



## Informational Memo

### Budget Department - Memo No. 27-006

**Date:** September 4, 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-End (FYE) 2025-26 General Fund Revenue Summary, Sales Tax Collection Report, and Expenditure Reports through June 2026

Attached are the FYE 2025-26 General Fund Revenue and Expenditure Reports for the period ending June 30, 2026. The June report is typically released in late August or early September of each year due to the fiscal year-end accounting process, which ensures all revenues and expenditures are thoroughly reviewed and properly reflected.

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 June 2026. The fiscal year end reflects actual General Fund revenues at 0.8% over the budgeted revenues for the fiscal year, and a 1.6% decrease from prior year's actuals.

During the preparation of the FY 2026-27 Budget, year-end FY 2025-26 revenues were projected based on actual collections through January 2026 and other information available at that time. This allowed for the estimating of the fiscal year end General Fund balance used to calculate available one-time funds for use in the FY 2026-27 Budget. Through this process, a slight reduction from the Adopted Budget was anticipated and incorporated into the FY 2026-27 Budget, but final revenue results ended slightly above the adopted due to

development in the last few months of the Fiscal Year. The final net impact of revenues, expenditures, and carryforwards into FY 2026-27, is being calculated.

Collections in State and Local Transaction Privilege Tax (TPT) or Sales Tax (Attachments 1-4) shown in this report reflect sales for May TPT reported/received in June. Overall, Local TPT, charges for services, and Urban Revenue Sharing all came in below anticipated budget, while the remaining revenue categories came in over budget creating the net positive overage. The Local TPT collections through June 2026 reflect an overall decrease of 2.0% below budget, and a 2.2% decrease compared to prior year actuals. A larger decrease was anticipated due to the complete removal of the residential rental tax by the State, but this ongoing tax reduction is masked by one-time development revenue which kicked up the last few months of the Fiscal Year.

Additionally, when comparing the TPT collections received in June 2026 to the same month in the prior year, collections are up 7.5%. Again, it is important to note that fluctuations related to development/contracting are considered one-time, as once the developments are completed, the related permit and local TPT collections cease.

Finally, the FY 2025-26 General Fund Expenditure Summary (Attachment 5) report reflects the percentage of adjusted budget expended and encumbered through June 2026. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 95.6% spending through June 2026, compared to 93.5% 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: FYE 2025-26 General Fund Monthly Fiscal Year End Revenue and Expenditure Reports through June 2026

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

## General Fund Revenue Summary

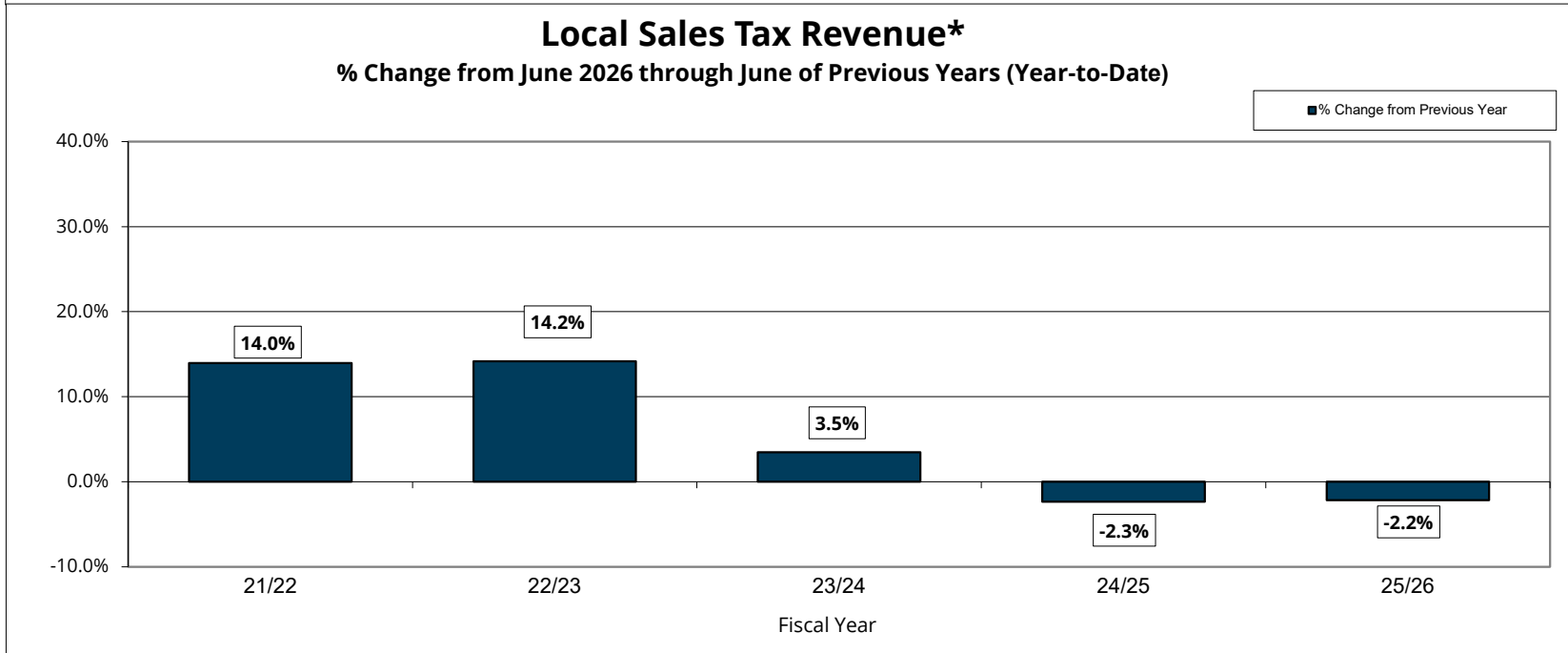
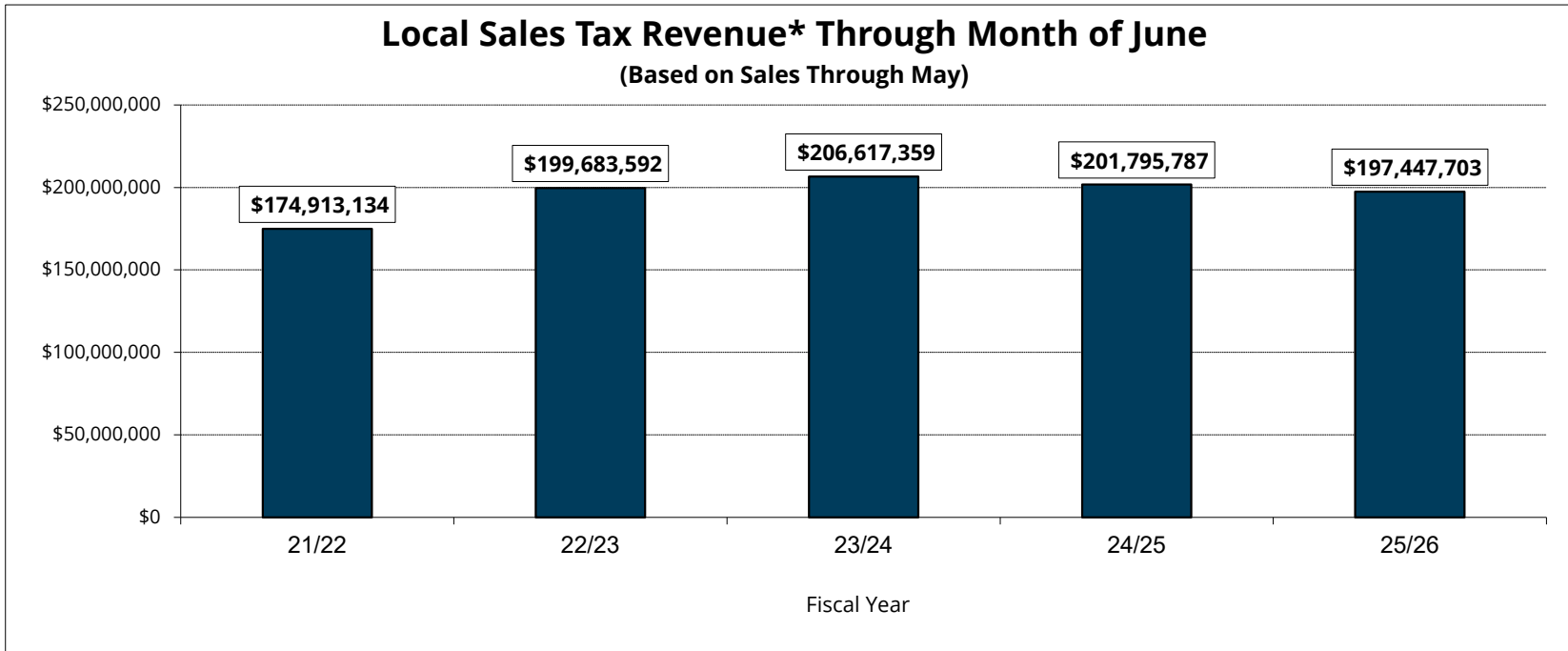
### FY 2025-26 Year-To-Date Actuals Through June 2026

|                                                                 | Budget                          | Actuals                         |                                  |                                 | Comparison to Prior Year Actuals                    |                                                          |                                                        |
|-----------------------------------------------------------------|---------------------------------|---------------------------------|----------------------------------|---------------------------------|-----------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------|
| General Fund Revenues                                           | FY 2025-26<br>Adopted<br>Budget | FY 2025-26<br>Actual<br>Revenue | + or -<br>of Actual to<br>Budget | % Change of<br>Actual to Budget | FY 2024-25<br>Actual<br>Revenues<br>for Same Period | Difference<br>+ or - from<br>FY 2024-25<br>to FY 2025-26 | % Change of<br>Actuals to<br>Same Period<br>FY 2024-25 |
| Local Sales Tax Collections                                     | 201,500,000                     | 197,447,703                     | (4,052,297)                      | -2.0%                           | 201,795,787                                         | (4,348,083)                                              | -2.2%                                                  |
| Local Sales Tax Fees, Audit<br>Assessments, Penalties, Interest | 2,338,400                       | 4,100,614                       | 1,762,214                        | 75.4%                           | 3,169,460                                           | 931,154                                                  | 29.4%                                                  |
| Total Local Sales Tax Revenue                                   | \$ 203,838,400                  | \$ 201,548,316                  | \$ (2,290,084)                   | -1.1%                           | \$ 204,965,247                                      | \$ (3,416,930)                                           | -1.7%                                                  |
| Franchise Fees                                                  | 3,190,000                       | 3,369,278                       | 179,278                          | 5.6%                            | 2,807,599                                           | 561,679                                                  | 20.0%                                                  |
| Primary Property Taxes                                          | 8,785,177                       | 8,857,422                       | 72,245                           | 0.8%                            | 8,431,138                                           | 426,284                                                  | 5.1%                                                   |
| State Shared Sales Tax Revenue                                  | 43,186,000                      | 43,556,083                      | 370,083                          | 0.9%                            | 42,987,267                                          | 568,816                                                  | 1.3%                                                   |
| Vehicle License Tax                                             | 15,160,000                      | 15,346,141                      | 186,141                          | 1.2%                            | 15,060,127                                          | 286,014                                                  | 1.9%                                                   |
| Urban Revenue Sharing                                           | 55,747,000                      | 54,768,603                      | (978,397)                        | -1.8%                           | 59,599,347                                          | (4,830,744)                                              | -8.1%                                                  |
| Smart and Safe                                                  | 1,032,994                       | 1,522,748                       | 489,754                          | 47.4%                           | 1,615,970                                           | (93,222)                                                 | -5.8%                                                  |
| Public Safety State Allocation*                                 | -                               | 111,725                         | 111,725                          | 0.0%                            | -                                                   | 111,725                                                  | 0.0%                                                   |
| Licenses & Permits                                              | 7,710,300                       | 9,590,024                       | 1,879,724                        | 24.4%                           | 13,818,609                                          | (4,228,585)                                              | -30.6%                                                 |
| Charges for Services                                            | 19,928,507                      | 17,875,525                      | (2,052,982)                      | -10.3%                          | 16,824,743                                          | 1,050,782                                                | 6.2%                                                   |
| Fines & Forfeitures                                             | 3,851,400                       | 4,128,363                       | 276,963                          | 7.2%                            | 4,180,605                                           | (52,242)                                                 | -1.2%                                                  |
| Interest & Investments                                          | 8,900,000                       | 13,144,760                      | 4,244,760                        | 47.7%                           | 11,096,987                                          | 2,047,773                                                | 18.5%                                                  |
| Other Revenues                                                  | 2,677,989                       | 3,434,942                       | 756,953                          | 28.3%                           | 2,651,265                                           | 783,677                                                  | 29.6%                                                  |
| Indirect Cost                                                   | 9,036,770                       | 9,036,770                       | -                                | 0.0%                            | 8,648,060                                           | 388,710                                                  | 4.5%                                                   |
| Total General Fund Revenues                                     | \$ 383,044,537                  | \$ 386,290,701                  | \$ 3,246,164                     | 0.8%                            | \$ 392,686,964                                      | \$ (6,396,263)                                           | -1.6%                                                  |
| Prior Month                                                     | \$ 383,044,537                  | \$ 347,720,226                  | \$ 4,406,932                     | 1.3%                            | \$ 353,416,696                                      | \$ (5,696,470)                                           | -1.6%                                                  |
| Change from Prior Month                                         | \$ -                            | \$ 38,570,475                   | \$ (1,160,767)                   | -0.4%                           | \$ 39,270,268                                       | \$ (699,793)                                             | 0.0%                                                   |

**Note:**

FY 2025-26 Adopted Budget excludes one-time Interfund Transfers-In of \$575,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Fund 101.

\*A total of \$111,725 is expected from SB1147 awarding the Chandler Police Department to purchase Peregrine software. No additional funding is anticipated in the current FY.



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

## Sales Tax Revenue By Class

Through June Each Year (Year-to-Date)

| Sales Tax Category                                   | FY24-25<br>% of<br>Total | % Chg<br>Fm PY | FY 2025-26            | % Chg<br>Fm PY | FY 2024-25            | % Chg<br>Fm PY | FY 2023-24            | % Chg<br>Fm PY | FY 2022-23            | % Chg<br>Fm PY | FY 2021-22            |
|------------------------------------------------------|--------------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
| Utilities                                            | 10.5%                    | 5.9%           | \$ 22,343,808         | 14.0%          | \$ 21,104,109         | 9.8%           | \$ 18,510,764         | 7.4%           | \$ 16,856,222         | 3.1%           | \$ 15,693,029         |
| Telecommunications                                   | 0.8%                     | -5.7%          | \$ 1,582,397          | -18.0%         | \$ 1,677,975          | 16.0%          | \$ 2,045,904          | 11.7%          | \$ 1,764,220          | -12.0%         | \$ 1,579,834          |
| Publishing / Advertising / Printing / Transportation | 0.1%                     | 1.3%           | \$ 211,069            | 19.1%          | \$ 208,311            | -19.2%         | \$ 174,842            | 7.4%           | \$ 216,469            | 3.0%           | \$ 201,544            |
| Restaurants & Bars                                   | 9.4%                     | 4.2%           | \$ 19,716,423         | 2.6%           | \$ 18,924,739         | 4.9%           | \$ 18,453,260         | 8.6%           | \$ 17,583,604         | 26.0%          | \$ 16,186,585         |
| Amusements                                           | 1.0%                     | -1.1%          | \$ 1,942,189          | 16.1%          | \$ 1,963,222          | 13.4%          | \$ 1,691,668          | 13.0%          | \$ 1,491,849          | 74.9%          | \$ 1,319,845          |
| Real Property Rentals                                | 10.3%                    | -25.8%         | \$ 15,357,848         | -15.9%         | \$ 20,707,698         | 6.2%           | \$ 24,628,962         | 11.6%          | \$ 23,201,895         | 9.6%           | \$ 20,798,190         |
| Tangible Personal Property Rentals                   | 3.1%                     | 47.2%          | \$ 9,299,355          | -12.8%         | \$ 6,315,805          | 38.9%          | \$ 7,244,167          | 25.5%          | \$ 5,214,792          | 11.4%          | \$ 4,154,766          |
| Hotels / Motels                                      | 3.3%                     | 6.0%           | \$ 7,130,892          | -0.2%          | \$ 6,726,031          | -1.1%          | \$ 6,740,884          | 16.6%          | \$ 6,815,308          | 87.7%          | \$ 5,845,521          |
| Contracting                                          | 9.5%                     | -34.0%         | \$ 12,595,825         | -24.5%         | \$ 19,093,138         | -8.4%          | \$ 25,281,079         | 59.4%          | \$ 27,599,546         | 21.1%          | \$ 17,310,576         |
| Retail / Manufactured Buildings / Jet Fuel           | 48.6%                    | 3.3%           | \$ 101,387,317        | 0.4%           | \$ 98,165,564         | 6.1%           | \$ 97,766,534         | 8.4%           | \$ 92,114,309         | 13.5%          | \$ 85,001,177         |
| Use Tax                                              | 3.4%                     | -14.9%         | \$ 5,880,580          | -69.4%         | \$ 6,909,195          | -40.2%         | \$ 4,079,296          | 0.0%           | \$ 6,825,378          | -10.9%         | \$ 6,822,068          |
| <b>Total Sales Tax Revenue*</b>                      | <b>100.0%</b>            | <b>-2.2%</b>   | <b>\$ 197,447,703</b> | <b>-2.3%</b>   | <b>\$ 201,795,787</b> | <b>3.5%</b>    | <b>\$ 206,617,359</b> | <b>14.2%</b>   | <b>\$ 199,683,592</b> | <b>14.0%</b>   | <b>\$ 174,913,134</b> |

## Sales Tax Revenue By Class

Through June (Month-over-Month)

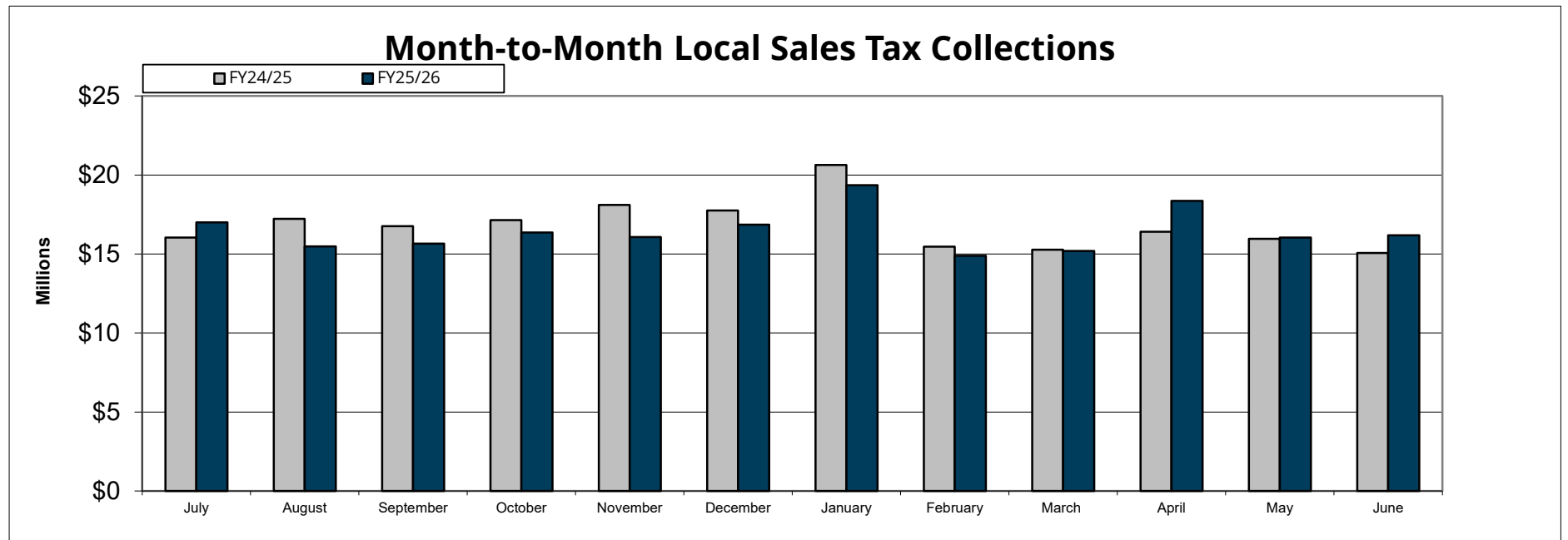
| Sales Tax Category                                   | % Chg<br>Fm PY | FY 2025-26           | % Chg<br>Fm PY | FY 2024-25           | % Chg<br>Fm PY | FY 2023-24           | % Chg<br>Fm PY | FY 2022-23           | % Chg<br>Fm PY | FY 2021-22           |
|------------------------------------------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|
| Utilities                                            | 5.8%           | \$ 1,717,130         | 8.4%           | \$ 1,622,672         | 9.3%           | \$ 1,496,953         | 4.3%           | \$ 1,370,019         | 22.6%          | \$ 1,314,018         |
| Telecommunications                                   | 19.4%          | \$ 155,798           | -25.2%         | \$ 130,465           | -2.8%          | \$ 174,347           | 67.9%          | \$ 179,344           | -24.1%         | \$ 106,807           |
| Publishing / Advertising / Printing / Transportation | -8.9%          | \$ 15,291            | 21.3%          | \$ 16,793            | -20.7%         | \$ 13,844            | -2.1%          | \$ 17,467            | 5.0%           | \$ 17,839            |
| Restaurants & Bars                                   | 9.7%           | \$ 1,763,745         | 0.7%           | \$ 1,608,243         | 3.1%           | \$ 1,597,512         | 1.8%           | \$ 1,550,000         | 12.4%          | \$ 1,522,398         |
| Amusements                                           | 3.6%           | \$ 164,672           | 3.1%           | \$ 158,931           | 21.7%          | \$ 154,187           | 1.8%           | \$ 126,668           | 41.9%          | \$ 124,484           |
| Real Property Rentals                                | 20.7%          | \$ 1,272,101         | -47.9%         | \$ 1,053,818         | 10.6%          | \$ 2,024,164         | 2.5%           | \$ 1,830,309         | 8.3%           | \$ 1,785,332         |
| Tangible Personal Property Rentals                   | -2.0%          | \$ 564,676           | 25.6%          | \$ 576,349           | 11.6%          | \$ 458,930           | 26.2%          | \$ 411,082           | -1.4%          | \$ 325,832           |
| Hotels / Motels                                      | 46.2%          | \$ 621,681           | -18.9%         | \$ 425,092           | 6.7%           | \$ 524,253           | -3.3%          | \$ 491,215           | 58.1%          | \$ 508,139           |
| Contracting                                          | -2.8%          | \$ 1,046,481         | -47.7%         | \$ 1,076,147         | -29.0%         | \$ 2,057,788         | 9.3%           | \$ 2,897,184         | 82.4%          | \$ 2,650,369         |
| Retail / Manufactured Buildings / Jet Fuel           | 10.3%          | \$ 8,756,262         | -27.4%         | \$ 7,938,887         | 42.0%          | \$ 10,938,873        | 7.3%           | \$ 7,705,443         | 7.1%           | \$ 7,183,499         |
| Use Tax                                              | -75.4%         | \$ 112,592           | -2.8%          | \$ 456,862           | 0.7%           | \$ 444,384           | -2.1%          | \$ 441,132           | -73.1%         | \$ 450,752           |
| <b>Total Sales Tax Revenue*</b>                      | <b>7.5%</b>    | <b>\$ 16,190,429</b> | <b>-24.2%</b>  | <b>\$ 15,064,258</b> | <b>16.8%</b>   | <b>\$ 19,885,235</b> | <b>6.4%</b>    | <b>\$ 17,019,863</b> | <b>8.0%</b>    | <b>\$ 15,989,470</b> |

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

# Local Sales Tax Revenue

## Monthly Actuals Compared to Prior Year

| Local Sales Tax Collections * | Monthly Collections FY24/25 | Monthly Collections FY25/26 | \$ Difference + / ( - ) FY24/25 over FY25/26 | % Difference + / ( - ) FY24/25 over FY25/26 |
|-------------------------------|-----------------------------|-----------------------------|----------------------------------------------|---------------------------------------------|
| July                          | 16,041,259                  | 16,997,601                  | 956,342                                      | 6.0%                                        |
| August                        | 17,219,415                  | 15,480,337                  | (1,739,078)                                  | -10.1%                                      |
| September                     | 16,754,892                  | 15,649,408                  | (1,105,483)                                  | -6.6%                                       |
| October                       | 17,146,827                  | 16,361,157                  | (785,669)                                    | -4.6%                                       |
| November                      | 18,098,076                  | 16,069,324                  | (2,028,752)                                  | -11.2%                                      |
| December                      | 17,747,416                  | 16,861,960                  | (885,456)                                    | -5.0%                                       |
| January                       | 20,624,994                  | 19,357,005                  | (1,267,989)                                  | -6.1%                                       |
| February                      | 15,455,315                  | 14,886,887                  | (568,428)                                    | -3.7%                                       |
| March                         | 15,278,377                  | 15,188,773                  | (89,604)                                     | -0.6%                                       |
| April                         | 16,400,164                  | 18,361,090                  | 1,960,926                                    | 12.0%                                       |
| May                           | 15,964,794                  | 16,043,732                  | 78,938                                       | 0.5%                                        |
| June                          | 15,064,258                  | 16,190,429                  | 1,126,171                                    | 7.5%                                        |
| Totals                        | \$ 201,795,787              | \$ 197,447,703              | \$ (4,348,083)                               | -2.2%                                       |



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

# General Fund Expenditure Summary

## Thru June 2026

| Department                                                   | Adopted Budget        | Adjusted Budget       | Expenses & Encumbrances Thru June 2026 | Percentage of Adjusted Budget Expended & Encumbered Thru June 2026 | Percentage of Adjusted Budget Expended & Encumbered Thru June 2025 | Over/Under Last Year's Percentage |
|--------------------------------------------------------------|-----------------------|-----------------------|----------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------|
| City Clerk                                                   | \$ 1,820,422          | \$ 1,849,914          | \$ 1,738,407                           | 94.0%                                                              | 85.8%                                                              | 8.2%                              |
| City Manager and Organization Support <sup>(1)</sup>         |                       |                       |                                        |                                                                    |                                                                    |                                   |
| City Manager                                                 | 2,518,121             | 2,581,174             | 2,719,989                              | 105.4%                                                             | 99.9%                                                              | 5.5%                              |
| Buildings & Facilities                                       | 9,825,128             | 10,278,491            | 10,316,363                             | 100.4%                                                             | 99.8%                                                              | 0.6%                              |
| Connection & Impact <sup>(2)</sup>                           | 772,172               | 837,853               | 725,157                                | 86.5%                                                              | 88.9%                                                              | -2.4%                             |
| Cultural Development                                         | 5,354,380             | 5,696,878             | 5,782,952                              | 101.5%                                                             | 96.2%                                                              | 5.3%                              |
| Economic Development                                         | 2,402,586             | 2,460,575             | 2,194,646                              | 89.2%                                                              | 93.4%                                                              | -4.2%                             |
| Fleet Services                                               | 1,573,340             | 1,611,043             | 1,574,215                              | 97.7%                                                              | 96.3%                                                              | 1.4%                              |
| Human Resources                                              | 2,855,446             | 2,951,797             | 2,805,374                              | 95.0%                                                              | 97.2%                                                              | -2.2%                             |
| Transportation Policy                                        | 3,142,701             | 3,206,101             | 2,381,539                              | 74.3%                                                              | 50.9%                                                              | 23.4%                             |
| Communications & Public Affairs                              | 4,041,629             | 4,538,037             | 3,559,451                              | 78.4%                                                              | 91.1%                                                              | -12.7%                            |
| Community Services                                           | 41,260,816            | 42,715,680            | 40,912,892                             | 95.8%                                                              | 93.9%                                                              | 1.9%                              |
| Development Services                                         | 14,989,060            | 16,920,207            | 14,120,444                             | 83.5%                                                              | 88.4%                                                              | -4.9%                             |
| Fire                                                         | 44,625,913            | 54,129,599            | 54,086,895                             | 99.8%                                                              | 94.7%                                                              | 5.1%                              |
| Information Technology                                       | 28,091,564            | 33,838,792            | 31,429,001                             | 92.9%                                                              | 86.8%                                                              | 6.1%                              |
| Law                                                          | 4,983,964             | 5,163,504             | 5,139,351                              | 99.5%                                                              | 98.4%                                                              | 1.1%                              |
| Magistrate                                                   | 5,766,537             | 6,057,174             | 5,444,315                              | 89.9%                                                              | 89.0%                                                              | 0.9%                              |
| Management Services                                          | 8,915,629             | 9,222,683             | 9,064,120                              | 98.3%                                                              | 94.7%                                                              | 3.6%                              |
| Mayor and Council                                            | 1,403,336             | 1,454,921             | 1,368,388                              | 94.1%                                                              | 97.4%                                                              | -3.3%                             |
| Neighborhood Resources                                       | 9,618,384             | 11,240,192            | 10,179,514                             | 90.6%                                                              | 86.6%                                                              | 4.0%                              |
| Police                                                       | 97,245,804            | 107,614,019           | 106,142,730                            | 98.6%                                                              | 97.6%                                                              | 1.0%                              |
| Public Works & Utilities                                     | 6,392,740             | 8,073,978             | 7,919,922                              | 98.1%                                                              | 89.4%                                                              | 8.7%                              |
| Non-Departmental (Personnel Services and O&M)                | 47,879,363            | 20,286,388            | 17,475,002                             | 86.1%                                                              | 84.5%                                                              | 1.6%                              |
| <b>Subtotal Prior to Contingencies/Reserves</b>              | <b>\$ 345,479,035</b> | <b>\$ 352,729,000</b> | <b>\$ 337,080,667</b>                  | <b>95.6%</b>                                                       | <b>93.5%</b>                                                       | <b>2.1%</b>                       |
| Non-Departmental Reserves (Carryforward, Utility, Fuel & DT) | 15,363,725            | 2,999,492             | -                                      | 0.0%                                                               | 0.0%                                                               | 0.0%                              |
| Non-Departmental Contingencies (15% & Council)               | 56,424,600            | 23,134,481            | -                                      | 0.0%                                                               | 0.0%                                                               | 0.0%                              |
| <b>Total General Fund Expenditures</b>                       | <b>\$ 417,267,360</b> | <b>\$ 378,862,973</b> | <b>\$ 337,080,667</b>                  | <b>89.0%</b>                                                       | <b>83.5%</b>                                                       | <b>5.5%</b>                       |

<sup>(1)</sup> Organization Support includes Buildings and Facilities, Economic Development, Connection & Impact, Fleet Services, Human Resources, Transportation Policy and Cultural Development.

<sup>(2)</sup> Diversity, Equity, & Inclusion division of the City Managers Office renamed to Connection & Impact, effective September 2025.

**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.