



## Informational Memo

### Management Services - Memo No. 26-014

**Date:** August 28, 2025

**To:** Mayor and Council

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

**From:** Matt Dunbar, Budget & Policy Director *MD*

**Subject:** Fiscal Year-End (FYE) 2024-25 General Fund Revenue Summary, Sales Tax Collection Report, and Expenditure Reports through June 2025

Attached is the FYE 2024-25 General Fund Revenue and Expenditure Reports for the period ending June 30, 2025. The June report is typically released in August 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 2025. The fiscal year end reflects actual General Fund revenues at 6.6% over the budgeted revenues for the fiscal year, and a 2.2% decrease from the prior year actuals.

During the preparation of the FY 2025-26 Budget, year-end FY 2024-25 revenues were updated based on actual collections reflected in this report from January 2025 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 2025-26 Budget. Through this process, \$13.7 million of the \$24.5 million over the Adopted Budget was anticipated and incorporated into the FY 2025-26 Budget. The final net impact of the

additional one-time funds, revenues, as well as expenditures and carryforwards, 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, year to date (YTD) collections in Local TPT, State Shared Revenue, and Vehicle License Tax all came in above budget as we continued to see economic growth through the end of the fiscal year. The Primary Property tax collections through June 2025 show as lower than anticipated (-4%) due to refunds based on the Qasimyar vs. Maricopa County Class Action Lawsuit which impacted taxpayers that changed the use of their home from a residential home to a rental home between 2015 and 2021.

The Local TPT collections through June 2025, reflect an overall increase of 3.0% above budget, and a 2.3% decrease compared to prior year actuals. Additionally, when comparing the TPT collections received in June 2025 to the same month in the prior year, collections are down 24.2%, with much of that decrease coming from slowing construction contracting and the related ancillary taxes generated by that activity, as well as the impact of eliminating the taxability of residential rental, which stopped in January and the revenue decrease reflects in the Real Property Rentals TPT category. Additionally, the prior year data included the resolution of a tax issue that resulted in an increase in retail revenues in June of the prior year that was one-time in nature. Without that prior year increase, revenues would have been lower by 10.8% when compared to the prior year instead of 24.2%. Current Urban Revenue Sharing reflects taxes collected at the State two years prior and came in slightly below budget by 0.8%.

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 as shown in the year end numbers.

Finally, the FY 2024-25 General Fund Expenditure Summary (Attachment 5) report reflects the percentage of adjusted budget expended and encumbered through June 2025. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 93.5% spending through June 2025, compared to 91.9% 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.

Attachment: FYE 2024-25 General Fund Monthly Revenue and Expenditure Reports through June 2025

## General Fund Revenue Summary

### FY 2024-25 Year-To-Date Actuals Through June 2025

	Budget	Actuals			Comparison to Prior Year Actuals		
General Fund Revenues	FY 2024-25 Adopted Budget	FY 2024-25 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2023-24 Actual Revenues for Same Period	Difference + or - from FY 2023-24 to FY 2024-25	% Change of Actuals to Same Period FY 2023-24
Local Sales Tax Collections	196,000,000	201,795,787	5,795,787	3.0%	206,617,359	(4,821,572)	-2.3%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,908,400	3,169,460	1,261,060	66.1%	4,119,686	(950,226)	-23.1%
Total Local Sales Tax Revenue	\$ 197,908,400	\$ 204,965,247	\$ 7,056,847	3.6%	\$ 210,737,045	\$ (5,771,798)	-2.7%
Franchise Fees	3,650,000	2,807,599	(842,401)	-23.1%	3,383,051	(575,452)	-17.0%
Primary Property Taxes	8,783,722	8,431,138	(352,584)	-4.0%	8,626,641	(195,503)	-2.3%
State Shared Sales Tax Revenue	41,500,000	42,987,267	1,487,267	3.6%	42,363,408	623,859	1.5%
Vehicle License Tax	13,500,000	15,060,127	1,560,127	11.6%	14,385,498	674,629	4.7%
Urban Revenue Sharing	60,100,000	59,599,347	(500,653)	-0.8%	74,386,039	(14,786,692)	-19.9%
Smart and Safe	1,308,000	1,615,970	307,970	23.5%	1,503,202	112,768	7.5%
Public Safety State Allocation*	-	-	-	0.0%	2,250,000	(2,250,000)	-100.0%
Licenses & Permits	6,978,300	13,818,609	6,840,309	98.0%	5,095,759	8,722,850	171.2%
Charges for Services	15,707,789	16,824,743	1,116,954	7.1%	17,799,915	(975,172)	-5.5%
Fines & Forfeitures	3,657,800	4,180,605	522,805	14.3%	4,296,570	(115,965)	-2.7%
Interest & Investments	3,777,000	11,096,987	7,319,987	193.8%	5,970,440	5,126,547	85.9%
Other Revenues	2,830,508	2,651,265	(179,243)	-6.3%	2,816,815	(165,550)	-5.9%
Indirect Cost**	8,532,282	8,648,060	115,778	1.4%	7,978,182	669,878	8.4%
Total General Fund Revenues	\$ 368,233,801	\$ 392,686,964	\$ 24,453,163	6.6%	\$ 401,592,565	\$ (8,905,601)	-2.2%
Prior Month	\$ 368,233,801	\$ 353,416,696	\$ 23,460,147	7.1%	\$ 361,463,757	\$ (8,047,061)	-2.2%
Change from Prior Month	\$ -	\$ 39,270,268	\$ 993,016	-0.5%	\$ 40,128,808	\$ (858,541)	0.0%

Note:

FY 2024-25 Adopted Budget excludes one-time Interfund Transfers-In of \$650,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Fund

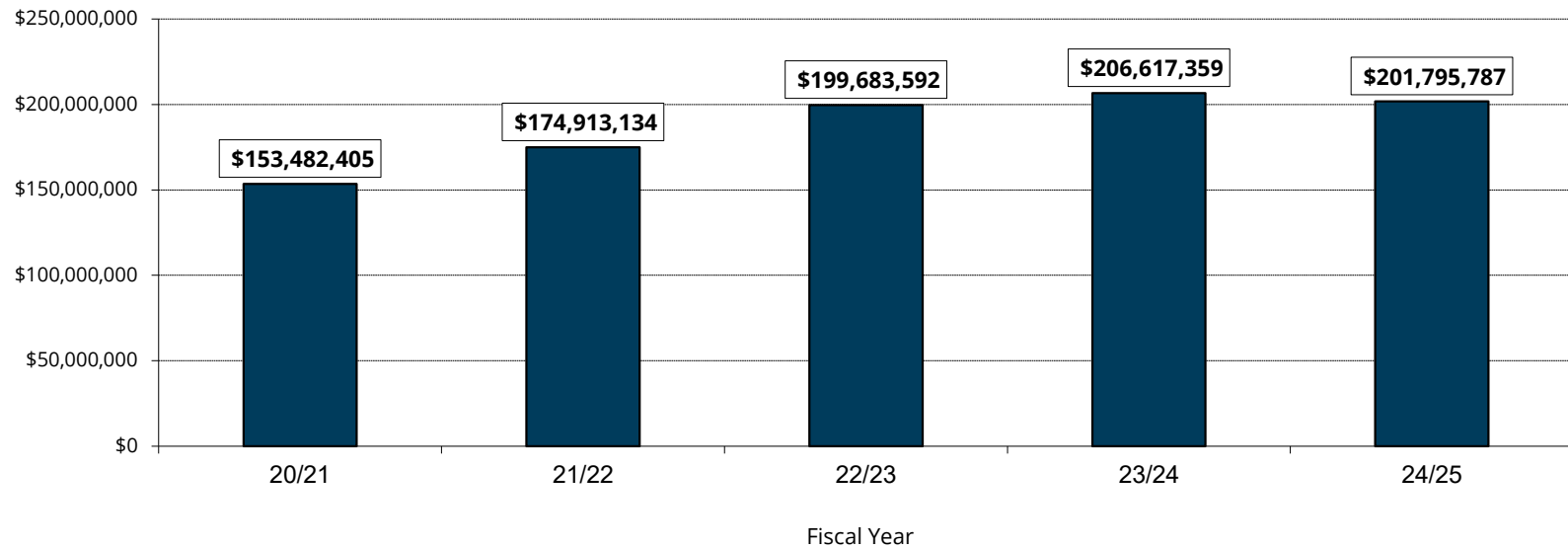
\*Public Safety State Allocation is a new revenue line established in FY 2023-24 with a final total received of \$2,500,000. No additional funding is anticipated in the current FY.

\*\*FY 2024-25 Indirect Cost revenue is above budget for the month of June due to an indirect adjustment for the Utility Billing Replatform program.

**Attachment 1**

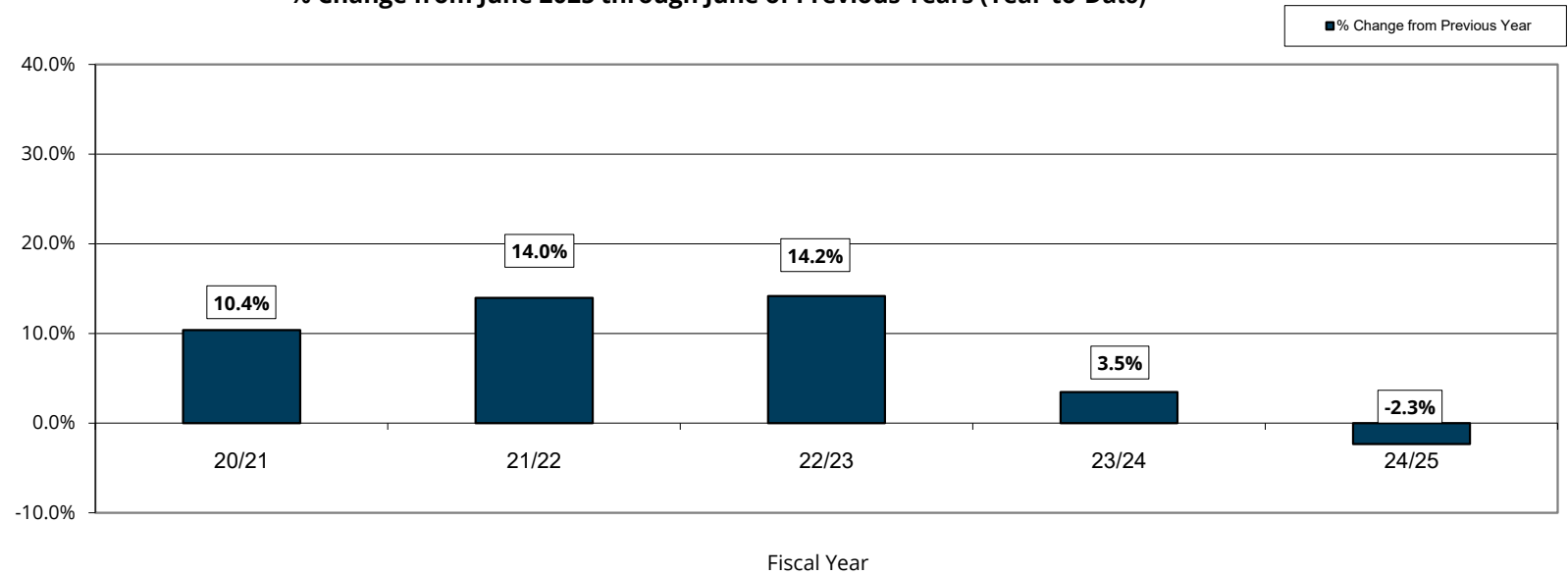
## Local Sales Tax Revenue\* Through Month of June

(Based on Sales Through May)



## Local Sales Tax Revenue\*

% Change from June 2025 through June of Previous Years (Year-to-Date)



**\*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 % of Total	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21
Utilities	9.0%	14.0%	\$ 21,104,109	9.8%	\$ 18,510,764	7.4%	\$ 16,856,222	3.1%	\$ 15,693,029	7.4%	\$ 15,219,916
Telecommunications	1.0%	-18.0%	\$ 1,677,975	16.0%	\$ 2,045,904	11.7%	\$ 1,764,220	-12.0%	\$ 1,579,834	-23.6%	\$ 1,796,135
Publishing / Advertising / Printing / Transportation	0.1%	19.1%	\$ 208,311	-19.2%	\$ 174,842	7.4%	\$ 216,469	3.0%	\$ 201,544	52.8%	\$ 195,636
Restaurants & Bars	8.9%	2.6%	\$ 18,924,739	4.9%	\$ 18,453,260	8.6%	\$ 17,583,604	26.0%	\$ 16,186,585	6.4%	\$ 12,842,386
Amusements	0.8%	16.1%	\$ 1,963,222	13.4%	\$ 1,691,668	13.0%	\$ 1,491,849	74.9%	\$ 1,319,845	-28.0%	\$ 754,428
Real Property Rentals	11.9%	-15.9%	\$ 20,707,698	6.2%	\$ 24,628,962	11.6%	\$ 23,201,895	9.6%	\$ 20,798,190	5.0%	\$ 18,984,981
Tangible Personal Property Rentals	3.5%	-12.8%	\$ 6,315,805	38.9%	\$ 7,244,167	25.5%	\$ 5,214,792	11.4%	\$ 4,154,766	-13.4%	\$ 3,728,482
Hotels / Motels	3.3%	-0.2%	\$ 6,726,031	-1.1%	\$ 6,740,884	16.6%	\$ 6,815,308	87.7%	\$ 5,845,521	-14.6%	\$ 3,114,795
Contracting	12.2%	-24.5%	\$ 19,093,138	-8.4%	\$ 25,281,079	59.4%	\$ 27,599,546	21.1%	\$ 17,310,576	4.6%	\$ 14,291,652
Retail / Manufactured Buildings / Jet Fuel	47.3%	0.4%	\$ 98,165,564	6.1%	\$ 97,766,534	8.4%	\$ 92,114,309	13.5%	\$ 85,001,177	16.7%	\$ 74,897,527
Use Tax	2.0%	-69.4%	\$ 6,909,195	-40.2%	\$ 4,079,296	0.0%	\$ 6,825,378	-10.9%	\$ 6,822,068	40.9%	\$ 7,656,467
<b>Total Sales Tax Revenue*</b>	<b>100.0%</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>	<b>10.4%</b>	<b>\$ 153,482,405</b>

## Sales Tax Revenue By Class

Through June (Month-over-Month)

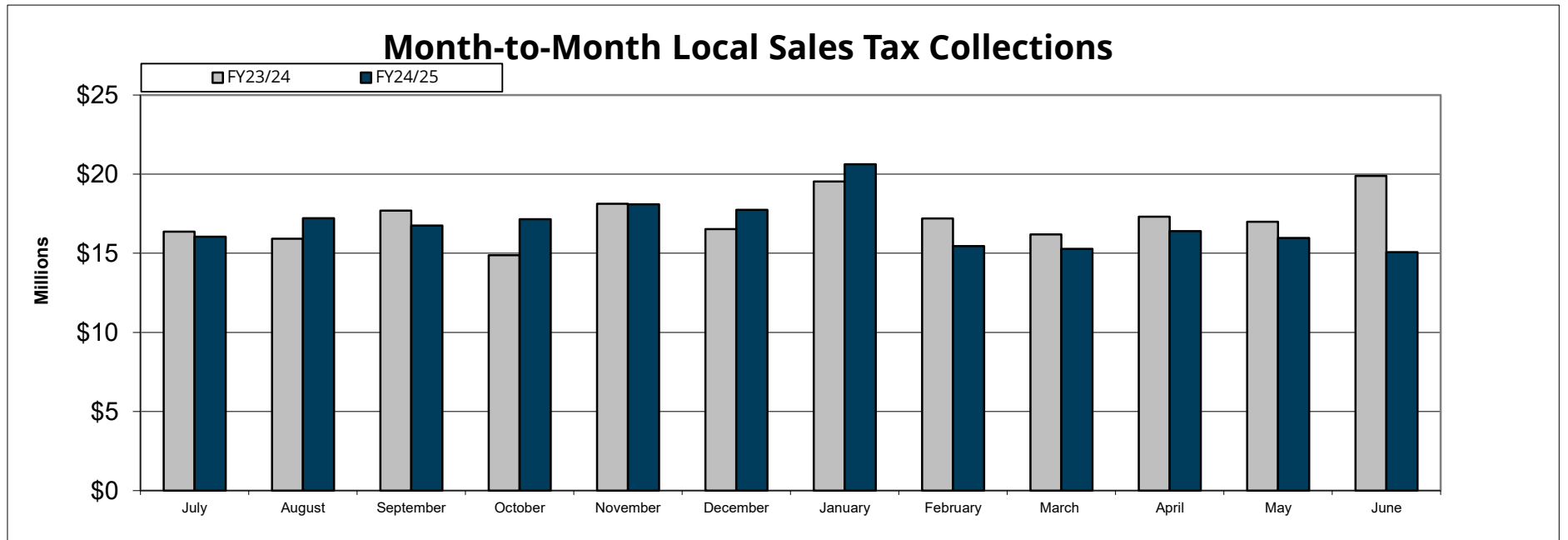
Sales Tax Category	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21
Utilities	8.4%	\$ 1,622,672	9.3%	\$ 1,496,953	4.3%	\$ 1,370,019	22.6%	\$ 1,314,018	-6.1%	\$ 1,071,909
Telecommunications	-25.2%	\$ 130,465	-2.8%	\$ 174,347	67.9%	\$ 179,344	-24.1%	\$ 106,807	-28.8%	\$ 140,733
Publishing / Advertising / Printing / Transportation	21.3%	\$ 16,793	-20.7%	\$ 13,844	-2.1%	\$ 17,467	5.0%	\$ 17,839	41.5%	\$ 16,990
Restaurants & Bars	0.7%	\$ 1,608,243	3.1%	\$ 1,597,512	1.8%	\$ 1,550,000	12.4%	\$ 1,522,398	45.1%	\$ 1,353,851
Amusements	3.1%	\$ 158,931	21.7%	\$ 154,187	1.8%	\$ 126,668	41.9%	\$ 124,484	80.6%	\$ 87,733
Real Property Rentals	-47.9%	\$ 1,053,818	10.6%	\$ 2,024,164	2.5%	\$ 1,830,309	8.3%	\$ 1,785,332	9.9%	\$ 1,648,339
Tangible Personal Property Rentals	25.6%	\$ 576,349	11.6%	\$ 458,930	26.2%	\$ 411,082	-1.4%	\$ 325,832	3.6%	\$ 330,558
Hotels / Motels	-18.9%	\$ 425,092	6.7%	\$ 524,253	-3.3%	\$ 491,215	58.1%	\$ 508,139	164.6%	\$ 321,482
Contracting	-47.7%	\$ 1,076,147	-29.0%	\$ 2,057,788	9.3%	\$ 2,897,184	82.4%	\$ 2,650,369	31.4%	\$ 1,452,674
Retail / Manufactured Buildings / Jet Fuel	-27.4%	\$ 7,938,887	42.0%	\$ 10,938,873	7.3%	\$ 7,705,443	7.1%	\$ 7,183,499	14.7%	\$ 6,708,371
Use Tax	-2.8%	\$ 456,862	0.7%	\$ 444,384	-2.1%	\$ 441,132	-73.1%	\$ 450,752	200.3%	\$ 1,676,879
<b>Total Sales Tax Revenue*</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>	<b>25.7%</b>	<b>\$ 14,809,519</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 FY23/24	Monthly Collections FY24/25	\$ Difference + / ( - ) FY24/25 over FY23/24	% Difference + / ( - ) FY24/25 over FY23/24
July	16,367,375	16,041,259	(326,116)	-2.0%
August	15,915,687	17,219,415	1,303,727	8.2%
September	17,693,076	16,754,892	(938,185)	-5.3%
October	14,875,472	17,146,826	2,271,356	15.3%
November	18,124,782	18,098,076	(26,706)	-0.1%
December	16,527,924	17,747,416	1,219,492	7.4%
January	19,530,608	20,624,994	1,094,386	5.6%
February	17,197,955	15,455,315	(1,742,640)	-10.1%
March	16,194,706	15,278,377	(916,328)	-5.7%
April	17,317,851	16,400,164	(917,687)	-5.3%
May	16,986,687	15,964,794	(1,021,893)	-6.0%
June	19,885,235	15,064,258	(4,820,977)	-24.2%
Totals	\$ 206,617,359	\$ 201,795,787	\$ (4,821,572)	-2.3%



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

## General Fund Expenditure Summary Thru June 2025

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru June 2025	Percentage of Adjusted Budget Expended & Encumbered Thru June 2025	Percentage of Adjusted Budget Expended & Encumbered Thru June 2024	Over/Under Last Year's Percentage
City Clerk	\$ 1,491,484	\$ 1,531,385	1,314,026	85.8%	92.7%	-6.9%
City Manager and Organization Support <sup>(1)</sup>						
City Manager	2,344,587	2,509,302	2,506,096	99.9%	99.7%	0.2%
Buildings & Facilities	8,760,515	9,899,647	9,879,243	99.8%	97.7%	2.1%
Cultural Development	5,187,478	5,589,693	5,377,661	96.2%	97.9%	-1.7%
Diversity, Equity, and Inclusion	712,984	802,533	713,229	88.9%	78.9%	10.0%
Economic Development	2,249,706	2,897,731	2,706,572	93.4%	90.1%	3.3%
Fleet Services	1,526,315	1,568,407	1,510,341	96.3%	90.9%	5.4%
Human Resources	2,477,410	2,699,245	2,657,604	98.5%	88.7%	9.8%
Transportation Policy	3,335,785	3,510,957	1,786,091	50.9%	28.2%	22.7%
Communications & Public Affairs	3,535,004	4,051,435	3,689,001	91.1%	84.4%	6.7%
Community Services	34,953,712	37,813,290	35,522,571	93.9%	93.8%	0.1%
Development Services	13,044,834	15,211,467	13,452,353	88.4%	86.7%	1.7%
Fire	48,798,146	52,568,757	49,790,744	94.7%	97.8%	-3.1%
Information Technology	24,028,446	30,248,413	26,251,345	86.8%	90.6%	-3.8%
Law	4,816,283	5,008,251	4,927,347	98.4%	98.3%	0.1%
Magistrate	5,847,458	6,103,175	5,428,996	89.0%	82.8%	6.2%
Management Services	8,924,130	9,320,120	8,828,891	94.7%	86.0%	8.7%
Mayor and Council	1,288,723	1,357,161	1,321,885	97.4%	91.5%	5.9%
Neighborhood Resources	10,262,729	10,061,563	8,712,996	86.6%	81.9%	4.7%
Police	100,299,908	112,641,109	109,946,873	97.6%	95.7%	1.9%
Public Works & Utilities	10,257,708	11,721,967	10,480,775	89.4%	89.1%	0.3%
Non-Departmental (Personnel Services and O&M)	28,479,897	11,438,477	9,667,060	84.5%	88.2%	-3.7%
<b>Subtotal Prior to Contingencies/Reserves</b>	<b>\$ 322,623,242</b>	<b>\$ 338,554,085</b>	<b>\$ 316,471,700</b>	<b>93.5%</b>	<b>91.9%</b>	<b>1.6%</b>
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	14,899,800	2,948,194	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	54,345,300	37,404,988	-	0.0%	0.0%	0.0%
<b>Total General Fund Expenditures</b>	<b>\$ 391,868,342</b>	<b>\$ 378,907,267</b>	<b>\$ 316,471,700</b>	<b>83.5%</b>	<b>80.6%</b>	<b>2.9%</b>

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

**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 items; it must be moved to spendable lines within Departments.

**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.