Quarterly Financial Update General Fund FY2025/26 Quarter 3

City Treasurer's Office

City Council Meeting May 19, 2026

Quarterly Financial Updates

Highlight General Fund Results through the 3rd quarter of FY 2025/26 (through March 2026)

- ❑ Revenue Collections to Date
- ❑ Budget to Actual Variances

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General Fund Summary FY 2025/26 – YTD Quarter 3

General Fund Revenues are 5% Above Budget:

- ❑Sales Tax favorable variance of 2%
- ❑Higher than budgeted interest earnings due to lower interest rate and fund balance assumptions
- ❑A distribution report error from Maricopa County resulted in overstatement of primary property tax; that issue was corrected in April

General Fund Expenditures are 4% Below Budget:

- ❑Personnel Savings
- ❑Timing of expenditures for various contracts, commodities and equipment

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General Fund Revenues

<u>Positive Variances</u>

- ❑ Local Taxes - $3.6 million of the overall positive variance came from Local Sales Tax
- ❑ Interest Earnings – variance due to lower rates and fund balance originally anticipated
- ❑ Charges for Services - higher cell tower lease payments, golf course revenues, and WestWorld Facility and RV Rental than anticipated
- ❑ Property Tax – variance caused by distribution error from Maricopa County; issue was corrected

(in millions)	FY24/25 Actuals	FY25/26 Actuals	% Change from PY	FY25/26 Budget	Budget Variance	Budget Variance %
Local Taxes*	$164.5	$158.9	-3%	$154.7	$4.3	3%
State Shared Revenues	$76.3	$74.4	-2%	$72.1	$2.2	3%
Property Tax	$20.3	$31.7	56%	$27.4	$4.2	15%
Charges for Services	$15.0	$16.4	9%	$13.5	$2.8	21%
Interest Earnings	$11.9	$14.5	22%	$8.1	$6.4	79%
Other**	$41.0	$42.9	5%	$46.4	($3.3)	-7%
Transfers In	$12.9	$8.6	-33%	$8.6	-	0%
Total	**$341.9**	**$347.4**	**2%**	**$330.9**	**$16.6**	**5%**

* Includes Local Sales Tax, Utility Taxes, Cable TV License Fee, Storm water Fee, and SRP in-Lieu Fee.

** Includes License Permits and Fees, Fines, Building Permit fees and Cost Allocations.

Note: $ in millions/rounding differences and blank lines may occur.

General Fund Revenues

Negative Variances

- ❑ Other** - primarily due to Ambulance Services Program revenue collections that are delayed and/or uncollectible (bad debt)

(in millions)	FY24/25 Actuals	FY25/26 Actuals	% Change from PY	FY25/26 Budget	Budget Variance	Budget Variance %
Local Taxes*	$164.5	$158.9	-3%	$154.7	$4.3	3%
State Shared Revenues	$76.3	$74.4	-2%	$72.1	$2.2	3%
Property Tax	$20.3	$31.7	56%	$27.4	$4.2	15%
Charges for Services	$15.0	$16.4	9%	$13.5	$2.8	21%
Interest Earnings	$11.9	$14.5	22%	$8.1	$6.4	80%
Other**	$41.0	$42.9	5%	$46.4	($3.3)	-7%
Transfers In	$12.9	$8.6	-33%	$8.6	-	0%
Total	**$341.9**	**$347.4**	**2%**	**$330.9**	**$16.6**	**5%**

* Includes Local Sales Tax, Utility Taxes, Cable TV License Fee, Storm water Fee, and SRP in-Lieu Fee.
** Includes License Permits and Fees, Fines, Building Permit fees and Cost Allocations.
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General Fund 1.1% Sales Tax

- Other Activity, Dining/Entertainment/ Misc. Retail Store have reported higher sales tax collections than anticipated
- Negative variance in Automotive, Food Stores, and Major Department stores

(in millions)	FY24/25 Actuals	FY25/26 Actuals	% Change from PY	FY25/26 Budget	Budget Variance	Budget Variance %
Automotive	$18.5	$17.2	-7%	$18.8	($1.6)	-9%
Construction	$16.2	$16.4	1%	$15.9	$0.5	3%
Dining/Entertainment	$13.7	$13.6	-1%	$12.7	$0.9	7%
Food Stores	$8.6	$8.0	-7%	$8.5	($0.5)	-6%
Hotel/Motel	$8.2	$8.3	1%	$7.8	$0.6	7%
Major Dept Stores	$10.4	$9.9	-5%	$10.5	($0.7)	-6%
Misc Retail Stores	$35.0	$35.5	1%	$34.5	$1.0	3%
Other Activity*	$20.4	$22.3	9%	$18.9	$3.4	18%
Rental	$17.9	$12.6	-30%	$12.3	$0.3	3%
Utilities	$5.0	$4.7	-6%	$5.0	($0.3)	-7%
Total	**$153.8**	**$148.4**	**-4%**	**$144.8**	**$3.6**	**2%**

*Includes Services with Retail, Amusement, Manufacturing, and Wholesale

General Fund State Shared Revenues

- ❑ State Shared Income Tax variance due to a State tax credit adjustment
- ❑ Auto Lieu Tax variance due to higher receipts

(in millions)	FY24/25 Actuals	FY25/26 Actuals	% Change from PY	FY25/26 Budget	Budget Variance	Budget Variance %
State Shared Sales Tax	$27.7	$28.3	2%	$28.5	($0.2)	-1%
State Shared Income Tax	$39.0	$36.0	-8%	$34.7	$1.3	4%
Auto Lieu Tax	$9.5	$10.0	5%	$8.9	$1.1	13%
Total	**$76.3**	**$74.4**	**-2%**	**$72.1**	**$2.2**	**3%**

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General Fund Expenditures

- Personnel Services variance due to vacancy and other personnel savings across city departments
- Contractual Services variance due to delays in expenses/invoices for paramedic school and IT systems integration

(in millions)	FY24/25 Actuals	FY25/26 Actuals	% Change from PY	FY25/26 Budget	Budget Variance	Budget Variance %
Personnel Services	$209.0	$261.7	25%	$271.3	$9.7	4%
Contractual Services	$73.5	$74.2	1%	$79.6	$5.4	7%
Commodities	$7.6	$9.1	20%	$10.5	$1.4	14%
Capital Outlays	$1.0	$5.2	>100%	$6.4	$1.2	19%
Contracts Payable	$0.5	$0.5	0%	$0.5	-	-
Transfers Out	$1.0	$33.0	>100%	$33.0	-	-
Total	**$292.5**	**$383.6**	**31%**	**$401.3**	**$17.7**	**4%**

Note: $ in millions/rounding differences and blank lines may occur.

General Fund Expenditures

- Commodities and capital outlay variances due to clothing, equipment, and emergency medical supplies that have been ordered but not yet received

(in millions)	FY24/25 Actuals	FY25/26 Actuals	% Change from PY	FY25/26 Budget	Budget Variance	Budget Variance %
Personnel Services	$209.0	$261.7	25%	$271.3	$9.7	4%
Contractual Services	$73.5	$74.2	1%	$79.6	$5.4	7%
Commodities	$7.6	$9.1	20%	$10.5	$1.4	14%
Capital Outlays	$1.0	$5.2	>100%	$6.4	$1.2	19%
Contracts Payable	$0.5	$0.5	0%	$0.5	-	-
Transfers Out	$1.0	$33.0	>100%	$33.0	-	-
Total	**$292.5**	**$383.6**	**31%**	**$401.3**	**$17.7**	**4%**

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General Fund Department Expenditures YTD March 2026

(in millions)	FY24/25 Actuals	FY25/26 Actuals	FY25/26 Budget	Budget Variance	Budget Variance%
Mayor and City Council	$0.8	$0.8	$0.9	$0.1	8%
City Court	$4.7	$5.2	$5.1	($0.1)	-2%
Charter Officers	$21.9	$22.3	$25.5	$3.2	13%
Communications	$2.6	$3.0	$3.2	$0.2	6%
Economic Development	$0.9	$0.8	$1.0	$0.2	21%
Enterprise Operations	$14.1	$11.3	$11.7	$0.4	3%
Fire Department	$56.9	$69.3	$72.1	$2.8	4%
Facilities Management	$19.0	$20.3	$20.7	$0.4	2%
Human Resources	$3.3	$3.6	$4.1	$0.5	11%
Information Technology	$15.8	$16.4	$17.3	$0.9	5%
Library & Human Services	$12.4	$10.7	$11.7	$1.0	9%
Planning and Development Services	$13.9	$11.1	$13.0	$1.9	15%
Police Department	$105.4	$154.5	$160.0	$5.5	3%
Parks & Recreation & Preserve	$18.6	$18.2	$18.9	$0.7	4%
Transportation and Infrastructure	$0.7	$2.4	$2.5	$0.2	7%
Total	**$291.0**	**$350.1**	**$367.8**	**$17.7**	**5%**

Enterprise Operations includes the portion of Tourism and Events, WestWorld, professional baseball, and the Enterprise Operations department administration funded by the General Fund. Does not include Enterprise Funds (Water and Water Reclamation Funds, Solid Waste Fund and Aviation Fund)

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Questions?

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