



## Informational Memo

### Management Services - Memo No. 24-012

**Date:** August 22, 2023

**To:** Mayor and Council

**Thru:** Joshua H. Wright, City Manager *JHW*  
Dawn Lang, Deputy City Manager/CFO *DLL*

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

**Subject:** Fiscal Year-End (FYE) 2022-23 General Fund Revenue Summary, Sales Tax Collection Report, and Expenditure Reports through June 2023

Attached is the Fiscal Year-End FY 2022-23 General Fund Revenue and Expenditure Reports for the period ending June 30, 2023. 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 2023. The fiscal year end reflects a 20.2% increase in total General Fund revenues as compared to the budgeted revenues for the fiscal year, and an 18.3% increase over actual revenues from the prior year. The large industrial development currently underway in Chandler has contributed to additional one-time revenue in the current year in numerous categories.

During the preparation of the FY 2023-24 Budget, projected FY 2022-23 year-end revenues were updated based on actual collections reflected in this report from January 2023 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 2023-24

Budget. Through this process, \$48.7 million of the \$62.8 million over the Adopted Budget was anticipated and incorporated into the FY 2023-24 Budget. This allowed for the additional \$73 million payment to pay off the Public Safety Personnel Retirement System (PSPRS) unfunded liability debt. The final net impact of the additional one-time funds, (i.e. revenues, 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 May TPT reported/received in June. Overall, year to date (YTD) collections in Local TPT, Voter Authorized Local Revenues (VALR), also known as State Shared Revenue, and Urban Revenue Sharing have come in above budget as we continued to see strong economic growth through the end of the fiscal year. 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 June 2023 reflect an overall increase of 15.3% above budget and a 14.2% increase compared to prior year actuals. Also, when comparing the TPT collections received in June 2023 to the same month in the prior year, collections are up 6.4% due to significantly higher collections in the contracting, hotels/motels, amusement, and retail categories.

Finally, the FY 2022-23 General Fund Expenditure Summary (Attachment 5) report reflects the percent of adjusted budget expended and encumbered through June 2023. This report then compares this spending percentage to the prior fiscal year. Overall department expenditures resulted in 89.6% spending through June 2023, compared to 91.1% 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 2022-23 General Fund Monthly Revenue and Expenditure Reports through June 2023

c: Tadd Wille, Assistant City Manager  
Andy Bass, Deputy City Manager

## General Fund Revenue Summary

### FY 2022-23 Year-To-Date Actuals Through June 2023 - Revised

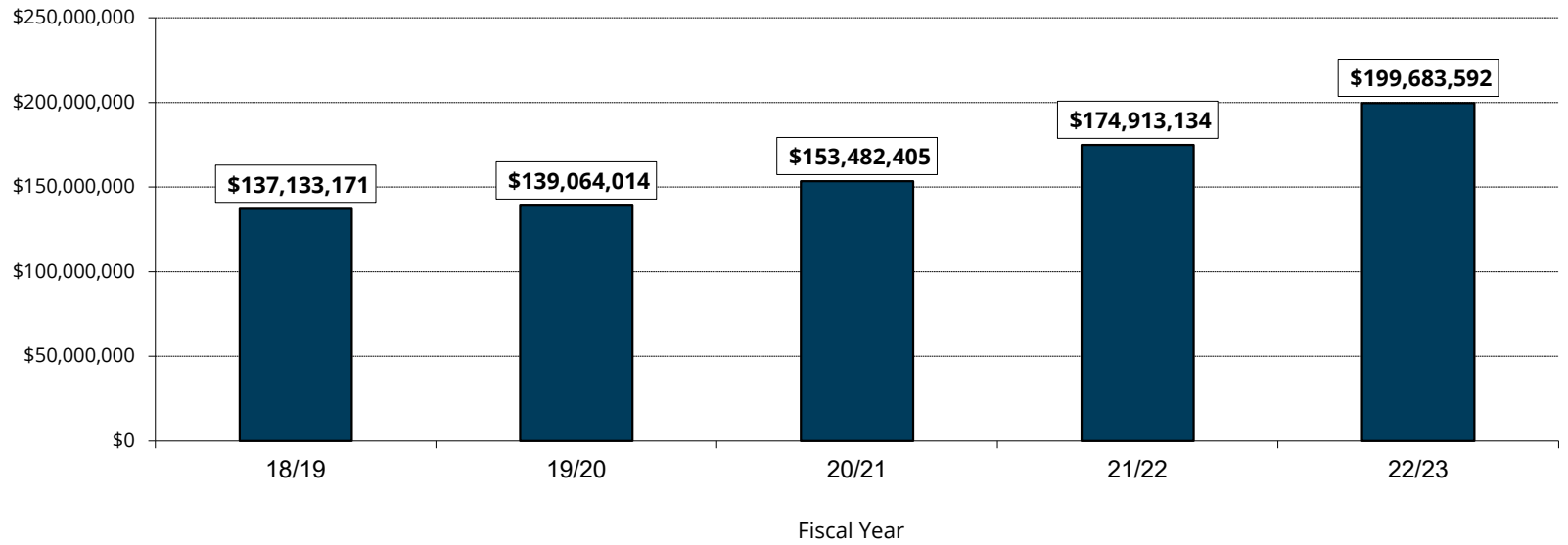
General Fund Revenues	Budget	Actuals	Comparison to Prior Year Actuals				
	FY 2022-23 Adopted Budget	FY 2022-23 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2021-22 Actual Revenues for Same Period	Difference + or - from FY 2021-22 to FY 2022-23	% Change of Actuals to Same Period FY 2021-22
Local Sales Tax Collections	\$ 173,200,000	\$ 199,683,592	\$ 26,483,592	15.3%	\$ 174,913,134	\$ 24,770,458	14.2%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,748,400	5,305,736	3,557,336	203.5%	3,662,833	1,642,903	44.9%
<b>Total Local Sales Tax Revenue</b>	<b>\$ 174,948,400</b>	<b>\$ 204,989,328</b>	<b>\$ 30,040,928</b>	<b>17.2%</b>	<b>\$ 178,575,967</b>	<b>\$ 26,413,361</b>	<b>14.8%</b>
Franchise Fees	3,451,000	3,630,508	179,508	5.2%	3,652,812	(22,304)	-0.6%
Primary Property Taxes	8,663,078	8,733,273	70,195	0.8%	8,552,666	180,607	2.1%
Voter Authorized Local Revenue	32,000,000	41,309,738	9,309,738	29.1%	38,801,443	2,508,295	6.5%
Vehicle License Tax	13,500,000	13,863,884	363,884	2.7%	12,225,576	1,638,308	13.4%
Urban Revenue Sharing	42,720,000	53,013,618	10,293,618	24.1%	36,011,056	17,002,562	47.2%
Smart and Safe*	605,000	1,518,558	913,558	151.0%	1,276,846	241,712	18.9%
Licenses & Permits	6,718,500	8,742,071	2,023,571	30.1%	6,918,972	1,823,099	26.3%
Charges for Services	13,133,500	17,334,010	4,200,510	32.0%	14,091,916	3,242,094	23.0%
Fines & Forfeitures	3,413,800	4,127,033	713,233	20.9%	3,365,893	761,140	22.6%
Interest & Investments	2,317,000	3,323,539	1,006,539	43.4%	1,786,529	1,537,010	86.0%
Other Revenues**	1,558,000	5,259,431	3,701,431	237.6%	3,008,319	2,251,112	74.8%
Indirect Cost	7,864,624	7,864,624	-	0.0%	7,571,086	293,538	3.9%
<b>Total General Fund Revenues</b>	<b>\$ 310,892,902</b>	<b>\$ 373,709,615</b>	<b>\$ 62,816,713</b>	<b>20.2%</b>	<b>\$ 315,839,081</b>	<b>\$ 57,870,534</b>	<b>18.3%</b>
<b>Prior Month</b>	<b>\$ 310,892,902</b>	<b>\$ 333,716,084</b>	<b>\$ 54,171,703</b>	<b>19.4%</b>	<b>\$ 281,960,806</b>	<b>\$ 51,755,278</b>	<b>18.4%</b>
<b>Change from Prior Month</b>	<b>\$ -</b>	<b>\$ 39,993,531</b>	<b>\$ 8,645,010</b>	<b>0.8%</b>	<b>\$ 33,878,275</b>	<b>\$ 6,115,256</b>	<b>0.0%</b>

Note:

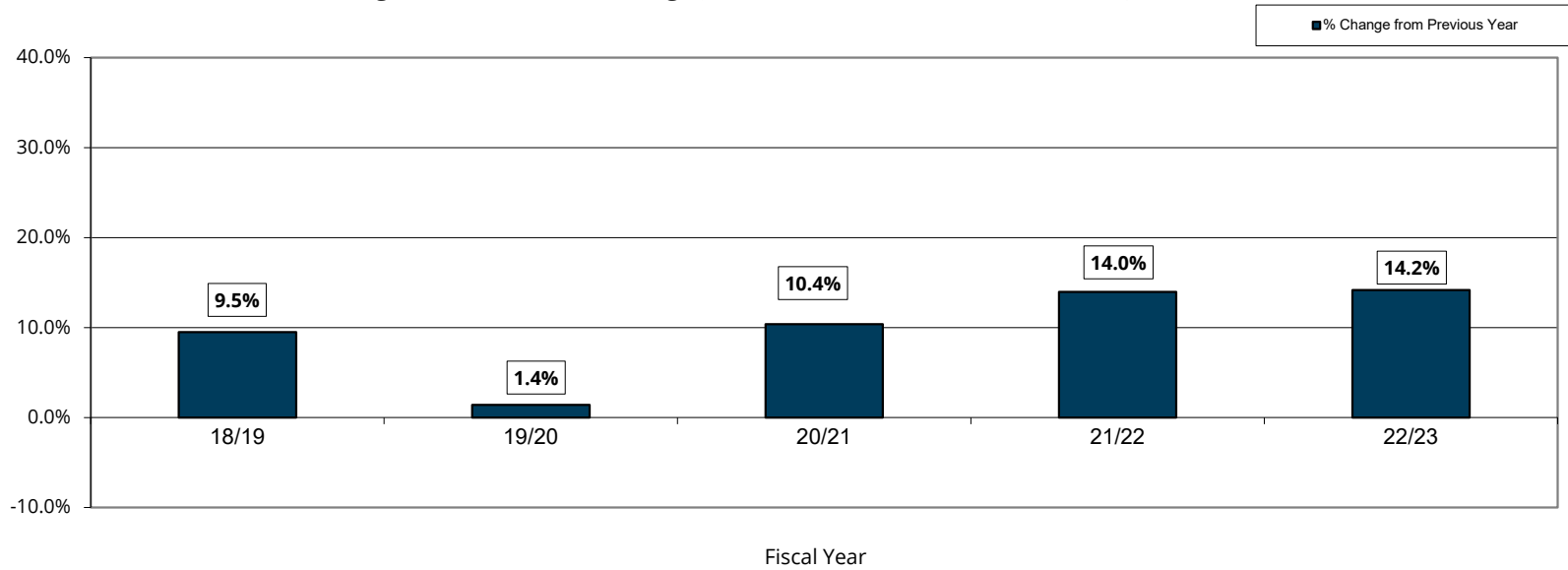
FY 2022-23 Adopted Budget excludes one-time Interfund Transfers-In of \$1,250,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Func

\*\*Prior year Other Revenues included the Smart & Safe, however it was reduce to show in the correct category.

## Local Sales Tax Revenue\* Through Month of June (Based on Sales Through May) Revised



## Local Sales Tax Revenue\* % Change from June 2023 through June of Previous Year (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) Revised

Sales Tax Category	FY21-22 % of Total	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21	% Chg Fm PY	FY 2019-20	% Chg Fm PY	FY 2018-19
Utilities	9.0%	7.4%	\$ 16,856,222	3.1%	\$ 15,693,029	7.4%	\$ 15,219,916	-1.5%	\$ 14,175,575	4.1%	\$ 14,386,603
Telecommunications	0.9%	11.7%	\$ 1,764,220	-12.0%	\$ 1,579,834	-23.6%	\$ 1,796,135	7.7%	\$ 2,351,801	-8.8%	\$ 2,184,382
Publishing / Advertising / Printing / Transportation	0.1%	7.4%	\$ 216,469	3.0%	\$ 201,544	52.8%	\$ 195,636	-51.0%	\$ 128,021	42.9%	\$ 261,209
Restaurants & Bars	9.3%	8.6%	\$ 17,583,604	26.0%	\$ 16,186,585	6.4%	\$ 12,842,386	-5.3%	\$ 12,065,697	7.3%	\$ 12,737,208
Amusements	0.8%	13.0%	\$ 1,491,849	74.9%	\$ 1,319,845	-28.0%	\$ 754,428	-18.0%	\$ 1,048,280	18.0%	\$ 1,278,259
Real Property Rentals	11.9%	11.6%	\$ 23,201,895	9.6%	\$ 20,798,190	5.0%	\$ 18,984,981	8.7%	\$ 18,088,282	10.0%	\$ 16,647,603
Tangible Personal Property Rentals	2.4%	25.5%	\$ 5,214,792	11.4%	\$ 4,154,766	-13.4%	\$ 3,728,482	6.3%	\$ 4,303,935	10.1%	\$ 4,047,001
Hotels / Motels	3.3%	16.6%	\$ 6,815,308	87.7%	\$ 5,845,521	-14.6%	\$ 3,114,795	-10.2%	\$ 3,647,202	9.4%	\$ 4,059,956
Contracting	9.9%	59.4%	\$ 27,599,546	21.1%	\$ 17,310,576	4.6%	\$ 14,291,652	-16.9%	\$ 13,667,589	32.7%	\$ 16,437,927
Retail / Manufactured Buildings / Jet Fuel	48.6%	8.4%	\$ 92,114,309	13.5%	\$ 85,001,177	16.7%	\$ 74,897,527	7.5%	\$ 64,154,359	5.5%	\$ 59,676,816
Use Tax	3.9%	0.0%	\$ 6,825,378	-10.9%	\$ 6,822,068	40.9%	\$ 7,656,467	0.3%	\$ 5,433,275	23.3%	\$ 5,416,208
<b>Total Sales Tax Revenue*</b>	<b>100.0%</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>	<b>1.4%</b>	<b>\$ 139,064,014</b>	<b>9.5%</b>	<b>\$ 137,133,171</b>

## Sales Tax Revenue By Class

Through June (Month-over-Month)

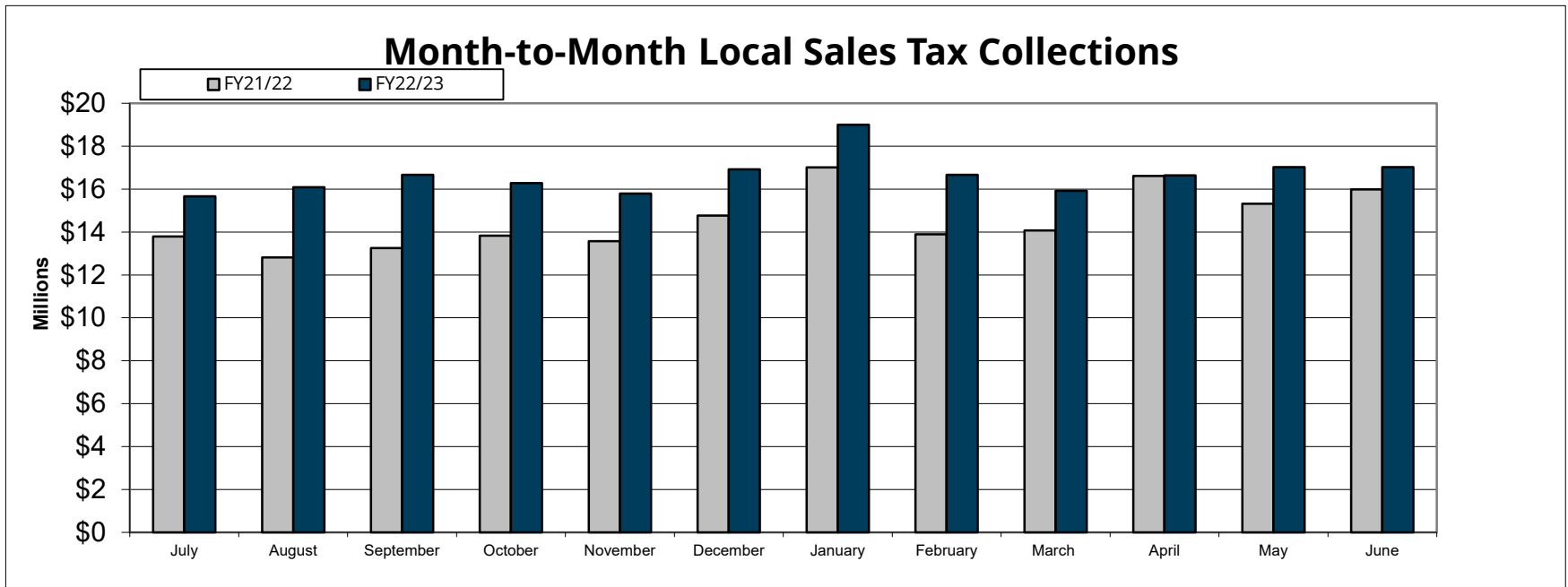
Sales Tax Category	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21	% Chg Fm PY	FY 2019-20	% Chg Fm PY	FY 2018-19
Utilities	4.3%	\$ 1,370,019	22.6%	\$ 1,314,018	-6.1%	\$ 1,071,909	4.2%	\$ 1,141,696	14.5%	\$ 1,095,813
Telecommunications	67.9%	\$ 179,344	-24.1%	\$ 106,807	-28.8%	\$ 140,733	-6.1%	\$ 197,779	0.8%	\$ 210,535
Publishing / Advertising / Printing / Transportation	-2.1%	\$ 17,467	5.0%	\$ 17,839	41.5%	\$ 16,990	-85.7%	\$ 12,007	367.0%	\$ 84,043
Restaurants & Bars	1.8%	\$ 1,550,000	12.4%	\$ 1,522,398	45.1%	\$ 1,353,851	-20.0%	\$ 933,330	21.9%	\$ 1,167,012
Amusements	1.8%	\$ 126,668	41.9%	\$ 124,484	80.6%	\$ 87,733	-57.8%	\$ 48,567	29.2%	\$ 115,063
Real Property Rentals	2.5%	\$ 1,830,309	8.3%	\$ 1,785,332	9.9%	\$ 1,648,339	0.5%	\$ 1,499,366	26.7%	\$ 1,491,665
Tangible Personal Property Rentals	26.2%	\$ 411,082	-1.4%	\$ 325,832	3.6%	\$ 330,558	-11.9%	\$ 319,002	20.8%	\$ 362,278
Hotels / Motels	-3.3%	\$ 491,215	58.1%	\$ 508,139	164.6%	\$ 321,482	-61.3%	\$ 121,512	-12.1%	\$ 314,132
Contracting	9.3%	\$ 2,897,184	82.4%	\$ 2,650,369	31.4%	\$ 1,452,674	-29.4%	\$ 1,105,206	99.4%	\$ 1,566,233
Retail / Manufactured Buildings / Jet Fuel	7.3%	\$ 7,705,443	7.1%	\$ 7,183,499	14.7%	\$ 6,708,371	10.3%	\$ 5,848,752	9.6%	\$ 5,303,229
Use Tax	-2.1%	\$ 441,132	-73.1%	\$ 450,752	200.3%	\$ 1,676,879	-16.3%	\$ 558,361	91.9%	\$ 666,717
<b>Total Sales Tax Revenue*</b>	<b>6.4%</b>	<b>\$ 17,019,863</b>	<b>8.0%</b>	<b>\$ 15,989,471</b>	<b>25.7%</b>	<b>\$ 14,809,519</b>	<b>-4.8%</b>	<b>\$ 11,785,579</b>	<b>23.3%</b>	<b>\$ 12,376,721</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 - Revised

Local Sales Tax Collections *	Monthly Collections FY21/22	Monthly Collections FY22/23	\$ Difference + / (-) FY22/23 over FY21/22	% Difference + / (-) FY22/23 over FY21/22
July	13,788,430	15,662,901	1,874,471	13.6%
August	12,815,247	16,086,953	3,271,706	25.5%
September	13,251,577	16,668,758	3,417,181	25.8%
October	13,827,187	16,286,090	2,458,903	17.8%
November	13,576,031	15,790,137	2,214,106	16.3%
December	14,761,816	16,920,770	2,158,954	14.6%
January	17,015,111	18,997,718	1,982,607	11.7%
February	13,887,628	16,662,379	2,774,750	20.0%
March	14,067,088	15,926,597	1,859,509	13.2%
April	16,617,281	16,637,632	20,351	0.1%
May	15,316,268	17,023,794	1,707,526	11.1%
June	15,989,470	17,019,863	1,030,393	6.4%
<b>Totals</b>	<b>\$ 174,913,134</b>	<b>\$ 199,683,592</b>	<b>\$ 24,770,458</b>	<b>14.2%</b>



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

## General Fund Expenditure Summary Thru June 2023

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru June 2023	Percentage of Adjusted Budget Expended & Encumbered Thru June 2023	Percentage of Adjusted Budget Expended & Encumbered Thru June 2022	Over/Under Last Year's Percentage
City Clerk	\$ 1,033,622	\$ 1,187,055	\$ 961,060	81.0%	93.5%	-12.5%
City Manager and Organization Support <sup>(1)</sup>						
City Manager	1,829,806	1,980,735	1,960,401	99.0%	99.1%	-0.1%
Diversity, Equity, and Inclusion	442,243	602,479	472,280	78.4%	81.3%	-3.0%
Human Resources	2,007,553	2,228,889	1,919,894	86.1%	83.5%	2.6%
Buildings & Facilities	8,351,624	9,044,409	8,393,593	92.8%	91.2%	1.6%
Fleet Services	1,299,084	1,509,467	1,366,088	90.5%	93.6%	-3.1%
Economic Development	1,808,172	2,148,886	1,620,091	75.4%	89.4%	-14.0%
Transportation Policy	2,907,566	3,326,471	495,434	14.9%	55.5%	-40.6%
Cultural Development	4,001,437	4,338,738	4,242,856	97.8%	97.3%	0.5%
Communications & Public Affairs	2,682,072	3,195,933	2,597,773	81.3%	84.8%	-3.5%
Community Services	29,928,146	33,337,160	30,862,280	92.6%	93.6%	-1.0%
Development Services	10,008,386	10,816,708	9,102,328	84.2%	86.8%	-2.6%
Fire	39,238,155	46,087,905	45,318,565	98.3%	99.4%	-1.1%
Information Technology	16,084,234	17,989,153	15,828,697	88.0%	87.8%	0.2%
Law	4,236,416	4,531,692	4,448,684	98.2%	99.5%	-1.3%
Magistrate	5,025,617	5,280,652	3,986,605	75.5%	73.4%	2.1%
Management Services	7,486,762	7,975,090	6,520,809	81.8%	86.3%	-4.5%
Mayor and Council	1,184,388	1,221,459	1,107,129	90.6%	85.0%	5.6%
Neighborhood Resources	4,114,985	9,336,780	5,295,029	56.7%	50.2%	6.5%
Police	83,324,801	96,279,685	88,869,324	92.3%	94.8%	-2.5%
Public Works & Utilities	10,314,947	11,952,152	11,130,524	93.1%	92.8%	0.3%
Non-Departmental (Personnel Services and O&M)	78,553,795	59,393,755	52,495,901	88.4%	88.1%	0.3%
<b>Subtotal Prior to Contingencies/Reserves</b>	<b>\$ 315,863,811</b>	<b>\$ 333,765,253</b>	<b>\$ 298,995,345</b>	<b>89.6%</b>	<b>91.1%</b>	<b>-1.5%</b>
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	10,174,000	1,655,819	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	45,879,300	37,834,580	-	0.0%	0.0%	0.0%
<b>Total General Fund Expenditures</b>	<b>\$ 371,917,111</b>	<b>\$ 373,255,652</b>	<b>\$ 298,995,345</b>	<b>80.1%</b>	<b>80.8%</b>	<b>-0.7%</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.