CHANDLER arizona

Informational Memo

Budget Division - Memo No. BD27-014

Date: October 22, 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 September 2026

Attached is the FY 2026-27 General Fund Revenue and Expenditure Reports for the period ending September 30, 2026.

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 September 2026. This month reflects a 2.2% increase in total General Fund revenues from the budgeted revenues we would have anticipated being received to date based on historical trends, and a 4.1% 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 August TPT reported/received in September. 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 September 2026 reflect an overall increase of 1.1% above budget, and a 5.1% increase compared to prior-year actuals. Also, when comparing the TPT collections received in September 2026 to the same month in the prior year, collections are up 8.5%.

Finally, the FY 2026-27 General Fund Expenditure Summary (Attachment 5) report reflects the percentage of adjusted budget expended and encumbered through September 2026. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 33.9% spending through September 2026, compared to 34.2% 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 September 2026

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

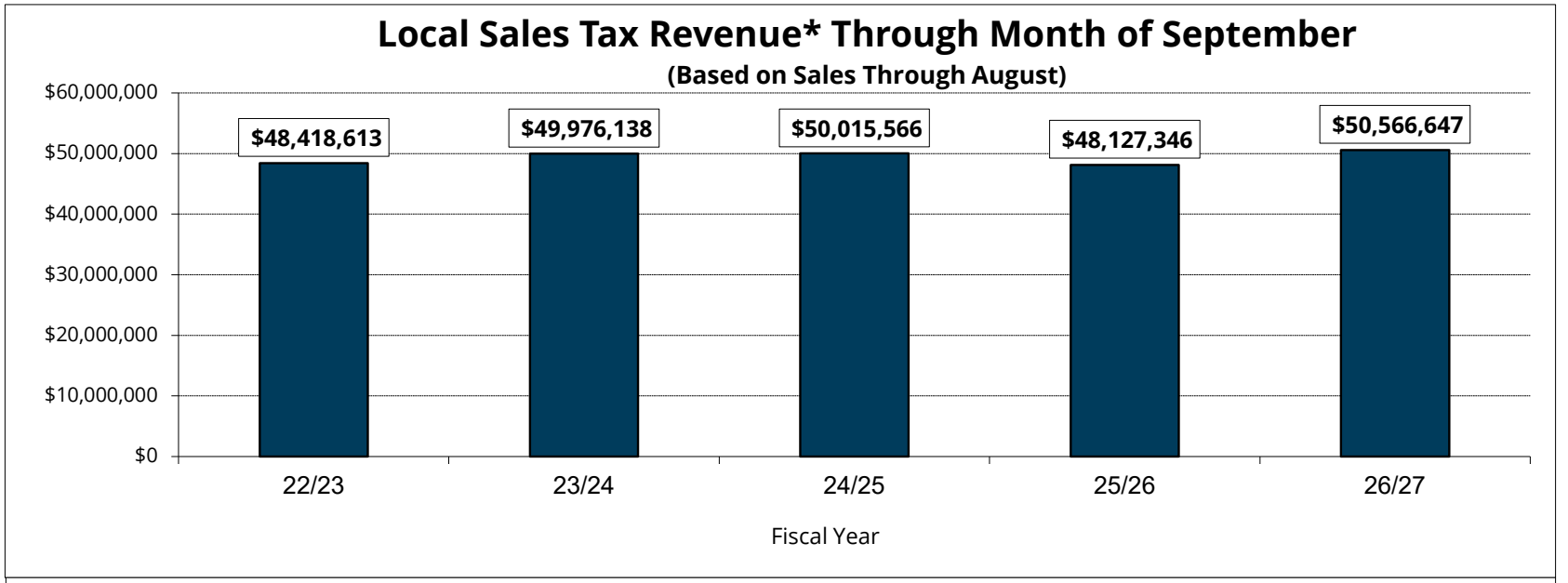
General Fund Revenue Summary

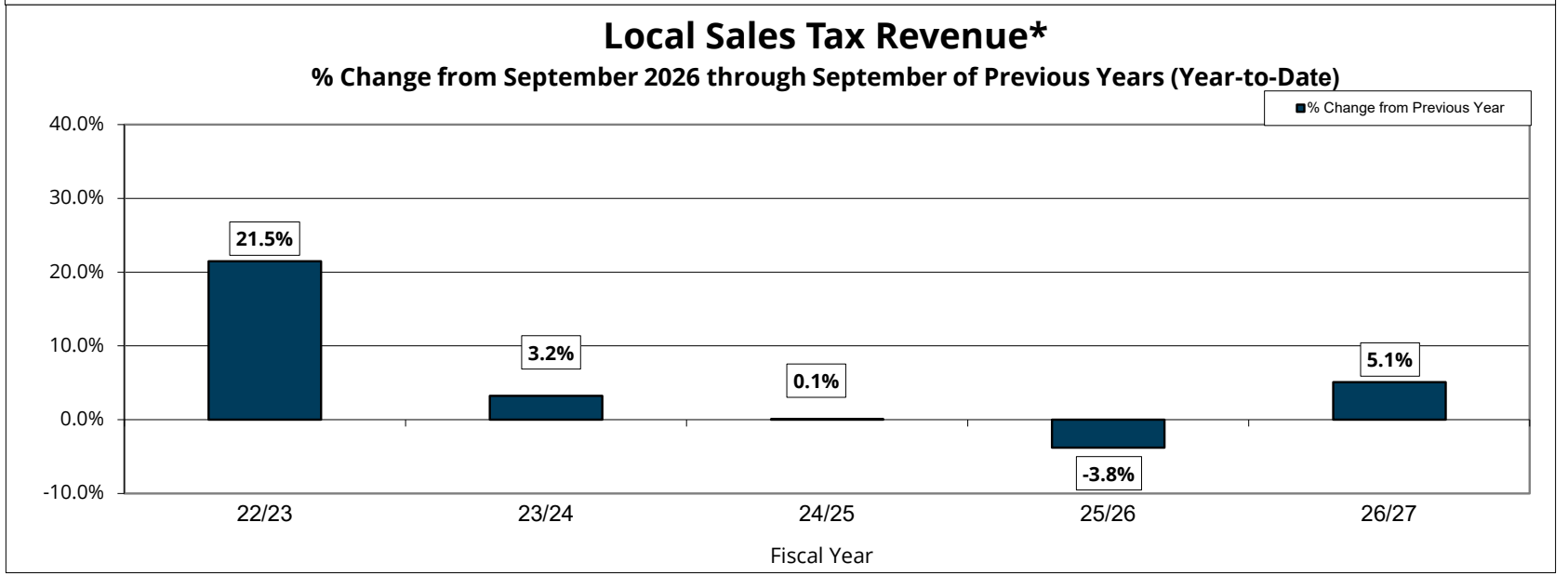
FY 2026-27 Year-To-Date Actuals Through September 2026

	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	50,004,734	**50,566,647**	561,912	1.1%	48,127,346	2,439,300	5.1%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,625,945	697,515	**987,518**	290,003	41.6%	1,207,429	(219,911)	-18.2%
Total Local Sales Tax Revenue	$ 200,113,932	$ 50,702,249	**$ 51,554,165**	$ 851,915	1.7%	$ 49,334,775	$ 2,219,389	4.5%
Franchise Fees	3,081,500	51,653	**22,749**	(28,904)	-56.0%	83,463	(60,714)	-72.7%
Primary Property Taxes	8,860,291	44,948	**79,742**	34,794	77.4%	31,586	48,156	152.5%
State Shared Sales Tax Revenue	45,345,000	9,021,192	**9,509,195**	488,003	5.4%	8,391,194	1,118,001	13.3%
Vehicle License Tax	14,905,000	2,983,650	**2,982,029**	(1,621)	-0.1%	3,107,434	(125,405)	-4.0%
Urban Revenue Sharing	58,500,000	14,627,987	**14,622,157**	(5,830)	0.0%	13,704,164	917,993	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	1,229,500	**1,954,213**	724,713	58.9%	1,460,530	493,683	33.8%
Charges for Services	20,363,359	3,592,490	**3,081,318**	(511,172)	-14.2%	3,596,796	(515,478)	-14.3%
Fines & Forfeitures	3,806,600	945,568	**884,653**	(60,915)	-6.4%	1,083,535	(198,882)	-18.4%
Interest & Investments	9,445,000	1,106,261	**1,991,017**	884,756	80.0%	2,310,684	(319,667)	-13.8%
Other Revenues	2,958,889	739,724	**232,946**	(506,778)	-68.5%	417,629	(184,683)	-44.2%
Indirect Cost	9,440,782	2,360,200	**2,360,195**	(5)	0.0%	2,259,192	101,003	4.5%
Total General Fund Revenues	**$ 386,110,653**	**$ 87,405,422**	**$ 89,302,304**	**$ 1,896,881**	**2.2%**	**$ 85,780,982**	**$ 3,521,321**	**4.1%**
Prior Month	**$ 386,110,653**	**$ 57,208,402**	**$ 58,854,525**	**$ 1,646,126**	**2.9%**	**$ 57,149,326**	**$ 1,705,203**	**3.0%**
Change from Prior Month	**$ -**	**$ 30,197,020**	**$ 30,447,778**	**$ 250,755**	**-0.7%**	**$ 28,631,656**	**$ 1,816,118**	**1.1%**

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 exclude privilege license fees, audit assessments, interest, and penalties.

Attachment 2

Sales Tax Revenue By Class

Through September 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%	9.4%	$ 7,625,312	5.0%	$ 6,971,724	14.5%	$ 6,637,460	6.6%	$ 5,795,966	3.1%	$ 5,438,421
Telecommunications	0.8%	11.0%	$ 448,269	-23.5%	$ 403,686	2.7%	$ 527,465	31.5%	$ 513,774	-6.0%	$ 390,596
Publishing / Advertising / Printing / Transportation	0.1%	63.1%	$ 79,590	7.7%	$ 48,810	-4.1%	$ 45,327	-17.2%	$ 47,284	32.8%	$ 57,114
Restaurants & Bars	10.0%	9.3%	$ 4,968,980	2.4%	$ 4,546,532	4.6%	$ 4,438,842	3.3%	$ 4,244,209	12.7%	$ 4,108,325
Amusements	1.0%	-2.1%	$ 451,293	1.6%	$ 460,776	19.0%	$ 453,474	11.0%	$ 380,956	33.3%	$ 343,142
Real Property Rentals	7.8%	12.1%	$ 4,011,526	-42.2%	$ 3,578,985	3.1%	$ 6,188,459	12.4%	$ 5,999,984	15.2%	$ 5,336,700
Tangible Personal Property Rentals	4.7%	43.2%	$ 2,181,224	1.9%	$ 1,523,215	5.5%	$ 1,494,101	25.2%	$ 1,416,371	12.4%	$ 1,130,902
Hotels / Motels	3.6%	2.0%	$ 1,104,206	-0.3%	$ 1,082,283	2.0%	$ 1,085,533	-6.3%	$ 1,064,426	29.2%	$ 1,136,427
Contracting	6.4%	-9.0%	$ 3,282,924	-28.7%	$ 3,605,843	-29.4%	$ 5,055,074	9.9%	$ 7,162,295	95.8%	$ 6,518,272
Retail / Manufactured Buildings / Jet Fuel	51.3%	0.5%	$ 24,806,398	9.6%	$ 24,672,168	-2.2%	$ 22,517,546	3.8%	$ 23,013,477	17.3%	$ 22,165,970
Use Tax	3.0%	30.3%	$ 1,606,925	21.6%	$ 1,233,325	366.0%	$ 1,572,284	-81.2%	$ 337,395	21.9%	$ 1,792,745
Total Sales Tax Revenue*	**100.0%**	**5.1%**	**$ 50,566,647**	**-3.8%**	**$ 48,127,346**	**0.1%**	**$ 50,015,566**	**3.2%**	**$ 49,976,138**	**21.5%**	**$ 48,418,613**

Sales Tax Revenue By Class

Through September (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	16.2%	$ 3,037,588	5.9%	$ 2,614,289	7.1%	$ 2,467,546	11.3%	$ 2,303,137	7.2%	$ 2,069,758
Telecommunications	17.4%	$ 157,565	-25.8%	$ 134,162	4.2%	$ 180,799	34.1%	$ 173,542	-10.7%	$ 129,376
Publishing / Advertising / Printing / Transportation	197.1%	$ 30,650	-36.1%	$ 10,317	11.5%	$ 16,153	-39.1%	$ 14,491	62.8%	$ 23,799
Restaurants & Bars	11.0%	$ 1,677,426	4.6%	$ 1,511,346	3.5%	$ 1,444,317	0.3%	$ 1,395,774	14.7%	$ 1,391,140
Amusements	15.9%	$ 152,317	-12.1%	$ 131,420	32.3%	$ 149,474	4.2%	$ 112,990	14.2%	$ 108,401
Real Property Rentals	18.0%	$ 1,399,665	-41.4%	$ 1,186,474	5.7%	$ 2,026,124	6.9%	$ 1,916,368	38.1%	$ 1,791,850
Tangible Personal Property Rentals	26.7%	$ 644,861	1.2%	$ 509,137	-2.2%	$ 502,894	27.8%	$ 514,006	16.6%	$ 402,305
Hotels / Motels	12.6%	$ 361,143	-8.2%	$ 320,708	3.5%	$ 349,336	-12.2%	$ 337,385	21.7%	$ 384,117
Contracting	-0.9%	$ 900,223	-50.3%	$ 908,650	-39.8%	$ 1,829,137	30.5%	$ 3,040,840	97.2%	$ 2,330,349
Retail / Manufactured Buildings / Jet Fuel	1.7%	$ 8,057,096	7.6%	$ 7,920,734	-1.7%	$ 7,361,910	-0.6%	$ 7,488,565	20.2%	$ 7,534,162
Use Tax	39.4%	$ 560,506	5.9%	$ 402,171	7.9%	$ 427,201	-21.4%	$ 395,979	13.0%	$ 503,501
Total Sales Tax Revenue*	**8.5%**	**$ 16,979,039**	**-6.6%**	**$ 15,649,408**	**-5.3%**	**$ 16,754,892**	**6.1%**	**$ 17,693,076**	**25.8%**	**$ 16,668,758**

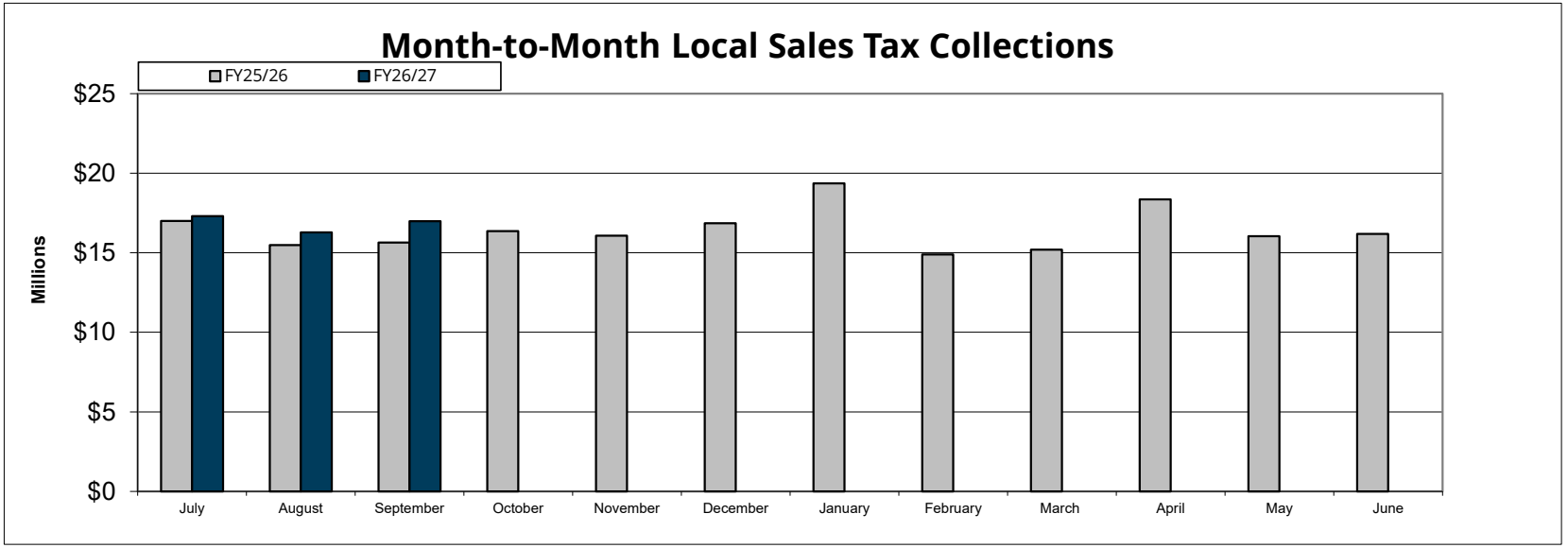
*Totals are for sales tax only, and exclude privilege license fees, audit assessments, interest, and penalties.

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 + / (-) FY26/27 over FY25/26	% Difference + / (-) FY26/27 over FY25/26
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**	**16,979,039**	**1,329,630**	**8.5%**
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	**$ 48,127,346**	**$ 50,566,647**	**$ 2,439,301**	**5.1%**



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

Attachment 4

General Fund Expenditure Summary
Thru September 2026

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru September 2026	Percentage of Adjusted Budget Expended & Encumbered Thru September 2026	Percentage of Adjusted Budget Expended & Encumbered Thru September 2025	Over/Under Last Year's Percentage
City Clerk	$ 1,986,093	$ 2,038,995	$ 441,141	21.6%	18.7%	2.9%
City Manager and Organization Support[1]						
City Manager	3,133,608	3,202,237	772,228	24.1%	31.0%	-6.9%
Budget[2]	1,273,284	1,314,759	354,812	27.0%	25.9%	1.1%
Buildings & Facilities	10,700,030	11,109,751	4,166,715	37.5%	39.2%	-1.7%
Cultural Development[2]	6,854,299	7,339,890	2,076,241	28.3%	26.8%	1.5%
Economic Development	2,780,372	2,890,373	888,261	30.7%	34.7%	-4.0%
Fleet Services	1,984,440	2,022,368	457,788	22.6%	27.3%	-4.7%
Human Resources	2,942,148	3,113,151	760,574	24.4%	28.2%	-3.8%
Transportation Policy	3,325,692	3,857,172	1,997,528	51.8%	32.2%	19.6%
Communications & Public Affairs	4,313,122	4,836,171	1,005,546	20.8%	26.1%	-5.3%
Community Services	43,199,595	44,458,997	16,663,659	37.5%	37.6%	-0.1%
Development Services	15,115,782	16,492,358	5,841,739	35.4%	25.6%	9.8%
Fire	46,809,742	49,009,252	16,489,874	33.6%	34.0%	-0.4%
Information Technology	28,626,462	35,811,245	17,994,522	50.2%	43.6%	6.6%
Law	5,090,101	5,222,044	1,375,614	26.3%	26.2%	0.1%
Magistrate	6,199,678	6,481,666	1,797,930	27.7%	31.5%	-3.8%
Management Services[2]	8,774,538	9,019,466	2,230,652	24.7%	27.4%	-2.7%
Mayor and Council	1,443,994	1,478,625	362,351	24.5%	24.8%	-0.3%
Neighborhood Resources	10,235,069	11,173,142	4,984,626	44.6%	21.3%	23.3%
Police	100,688,039	105,206,852	34,104,457	32.4%	32.4%	0.0%
Public Works & Utilities	6,673,823	8,342,217	2,971,126	35.6%	39.0%	-3.4%
Non-Departmental (Personnel Services and O&M)	22,970,845	17,028,037	1,326,723	7.8%	39.7%	-31.9%
Subtotal Prior to Contingencies/Reserves	**$ 335,120,756**	**$ 351,448,768**	**$ 119,064,107**	**33.9%**	**34.2%**	**5.8%**
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	46,616,061	-	0.0%	0.0%	0.0%
Total General Fund Expenditures	**$ 408,253,606**	**$ 401,401,929**	**$ 119,064,107**	**29.7%**	**31.7%**	**-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 Reserve/Contingency line

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.