CHANDLER arizona

Informational Memo

Budget Division - Memo No. BD27-007

Date: September 25, 2026

To: Mayor and Council

Thru: John Pombier, City Manager JP
Dawn Lang, Deputy City Manager/CFO DLL

From: Matt Dunbar, Budget & Policy Director MD

Subject: Fiscal Year (FY) 2026-27 General Fund Revenue Summary, Sales Tax Collection Report, and Expenditure Reports through August 2026

Attached is the FY 2026-27 General Fund Revenue and Expenditure Reports for the two-month period ending August 31, 2026. No report was issued in July due to the year-end close process that extends into August.

Included with this memo are the following attachments:

Attachment 1 – General Fund Revenue Summary
Attachment 2 – Local Sales Tax Revenue Five-Year Comparison
Attachment 3 – Local Sales Tax Revenue by Class
Attachment 4 – Local Sales Tax Revenue Month-by-Month Comparison to Prior Year
Attachment 5 – General Fund Expenditure Summary

The General Fund Revenue Summary (Attachment 1) gives a budget to actual comparison of revenues through August 2026. This month reflects a 2.9% increase in total General Fund revenues from the budgeted revenues we would have anticipated being received to date based on historical trends, and a 3% increase over the same period of the prior year.

Collections in State and Local Transaction Privilege Tax (TPT) or Sales Tax (Attachments 1-4) shown in this report reflect July TPT reported/received in August. Year to date (YTD) collections in Local TPT and State Shared TPT Revenue came in above budget, with Urban Revenue Sharing coming in only slightly below budget. It is important to note, that fluctuations related to development/contracting are considered one-time, since once the developments are completed, the related permit and local TPT collections cease. The Local TPT collections through August 2026 reflect an overall increase of 1.8% above budget, and a

3.4% increase compared to prior-year actuals. Also, when comparing the TPT collections received in August 2026 to the same month in the prior year, collections are up 5.2%.

Finally, the FY 2026-27 General Fund Expenditure Summary (Attachment 5) report reflects the percentage of adjusted budget expended and encumbered through August 2026. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 27.2% spending through August 2026, compared to 28.1% for the same period last year.

Should you have any questions regarding this information, please contact Dawn Lang at x2255 or Matt Dunbar at x2256.

Attachments: FY 2026-27 General Fund Monthly Revenue and Expenditure Reports through August 2026

c: Tadd Wille, Assistant City Manager
Ryan Peters, Deputy City Manager
Leah Powell, Deputy City Manager

General Fund Revenue Summary

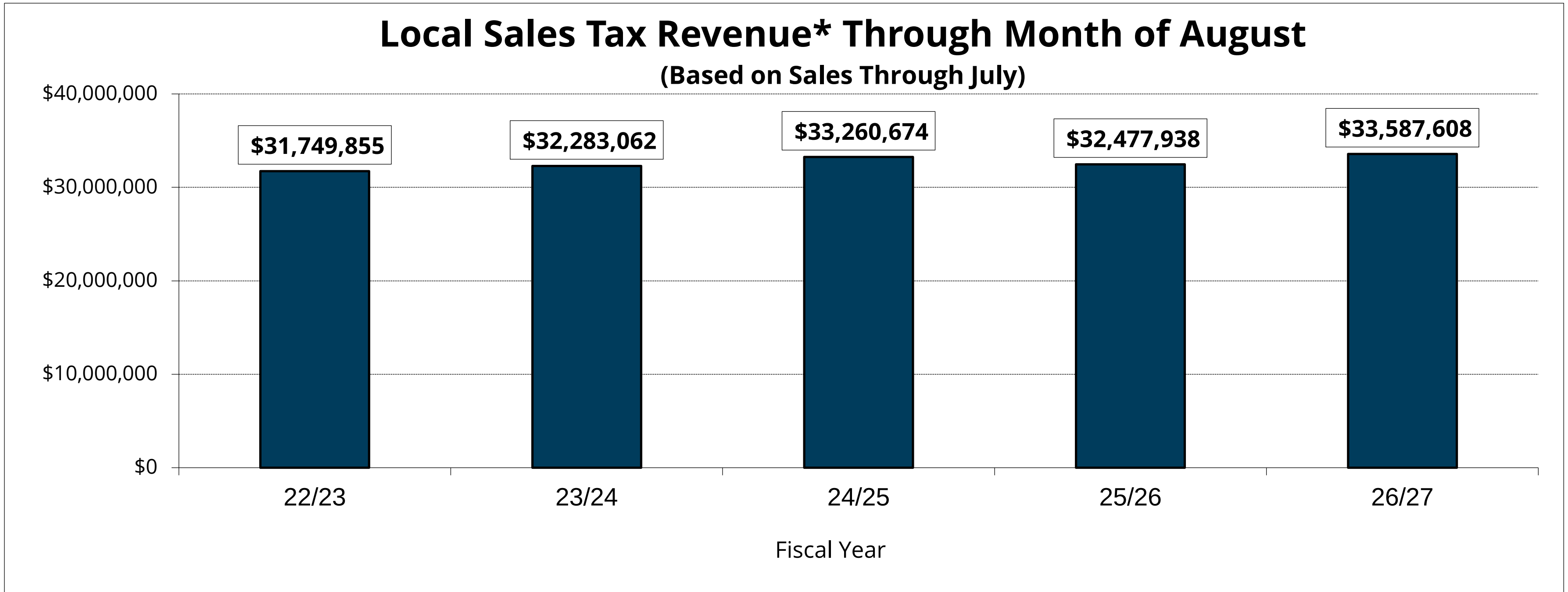
FY 2026-27 Year-To-Date Actuals Through August 2026

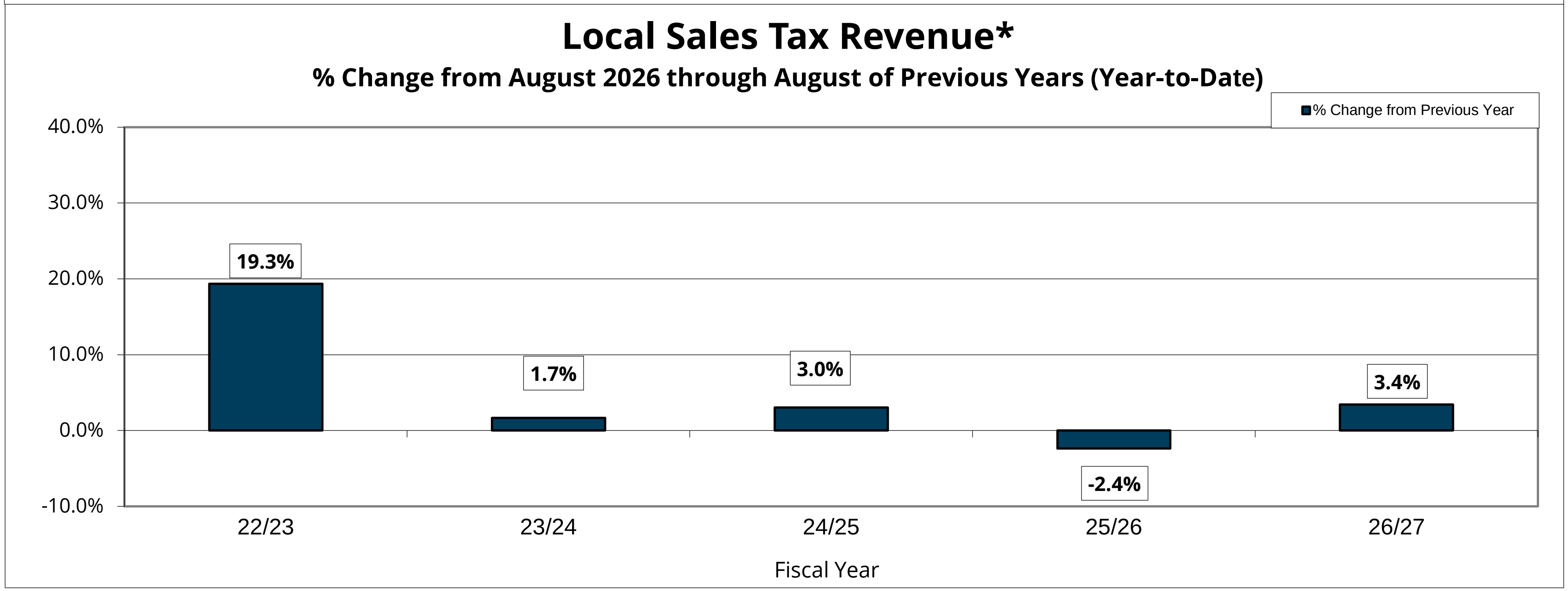
	Budget		Actuals			Comparison to Prior Year Actuals		
General Fund Revenues	**FY 2026-27 Adopted Budget**	**FY 2026-27 Budget Prorated Based on Historical Trend**	**FY 2026-27 Actual Revenue**	**+ or - of Actual to Budget**	**% Change of Actual to Budget**	**FY 2025-26 Actual Revenues for Same Period**	**Difference + or - from FY 2025-26 to FY 2026-27**	**% Change of Actuals to Same Period FY 2025-26**
Local Sales Tax Collections	197,487,987	32,999,257	**33,587,608**	588,351	1.8%	32,477,938	1,109,670	3.4%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,625,945	487,929	**624,465**	136,536	28.0%	555,376	69,090	12.4%
Total Local Sales Tax Revenue	$ 200,113,932	$ 33,487,186	**$ 34,212,072**	$ 724,887	2.2%	$ 33,033,314	$ 1,178,759	3.6%
Franchise Fees	3,081,500	24,460	**(12,155)**	(36,615)	-149.7%	85,105	(97,260)	-114.3%
Primary Property Taxes	8,860,291	30,356	**76,630**	46,274	152.4%	24,553	52,077	212.1%
State Shared Sales Tax Revenue	45,345,000	5,483,114	**6,017,770**	534,656	9.8%	5,710,476	307,294	5.4%
Vehicle License Tax	14,905,000	1,793,360	**1,744,862**	(48,498)	-2.7%	1,945,065	(200,203)	-10.3%
Urban Revenue Sharing	58,500,000	9,751,991	**9,748,105**	(3,886)	0.0%	9,136,109	611,996	6.7%
Smart and Safe	1,280,000	-	**-**	-	0.0%	-	-	0.0%
Public Safety State Allocation	-	-	**27,925**	27,925	0.0%	-	27,925	0.0%
Licenses & Permits	8,010,300	1,005,155	**1,327,418**	322,263	32.1%	970,298	357,120	36.8%
Charges for Services	20,363,359	2,365,204	**2,332,193**	(33,011)	-1.4%	2,604,622	(272,429)	-10.5%
Fines & Forfeitures	3,806,600	650,505	**616,118**	(34,387)	-5.3%	752,264	(136,146)	-18.1%
Interest & Investments	9,445,000	550,454	**1,013,496**	463,042	84.1%	1,185,551	(172,055)	-14.5%
Other Revenues	2,958,889	493,149	**176,629**	(316,520)	-64.2%	195,841	(19,212)	-9.8%
Indirect Cost	9,440,782	1,573,468	**1,573,464**	(4)	0.0%	1,506,128	67,336	4.5%
Total General Fund Revenues	**$ 386,110,653**	**$ 57,208,402**	**$ 58,854,525**	**$ 1,646,126**	**2.9%**	**$ 57,149,326**	**$ 1,705,203**	**3.0%**
Prior Month	**$ 386,110,653**	**$ 27,603,401**	**$ 28,994,061**	**$ 1,390,661**	**5.0%**	**$ 27,908,184**	**$ 1,085,877**	**3.9%**
Change from Prior Month	**$ -**	**$ 29,605,001**	**$ 29,860,464**	**$ 255,465**	**-2.2%**	**$ 29,241,141**	**$ 619,325**	**-0.9%**

Note:

FY 2026-27 Adopted Budget excludes one-time Interfund Transfers-In of $500,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Fund 401.

Attachment 1





Totals are for sales tax only, and <u>exclude</u> privilege license fees, audit assessments, interest, and penalties.

Attachment 2

Sales Tax Revenue By Class

Through August Each Year (Year-to-Date)

Sales Tax Category	FY 25-26 % of Total	% Chg Fm PY	FY 2026-27	% Chg Fm PY	FY 2025-26	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23
Utilities	11.3%	5.3%	$ 4,587,724	4.5%	$ 4,357,435	19.4%	$ 4,169,914	3.7%	$ 3,492,829	0.7%	$ 3,368,663
Telecommunications	0.8%	7.9%	$ 290,705	-22.3%	$ 269,524	1.9%	$ 346,666	30.2%	$ 340,232	-3.4%	$ 261,219
Publishing / Advertising / Printing / Transportation	0.1%	27.1%	$ 48,940	31.9%	$ 38,492	-11.0%	$ 29,175	-1.6%	$ 32,793	17.3%	$ 33,315
Restaurants & Bars	10.0%	8.4%	$ 3,291,554	1.4%	$ 3,035,186	5.1%	$ 2,994,525	4.8%	$ 2,848,435	11.7%	$ 2,717,185
Amusements	1.0%	-9.2%	$ 298,976	8.3%	$ 329,356	13.4%	$ 304,000	14.2%	$ 267,967	44.4%	$ 234,741
Real Property Rentals	7.8%	9.2%	$ 2,611,861	-42.5%	$ 2,392,511	1.9%	$ 4,162,336	15.2%	$ 4,083,617	6.4%	$ 3,544,850
Tangible Personal Property Rentals	4.7%	51.5%	$ 1,536,363	2.3%	$ 1,014,077	9.8%	$ 991,207	23.8%	$ 902,366	10.2%	$ 728,597
Hotels / Motels	3.6%	-2.4%	$ 743,063	3.4%	$ 761,575	1.3%	$ 736,197	-3.4%	$ 727,041	33.4%	$ 752,310
Contracting	6.4%	-11.7%	$ 2,382,702	-16.4%	$ 2,697,193	-21.7%	$ 3,225,937	-1.6%	$ 4,121,455	95.1%	$ 4,187,923
Retail / Manufactured Buildings / Jet Fuel	51.3%	0.0%	$ 16,749,302	10.5%	$ 16,751,434	-2.4%	$ 15,155,636	6.1%	$ 15,524,912	15.8%	$ 14,631,808
Use Tax	3.0%	25.9%	$ 1,046,419	27.4%	$ 831,154	-2054.6%	$ 1,145,083	-104.5%	$ (58,584)	25.7%	$ 1,289,244
Total Sales Tax Revenue*	**100.0%**	**3.4%**	**$ 33,587,608**	**-2.4%**	**$ 32,477,938**	**3.0%**	**$ 33,260,674**	**1.7%**	**$ 32,283,062**	**19.3%**	**$ 31,749,855**

Sales Tax Revenue By Class

Through August (Month-over-Month)

Sales Tax Category	% Chg Fm PY	FY 2026-27	% Chg Fm PY	FY 2025-26	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23
Utilities	2.8%	$ 2,408,380	-0.3%	$ 2,343,318	21.6%	$ 2,349,921	7.5%	$ 1,931,765	5.2%	$ 1,797,037
Telecommunications	11.6%	$ 146,826	-24.1%	$ 131,601	2.0%	$ 173,326	31.8%	$ 169,900	-1.0%	$ 128,864
Publishing / Advertising / Printing / Transportation	15.2%	$ 26,829	84.5%	$ 23,284	-13.3%	$ 12,618	-9.2%	$ 14,549	17.9%	$ 16,029
Restaurants & Bars	10.5%	$ 1,620,781	1.0%	$ 1,466,725	3.0%	$ 1,451,684	3.9%	$ 1,408,889	12.1%	$ 1,355,758
Amusements	-14.2%	$ 136,632	7.2%	$ 159,283	6.8%	$ 148,596	22.2%	$ 139,195	61.0%	$ 113,865
Real Property Rentals	10.1%	$ 1,253,751	-43.7%	$ 1,138,966	3.3%	$ 2,021,936	16.4%	$ 1,956,924	8.6%	$ 1,680,549
Tangible Personal Property Rentals	47.3%	$ 724,377	-3.0%	$ 491,813	16.1%	$ 506,899	31.3%	$ 436,571	4.6%	$ 332,411
Hotels / Motels	-1.2%	$ 337,547	6.4%	$ 341,693	-6.7%	$ 321,192	-2.1%	$ 344,211	17.8%	$ 351,601
Contracting	-5.9%	$ 1,106,302	-42.0%	$ 1,176,118	-19.2%	$ 2,027,197	4.5%	$ 2,509,781	154.4%	$ 2,401,100
Retail / Manufactured Buildings / Jet Fuel	-2.1%	$ 8,046,673	8.8%	$ 8,219,152	-0.5%	$ 7,552,867	4.6%	$ 7,590,909	20.1%	$ 7,259,609
Use Tax	-4167.5%	$ 472,505	101.8%	$ (11,617)	-211.3%	$ 653,180	-190.3%	$ (587,006)	22.6%	$ 650,132
Total Sales Tax Revenue*	**5.2%**	**$ 16,280,603**	**-10.1%**	**$ 15,480,337**	**8.2%**	**$ 17,219,415**	**-1.1%**	**$ 15,915,687**	**25.5%**	**$ 16,086,953**

*Totals are for sales tax only, and exclude privilege license fees, audit assessments, interest, and penalties.

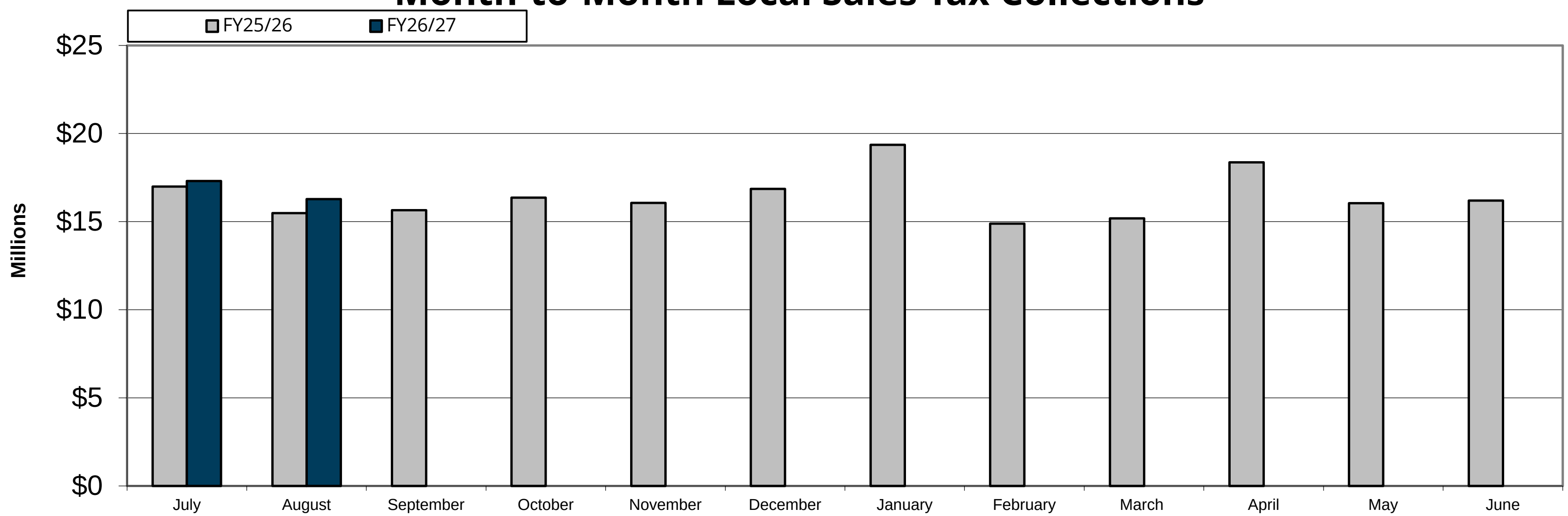
Attachment 3

Local Sales Tax Revenue

Monthly Actuals Compared to Prior Year

Local Sales Tax Collections *	Monthly Collections FY25/26	Monthly Collections FY26/27	$ Difference + / (-) FY25/26 over FY26/27	% Difference + / (-) FY25/26 over FY26/27
July	**16,997,601**	**17,307,005**	**309,404**	**1.8%**
August	**15,480,337**	**16,280,603**	**800,265**	**5.2%**
September	*15,649,408*		*(15,649,408)*	*-100.0%*
October	*16,361,157*		*(16,361,157)*	*-100.0%*
November	*16,069,324*		*(16,069,324)*	*-100.0%*
December	*16,861,960*		*(16,861,960)*	*-100.0%*
January	*19,357,005*		*(19,357,005)*	*-100.0%*
February	*14,886,887*		*(14,886,887)*	*-100.0%*
March	*15,188,773*		*(15,188,773)*	*-100.0%*
April	*18,361,090*		*(18,361,090)*	*-100.0%*
May	*16,043,732*		*(16,043,732)*	*-100.0%*
June	*16,190,429*		*(16,190,429)*	*-100.0%*
Totals	**$ 32,477,938**	**$ 33,587,608**	**$ 1,109,669**	**3.4%**

Month-to-Month Local Sales Tax Collections



Totals are for sales tax only, and <u>exclude</u> privilege license fees, audit assessments, interest, and penalties.

Attachment 4

General Fund Expenditure Summary
Thru August 2026

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru August 2026	Percentage of Adjusted Budget Expended & Encumbered Thru August 2026	Percentage of Adjusted Budget Expended & Encumbered Thru August 2025	Over/Under Last Year's Percentage
City Clerk	$ 1,986,093	$ 1,993,169	$ 302,301	15.2%	12.3%	2.9%
City Manager and Organization Support[1]						
City Manager	3,133,608	3,134,364	532,423	17.0%	22.1%	-5.1%
Budget[2]	1,273,284	1,273,514	256,705	20.2%	18.5%	1.7%
Buildings & Facilities	10,700,030	10,977,220	3,319,124	30.2%	29.8%	0.4%
Cultural Development[2]	6,854,299	7,196,859	1,419,606	19.7%	20.2%	-0.5%
Economic Development	2,780,372	2,820,569	752,162	26.7%	29.1%	-2.4%
Fleet Services	1,984,440	1,985,101	341,884	17.2%	20.0%	-2.8%
Human Resources	2,942,148	2,942,667	546,281	18.6%	20.9%	-2.3%
Transportation Policy	3,325,692	3,837,439	1,973,248	51.4%	30.9%	20.5%
Communications & Public Affairs	4,313,122	4,445,809	698,726	15.7%	21.9%	-6.2%
Community Services	43,199,595	43,416,651	13,801,470	31.8%	26.2%	5.6%
Development Services	15,115,782	15,884,298	4,738,833	29.8%	21.1%	8.7%
Fire	46,809,742	47,516,629	13,040,121	27.4%	25.7%	1.7%
Information Technology	28,626,462	35,488,285	15,644,301	44.1%	41.0%	3.1%
Law	5,090,101	5,090,610	984,283	19.3%	18.6%	0.7%
Magistrate	6,199,678	6,228,657	1,437,327	23.1%	26.0%	-2.9%
Management Services[2]	8,774,538	8,777,777	1,621,424	18.5%	20.0%	-1.5%
Mayor and Council	1,443,994	1,449,785	239,483	16.5%	16.9%	-0.4%
Neighborhood Resources	10,235,069	10,378,874	4,166,191	40.1%	19.3%	20.8%
Police	100,688,039	102,263,481	25,379,666	24.8%	25.6%	-0.8%
Public Works & Utilities	6,673,823	8,087,449	2,560,861	31.7%	32.0%	-0.3%
Non-Departmental (Personnel Services and O&M)	22,970,845	23,481,973	1,244,963	5.3%	39.6%	-34.3%
Subtotal Prior to Contingencies/Reserves	**$ 335,120,756**	**$ 348,671,180**	**$ 95,001,383**	**27.2%**	**28.1%**	**-0.9%**
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	16,207,350	3,337,100	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	56,925,500	56,503,500	-	0.0%	0.0%	0.0%
Total General Fund Expenditures	**$ 408,253,606**	**$ 408,511,780**	**$ 95,001,383**	**23.3%**	**25.3%**	**-2.0%**

(1) Organization Support includes Budget, Buildings and Facilities, Economic Development, Fleet Services, Human Resources, Transportation Policy and Cultural Development.

(2) Effective FY 2026-27, the Budget division transitioned from the Management Services Department to City Manager Organizational Support. Additionally, the Connection & Impact Division was integrated into the Cultural Development division, which also operates under City Manager Organizational Support.

Adopted Budget: Includes estimated reserves for encumbrance carryforward from the previous fiscal year and full Council approved reserve/contingency established in the budget.

Adjusted Budget: Includes movement of estimated reserves for encumbrance appropriation to departments based on actual end-of-year encumbrances and Council approved contingency transfers. Reserves/Contingency appropriation cannot be spent from

NOTE: The total Adopted budget compared to the total Adjusted budget always equals when viewing **all** funds. When looking at the General Fund only, it is not uncommon for the amounts to differ. This is due to estimated carryforward appropriation, personnel adjustment appropriation or Council approved contingency transfers being moved to other funds, as directed by Council and authorized by the Budget Resolution.