



QUARTERLY FINANCIAL REPORT THROUGH SECOND QUARTER FY 2025-26



National Night Out



December to Remember Event



Year in Review – Chino 2025

PERFORMANCE AT-A-GLANCE

Performance Indicators - ACTUALS vs. BUDGET

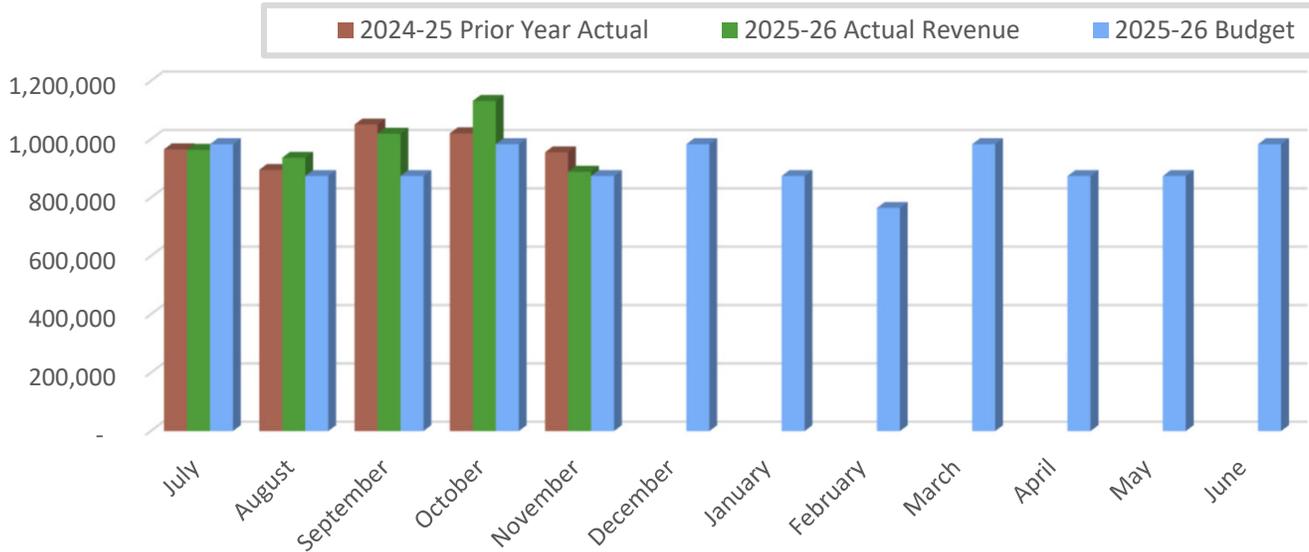
Percentage over on expenses and capital; under on revenue		
Less than 5% of budget	Between 5% and 10% of budget	Greater than 10% of budget
ON TRACK = No concerns noted	MONITOR = Monitoring current variance	ACTION = Currently taking action on variance

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Note: The financial information in this report is unaudited.

TRANSACTION PRIVILEGE TAX: REVENUES

QUARTERLY REVENUE RECEIPTS VS. BUDGET AND PRIOR YEAR



CATEGORY	YTD 2024-25 ACTUAL	YTD 2025-26 ACTUAL	YTD 2025-26 BUDGET	YTD OVER (UNDER) 2025-26 BUDGET	YTD OVER (UNDER) 2024-25 ACTUAL
Commercial Rental	121,662	117,625	105,028	12,597	(4,037)
Construction	486,114	478,394	443,109	35,285	(7,720)
Food for Home Consumption	784,658	822,973	701,849	121,124	38,315
Online Sales	500,035	556,910	474,075	82,835	56,875
Other	244,867	196,302	200,210	(3,908)	(48,565)
Restaurant/Bar	389,092	442,785	364,790	77,995	53,693
Retail	1,889,511	1,867,498	1,757,443	110,055	(22,013)
Use Tax	86,007	107,043	95,316	11,727	21,036
Utilities	385,374	350,792	337,976	12,816	(34,582)
Total	4,887,320	4,940,322	4,479,796	460,526	53,002

Year-To-Date 2025-26 Variances

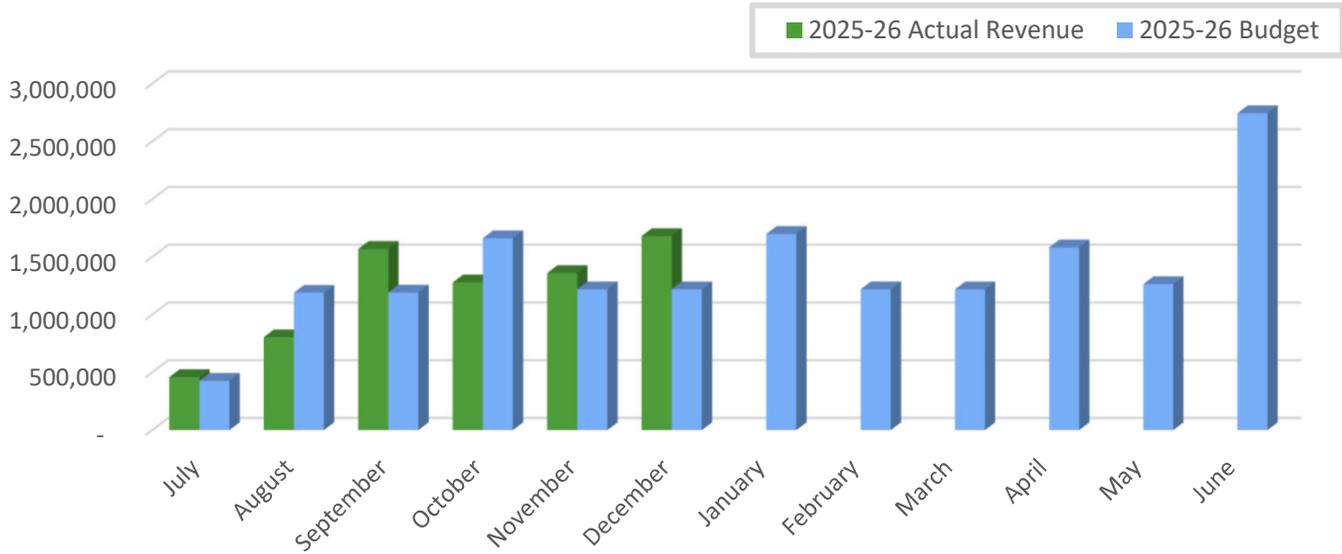
Overall Performance: Actual TPT revenues through November reporting in FY 2025-26 are more than budget, with a surplus of **\$460,526** or **10.3%**. Currently, every category except for other is performing better than budget.

The actual YTD is **\$53,002** more than the FY 2024-25 actuals mainly due to higher than prior year restaurant/bar, food for home consumption, and online sales offset by decreases in retail, construction, commercial rental, utilities and other.

The TPT collections for the first five months are trending positive. It is necessary to note that these amounts are for tax reports filed through the November reporting period.

GENERAL FUND ACTIVITY: REVENUES

QUARTERLY REVENUE COLLECTIONS VS. BUDGET



REVENUES	SECOND QUARTER ACTUAL	SECOND QUARTER OVER (UNDER) 2025-26 BUDGET	YTD ACTUAL	YTD OVER (UNDER) 2025-26 BUDGET	YTD OVER (UNDER) 2024-25 ACTUAL
Transaction Privilege Tax (TPT)	2,313,839	117,274	3,480,879	98,169	13,386
Franchise Fees	108,828	5,049	113,104	2,325	(19,451)
Licenses & Permits	139,839	73,251	234,575	101,399	84,769
Intergovernmental - Vehicle License Tax	299,995	3,649	555,797	12,496	23,521
Intergovernmental - County Library	-	-	-	-	-
Intergovernmental - Grants	32,587	10,213	40,391	17,393	(17,326)
Intergovernmental - State Shared TPT	517,695	(14,682)	932,763	(4,221)	(4,097)
Intergovernmental - State Income Tax	677,872	(9,359)	1,355,744	(18,718)	(113,674)
Charges for Services	19,184	2,579	55,164	(3,045)	5,027
Fines & Forfeitures	42,090	(282)	71,221	(1,815)	(18,305)
Miscellaneous	54,947	42,170	77,715	52,161	6,286
Interest	113,895	(11,106)	236,980	(13,022)	(69,160)
Total	4,320,771	218,756	7,154,333	243,122	(109,024)

Year-To-Date 2025-26 Variances

Transaction Privilege Tax: Revenue is trending slightly above budgeted projections, primarily due to timing of the revenues received from the State (see detailed TPT section for more information based upon actual reporting periods).

Licenses & Permits: Above budget, due to increased permit activity compared to prior years.

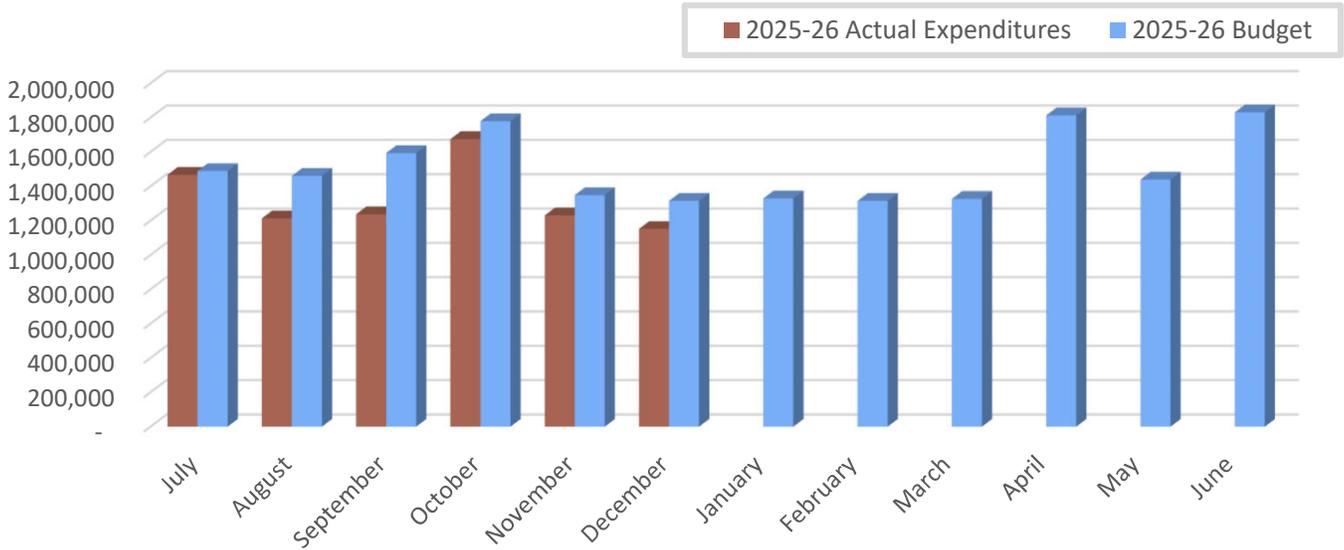
Intergovernmental Revenues: Above budget, primarily attributed to the Vehicle License Tax and grants, offset by a slight decrease in State Shared TPT related to the San Tan Valley incorporation and the State Income Tax decrease from the flat tax change.

Interest: Below budget, due to fewer funds invested in the Local Government Investment Pool (LGIP) and lower interest rates.

Overall Performance: Actual revenues through the second quarter of FY 2025-26 are slightly above budget, with a surplus of **\$243,122** or **3.5%**. The actual YTD is **\$109,024** less than the FY 2024-25 actuals mainly due to timing difference of TPT received from the State and a planned decrease in the Town's share of State Income Tax offset by increased Vehicle License Tax and more licenses and permits activity.

GENERAL FUND ACTIVITY: EXPENDITURES BY DEPARTMENT

QUARTERLY EXPENDITURES VS. BUDGET



EXPENDITURES	SECOND QUARTER ACTUAL	SECOND QUARTER (OVER) UNDER 2025-26 BUDGET		YTD ACTUAL	YTD (OVER) UNDER 2025-26 BUDGET		YTD (OVER) UNDER 2024-25 ACTUAL	
		(OVER)	UNDER		(OVER)	UNDER	(OVER)	UNDER
Community Services	268,414	19,155		637,795	33,359		67,654	
Development Services	366,353	48,049		610,023	109,259		(99,197)	
Finance	187,310	23,080		361,914	32,444		(50,077)	
Human Resources	168,731	1,210		309,779	2,559		(33,006)	
Information Technology Services	154,024	28,047		260,463	48,049		(41,816)	
Municipal Court	102,440	14,122		171,611	40,709		(10,209)	
Mayor & Council	18,994	1,182		41,781	2,772		(686)	
Non-Departmental	175,121	157,886		594,934	449,155		117,597	
Police	1,482,556	113,817		2,883,767	176,111		57,377	
Public Works	849,603	(34,639)		1,592,435	30,443		(147,334)	
Town Clerk	111,307	782		226,115	32,443		9,652	
Town Manager	178,507	8,267		291,148	50,018		211,976	
Total (Excludes Capital)	4,063,360	380,958		7,981,765	1,007,321		81,931	

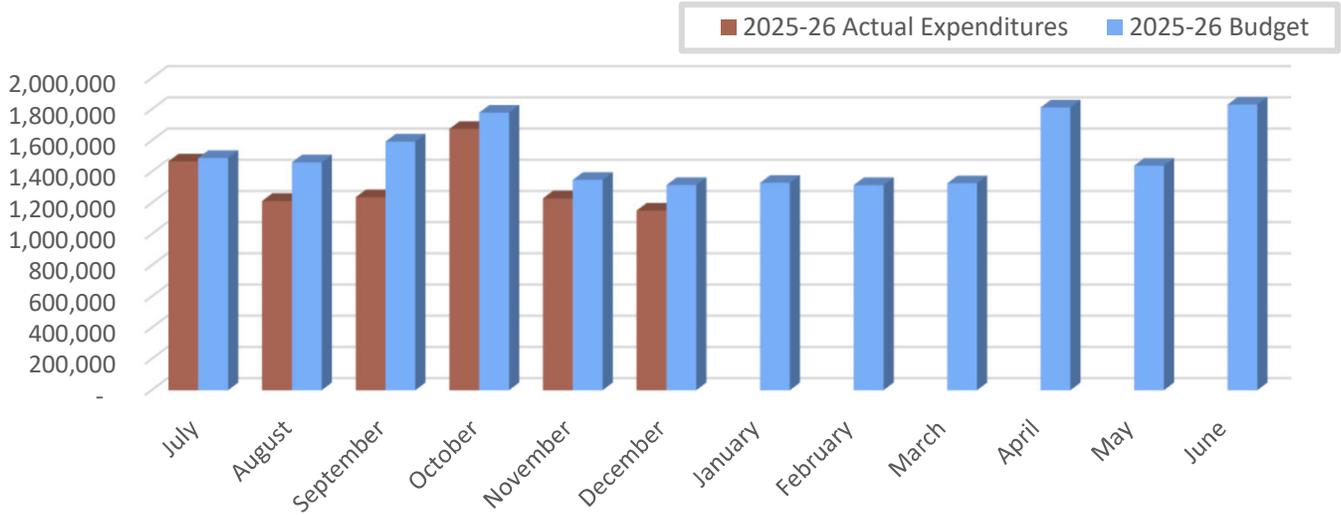
Year-To-Date 2025-26 Variances

Department Budgets: Expenditures for all general fund departments are trending below budget at the close of the second quarter. This is primarily due to contingency funds, long-term, one-time projects that are in the beginning stages; zoning code update, engineering code update, landscape design/planning, and timing of various technology upgrades. Public Works is trending over budget for the second quarter which is primarily attributed to the water expenditures in Parks Maintenance due to higher temperatures and drier weather during the winter months.

Overall Performance: Actual expenditures through the second quarter of FY 2025-26 are under budget, with a positive variance of **\$1,007,321** or **11.2%**. The actual YTD is **\$81,931** less than the FY 2024-25 actuals.

GENERAL FUND ACTIVITY: EXPENDITURES BY TYPE

QUARTERLY EXPENDITURES VS. BUDGET



EXPENDITURES	SECOND QUARTER ACTUAL	SECOND QUARTER (OVER) UNDER 2025-26 BUDGET		YTD ACTUAL	YTD (OVER) UNDER 2025-26 BUDGET		YTD (OVER) UNDER 2024-25 ACTUAL	
		(OVER)	UNDER		(OVER)	UNDER	(OVER)	UNDER
Personnel	3,017,950	146,400		5,384,955	419,377		216,115	
Operating	996,446	(44,525)		2,296,889	67,799		(182,292)	
One-Time Operating	48,964	45,584		299,921	53,147		(1,892)	
Contingency	-	233,499		-	466,998		-	
Transfers	-	-		-	-		50,000	
Total (Excludes Capital)	4,063,360	380,958		7,981,765	1,007,321		81,931	

Year-To-Date 2025-26 Variances

Personnel: Below budget, due to staffing vacancies in Development Services, Police, Town Manager, and Public Works, as well as less pro-tem Municipal Court coverage.

Operating: Below budget, due to the timing of repairs and maintenance, legal services, and other professional services.

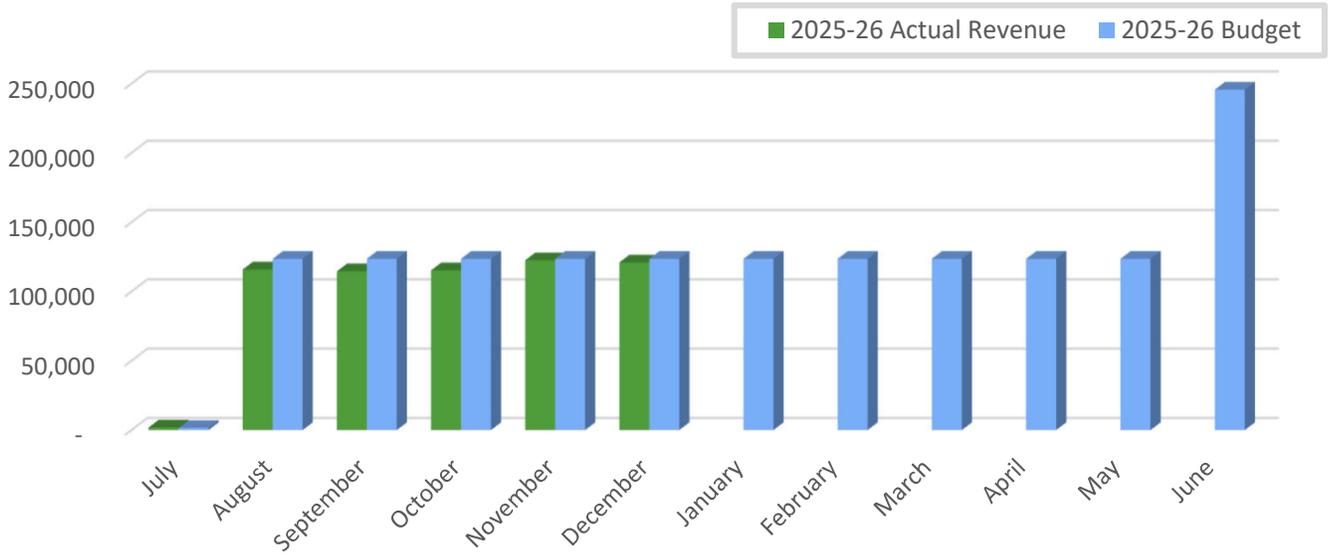
One-Time Operating: Below budget, due to long-term one-time projects; zoning code update, landscape design/planning, and various technology upgrades.

Contingency: Below budget, no contingency funds have been used to date. However, it is important to note that \$197,200 of contingency funds have been committed for the Highland Townhomes sewer and water main extensions that is not yet included in the actuals above.

Overall Performance: Actual expenditures through the second quarter of FY 2025-26 are under budget, with a positive variance of **\$1,007,321** or **11.2%**. The actual YTD is **\$81,931** less than the FY 2024-25 actuals.

HIGHWAY USERS REVENUE FUND ACTIVITY: REVENUES

QUARTERLY REVENUE COLLECTIONS VS. BUDGET



REVENUES	SECOND QUARTER ACTUAL	SECOND QUARTER OVER (UNDER) 2025-26 BUDGET	YTD ACTUAL	YTD OVER (UNDER) 2025-26 BUDGET	YTD OVER (UNDER) 2024-25 ACTUAL
Highway Users Revenue	347,050	(19,166)	573,548	(36,812)	27,975
Permits	460	(164)	1,260	12	200
Miscellaneous	6,573	6,324	6,573	6,075	4,474
Interest	4,712	962	9,758	2,258	(1,530)
Total	358,795	(12,044)	591,139	(28,467)	31,119

Year-To-Date 2025-26 Variances

Highway Users Revenue: Below budget, due to lower than anticipated distributions from the State related to the San Tan Valley incorporation.

Permits: Above budget, due to slightly higher permit activity than estimates.

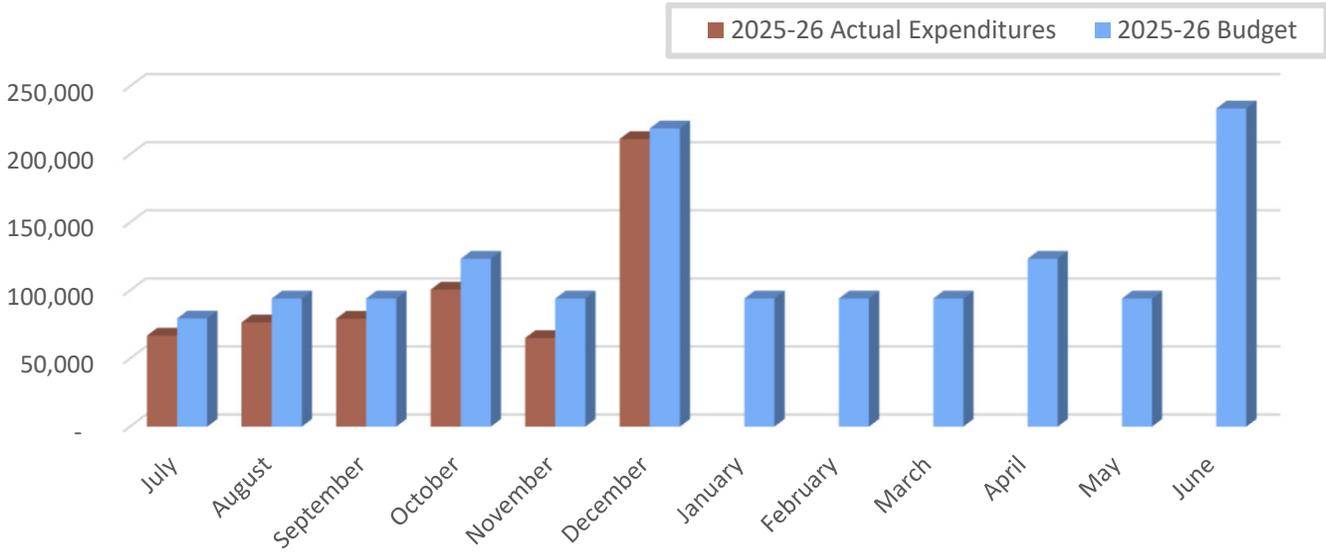
Miscellaneous: Above budget, attributed to surplus property disposal.

Interest: Above budget, due to slightly more funds invested in the Local Government Investment Pool (LGIP) than anticipated.

Overall Performance: Actual revenues through the second quarter of FY 2025-26 are close to budget, with a shortfall of **\$28,467** or **-4.6%**. The actual YTD is **\$31,119** more than the FY 2024-25 actuals mainly due to increased Highway Users Revenue from the State.

HIGHWAY USERS REVENUE FUND ACTIVITY: EXPENDITURES

QUARTERLY EXPENDITURES VS. BUDGET



EXPENDITURES	SECOND QUARTER ACTUAL	SECOND QUARTER (OVER) UNDER 2025-26 BUDGET		YTD ACTUAL	YTD (OVER) UNDER 2025-26 BUDGET		YTD (OVER) UNDER 2024-25 ACTUAL	
		(OVER)	UNDER		(OVER)	UNDER	(OVER)	UNDER
Personnel Services	187,395		16,941	343,687		21,198		(5,684)
Operating Expenditures	29,239		12,623	54,822		28,902		(456)
HWY 89 Maintenance	25,805		2,146	53,438		2,464		(1,986)
Road Materials	9,805		27,695	23,188		51,812		2,050
Transfers	125,000		-	125,000		-		(25,000)
Total (Excludes Capital)	377,244		59,405	600,135		104,376		(31,076)

Year-To-Date 2025-26 Variances

Personnel: Below budget, due to staffing vacancies in Public Works - Streets.

Operating: Below budget, due to the timing of contract and support services.

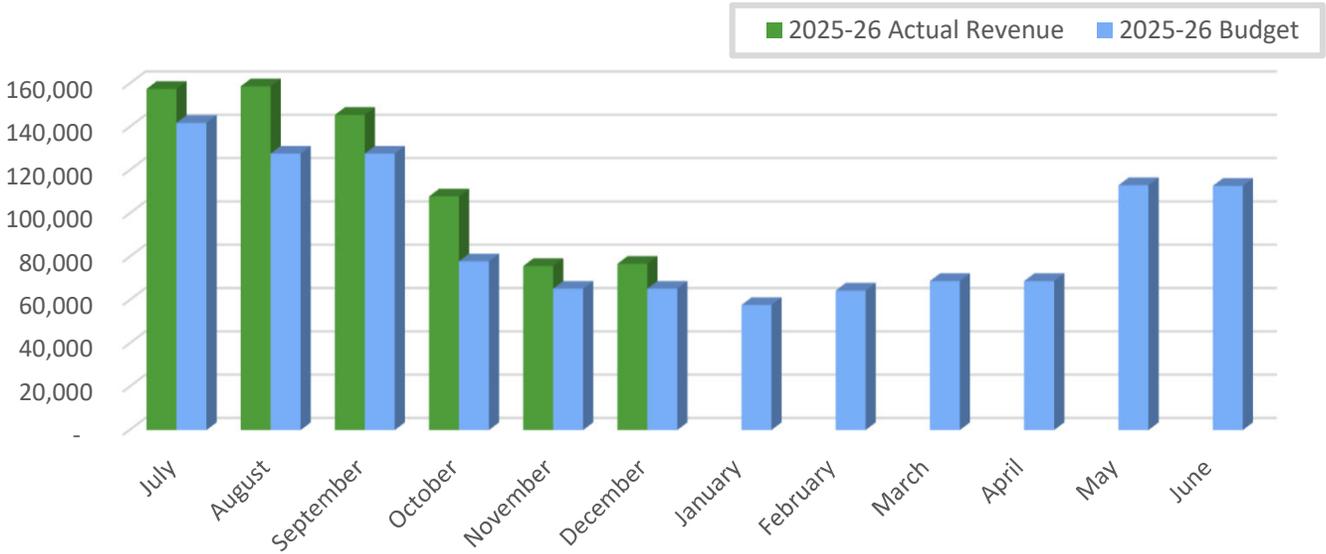
HWY 89 Maintenance: Below budget, due to timing of weed control and monthly landscaping maintenance costs.

Road Materials: Below budget, due to the timing of when various equipment (such as guardrails) is needed.

Overall Performance: Actual expenditures through the second quarter of FY 2025-26 are under budget, with a positive variance of **\$104,376** or **14.8%**. The actual YTD is **\$31,076** more than the FY 2024-25 actuals due primarily to higher interfund transfers and personnel expenses.

WATER FUND ACTIVITY: REVENUES

QUARTERLY REVENUE COLLECTIONS VS. BUDGET



REVENUES	SECOND QUARTER ACTUAL	SECOND QUARTER OVER (UNDER) 2025-26 BUDGET	YTD ACTUAL	YTD OVER (UNDER) 2025-26 BUDGET	YTD OVER (UNDER) 2024-25 ACTUAL
Water Service Fees	177,771	32,364	497,075	38,725	67,715
Fill Station Receipts	38,897	23,382	120,196	71,288	89,292
Water System Buy-In Fees	39,356	(10,645)	93,470	(6,532)	28,191
Miscellaneous	4,436	1,937	11,678	6,680	811
Total	260,460	47,038	722,419	110,161	186,009

Year-To-Date 2025-26 Variances

Water Service Fees: Above budget, due to slightly higher than anticipated water service fees from higher temperatures and lower precipitation.

Fill Station Receipts: Above budget, due to change in fill station fee structure.

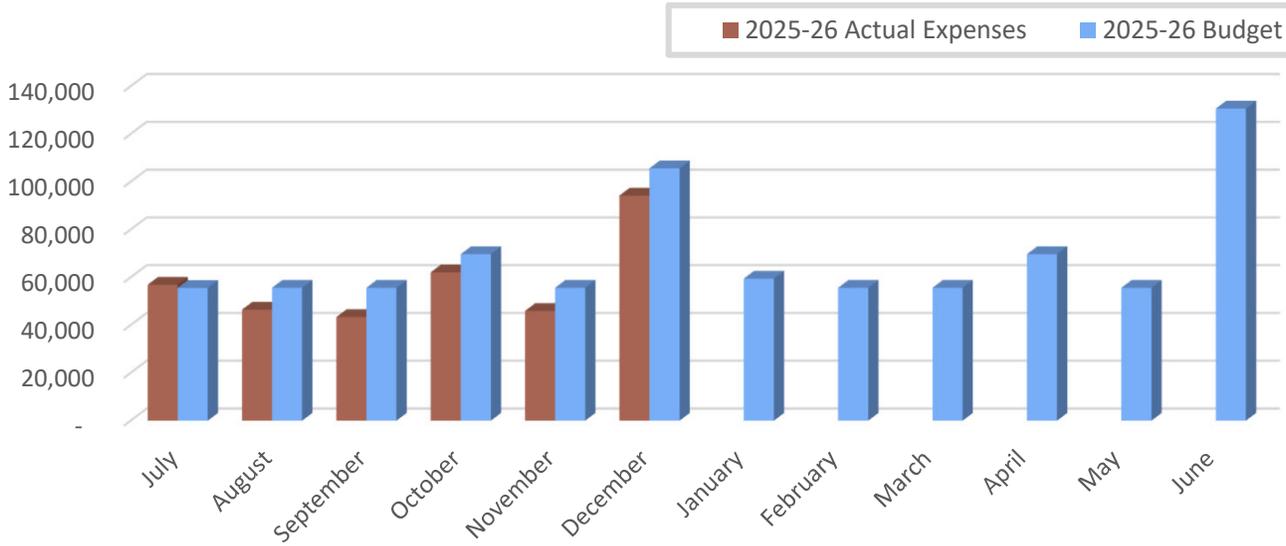
Water System Buy-In Fees: Below budget, attributed to slightly less than anticipated new home construction permits.

Miscellaneous: Above budget, attributed to greater than anticipated water meter fees, late fees, and service fees.

Overall Performance: Actual revenues through the second quarter of FY 2025-26 have exceeded budget expectations, with a surplus of **\$110,161** or **18.0%**. The actual YTD is **\$186,009** more than the FY 2024-25 actuals mainly due to an increase in water service fees in the amount of \$67,715 (warmer temperatures and the rate structure increases approved in December 2023 contributed to this increase) and an increase in fill station fees in the amount of \$89,292 (new fee structure that was effective July 1, 2025).

WATER FUND ACTIVITY: EXPENSES

QUARTERLY EXPENSES VS. BUDGET



EXPENSES	SECOND QUARTER ACTUAL	SECOND QUARTER (OVER) UNDER 2025-26 BUDGET		YTD ACTUAL	YTD (OVER) UNDER 2025-26 BUDGET		YTD (OVER) UNDER 2024-25 ACTUAL	
		(OVER)	UNDER		(OVER)	UNDER	(OVER)	UNDER
Personnel Services	85,431		13,030	151,377	18,330		(6,333)	
Operating Expenses	116,909		6,162	176,710	11,432		(57,952)	
One-Time Operating	-	-	-	-	-		5,489	
Debt Service	-	-	-	21,056	-		(780)	
Contingency	-		9,501	-	19,002		-	
Total (Excludes Capital)	202,340		28,693	349,143	48,764		(59,576)	

Year-To-Date 2025-26 Variances

Personnel: Below budget, due to the allocation split between sewer and water.

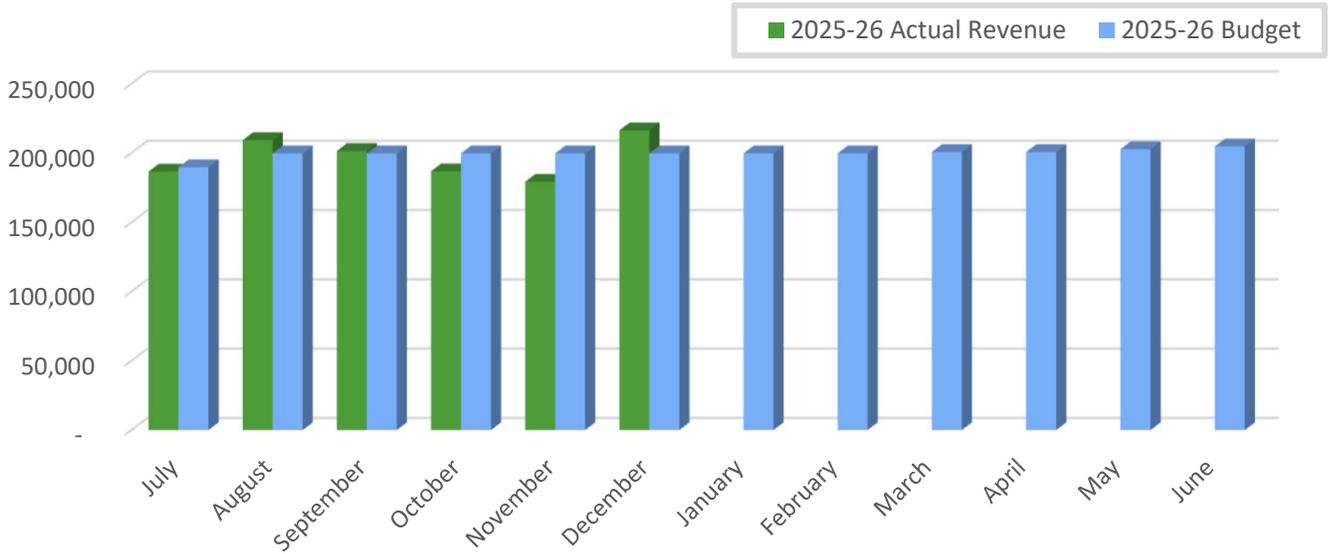
Operating: Below budget, due to the timing and need of system maintenance and repairs.

Contingency: Below budget, no contingency funds have been used to date.

Overall Performance: Actual expenses for the second quarter of FY 2025-26 are under budget, with a positive variance of **\$48,762** or **12.3%**. The actual YTD is **\$59,576** more than the FY 2024-25 actuals mainly due to the timing of administrative indirect transfers, slightly higher personnel costs, and the principal portion of debt service offset by a decrease in one-time operating expenses.

WASTEWATER FUND ACTIVITY: REVENUES

QUARTERLY REVENUE COLLECTIONS VS. BUDGET



REVENUES	SECOND QUARTER ACTUAL	SECOND QUARTER OVER (UNDER) 2025-26 BUDGET	YTD ACTUAL	YTD OVER (UNDER) 2025-26 BUDGET	YTD OVER (UNDER) 2024-25 ACTUAL
Sewer Service Fees	502,105	(9,308)	1,002,221	(10,605)	84,638
Sewer System Buy-In Fees	66,414	(8,586)	147,776	(2,224)	26,180
Miscellaneous	3,273	(1,728)	7,692	(2,310)	(1,893)
Interest	10,574	2,825	21,935	6,437	(3,526)
Total (Excludes Grants)	582,366	(16,797)	1,179,624	(8,702)	105,399

Year-To-Date 2025-26 Variances

Sewer Service Fees: Below budget, due to slightly lower than anticipated sewer service fees. This is a 1.1% difference and although minimal, staff is closely watching the revenues.

Sewer System Buy-In Fees: Below budget, due to slightly fewer than anticipated new home construction permits during the second quarter, offsetting the surplus from the first quarter.

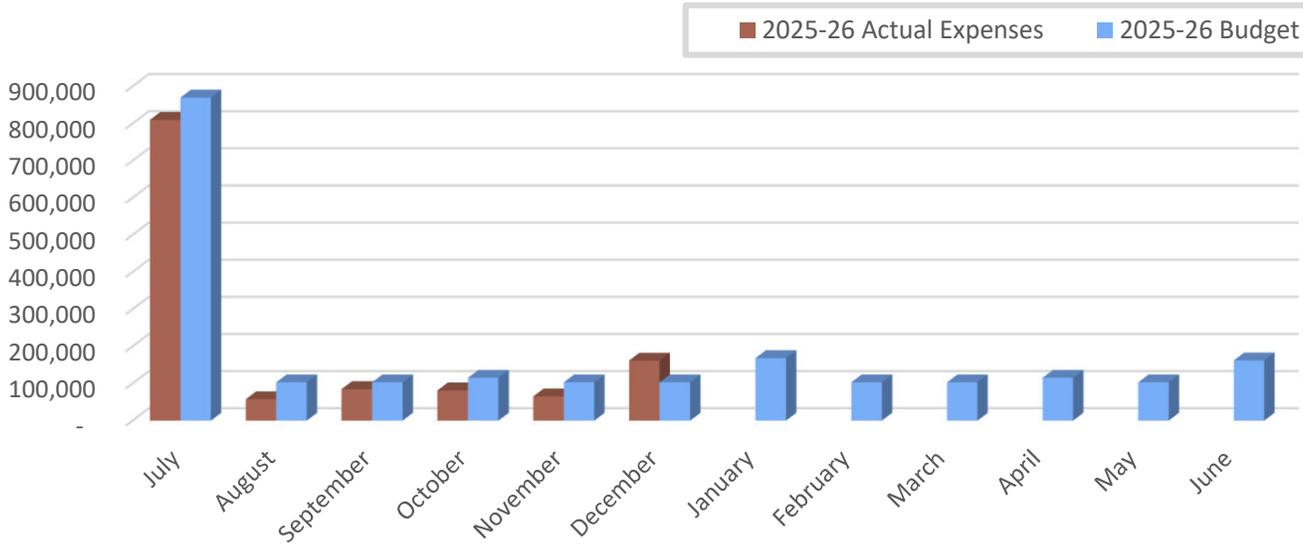
Miscellaneous: Below budget, attributed primarily to lower than anticipated late fees and service fees.

Interest: Above budget, attributed to greater interest than anticipated in the WIFA reserve fund.

Overall Performance: Actual revenues through the second quarter of FY 2025-26 are close to budget, with a shortage of **\$8,702** or **-0.7%**, primarily due to lower than expected buy-in fees and sewer service fees, offset by a slight surplus in interest. The actual YTD is **\$105,399** more than the FY 2024-25 actuals mainly due to an increase in sewer service fees in the amount of \$84,638 (more customers and the rate structure increases approved in December 2023 contributed to this increase as well as additional changes for RV and mobile home park spaces that became effective July 1, 2025), an increase in sewer system buy-in fees in the amount of \$26,180 (slightly less buy-in fees were received during the prior year), offset by lower service administrative fees collected and interest.

WASTEWATER FUND ACTIVITY: EXPENSES

QUARTERLY EXPENSES VS. BUDGET



EXPENSES	SECOND QUARTER ACTUAL	SECOND QUARTER (OVER) UNDER 2025-26 BUDGET	YTD ACTUAL	YTD (OVER) UNDER 2025-26 BUDGET	YTD (OVER) UNDER 2024-25 ACTUAL
Personnel Services	111,618	(14,052)	200,917	(11,941)	(8,212)
Operating Expenses	196,575	52,148	298,943	103,503	(99,073)
Debt Service	-	-	760,632	-	(21,539)
Contingency	-	22,749	-	45,498	-
Total (Excludes Capital)	308,193	60,845	1,260,492	137,060	(128,824)

Year-To-Date 2025-26 Variances

Personnel: Above budget, due to the allocation split between sewer and water.

Operating: Below budget, due to the timing of equipment repairs and maintenance.

Contingency: Below budget, no contingency funds have been used to date.

Overall Performance: Actual expenses through the second quarter of FY 2025-26 are under budget, with a positive variance of **\$137,060** or **9.8%**. The actual YTD is **\$128,824** more than the FY 2024-25 actuals mainly due to the timing of internal indirect transfers in the amount of \$95,000 to the general fund, higher personnel services (due to COLA/merit adjustments), and an increase in the principal portion of debt service offset by a slight decrease in operating expenses due to maintenance, chemicals, and testing timing.

CAPITAL: VEHICLES/MACHINERY/EQUIPMENT

QUARTERLY EXPENDITURES VS. BUDGET

PROJECT	FUND	FY 2025-26 BUDGET	FY 2025-26 YTD ACTUAL	COMMITTED/ OUTSTANDING PO	BUDGET AVAILABLE
Vactor Truck ¹	Wastewater	600,000	-	-	600,000
Skid Steer with Milling/Profiler Head	HURF	150,000	122,886	-	27,114
Dump Truck	HURF	140,000	128,148	-	11,852
Asphalt Recycler	HURF	110,000	-	103,225	6,775
Lift Station Crane/Pump Rails	Wastewater	40,000	-	-	40,000
Virtual Host Server	General	30,000	-	-	30,000
Total		1,070,000	251,034	103,225	715,741

¹ Only will move forward once funding source is identified (grant or loan).

CAPITAL: PROJECTS

QUARTERLY EXPENDITURES VS. BUDGET

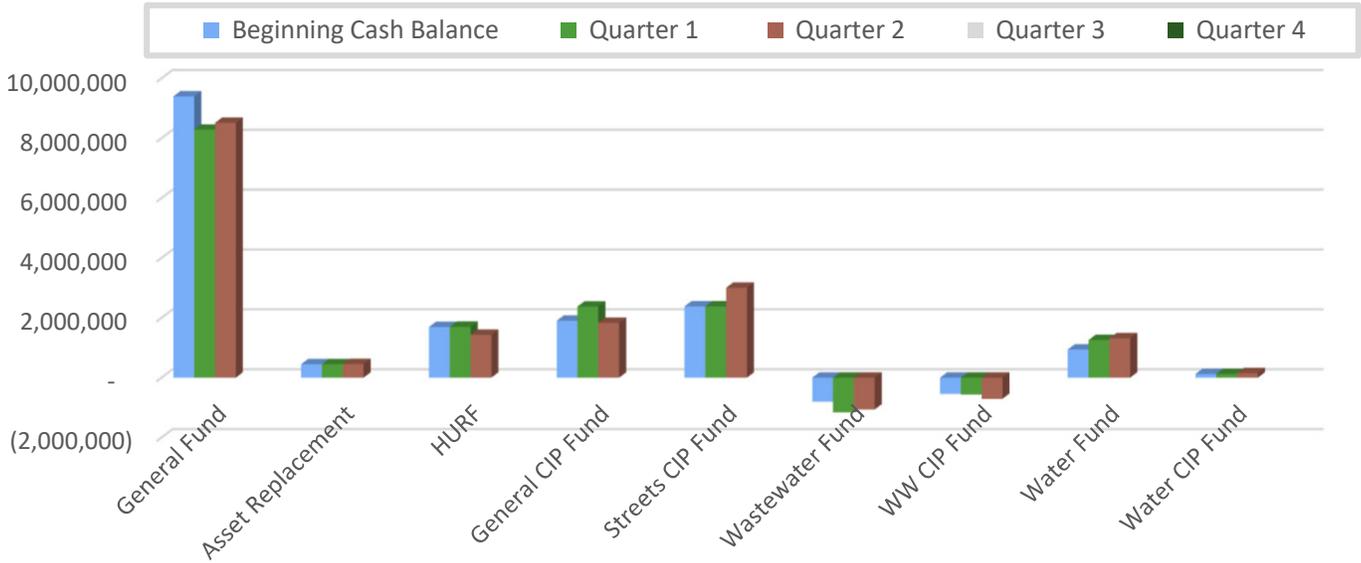
PROJECT	FUND	FY 2025-26 BUDGET	FY 2025-26 YTD ACTUAL	COMMITTED/ OUTSTANDING PO	BUDGET AVAILABLE
Plant Expansion ¹	Wastewater	9,174,755	75,669	106,811	8,992,275
Chip Seal Project	HURF CIP	3,000,000	-	-	3,000,000
New Well and Pump Design/Engineering ²	Water	2,000,000	-	-	2,000,000
Misc. Capital Projects ²	General CIP	2,000,000	-	-	2,000,000
Rollover - Plant Expansion Engineering	Wastewater	530,686	130,721	352,428	47,537
Yavapai Drainage Projects ²	General CIP	450,000	-	-	450,000
Pool Deck Resurfacing	General CIP	250,000	-	-	250,000
Community Center Park - Phase I	General CIP	250,000	-	-	250,000
Fill Station Improvements	Water CIP	175,000	3,043	26,008	145,949
Annual Parking Lot Maintenance	General	175,000	-	-	175,000
Stabilization - Fred Harvey	General CIP	168,798	52	10,000	158,746
Annual Roofing Program	General	30,000	-	21,195	8,805
Annual HVAC Replacement Program	General	30,000	27,500	-	2,500
Fleet Building Remodel	General	18,000	5,776	4,022	8,202
Surge Protection Program	General	15,000	-	16,600	(1,600)
Library Tile/Blinds	General	10,000	-	-	10,000
Total		18,267,239	242,761	537,064	17,487,414

¹ Only will move forward once funding source is identified (grant or loan).

² Only will move forward once funding source is identified (program income or contribution).

FUND HEALTH: CASH BALANCES BY FUND

QUARTERLY CASH BALANCE CHANGES



FUND	BEGINNING CASH BALANCE 07/01/2025	FY 2025-26 YTD REVENUES	FY 2025-26 YTD EXPENDITURES	ENDING CASH BALANCE 12/31/2025	\$ CHANGE IN CASH BALANCE
General Fund	9,398,345	7,154,333	8,039,926	8,512,752	(885,593)
Special Revenue Funds					
Capital Asset Replacement Fund	449,825	5,982	-	455,807	5,982
Cemetery Fund	(6,800)	-	-	(6,800)	-
Court Fund	144,536	9,786	7,887	146,435	1,899
Grant Fund	567,665	197,173	107,408	657,430	89,765
Highway User Revenue Fund	1,692,598	591,139	851,167	1,432,570	(260,028)
Police Impoundment Fee Fund	89,546	3,300	-	92,846	3,300
CVSLID	262	21	1,099	(816)	(1,078)
Del Sol MID	462	45	142	365	(97)
Debt Service Funds					
Revenue Bonds Fund	-	646,866	828,944	(182,078)	(182,078)
Capital Project Funds					
General CIP Fund	1,902,114	1,235,081	1,305,876	1,831,319	(70,795)
Streets CIP Fund	2,381,121	625,000	1,747	3,004,374	623,253
ENTERPRISE FUNDS					
Wastewater Fund	(802,608)	1,179,624	1,440,396	(1,063,380)	(260,772)
Wastewater CIP Fund	(545,514)	45,000	206,390	(706,904)	(161,390)
Water Fund	941,304	722,419	349,143	1,314,580	373,276
Water CIP Fund	123,071	30,000	3,043	150,028	26,957
Total	16,335,927	12,445,769	13,143,168	15,638,528	(697,399)

