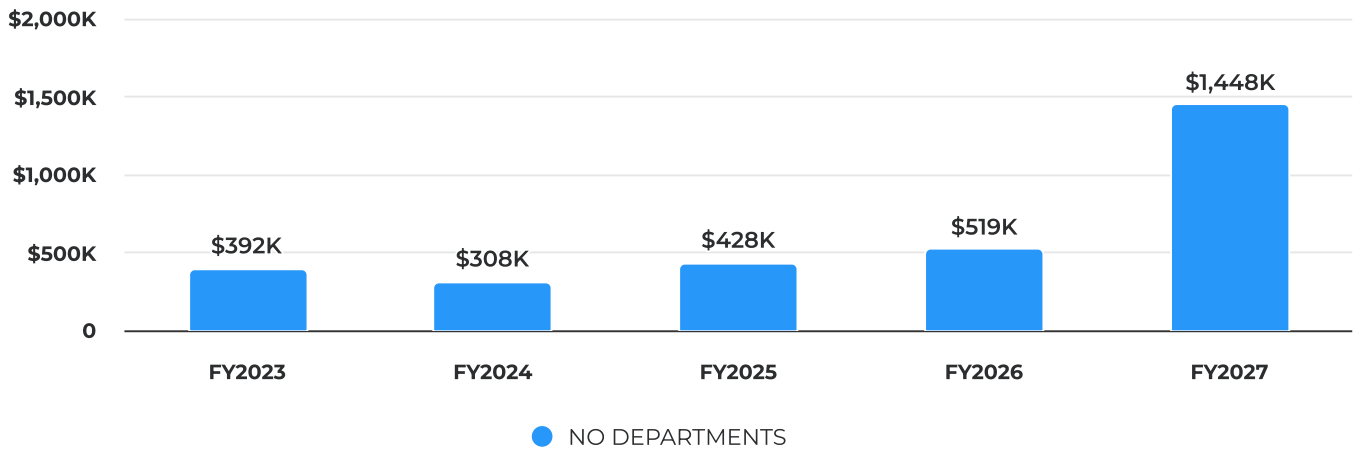
The COMPONENT UNIT's Fiscal Year Expenditures by Fund Type total \$1.4 million, representing 100% of the expenditures.

Expenditures by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
COMPONENT UNIT	\$1,352,474.76	\$1,447,522.00	7.03%
Total Expenditures	\$1,352,474.76	\$1,447,522.00	7.03%

Expenditures by Department

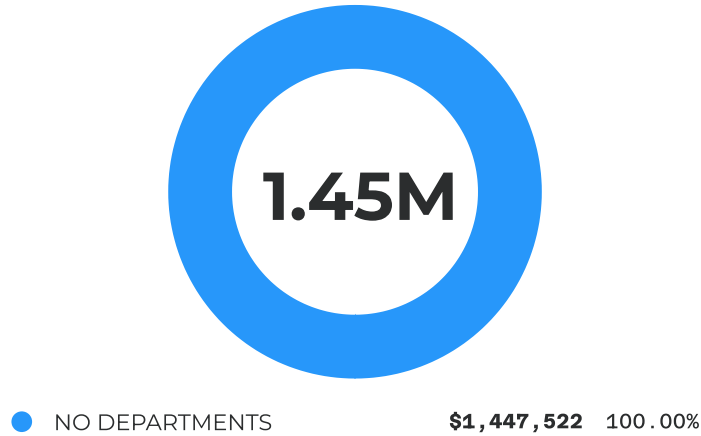
Historical Expenditures by Department



In FY2027, the total expenditures for the COMPONENT UNIT are budgeted at \$1.4 million, representing a 7.03% increase from the previous year's total of \$1.4 million in FY2026. The entire budget continues to be allocated to the NO DEPARTMENTS category, which accounts for 100% of the total expenditures.

The NO DEPARTMENTS category saw an increase of \$95,047, or 7.03%, compared to FY2026. This follows a significant increase of \$924,396, or 215.94%, in the previous year. Overall, the FY2027 budget reflects a moderate growth in expenditures within the same category that dominated the prior year.

FY27 Expenditures by Department



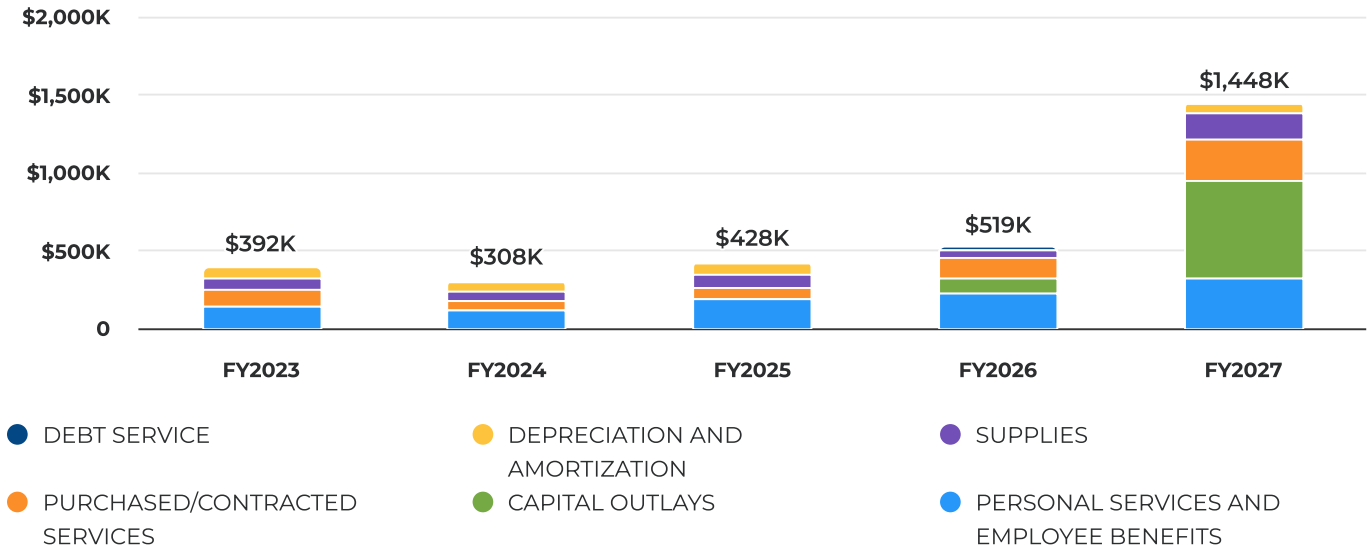
For the COMPONENT UNIT in the fiscal year, the total expenditures by department amount to \$1.4 million, representing 100% of the fiscal year expenditures.

Expenditures by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENTS	\$1,352,474.76	\$1,447,522.00	7.03%
Total Expenditures	\$1,352,474.76	\$1,447,522.00	7.03%

Expenditures by Expense Type

Historical Expenditures by Expense Type



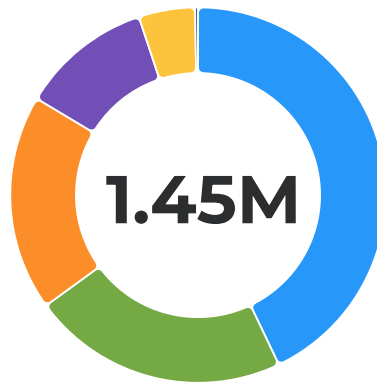
In FY2027, the total expenditures for the COMPONENT UNIT increased by 7.03% to \$1.4 million compared to FY2026. The largest expense category remained CAPITAL OUTLAYS, accounting for 42.93% of the total at \$621,373, which represents a decrease of \$67,500 or 9.8% from the previous year.

PERSONAL SERVICES AND EMPLOYEE BENEFITS rose by \$24,344 or 8.25% to \$319,340, making up 22.06% of total expenditures. PURCHASED/CONTRACTED SERVICES saw a significant increase of \$78,829 or 41.4%, reaching \$269,259 and representing 18.6% of the total budget.

SUPPLIES experienced the largest percentage increase, growing by \$71,450 or 77.45% to \$163,700, which is 11.31% of the total expenditures. DEPRECIATION AND AMORTIZATION remained unchanged at \$70,361, accounting for 4.86% of the total.

DEBT SERVICE decreased substantially by \$12,076 or 77.58% to \$3,489, representing only 0.24% of the total expenditures in FY2027.

FY27 Expenditures by Expense Type



● CAPITAL OUTLAYS	\$621,373	42.93%
● PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$319,340	22.06%
● PURCHASED/CONTRACTED SERVICES	\$269,259	18.60%
● SUPPLIES	\$163,700	11.31%
● DEPRECIATION AND AMORTIZATION	\$70,361	4.86%
● DEBT SERVICE	\$3,489	0.24%

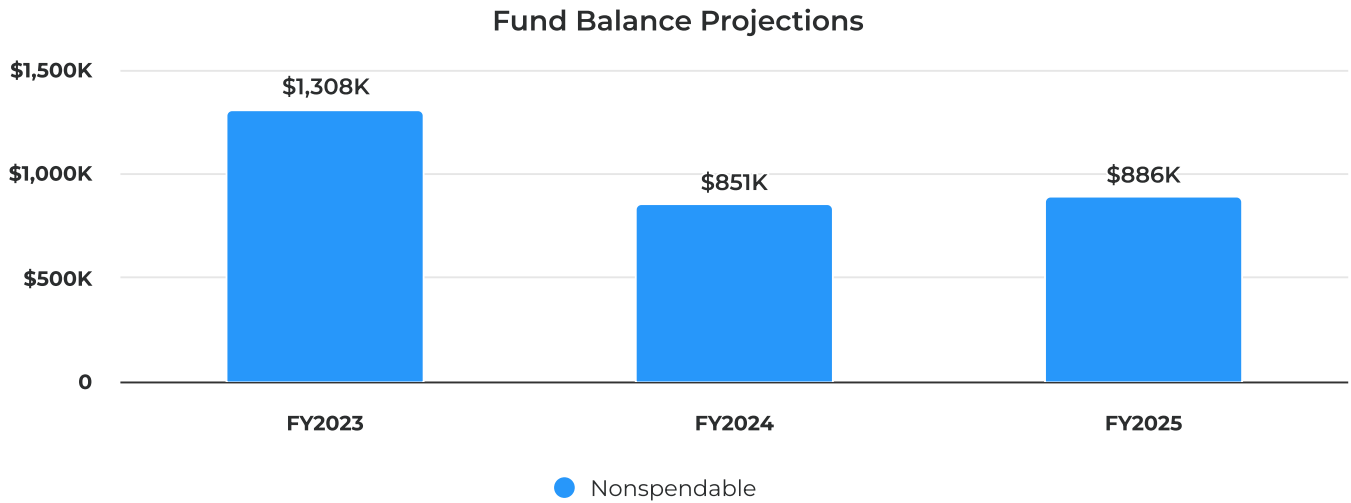
For the COMPONENT UNIT's fiscal year expenditures by expense type, CAPITAL OUTLAYS account for \$621,373, representing 42.93% of the total. PERSONAL SERVICES AND EMPLOYEE BENEFITS follow with \$319,340, or 22.06%. PURCHASED/CONTRACTED SERVICES make up \$269,259, which is 18.6%. SUPPLIES total \$163,700, comprising 11.31%. DEPRECIATION AND AMORTIZATION are \$70,361, equal to 4.86%. Lastly, DEBT SERVICE amounts to \$3,489, or 0.24% of the expenditures.

Expenditures by Expense Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$294,996.00	\$319,340.00	8.25%

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
PURCHASED/CONTRACTED SERVICES	\$190,430.00	\$269,259.00	41.40%
SUPPLIES	\$92,250.00	\$163,700.00	77.45%
CAPITAL OUTLAYS	\$688,873.00	\$621,373.00	-9.80%
DEPRECIATION AND AMORTIZATION	\$70,361.00	\$70,361.00	-
DEBT SERVICE	\$15,564.76	\$3,489.00	-77.58%
Total Expenditures	\$1,352,474.76	\$1,447,522.00	7.03%

Fund Balance



In FY2025, the total fund balance projection for the COMPONENT UNIT is \$886,285, representing a 4.11% increase from the FY2024 total of \$851,281. The entire fund balance remains classified as Nonspendable, which also increased by \$35,004 or 4.11%, from \$851,281 in FY2024 to \$886,285 in FY2025. This category continues to account for 100% of the total fund balance in both years.

SPECIAL REVENUE FUND

Special Revenue Funds are used to account for revenue sources that are legally restricted or committed to specific purposes. These funds ensure transparency by tracking how dedicated revenues are collected and spent, separate from the General Fund.

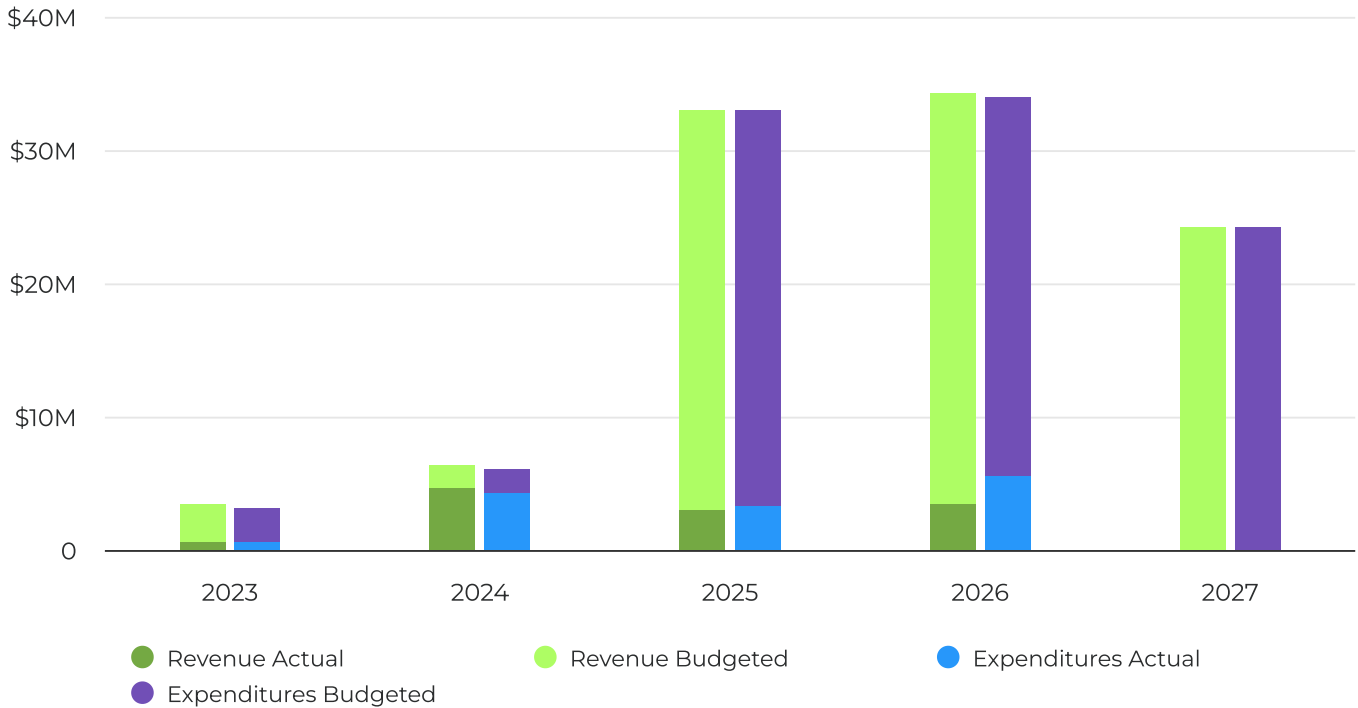
For the City of Commerce, the Special Revenue Funds include:

- **Confiscated Assets Fund** This fund accounts for revenues received from law enforcement seizures. These resources are restricted by state and federal law and may only be used for eligible police operations, equipment, training, and public safety initiatives.
- **Fire District Fees Fund** This fund collects fees dedicated to supporting fire protection services within designated districts. Revenues are used exclusively for fire operations, equipment, personnel support, and maintaining service levels for the areas covered.
- **ARPA Grant Fund** This fund tracks the City's allocation of American Rescue Plan Act (ARPA) funding. These federal dollars are restricted to eligible uses such as infrastructure improvements, revenue replacement, and community recovery initiatives. Maintaining ARPA as a separate fund ensures compliance with federal reporting and audit requirements.

Together, these Special Revenue Funds provide a transparent structure for managing restricted revenues and ensuring they are used for their intended purposes.

Summary

Revenues vs Expenditures Summary



In the 2027 budget for the Special Revenue Fund, both expenditures and revenues are budgeted at \$24.2 million. This represents a significant decrease compared to the previous year, with expenditures budgeted down by 28.9% from \$34

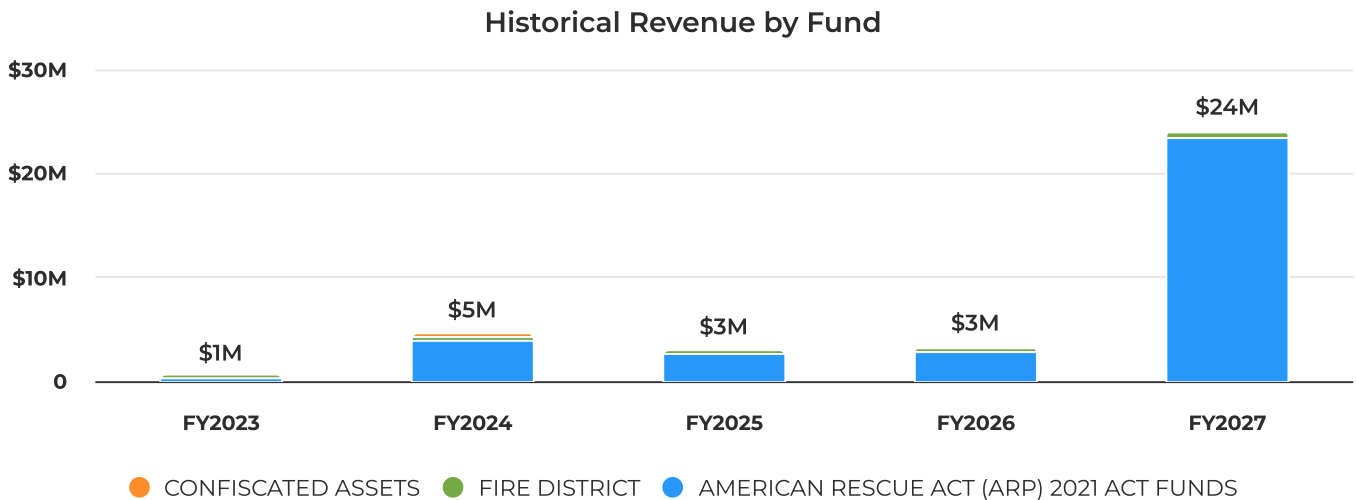
million in 2026, and revenues budgeted down by 29.42% from \$34.2 million in 2026. The reductions in both categories are closely aligned, maintaining a balanced budget approach for 2027.

Comprehensive Fund Summary

Comprehensive Fund Summary

Category	FY 2026 Adopted Budget	FY 2027 Budgeted
Beginning Fund Balance	\$852,725.30	-
Revenues		
INTERGOVERNMENTAL REVENUES	\$33,368,570.00	\$23,368,570.00
CHARGES FOR SERVICES	\$350,000.00	\$350,000.00
FINES AND FORFEITURES	\$10,000.00	\$169,226.00
INVESTMENT INCOME	\$30.00	-
OTHER FINANCING SOURCES	\$516,157.00	\$281,297.00
Total Revenues	\$34,244,757.00	\$24,169,093.00
Expenditures		
PURCHASED/CONTRACTED SERVICES	\$15,000.00	\$25,000.00
SUPPLIES	-	\$15,500.00
CAPITAL OUTLAYS	\$33,510,726.00	\$23,497,296.00
DEBT SERVICE	\$39,200.00	-
OTHER FINANCING USES	\$427,047.00	\$631,297.00
Total Expenditures	\$33,991,973.00	\$24,169,093.00
Total Revenues Less Expenditures	\$252,784.00	-
Ending Fund Balance	\$1,105,509.30	-

Revenues by Fund



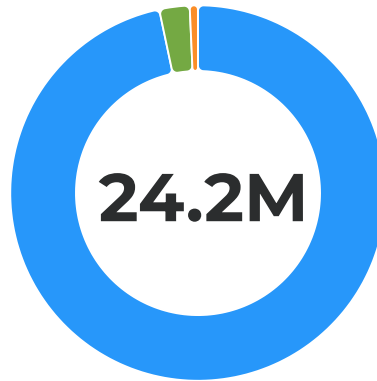
In FY2027, the total revenue for the Special Revenue Fund is budgeted at \$24.2 million, representing a decrease of 29.42% from the FY2026 total of \$34.2 million. The largest revenue source remains the American Rescue Act (ARP) 2021

Act Funds, which account for \$23.4 million or 96.69% of the total. This category decreased by \$10 million, a 29.97% decline compared to FY2026.

The Fire District revenue is budgeted at \$631,297 in FY2027, making up 2.61% of the total Special Revenue Fund. This reflects a decrease of \$48,534 or 7.14% from the previous year. Confiscated Assets revenue is projected at \$169,226, which is 0.7% of the total and shows a decrease of \$27,130 or 13.82% from FY2026.

Overall, all top three revenue categories in FY2027 show declines compared to FY2026, with the American Rescue Act (ARP) 2021 Act Funds experiencing the most significant reduction in both dollar amount and percentage. The total Special Revenue Fund budget decreases accordingly, reflecting these reductions across the major revenue sources.

FY27 Revenues by Fund



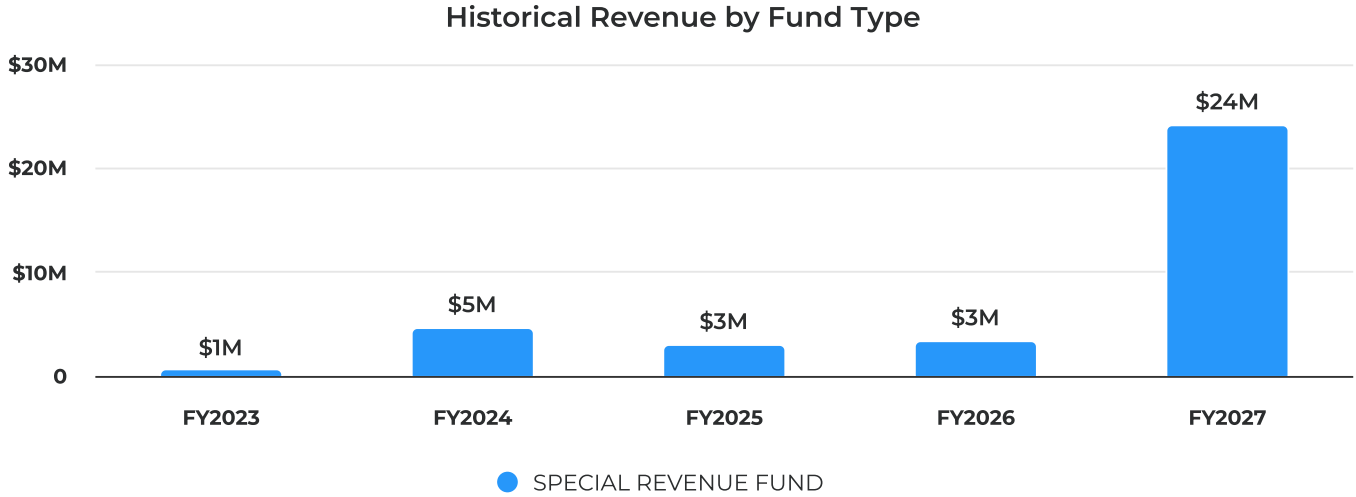
● AMERICAN RESCUE ACT (ARP) 2021 ACT FUNDS	\$23,368,570	96.69%
● FIRE DISTRICT	\$631,297	2.61%
● CONFISCATED ASSETS	\$169,226	0.70%

For the SPECIAL REVENUE FUND in the fiscal year, the AMERICAN RESCUE ACT (ARP) 2021 ACT FUNDS account for \$23.4 million, representing 96.69% of the total revenue. The FIRE DISTRICT contributes \$631,297, which is 2.61%, and CONFISCATED ASSETS add \$169,226, making up 0.7% of the revenue.

Revenues by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
CONFISCATED ASSETS	\$196,356.00	\$169,226.00	-13.82%
FIRE DISTRICT	\$679,831.00	\$631,297.00	-7.14%
AMERICAN RESCUE ACT (ARP) 2021 ACT FUNDS	\$33,368,570.00	\$23,368,570.00	-29.97%
Total Revenues	\$34,244,757.00	\$24,169,093.00	-29.42%

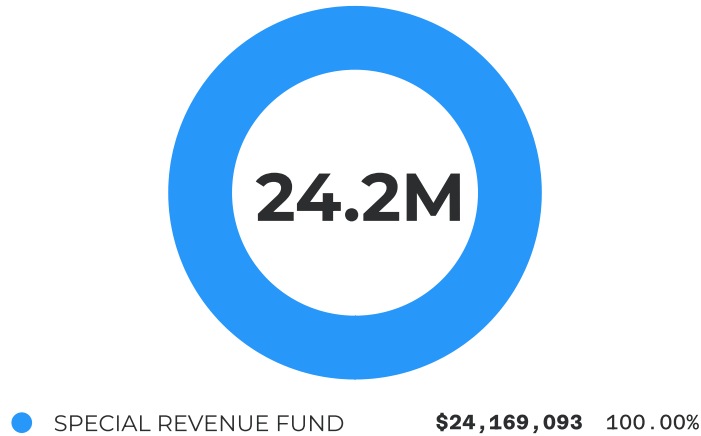
Revenues by Fund Type



In FY2027, the Special Revenue Fund is budgeted at \$24.2 million, representing 100% of the total Special Revenue Fund revenues. This amount reflects a decrease of \$10.1 million, or 29.42%, compared to the FY2026 budget of \$34.2 million.

Compared to FY2026, when the Special Revenue Fund saw a significant increase of \$31.2 million, or 1,033.81%, FY2027 shows a notable reduction in total revenues within this fund type. Despite this decrease, the Special Revenue Fund remains the sole contributor to the total revenues in this category for FY2027.

FY27 Revenues by Fund Type



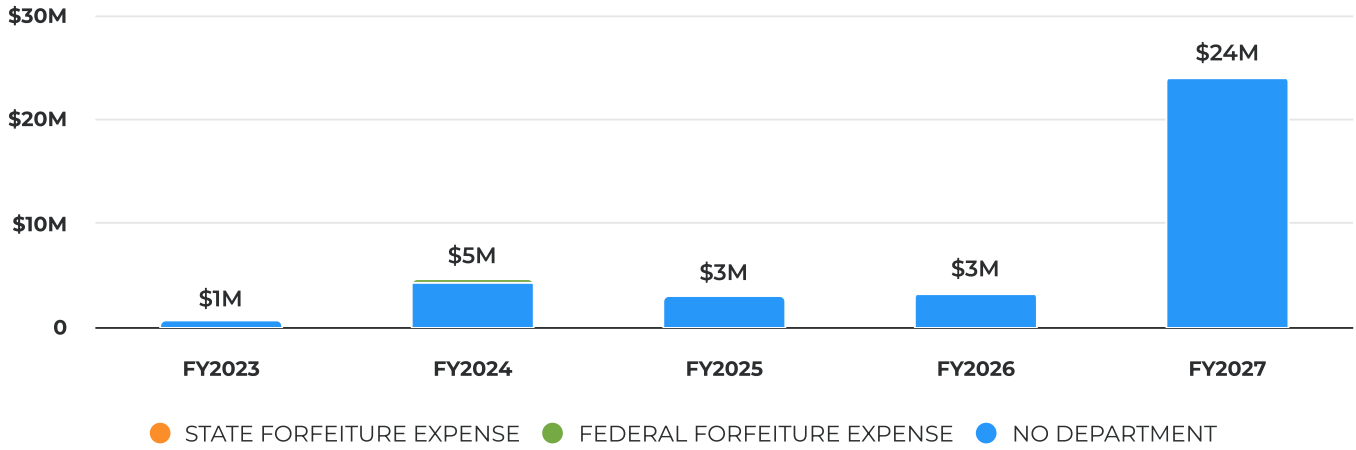
The SPECIAL REVENUE FUND has a total fiscal year revenue of \$24.2 million, representing 100% of its fund type revenue.

Revenues by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
SPECIAL REVENUE FUND	\$34,244,757.00	\$24,169,093.00	-29.42%
Total Revenues	\$34,244,757.00	\$24,169,093.00	-29.42%

Revenues by Department

Historical Revenue by Department



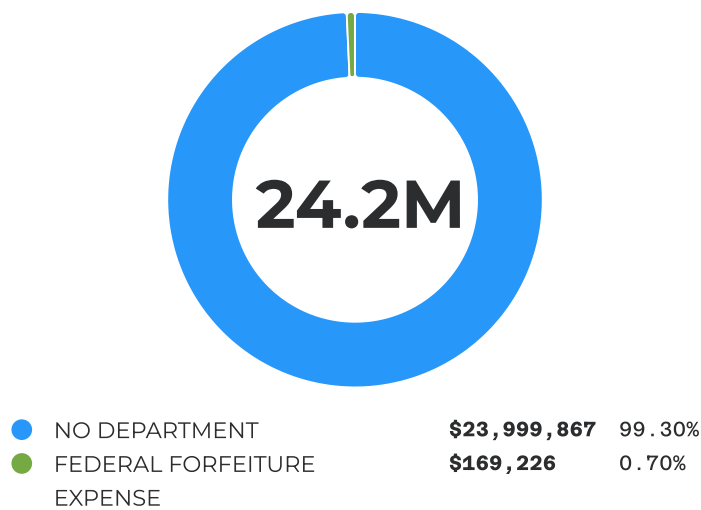
In FY2027, the total revenue for the Special Revenue Fund is \$24.2 million, representing a decrease of 29.42% from the previous year's total of \$34.2 million in FY2026.

The largest revenue category, "NO DEPARTMENT," accounts for \$24 million or 99.3% of the total in FY2027. This is a decrease of \$10.2 million or 29.9% compared to FY2026, when it was \$34.2 million and represented 99.97% of the total.

The "FEDERAL FORFEITURE EXPENSE" category shows a significant increase in FY2027, rising to \$169,226 or 0.7% of the total. This is an increase of \$159,196 or 1,587.2% from FY2026, when it was \$10,030 and accounted for 0.03% of the total.

The "STATE FORFEITURE EXPENSE" category remains at \$0, representing 0% of the total revenue in both FY2026 and FY2027.

FY27 Revenues by Department



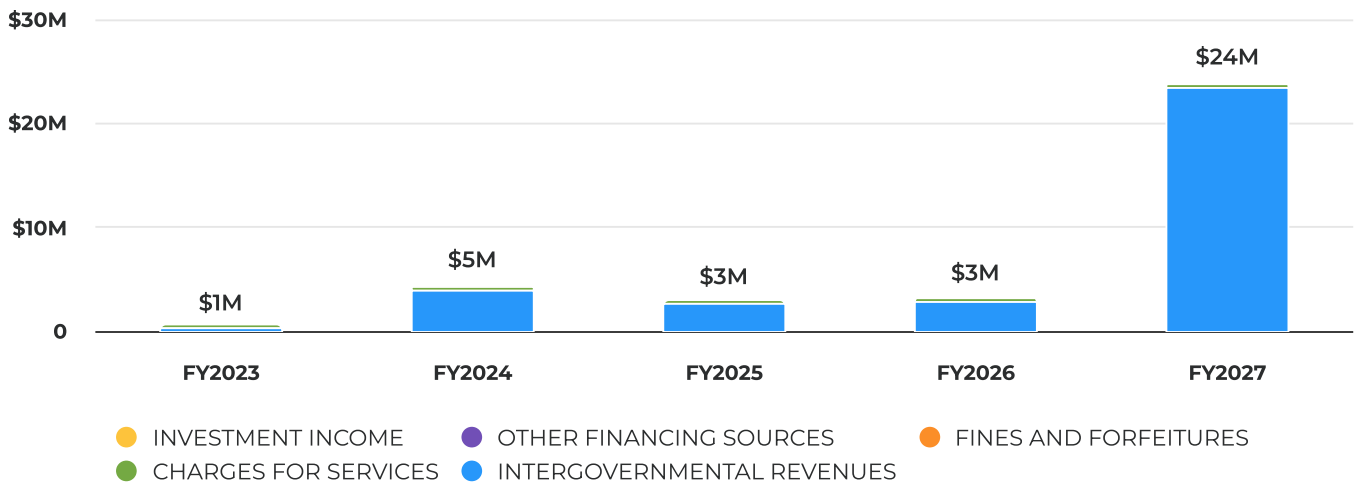
For the SPECIAL REVENUE FUND in the fiscal year, the NO DEPARTMENT category accounts for \$24 million, representing 99.3% of the total revenue. The FEDERAL FORFEITURE EXPENSE category contributes \$169,226, which is 0.7% of the total revenue.

Revenues by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENT	\$34,234,727.00	\$23,999,867.00	-29.90%
FEDERAL FORFEITURE EXPENSE	\$10,030.00	\$169,226.00	1,587.20%
Total Revenues	\$34,244,757.00	\$24,169,093.00	-29.42%

Revenues by Revenue Source

Historical Revenue by Revenue Source

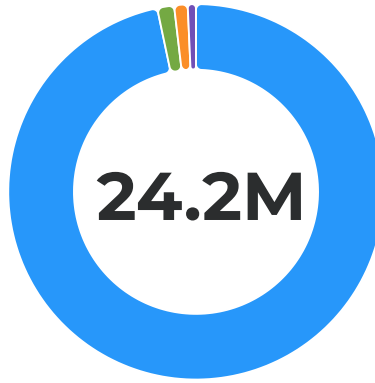


The Special Revenue Fund's total revenue for FY2027 is \$24.2 million, representing a 29.42% decrease from the FY2026 total of \$34.2 million. Intergovernmental Revenues remain the largest category at \$23.4 million, accounting for 96.69% of the total, but this is a decrease of \$10 million or 29.97% compared to FY2026.

Charges for Services hold steady at \$350,000, making up 1.45% of the total revenue with no change from the previous year. Other Financing Sources decreased by \$234,860 or 45.5%, totaling \$281,297 and representing 1.16% of the FY2027 revenue.

Fines and Forfeitures show a significant increase to \$169,226, which is 0.7% of the total and an increase of \$159,226 or 1,592.26% from FY2026. Investment Income dropped to zero, a decrease of \$30 or 100% from the prior year.

FY27 Revenues by Revenue Source



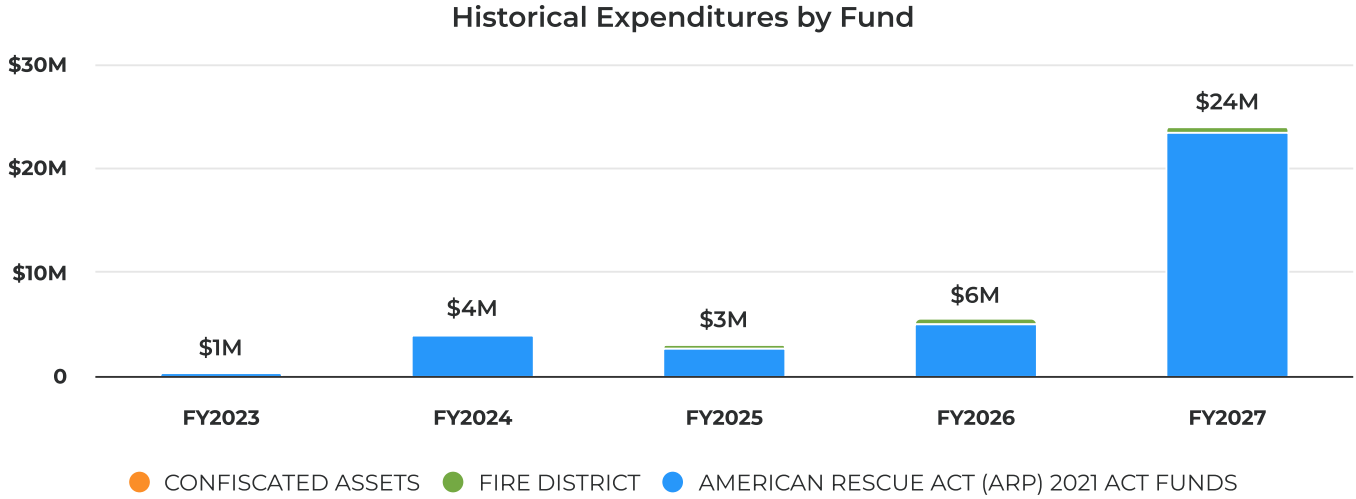
● INTERGOVERNMENTAL REVENUES	\$23,368,570	96.69%
● CHARGES FOR SERVICES	\$350,000	1.45%
● OTHER FINANCING SOURCES	\$281,297	1.16%
● FINES AND FORFEITURES	\$169,226	0.70%

The SPECIAL REVENUE FUND's Fiscal Year Revenue by Revenue Source is primarily composed of INTERGOVERNMENTAL REVENUES, which account for \$23.4 million or 96.69% of the total. CHARGES FOR SERVICES contribute \$350,000, representing 1.45%. OTHER FINANCING SOURCES make up \$281,297, equivalent to 1.16%, while FINES AND FORFEITURES add \$169,226, comprising 0.7% of the revenue.

Revenues by Revenue Source

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
INTERGOVERNMENTAL REVENUES	\$33,368,570.00	\$23,368,570.00	-29.97%
CHARGES FOR SERVICES	\$350,000.00	\$350,000.00	-
FINES AND FORFEITURES	\$10,000.00	\$169,226.00	1,592.26%
INVESTMENT INCOME	\$30.00	-	-100.00%
OTHER FINANCING SOURCES	\$516,157.00	\$281,297.00	-45.50%
Total Revenues	\$34,244,757.00	\$24,169,093.00	-29.42%

Expenditures by Fund

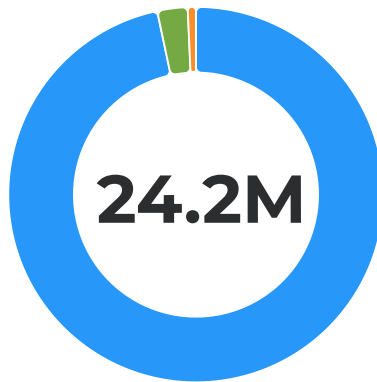


In FY2027, the total expenditures for the Special Revenue Fund decreased by 28.9% to \$24.2 million compared to FY2026's \$34 million. The largest category, AMERICAN RESCUE ACT (ARP) 2021 ACT FUNDS, accounted for 96.69% of the total at \$23.4 million, reflecting a significant decrease of \$10 million or 29.97% from the previous year.

The FIRE DISTRICT category saw a notable increase, rising by \$204,250 or 47.83% to \$631,297, which represented 2.61% of the total expenditures in FY2027. Conversely, CONFISCATED ASSETS decreased by \$27,130 or 13.82% to \$169,226, making up 0.7% of the total.

Overall, the reduction in total expenditures was primarily driven by the decrease in AMERICAN RESCUE ACT (ARP) 2021 ACT FUNDS, while the FIRE DISTRICT category experienced the largest growth in dollar and percentage terms within the fund.

FY27 Expenditures by Fund



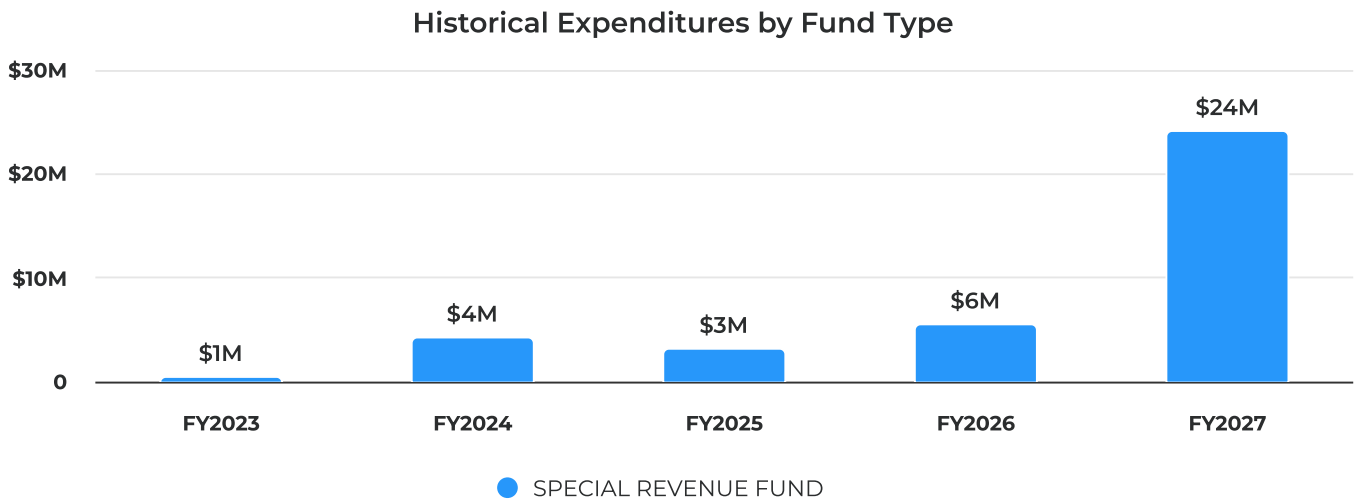
●	AMERICAN RESCUE ACT (ARP) 2021 ACT FUNDS	\$23,368,570	96.69%
●	FIRE DISTRICT	\$631,297	2.61%
●	CONFISCATED ASSETS	\$169,226	0.70%

For the Fiscal Year Expenditures by Fund in the SPECIAL REVENUE FUND, the AMERICAN RESCUE ACT (ARP) 2021 ACT FUNDS account for \$23.4 million, representing 96.69% of the total expenditures. The FIRE DISTRICT expenditures total \$631,297, which is 2.61% of the total. CONFISCATED ASSETS expenditures amount to \$169,226, making up 0.7% of the total expenditures.

Expenditures by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
CONFISCATED ASSETS	\$196,356.00	\$169,226.00	-13.82%
FIRE DISTRICT	\$427,047.00	\$631,297.00	47.83%
AMERICAN RESCUE ACT (ARP) 2021 ACT FUNDS	\$33,368,570.00	\$23,368,570.00	-29.97%
Total Expenditures	\$33,991,973.00	\$24,169,093.00	-28.90%

Expenditures by Fund Type



In FY2027, the Special Revenue Fund's expenditures total \$24.2 million, representing 100% of the total expenditures for the fund type. This amount reflects a decrease of \$9.8 million, or -28.9%, compared to the previous year's total of \$34 million in FY2026.

Notably, the Special Revenue Fund remains the largest and sole category within the fund type for both years. While FY2026 saw a significant increase of \$30.8 million, or 963.61%, from prior periods, FY2027 experiences a substantial reduction in expenditures by 28.9% from FY2026 levels.

FY27 Expenditures by Fund Type



● SPECIAL REVENUE FUND \$24,169,093 100.00%

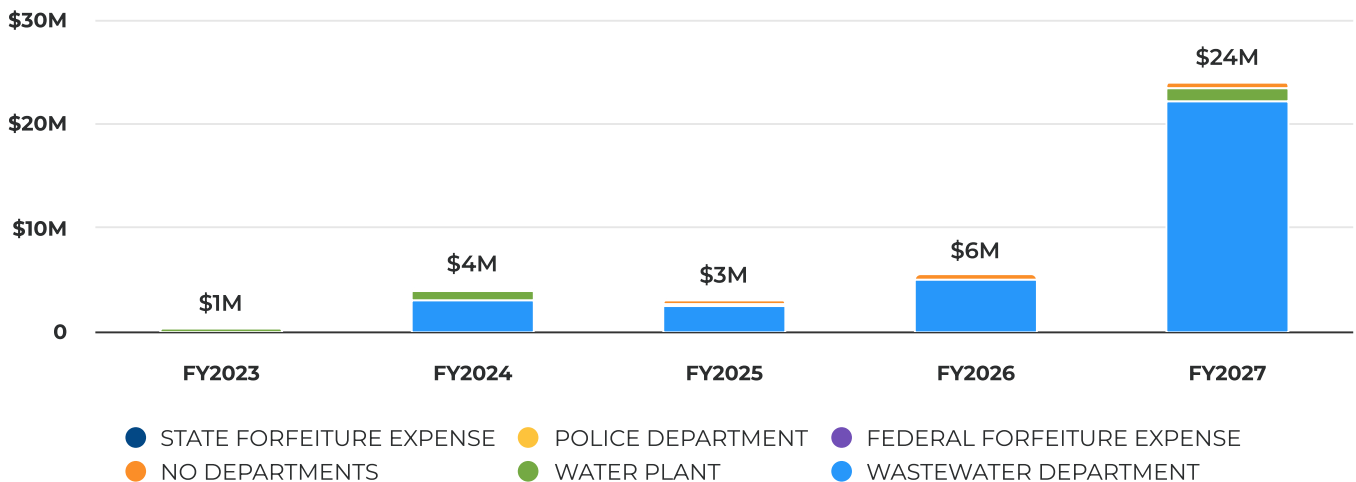
The SPECIAL REVENUE FUND has total fiscal year expenditures of \$24.2 million, representing 100% of the fund's expenditures.

Expenditures by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
SPECIAL REVENUE FUND	\$33,991,973.00	\$24,169,093.00	-28.90%
Total Expenditures	\$33,991,973.00	\$24,169,093.00	-28.90%

Expenditures by Department

Historical Expenditures by Department



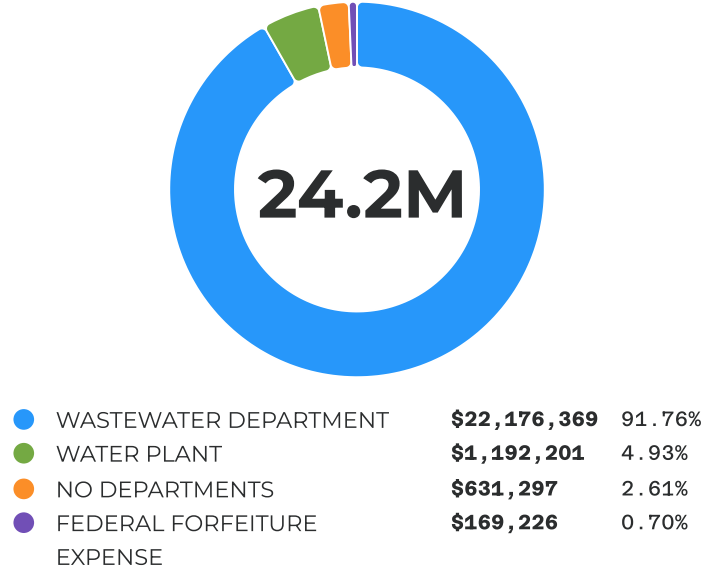
In FY2027, the total expenditures for the Special Revenue Fund decreased by 28.9% to \$24.2 million compared to FY2026's \$34 million. The Wastewater Department remained the largest expenditure category, accounting for 91.76% of the total at \$22.2 million, but this represented a significant decrease of \$10 million or 30.99% from the previous year.

The Water Plant's expenditures held steady at \$1.2 million, maintaining 4.93% of the total budget with no change from FY2026. The category labeled No Departments saw a notable increase of \$204,250 or 47.83%, rising to \$631,297 and

representing 2.61% of the total expenditures.

Federal Forfeiture Expense decreased by \$27,130 or 13.82% to \$169,226, making up 0.7% of the total. The Police Department's expenditures were eliminated entirely, dropping from \$39,200 in FY2026 to \$0 in FY2027, a 100% decrease. State Forfeiture Expense remained at \$0 for both years.

FY27 Expenditures by Department



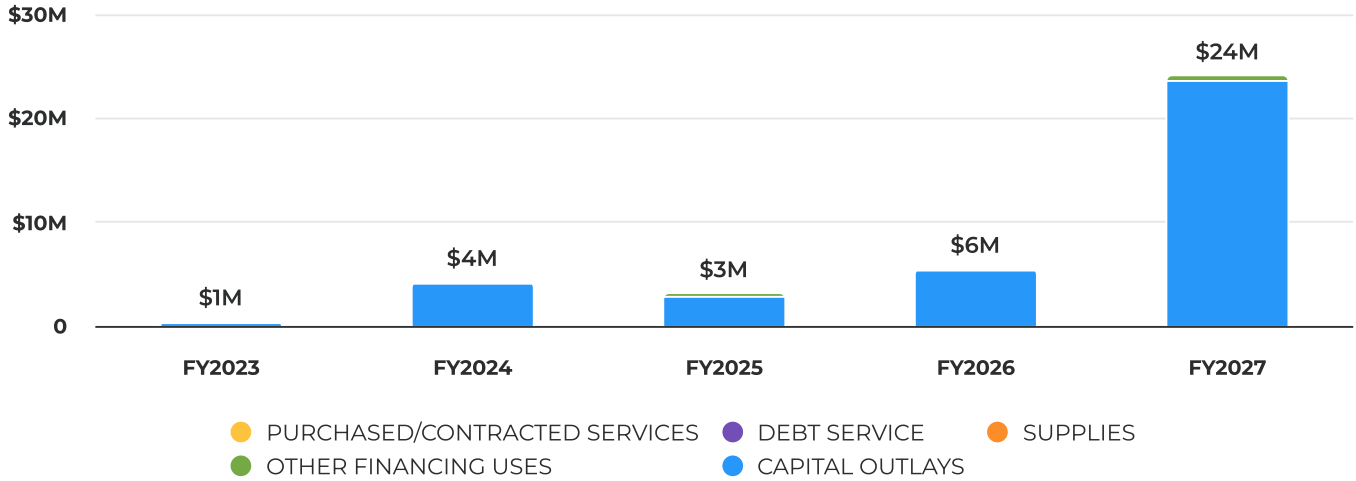
For the Fiscal Year Expenditures by Department in the SPECIAL REVENUE FUND, the WASTEWATER DEPARTMENT accounts for \$22.2 million, representing 91.76% of the total expenditures. The WATER PLANT follows with \$1.2 million, which is 4.93%. Expenditures categorized under NO DEPARTMENTS total \$631,297, making up 2.61%. Lastly, FEDERAL FORFEITURE EXPENSE amounts to \$169,226, comprising 0.7% of the expenditures.

Expenditures by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENTS	\$427,047.00	\$631,297.00	47.83%
FEDERAL FORFEITURE EXPENSE	\$196,356.00	\$169,226.00	-13.82%
POLICE DEPARTMENT	\$39,200.00	-	-100.00%
WASTEWATER DEPARTMENT	\$32,137,169.00	\$22,176,369.00	-30.99%
WATER PLANT	\$1,192,201.00	\$1,192,201.00	-
Total Expenditures	\$33,991,973.00	\$24,169,093.00	-28.90%

Expenditures by Expense Type

Historical Expenditures by Expense Type

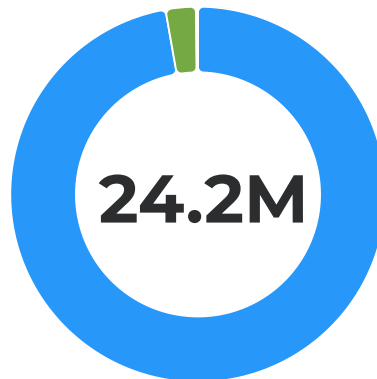


In FY2027, the total expenditures for the Special Revenue Fund decreased by 28.9% to \$24.2 million compared to FY2026's \$34 million. Capital Outlays remained the largest expense category, accounting for 97.22% of the total at \$23.5 million, but this represented a significant decrease of \$10 million or 29.88% from the previous year.

Other Financing Uses increased by 47.83%, rising to \$631,297 and making up 2.61% of the total expenditures. Purchased/Contracted Services also saw a notable increase of 66.67%, reaching \$25,000 or 0.1% of the total. Supplies, which had no expenditure in FY2026, recorded \$15,500 in FY2027, representing 0.06% of the total.

Debt Service expenditures were eliminated in FY2027, dropping from \$39,200 in FY2026 to \$0, a 100% decrease. Overall, while Capital Outlays decreased substantially, increases in Other Financing Uses, Purchased/Contracted Services, and Supplies contributed to the expenditure profile in FY2027.

FY27 Expenditures by Expense Type



CAPITAL OUTLAYS	\$23,497,296	97.22%
OTHER FINANCING USES	\$631,297	2.61%
PURCHASED/CONTRACTED SERVICES	\$25,000	0.10%
SUPPLIES	\$15,500	0.06%

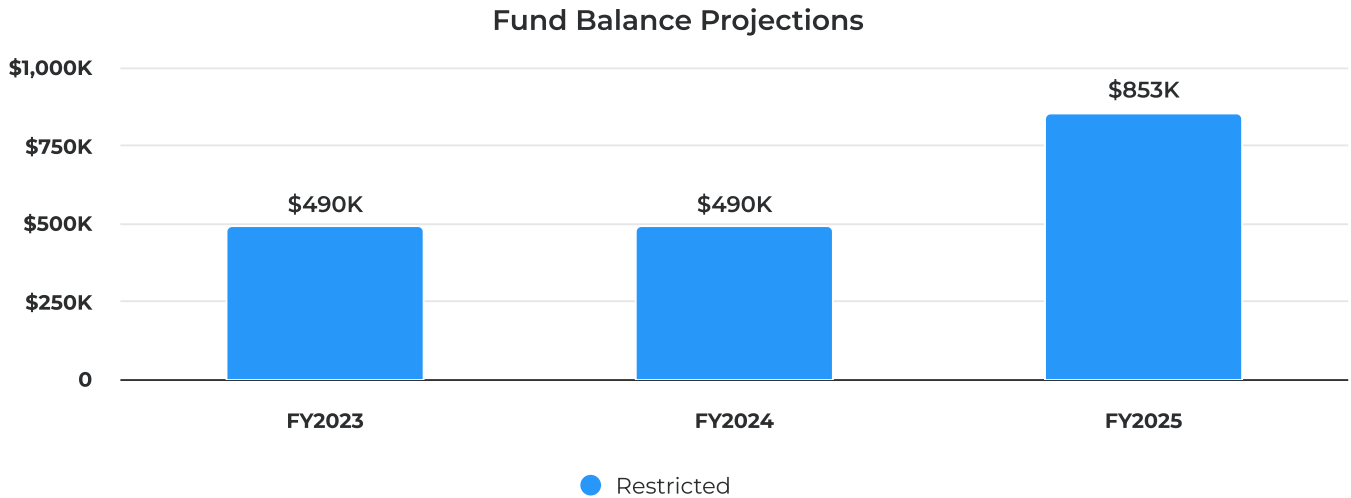
For the Fiscal Year Expenditures by Expense Type in the SPECIAL REVENUE FUND, CAPITAL OUTLAYS account for \$23.5 million, representing 97.22% of the total expenditures. OTHER FINANCING USES make up \$631,297, which is 2.61%.

PURCHASED/CONTRACTED SERVICES contribute \$25,000, or 0.1%, and SUPPLIES total \$15,500, comprising 0.06% of the expenditures.

Expenditures by Expense Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
PURCHASED/CONTRACTED SERVICES	\$15,000.00	\$25,000.00	66.67%
SUPPLIES	-	\$15,500.00	-
CAPITAL OUTLAYS	\$33,510,726.00	\$23,497,296.00	-29.88%
DEBT SERVICE	\$39,200.00	-	-100.00%
OTHER FINANCING USES	\$427,047.00	\$631,297.00	47.83%
Total Expenditures	\$33,991,973.00	\$24,169,093.00	-28.90%

Fund Balance



In FY2025, the total fund balance projection for the Special Revenue Fund is \$852,725, representing a significant increase of 74.12% compared to the FY2024 total of \$489,743. The entire fund balance remains categorized as Restricted, which also increased by \$362,983 or 74.12% from the previous year’s amount of \$489,743. There are no other categories contributing to the fund balance, and no decreases were recorded. This substantial growth in the Restricted category drives the overall increase in the fund balance projection for FY2025.

CAPITAL PROJECT FUND

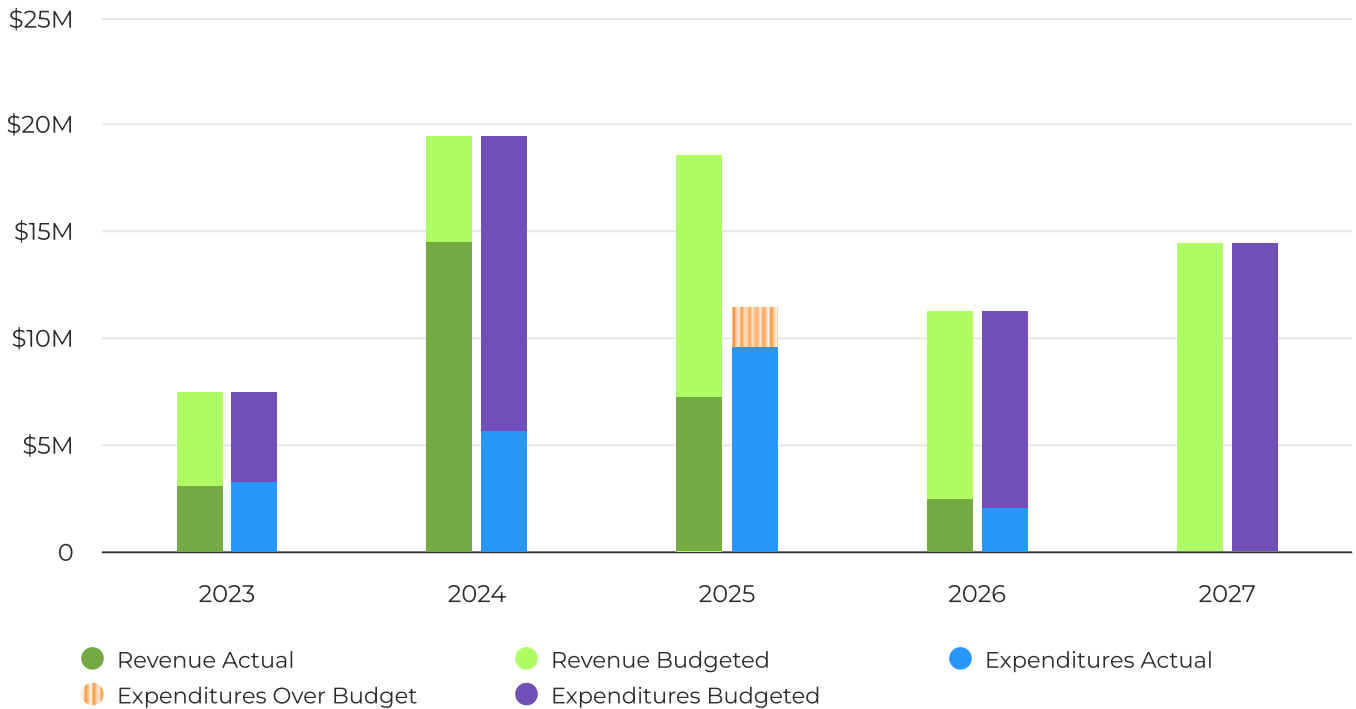
The Capital Projects Fund is used by the City of Commerce to plan and prepare for major future capital investments. Rather than funding large projects all at once, the City budgets smaller amounts each year and accumulates these resources over time. This approach creates a dedicated funding pool that grows steadily and provides long-term financial stability for upcoming capital needs.

By setting aside funds annually, the City can better manage the cost of major improvements, reduce reliance on debt, and ensure that departments have the resources needed to maintain and upgrade facilities, equipment, and infrastructure. The Capital Projects Fund supports responsible planning, smooths out budget impacts, and helps the City deliver well-timed, well-funded capital improvements across governmental departments.

Summary

Fund Source	FY 2026 Adopted	FY 2027 Budgeted	% Change	Share of FY27
SPLOST #7	\$5,404,396	\$6,793,297	+25.70%	47.07%
TPLOST (Transportation Local Option Sales Tax)	—	\$2,460,000	New	17.04%
SPLOST #6	\$3,579,175	\$2,280,224	-36.29%	15.80%
Commerce PFA Bond – Admin Complex	\$853,573	\$1,647,005	+92.95%	11.41%
General Fund Capital Projects	\$1,432,562	\$1,249,726	-12.76%	8.66%
Total	\$11,269,706	\$14,430,252	+28.04%	100%

Revenues vs Expenditures Summary



In the 2027 budget for the Capital Project Fund, both expenditures and revenues are budgeted at \$14.5 million, reflecting an increase of 28.39% from the 2026 budgeted amounts of \$11.3 million for each category. This marks a significant growth compared to the previous year, where expenditures had increased by 17.53% and revenues had decreased by 39.36% from their prior levels.

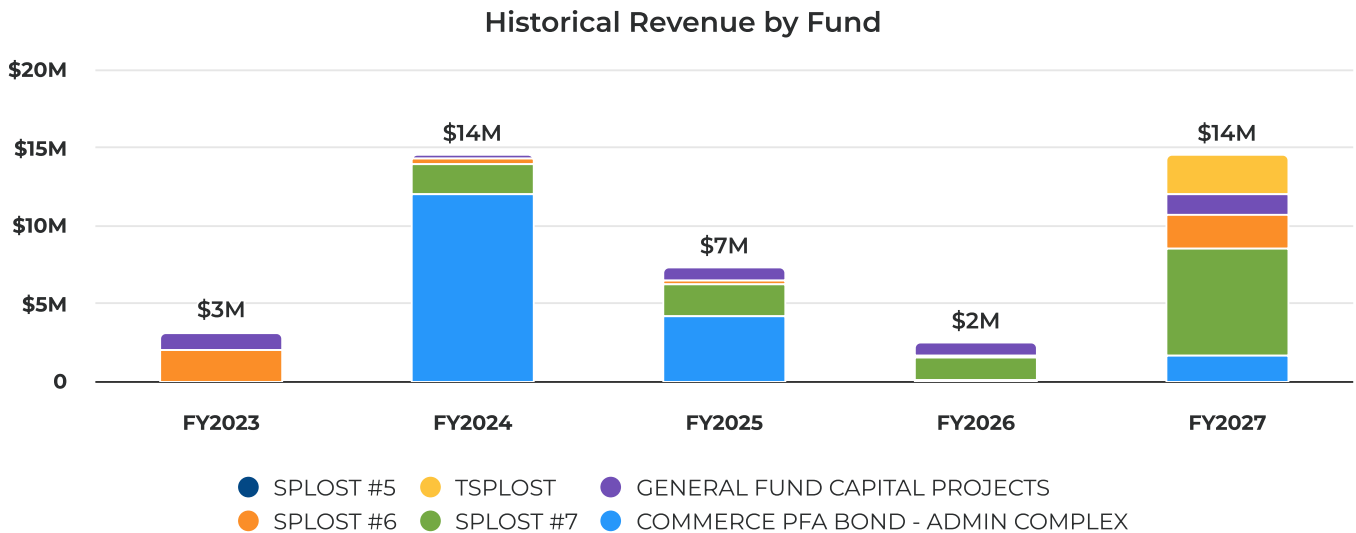
The equal percentage increase of 28.39% in both budgeted expenditures and revenues in 2027 indicates a balanced approach to funding capital projects, with planned revenues matching planned expenditures. This contrasts with 2026, where revenues were budgeted to decline sharply while expenditures were rising.

Comprehensive Fund Summary

Comprehensive Fund Summary

Category	FY 2026 Adopted Budget	FY 2027 Budgeted
Beginning Fund Balance	\$13,678,611.14	-
Revenues		
TAXES	\$1,781,895.00	\$4,247,895.00
OTHER FINANCING SOURCES	\$9,487,811.00	\$10,221,189.00
Total Revenues	\$11,269,706.00	\$14,469,084.00
Expenditures		
PURCHASED/CONTRACTED SERVICES	\$958,343.00	\$536,410.00
CAPITAL OUTLAYS	\$9,457,790.00	\$13,079,101.00
DEBT SERVICE	\$853,573.00	\$853,573.00
Total Expenditures	\$11,269,706.00	\$14,469,084.00
Total Revenues Less Expenditures	-	-
Ending Fund Balance	\$13,678,611.14	-

Revenues by Fund

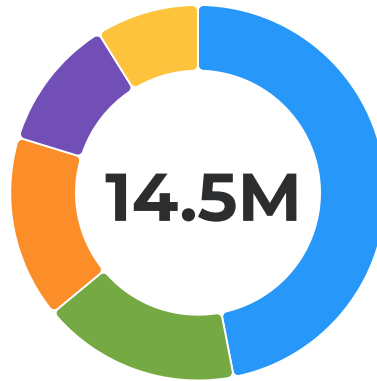


In FY2027, the total revenue for the Capital Project Fund increased by 28.39% to \$14.5 million compared to FY2026's \$11.3 million. The largest revenue source remained SPLOST #7, which grew by 25.7% to \$6.8 million, representing 46.95% of the total revenue, slightly decreasing in share from the previous year.

TSPLOST emerged as a significant new contributor with \$2.5 million, accounting for 17.04% of the total revenue. Meanwhile, SPLOST #6 experienced a notable decrease of 36.29%, dropping to \$2.3 million and making up 15.76% of the total, down from its previous higher value.

The Commerce PFA Bond - Admin Complex category saw a substantial increase of 92.95%, rising to \$1.6 million and representing 11.38% of the total revenue. Conversely, General Fund Capital Projects decreased by 10.47% to \$1.3 million, comprising 8.86% of the total. SPLOST #5 remained at zero, contributing no revenue in FY2027.

FY27 Revenues by Fund



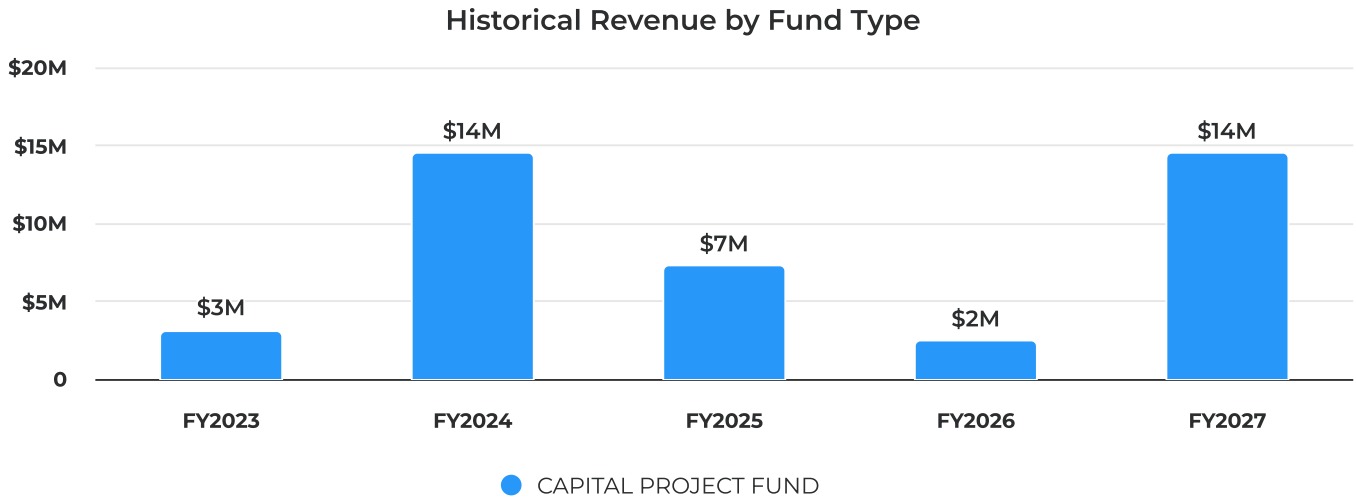
● SPLOST #7	\$6,793,297	46.95%
● TSPLOST	\$2,466,000	17.04%
● SPLOST #6	\$2,280,224	15.76%
● COMMERCE PFA BOND - ADMIN COMPLEX	\$1,647,005	11.38%
● GENERAL FUND CAPITAL PROJECTS	\$1,282,558	8.86%

The CAPITAL PROJECT FUND's Fiscal Year Revenue by Fund is composed of five categories. SPLOST #7 contributes the largest portion with \$6.8 million, accounting for 46.95% of the total revenue. TSPLOST follows with \$2.5 million, representing 17.04%. SPLOST #6 provides \$2.3 million, which is 15.76% of the revenue. The COMMERCE PFA BOND - ADMIN COMPLEX category adds \$1.6 million, making up 11.38%. Lastly, GENERAL FUND CAPITAL PROJECTS contributes \$1.3 million, or 8.86% of the total revenue.

Revenues by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
SPLOST #6	\$3,579,175.00	\$2,280,224.00	-36.29%
SPLOST #7	\$5,404,396.00	\$6,793,297.00	25.70%
GENERAL FUND CAPITAL PROJECTS	\$1,432,562.00	\$1,282,558.00	-10.47%
COMMERCE PFA BOND - ADMIN COMPLEX	\$853,573.00	\$1,647,005.00	92.95%
TSPLOST	-	\$2,466,000.00	-
Total Revenues	\$11,269,706.00	\$14,469,084.00	28.39%

Revenues by Fund Type

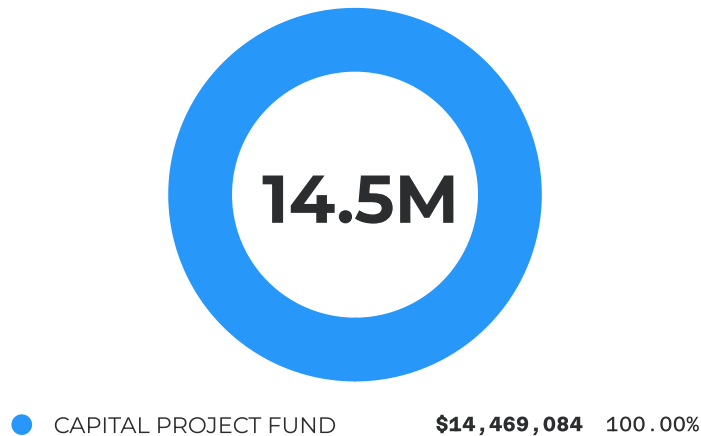


In FY2027, the Capital Project Fund's revenue is budgeted at \$14.5 million, representing 100% of the total revenue for the fund type. This amount reflects an increase of \$3.2 million, or 28.39%, compared to the previous year's budget of \$11.3 million.

Compared to FY2026, when the Capital Project Fund saw a significant increase of \$4 million or 55.69%, the FY2027 budget continues the upward trend but at a slightly lower growth rate. The total revenue for FY2027 is \$14.5 million, up 28.39% from the \$11.3 million total in FY2026.

Overall, the Capital Project Fund remains the sole and largest category in the historical revenue by fund type, maintaining its full share of 100% of the total revenue in both years, with substantial increases in budgeted revenue each year.

FY27 Revenues by Fund Type



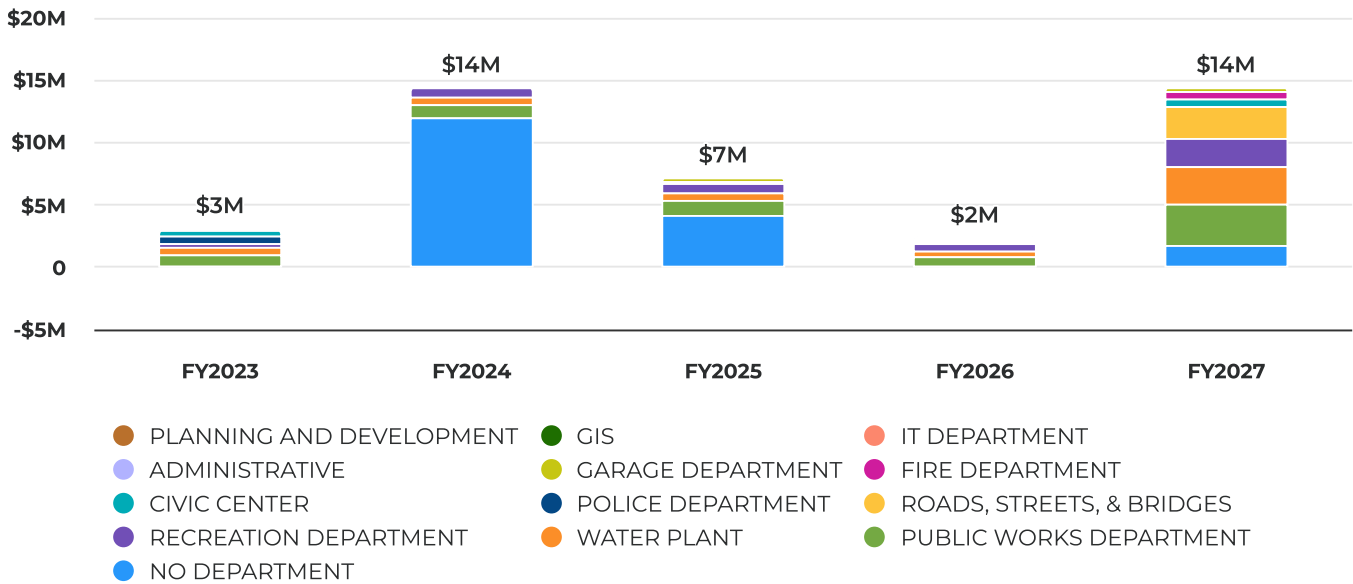
The CAPITAL PROJECT FUND has a total fiscal year revenue of \$14.5 million, which accounts for 100% of the fund's revenue by fund type.

Revenues by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
CAPITAL PROJECT FUND	\$11,269,706.00	\$14,469,084.00	28.39%
Total Revenues	\$11,269,706.00	\$14,469,084.00	28.39%

Revenues by Department

Historical Revenue by Department



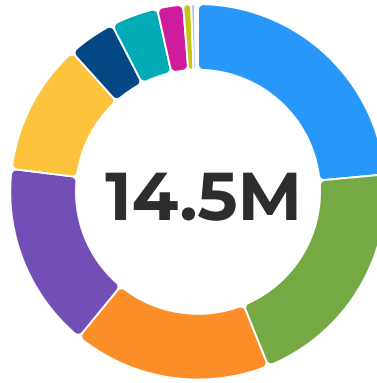
The total revenue for the Capital Project Fund in FY2027 is \$14.5 million, representing a 28.39% increase from the previous year's total of \$11.3 million. The Public Works Department remains the largest revenue source at \$3.4 million, though it experienced a slight decrease of \$7,978 or 0.23%, now accounting for 23.51% of the total.

The Water Plant's revenue increased by \$155,649 or 5.57% to \$2.9 million, making up 20.39% of the total. A new significant category, Roads, Streets, & Bridges, appears with \$2.5 million, representing 17.04% of the total revenue. The Recreation Department's revenue rose marginally by \$10,525 or 0.46% to \$2.3 million, which is 16% of the total.

The No Department category saw a substantial increase of \$793,432 or 92.95%, reaching \$1.6 million and 11.38% of the total. The Fire Department's revenue increased by \$46,183 or 8.42% to \$594,651, accounting for 4.11% of the total. The Civic Center's revenue remained steady at \$587,872, representing 4.06% of the total.

The Garage Department experienced a notable decrease of \$205,533 or 38.87%, dropping to \$323,246 and 2.23% of the total. The Administrative category remained unchanged at \$100,000, making up 0.69% of the total. The Police Department's revenue decreased significantly by \$82,500 or 64.96%, falling to \$44,500 and 0.31% of the total.

FY27 Revenues by Department



● PUBLIC WORKS DEPARTMENT	\$3,402,182	23.51%
● WATER PLANT	\$2,949,871	20.39%
● ROADS, STREETS, & BRIDGES	\$2,466,000	17.04%
● RECREATION DEPARTMENT	\$2,315,157	16.00%
● NO DEPARTMENT	\$1,647,005	11.38%
● FIRE DEPARTMENT	\$594,651	4.11%
● CIVIC CENTER	\$587,872	4.06%
● GARAGE DEPARTMENT	\$323,246	2.23%
● ADMINISTRATIVE	\$100,000	0.69%
● POLICE DEPARTMENT	\$44,500	0.31%
● GIS	\$22,600	0.16%
● IT DEPARTMENT	\$15,000	0.10%
● PLANNING AND DEVELOPMENT	\$1,000	0.01%

The CAPITAL PROJECT FUND's Fiscal Year Revenue by Department is led by the PUBLIC WORKS DEPARTMENT, contributing \$3.4 million, which accounts for 23.51% of the total. Following this, the WATER PLANT provides \$2.9 million or 20.39%, and ROADS, STREETS, & BRIDGES contribute \$2.5 million, representing 17.04%. The RECREATION DEPARTMENT adds \$2.3 million, making up 16% of the revenue.

NO DEPARTMENT revenue totals \$1.6 million, which is 11.38% of the fund. The FIRE DEPARTMENT and CIVIC CENTER contribute \$594,651 (4.11%) and \$587,872 (4.06%), respectively. The GARAGE DEPARTMENT provides \$323,246, accounting for 2.23% of the revenue.

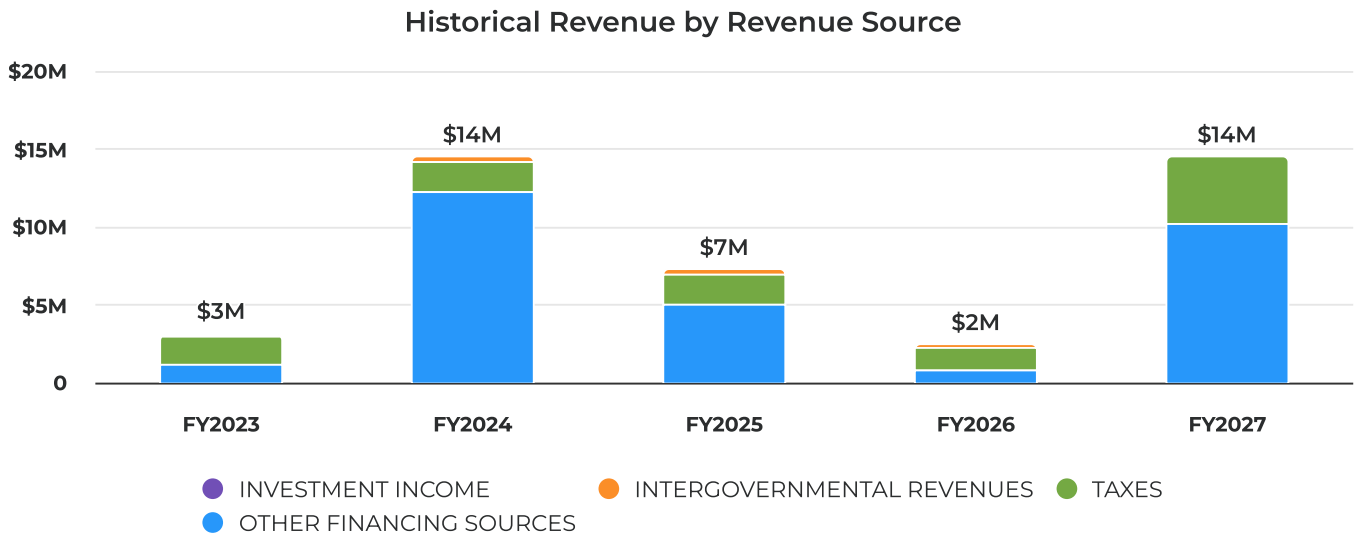
Smaller contributions come from the ADMINISTRATIVE category with \$100,000 (0.69%) and the POLICE DEPARTMENT with \$44,500 (0.31%). Three additional smaller categories are not included in this summary.

Revenues by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENT	\$853,573.00	\$1,647,005.00	92.95%
POLICE DEPARTMENT	\$127,000.00	\$44,500.00	-64.96%
FIRE DEPARTMENT	\$548,468.00	\$594,651.00	8.42%
PUBLIC WORKS DEPARTMENT	\$3,410,160.00	\$3,402,182.00	-0.23%
WATER PLANT	\$2,794,222.00	\$2,949,871.00	5.57%
GARAGE DEPARTMENT	\$528,779.00	\$323,246.00	-38.87%

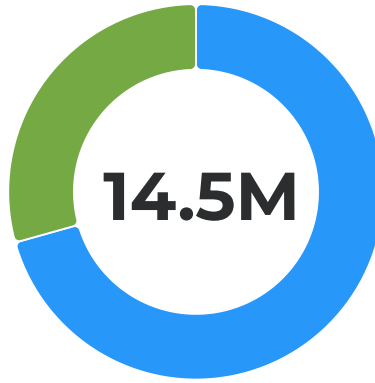
Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
RECREATION DEPARTMENT	\$2,304,632.00	\$2,315,157.00	0.46%
PLANNING AND DEVELOPMENT	-	\$1,000.00	-
CIVIC CENTER	\$587,872.00	\$587,872.00	-
ADMINISTRATIVE	\$100,000.00	\$100,000.00	-
IT DEPARTMENT	\$15,000.00	\$15,000.00	-
GIS	-	\$22,600.00	-
ROADS, STREETS, & BRIDGES	-	\$2,466,000.00	-
Total Revenues	\$11,269,706.00	\$14,469,084.00	28.39%

Revenues by Revenue Source



In FY2027, the total revenue for the Capital Project Fund increased by 28.39% to \$14.5 million compared to FY2026's \$11.3 million. The largest revenue source remained Other Financing Sources, which grew by 7.73% to \$10.2 million, representing 70.64% of the total revenue, down from 84.19% in the previous year. Taxes showed a significant increase of 138.39%, rising to \$4.2 million and accounting for 29.36% of total revenue, up from 15.81% in FY2026. Intergovernmental Revenues and Investment Income remained at \$0, consistent with the prior year.

FY27 Revenues by Revenue Source



● OTHER FINANCING SOURCES	\$10,221,189	70.64%
● TAXES	\$4,247,895	29.36%

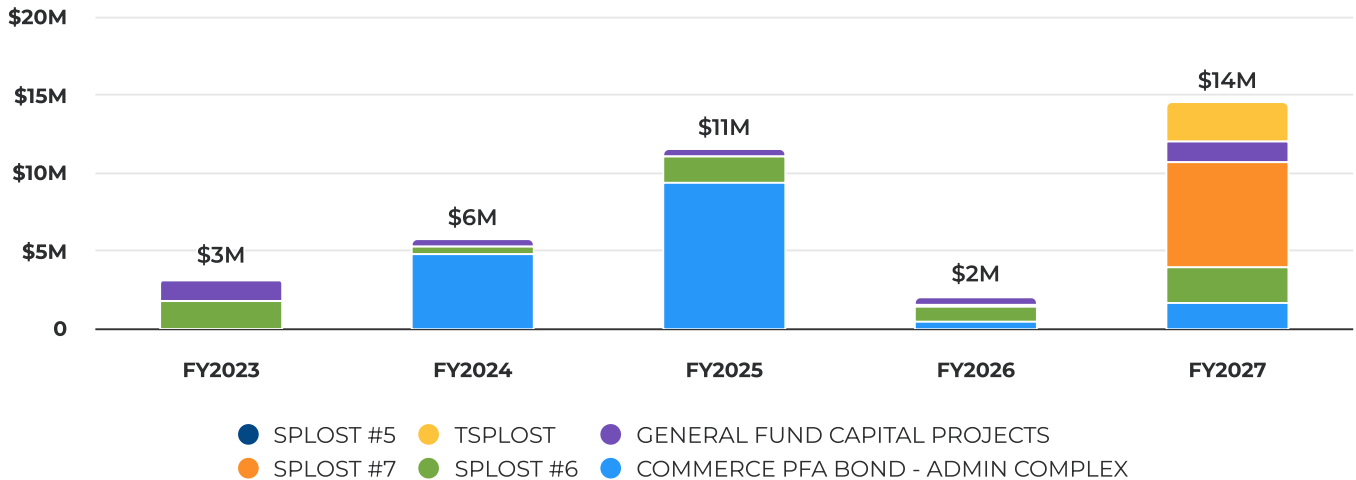
For the CAPITAL PROJECT FUND in the fiscal year, the revenue by revenue source includes OTHER FINANCING SOURCES, which amount to \$10.2 million and represent 70.64% of the total revenue. TAXES contribute \$4.2 million, accounting for 29.36% of the total revenue.

Revenues by Revenue Source

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
TAXES	\$1,781,895.00	\$4,247,895.00	138.39%
OTHER FINANCING SOURCES	\$9,487,811.00	\$10,221,189.00	7.73%
Total Revenues	\$11,269,706.00	\$14,469,084.00	28.39%

Expenditures by Fund

Historical Expenditures by Fund



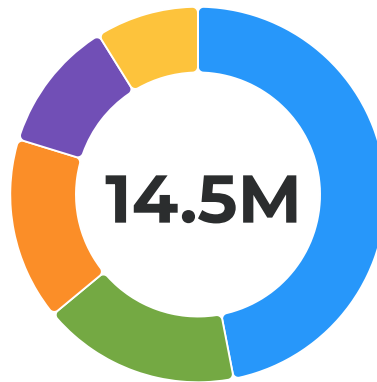
The total budget for the Capital Project Fund in FY2027 is \$14.5 million, representing a 28.39% increase from the FY2026 total of \$11.3 million. The largest expenditure category remains SPLOST #7, which increased by \$1.4 million or

25.7%, reaching \$6.8 million and accounting for 46.95% of the total budget.

TSPLOST appears as a new significant category in FY2027 with an allocation of \$2.5 million, making up 17.04% of the total budget. In contrast, SPLOST #6 decreased by \$1.3 million or 36.29%, dropping to \$2.3 million and representing 15.76% of the total.

The Commerce PFA Bond - Admin Complex category saw a substantial increase of \$793,432 or 92.95%, rising to \$1.6 million and comprising 11.38% of the budget. Meanwhile, General Fund Capital Projects decreased slightly by \$150,004 or 10.47%, totaling \$1.3 million and making up 8.86% of the budget. SPLOST #5 remained at \$0.

FY27 Expenditures by Fund



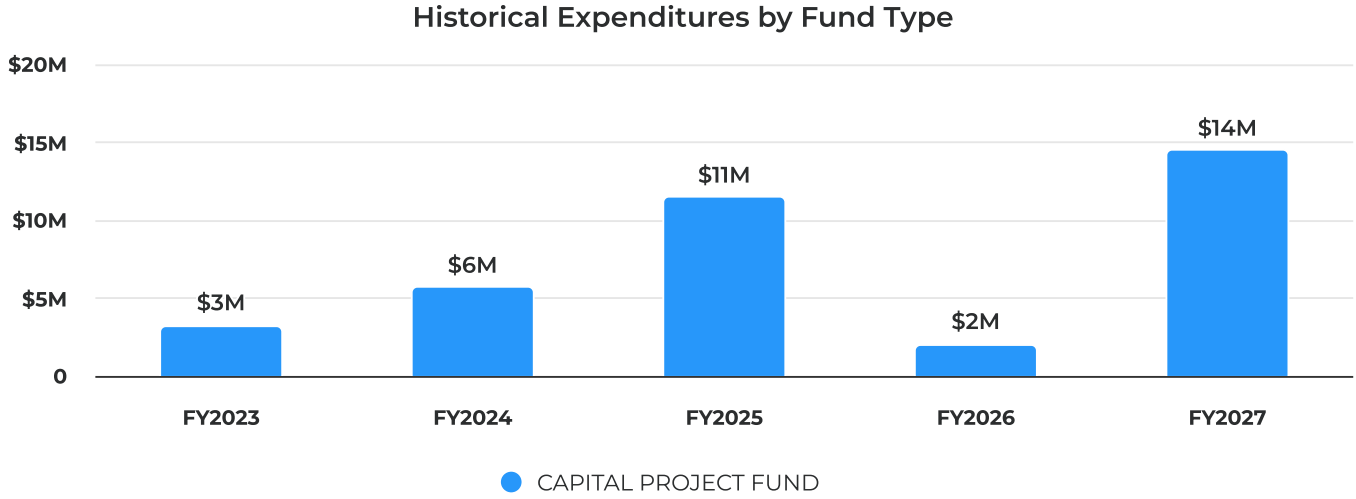
● SPLOST #7	\$6,793,297	46.95%
● TSPLOST	\$2,466,000	17.04%
● SPLOST #6	\$2,280,224	15.76%
● COMMERCE PFA BOND - ADMIN COMPLEX	\$1,647,005	11.38%
● GENERAL FUND CAPITAL PROJECTS	\$1,282,558	8.86%

For the CAPITAL PROJECT FUND in the fiscal year, expenditures are distributed among several categories. SPLOST #7 accounts for \$6.8 million, representing 46.95% of the total expenditures. TSPLOST follows with \$2.5 million, or 17.04%. SPLOST #6 comprises \$2.3 million, which is 15.76% of the expenditures. The COMMERCE PFA BOND - ADMIN COMPLEX category includes \$1.6 million, making up 11.38%. Lastly, GENERAL FUND CAPITAL PROJECTS total \$1.3 million, accounting for 8.86% of the fiscal year expenditures.

Expenditures by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
SPLOST #6	\$3,579,175.00	\$2,280,224.00	-36.29%
SPLOST #7	\$5,404,396.00	\$6,793,297.00	25.70%
GENERAL FUND CAPITAL PROJECTS	\$1,432,562.00	\$1,282,558.00	-10.47%
COMMERCE PFA BOND - ADMIN COMPLEX	\$853,573.00	\$1,647,005.00	92.95%
TSPLOST	-	\$2,466,000.00	-
Total Expenditures	\$11,269,706.00	\$14,469,084.00	28.39%

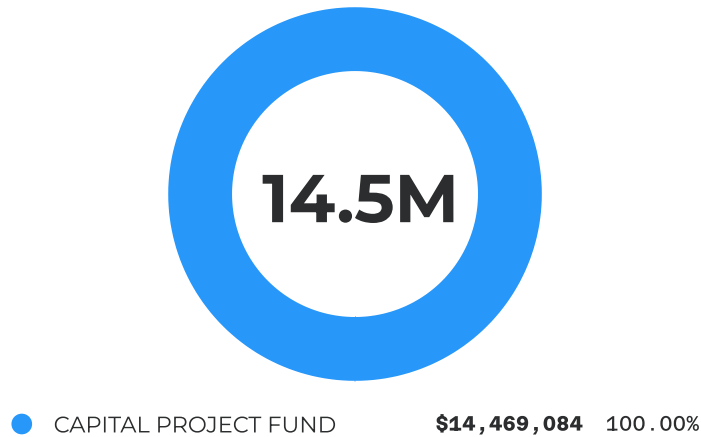
Expenditures by Fund Type



In FY2027, the total expenditures for the Capital Project Fund are budgeted at \$14.5 million, representing a 28.39% increase from the FY2026 total of \$11.3 million. The Capital Project Fund remains the sole category, accounting for 100% of the total expenditures in both years.

This increase of \$3.2 million in the Capital Project Fund contrasts with the previous year's slight decrease of \$205,381, or 1.79%. The FY2027 budget reflects a significant upward adjustment in capital project spending compared to FY2026.

FY27 Expenditures by Fund Type

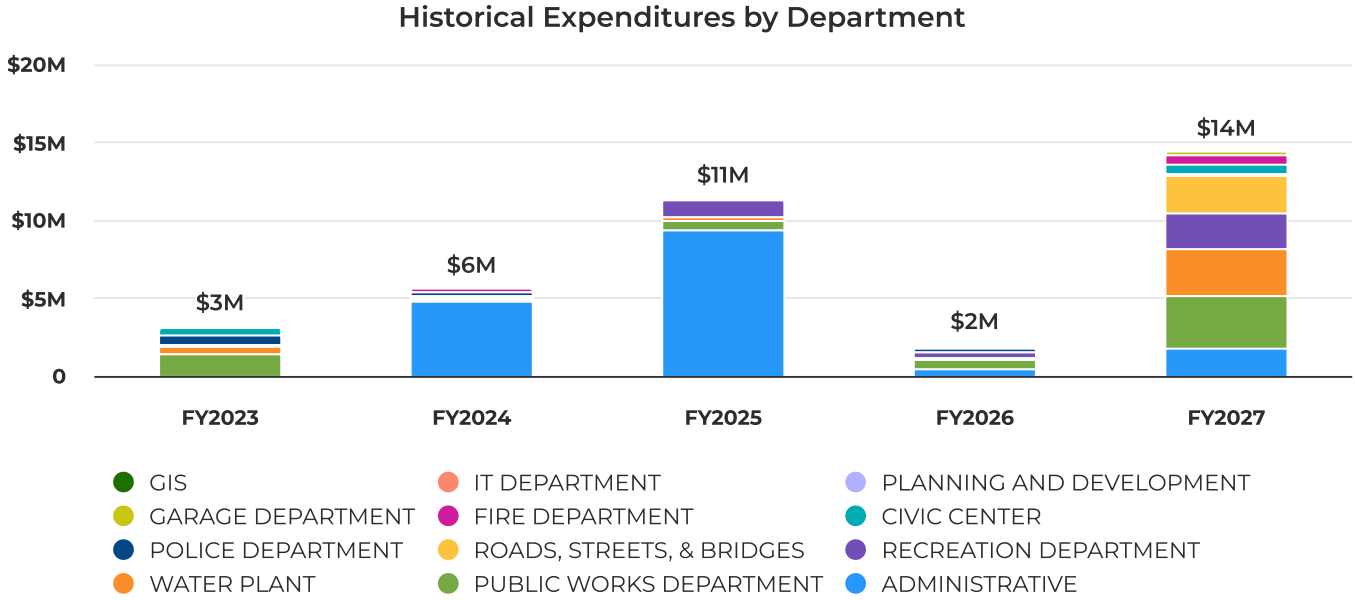


The CAPITAL PROJECT FUND has total fiscal year expenditures of \$14.5 million, representing 100% of the fund's expenditures.

Expenditures by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
CAPITAL PROJECT FUND	\$11,269,706.00	\$14,469,084.00	28.39%
Total Expenditures	\$11,269,706.00	\$14,469,084.00	28.39%

Expenditures by Department



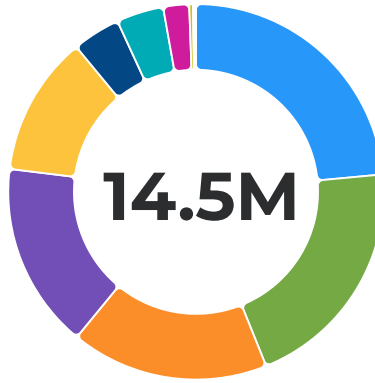
The Capital Project Fund's total expenditures for FY2027 increased by 28.39% to \$14.5 million compared to FY2026's \$11.3 million. The Public Works Department remained the largest expenditure category at \$3.4 million, representing 23.51% of the total, though it saw a slight decrease of \$8,543 or 0.25% from the previous year.

The Water Plant's expenditures rose by \$156,214 or 5.59% to \$2.9 million, accounting for 20.39% of the total. A new category, Roads, Streets, & Bridges, appeared with \$2.5 million, making up 17.04% of the total expenditures. The Recreation Department's spending was relatively stable at \$2.3 million, a 0.46% increase of \$10,525, representing 16% of the total.

Administrative expenditures increased significantly by \$793,432 or 83.21% to \$1.7 million, now comprising 12.07% of the total. The Fire Department's budget grew by \$46,183 or 8.42% to \$594,651, making up 4.11% of the total. The Civic Center's expenditures remained unchanged at \$587,872, representing 4.06% of the total.

The Garage Department experienced a notable decrease of \$205,533 or 38.87%, reducing its expenditures to \$323,246 and 2.23% of the total. The Police Department's expenditures declined by \$82,500 or 64.96% to \$44,500, accounting for 0.31% of the total. GIS expenditures were introduced at \$22,600, representing 0.16% of the total. Planning and Development also appeared with \$1,000 in expenditures.

FY27 Expenditures by Department



● PUBLIC WORKS DEPARTMENT	\$3,402,182	23.51%
● WATER PLANT	\$2,949,871	20.39%
● ROADS, STREETS, & BRIDGES	\$2,466,000	17.04%
● RECREATION DEPARTMENT	\$2,315,157	16.00%
● ADMINISTRATIVE	\$1,747,005	12.07%
● FIRE DEPARTMENT	\$594,651	4.11%
● CIVIC CENTER	\$587,872	4.06%
● GARAGE DEPARTMENT	\$323,246	2.23%
● POLICE DEPARTMENT	\$44,500	0.31%
● GIS	\$22,600	0.16%
● IT DEPARTMENT	\$15,000	0.10%
● PLANNING AND DEVELOPMENT	\$1,000	0.01%

For the CAPITAL PROJECT FUND fiscal year expenditures by department, the PUBLIC WORKS DEPARTMENT accounts for \$3.4 million, representing 23.51% of the total. The WATER PLANT follows with \$2.9 million, or 20.39%. ROADS, STREETS, & BRIDGES expenditures total \$2.5 million, making up 17.04%. The RECREATION DEPARTMENT has \$2.3 million in expenditures, which is 16%. ADMINISTRATIVE costs are \$1.7 million, or 12.07% of the total.

Smaller expenditures include the FIRE DEPARTMENT at \$594,651 (4.11%), the CIVIC CENTER at \$587,872 (4.06%), and the GARAGE DEPARTMENT with \$323,246 (2.23%). The POLICE DEPARTMENT accounts for \$44,500, or 0.31%, and GIS expenditures are \$22,600, representing 0.16% of the total. Two smaller categories were excluded from this summary.

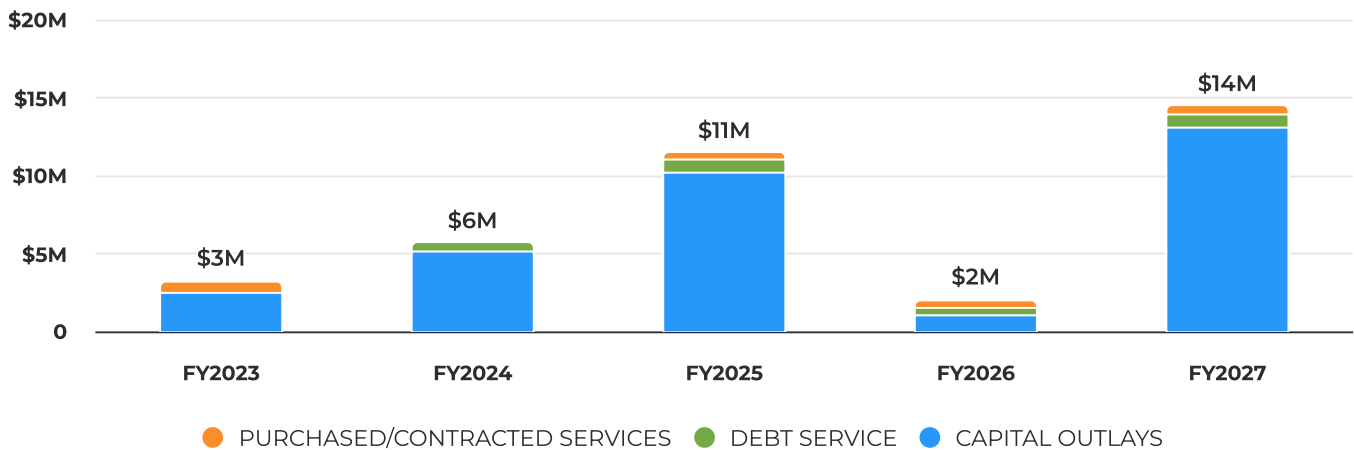
Expenditures by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
POLICE DEPARTMENT	\$127,000.00	\$44,500.00	-64.96%
FIRE DEPARTMENT	\$548,468.00	\$594,651.00	8.42%
PUBLIC WORKS DEPARTMENT	\$3,410,725.00	\$3,402,182.00	-0.25%
WATER PLANT	\$2,793,657.00	\$2,949,871.00	5.59%
GARAGE DEPARTMENT	\$528,779.00	\$323,246.00	-38.87%
RECREATION DEPARTMENT	\$2,304,632.00	\$2,315,157.00	0.46%
PLANNING AND DEVELOPMENT	-	\$1,000.00	-
CIVIC CENTER	\$587,872.00	\$587,872.00	-
ADMINISTRATIVE	\$953,573.00	\$1,747,005.00	83.21%

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
IT DEPARTMENT	\$15,000.00	\$15,000.00	-
GIS	-	\$22,600.00	-
ROADS, STREETS, & BRIDGES	-	\$2,466,000.00	-
Total Expenditures	\$11,269,706.00	\$14,469,084.00	28.39%

Expenditures by Expense Type

Historical Expenditures by Expense Type

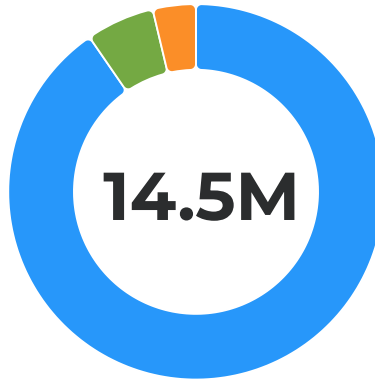


The total budget for the Capital Project Fund in FY2027 is \$14.5 million, representing a 28.39% increase from the FY2026 total of \$11.3 million. The largest expense category remains Capital Outlays, which increased by \$3.6 million or 38.29%, rising from \$9.5 million (83.92% of total) in FY2026 to \$13.1 million (90.39% of total) in FY2027.

Debt Service expenses remained constant at \$853,573, accounting for 5.9% of the FY2027 total, unchanged from FY2026 both in dollar amount and percentage of the total budget.

Purchased/Contracted Services saw a significant decrease of \$421,933 or 44.03%, dropping from \$958,343 (8.5% of total) in FY2026 to \$536,410 (3.71% of total) in FY2027. This marks a reversal from the previous year's increase in this category.

FY27 Expenditures by Expense Type



● CAPITAL OUTLAYS	\$13,079,101	90.39%
● DEBT SERVICE	\$853,573	5.90%
● PURCHASED/CONTRACTED SERVICES	\$536,410	3.71%

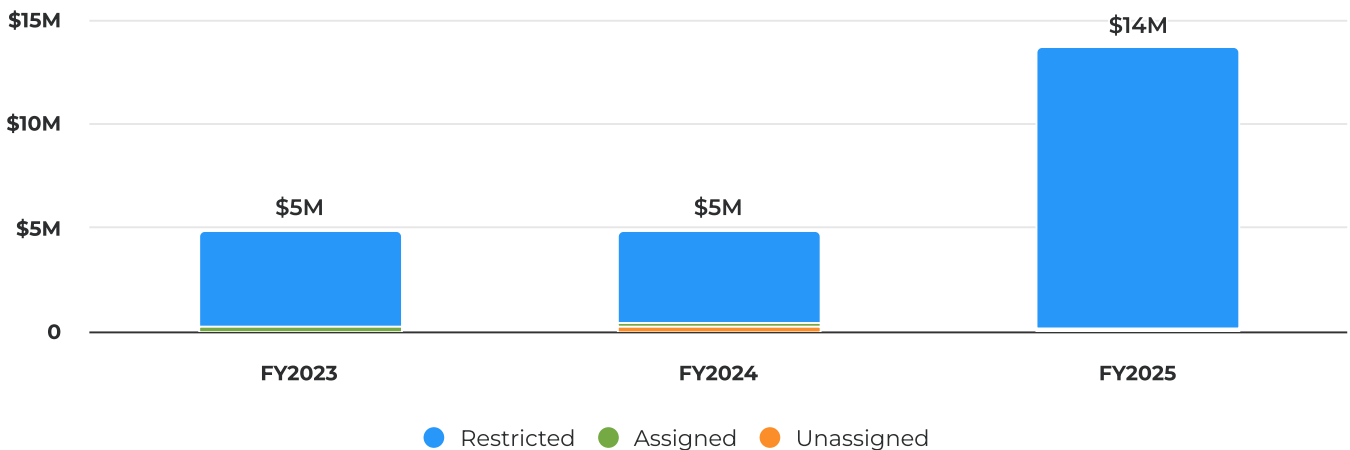
For the fiscal year expenditures by expense type in the CAPITAL PROJECT FUND, CAPITAL OUTLAYS account for \$10.6 million, representing 88.39% of the total. DEBT SERVICE follows with \$853,573, making up 7.13%. PURCHASED/CONTRACTED SERVICES comprise \$536,410, which is 4.48% of the expenditures.

Expenditures by Expense Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
PURCHASED/CONTRACTED SERVICES	\$958,343.00	\$536,410.00	-44.03%
CAPITAL OUTLAYS	\$9,457,790.00	\$13,079,101.00	38.29%
DEBT SERVICE	\$853,573.00	\$853,573.00	-
Total Expenditures	\$11,269,706.00	\$14,469,084.00	28.39%

Fund Balance

Fund Balance Projections



The Capital Project Fund's total fund balance projection for FY2025 is \$13.7 million, representing a significant increase of 181.45% compared to the FY2024 total of \$4.9 million. The largest category, Restricted funds, rose sharply to \$13.6 million in FY2025, which is 99.34% of the total and an increase of \$9.2 million or 207.97% from the previous year.

In contrast, the Assigned fund balance decreased to \$65,855 in FY2025, accounting for 0.48% of the total and reflecting a decline of \$159,196 or 70.74% from FY2024. Similarly, the Unassigned fund balance dropped to \$25,084, making up 0.18% of the total and decreasing by \$197,875 or 88.75% compared to the prior year.

Overall, the FY2025 fund balance projection is characterized by a substantial increase in Restricted funds, which drives the total growth, while both Assigned and Unassigned categories show notable decreases in dollar amounts and percentage shares.

ENTERPRISE FUND

Enterprise Funds are used to account for services that operate much like a business, where the costs of providing the service are funded primarily through user fees rather than taxes. These funds ensure that each utility is financially self-supporting, transparent, and able to reinvest in the infrastructure needed to deliver reliable service to customers.

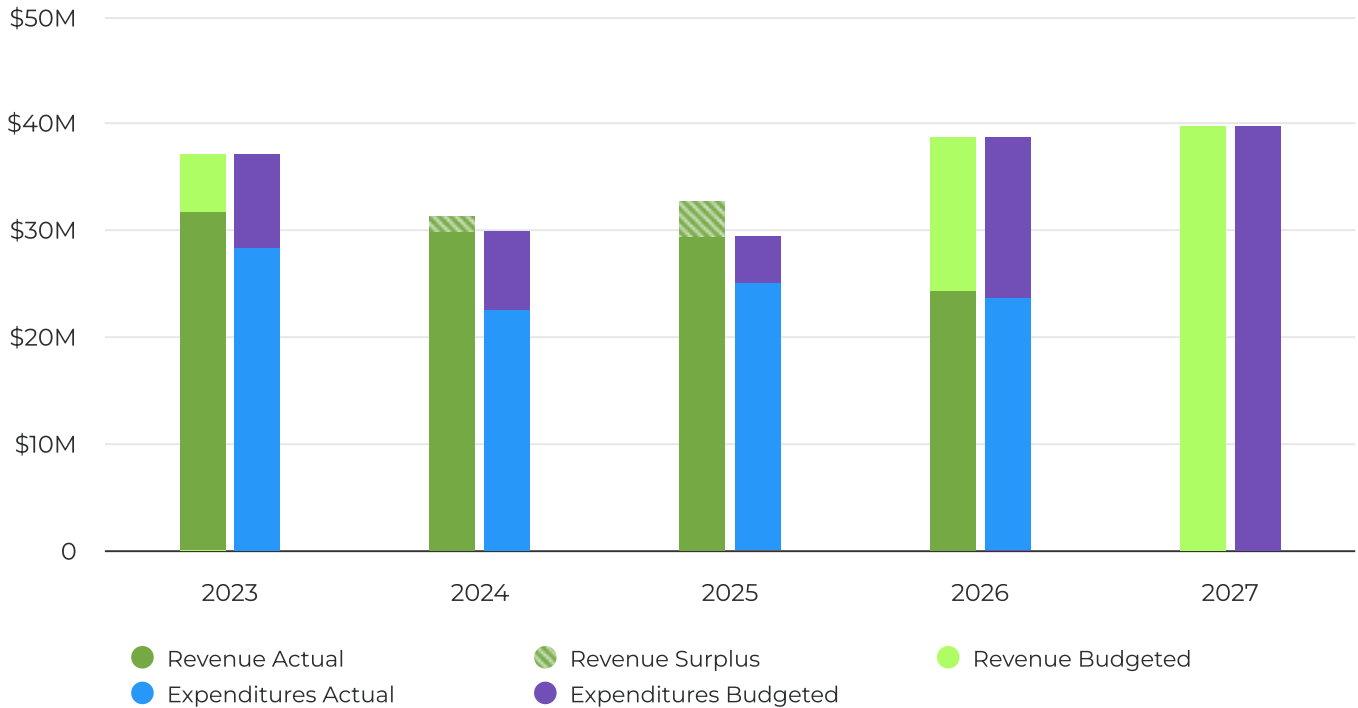
For the City of Commerce, the Enterprise Funds include:

- **Water & Sewer Distribution** Manages the delivery of treated drinking water and the collection of wastewater throughout the service area. This fund supports line maintenance, system repairs, meter services, and day-to-day operations that keep water flowing to homes and businesses.
- **Water Treatment Plant** Oversees the treatment and production of safe, clean drinking water. Revenues support plant operations, regulatory compliance, chemical treatment, equipment maintenance, and long-term capital needs.
- **Wastewater Treatment Plant** Responsible for treating and processing wastewater before it is safely discharged. This fund supports plant staffing, equipment, testing, environmental compliance, and the major capital investments required for a modern treatment facility.
- **Electric Fund** Provides electric service to customers, including power distribution, system maintenance, reliability improvements, and customer service. Revenues support both daily operations and long-term infrastructure upgrades.
- **Gas Fund** Manages the distribution of natural gas to residential, commercial, and industrial customers. This includes pipeline maintenance, safety compliance, system expansion, and operational support.

Summary

Fund	FY 2026 Budget	FY 2027 Budget	\$ Change	% Change
Electric Fund (510)	\$11,930,323	\$10,652,548	-\$1,277,775	-10.71%
Natural Gas Fund (515)	\$15,169,727	\$13,847,268	-\$1,322,459	-8.72%
Water & Sewer Fund (505)	\$11,619,211	\$15,375,020	+\$3,755,809	+32.32%
Combined Total	\$38,719,261	\$39,874,836	+\$1,155,575	+2.99%

Revenues vs Expenditures Summary



In the 2027 budget for the Enterprise Fund, both expenditures and revenues are budgeted at \$39.8 million, reflecting a 2.82% increase from the 2026 budgeted amounts of \$38.7 million. This continues the trend of balanced budgeting between revenues and expenditures seen in the previous year.

Compared to the significant 31.39% increase from the prior period to 2026, the growth rate in 2027 is more moderate, indicating a smaller but still positive adjustment in both revenues and expenditures. The largest category remains consistent relative to the total budget, with no major shifts in the proportional relationship between revenues and expenditures.

Comprehensive Fund Summary

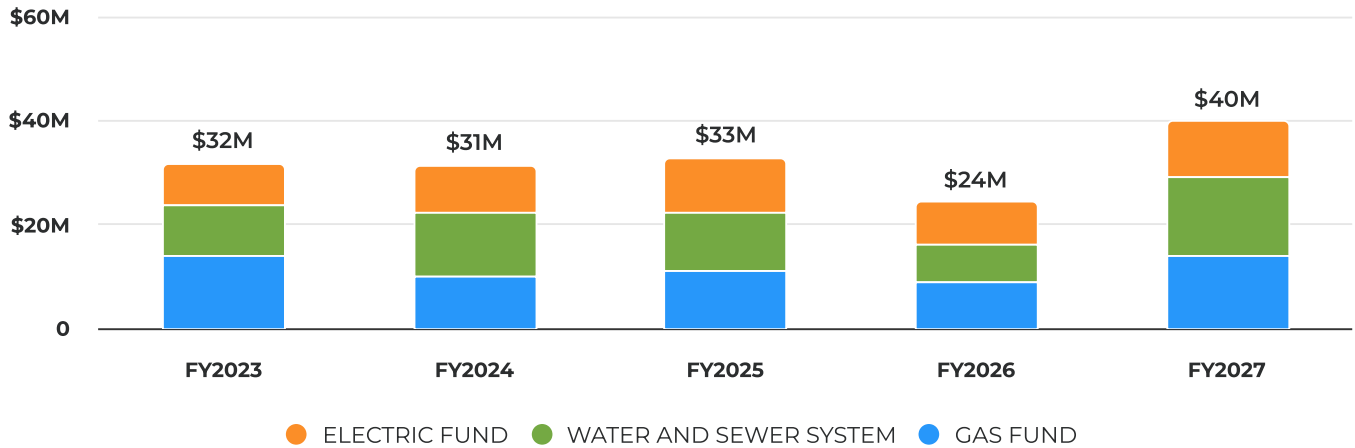
Comprehensive Fund Summary

Category	FY 2026 Adopted Budget	FY 2027 Budgeted
Beginning Fund Balance	\$45,639,896.95	-
Revenues		
INTERGOVERNMENTAL REVENUES	\$30,000.00	\$80,000.00
CHARGES FOR SERVICES	\$31,832,081.00	\$33,592,169.00
INVESTMENT INCOME	\$1,825,461.88	\$645,000.00
MISCELLANEOUS REVENUE	\$2,285,500.00	\$1,010,500.00
OTHER FINANCING SOURCES	\$2,746,218.12	\$4,547,166.00
Total Revenues	\$38,719,261.00	\$39,874,835.00
Expenditures		
PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$2,789,908.00	\$3,047,781.00

Category	FY 2026 Adopted Budget	FY 2027 Budgeted
PURCHASED/CONTRACTED SERVICES	\$3,598,672.00	\$3,892,336.00
SUPPLIES	\$16,965,881.00	\$17,094,654.00
CAPITAL OUTLAYS	\$9,478,000.00	\$9,045,016.00
INTERFUND/INTER-DEPARTMENTAL CHARGES	\$1,706,701.00	\$1,799,543.00
DEPRECIATION AND AMORTIZATION	\$427,231.00	\$435,000.00
OTHER COSTS	\$42,500.00	\$42,500.00
DEBT SERVICE	\$3,360,368.00	\$4,168,005.00
OTHER FINANCING USES	\$350,000.00	\$350,000.00
Total Expenditures	\$38,719,261.00	\$39,874,835.00
Total Revenues Less Expenditures	-	-
Ending Fund Balance	\$45,639,896.95	-

Revenues by Fund Type

Historical Revenue by Fund



The total revenue for the Enterprise Fund in FY2027 is \$39.8 million, reflecting a 2.82% increase from the FY2026 total of \$38.7 million. The Water and Sewer System becomes the largest revenue category in FY2027, generating \$15.3 million, which is 38.53% of the total and represents a significant increase of \$3.7 million or 32% compared to FY2026.

The Gas Fund, which was the largest category in FY2026 at \$15.2 million (39.18% of the total), decreases to \$13.8 million in FY2027, accounting for 34.75% of the total. This is a decline of \$1.3 million or 8.81%. Similarly, the Electric Fund decreases from \$11.9 million (30.81% of total) in FY2026 to \$10.6 million (26.73% of total) in FY2027, a reduction of \$1.3 million or 10.82%.

Overall, the key trend in FY2027 is the substantial growth in the Water and Sewer System revenue, which offsets the decreases seen in both the Gas Fund and Electric Fund, resulting in a modest overall increase in total Enterprise Fund revenue.

FY27 Revenues by Fund



● WATER AND SEWER SYSTEM	\$15,375,019	38.56%
● GAS FUND	\$13,847,268	34.73%
● ELECTRIC FUND	\$10,652,548	26.71%

The ENTERPRISE FUND's Fiscal Year Revenue by Fund is composed of three categories. The WATER AND SEWER SYSTEM contributes \$15.3 million, accounting for 38.53% of the total revenue. The GAS FUND provides \$13.8 million, representing 34.75%. The ELECTRIC FUND adds \$10.6 million, which is 26.73% of the total revenue.

Revenues by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
WATER AND SEWER SYSTEM	\$11,619,211.00	\$15,375,019.00	32.32%
ELECTRIC FUND	\$11,930,323.00	\$10,652,548.00	-10.71%
GAS FUND	\$15,169,727.00	\$13,847,268.00	-8.72%
Total Revenues	\$38,719,261.00	\$39,874,835.00	2.98%

Revenues by Fund

Revenue Source	Electric	Natural Gas	Water/Sewer	Combined Total
Utility Sales				
Sale of Electricity	\$9,989,248	—	—	\$9,989,248
Sale of Natural Gas	—	\$10,612,268	—	\$10,612,268
Sale of Water	—	—	\$3,840,399	\$3,840,399
Sewer Fees	—	—	\$5,006,955	\$5,006,955
Subtotal – Utility Sales	\$9,989,248	\$10,612,268	\$8,847,354	\$29,448,870
Service Fees & Charges				
Service Fees	\$20,000	—	—	\$20,000

Revenue Source	Electric	Natural Gas	Water/Sewer	Combined Total
Water Services	—	—	\$375,000	\$375,000
Sewer Services	—	—	\$375,000	\$375,000
Cable Pole Rental Fees	\$140,000	—	—	\$140,000
Security Lights	\$82,800	—	—	\$82,800
Tap Fees	—	\$50,000	—	\$50,000
EV Charging Station	\$500	—	—	\$500
Subtotal – Service Fees & Charges	\$243,300	\$50,000	\$750,000	\$1,043,300
Contributed Capital & Grants				
Contributed Capital – ARPA (Wastewater)	—	—	\$2,734,964	\$2,734,964
Contributed Capital – ARPA (Water Plant)	—	—	\$1,192,201	\$1,192,201
Contributed Capital – SPLOST (Distribution)	—	—	\$385,001	\$385,001
Contributed Capital – SPLOST (Wastewater)	—	—	\$150,000	\$150,000
Contributed Capital – SPLOST (Water Plant)	—	—	\$75,000	\$75,000
GEFA DWLSL2022207	—	—	\$80,000	\$80,000
Subtotal – Contributed Capital & Grants	\$0	\$0	\$4,617,166	\$4,617,166
Investment & Other Income				
Dividends	\$420,000	—	—	\$420,000
Interest on Investments	—	\$75,000	\$150,000	\$225,000
Transco/MGAG Refunds	—	\$600,000	—	\$600,000
Hwy 441 Relocation Loan	—	\$2,500,000	—	\$2,500,000
Reserves	—	—	\$1,000,000	\$1,000,000
Sale of Assets	—	—	\$10,000	\$10,000
Miscellaneous	—	\$5,000	\$500	\$5,500
Other – Reimburse & Assess	—	\$5,000	—	\$5,000
Subtotal – Investment & Other Income	\$420,000	\$3,185,000	\$1,160,500	\$4,765,500
Total Revenues	\$10,652,548	\$13,847,268	\$15,375,020	\$39,874,836

The Water and Sewer Fund is the City's largest enterprise fund by revenue in FY 2027 at \$15.38 million, up 32.32% from FY 2026. Sewer Fees lead at \$5.01 million after a 73% rate adjustment, followed by the Sale of Water at \$3.84 million. Federal ARPA capital totals \$3.93 million for wastewater and water plant projects. Additional sources include \$1.00 million in Reserves, \$750,000 in service fees, \$610,001 in SPLOST capital, and \$150,000 in investment income.

The Electric Fund budgets \$10.65 million in FY 2027, down 10.71% due to the elimination of a one-time \$1.5 million Redemption. Core electricity sales remain strong at \$9.99 million (93.8% of revenue), growing 1.28%. Dividends rose 43.33% to \$420,000, and a new EV Charging Station revenue line was introduced.

The Natural Gas Fund budgets \$13.85 million in FY 2027, down 8.72% after eliminating \$1.265 million in one-time Reserves. Gas sales account for 76.6% of revenue at \$10.61 million. The Hwy 441 Relocation Loan (\$2.50 million) and Transco/MGAG Refunds (\$600,000, up 27.66%) are the next largest sources. Interest on Investments surged from \$1,000 to \$75,000.

FY27 Revenues by Department



● NO DEPARTMENT	\$24,499,816	61.44%
● WASTEWATER DEPARTMENT	\$7,891,918	19.79%
● WATER PLANT	\$5,107,600	12.81%
● WATER AND SEWER DISTRIBUTION	\$2,375,501	5.96%

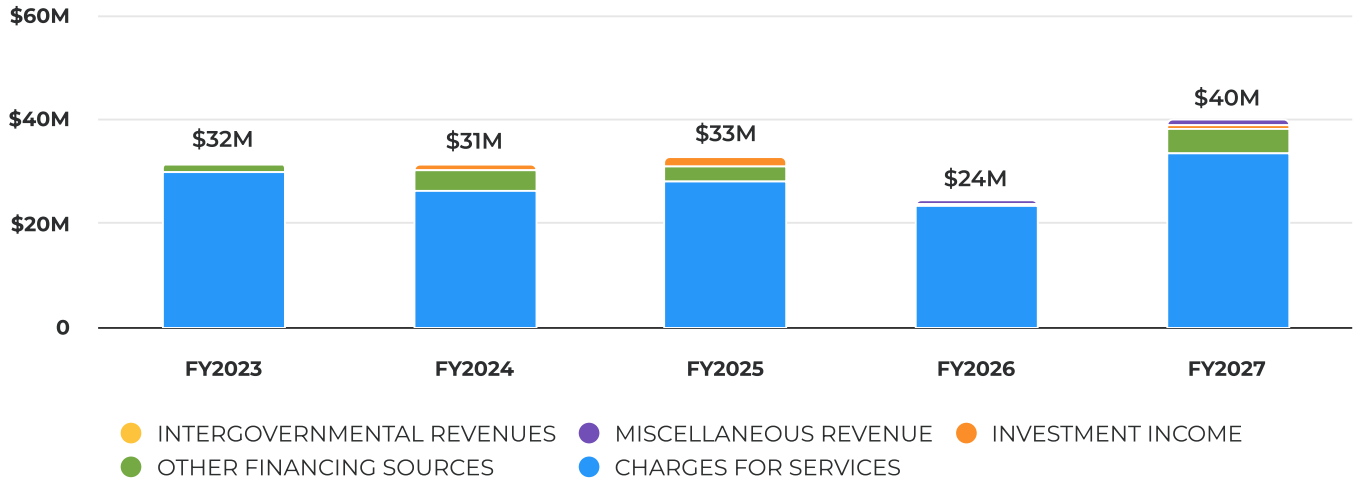
The ENTERPRISE FUND's Fiscal Year Revenue by Department is composed of four categories. The Electric and Gas funds accounts for \$24.5 million, representing 61.47% of the total revenue. The WASTEWATER DEPARTMENT contributes \$7.9 million, which is 19.82%. The WATER PLANT category provides \$5.1 million, or 12.74%. Lastly, the WATER AND SEWER DISTRIBUTION category makes up \$2.4 million, equating to 5.97% of the revenue.

Revenues by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENT	\$27,100,050.00	\$24,499,816.00	-9.59%
WATER AND SEWER DISTRIBUTION	\$2,072,690.88	\$2,375,501.00	14.61%
WASTEWATER DEPARTMENT	\$4,787,634.20	\$7,891,918.00	64.84%
WATER PLANT	\$4,758,885.92	\$5,107,600.00	7.33%
Total Revenues	\$38,719,261.00	\$39,874,835.00	2.98%

Revenues by Revenue Source

Historical Revenue by Revenue Source

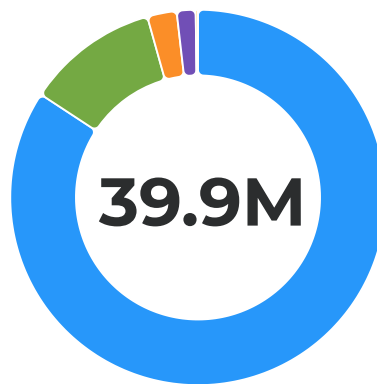


In FY2027, the Enterprise Fund's total revenue increased by 2.82% to \$39.8 million compared to FY2026. Charges for Services remained the largest revenue source, rising by \$1.6 million or 5.07% to \$33.4 million, now representing 84.02% of the total revenue, up from 82.21% the previous year.

Other Financing Sources saw a significant increase of \$1.8 million or 65.58%, reaching \$4.5 million and accounting for 11.42% of total revenue, up from 7.09% in FY2026. Intergovernmental Revenues also increased by \$50,000 or 166.67%, totaling \$80,000 and making up 0.2% of the total.

Conversely, Miscellaneous Revenue decreased by \$1.2 million or 52.25% to \$1.1 million, reducing its share to 2.74% of total revenue from 5.9% in the prior year. Investment Income declined by \$1.2 million or 64.67%, falling to \$645,000 and representing 1.62% of the total, down from 4.71% in FY2026.

FY27 Revenues by Revenue Source



● CHARGES FOR SERVICES	\$33,592,169	84.24%
● OTHER FINANCING SOURCES	\$4,547,166	11.40%
● MISCELLANEOUS REVENUE	\$1,010,500	2.53%
● INVESTMENT INCOME	\$645,000	1.62%
● INTERGOVERNMENTAL REVENUES	\$80,000	0.20%

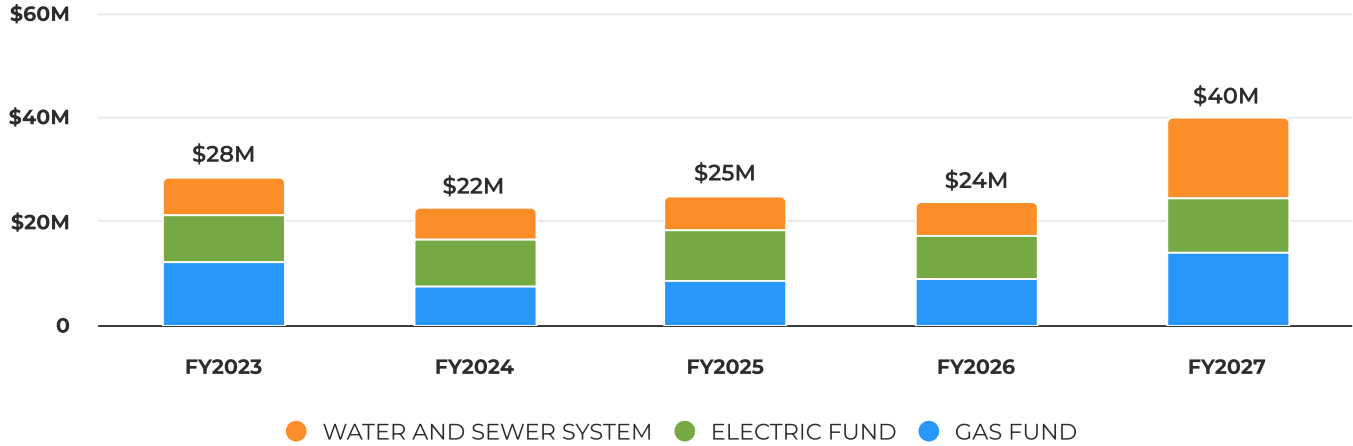
The ENTERPRISE FUND's Fiscal Year Revenue by Revenue Source is primarily composed of CHARGES FOR SERVICES, which account for \$33.4 million or 84.02% of the total revenue. OTHER FINANCING SOURCES contribute \$4.5 million, representing 11.42%. MISCELLANEOUS REVENUE adds \$1.1 million, making up 2.74% of the revenue. INVESTMENT INCOME provides \$645,000, which is 1.62%, and INTERGOVERNMENTAL REVENUES contribute \$80,000, or 0.2% of the total revenue.

Revenues by Revenue Source

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
INTERGOVERNMENTAL REVENUES	\$30,000.00	\$80,000.00	166.67%
CHARGES FOR SERVICES	\$31,832,081.00	\$33,592,169.00	5.53%
INVESTMENT INCOME	\$1,825,461.88	\$645,000.00	-64.67%
MISCELLANEOUS REVENUE	\$2,285,500.00	\$1,010,500.00	-55.79%
OTHER FINANCING SOURCES	\$2,746,218.12	\$4,547,166.00	65.58%
Total Revenues	\$38,719,261.00	\$39,874,835.00	2.98%

Expenditures by Fund

Historical Expenditures by Fund

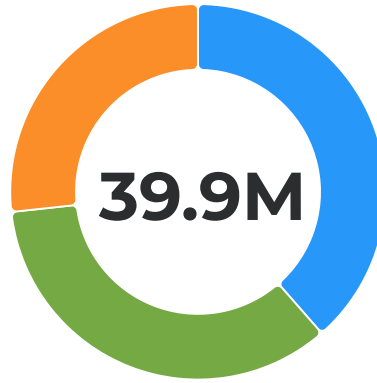


The total expenditures for the Enterprise Fund in FY2027 are budgeted at \$39.8 million, representing a 2.82% increase from the FY2026 total of \$38.7 million. The Water and Sewer System is the largest expenditure category in FY2027, accounting for \$15.3 million or 38.53% of the total, which is a \$3.7 million increase and a 32% rise compared to FY2026.

The Gas Fund is the second-largest category in FY2027, with expenditures of \$13.8 million, making up 34.75% of the total. This reflects a decrease of \$1.3 million or 8.81% from FY2026. The Electric Fund ranks third, with \$10.6 million budgeted, representing 26.73% of the total and a decrease of \$1.3 million or 10.82% from the previous year.

Overall, the Water and Sewer System shows the largest increase in expenditures in FY2027, while both the Gas Fund and Electric Fund experience decreases compared to FY2026. These shifts result in a slight overall increase in total Enterprise Fund expenditures.

FY27 Expenditures by Fund



● WATER AND SEWER SYSTEM	\$15,375,019	38.56%
● GAS FUND	\$13,847,268	34.73%
● ELECTRIC FUND	\$10,652,548	26.71%

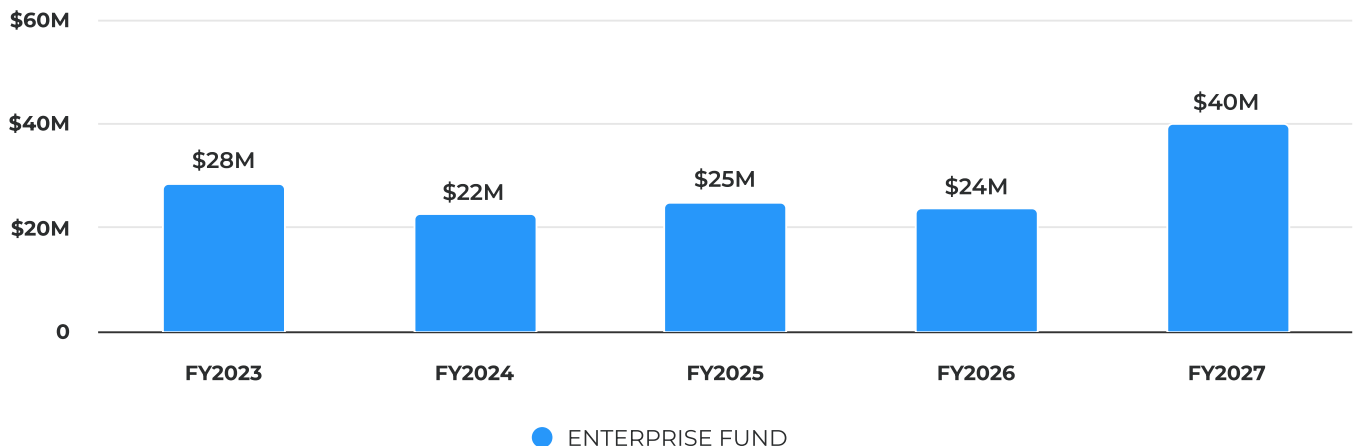
The ENTERPRISE FUND's Fiscal Year Expenditures by Fund are divided among three categories. The WATER AND SEWER SYSTEM accounts for \$15.3 million, representing 38.53% of the total expenditures. The GAS FUND follows with \$13.8 million, which is 34.75% of the expenditures. Lastly, the ELECTRIC FUND comprises \$10.6 million, making up 26.73% of the total expenditures.

Expenditures by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
WATER AND SEWER SYSTEM	\$11,619,211.00	\$15,375,019.00	32.32%
ELECTRIC FUND	\$11,930,323.00	\$10,652,548.00	-10.71%
GAS FUND	\$15,169,727.00	\$13,847,268.00	-8.72%
Total Expenditures	\$38,719,261.00	\$39,874,835.00	2.98%

Expenditures by Fund Type

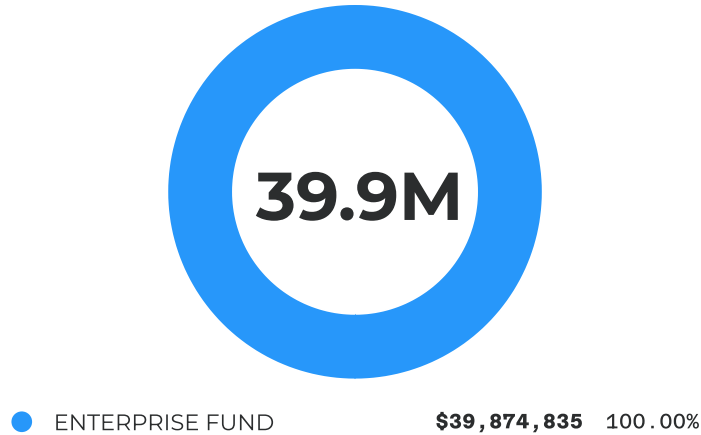
Historical Expenditures by Fund Type



In FY2027, the total expenditures for the Enterprise Fund are budgeted at \$39.8 million, representing a 2.82% increase from the FY2026 total of \$38.7 million. The Enterprise Fund continues to account for 100% of the total expenditures in this category.

Compared to FY2026, where the Enterprise Fund saw a significant increase of \$13.8 million or 55.39%, the FY2027 budget reflects a more moderate growth of \$1.1 million or 2.82%. This indicates a continued but slower upward trend in expenditures within the Enterprise Fund for FY2027.

FY27 Expenditures by Fund Type



The ENTERPRISE FUND's fiscal year expenditures total \$39.8 million, representing 100% of the fund's expenditures.

Expenditures by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
ENTERPRISE FUND	\$38,719,261.00	\$39,874,835.00	2.98%
Total Expenditures	\$38,719,261.00	\$39,874,835.00	2.98%

Expenditures by Department

Expense Category	Electric	Natural Gas	Water/Sewer	Combined Total
Operating Expenses				
Supplies & Materials	\$8,221,921	\$7,650,733	\$1,222,000	\$17,094,654
Capital Outlays	\$957,815	\$4,035,000	\$4,052,201	\$9,045,016
Debt Service	—	—	\$4,168,005	\$4,168,005
Purchased/Contracted Services	\$238,095	\$363,055	\$3,291,186	\$3,892,336
Personnel Services	\$681,122	\$705,585	\$1,661,075	\$3,047,782
Indirect Cost Allocation	\$412,095	\$413,895	\$973,553	\$1,799,543
Other				

Expense Category	Electric	Natural Gas	Water/Sewer	Combined Total
Depreciation	\$120,000	\$315,000	—	\$435,000
Transfers Out	—	\$350,000	—	\$350,000
Other Expenditures	\$21,500	\$14,000	\$7,000	\$42,500
Total Expenditures	\$10,652,548	\$13,847,268	\$15,375,020	\$39,874,836

In FY2027, the total expenditures for the Enterprise Fund increased slightly to \$39.8 million, representing a 2.82% rise from the previous year's \$38.7 million.

The Electric Fund budgets \$10.65 million in expenditures for FY 2027, down 10.71%, with purchased power (Supplies & Materials) accounting for 77.18% of spending and Capital Outlays dropping 65% as one-time equipment purchases were completed.

The Natural Gas Fund budgets \$13.85 million in expenditures for FY 2027, down 8.72%, driven by the elimination of \$1.25 million in Debt Service and a 6.32% decline in gas purchase costs, while Capital Outlays grew 9.23% to \$4.04 million for pipeline and metering projects.

Water and Sewer Distribution expenditures grew by \$808,741, a 16.68% increase, making up 14.21% of the total budget in FY2027 compared to 12.53% the prior year. The Wastewater Department saw a significant increase of \$1.6 million or 46.56%, rising to 12.66% of the total budget from 8.88% in FY2026.

The Water Plant also experienced a notable increase of \$1.3 million or 39.29%, representing 11.66% of the FY2027 budget, up from 8.61% the previous year. The Diana Foods Pretreatment Facility remained at \$0, contributing 0% to the total expenditures.

Overall, while the total budget increased modestly, the distribution of expenditures shifted with decreases in the largest category, No Departments, and substantial increases in the Wastewater Department, Water Plant, and Water and Sewer Distribution categories.

FY27 Expenditures by Department



● NO DEPARTMENTS	\$24,499,816	61.44%
● WATER AND SEWER DISTRIBUTION	\$5,677,437	14.24%
● WASTEWATER DEPARTMENT	\$5,050,271	12.67%
● WATER PLANT	\$4,647,311	11.65%

For the fiscal year, expenditures by departments in the ENTERPRISE FUND, ELECTRIC DEPARTMENT accounts for \$10.6 million, and the GAS DEPARTMENT accounts for 13.9 million. WATER AND SEWER DISTRIBUTION follows with \$5.7

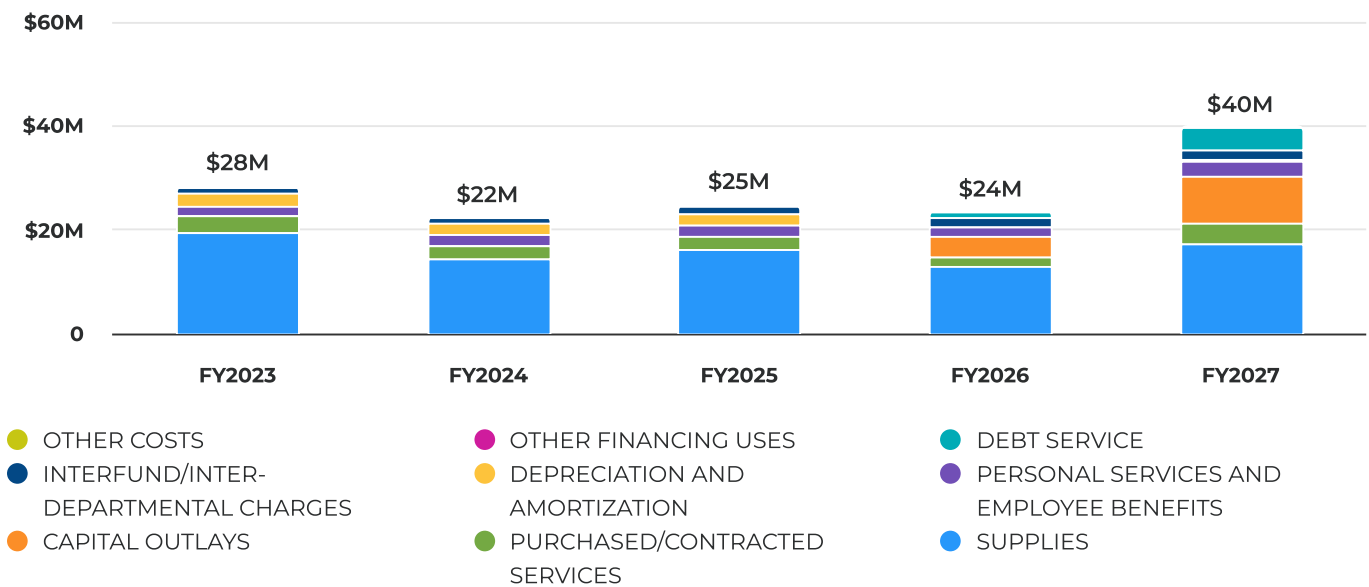
million, or 14.21%. The WASTEWATER DEPARTMENT has expenditures of \$5 million, making up 12.66%, and the WATER PLANT accounts for \$4.6 million, which is 11.66% of the total expenditures.

Expenditures by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENTS	\$27,100,050.00	\$24,499,816.00	-9.59%
WATER AND SEWER DISTRIBUTION	\$4,849,873.00	\$5,677,437.00	17.06%
WASTEWATER DEPARTMENT	\$3,437,449.00	\$5,050,271.00	46.92%
WATER PLANT	\$3,331,889.00	\$4,647,311.00	39.48%
Total Expenditures	\$38,719,261.00	\$39,874,835.00	2.98%

Expenditures by Expense Type

Historical Expenditures by Expense Type



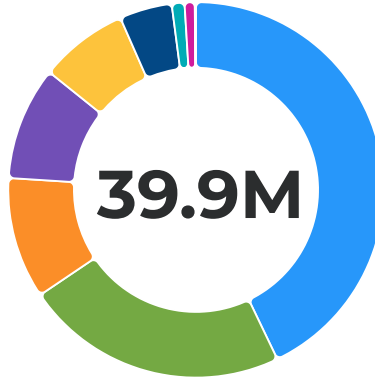
The total expenditures for the Enterprise Fund in FY2027 increased by 2.82% to \$39.8 million compared to FY2026. Supplies remained the largest expense category, accounting for 42.94% of the total at \$17.1 million, which is a slight increase of \$128,773 or 0.76% from the previous year.

Capital outlays decreased by 4.57%, falling to \$9 million and representing 22.72% of total expenditures. Debt service saw a significant increase of 24.03%, rising to \$4.2 million and making up 10.47% of the total budget. Purchased/contracted services also increased by 8.16% to \$3.9 million, now 9.78% of the total.

Personal services and employee benefits grew by 8.16% to \$3 million, comprising 7.58% of the total expenditures. Interfund/interdepartmental charges increased modestly by 3.38% to \$1.8 million, or 4.43% of the total. Depreciation and amortization rose slightly by 1.82% to \$435,000, maintaining about 1.09% of the total budget.

Other financing uses remained steady at \$350,000, representing 0.88% of the total, while other costs were essentially unchanged at \$42,501, or 0.11% of the total expenditures.

FY27 Expenditures by Expense Type



● SUPPLIES	\$17,094,654	42.87%
● CAPITAL OUTLAYS	\$9,045,016	22.68%
● DEBT SERVICE	\$4,168,005	10.45%
● PURCHASED/CONTRACTED SERVICES	\$3,892,336	9.76%
● PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$3,047,781	7.64%
● INTERFUND/INTER-DEPARTMENTAL CHARGES	\$1,799,543	4.51%
● DEPRECIATION AND AMORTIZATION	\$435,000	1.09%
● OTHER FINANCING USES	\$350,000	0.88%
● OTHER COSTS	\$42,500	0.11%

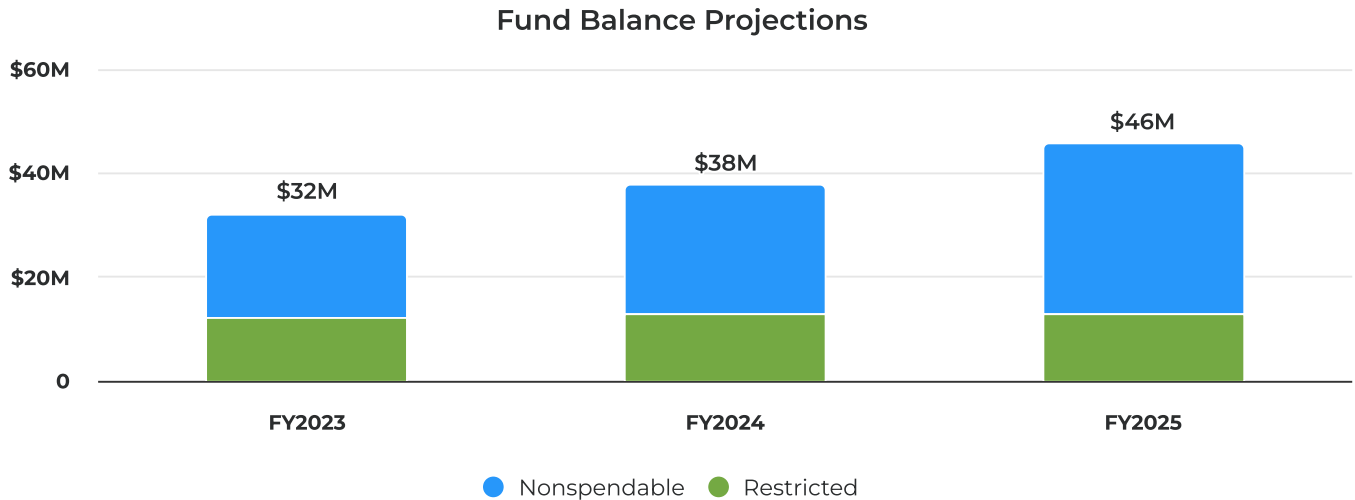
For the ENTERPRISE FUND fiscal year expenditures by expense type, SUPPLIES account for \$17.1 million, representing 42.94% of the total. CAPITAL OUTLAYS follow with \$9 million, or 22.72%. DEBT SERVICE comprises \$4.2 million, which is 10.47%, while PURCHASED/CONTRACTED SERVICES total \$3.9 million, or 9.78%. PERSONAL SERVICES AND EMPLOYEE BENEFITS amount to \$3 million, making up 7.58%. INTERFUND/INTER-DEPARTMENTAL CHARGES are \$1.8 million, representing 4.43%. DEPRECIATION AND AMORTIZATION is \$435,000, or 1.09%, and OTHER FINANCING USES total \$350,000, which is 0.88%. Lastly, OTHER COSTS are \$42,501, accounting for 0.11% of the expenditures.

Expenditures by Expense Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$2,789,908.00	\$3,047,781.00	9.24%
PURCHASED/CONTRACTED SERVICES	\$3,598,672.00	\$3,892,336.00	8.16%
SUPPLIES	\$16,965,881.00	\$17,094,654.00	0.76%
CAPITAL OUTLAYS	\$9,478,000.00	\$9,045,016.00	-4.57%
INTERFUND/INTER-DEPARTMENTAL CHARGES	\$1,706,701.00	\$1,799,543.00	5.44%
DEPRECIATION AND AMORTIZATION	\$427,231.00	\$435,000.00	1.82%
OTHER COSTS	\$42,500.00	\$42,500.00	-

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
DEBT SERVICE	\$3,360,368.00	\$4,168,005.00	24.03%
OTHER FINANCING USES	\$350,000.00	\$350,000.00	-
Total Expenditures	\$38,719,261.00	\$39,874,835.00	2.98%

Fund Balance



In FY2025, the Enterprise Fund's total fund balance projection increased to \$45.6 million, marking a 21.28% rise from the FY2024 total of \$37.6 million. The largest category, Nonspendable, grew significantly to \$33 million, representing 72.22% of the total fund balance. This category increased by \$8.2 million, or 33.05%, compared to the previous year.

Conversely, the Restricted category decreased slightly to \$12.7 million, accounting for 27.78% of the total. This reflects a reduction of \$179,559, or 1.4%, from FY2024. The shift in proportions shows Nonspendable increasing its share of the total fund balance, while Restricted's share declined.

The combined enterprise fund budget totals \$39.87 million in FY 2027, up 2.99% from \$38.72 million in FY 2026. All three enterprise funds maintain balanced budgets, with revenues equaling expenditures in each fund.

The **Water and Sewer Fund** is the fastest-growing fund, increasing 32.32% year over year. This growth is driven by a sewer rate adjustment that pushed Sewer Fees up 73.02% to \$5.01 million, generating the revenue needed to fund critical wastewater infrastructure improvements. Combined ARPA funding across the Water and Sewer Fund totals \$3.93 million in FY 2027, supporting groundwater well development and wastewater treatment projects. Water and Sewer Debt Service nearly doubled to \$4.17 million, reflecting new GEFA and ARPA-backed infrastructure financing now coming online.

The **Electric Fund** declined 10.71%, largely due to a nonrecurring \$1.5 million Redemption item that was included in FY 2026 but does not carry forward. Core electricity sales, however, grew 1.28%, indicating stable demand. Electric Capital Outlays dropped 65% as several one-time equipment purchases — including Automatic Reading Meters, a Material Handler, and vehicles — were completed in the prior year.

The **Gas Fund** declined 8.72% as \$1.265 million in Reserves and \$1.25 million in Debt Service were eliminated, signaling the payoff of a gas line extension loan. The Redundant Line – East (\$2.5 million) and Automatic Reading Meters (\$600,000) continue as the largest gas capital projects. Groundwater Source Development at the Water Plant more than tripled to \$1.19 million, funded through ARPA.

Personnel costs across all three funds total \$3.05 million in FY 2027, with the Wastewater Department seeing the largest increase at 38.60%, reflecting staffing expansion to support growing treatment operations.

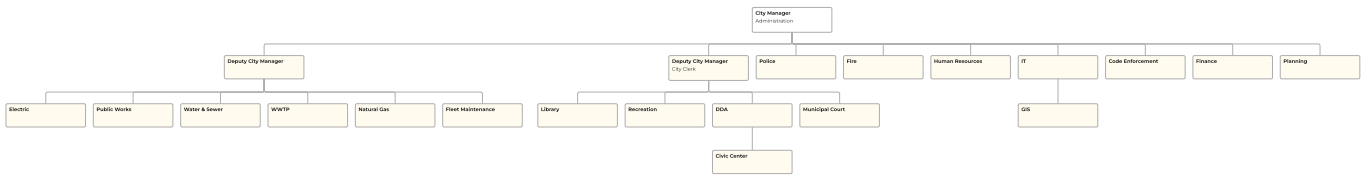
Departments

City Departments

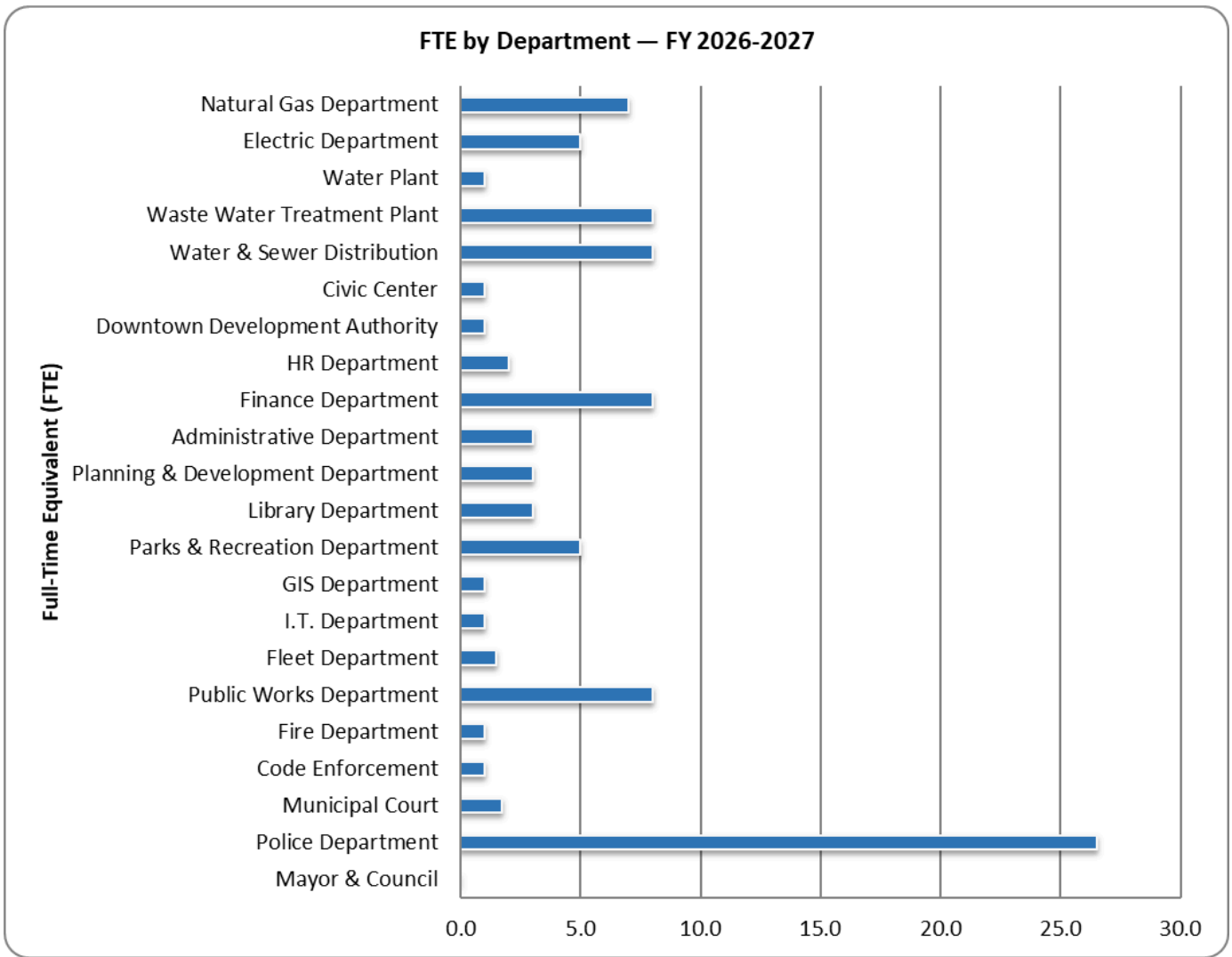
 Mayor & Council	 Municipal Court	 Police	 Fire
 Public Works	 Fleet	 Library	 Recreation
 Code Enforcement	 Planning & Development	 DDA	 Civic Center
 Administration	 Finance	 Human Resources	 I.T.
 G.I.S.	 Water & Sewer	 Electric	 Gas

Organizational Structure

Organization Chart



Authorized Positions by Department Summary



Department & Fund Relationship

Fund Code	Fund Name	Fund Type	Departments Served	Total Positions
100	General Fund	Governmental	17	82
110	DDA Fund	Component	1	1
115	Civic Center	Component	1	1
505	Water & Sewer Enterprise Fund	Enterprise	3	15
510	Electric Fund	Enterprise	1	5
515	Natural Gas Enterprise Fund	Enterprise	1	7

General Fund

Mayor & Council Provides legislative oversight, policy direction, and governance for the City.

Municipal Court Administers justice by adjudicating ordinance violations and ensuring due process.

Police Department Safeguards the community through law enforcement, patrol, criminal investigations, and crime prevention.

Fire Department Provides fire suppression, emergency medical response, hazard mitigation, and public safety education.

Public Works Maintains streets, sidewalks, stormwater systems, rights-of-way, and public infrastructure.

Fleet Manages the maintenance, repair, and replacement of the City's vehicles and heavy equipment.

Library Offers public access to educational resources, technology, programming, and community meeting spaces.

Recreation Delivers parks, athletic facilities, trails, community programming, and special events.

Code Enforcement Ensures compliance with city codes and ordinances to protect property values and neighborhood standards.

Planning & Development Guides growth through land use planning, zoning, permitting, and long-range development strategies.

DDA (Downtown Development Authority) Promotes economic vitality in the downtown district through business recruitment, revitalization, and placemaking.

Civic Center Operates and maintains the City's event and meeting facilities for public and private use.

Administration Provides executive leadership, intergovernmental coordination, and citywide management.

Finance Oversees budgeting, accounting, revenue collection, purchasing, and financial reporting.

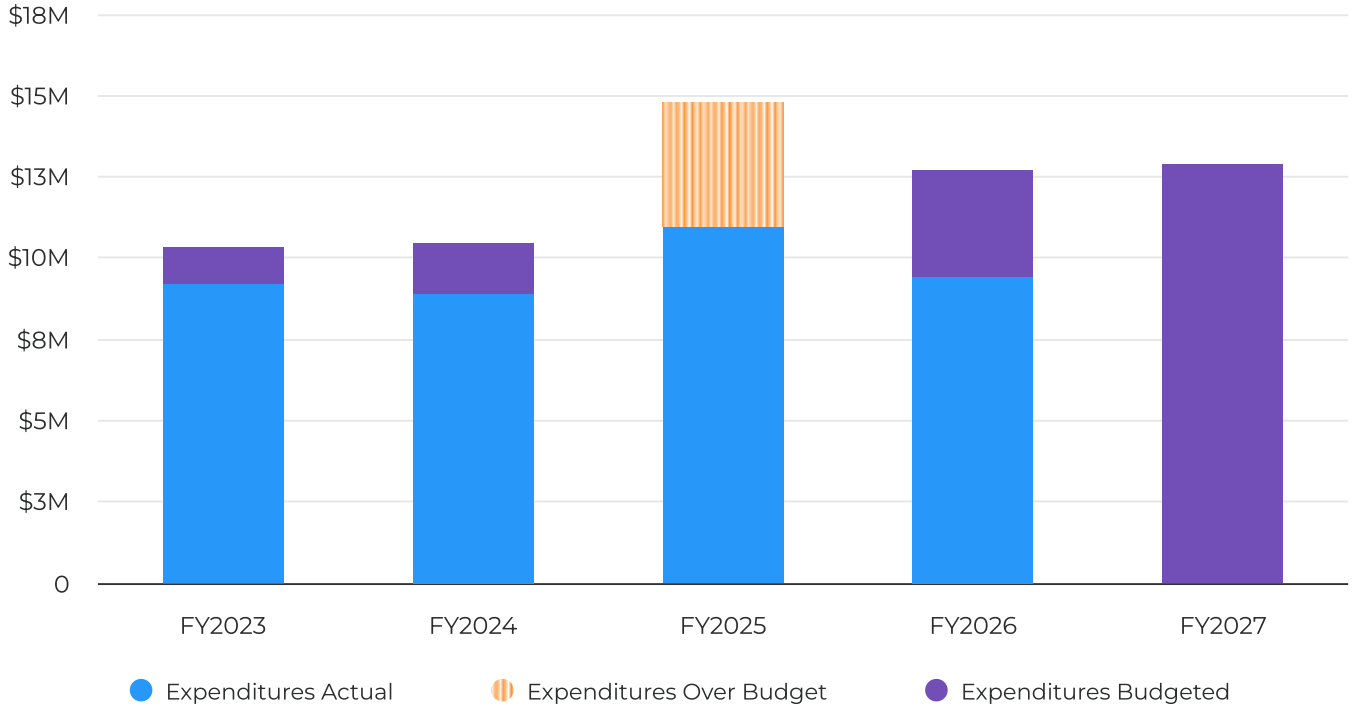
Human Resources Manages recruitment, employee benefits, training, and workplace compliance.

I.T. Supports the City's technology infrastructure, networks, cybersecurity, and software systems.

G.I.S. (Geographic Information Systems) Provides mapping, spatial analysis, and data management to support planning and operations across all departments.

Expenditure Summary

Historical Expenditures Across Department

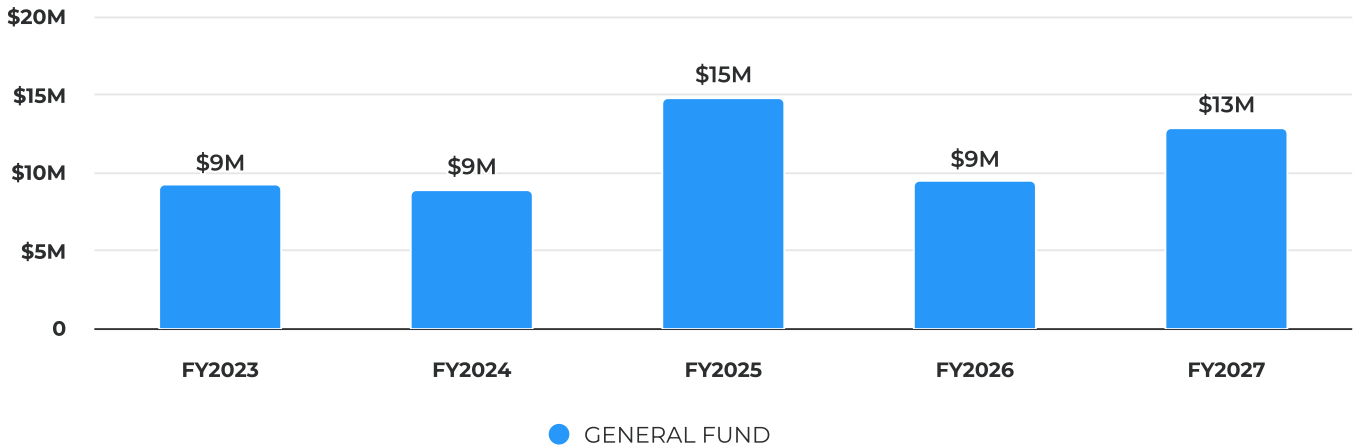


In FY2026, the General Fund expenditures are budgeted at \$12.7 million, reflecting a significant increase of 15.53% from the prior period. This marks a notable rise in overall spending compared to the previous budget year.

For FY2027, the expenditures are budgeted at \$12.9 million, which is a more moderate increase of 1.65% from FY2026. This indicates a continued upward trend in budgeted expenditures, though at a slower rate than the previous year.

Expenditures by Fund

Historical Expenditures by Fund



In FY2027, the General Fund expenditures total \$12.9 million, representing 100% of the total expenditures for the fund. This amount reflects an increase of \$208,799, or 1.65%, compared to the previous year's total of \$12.7 million in FY2026.

Compared to FY2026, when the General Fund experienced a decrease of \$2.1 million or 14.19%, FY2027 shows a reversal with a modest increase in expenditures. The General Fund remains the largest and sole category in the expenditures by fund, maintaining its full share of the total budget.

FY27 Expenditures by Fund

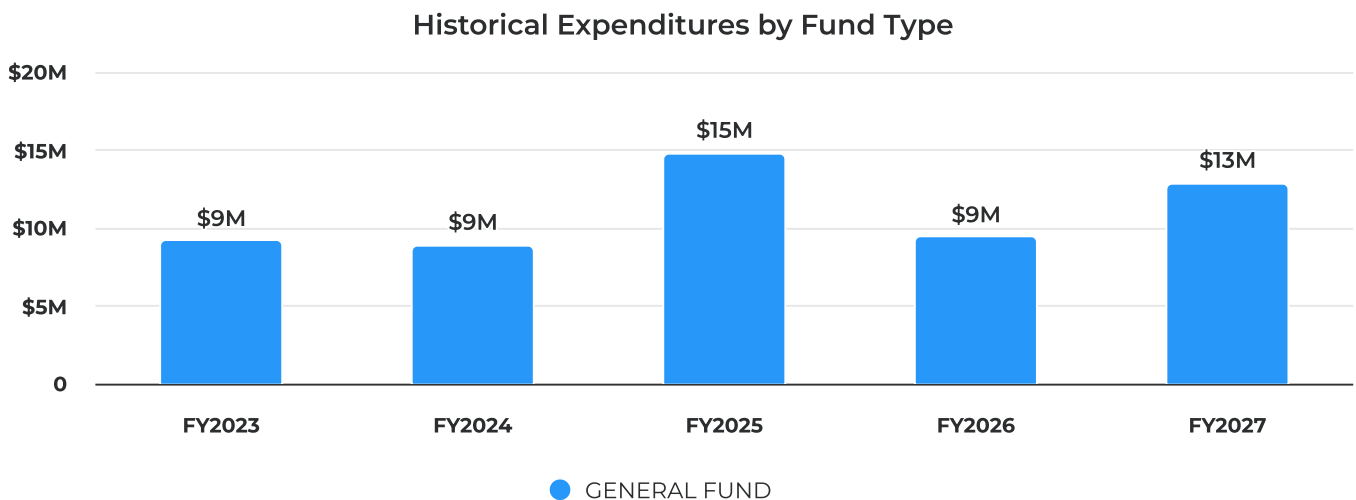


The GENERAL FUND's Fiscal Year Expenditures total \$12.9 million, representing 100% of the fund's expenditures for the fiscal year.

Expenditures by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
GENERAL FUND	\$12,682,294.62	\$12,891,093.00	1.65%
Total Expenditures	\$12,682,294.62	\$12,891,093.00	1.65%

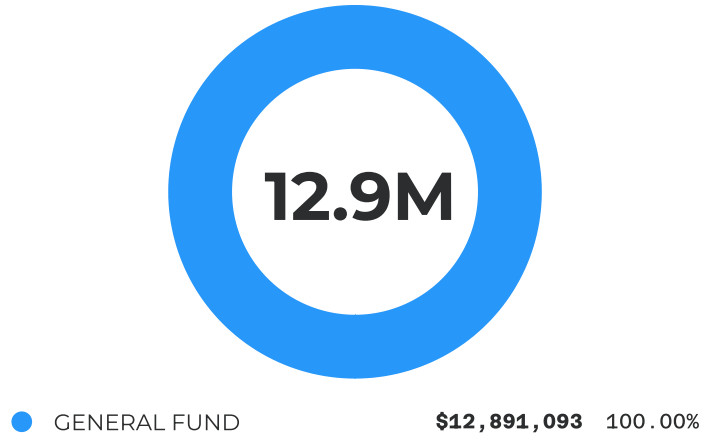
Expenditures by Fund Type



In FY2027, the total expenditures for the General Fund reached \$12.9 million, representing a 1.65% increase from the previous year's total of \$12.7 million. The General Fund remains the largest and sole category, accounting for 100% of the total expenditures in both years.

Compared to FY2026, where the General Fund experienced a decrease of \$2.1 million or 14.19%, FY2027 shows a reversal with an increase of \$208,799 or 1.65%. This marks a modest growth in the General Fund expenditures following the prior year's decline.

FY27 Expenditures by Fund Type

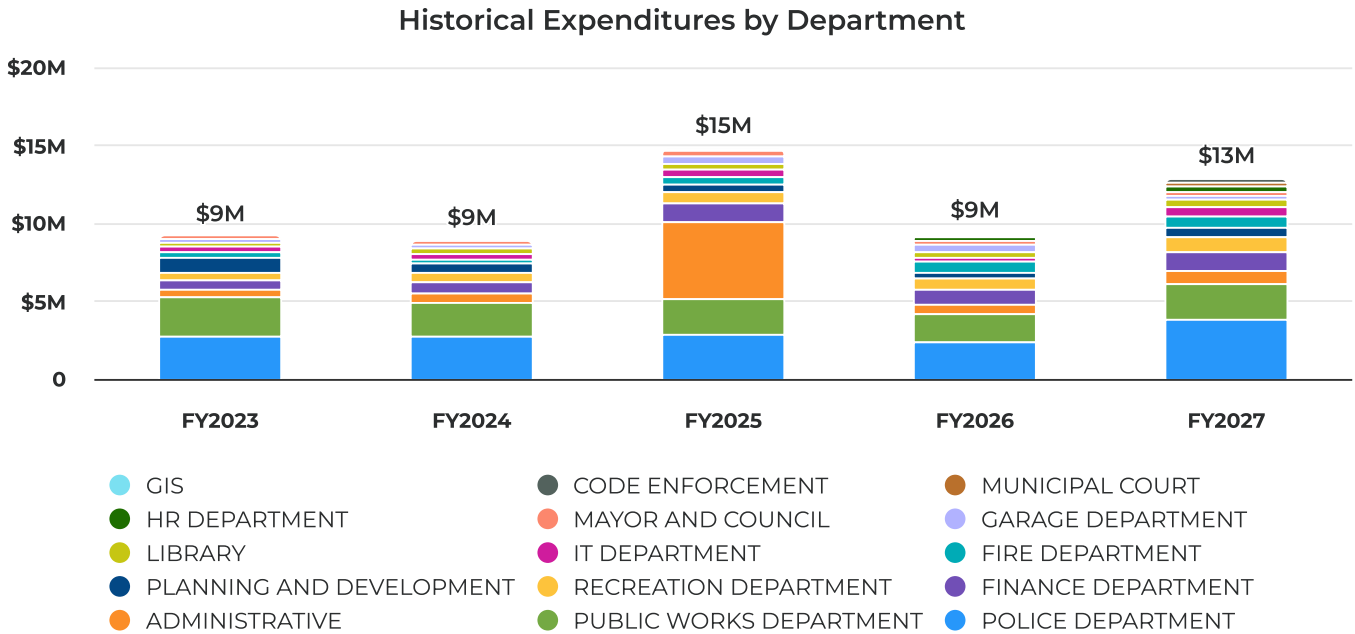


For the GENERAL FUND, the total fiscal year expenditures amount to \$12.9 million, representing 100% of the expenditures by fund type.

Expenditures by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
GENERAL FUND	\$12,682,294.62	\$12,891,093.00	1.65%
Total Expenditures	\$12,682,294.62	\$12,891,093.00	1.65%

Expenditures by Department



The total General Fund expenditures for FY2027 increased slightly by 1.65% to \$12.9 million compared to FY2026's \$12.7 million. The Police Department remained the largest expenditure category, rising by \$622,358 or 19.32% to \$3.8 million, now representing 29.82% of the total budget, up from 25.4% the previous year.

The Public Works Department saw a decrease of \$136,892 or 5.74%, reducing its budget to \$2.2 million and its share of the total to 17.44%, down from 18.8%. The Finance Department increased by \$221,498 or 23.6% to \$1.2 million, accounting for 9% of the total, up from 7.4% in FY2026.

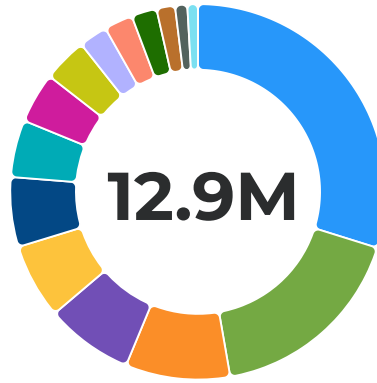
The Recreation Department's budget grew by \$73,654 or 8.19% to \$973,032, making up 7.55% of the total, slightly higher than the previous 7.09%. The Administrative category remained relatively stable with a minimal increase of \$129 or 0.02%, totaling \$832,597 and comprising 6.46% of the budget, a slight decrease in percentage from 6.56%.

The Fire Department experienced a notable decrease of \$225,885 or 22.58%, lowering its budget to \$774,383 and its share to 6.01%, down from 7.89%. Planning and Development increased by \$34,180 or 5.71% to \$633,022, representing 4.91% of the total, up from 4.72%.

The IT Department's budget rose by \$94,671 or 20.31% to \$560,883, increasing its portion to 4.35% from 3.68%. The Library's budget slightly decreased by \$4,927 or 0.99% to \$491,519, maintaining a similar share of 3.81%. The HR Department saw a small decrease of \$7,570 or 2.33%, totaling \$317,307 and representing 2.46% of the budget.

Among the largest decreases, the Garage Department's budget dropped significantly by \$512,413 or 71.25% to \$206,789. Other decreases included GIS, down by \$42,910 or 26.8%, and the Fire Department, as noted. Overall, the FY2027 budget reflects modest growth with notable increases in Police, Finance, and IT expenditures, alongside significant reductions in Garage and Fire Department funding.

FY27 Expenditures by Department



● POLICE DEPARTMENT	\$3,844,002	29.82%
● PUBLIC WORKS DEPARTMENT	\$2,247,684	17.44%
● FINANCE DEPARTMENT	\$1,160,207	9.00%
● RECREATION DEPARTMENT	\$973,032	7.55%
● ADMINISTRATIVE	\$832,597	6.46%
● FIRE DEPARTMENT	\$774,383	6.01%
● PLANNING AND DEVELOPMENT	\$633,022	4.91%
● IT DEPARTMENT	\$560,883	4.35%
● LIBRARY	\$491,519	3.81%
● HR DEPARTMENT	\$317,307	2.46%
● MAYOR AND COUNCIL	\$317,256	2.46%
● MUNICIPAL COURT	\$280,077	2.17%
● GARAGE DEPARTMENT	\$206,789	1.60%
● CODE ENFORCEMENT	\$135,123	1.05%
● GIS	\$117,212	0.91%

The Fiscal Year Expenditures by Department for the GF include the POLICE DEPARTMENT at \$3.8 million, representing 29.82% of the total. The PUBLIC WORKS DEPARTMENT follows with \$2.2 million, or 17.44%. The FINANCE DEPARTMENT accounts for \$1.2 million, which is 9%. The RECREATION DEPARTMENT's expenditures are \$973,032, making up 7.55%. ADMINISTRATIVE costs total \$832,597, or 6.46%, while the FIRE DEPARTMENT has \$774,383, representing 6.01%. PLANNING AND DEVELOPMENT expenditures are \$633,022, or 4.91%. The IT DEPARTMENT accounts for \$560,883, which is 4.35%. The LIBRARY's share is \$491,519, or 3.81%, and the HR DEPARTMENT has \$317,307, representing 2.46%. Five smaller categories are not included in this summary.

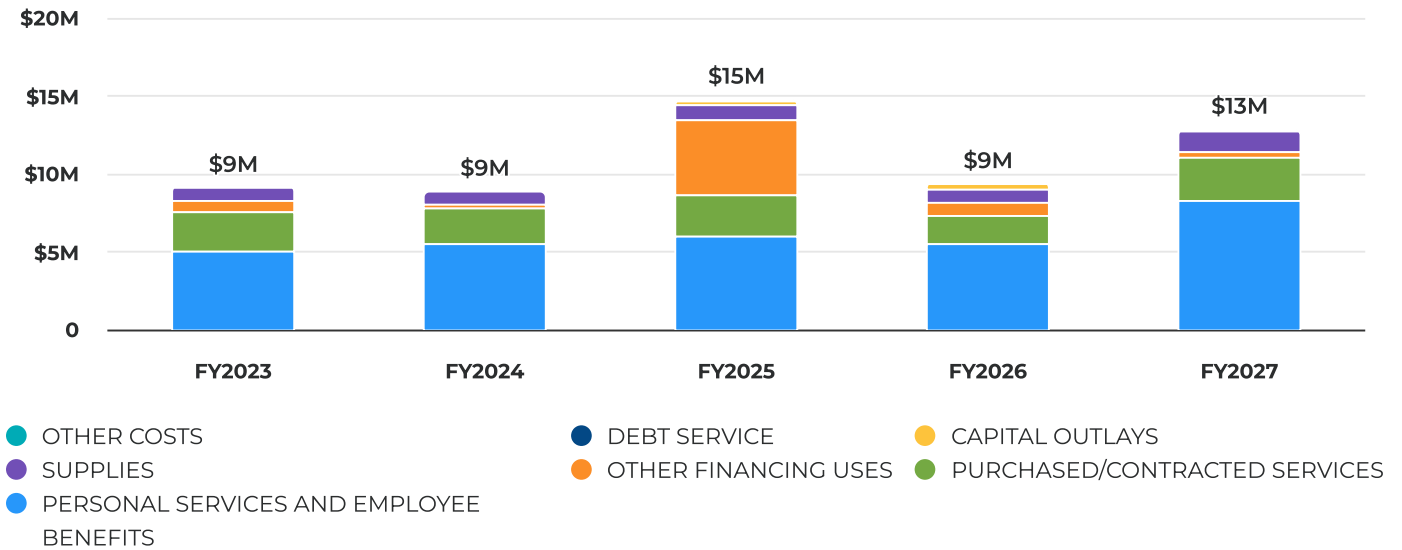
Expenditures by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
MAYOR AND COUNCIL	\$307,798.00	\$317,256.00	3.07%
MUNICIPAL COURT	\$209,051.00	\$280,077.00	33.98%
POLICE DEPARTMENT	\$3,221,644.40	\$3,844,002.00	19.32%
FIRE DEPARTMENT	\$1,000,268.22	\$774,383.00	-22.58%
PUBLIC WORKS DEPARTMENT	\$2,384,576.00	\$2,247,684.00	-5.74%
GARAGE DEPARTMENT	\$719,202.00	\$206,789.00	-71.25%
RECREATION DEPARTMENT	\$899,378.00	\$973,032.00	8.19%
LIBRARY	\$496,446.00	\$491,519.00	-0.99%

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
CODE ENFORCEMENT	\$122,701.00	\$135,123.00	10.12%
PLANNING AND DEVELOPMENT	\$598,842.00	\$633,022.00	5.71%
ADMINISTRATIVE	\$832,468.00	\$832,597.00	0.02%
FINANCE DEPARTMENT	\$938,709.00	\$1,160,207.00	23.60%
IT DEPARTMENT	\$466,212.00	\$560,883.00	20.31%
GIS	\$160,122.00	\$117,212.00	-26.80%
HR DEPARTMENT	\$324,877.00	\$317,307.00	-2.33%
Total Expenditures	\$12,682,294.62	\$12,891,093.00	1.65%

Expenditures by Expense Type

Historical Expenditures by Expense Type



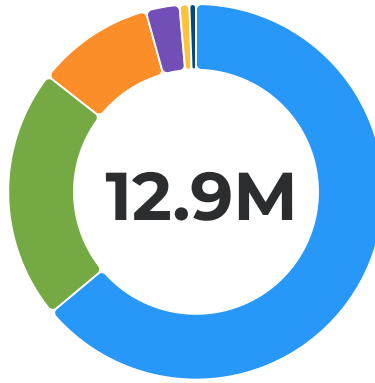
The total General Fund expenditures for FY2027 increased slightly by 1.65% to \$12.9 million compared to FY2026's \$12.7 million. The largest expenditure category, Personal Services and Employee Benefits, rose by \$654,086 or 8.62%, reaching \$8.2 million and representing 63.94% of the total budget, up from 59.83% the previous year.

Supplies also saw an increase, growing by \$98,353 or 8.16% to \$1.3 million, which is 10.11% of the total budget, up from 9.51%. Debt Service experienced a significant rise of \$51,500 or 253.47%, increasing to \$71,818 and accounting for 0.56% of the total, compared to 0.16% in FY2026.

Other Costs increased notably by \$100,000 or 1,000%, reaching \$110,000 and making up 0.85% of the budget, up from 0.08%. In contrast, Other Financing Uses decreased substantially by \$681,614 or 64.56%, falling to \$374,170 and comprising 2.9% of the total, down from 8.32% in the prior year.

Purchased/Contracted Services declined slightly by \$8,526 or 0.3%, totaling \$2.8 million and representing 21.64% of the budget, a small decrease from 22.06%. Capital Outlays were eliminated entirely, dropping \$5,000 or 100% to \$0.

FY27 Expenditures by Expense Type



● PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$8,242,117	63.94%
● PURCHASED/CONTRACTED SERVICES	\$2,789,063	21.64%
● SUPPLIES	\$1,303,925	10.11%
● OTHER FINANCING USES	\$374,170	2.90%
● OTHER COSTS	\$110,000	0.85%
● DEBT SERVICE	\$71,818	0.56%

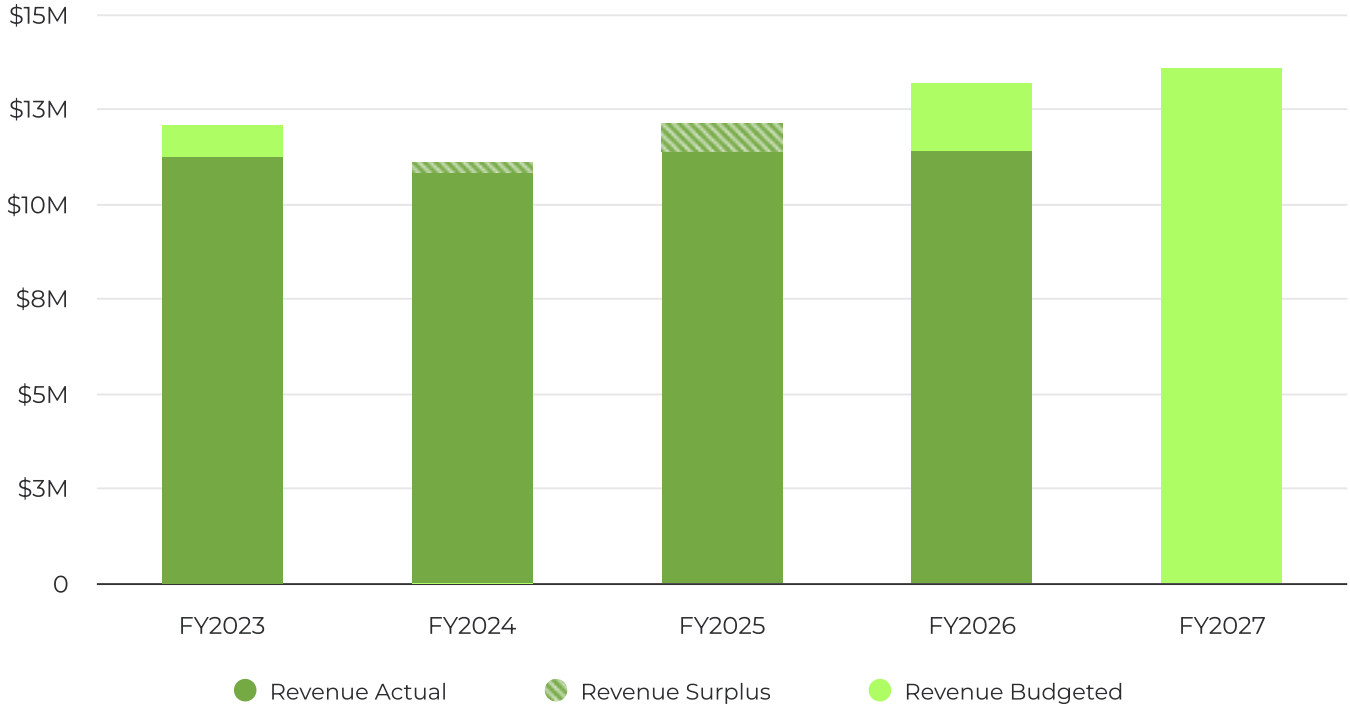
For the fiscal year, the "GF" fiscal year expenditures by expense type are as follows: PERSONAL SERVICES AND EMPLOYEE BENEFITS account for \$8.2 million, representing 63.94% of the total expenditures. PURCHASED/CONTRACTED SERVICES amount to \$2.8 million, which is 21.64%. SUPPLIES total \$1.3 million, making up 10.11%. OTHER FINANCING USES are \$374,170, or 2.9%. OTHER COSTS come to \$110,000, representing 0.85%, and DEBT SERVICE is \$71,818, which is 0.56% of the expenditures.

Expenditures by Expense Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$7,588,031.00	\$8,242,117.00	8.62%
PURCHASED/CONTRACTED SERVICES	\$2,797,589.40	\$2,789,063.00	-0.30%
SUPPLIES	\$1,205,572.00	\$1,303,925.00	8.16%
CAPITAL OUTLAYS	\$5,000.00	-	-100.00%
OTHER COSTS	\$10,000.00	\$110,000.00	1,000.00%
DEBT SERVICE	\$20,318.22	\$71,818.00	253.47%
OTHER FINANCING USES	\$1,055,784.00	\$374,170.00	-64.56%
Total Expenditures	\$12,682,294.62	\$12,891,093.00	1.65%

Revenue Summary

Historical Revenues Across Department

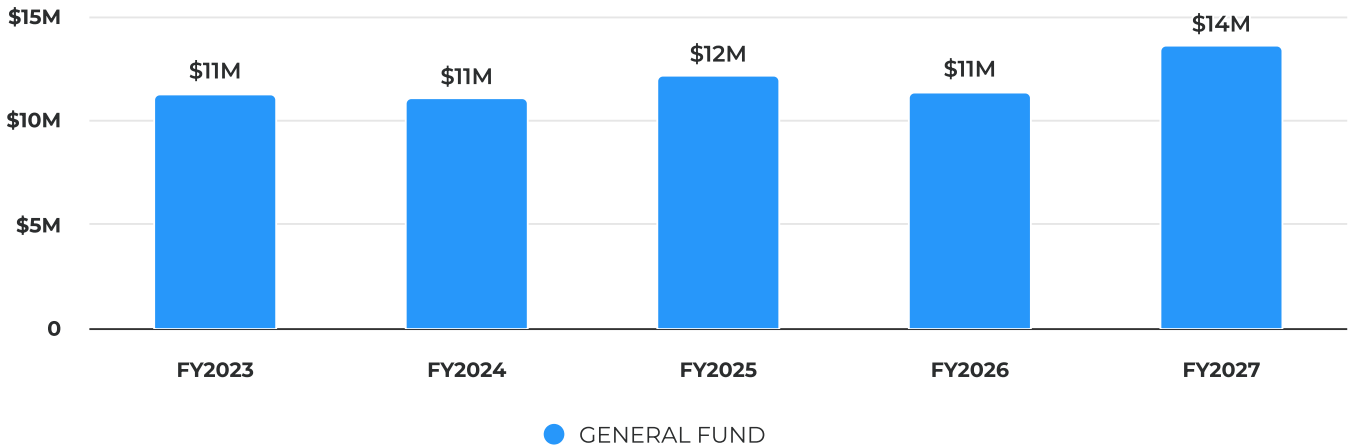


For FY2026, the General Fund revenue is budgeted at \$13.2 million, representing a 15.51% increase from the prior period. This marks a significant growth in the revenue budget compared to the previous year.

In FY2027, the revenue budget is set at \$13.6 million, which is a 3.09% increase from FY2026. While the growth rate slows compared to the previous year, the revenue budget continues to rise, maintaining an upward trend.

Revenues by Fund

Historical Revenues by Fund



In FY2027, the General Fund revenue is budgeted at \$13.6 million, representing 100% of the total revenue for the fund. This amount reflects an increase of \$406,738, or 3.09%, compared to the FY2026 budget of \$13.2 million. The total revenue for FY2027 shows a growth of 3.09% from the previous year's total of \$13.2 million.

The General Fund remains the largest and sole category in the revenue by fund, continuing to account for the entire revenue total. While the increase in FY2027 is positive, it is smaller than the previous year's increase of \$1 million, or 8.54%, from FY2025 to FY2026.

FY27 Revenues by Fund

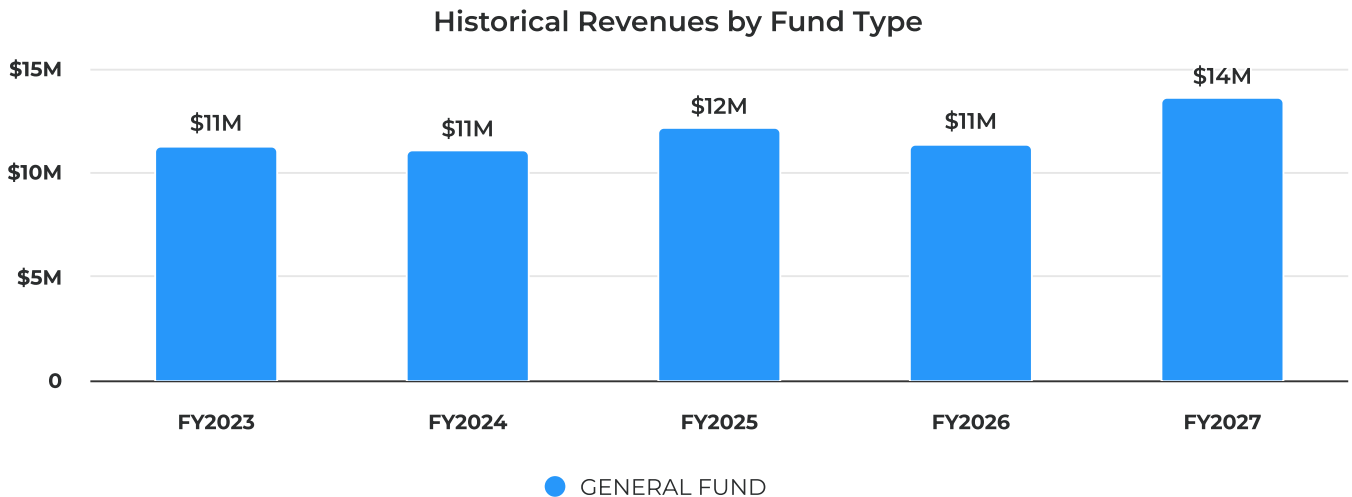


The GENERAL FUND for the fiscal year has a total revenue of \$13.6 million, representing 100% of the Fiscal Year Revenue by Fund.

Revenues by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
GENERAL FUND	\$13,150,453.88	\$13,557,192.00	3.09%
Total Revenues	\$13,150,453.88	\$13,557,192.00	3.09%

Revenues by Fund Type



In FY2027, the General Fund revenue is budgeted at \$13.6 million, representing 100% of the total revenue for the fund type. This amount reflects an increase of \$406,738, or 3.09%, compared to the FY2026 budget of \$13.2 million. The total revenue for FY2027 shows a growth of 3.09% from the previous year's total of \$13.2 million.

The General Fund remains the largest and sole category in the revenue by fund type, continuing to account for the entire revenue total. While the increase in FY2027 is positive, it is smaller than the previous year's increase of \$1 million, or 8.54%, from FY2025 to FY2026.

FY27 Revenues by Fund Type

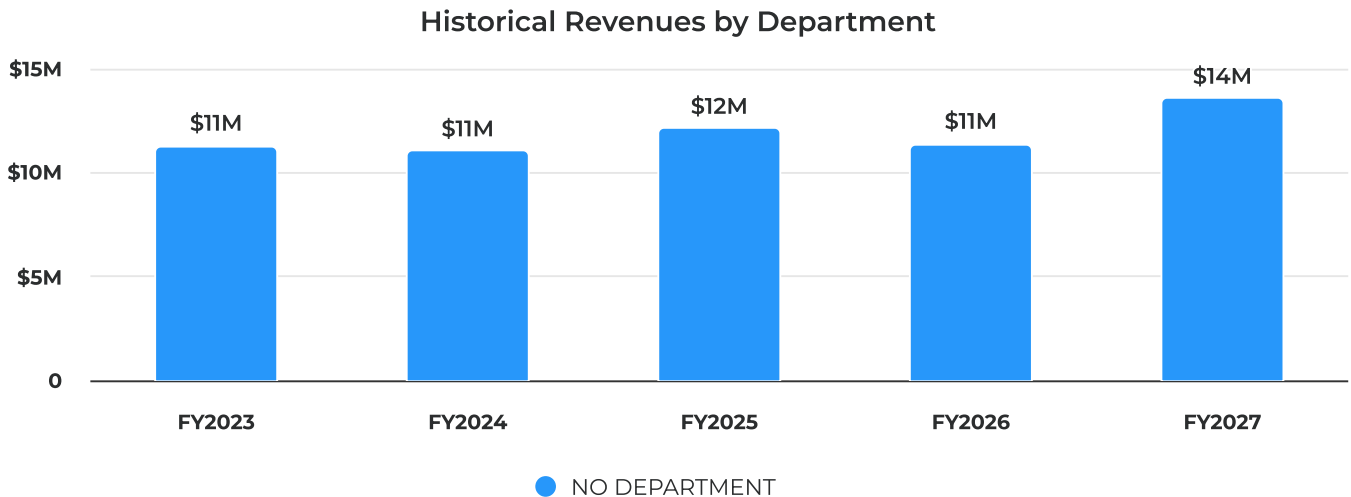


The GENERAL FUND for the fiscal year has a total revenue of \$13.6 million, which represents 100% of the Fiscal Year Revenue by Fund Type.

Revenues by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
GENERAL FUND	\$13,150,453.88	\$13,557,192.00	3.09%
Total Revenues	\$13,150,453.88	\$13,557,192.00	3.09%

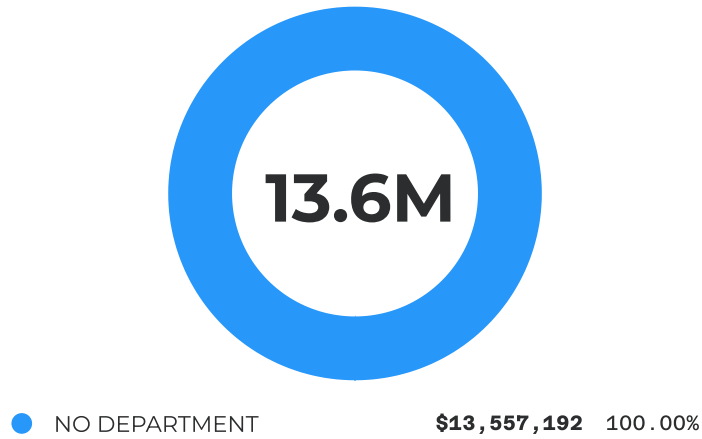
Revenues by Department



In FY2027, the total historical revenue by department for the General Fund (GF) is budgeted at \$13.6 million, representing a 3.09% increase from the FY2026 total of \$13.2 million. The entire revenue continues to be attributed to the NO DEPARTMENT category, which accounts for 100% of the total revenue in both years.

The NO DEPARTMENT category shows an increase of \$406,738, or 3.09%, from its FY2026 value of \$13.2 million. This follows a larger increase of \$1 million, or 8.54%, from the prior period to FY2026. Overall, the FY2027 budget reflects a continued but more moderate growth in revenue within the NO DEPARTMENT category compared to the previous year.

FY27 Revenues by Department



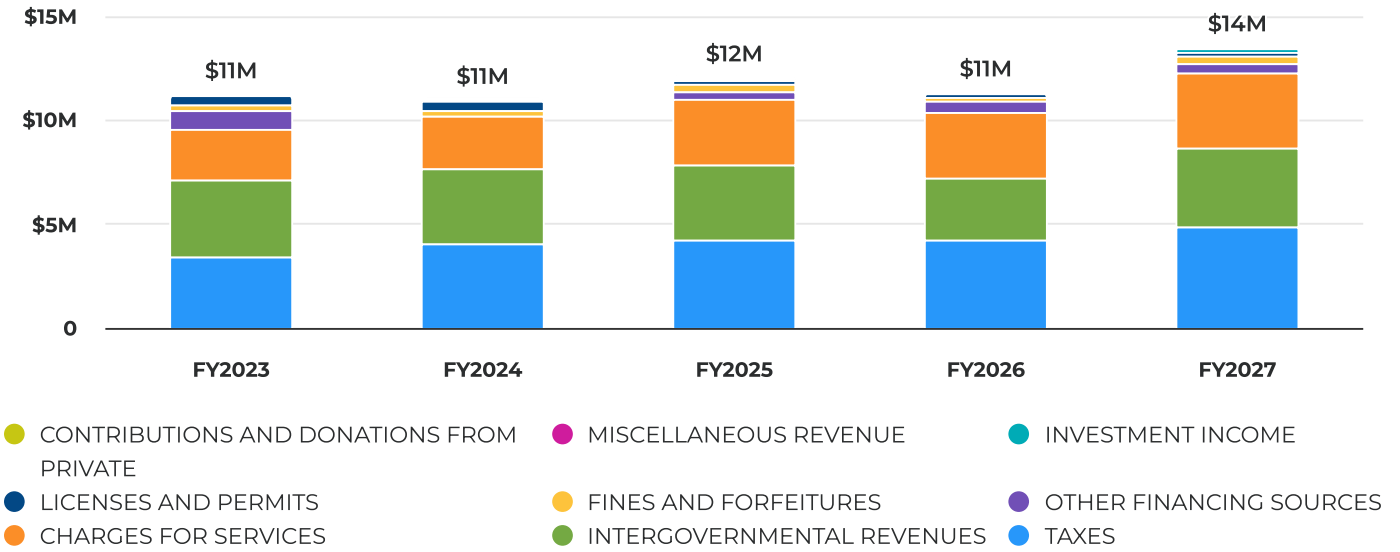
The Fiscal Year Revenue by Department for the GF category consists solely of the NO DEPARTMENT, which accounts for \$13.6 million, representing 100% of the total revenue.

Revenues by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENT	\$13,150,453.88	\$13,557,192.00	3.09%
Total Revenues	\$13,150,453.88	\$13,557,192.00	3.09%

Revenues by Revenue Source

Historical Revenues by Revenue Source



The total General Fund revenue for FY2027 is \$13.6 million, reflecting a 3.09% increase from the FY2026 total of \$13.2 million. Taxes remain the largest revenue source, increasing by \$480,142 or 10.82% to \$4.9 million, and now represent 36.27% of the total revenue, up from 33.74% in FY2026.

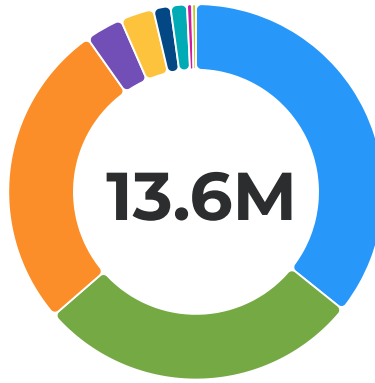
Intergovernmental revenues also increased by \$93,000 or 2.53%, reaching \$3.8 million, though their share of total revenue slightly decreased to 27.85% from 28.01%. Charges for services rose modestly by \$63,908 or 1.84% to \$3.5 million, accounting for 26.08% of total revenue, a slight decrease from 26.4% previously.

Other financing sources experienced a significant decrease of \$274,569 or 38.55%, dropping to \$437,580 and comprising 3.23% of total revenue, down from 5.42% in FY2026. Licenses and permits also declined sharply by \$205,000 or 51.7%, totaling \$191,500 and representing 1.41% of revenue, down from 3.02%.

Fines and forfeitures increased by \$74,923 or 23.49% to \$393,875, making up 2.91% of total revenue compared to 2.43% previously. Investment income saw a substantial rise of \$150,000 or 300%, reaching \$200,000 and increasing its share to 1.48% from 0.38% in FY2026.

Miscellaneous revenue increased by \$10,000 or 19.76% to \$60,600, now 0.45% of total revenue, up from 0.38%. Contributions and donations from private sources grew by \$14,334 or 47.36%, totaling \$44,598 and representing 0.33% of revenue, an increase from 0.23% in the prior year.

FY27 Revenues by Revenue Source



● TAXES	\$4,848,327	35.76%
● INTERGOVERNMENTAL REVENUES	\$3,775,917	27.85%
● CHARGES FOR SERVICES	\$3,604,795	26.59%
● OTHER FINANCING SOURCES	\$437,580	3.23%
● FINES AND FORFEITURES	\$393,875	2.91%
● INVESTMENT INCOME	\$200,000	1.48%
● LICENSES AND PERMITS	\$191,500	1.41%
● MISCELLANEOUS REVENUE	\$60,600	0.45%
● CONTRIBUTIONS AND DONATIONS FROM PRIVATE	\$44,598	0.33%

The Fiscal Year Revenue by Revenue Source for the GF includes Taxes at \$4.9 million, representing 36.27% of the total. Intergovernmental Revenues follow with \$3.8 million, accounting for 27.85%. Charges for Services contribute \$3.5 million, or 26.08%. Other Financing Sources amount to \$437,580, which is 3.23% of the revenue. Fines and Forfeitures total \$393,875, making up 2.91%. Investment Income is \$200,000, representing 1.48%. Licenses and Permits provide \$191,500, or 1.41%. Miscellaneous Revenue is \$60,600, accounting for 0.45%, and Contributions and Donations from Private sources are \$44,598, comprising 0.33% of the total revenue.

Revenues by Revenue Source

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
TAXES	\$4,437,390.00	\$4,848,327.00	9.26%
LICENSES AND PERMITS	\$396,500.00	\$191,500.00	-51.70%
INTERGOVERNMENTAL REVENUES	\$3,682,916.98	\$3,775,917.00	2.53%
CHARGES FOR SERVICES	\$3,471,682.00	\$3,604,795.00	3.83%
FINES AND FORFEITURES	\$318,952.00	\$393,875.00	23.49%
INVESTMENT INCOME	\$50,000.00	\$200,000.00	300.00%
CONTRIBUTIONS AND DONATIONS FROM PRIVATE	\$30,264.40	\$44,598.00	47.36%
MISCELLANEOUS REVENUE	\$50,600.00	\$60,600.00	19.76%

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
OTHER FINANCING SOURCES	\$712,148.50	\$437,580.00	-38.55%
Total Revenues	\$13,150,453.88	\$13,557,192.00	3.09%

Personnel Summary

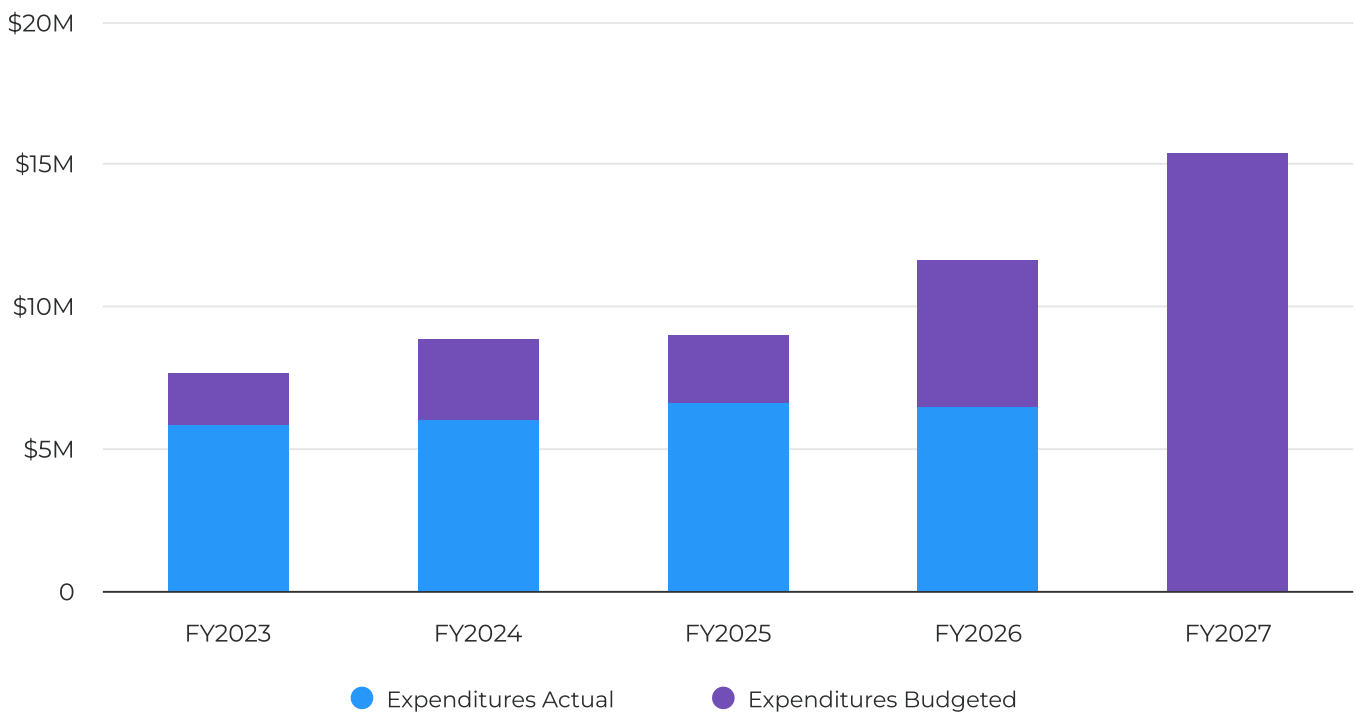
Summary of Goals

Water & Sewer

The Water & Sewer Department is responsible for the treatment, distribution, and delivery of safe, clean drinking water to residents and businesses throughout the City. The department also manages the collection and conveyance of wastewater through the City's sanitary sewer system, ensuring proper treatment in compliance with all state and federal environmental regulations. Daily operations include water main maintenance and repair, meter reading, water quality testing, line extensions, lift station management, and emergency response to service disruptions. The department also plans and executes capital improvement projects to expand capacity, replace aging infrastructure, and maintain long-term system reliability for current and future customers.

Expenditure Summary

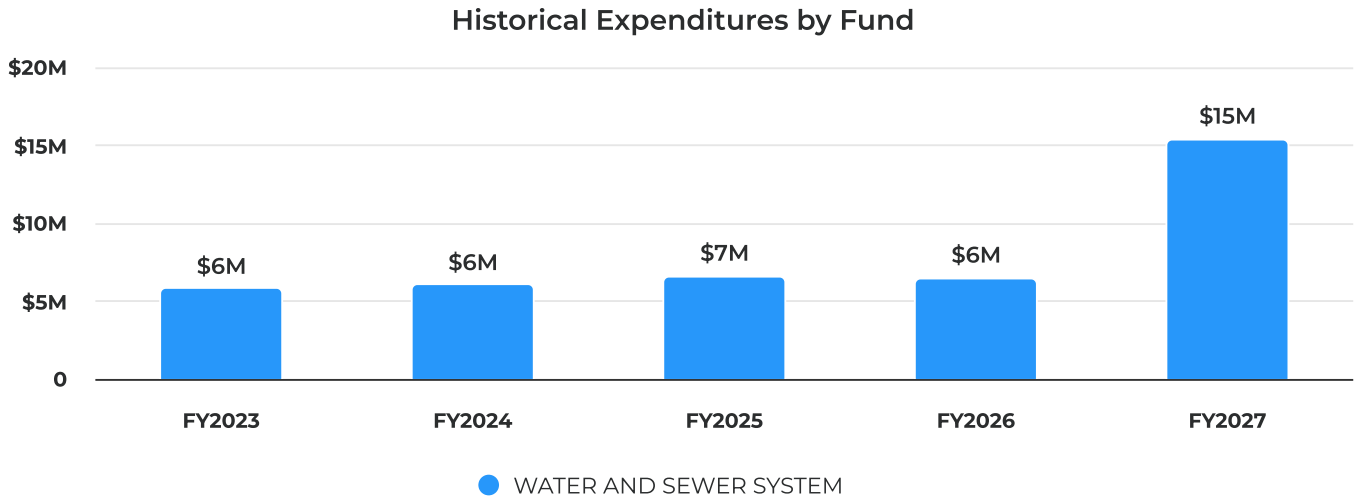
Historical Expenditures Across Department



In FY2026, the Water & Sewer budgeted expenditures increased to \$11.6 million, marking a 29.76% rise from the previous period. This represents a significant growth in the budget allocation for this category.

For FY2027, the budgeted expenditures further increased to \$15.3 million, which is a 32% increase from FY2026. This continued upward trend highlights a substantial expansion in the Water & Sewer budget over these two years.

Expenditures by Fund



In FY2027, the total expenditures for the Water & Sewer fund are budgeted at \$15.3 million, representing a 32% increase from the FY2026 total of \$11.6 million. The Water and Sewer System remains the sole and largest category, accounting for 100% of the total expenditures in both years.

The Water and Sewer System expenditure itself rises by \$3.7 million, from \$11.6 million in FY2026 to \$15.3 million in FY2027, marking a 32% increase. This continues the trend of significant growth observed in the previous year, where the system increased by \$5 million or 75.69% from the prior period.

FY27 Expenditures by Fund



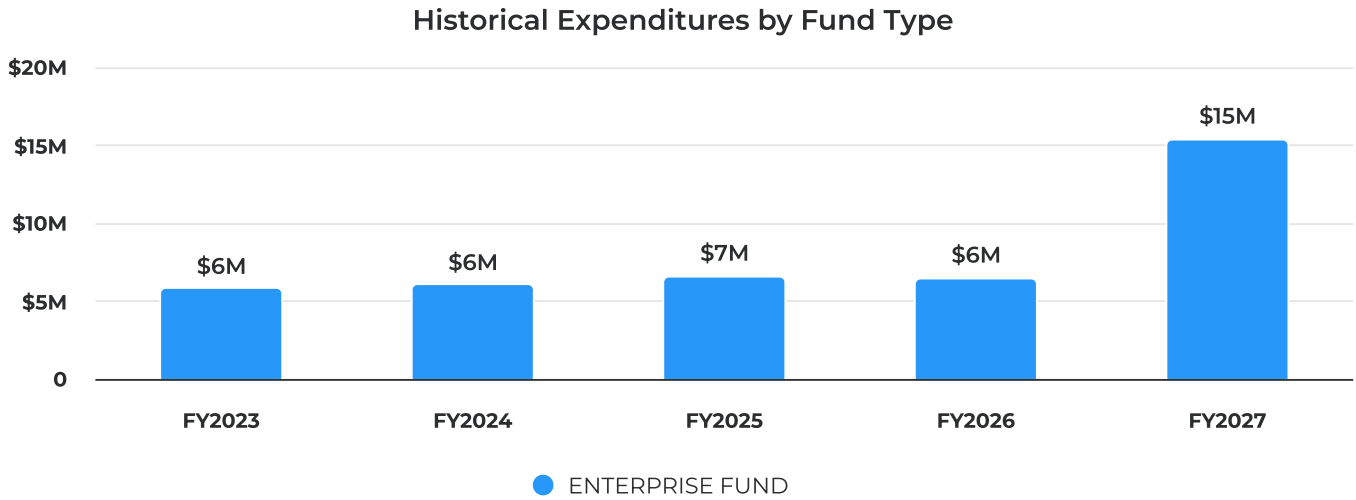
● WATER AND SEWER SYSTEM **\$15,375,019** 100.00%

The Water & Sewer System's fiscal year expenditures total \$15.3 million, representing 100% of the fund's expenditures.

Expenditures by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
WATER AND SEWER SYSTEM	\$11,619,211.00	\$15,375,019.00	32.32%
Total Expenditures	\$11,619,211.00	\$15,375,019.00	32.32%

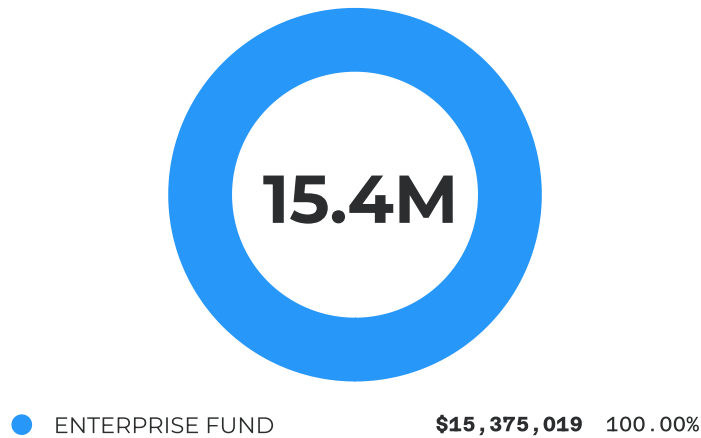
Expenditures by Fund Type



In FY2027, the total expenditures for Water & Sewer are budgeted at \$15.3 million, representing a 32% increase from the FY2026 total of \$11.6 million. The Enterprise Fund remains the sole fund type, accounting for 100% of the total expenditures in both years.

The Enterprise Fund expenditure rises from \$11.6 million in FY2026 to \$15.3 million in FY2027, an increase of \$3.7 million or 32%. This continues the trend of significant growth observed in the previous year, where the Enterprise Fund increased by \$5 million or 75.69% from the prior period to reach \$11.6 million.

FY27 Expenditures by Fund Type



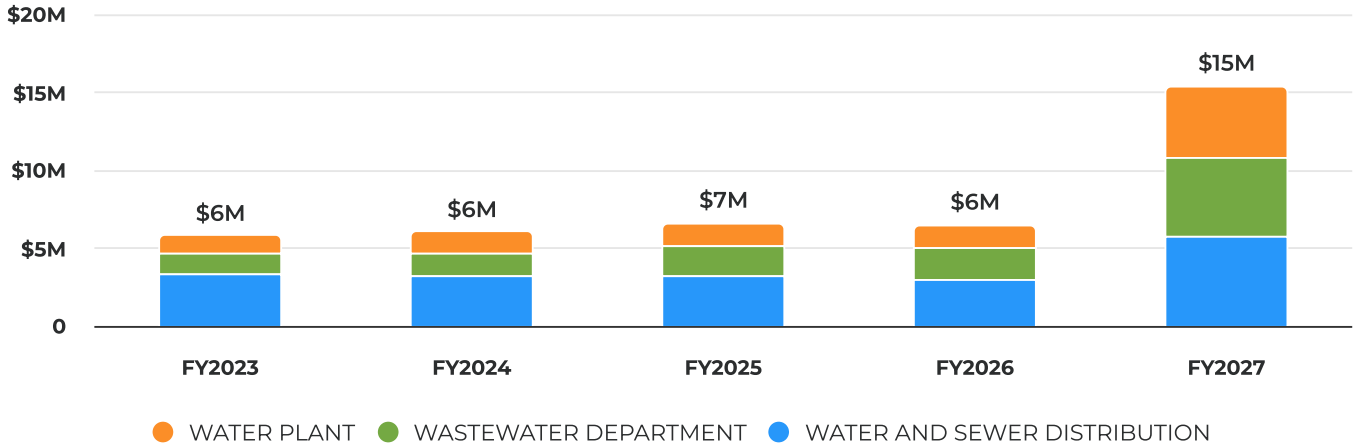
For the fiscal year, the Water & Sewer expenditures by fund type consist entirely of the Enterprise Fund, which accounts for \$15.3 million, representing 100% of the total expenditures.

Expenditures by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
ENTERPRISE FUND	\$11,619,211.00	\$15,375,019.00	32.32%
Total Expenditures	\$11,619,211.00	\$15,375,019.00	32.32%

Expenditures by Department

Historical Expenditures by Department

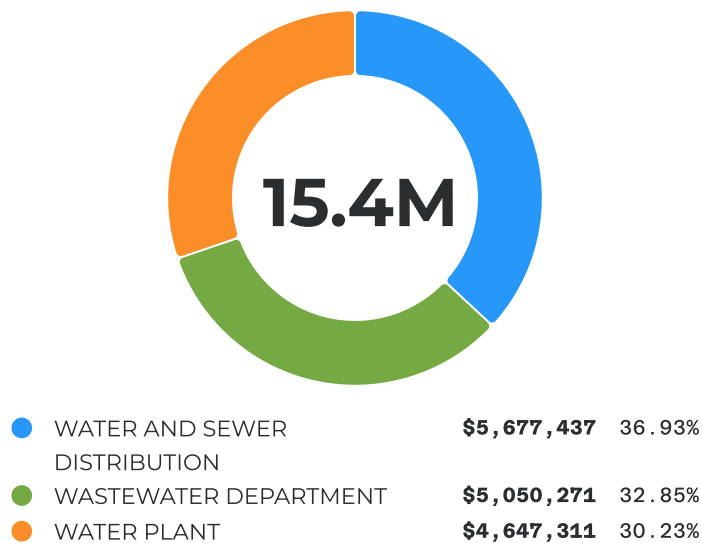


The total budget for Water & Sewer in FY2027 is \$15.3 million, representing a 32% increase from the FY2026 total of \$11.6 million. The largest expenditure category remains Water and Sewer Distribution, which accounts for 36.89% of the total at \$5.7 million. This is an increase of \$808,741 or 16.68% compared to FY2026.

The Wastewater Department is the second largest category in FY2027, with a budget of \$5 million, making up 32.85% of the total. This reflects a \$1.6 million increase or 46.56% from the previous year. The Water Plant category is third, with \$4.6 million allocated, representing 30.26% of the total budget and a \$1.3 million increase or 39.29% from FY2026.

While all three major departments saw increases, the Wastewater Department experienced the largest dollar increase of \$1.6 million, followed by the Water Plant with a \$1.3 million increase, and Water and Sewer Distribution with an \$808,741 increase. Notably, the share of total expenditures for Water and Sewer Distribution decreased from 41.74% in FY2026 to 36.89% in FY2027, while the Wastewater Department's share increased from 29.58% to 32.85%, and the Water Plant's share slightly increased from 28.68% to 30.26%.

FY27 Expenditures by Department



The fiscal year expenditures for the Water & Sewer department are divided among three categories. Water and Sewer Distribution accounts for \$5.7 million, representing 36.89% of the total expenditures. The Wastewater Department

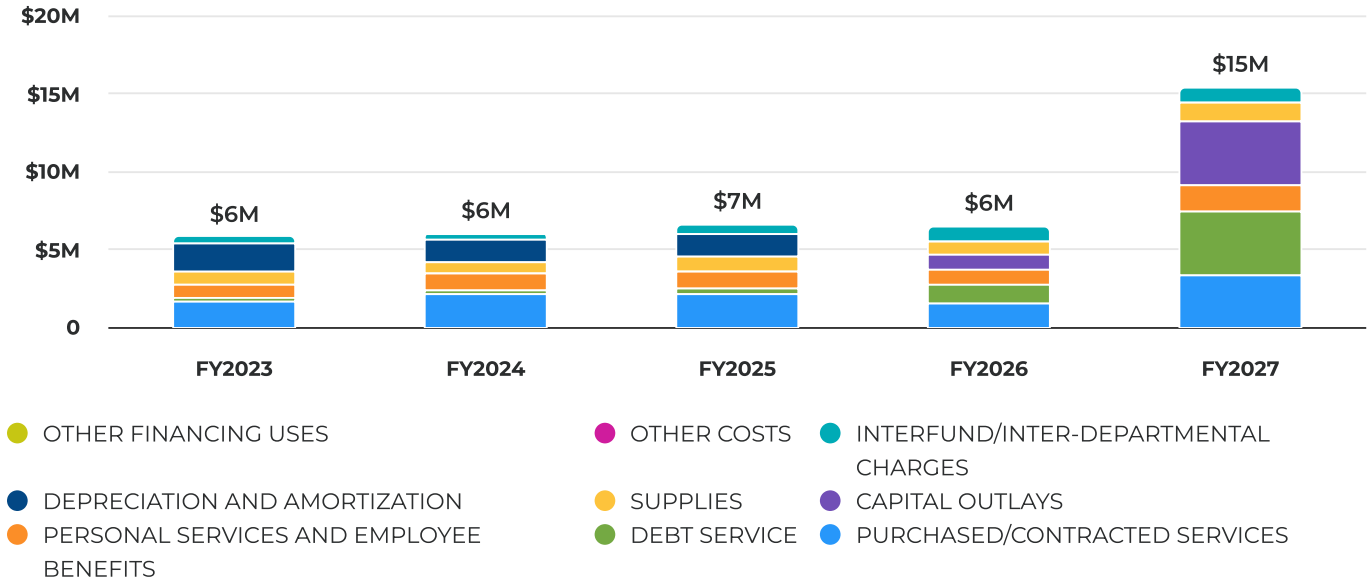
follows with \$5 million, which is 32.85%. Lastly, the Water Plant expenditures total \$4.6 million, making up 30.26% of the department's fiscal year spending.

Expenditures by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
WATER AND SEWER DISTRIBUTION	\$4,849,873.00	\$5,677,437.00	17.06%
WASTEWATER DEPARTMENT	\$3,437,449.00	\$5,050,271.00	46.92%
WATER PLANT	\$3,331,889.00	\$4,647,311.00	39.48%
Total Expenditures	\$11,619,211.00	\$15,375,019.00	32.32%

Expenditures by Expense Type

Historical Expenditures by Expense Type



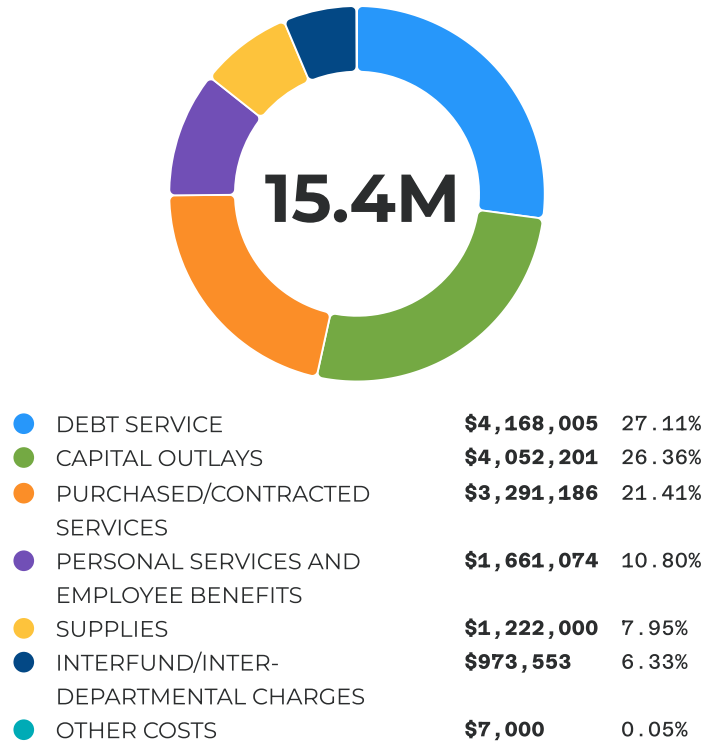
The FY2027 budget for Water & Sewer totals \$15.3 million, marking a 32% increase from the FY2026 total of \$11.6 million. The largest expenditure category in FY2027 is Debt Service at \$4.2 million, which represents 27.18% of the total budget and has increased by \$2.1 million or 97.5% compared to FY2026. Capital Outlays follow closely at \$4.1 million, accounting for 26.42% of the total and rising by \$1 million or 33.12% from the previous year.

Purchased/Contracted Services, the largest category in FY2026 at \$3.1 million (26.52%), decreased in relative share to 21.46% of the FY2027 budget, with a modest increase of \$209,551 or 6.8% to \$3.3 million. Personal Services and Employee Benefits increased by \$195,915 or 13.37% to \$1.7 million, representing 10.83% of the total budget, down from 12.61% in FY2026.

Supplies rose by \$220,500 or 22.02% to \$1.2 million, making up 7.97% of the FY2027 budget. Interfund/Inter-Departmental Charges saw a slight increase of \$26,565 or 2.92%, totaling \$936,113 and accounting for 6.1% of the budget. Other Costs remained steady at \$7,000, representing 0.05% of the total, while Depreciation and Amortization and Other Financing Uses remained at zero.

Overall, the FY2027 budget reflects significant increases in Debt Service and Capital Outlays, with moderate growth in Supplies, Purchased/Contracted Services, and Personal Services and Employee Benefits, contributing to the total budget increase of 32% from FY2026.

FY27 Expenditures by Expense Type



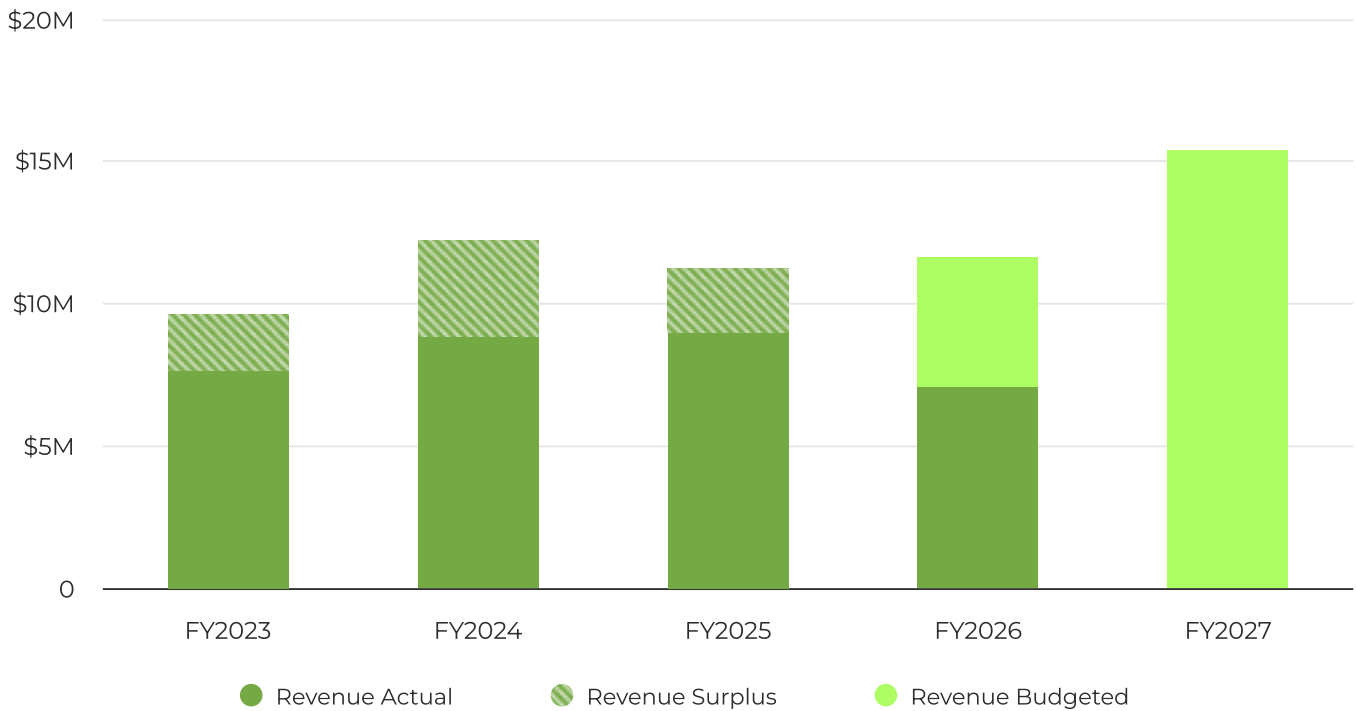
For the fiscal year expenditures by expense type in Water & Sewer, Debt Service accounts for \$4.2 million, representing 27.18% of the total. Capital Outlays follow closely with \$4.1 million, or 26.42%. Purchased/Contracted Services make up \$3.3 million, which is 21.46%. Personal Services and Employee Benefits total \$1.7 million, comprising 10.83%. Supplies amount to \$1.2 million, or 7.97%. Interfund/Inter-Departmental Charges are \$936,113, representing 6.1%. Other Costs are the smallest category at \$7,000, making up 0.05% of the expenditures.

Expenditures by Expense Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$1,465,160.00	\$1,661,074.00	13.37%
PURCHASED/CONTRACTED SERVICES	\$3,081,635.00	\$3,291,186.00	6.80%
SUPPLIES	\$1,001,500.00	\$1,222,000.00	22.02%
CAPITAL OUTLAYS	\$3,044,000.00	\$4,052,201.00	33.12%
INTERFUND/INTER-DEPARTMENTAL CHARGES	\$909,548.00	\$973,553.00	7.04%
OTHER COSTS	\$7,000.00	\$7,000.00	-
DEBT SERVICE	\$2,110,368.00	\$4,168,005.00	97.50%
Total Expenditures	\$11,619,211.00	\$15,375,019.00	32.32%

Revenue Summary

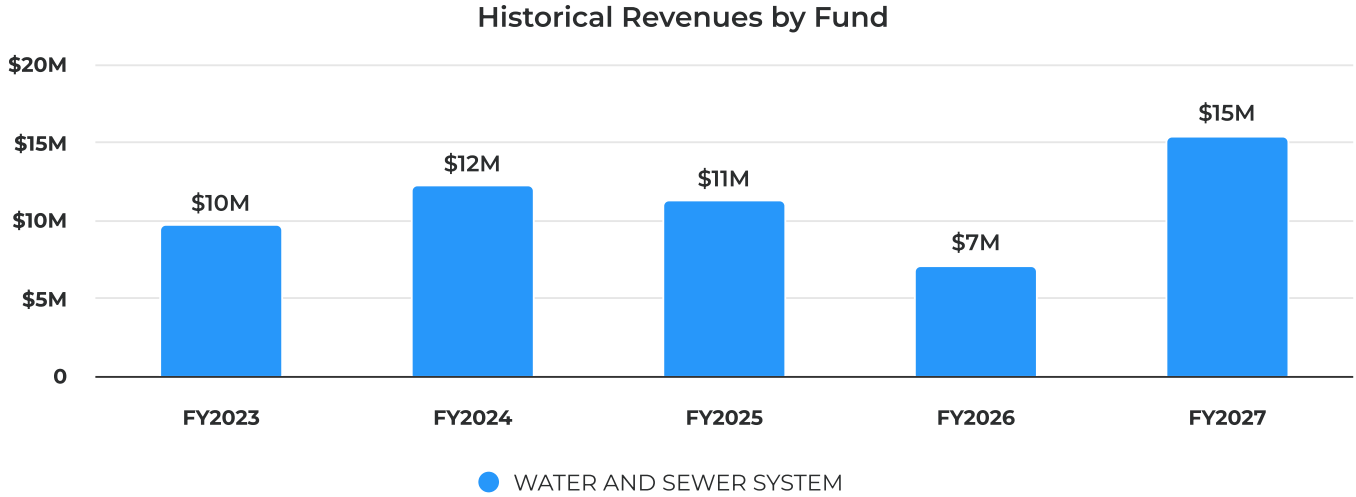
Historical Revenues Across Department



For FY2026, the Water & Sewer revenue is budgeted at \$11.6 million, representing a 29.76% increase from the prior period. This marks a significant rise in the total revenue budget compared to the previous year.

In FY2027, the revenue budget further increases to \$15.3 million, which is a 32% growth from FY2026. This continues the trend of substantial revenue growth in the Water & Sewer category over the two-year period.

Revenues by Fund



In FY2027, the total revenue for the Water & Sewer fund is budgeted at \$15.3 million, representing a 32% increase from the FY2026 total of \$11.6 million. The entire revenue continues to come from the Water and Sewer System category, which also increased by \$3.7 million, or 32%, from the previous year's \$11.6 million. This marks a significant growth in the largest and sole revenue category within the fund compared to FY2026.

FY27 Revenues by Fund



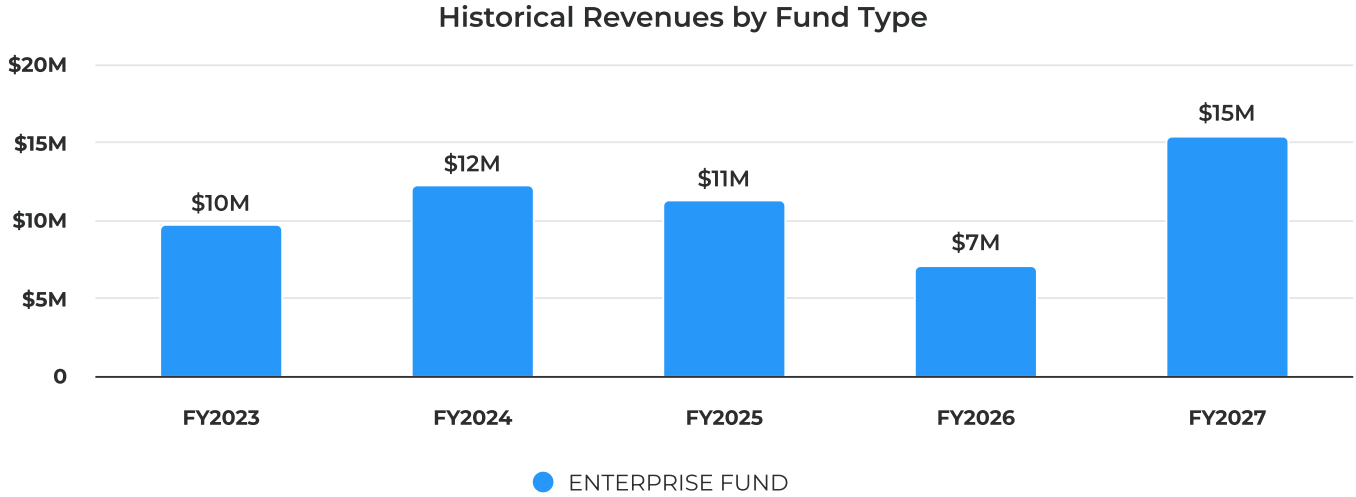
● WATER AND SEWER SYSTEM **\$15,375,019** 100.00%

The Water & Sewer System's Fiscal Year Revenue by Fund totals \$15.3 million, representing 100% of the revenue for this category.

Revenues by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
WATER AND SEWER SYSTEM	\$11,619,211.00	\$15,375,019.00	32.32%
Total Revenues	\$11,619,211.00	\$15,375,019.00	32.32%

Revenues by Fund Type



In FY2027, the total revenue for Water & Sewer is budgeted at \$15.3 million, representing a 32% increase from the FY2026 total of \$11.6 million. The entire revenue continues to come from the Enterprise Fund, which also increased by \$3.7 million, or 32%, rising from \$11.6 million in FY2026 to \$15.3 million in FY2027. This marks a significant growth in the largest and sole revenue category for this fund type.

FY27 Revenues by Fund Type

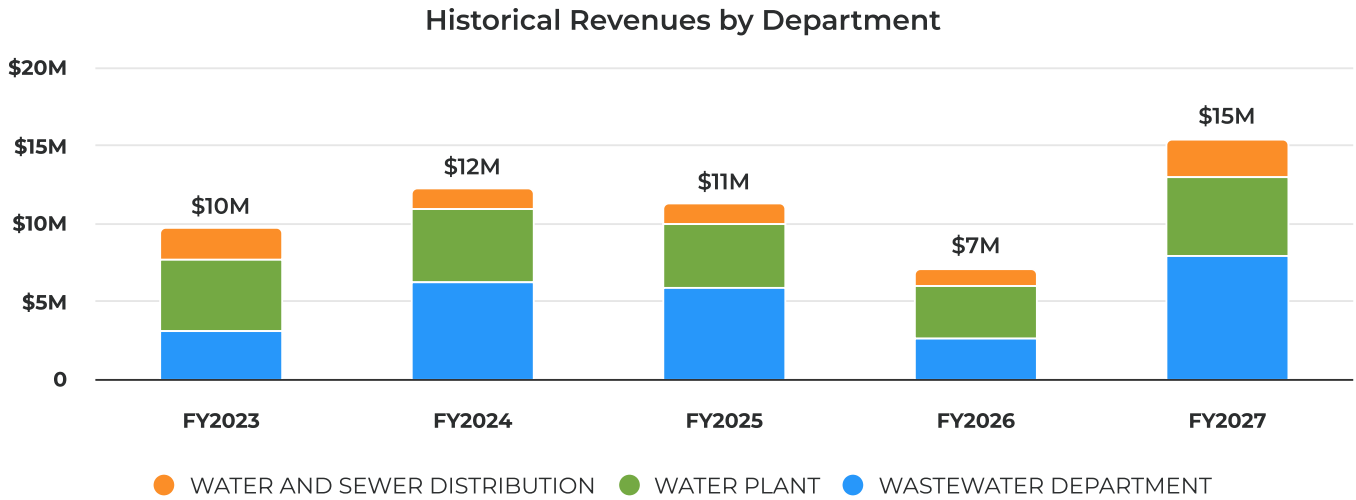


For the fiscal year, the Water & Sewer revenue by fund type is comprised entirely of the Enterprise Fund, which accounts for \$15.3 million, representing 100% of the total revenue.

Revenues by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
ENTERPRISE FUND	\$11,619,211.00	\$15,375,019.00	32.32%
Total Revenues	\$11,619,211.00	\$15,375,019.00	32.32%

Revenues by Department



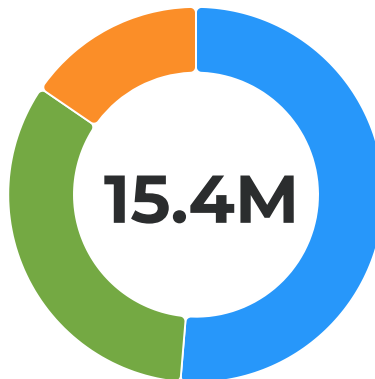
The total revenue for the Water & Sewer department in FY2027 is \$15.3 million, representing a 32% increase from the FY2026 total of \$11.6 million. The Wastewater Department is the largest revenue source in FY2027, contributing \$7.9 million or 51.45% of the total. This is a significant increase of \$3.1 million, or 64.84%, compared to its \$4.8 million revenue in FY2026, where it accounted for 41.2% of the total and had previously decreased by 18.15%.

The Water Plant revenue in FY2027 is \$5.1 million, making up 33.06% of the total revenue. This reflects a \$311,274 increase, or 6.54%, from the \$4.8 million recorded in FY2026, when it represented 40.96% of the total and had increased by 14.89% from the prior year.

The Water and Sewer Distribution category accounts for \$2.4 million in FY2027, which is 15.49% of the total revenue. This is an increase of \$302,810, or 14.61%, compared to \$2.1 million in FY2026, where it made up 17.84% of the total and had seen a 68.58% increase previously.

Overall, the Wastewater Department shows the largest increase in revenue both in dollar amount and percentage terms in FY2027, contributing to the overall 32% growth in total Water & Sewer revenue from FY2026 to FY2027.

FY27 Revenues by Department



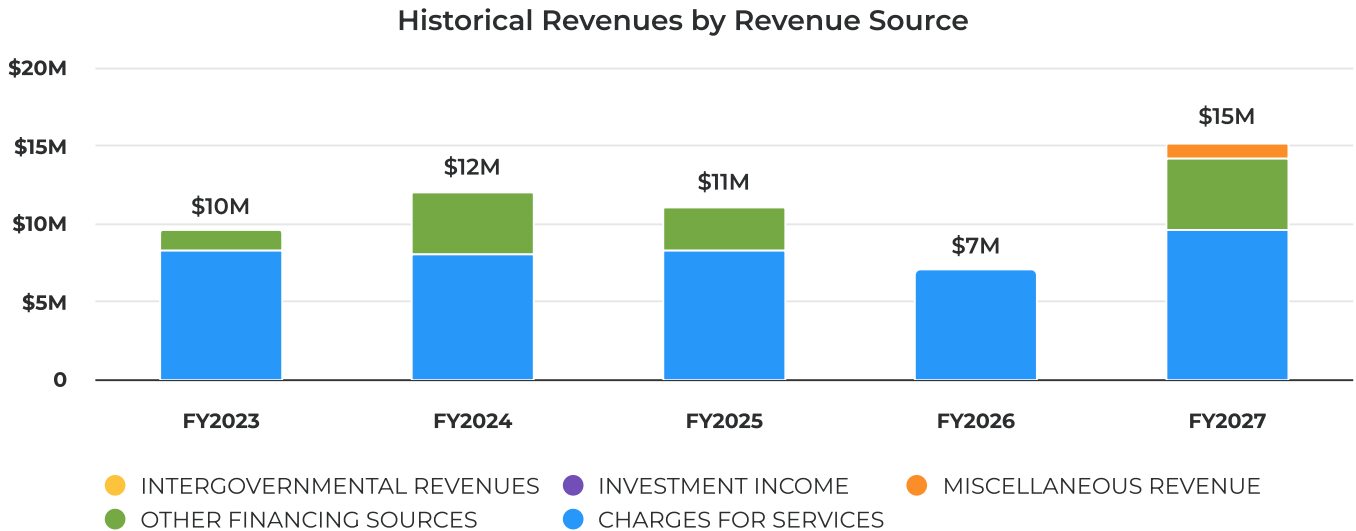
●	WASTEWATER DEPARTMENT	\$7,891,918	51.33%
●	WATER PLANT	\$5,107,600	33.22%
●	WATER AND SEWER DISTRIBUTION	\$2,375,501	15.45%

The Fiscal Year Revenue by Department for Water & Sewer includes three categories. The Wastewater Department accounts for \$7.9 million, representing 51.45% of the total revenue. The Water Plant contributes \$5.1 million, which is 33.06% of the revenue. Lastly, Water and Sewer Distribution provides \$2.4 million, making up 15.49% of the total revenue.

Revenues by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
WATER AND SEWER DISTRIBUTION	\$2,072,690.88	\$2,375,501.00	14.61%
WASTEWATER DEPARTMENT	\$4,787,634.20	\$7,891,918.00	64.84%
WATER PLANT	\$4,758,885.92	\$5,107,600.00	7.33%
Total Revenues	\$11,619,211.00	\$15,375,019.00	32.32%

Revenues by Revenue Source

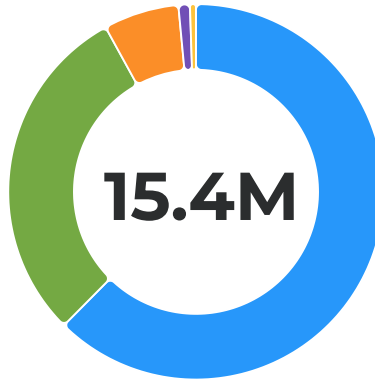


In FY2027, the total revenue for Water & Sewer increased by 32% to \$15.3 million compared to FY2026's \$7 million. The largest revenue source remained Charges for Services, which grew by \$1.7 million or 22.39% to \$9.6 million, though its share of total revenue decreased from 67.23% to 62.33%.

Other Financing Sources saw the most significant increase, rising by \$1.8 million or 65.58% to \$4.5 million, increasing its proportion of total revenue from 23.64% to 29.65%. Miscellaneous Revenue remained steady at \$1 million, representing a decrease in its share from 8.61% to 6.52% due to the overall revenue growth.

Investment Income increased substantially by \$118,809 or 380.91% to \$150,000, raising its share from 0.27% to 0.98%. Intergovernmental Revenues also increased by \$50,000 or 166.67% to \$80,000, growing its share from 0.26% to 0.52% of total revenue.

FY27 Revenues by Revenue Source



● CHARGES FOR SERVICES	\$9,597,353	62.42%
● OTHER FINANCING SOURCES	\$4,547,166	29.58%
● MISCELLANEOUS REVENUE	\$1,000,500	6.51%
● INVESTMENT INCOME	\$150,000	0.98%
● INTERGOVERNMENTAL REVENUES	\$80,000	0.52%

For the fiscal year, the Water & Sewer revenue by source includes Charges for Services at \$9.6 million, representing 62.33% of the total. Other Financing Sources contribute \$4.5 million, or 29.65%. Miscellaneous Revenue accounts for \$1 million, which is 6.52%. Investment Income adds \$150,000, making up 0.98%, and Intergovernmental Revenues total \$80,000, comprising 0.52% of the revenue.

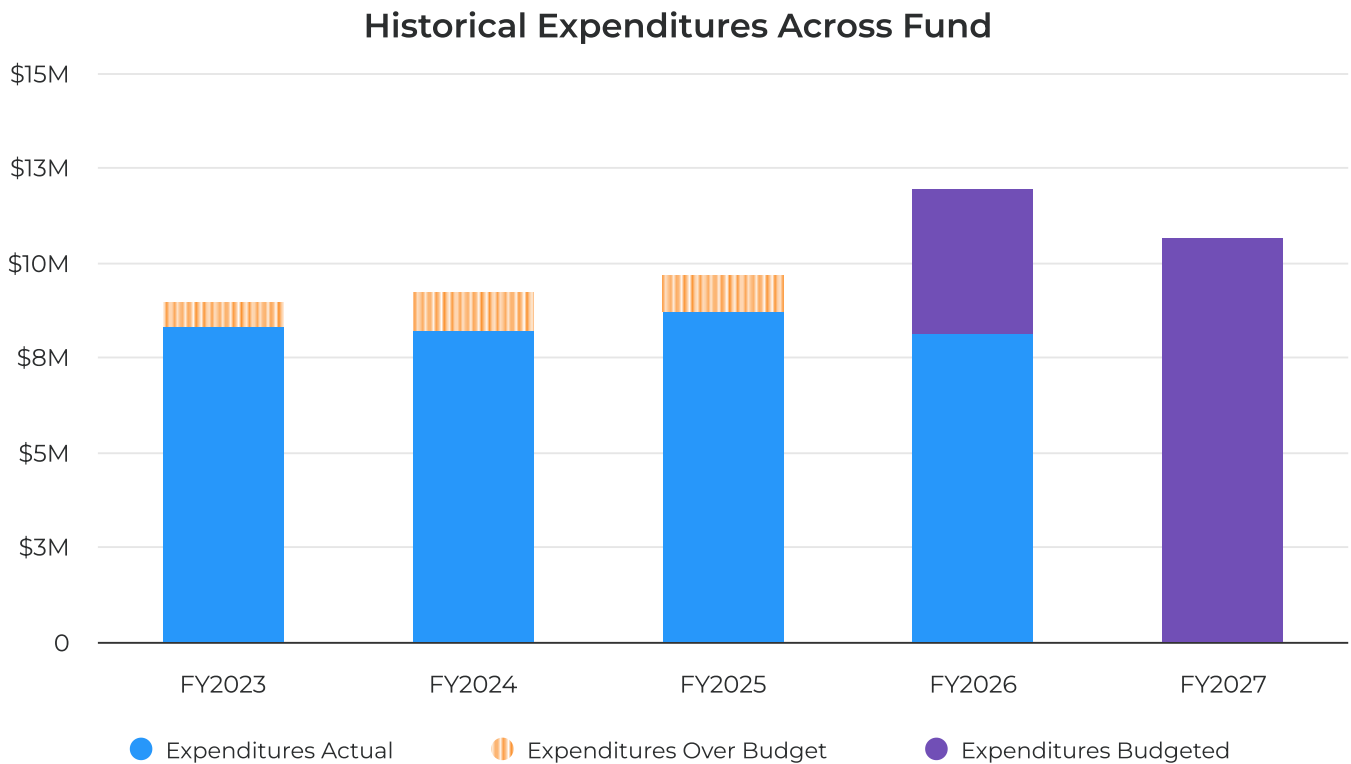
Revenues by Revenue Source

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
INTERGOVERNMENTAL REVENUES	\$30,000.00	\$80,000.00	166.67%
CHARGES FOR SERVICES	\$7,811,302.00	\$9,597,353.00	22.86%
INVESTMENT INCOME	\$31,190.88	\$150,000.00	380.91%
MISCELLANEOUS REVENUE	\$1,000,500.00	\$1,000,500.00	-
OTHER FINANCING SOURCES	\$2,746,218.12	\$4,547,166.00	65.58%
Total Revenues	\$11,619,211.00	\$15,375,019.00	32.32%

Electric

The Electric Department provides reliable electrical service to residential and commercial customers within the City's service area. The department is responsible for the operation, maintenance, and expansion of the City's electrical distribution system, including power lines, transformers, substations, and related infrastructure. Crews respond to outages, perform preventive maintenance, install new service connections, and manage vegetation management programs to protect system reliability. The department also engages in long-term power supply planning and rate analysis to ensure customers receive dependable service at competitive rates while supporting the City's continued growth and economic development.

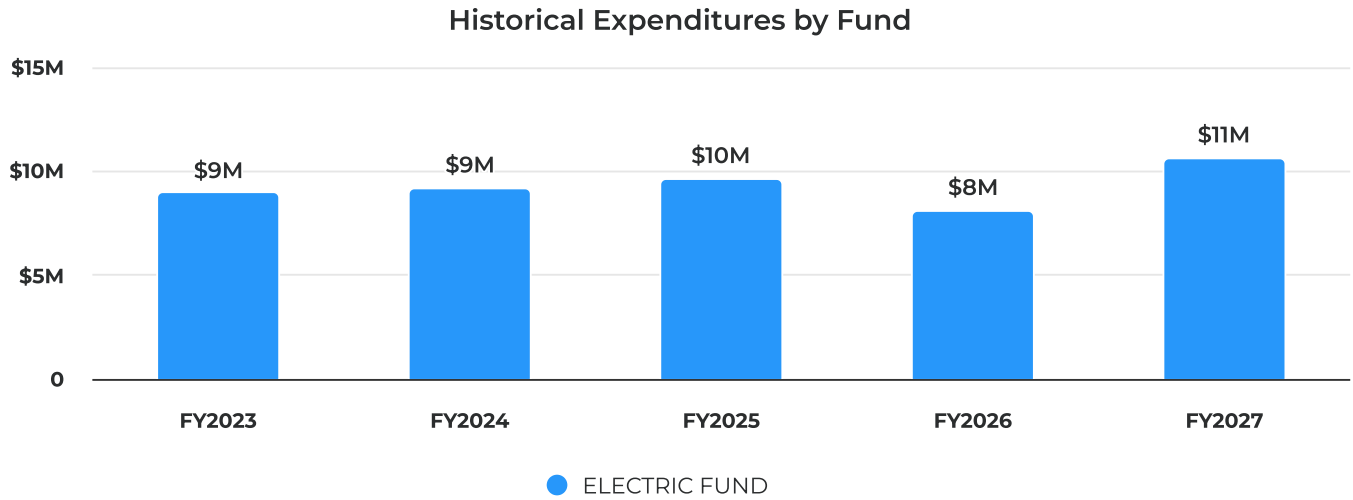
Expenditure Summary



In FY2026, the Electric fund's budgeted expenditures increased significantly to \$11.9 million, marking a 37.26% rise from the previous period. However, the actual expenditures for FY2026 were \$8.1 million, which is 16.11% lower than the prior period's actuals.

For FY2027, the budgeted expenditures are set at \$10.7 million, representing a 10.71% decrease compared to the FY2026 budgeted amount. This indicates a reduction in planned spending following the previous year's budget increase.

Expenditures by Fund

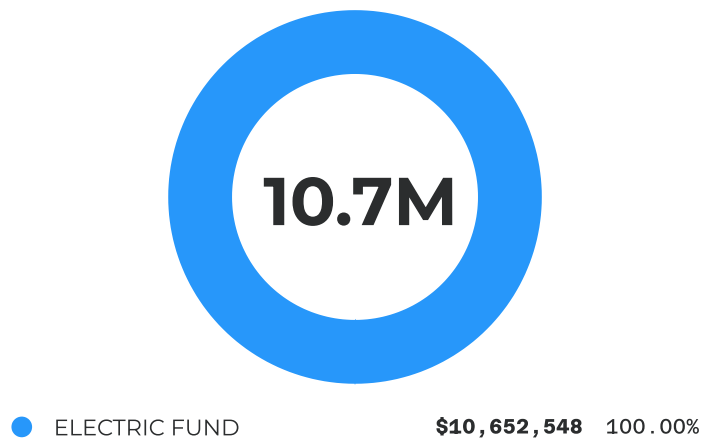


In FY2027, the total historical expenditures for Electric increased to \$10.7 million, representing a 31.6% rise from the previous year's total of \$8.1 million in FY2026. The Electric Fund remained the sole and largest category, accounting for 100% of the total expenditures in both years.

The Electric Fund experienced a significant increase of \$2.6 million, or 31.6%, rising from \$8.1 million in FY2026 to \$10.7 million in FY2027. This marks a reversal from the prior year, where the Electric Fund had decreased by \$1.6 million, or 16.11%.

Overall, the FY2027 budget shows a notable growth in expenditures within the Electric Fund, driving the total Electric expenditures higher compared to the previous year.

FY27 Expenditures by Fund



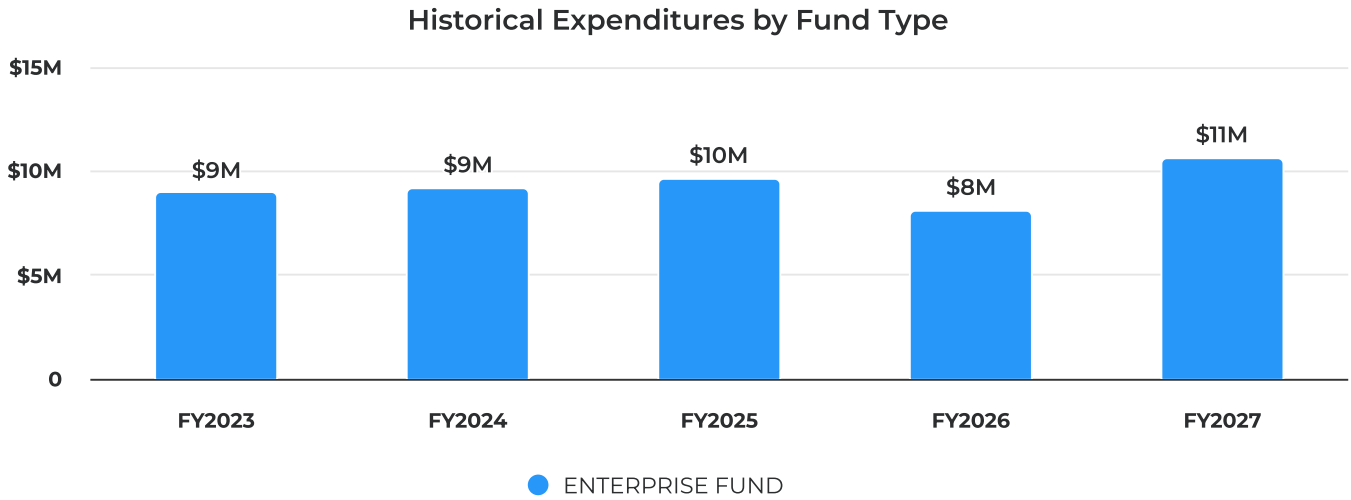
The Electric Fund's Fiscal Year Expenditures total \$10.7 million, representing 100% of the fund's expenditures.

Expenditures by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
ELECTRIC FUND	\$11,930,323.00	\$10,652,548.00	-10.71%

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
Total Expenditures	\$11,930,323.00	\$10,652,548.00	-10.71%

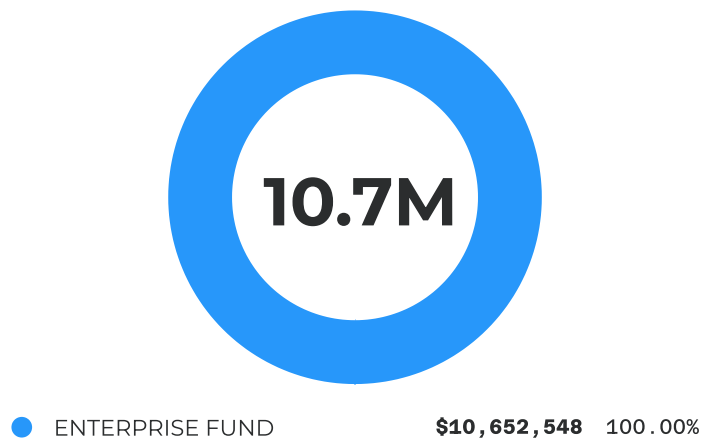
Expenditures by Fund Type



In FY2027, the total expenditures for Electric are budgeted at \$10.7 million, representing a 31.6% increase from the FY2026 total of \$8.1 million. The Enterprise Fund remains the sole fund type, accounting for 100% of the total expenditures in both years.

The Enterprise Fund expenditure rises from \$8.1 million in FY2026 to \$10.7 million in FY2027, an increase of \$2.6 million or 31.6%. This marks a significant reversal from the previous year's decrease of \$1.6 million or 16.11% in the same fund. Overall, the FY2027 budget reflects a substantial growth in expenditures within the Enterprise Fund compared to the prior year.

FY27 Expenditures by Fund Type



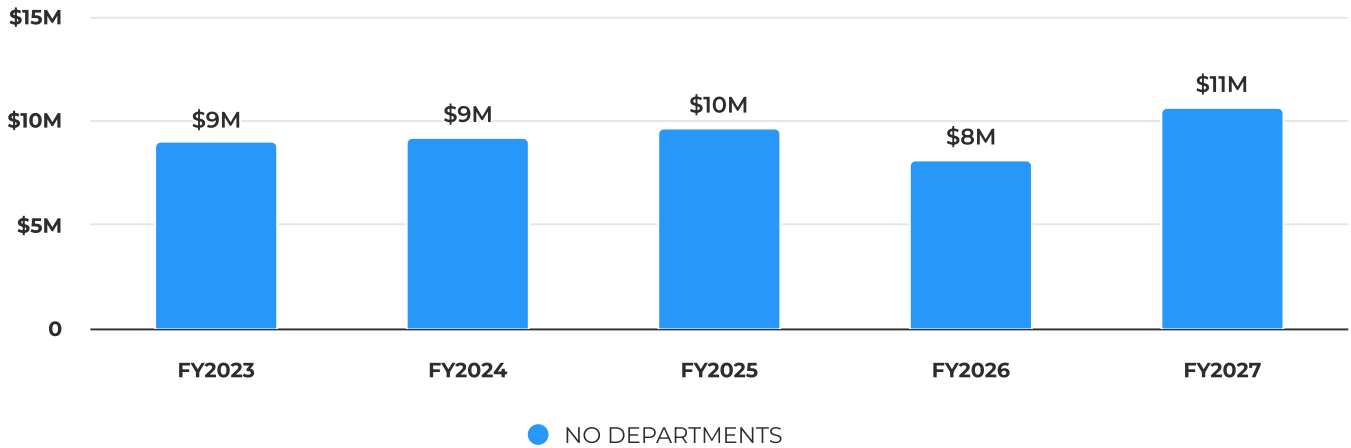
For the Electric fiscal year expenditures by fund type, the total amount is \$10.7 million, which represents 100% of the expenditures under the Enterprise Fund category.

Expenditures by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
ENTERPRISE FUND	\$11,930,323.00	\$10,652,548.00	-10.71%
Total Expenditures	\$11,930,323.00	\$10,652,548.00	-10.71%

Expenditures by Department

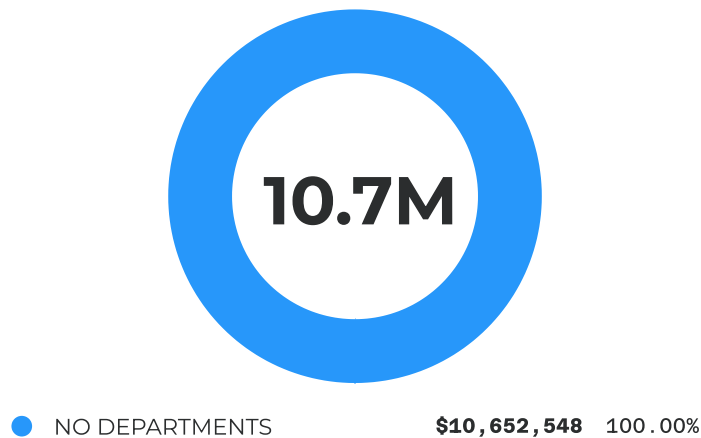
Historical Expenditures by Department



In FY2027, the total expenditures for the Electric department are budgeted at \$10.7 million, representing a 31.6% increase from the FY2026 total of \$8.1 million. The entire budget continues to be allocated to a single category labeled "NO DEPARTMENTS," which accounts for 100% of the total expenditures in both years.

This category experienced a significant increase of \$2.6 million, rising from \$8.1 million in FY2026 to \$10.7 million in FY2027, marking a 31.6% growth. This increase reverses the previous year's decrease of \$1.6 million (-16.11%) in the same category. Overall, the FY2027 budget shows a notable upward trend in expenditures compared to the prior year.

FY27 Expenditures by Department



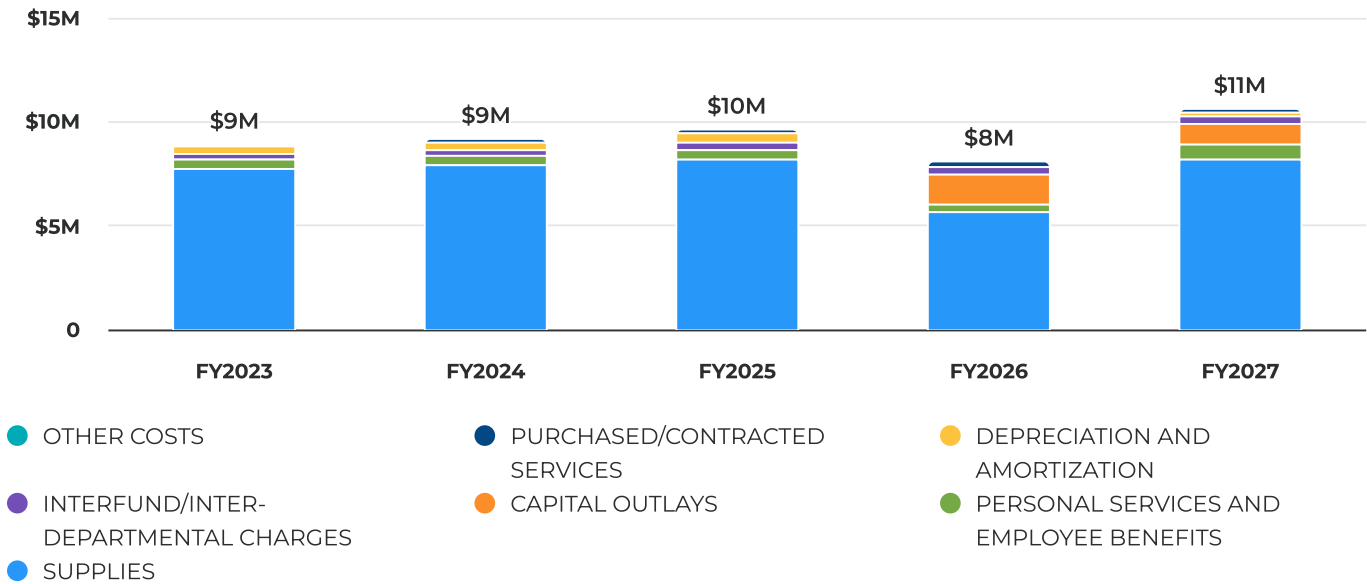
For the Electric fiscal year expenditures by department, the total amount is \$10.7 million, which represents 100% of the expenditures.

Expenditures by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENTS	\$11,930,323.00	\$10,652,548.00	-10.71%
Total Expenditures	\$11,930,323.00	\$10,652,548.00	-10.71%

Expenditures by Expense Type

Historical Expenditures by Expense Type



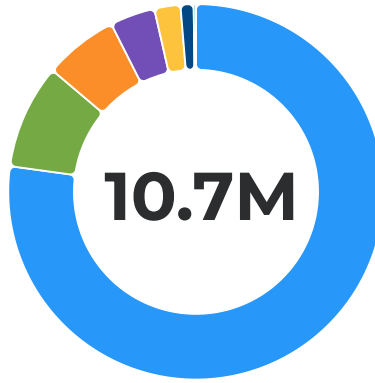
The total expenditures for Electric in FY2027 increased by 31.6% to \$10.7 million compared to FY2026's \$8.1 million. Supplies remained the largest expense category, rising by \$2.6 million or 46.09% to \$8.2 million, now representing 77.18% of the total budget, up from 69.53% in the previous year.

Capital Outlays decreased by \$472,390 or 33.03% to \$957,815, reducing its share of the total from 17.67% to 8.99%. Personal Services and Employee Benefits saw a significant increase of \$264,737 or 63.58%, reaching \$681,122 and accounting for 6.39% of the total budget, up from 5.14%.

Interfund/Inter-Departmental Charges increased by \$27,861 or 7.25% to \$412,095, representing 3.87% of the total, while Purchased/Contracted Services rose by \$24,994 or 11.73% to \$238,095, now 2.24% of the budget. Depreciation and Amortization, which had no allocation in FY2026, was budgeted at \$120,000 or 1.13% of the total in FY2027.

Other Costs slightly decreased by \$1,190 or 5.25% to \$21,500, making up 0.2% of the total expenditures. Overall, the budget shows notable growth in Supplies and Personal Services and Employee Benefits, alongside a marked reduction in Capital Outlays.

FY27 Expenditures by Expense Type



● SUPPLIES	\$8,221,921	77.18%
● CAPITAL OUTLAYS	\$957,815	8.99%
● PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$681,122	6.39%
● INTERFUND/INTER-DEPARTMENTAL CHARGES	\$412,095	3.87%
● PURCHASED/CONTRACTED SERVICES	\$238,095	2.24%
● DEPRECIATION AND AMORTIZATION	\$120,000	1.13%
● OTHER COSTS	\$21,500	0.20%

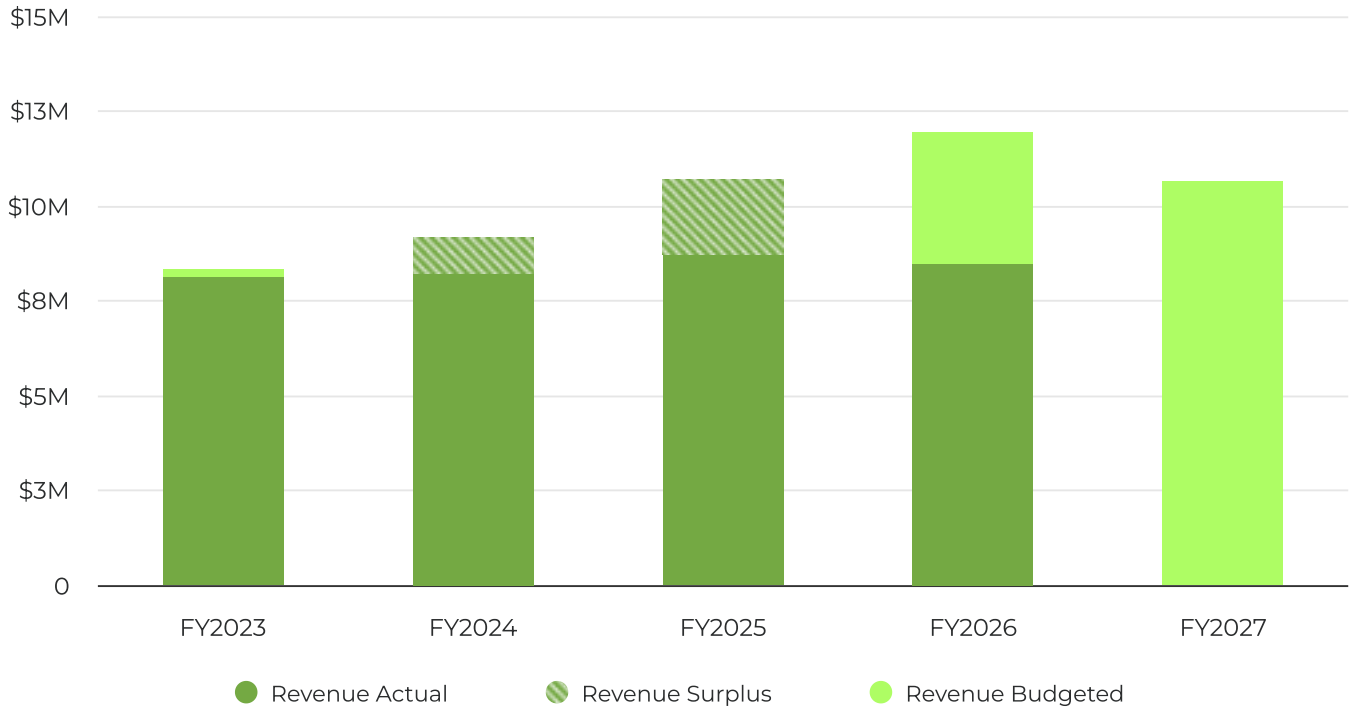
For the Electric fiscal year expenditures by expense type, Supplies account for \$8.2 million, representing 77.18% of the total. Capital Outlays follow with \$957,815, or 8.99%. Personal Services and Employee Benefits amount to \$681,122, which is 6.39%. Interfund/Inter-departmental Charges are \$412,095, making up 3.87%. Purchased/Contracted Services total \$238,095, or 2.24%. Depreciation and Amortization expenses are \$120,000, representing 1.13%. Other Costs are \$21,500, comprising 0.2% of the expenditures.

Expenditures by Expense Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$650,303.00	\$681,122.00	4.74%
PURCHASED/CONTRACTED SERVICES	\$203,819.00	\$238,095.00	16.82%
SUPPLIES	\$7,797,846.00	\$8,221,921.00	5.44%
CAPITAL OUTLAYS	\$2,740,000.00	\$957,815.00	-65.04%
INTERFUND/INTER-DEPARTMENTAL CHARGES	\$397,708.00	\$412,095.00	3.62%
DEPRECIATION AND AMORTIZATION	\$119,147.00	\$120,000.00	0.72%
OTHER COSTS	\$21,500.00	\$21,500.00	-
Total Expenditures	\$11,930,323.00	\$10,652,548.00	-10.71%

Revenue Summary

Historical Revenues Across Department

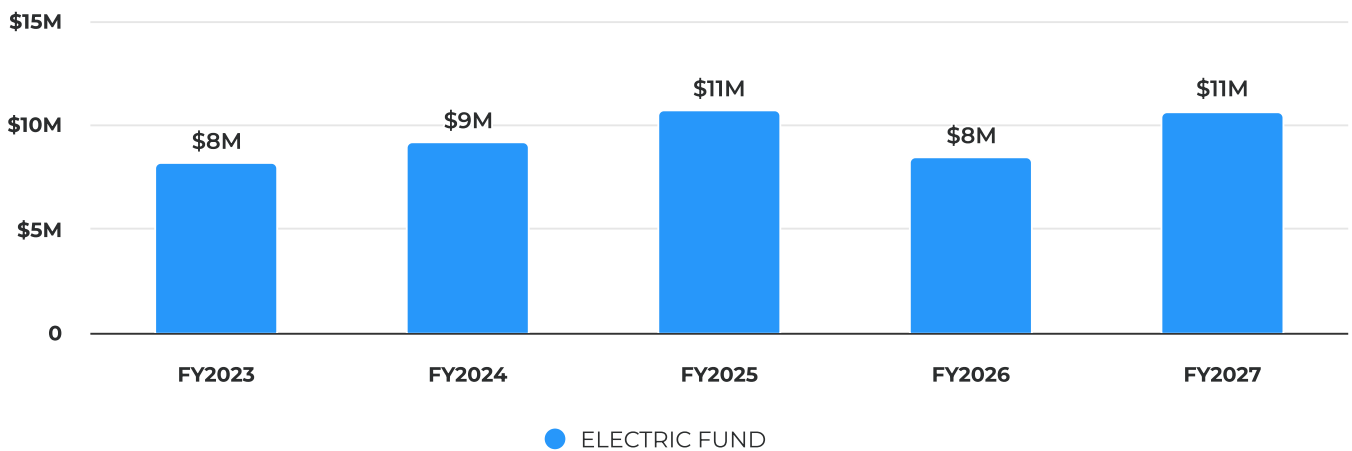


In FY2026, the Electric revenue budget was set at \$11.9 million, reflecting a significant increase of 37.26% from the previous period. However, the actual revenue for FY2026 was \$8.4 million, which was 20.84% lower than the prior period's actual revenue.

For FY2027, the Electric revenue budget is \$10.7 million, representing a decrease of 10.71% compared to the FY2026 budgeted amount.

Revenues by Fund

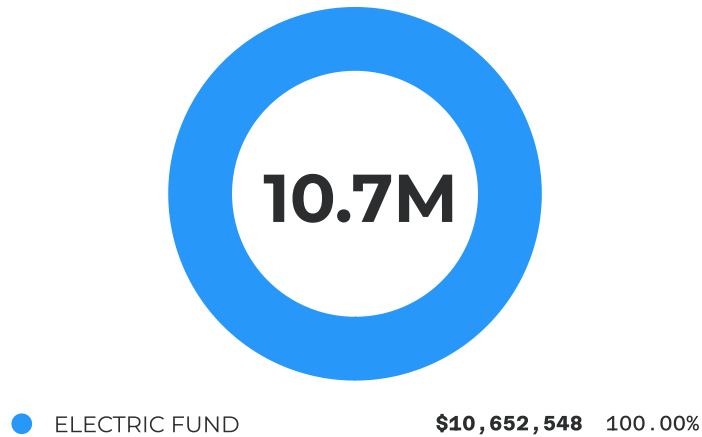
Historical Revenues by Fund



In FY2027, the total historical revenue for the Electric category is budgeted at \$10.7 million, representing a 26.13% increase from the FY2026 total of \$8.4 million. The Electric Fund remains the sole contributor, accounting for 100% of the total revenue in both years.

The Electric Fund itself shows a significant increase of \$2.2 million, or 26.13%, rising from \$8.4 million in FY2026 to \$10.7 million in FY2027. This marks a reversal from the previous year, where the Electric Fund had decreased by \$2.2 million, or 20.84%.

FY27 Revenues by Fund

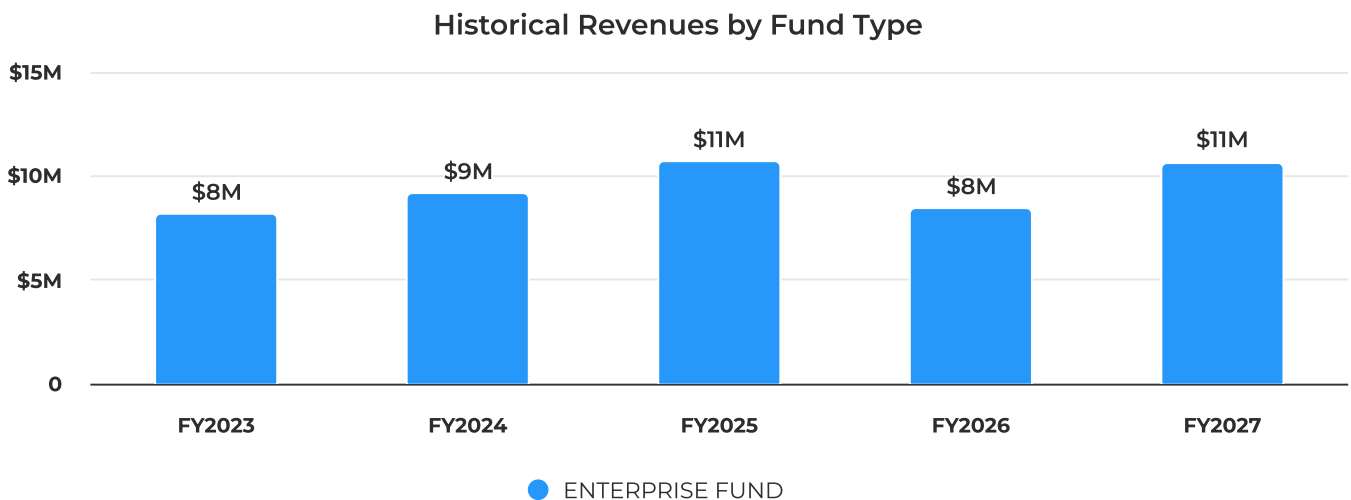


The Electric Fund's Fiscal Year Revenue totals \$10.7 million, representing 100% of the fund's revenue for the fiscal year.

Revenues by Fund

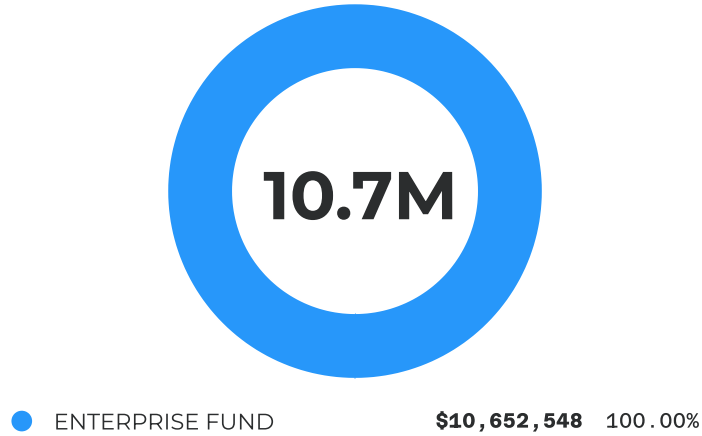
Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
ELECTRIC FUND	\$11,930,323.00	\$10,652,548.00	-10.71%
Total Revenues	\$11,930,323.00	\$10,652,548.00	-10.71%

Revenues by Fund Type



In FY2027, the total revenue for Electric is budgeted at \$10.7 million, representing a 26.13% increase from the FY2026 total of \$8.4 million. The entire revenue continues to come from the Enterprise Fund, which also increased by \$2.2 million, or 26.13%, rising from \$8.4 million in FY2026 to \$10.7 million in FY2027. This marks a reversal from the previous year, where the Enterprise Fund had decreased by 20.84%. The Enterprise Fund remains the sole and largest revenue source, accounting for 100% of the total revenue in both years.

FY27 Revenues by Fund Type



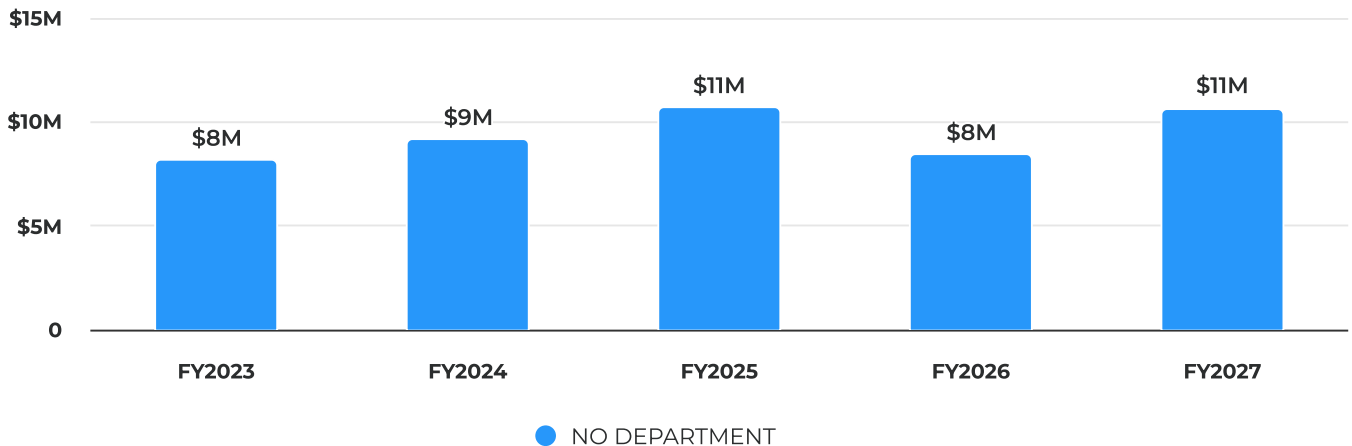
For the Electric fiscal year revenue by fund type, the total revenue is \$10.7 million, all of which comes from the Enterprise Fund, representing 100% of the total revenue.

Revenues by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
ENTERPRISE FUND	\$11,930,323.00	\$10,652,548.00	-10.71%
Total Revenues	\$11,930,323.00	\$10,652,548.00	-10.71%

Revenues by Department

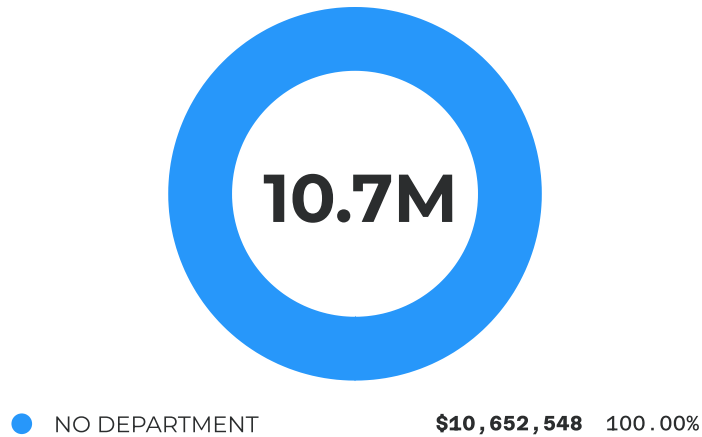
Historical Revenues by Department



In FY2027, the total historical revenue for the Electric department is budgeted at \$10.7 million, representing a 26.13% increase from the FY2026 total of \$8.4 million. The entire revenue amount continues to be attributed to the NO DEPARTMENT category, which accounts for 100% of the total revenue in both years.

Compared to FY2026, the NO DEPARTMENT category shows a significant increase of \$2.2 million, rising from \$8.4 million to \$10.7 million. This increase mirrors the overall total growth of 26.13%, indicating that the entire revenue growth is driven by this single category.

FY27 Revenues by Department

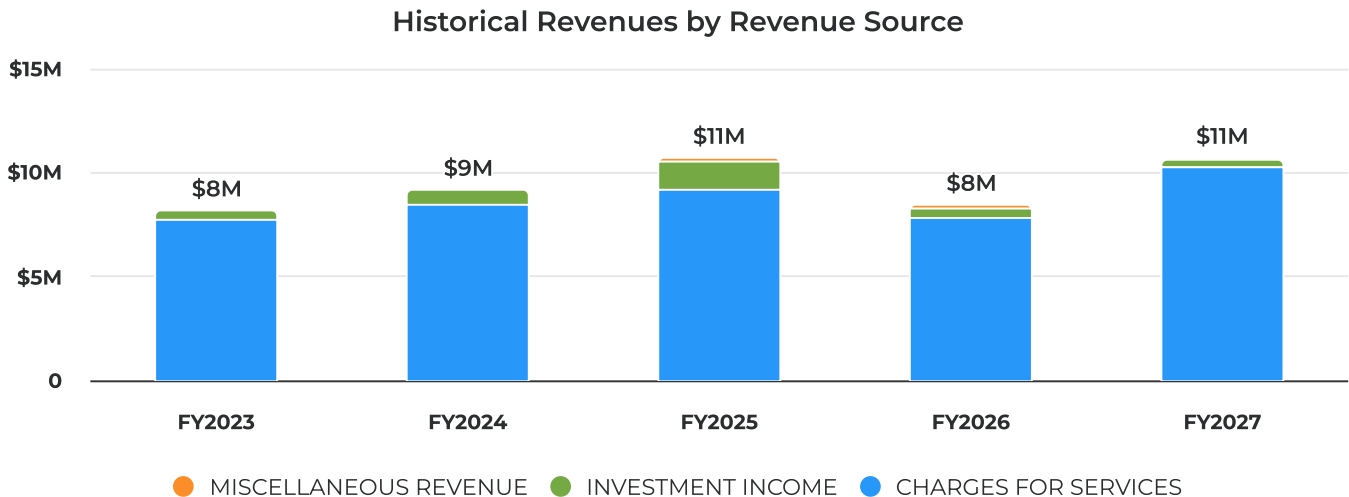


For the Electric department's Fiscal Year Revenue by Department, the total revenue is \$10.7 million, which accounts for 100% of the department's revenue.

Revenues by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENT	\$11,930,323.00	\$10,652,548.00	-10.71%
Total Revenues	\$11,930,323.00	\$10,652,548.00	-10.71%

Revenues by Revenue Source

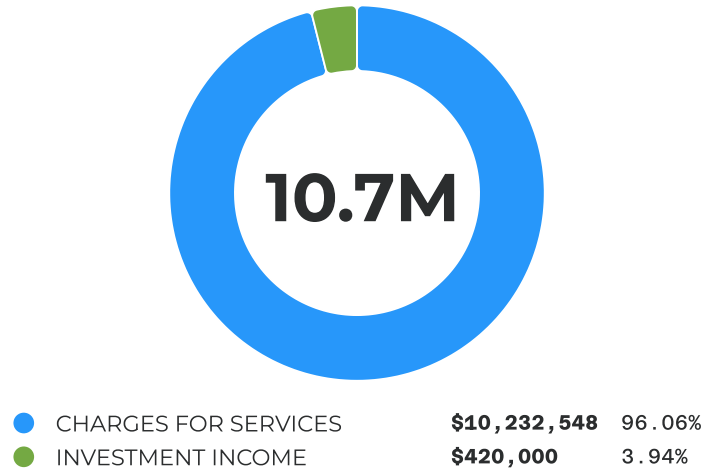


The total revenue for Electric in FY2027 is \$10.7 million, representing a 26.13% increase from the FY2026 total of \$8.4 million. The largest revenue source remains Charges for Services, which increased by \$2.4 million or 31.17%, rising from \$7.8 million (92.36% of total) in FY2026 to \$10.2 million (96.06% of total) in FY2027.

Investment Income decreased slightly by \$13,555 or 3.13%, from \$433,555 (5.13% of total) in FY2026 to \$420,000 (3.94% of total) in FY2027. Miscellaneous Revenue, which was \$211,356 (2.5% of total) in FY2026, dropped to \$0 in FY2027, a 100% decrease.

Overall, the increase in total revenue is primarily driven by the significant growth in Charges for Services, while both Investment Income and Miscellaneous Revenue declined in FY2027 compared to FY2026.

FY27 Revenues by Revenue Source



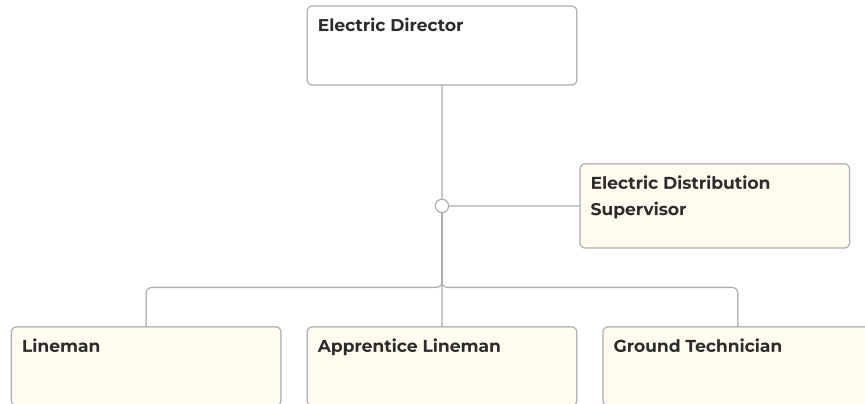
For the Electric fiscal year revenue by revenue source, Charges for Services account for \$10.2 million, representing 96.06% of the total revenue. Investment Income contributes \$420,000, which is 3.94% of the total revenue.

Revenues by Revenue Source

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
CHARGES FOR SERVICES	\$10,127,052.00	\$10,232,548.00	1.04%
INVESTMENT INCOME	\$1,793,271.00	\$420,000.00	-76.58%
MISCELLANEOUS REVENUE	\$10,000.00	-	-100.00%
Total Revenues	\$11,930,323.00	\$10,652,548.00	-10.71%

Personnel Summary

Electric Department



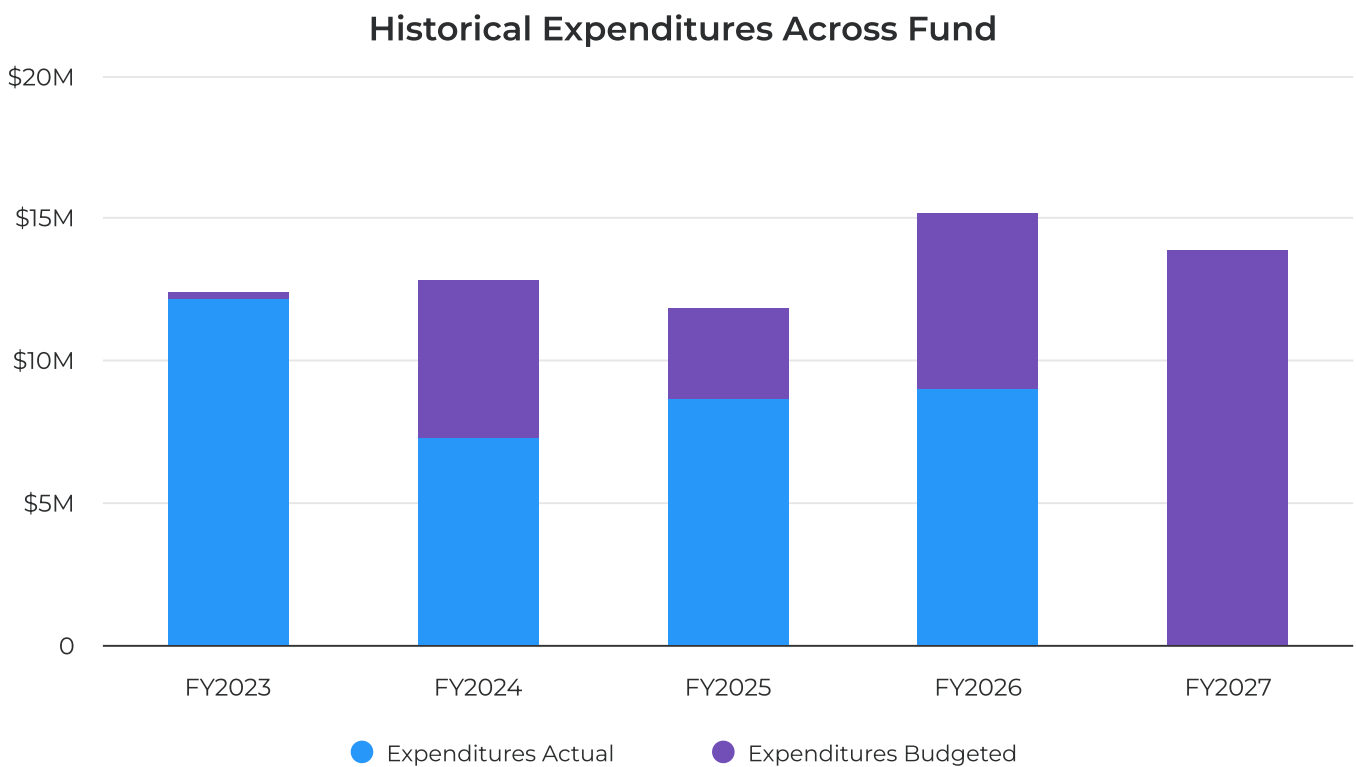
Summary of Goals

The Electric Department's strategic goals focus on maintaining reliable service, delivering dedicated power to the new Grove Creek Wastewater Treatment Plant, and advancing system modernization through continued AMI deployment. Priorities include improving outage detection, strengthening preventive maintenance, and planning targeted infrastructure upgrades to support growth and operational resilience. These efforts ensure dependable service for residents, businesses, and critical facilities while aligning with the City's long-term infrastructure and economic development objectives.

Gas

The Gas Department manages the safe and efficient distribution of natural gas to residential and commercial customers throughout the City. Department responsibilities include the installation, maintenance, inspection, and repair of gas mains, service lines, meters, and regulator stations. Safety is the department's highest priority, with personnel conducting regular leak detection surveys, emergency response operations, line locating, and compliance with all federal and state pipeline safety regulations. The department also oversees system expansion to serve new development and capital reinvestment in aging infrastructure to ensure continued safe and reliable natural gas service for the community.

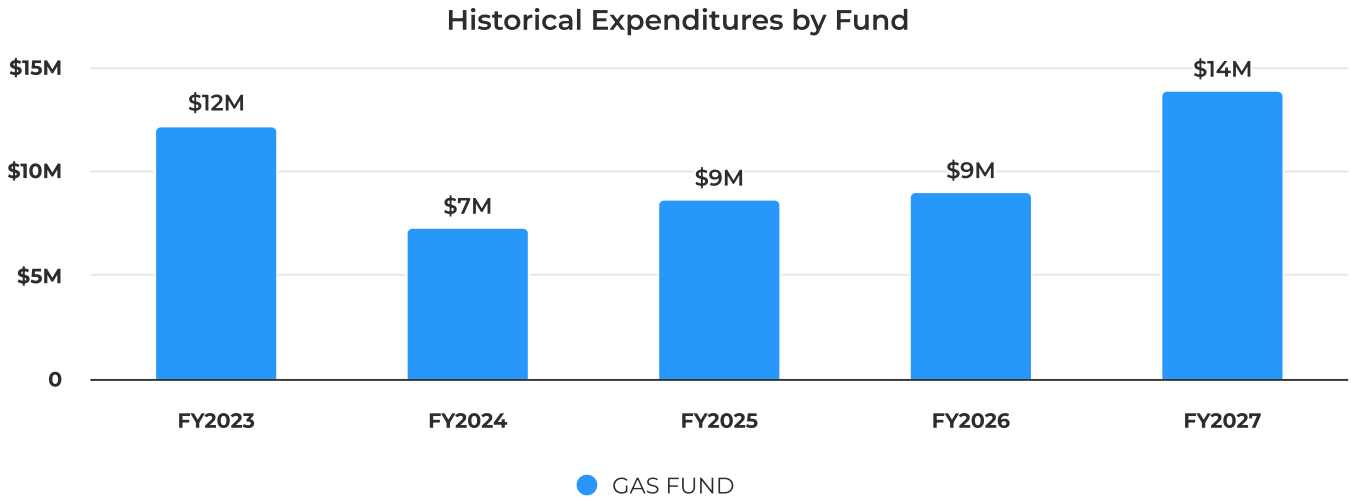
Expenditure Summary



In FY2026, the Gas expenditures are budgeted at \$15.2 million, representing a 28.32% increase from the prior period. This marks a significant rise in the budgeted amount compared to the previous year.

For FY2027, the Gas expenditures are budgeted at \$13.8 million, which is an 8.81% decrease from the FY2026 budget. Despite this reduction, the FY2027 budget remains higher than the prior period before FY2026.

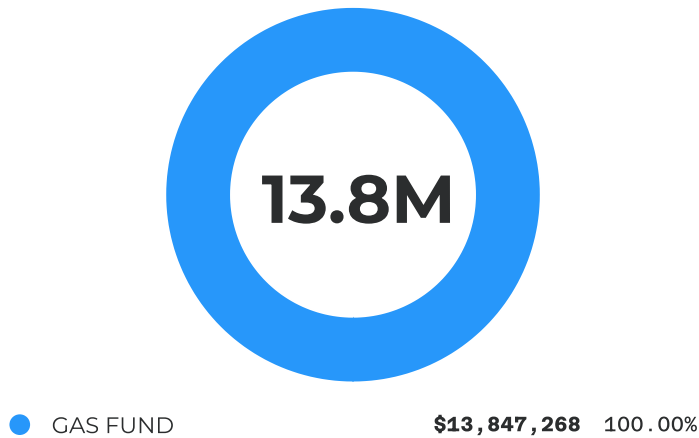
Expenditures by Fund



In FY2027, the total historical expenditures for Gas are budgeted at \$13.8 million, representing a decrease of 8.81% from the FY2026 total of \$15.2 million. The Gas Fund remains the sole and largest category, accounting for 100% of the total expenditures in both years.

Compared to FY2026, the Gas Fund expenditure decreases by \$1.3 million, or 8.81%, following a significant increase of \$6.5 million, or 75.91%, in the previous year. This marks a notable reduction in the Gas Fund budget while it continues to dominate the expenditure distribution entirely.

FY27 Expenditures by Fund

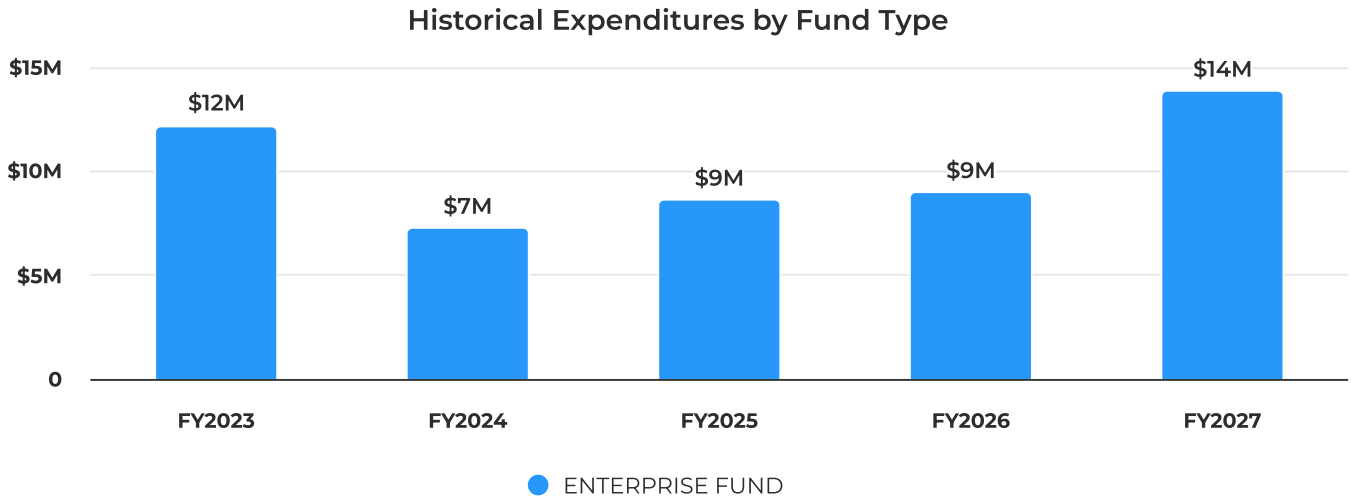


The Gas Fund's fiscal year expenditures total \$13.8 million, representing 100% of the fund's expenditures.

Expenditures by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
GAS FUND	\$15,169,727.00	\$13,847,268.00	-8.72%
Total Expenditures	\$15,169,727.00	\$13,847,268.00	-8.72%

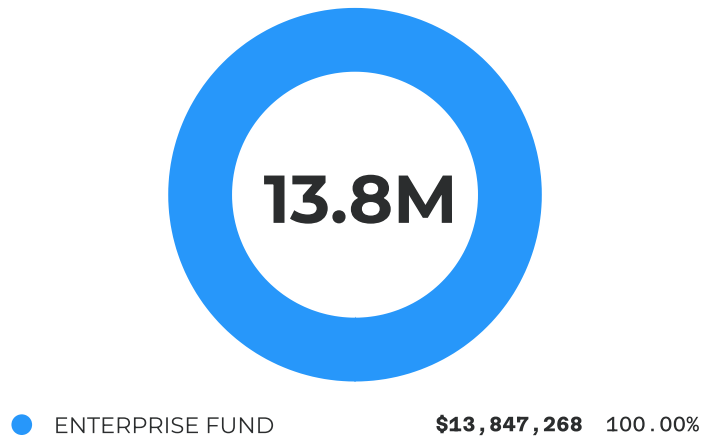
Expenditures by Fund Type



In FY2027, the total historical expenditures for Gas are budgeted at \$13.8 million, representing a decrease of 8.81% from the FY2026 total of \$15.2 million. The Enterprise Fund remains the sole and largest category, accounting for 100% of the total expenditures in both years.

Compared to FY2026, the Enterprise Fund's budget decreases by \$1.3 million, or 8.81%, down from \$15.2 million. This marks a reversal from the previous year's significant increase of \$6.5 million, or 75.91%, in the Enterprise Fund expenditures.

FY27 Expenditures by Fund Type

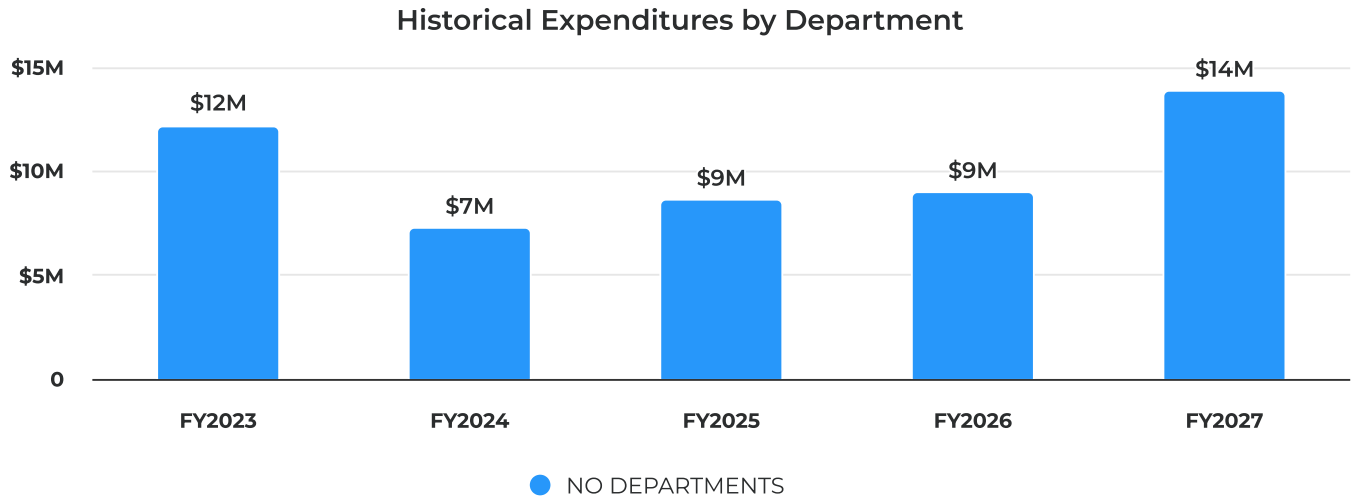


For the Gas category under Fiscal Year Expenditures by Fund Type, the total expenditure is \$13.8 million, which accounts for 100% of the expenditures within the Enterprise Fund.

Expenditures by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
ENTERPRISE FUND	\$15,169,727.00	\$13,847,268.00	-8.72%
Total Expenditures	\$15,169,727.00	\$13,847,268.00	-8.72%

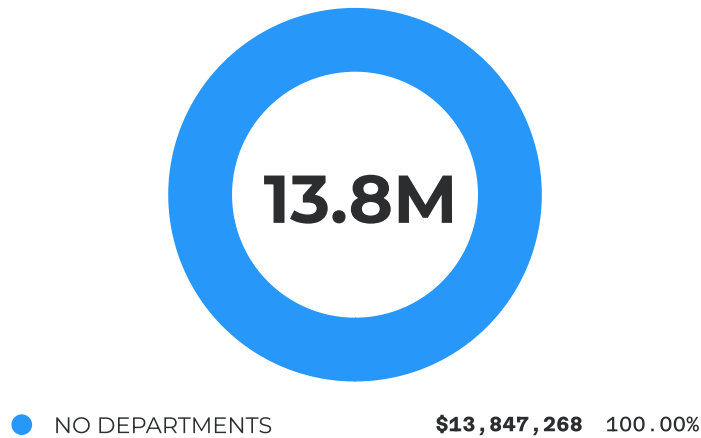
Expenditures by Department



In FY2027, the total historical expenditures for Gas are budgeted at \$13.8 million, representing a decrease of 8.81% from the FY2026 total of \$15.2 million. The entire budget continues to be allocated to the same category, which accounts for 100% of the total expenditures in both years.

Compared to FY2026, where the expenditures increased significantly by \$6.5 million or 75.91%, FY2027 shows a reversal with a reduction of \$1.3 million or 8.81%. This decrease marks the largest change in the budget for this category, reflecting a notable adjustment from the previous year's substantial increase.

FY27 Expenditures by Department

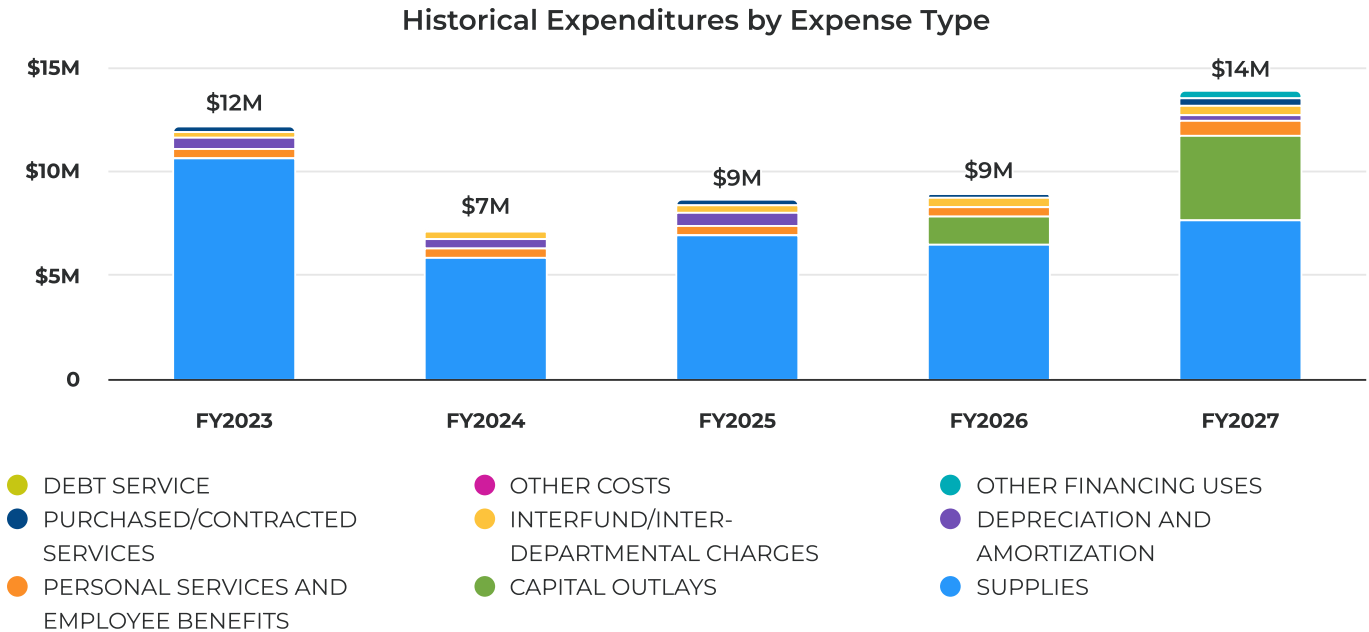


For the fiscal year, the total expenditures for Gas amount to \$13.8 million, representing 100% of the fiscal year expenditures by department.

Expenditures by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENTS	\$15,169,727.00	\$13,847,268.00	-8.72%
Total Expenditures	\$15,169,727.00	\$13,847,268.00	-8.72%

Expenditures by Expense Type



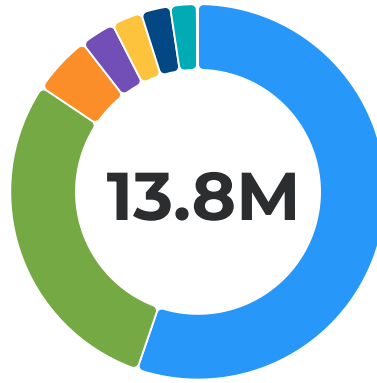
The total budget for Gas in FY2027 is \$13.8 million, representing a decrease of 8.81% from the FY2026 total of \$15.2 million. Supplies remain the largest expense category at \$7.7 million, accounting for 55.31% of the total budget, though this is a decrease of \$515,802 or 6.32% compared to the previous year.

Capital Outlays increased to \$4 million, making up 29.17% of the total budget, which is a rise of \$341,000 or 9.23% from FY2026. Personal Services and Employee Benefits also saw an increase to \$707,004, representing 5.11% of the total and a growth of \$32,559 or 4.83% over the prior year.

Purchased/Contracted Services rose by \$49,837 or 15.91% to \$363,055, now constituting 2.62% of the budget. Depreciation and Amortization increased slightly by \$6,916 or 2.24% to \$315,000, accounting for 2.28% of the total. Other Financing Uses and Other Costs remained steady at \$350,000 and \$14,000 respectively, with no change from FY2026.

Notably, Debt Service was eliminated in FY2027, dropping from \$1.3 million (8.24% of the total) in FY2026 to \$0, a 100% decrease. Interfund/Inter-Departmental Charges decreased marginally by \$1,467 or 0.37% to \$397,978, representing 2.88% of the budget.

FY27 Expenditures by Expense Type



● SUPPLIES	\$7,650,733	55.25%
● CAPITAL OUTLAYS	\$4,035,000	29.14%
● PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$705,585	5.10%
● INTERFUND/INTER-DEPARTMENTAL CHARGES	\$413,895	2.99%
● PURCHASED/CONTRACTED SERVICES	\$363,055	2.62%
● OTHER FINANCING USES	\$350,000	2.53%
● DEPRECIATION AND AMORTIZATION	\$315,000	2.27%
● OTHER COSTS	\$14,000	0.10%

For the Gas fiscal year expenditures by expense type, Supplies account for \$7.7 million, representing 55.31% of the total. Capital Outlays follow with \$4 million, or 29.17%. Personal Services and Employee Benefits total \$707,004, making up 5.11%. Interfund/Inter-Departmental Charges are \$397,978, which is 2.88%. Purchased/Contracted Services amount to \$363,055, or 2.62%. Other Financing Uses are \$350,000, representing 2.53%. Depreciation and Amortization expenses are \$315,000, accounting for 2.28%. Lastly, Other Costs are \$14,000, comprising 0.1% of the expenditures.

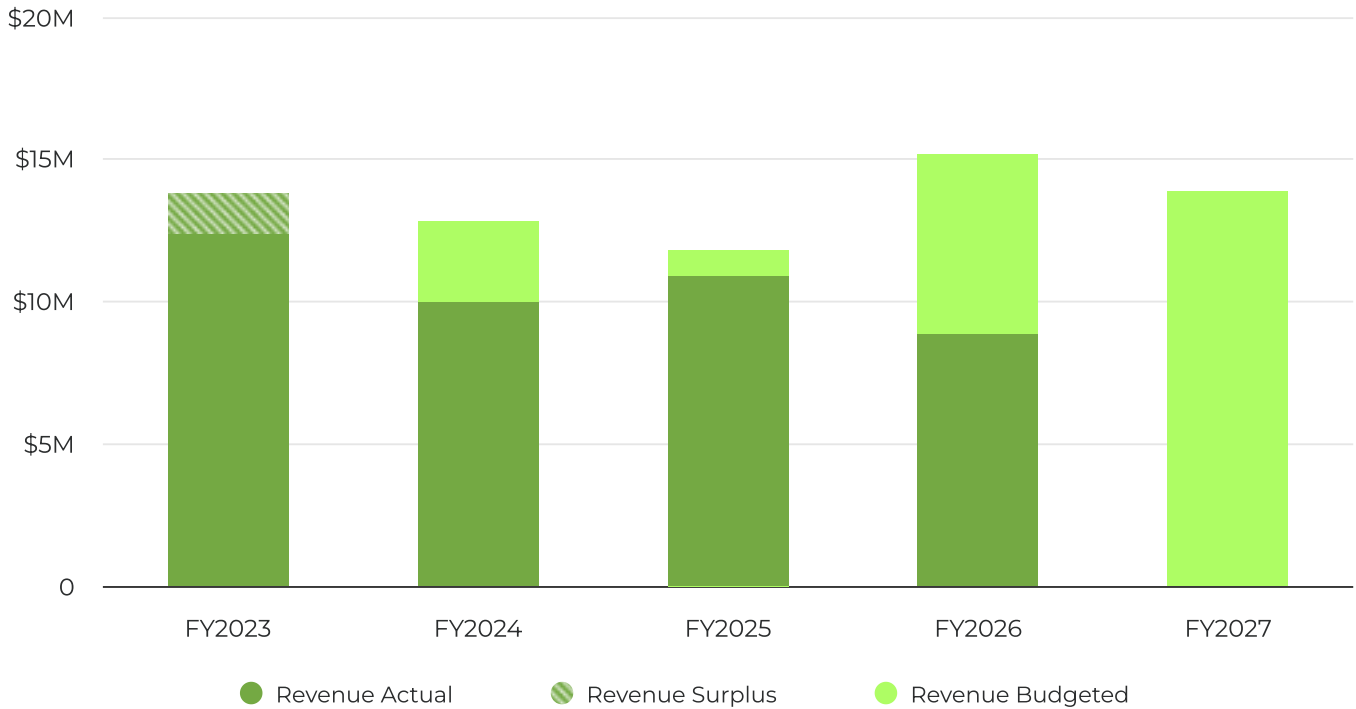
Expenditures by Expense Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
PERSONAL SERVICES AND EMPLOYEE BENEFITS	\$674,445.00	\$705,585.00	4.62%
PURCHASED/CONTRACTED SERVICES	\$313,218.00	\$363,055.00	15.91%
SUPPLIES	\$8,166,535.00	\$7,650,733.00	-6.32%
CAPITAL OUTLAYS	\$3,694,000.00	\$4,035,000.00	9.23%
INTERFUND/INTER-DEPARTMENTAL CHARGES	\$399,445.00	\$413,895.00	3.62%
DEPRECIATION AND AMORTIZATION	\$308,084.00	\$315,000.00	2.24%
OTHER COSTS	\$14,000.00	\$14,000.00	-
DEBT SERVICE	\$1,250,000.00	-	-100.00%
OTHER FINANCING USES	\$350,000.00	\$350,000.00	-

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
Total Expenditures	\$15,169,727.00	\$13,847,268.00	-8.72%

Revenue Summary

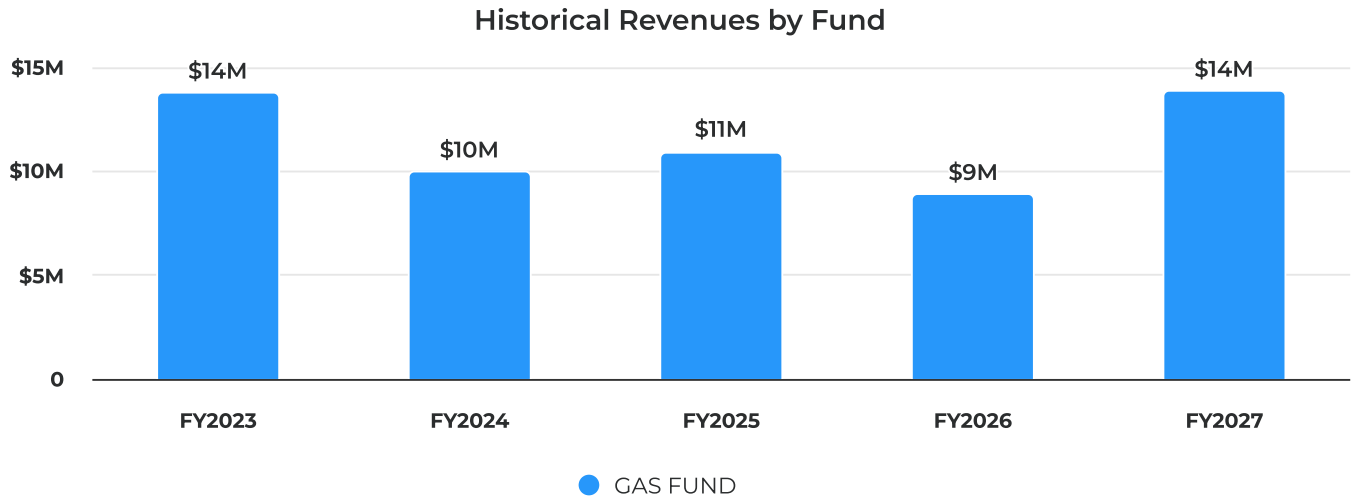
Historical Revenues Across Department



In FY2026, the Gas revenue budget is set at \$15.2 million, reflecting a significant increase of 28.32% compared to the previous period. This marks a notable upward trend in the revenue forecast for that year.

For FY2027, the Gas revenue budget decreases to \$13.8 million, which is an 8.81% decline from the FY2026 budget. Despite this reduction, the FY2027 budget remains higher than the period prior to FY2026, indicating a partial pullback after the substantial increase in the previous year.

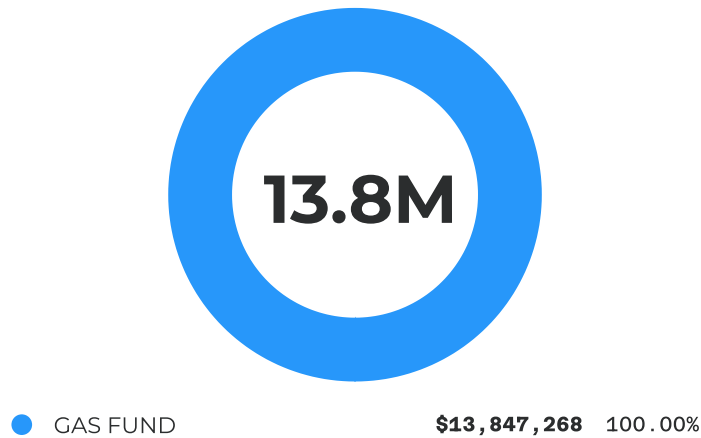
Revenues by Fund



In FY2027, the total historical revenue for the Gas fund is budgeted at \$13.8 million, representing a decrease of 8.81% compared to the FY2026 total of \$15.2 million. The Gas fund remains the sole and largest category, accounting for 100% of the total revenue in both years.

Compared to FY2026, when the Gas fund revenue increased by \$4.3 million or 39.23%, FY2027 shows a reversal with a decrease of \$1.3 million or 8.81%. This marks a significant reduction in the Gas fund revenue from the previous year's peak.

FY27 Revenues by Fund

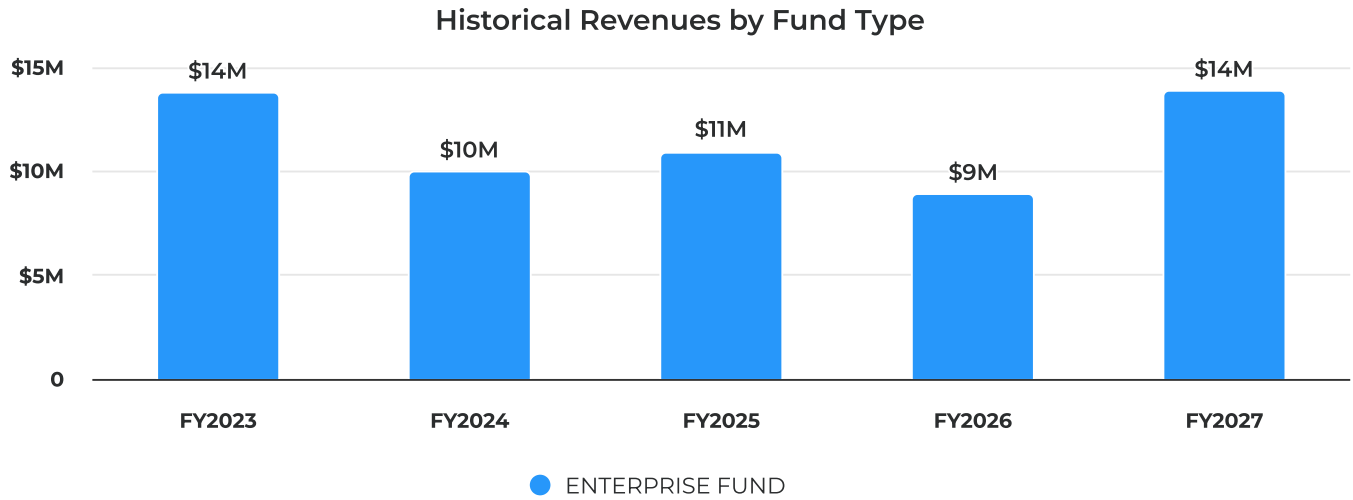


The Gas Fund's Fiscal Year Revenue totals \$13.8 million, representing 100% of the fund's revenue for the fiscal year.

Revenues by Fund

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
GAS FUND	\$15,169,727.00	\$13,847,268.00	-8.72%
Total Revenues	\$15,169,727.00	\$13,847,268.00	-8.72%

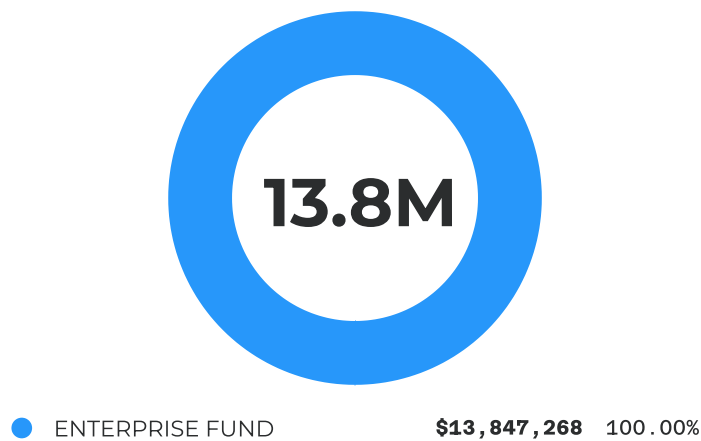
Revenues by Fund Type



In FY2027, the total revenue for Gas is budgeted at \$13.8 million, representing a decrease of 8.81% from the FY2026 total of \$15.2 million. The Enterprise Fund remains the sole contributor, accounting for 100% of the total revenue in both years.

The Enterprise Fund revenue decreases by \$1.3 million, or 8.81%, from \$15.2 million in FY2026 to \$13.8 million in FY2027. This decline marks the largest change within the fund types for the Gas revenue category during this period.

FY27 Revenues by Fund Type

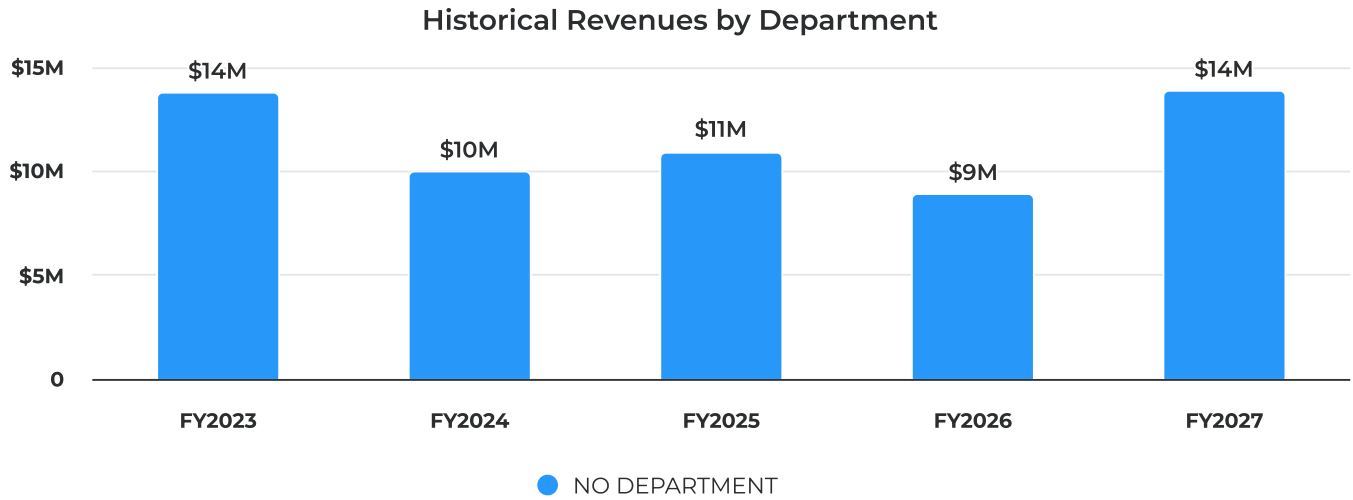


For the Gas category in the Fiscal Year Revenue by Fund Type, the total revenue is \$13.8 million, which represents 100% from the Enterprise Fund.

Revenues by Fund Type

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
ENTERPRISE FUND	\$15,169,727.00	\$13,847,268.00	-8.72%
Total Revenues	\$15,169,727.00	\$13,847,268.00	-8.72%

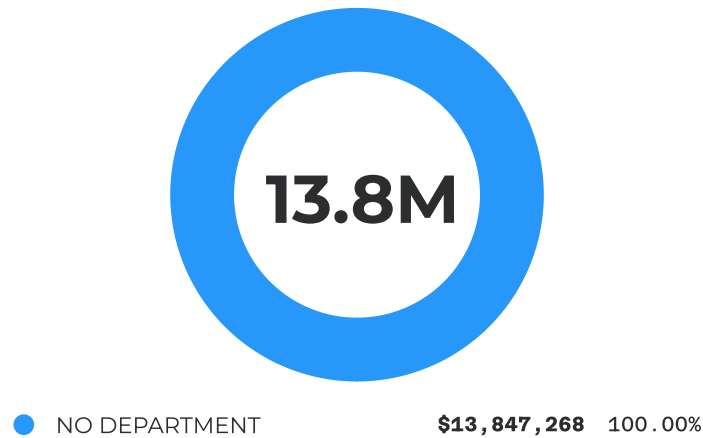
Revenues by Department



In FY2027, the total revenue for Gas is budgeted at \$13.8 million, representing a decrease of 8.81% from the FY2026 total of \$15.2 million. The entire revenue continues to be attributed to the NO DEPARTMENT category, which accounts for 100% of the total revenue in both years.

Compared to FY2026, the NO DEPARTMENT revenue decreases by \$1.3 million, or 8.81%, down from \$15.2 million. This marks a reversal from the previous year’s increase of \$4.3 million, or 39.23%, in the same category. Overall, the FY2027 budget reflects a reduction in Gas revenue following the prior year’s significant growth.

FY27 Revenues by Department

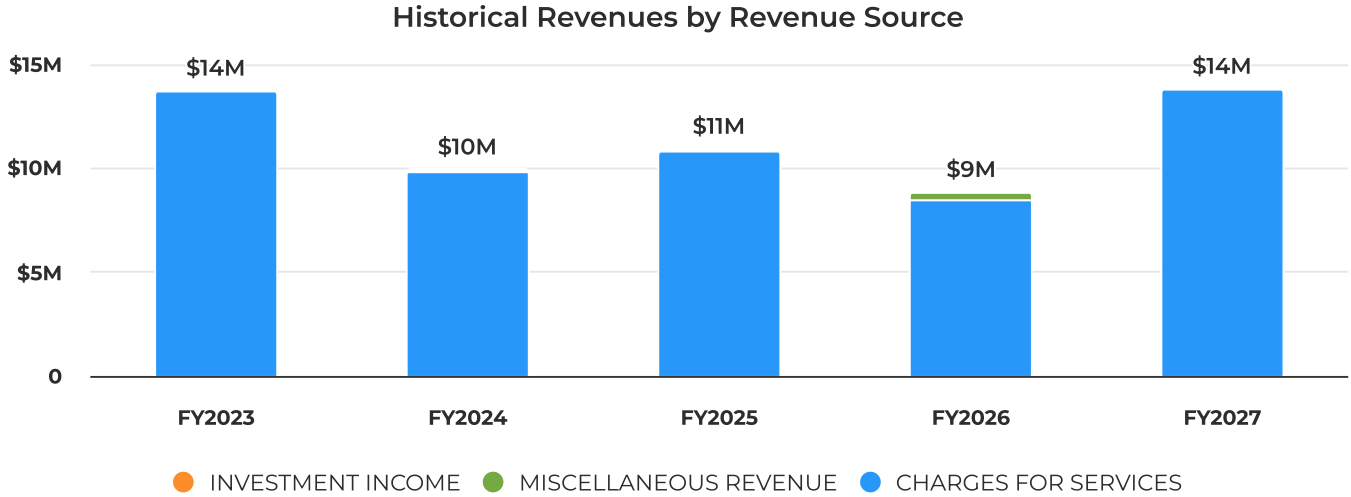


For the fiscal year, the Gas department's revenue totaled \$13.8 million, representing 100% of the fiscal year revenue by department.

Revenues by Department

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
NO DEPARTMENT	\$15,169,727.00	\$13,847,268.00	-8.72%
Total Revenues	\$15,169,727.00	\$13,847,268.00	-8.72%

Revenues by Revenue Source

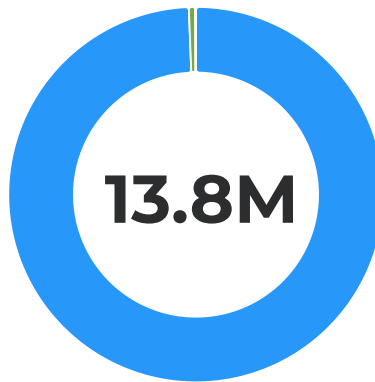


In FY2027, the total revenue for Gas is \$13.8 million, representing a decrease of 8.81% compared to FY2026's total of \$15.2 million. The largest revenue source remains Charges for Services, accounting for 98.8% of the total at \$13.7 million, which is a slight decrease of 1.63% or \$226,727 from the previous year.

Miscellaneous Revenue experienced a significant decline, dropping by 92.88% to \$90,770, which now constitutes only 0.66% of the total revenue, down from \$1.3 million and 8.4% in FY2026. Conversely, Investment Income saw a substantial increase of 7,400%, rising to \$75,000 and making up 0.54% of the total revenue, compared to just \$1,000 in the prior year.

Overall, the FY2027 budget reflects a decrease in total revenue driven primarily by reductions in Miscellaneous Revenue and a slight decline in Charges for Services, partially offset by a notable increase in Investment Income.

FY27 Revenues by Revenue Source



●	CHARGES FOR SERVICES	\$13,762,268	99.39%
●	INVESTMENT INCOME	\$75,000	0.54%
●	MISCELLANEOUS REVENUE	\$10,000	0.07%

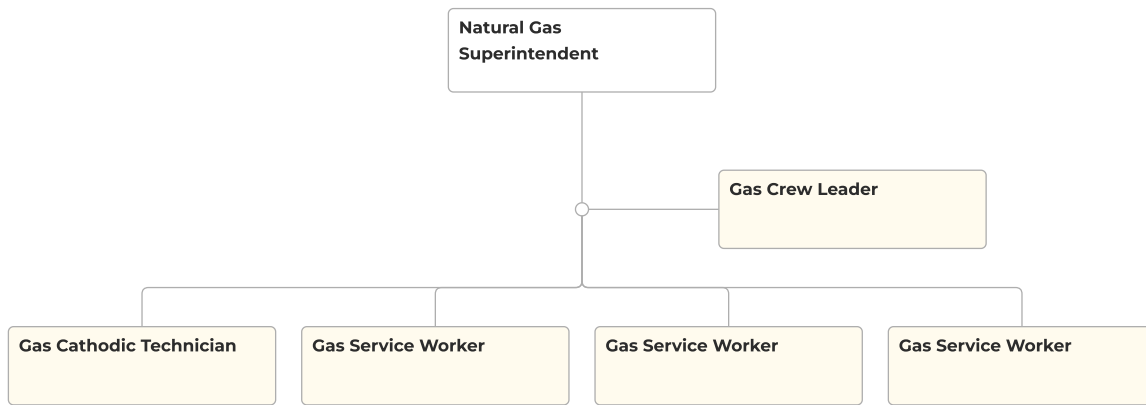
For the fiscal year, the Gas revenue is primarily composed of CHARGES FOR SERVICES, totaling \$13.7 million and accounting for 98.8% of the revenue. MISCELLANEOUS REVENUE contributes \$90,770, representing 0.66%, while INVESTMENT INCOME adds \$75,000, making up 0.54% of the total revenue.

Revenues by Revenue Source

Category	FY 2026 Adopted Budget	FY 2027 Budgeted	FY 2026 Adopted Budget vs. FY 2027 Budgeted (% Change)
CHARGES FOR SERVICES	\$13,893,727.00	\$13,762,268.00	-0.95%
INVESTMENT INCOME	\$1,000.00	\$75,000.00	7,400.00%
MISCELLANEOUS REVENUE	\$1,275,000.00	\$10,000.00	-99.22%
Total Revenues	\$15,169,727.00	\$13,847,268.00	-8.72%

Personnel Summary

Natural Gas



Summary of Goals

The Natural Gas Department’s strategic goals focus on safely extending gas infrastructure to serve new residential, commercial, and industrial growth while maintaining a reliable, efficient distribution system. Key priorities include constructing new main extensions, reinforcing system capacity in developing areas, and integrating Advanced Metering Infrastructure (AMI) to improve meter accuracy, enhance leak detection, and streamline customer service. The department continues to emphasize regulatory compliance, proactive maintenance, and data-driven planning to support long-term system integrity. These efforts strengthen operational resilience and position the City to meet future demand along expanding corridors.

Funding Sources Overview

The FY 2027 budget reflects a strategy centered on leveraging federal grants and utility revenues for infrastructure investment while maintaining a diversified and balanced General Fund. Tax revenue growth of nearly 11% and a fourfold increase in investment income are positive fiscal signals, indicating a strengthening local economy and favorable interest rate environment. The sharp decline in Licenses & Permits and the reduction in Other Financing Sources suggest a normalization following the conclusion of a recent capital activity cycle. Taken together, the budget positions the City of Commerce for sustained growth and continued investment in essential services and infrastructure — with minimal additional burden on local taxpayers.

Fund	FY 2027 Budget
American Rescue Act (ARP) 2021	\$23,368,570
Water & Sewer System	\$15,337,580
Gas Fund	\$13,832,770
General Fund	\$13,557,192
Electric Fund	\$10,639,099
SPLOST #7	\$6,793,297
TSPLOST	\$2,660,000
SPLOST #6	\$2,280,224
Commerce PFA Bond – Admin Complex	\$1,647,005
General Fund Capital Projects	\$1,249,726
Downtown Development Authority	\$1,081,890
Civic Center	\$365,632
Fiber	\$193,584

Capital Improvement Plan

The Capital Improvement Plan outlines Commerce’s multi-year strategy for maintaining and improving the City’s infrastructure, facilities, and equipment. It identifies high-priority projects—such as streets, utilities, public safety, parks, and technology—and aligns them with available funding sources including SPLOST/TPLOST, grants, enterprise revenues, and the Capital Projects Fund. The CIP guides annual budget decisions, ensures resources support the most critical needs, and is updated each year to reflect completed work, revised costs, and emerging priorities.

Capital Budgeting Process

Commerce uses a structured capital budgeting process to plan and fund long-term infrastructure needs. Departments submit project requests each year, including cost estimates and potential funding sources such as SPLOST, grants, enterprise revenues, or the Capital Projects Fund. The City Manager and Finance team review and prioritize projects based on safety, asset condition, service demand, and regulatory requirements. A draft Capital Improvement Plan is prepared and incorporated into the annual budget for Mayor and Council review. Once adopted, departments implement projects and Finance monitors progress, costs, and compliance. The plan is updated annually to reflect completed work, revised estimates, and emerging priorities.

Basis for Capital Revenue and Expenditures Estimates

Capital revenue estimates are developed using known, committed, or reasonably expected funding sources that support the City's Capital Improvement Plan (CIP). Estimates are based on:

- **SPLOST/TPLOST Collections** Forecasts use historical sales tax trends, current economic conditions, and projected growth. For Commerce, TPLOST is budgeted using the established annual estimate (e.g., \$2.46M/year).
- **Grants and Intergovernmental Revenues** Only awarded or highly probable grants are included. Estimates rely on grant award letters, state/federal program guidelines, and match requirements.
- **Enterprise Fund Capital Contributions** Water, Sewer, Gas, and Electric capital revenues are based on system needs, rate structures, and available retained earnings or depreciation reserves.
- **Transfers In** Transfers from the General Fund or enterprise funds are based on adopted financial policies and available fund balance.
- **Bond Proceeds or Loans (if applicable)** Included only when debt issuance is authorized or planned within the CIP.

Revenue estimates are intentionally conservative to ensure capital projects are matched with reliable funding.

Basis of Capital Expenditure Estimates

Capital expenditure estimates reflect the anticipated cost to design, construct, or acquire long-term assets. Estimates are developed using:

- **Department Cost Projections** Departments provide cost estimates based on vendor quotes, engineering assessments, or prior project experience.
- **Professional Engineering or Architectural Estimates** For infrastructure and facility projects, cost estimates rely on preliminary engineering, design studies, or industry-standard unit costs.
- **Inflation and Market Conditions** Estimates incorporate current construction pricing, supply chain conditions, and inflationary adjustments.
- **Scope and Project Timing** Multi-year projects include phased costs based on design, right-of-way, construction, and equipment procurement schedules.
- **Contingencies** Larger projects include contingency allowances to account for unknown conditions, regulatory requirements, or price volatility.
- **Lifecycle and Replacement Needs** Replacement projects use asset condition assessments, maintenance history, and expected useful life.

Capital expenditure estimates are updated annually to reflect revised costs, completed work, and changes in project scope.

Capital Improvement Project Ranking and Prioritization Process

Commerce uses a structured ranking process to evaluate and prioritize capital projects based on community need, safety, regulatory requirements, asset condition, and long-term financial impact. Departments submit project requests with cost estimates and funding sources, which are reviewed by the City Manager and Finance team. Projects are scored using criteria such as urgency, service demand, risk reduction, operational efficiency, and alignment with strategic goals. High-priority projects—especially those addressing safety, compliance, or essential infrastructure—are advanced into the Capital Improvement Plan and matched with available funding such as SPLOST, grants, enterprise revenues, or the Capital Projects Fund. The ranked list guides annual budget development and ensures resources are directed to the most critical and cost-effective investments.

Definitions and Criteria for Capital Projects

Capital Project (Definition)

A **capital project** is a major investment in the City's infrastructure, facilities, or equipment that:

- Has a **useful life of more than one year**, and
- Exceeds the City's **capital cost threshold** (typically \$5,000–\$10,000 depending on asset type), and
- Improves, expands, replaces, or extends the life of a public asset.

Capital projects are planned through the **Capital Improvement Plan (CIP)** and funded through sources such as SPLOST/TPLOST, grants, enterprise revenues, or the Capital Projects Fund.

Capital Asset (Definition)

A **capital asset** is a long-term item owned by the City, including:

- Buildings and facilities
- Roads, sidewalks, and stormwater systems
- Water, sewer, gas, and electric infrastructure
- Vehicles, heavy equipment, and major technology systems
- Land and land improvements

These assets are tracked for financial reporting and depreciation.

Criteria Used to Determine Whether a Project Qualifies

Commerce evaluates potential capital projects using the following criteria:

- **Useful Life** — Must provide service benefits for more than one year.
- **Cost Threshold** — Must exceed the City's minimum capital cost threshold.
- **Asset Type** — Must involve infrastructure, facilities, equipment, or technology with long-term value.
- **Scope of Work** — Must be a major improvement, replacement, expansion, or new construction (not routine maintenance).
- **Funding Eligibility** — Must align with allowable uses of SPLOST/TPLOST, grants, enterprise revenues, or other capital sources.
- **Regulatory Requirements** — Projects required for safety, compliance, or environmental standards qualify automatically.
- **Operational Impact** — Projects that reduce risk, improve efficiency, or lower long-term costs are prioritized.
- **Community Benefit** — Projects that enhance service delivery, support growth, or improve quality of life receive higher consideration.

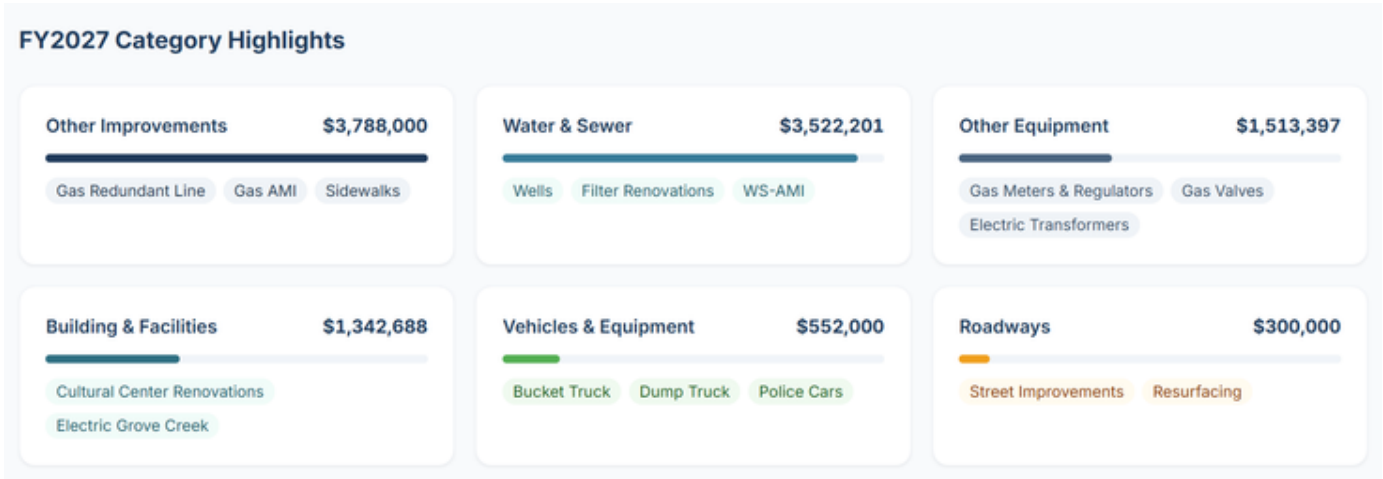
Examples of Capital Projects

- Street resurfacing and sidewalk construction
- Water, sewer, gas, and electric system upgrades
- Facility renovations or expansions

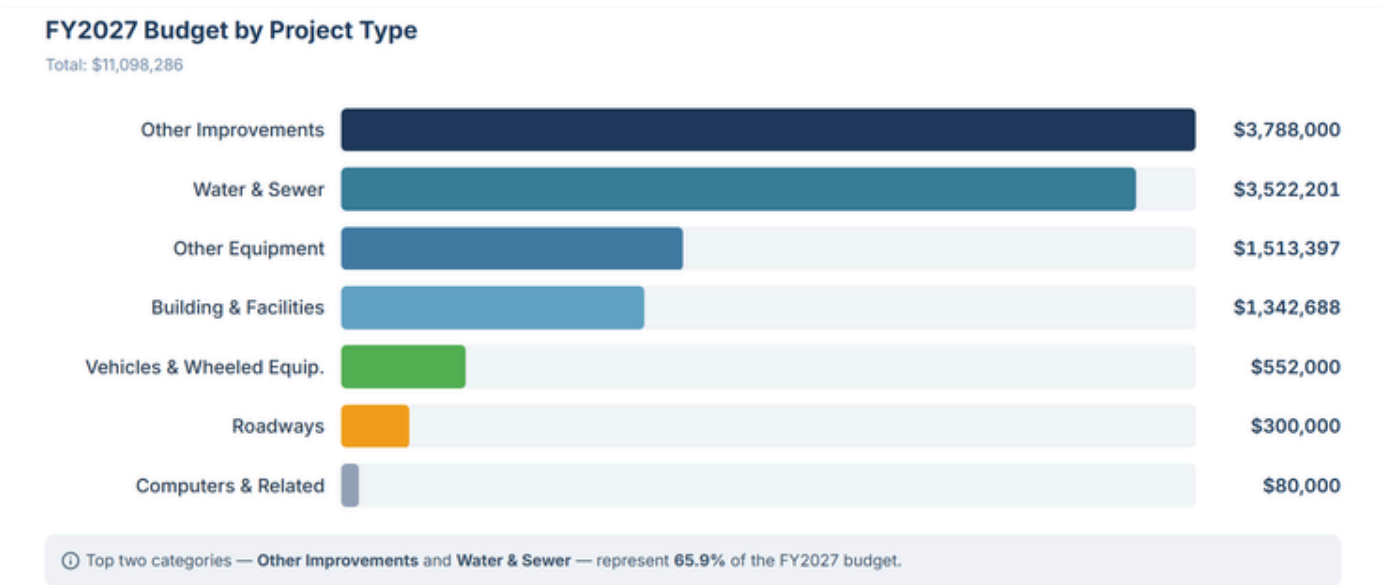
- Major vehicle and equipment replacements
- Park improvements and recreation facilities
- Downtown development and streetscape projects
- Technology system replacements with multi-year life

One Year Plan

The Fiscal Year 2027 Capital Improvement Plan represents a \$11.1 million investment across 64 capital projects spanning 7 categories. This single-year budget accounts for 89.3% of the entire five-year CIP, reflecting a strategic front-loaded approach to address critical infrastructure needs in gas, water, sewer, and community facilities. The largest allocations target Other Improvements (\$3.79M) and Water & Sewer (\$3.52M), which together represent nearly two-thirds of the annual budget.



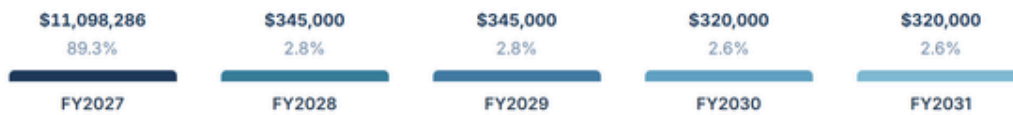
One Year - Plan



Capital Improvement Multi-Year Plan

The five-year Capital Improvement Plan totals \$12.43 million and spans Fiscal Years 2027 through 2031 across 7 departments. The plan is heavily front-loaded, with FY2027 carrying 89.3% of total spending to address major one-time infrastructure projects including the Gas Redundant Line, water supply wells, filter renovations, and Advanced Metering Infrastructure deployments. Out-years FY2028 through FY2031 transition to steady-state maintenance and recurring equipment replacements averaging approximately \$330,000 per year.

Year-by-Year Budget Allocation

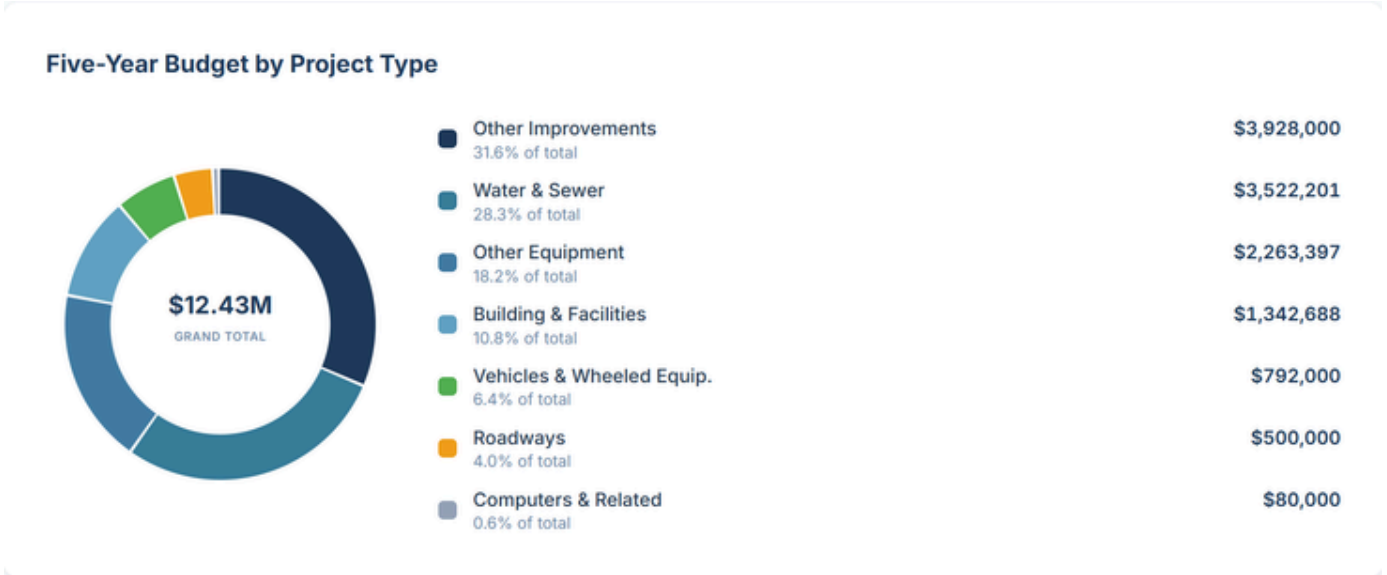


Capital Improvement Multi-Year Plan

- Front-Loaded Investment**
FY27 carries 89% of the five-year budget, driven by major one-time infrastructure projects.
- Flat Out-Year Spending**
FY28-FY31 range from \$320K-\$345K/year for recurring maintenance and phased replacements.
- Two FY27-Only Categories**
Water & Sewer (\$3.52M) and Building & Facilities (\$1.34M) have zero spending beyond FY27.
- Grand Total \$12.43M**
The CIP addresses critical infrastructure including gas, electric, water, sewer, and community facilities.

Capital Improvement Plan - Project Types

Capital investments are organized into 7 project type categories over the five-year plan. Other Improvements leads at 31.6% (\$3.93M), followed closely by Water & Sewer at 28.3% (\$3.52M) and Other Equipment at 18.2% (\$2.26M). Notably, three categories — Water & Sewer, Building & Facilities, and Computers & Related Equipment — are funded exclusively in FY2027 with no out-year allocations, indicating these are one-time capital investments rather than recurring programs.



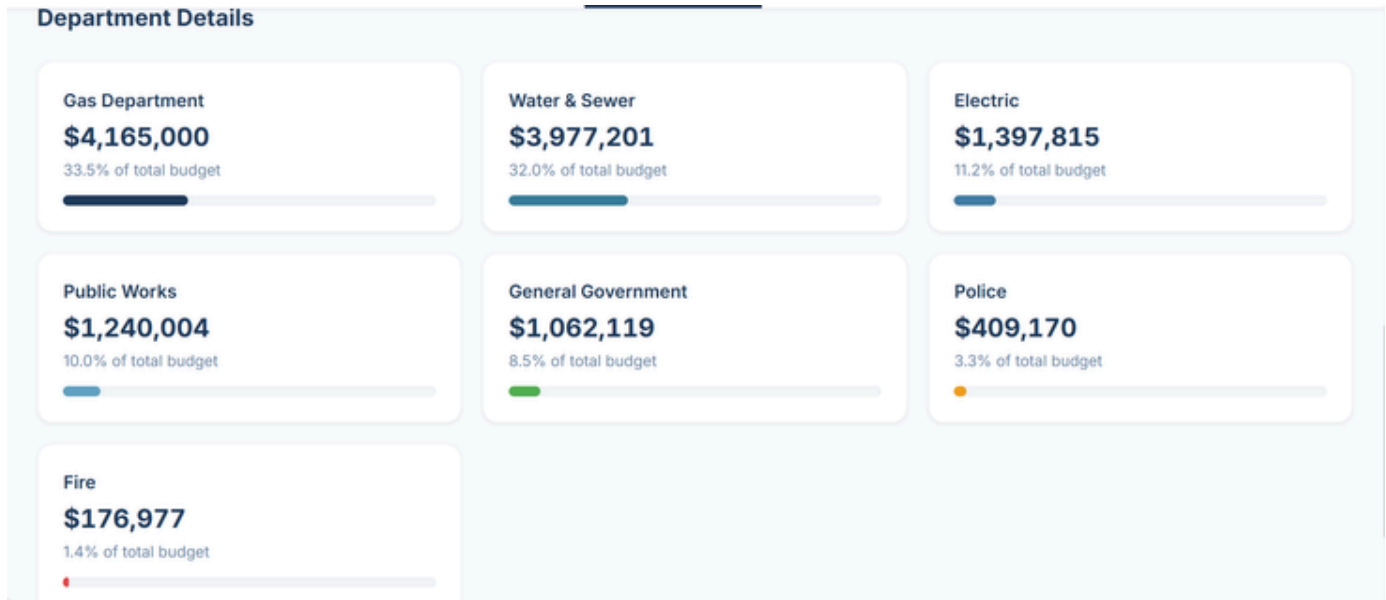
Capital Improvement Plan - Category

Five-Year Spending by Category

CATEGORY	FY2027	FY2028	FY2029	FY2030	FY2031	TOTAL	SHARE
Other Improvements	\$3,788,000	\$35,000	\$35,000	\$35,000	\$35,000	\$3,928,000	31.6%
Water & Sewer	\$3,522,201	—	—	—	—	\$3,522,201	28.3%
Other Equipment	\$1,513,397	\$200,000	\$200,000	\$175,000	\$175,000	\$2,263,397	18.2%
Building & Facilities	\$1,342,688	—	—	—	—	\$1,342,688	10.8%
Vehicles & Equipment	\$552,000	\$60,000	\$60,000	\$60,000	\$60,000	\$792,000	6.4%
Roadways	\$300,000	\$50,000	\$50,000	\$50,000	\$50,000	\$500,000	4.0%
Computers & Related	\$80,000	—	—	—	—	\$80,000	0.6%
Grand Total	\$11,098,286	\$345,000	\$345,000	\$320,000	\$320,000	\$12,428,286	100%

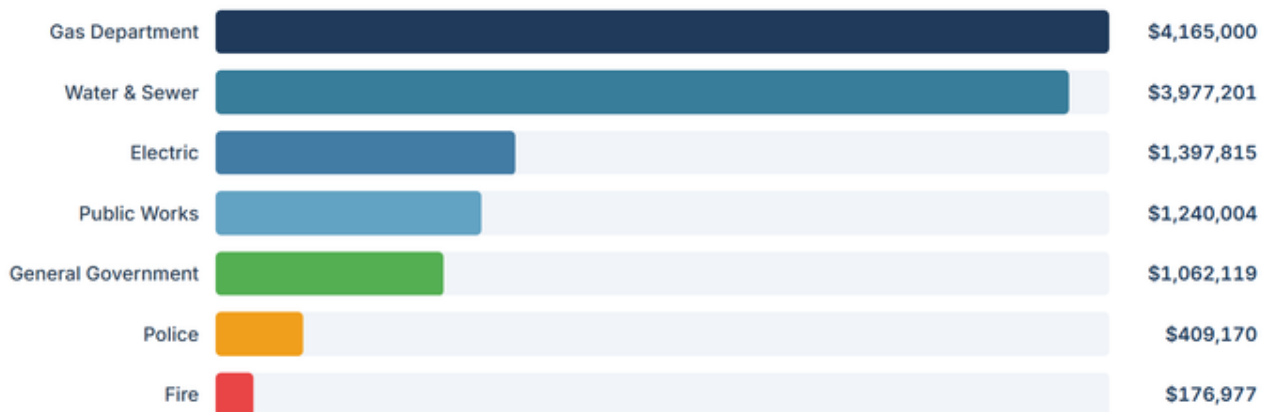
Capital Improvement Plan - Departments

The \$12.43 million five-year CIP is distributed across 7 municipal departments. Utility departments dominate the plan, with Gas (\$4.17M, 33.5%) and Water & Sewer (\$3.98M, 32.0%) together accounting for nearly two-thirds of total capital spending. Electric (\$1.40M), Public Works (\$1.24M), and General Government (\$1.06M) comprise the mid-tier, while Police (\$409K) and Fire (\$177K) receive smaller targeted investments for vehicles, equipment, and technology upgrades.



Capital Improvement Plan - Department Comparison

Department Budget Comparison



Capital Improvement Plan - Expenditures

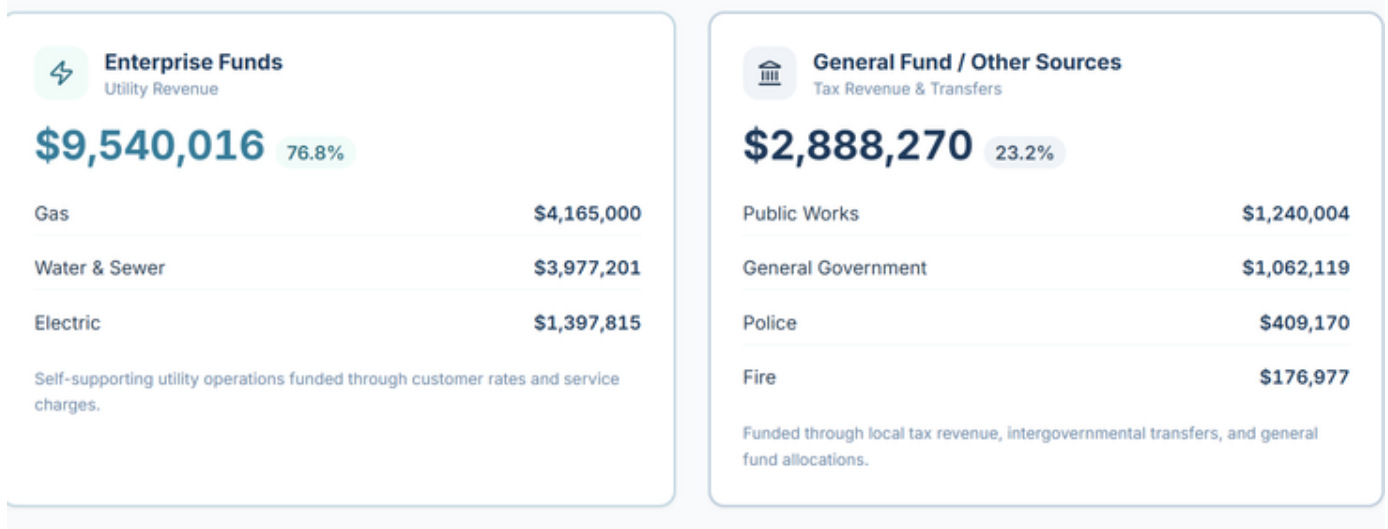
Total capital expenditures across the five-year CIP amount to \$12,428,286. The expenditure pattern is distinctly front-loaded, with \$11.1 million (89.3%) concentrated in FY2027 to fund major infrastructure projects. Annual expenditures drop sharply to \$345,000 in FY2028 and FY2029, then decline further to \$320,000 in FY2030 and FY2031, reflecting a transition from capital buildout to ongoing maintenance and equipment replacement cycles.

Expenditure Detail by Category & Year

CATEGORY	FY2027	FY2028	FY2029	FY2030	FY2031	TOTAL
Other Improvements	\$3,788,000	\$35,000	\$35,000	\$35,000	\$35,000	\$3,928,000
Water & Sewer	\$3,522,201	—	—	—	—	\$3,522,201
Other Equipment	\$1,513,397	\$200,000	\$200,000	\$175,000	\$175,000	\$2,263,397
Building & Facilities	\$1,342,688	—	—	—	—	\$1,342,688
Vehicles & Equipment	\$552,000	\$60,000	\$60,000	\$60,000	\$60,000	\$792,000
Roadways	\$300,000	\$50,000	\$50,000	\$50,000	\$50,000	\$500,000
Computers & Related	\$80,000	—	—	—	—	\$80,000
Grand Total	\$11,098,286	\$345,000	\$345,000	\$320,000	\$320,000	\$12,428,286

Capital Improvement Plan - Revenues

Capital improvement projects are supported through two primary funding mechanisms based on departmental classification. Enterprise Funds — generated through utility customer rates and service charges from Gas, Water & Sewer, and Electric operations — provide \$9.54 million (76.8%) of total CIP funding. The remaining \$2.89 million (23.2%) is sourced from General Fund revenues including local tax revenue, intergovernmental transfers, and other governmental allocations supporting Public Works, General Government, Police, and Fire departments.



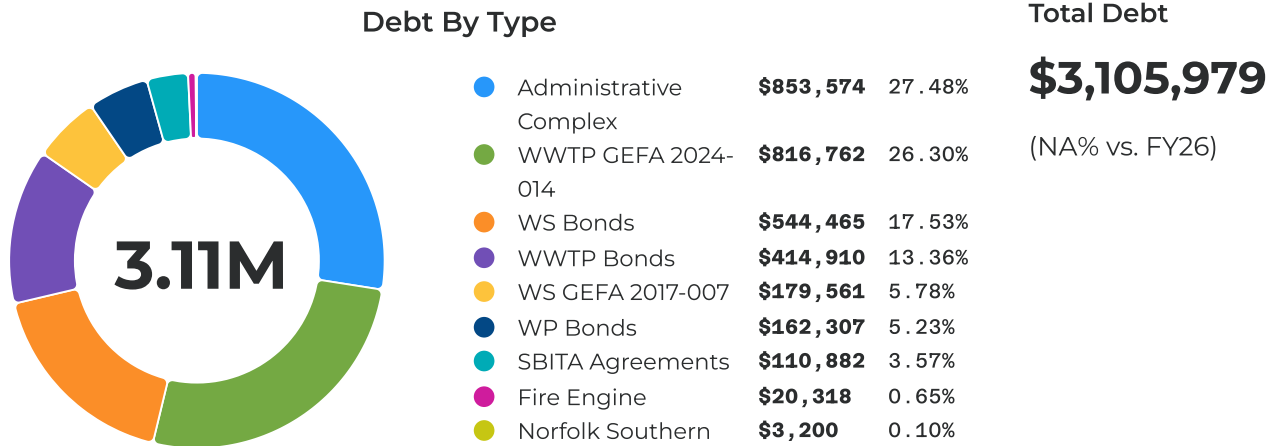
Debt Overview Summary

The City of Commerce manages debt conservatively to support long-term capital needs while maintaining compliance with state law and financial best practices. The City issues debt only for major capital projects and follows strict federal and state requirements for tax-exempt financing, disclosure, and post-issuance compliance. General Obligation (GO) debt is backed by the City's full faith and credit and is limited by Georgia's constitutional cap of 10% of the City's assessed property value. Most utility-related projects are funded through revenue bonds, which are repaid from Water, Sewer, Gas, or Electric system revenues and do not count against the GO debt limit. Short-term borrowing may be used for cash flow or construction needs, and refinancing is considered when it provides measurable savings. The City evaluates debt affordability annually using legal debt margin, debt burden, and payout ratios to ensure long-term financial sustainability.

Debt Service by Obligation

Debt Obligation	FY 2027 Total	Principal	Interest	% of Total Debt	Final Maturity
GF – Administrative Complex	\$903,574	\$529,903	\$373,671	34.86%	2031
WWTP – Grove Creek	\$816,762	\$449,894	\$366,868	31.51%	2031
WWTP – Northside	\$414,910	\$388,395	\$26,515	16.01%	2029
Water & Sewer	\$274,026	\$214,298	\$59,728	10.57%	2031
Water Plant	\$162,307	\$151,935	\$10,372	6.26%	2029
GF – Fire Engine	\$20,318	\$19,184	\$1,134	0.78%	2028
Total	\$2,591,897	\$1,753,609	\$838,288	100%	

Debt By Type



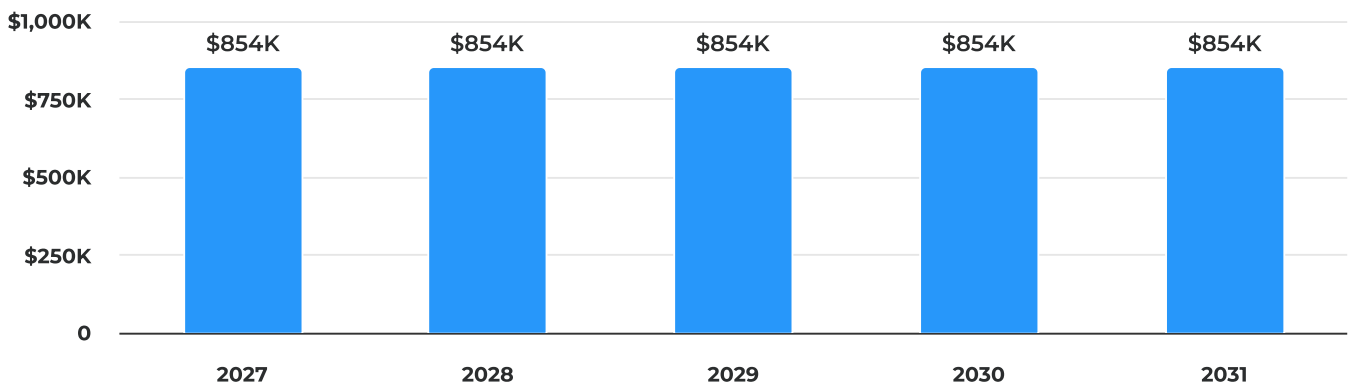
Total Debt

\$3,105,979

(NA% vs. FY26)

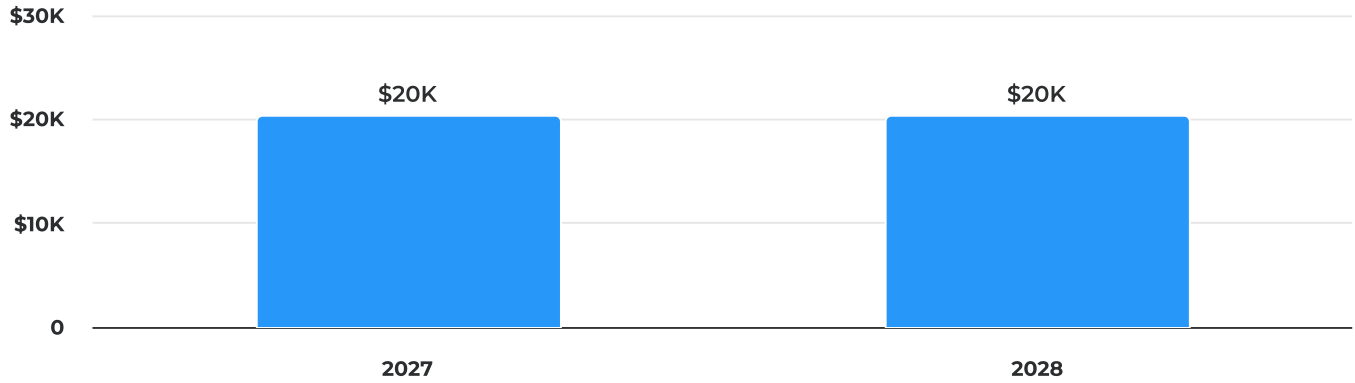
Fund Name	FY2027
Administrative Complex	\$853,574.00
Fire Engine	\$20,318.00
Norfolk Southern	\$3,200.00
WS Bonds	\$544,465.00
WS GEFA 2017-007	\$179,561.00
WWTP Bonds	\$414,910.00
WWTP GEFA 2024-014	\$816,762.00
WP Bonds	\$162,307.00
SBITA Agreements	\$110,882.00
Total Debt	\$3,105,979.00

Administrative Complex



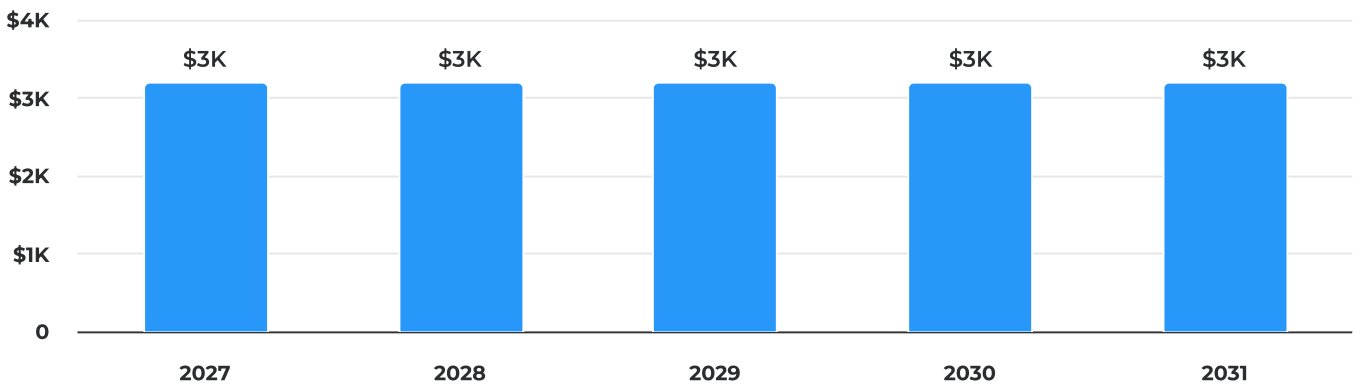
Fund Name	FY2027
Principal	\$529,903.00
Interest	\$323,671.00
Total Debt	\$853,574.00

Fire Engine



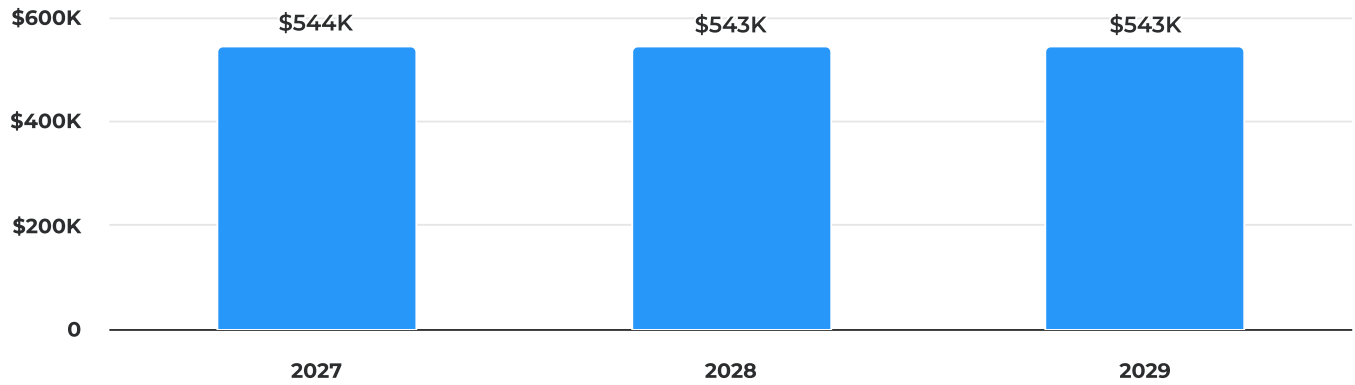
Fund Name	FY2027
Principal	\$19,184.00
Interest	\$1,134.00
Total Debt	\$20,318.00

Norfolk Southern



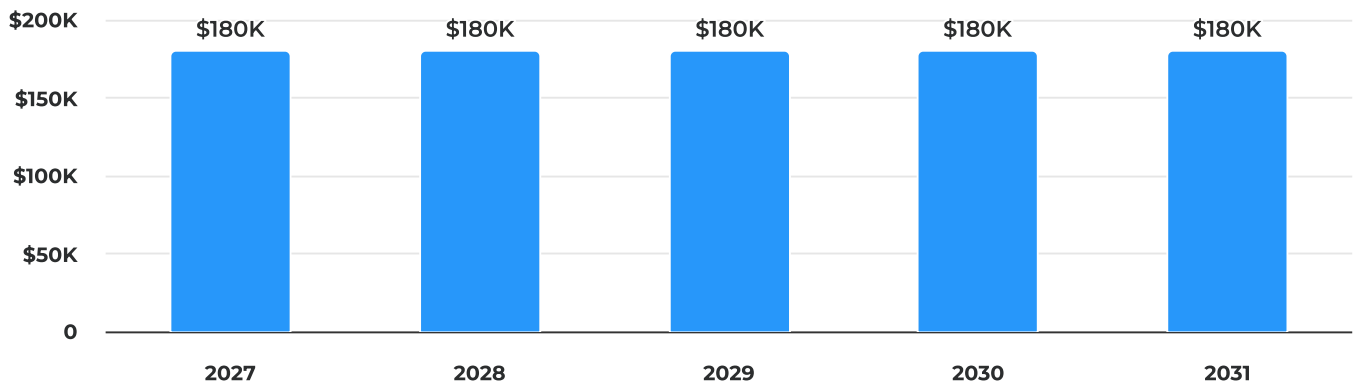
Fund Name	FY2027
Norfolk Southern	\$3,200.00
Total Debt	\$3,200.00

WS Bonds



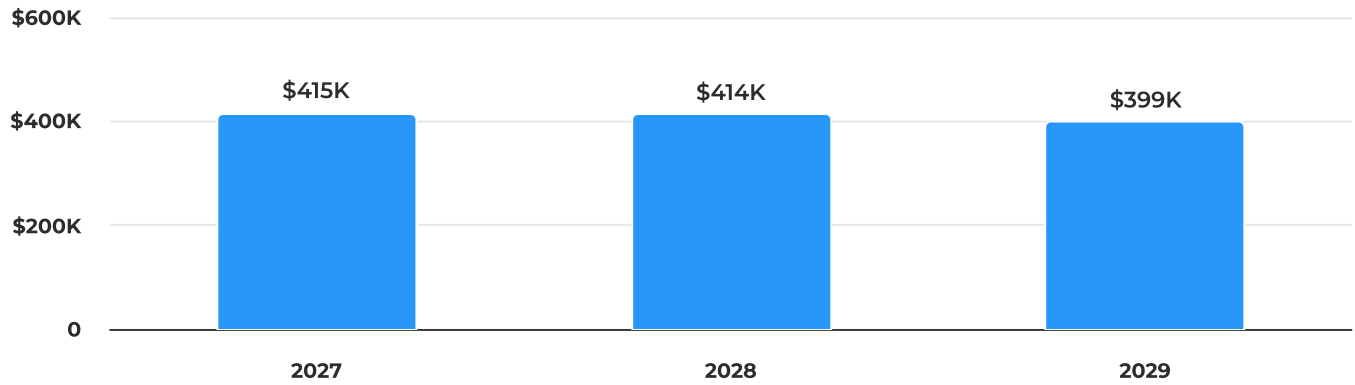
Fund Name	FY2027
Principal	\$509,670.00
Interest	\$34,795.00
Total Debt	\$544,465.00

WS GEFA 2017-007



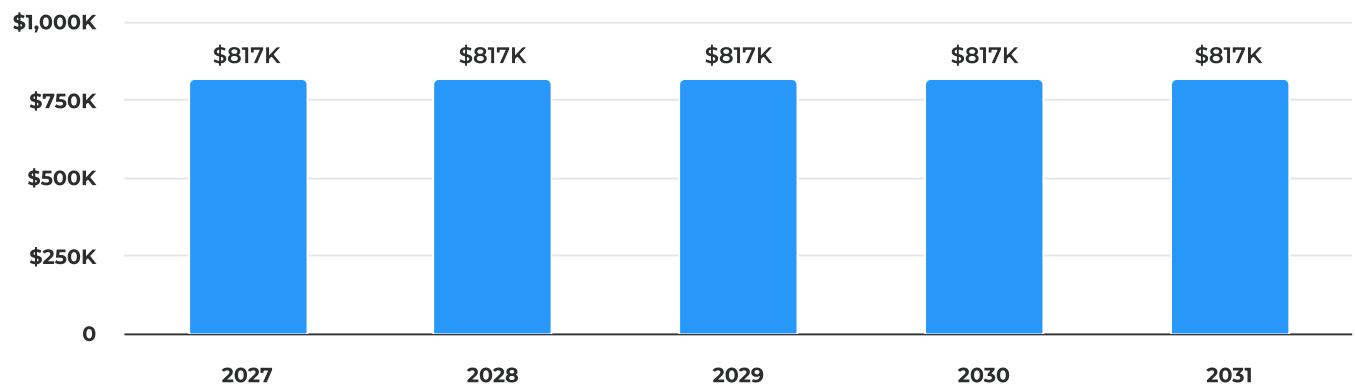
Fund Name	FY2027
Principal	\$154,628.00
Interest	\$24,933.00
Total Debt	\$179,561.00

WWTP Bonds



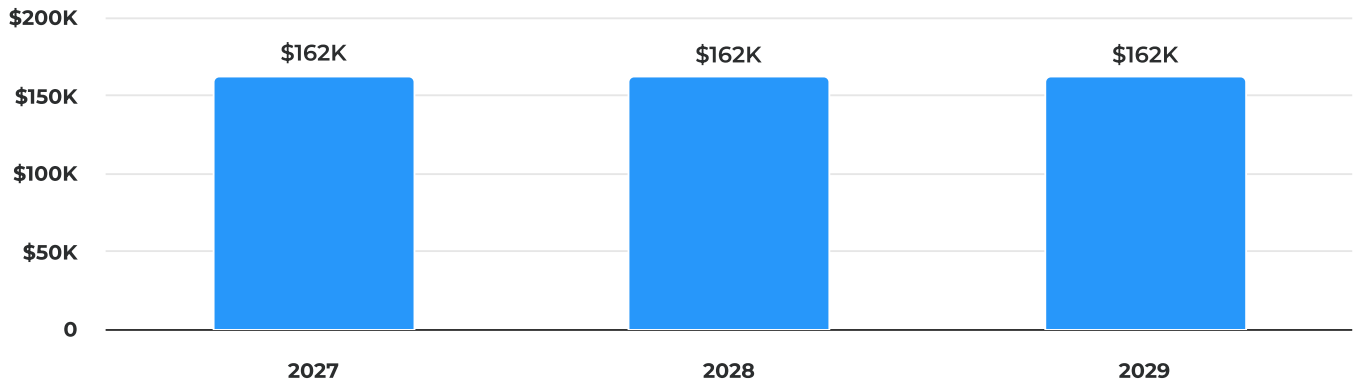
Fund Name	FY2027
Principal	\$388,395.00
Interest	\$26,515.00
Total Debt	\$414,910.00

WWTP GEFA 2024-014



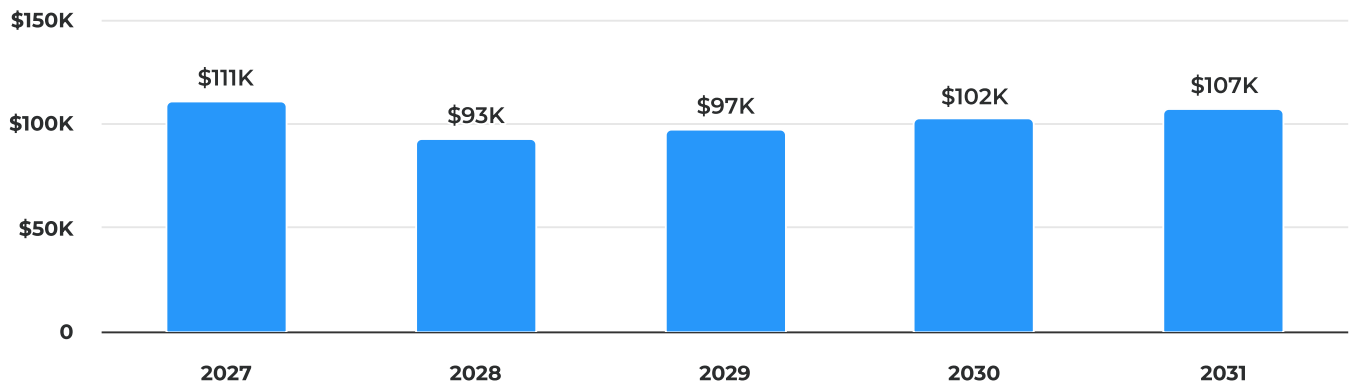
Fund Name	FY2027
Principal	\$449,894.00
Interest	\$366,868.00
Total Debt	\$816,762.00

WP Bonds



Fund Name	FY2027
Principal	\$151,935.00
Interest	\$10,372.00
Total Debt	\$162,307.00

SBITA Agreements



Fund Name	FY2027
BS&A	\$47,696.00
NextRequest	\$5,248.00
ClearGov	\$42,618.00
Andrews Technology	\$12,695.00
CivicRec	\$2,625.00
Total Debt	\$110,882.00

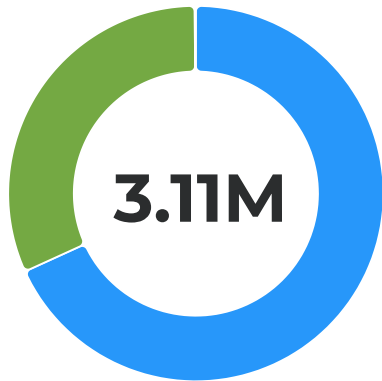
Debt Service Payment By Fund

Debt By Fund

Total Debt

\$3,105,979

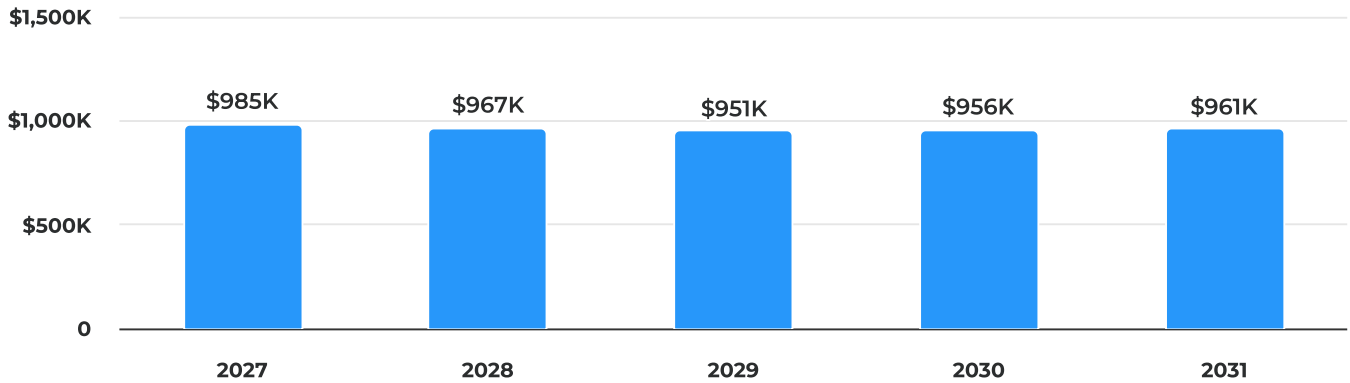
(NA% vs. FY26)



● ENTERPRISE FUND	\$2,118,005	68.19%
● GENERAL FUND	\$984,774	31.71%
● COMPONENT UNIT	\$3,200	0.10%

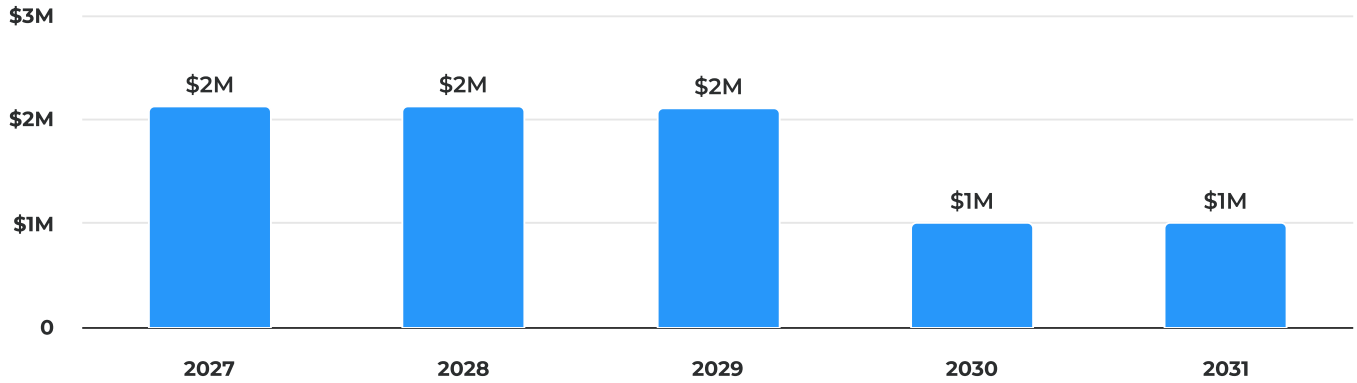
Fund Name	FY2027
GENERAL FUND	\$984,774.00
COMPONENT UNIT	\$3,200.00
ENTERPRISE FUND	\$2,118,005.00
Total Debt	\$3,105,979.00

GENERAL FUND



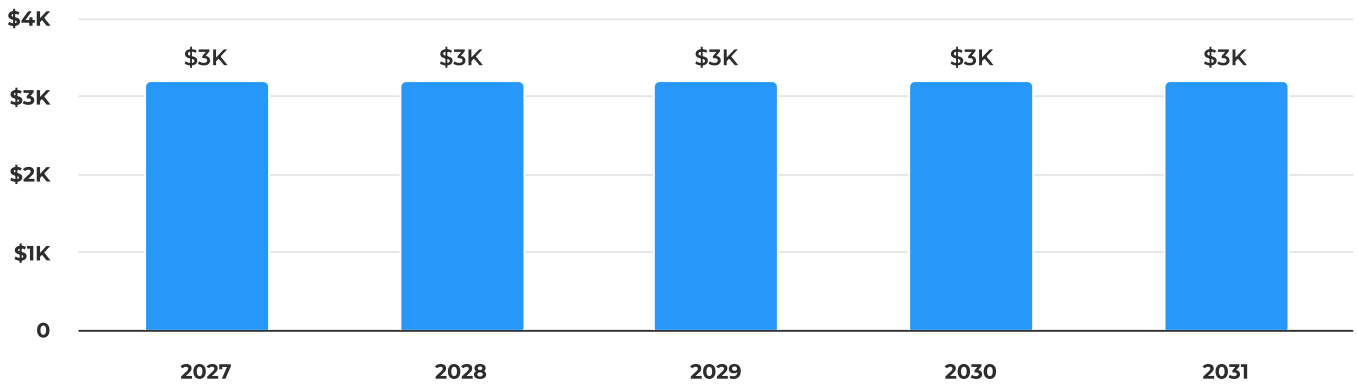
Fund Name	FY2027
GENERAL FUND	\$984,774.00
Total Debt	\$984,774.00

ENTERPRISE FUND



Fund Name	FY2027
WATER AND SEWER SYSTEM	\$2,118,005.00
Total Debt	\$2,118,005.00

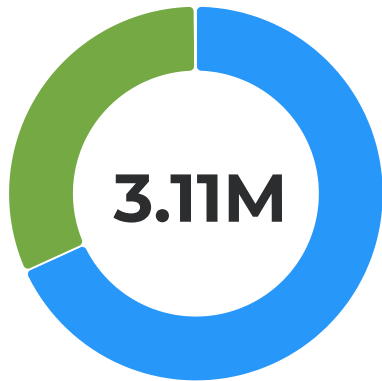
COMPONENT UNIT



Fund Name	FY2027
DOWNTOWN DEVELOPMENT AUTHORITY	\$3,200.00
Total Debt	\$3,200.00

Debt Service Payment By Fund

Debt By Fund



● ENTERPRISE FUND	\$2,118,005	68.19%
● GENERAL FUND	\$984,774	31.71%
● COMPONENT UNIT	\$3,200	0.10%

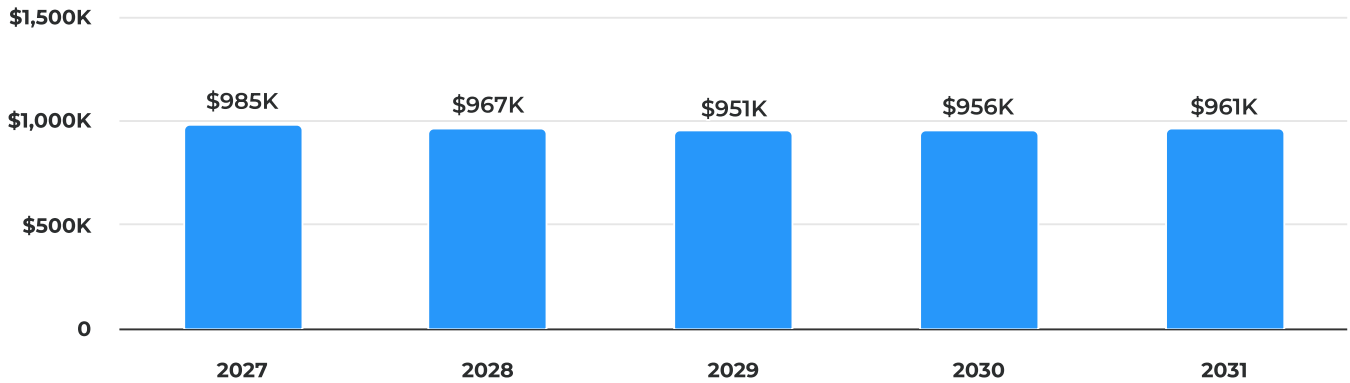
Total Debt

\$3,105,979

(NA% vs. FY26)

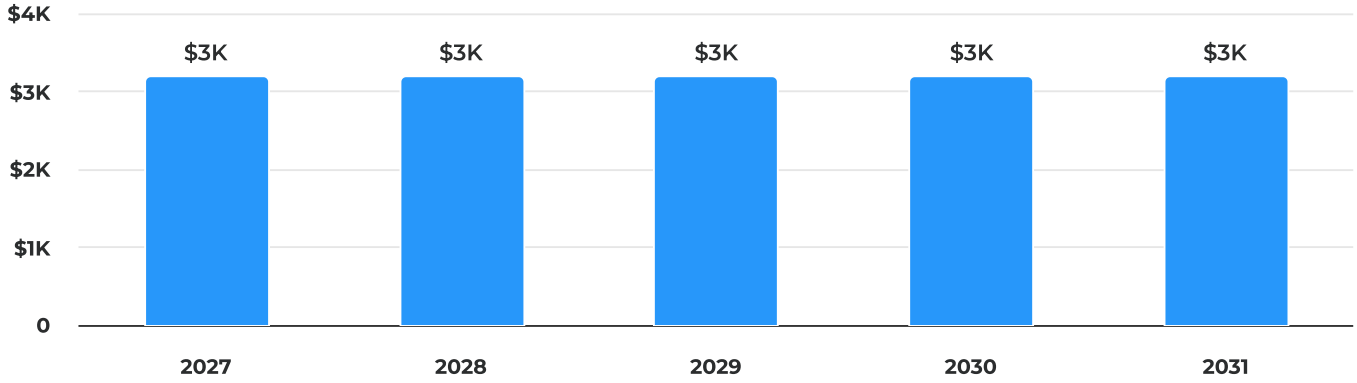
Fund Name	FY2027
GENERAL FUND	\$984,774.00
COMPONENT UNIT	\$3,200.00
ENTERPRISE FUND	\$2,118,005.00
Total Debt	\$3,105,979.00

GENERAL FUND



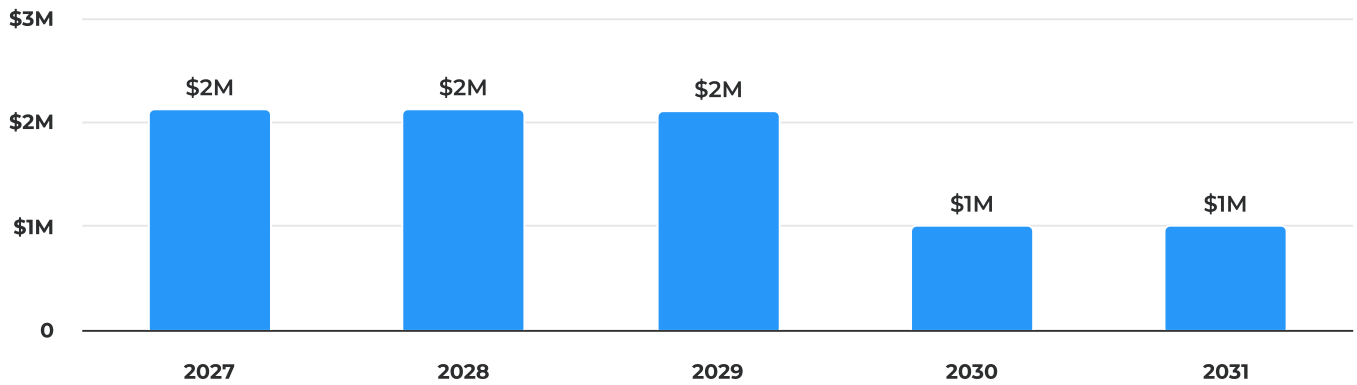
Fund Name	FY2027
GENERAL FUND	\$984,774.00
Total Debt	\$984,774.00

COMPONENT UNIT



Fund Name	FY2027
DOWNTOWN DEVELOPMENT AUTHORITY	\$3,200.00
Total Debt	\$3,200.00

ENTERPRISE FUND



Fund Name	FY2027
WATER AND SEWER SYSTEM	\$2,118,005.00
Total Debt	\$2,118,005.00

Appendix

The City of Commerce budget is developed through a structured and transparent process that ensures public resources are allocated responsibly and in alignment with community priorities. This appendix provides additional narrative explanations to help readers better understand the financial tables, fund structures, and project details presented throughout the budget book. Each section is written in clear, accessible language to support residents, elected officials, and staff in interpreting the City's financial information.

1. Glossary of Key Budget Terms

This glossary defines common terms used throughout the budget. Words such as *appropriation*, *fund balance*, *capital outlay*, and *enterprise fund* appear frequently in municipal budgeting, and understanding them helps readers follow how the City allocates resources. These definitions support transparency and ensure that financial information is accessible to all audiences.

2. Overview of the City's Fund Structure

The City organizes its finances into separate funds to ensure clarity, accountability, and compliance with state law. The General Fund supports core services such as Police, Fire, Public Works, and Administration. Enterprise Funds—Water & Sewer, Electric, Gas, and Sanitation—operate like utilities and are supported by user fees rather than taxes. Capital Project Funds track major infrastructure investments, including the \$1.2 million Wells Project and the \$26.4 million Grove Creek WPCP expansion. Debt Service Funds manage repayment of long-term obligations. Each fund functions independently, allowing residents to see exactly how money is collected and spent.

3. Capital Project Lifecycle

Capital projects follow a consistent lifecycle that ensures planning, funding, and construction occur in a coordinated and transparent manner. Projects begin with identification of need, often driven by safety, regulatory requirements, or infrastructure assessments. They then move into scoping, cost estimation, and development of a funding strategy. Once approved by City Council, projects proceed through design, procurement, construction, and final closeout. This lifecycle ensures that major investments are aligned with long-term community goals and that residents can track progress from concept to completion.

4. Revenue Explanations

City revenues come from a mix of taxes, fees, and intergovernmental sources. Property taxes and sales taxes support general operations, while enterprise revenues fund utility services. Grants and SPLOST provide critical support for capital improvements. Understanding these revenue streams helps residents see how the City maintains essential services while planning for future growth and infrastructure needs.

5. Expenditure Categories

City spending is grouped into categories that reflect the nature of the expense. Personnel Services include salaries and benefits. Operating Expenses cover supplies, utilities, maintenance, and contractual services. Capital Outlay funds equipment and infrastructure purchases. Debt Service includes principal and interest payments on long-term obligations. These categories help readers understand how resources are allocated across daily operations and long-term investments.

6. Budget Calendar (Annual Cycle)

The annual budget process begins early in the calendar year with strategic planning and capital needs review. Departments enter requests in ClearGov in March, followed by internal review and refinement in April. Council work sessions and public engagement occur in May, with final adoption in June. The fiscal year begins July 1, and financial monitoring continues throughout the year. This predictable cycle ensures transparency, accountability, and opportunities for public participation.

7. Financial Policies (Summary)

The City follows a set of financial policies that promote stability, accountability, and long-term planning. These include maintaining a balanced budget, preserving adequate fund balance reserves, updating the multi-year Capital Improvement Plan annually, managing debt responsibly, and following competitive procurement practices. These policies guide decision-making and protect the City's financial health.

Glossary

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

ACFR: Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

Assets: Items owned by an organization that have economic value, such as cash, investments, property, and equipment.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the

betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Flow: The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

Cash Management: The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short- term borrowing and investment of idle cash.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

Compliance: Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery — direct, indirect, and capital costs — are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Equity: The residual interest in the assets of an organization after deducting liabilities, representing the owners' stake in the business.

Estimated Receipts: A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

- Expenditure:** An outlay of money made by municipalities to provide the programs and services within their approved budget.
- Fiduciary Funds:** Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private- purpose trust funds, and agency funds.
- Financial Statements:** Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.
- Fiscal Year:** The 12-month period for which an organization plans the use of its funds, typically not the same as the calendar year.
- Fixed Assets:** Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.
- Fixed Costs:** Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.
- Float:** The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.
- Full Faith and Credit:** A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.
- Fund:** An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.
- Fund Accounting:** Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.
- GAAP:** Generally Accepted Accounting Principles - Standard accounting principles, standards, and procedures that companies use to compile their financial statements.
- GASB 34:** A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.
- GASB 45:** This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.
- General Fund:** The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Internal Controls: Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Liabilities: Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the state or counties to municipalities and school districts.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Net Income: The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Proprietary Funds: Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve Fund: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenues: Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Title Foreclosure: The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as

directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.