



## **City Council Weekly Information Packet**

Friday, August 23, 2024

Includes the following documents/information:

- 1) City Council Events Schedule
- 2) Final Report: Golf Course Contract Audit (Ken McDonald G.C.)
- 3) November 5, 2024 Special Bond Election Update
- 4) Tax Revenue Statistical Report – June 2024
- 5) Community Services Update



# City Council Events Schedule

## August 23, 2024 thru April 19, 2025

The Mayor and City Council have been invited to attend various community meetings and public and private events at which a quorum of the City Council may be present. The Council will not be conducting city business, nor will any legal action be taken. This is an event only and not a public meeting. A list of the community meetings and public and private events along with the schedules, dates, times, and locations is attached. Organizers may require a rsvp or fee.

Fri	Aug 23	11:30 a.m. – 1:30 p.m.	Tempe Chamber ASU Sun Devil Kickoff Luncheon  Location: San Tan Ford Club 500 E. Veterans Way Tempe, AZ
Sat	Aug 24	10:00 a.m. – 11:00 a.m.	Habitat for Humanity Home Dedication  Location: Habitat for Humanity Central Arizona 3606 S. Roosevelt Street Tempe, AZ
Sun	Aug 25	12:00 p.m. – 3:00 p.m.	Melabiz Community Hub Grand Opening  Location: Melabiz Community Hub 1414 W. Broadway Road Tempe, AZ
Mon	Aug 26	5:00 p.m. – 9:00 p.m.	Sue's 60 <sup>th</sup> Birthday  Location: Hundred Mile Brewing Company 690 N. Scottsdale Road Tempe, AZ
Tue - Fri	Aug 27 - 30	All Day	2024 Annual League Conference  Location: Arizona Biltmore 2400 E. Missouri Avenue Phoenix, AZ
Tue	Sep 3	5:30 p.m. – 7:00 p.m.	Getting AZ Involved in Neighborhoods (GAIN) 2024 Registration Event  Location: Tempe Public Library 3500 S. Rural Road Tempe, AZ
Thu	Sep 5	8:30 a.m. – 10:00 a.m.	Arizona Fire Service Hall of Fame – Chief Deputy City Manager, Greg Ruiz  Location: Mesa Convention Center 263 N. Center Street Mesa, Arizona

Sat	Sep 7	5:30 p.m. – 5:45 p.m.	ASUAA Sparky's Touchdown Tailgate  Location: Sparky's Touchdown Tailgate 400 E. Tyler Mall Tempe, AZ
Sat	Sep 7	5:00 p.m. – 8:00 p.m.	City of Tempe Night  Location: Mountain America Stadium 500 E. Veteran's Way Tempe, AZ
Tue	Sep 10	6:30 p.m. – 7:30 p.m.	Five-Year Consolidated Plan Public Meeting  Location: Tempe Library, Ironwood Room 3500 S. Rural Road Tempe, AZ
Wed	Sep 11	4:30 p.m. – 7:30 p.m.	2024 Stars and Strikes Bowling Fundraiser  Location: Main Event 8545 S. Emerald Drive Tempe, AZ
Fri	Sep 13	6:00 p.m. – 7:00 p.m.	Bond Election Information Meeting  Location: North Tempe Multi-Generational Center 1555 N. Bridalwreath Street Tempe, AZ
Sat	Sep 14	10:00a.m. – 11:00a.m.	Neighborhood Idea Exchange: A Neighborhood Meet-Up  Location: Tempe History Museum 809 E. Southern Avenue Tempe, AZ
Mon	Sep 16	7:00-8:00 p.m.	Bond Election Information Meeting  Location: Tempe Police South Substation 8201 S. Hardy Drive Tempe, AZ
Mon	Sep 16	6:00 p.m. – 7:30 p.m.	Creamery Park Reopening Celebration  Location: Creamery Park 1520 E. 8 <sup>th</sup> Street Tempe, AZ
Wed	Sep 18	7:00 a.m. – 9:00 a.m.	Tempe Family YMCA Friendraiser  Location: Tempe Family YMCA 7070 S. Rural Road Tempe, AZ
Wed	Sep 18	12:00 p.m. – 1:00 p.m.	Bond Election Information Virtual Meeting  Location: Zoom

			<a href="https://us06web.zoom.us/meeting/register/tZckdOuhrjJEtMz_Q5sRstnAluqm6bHB1G">https://us06web.zoom.us/meeting/register/tZckdOuhrjJEtMz_Q5sRstnAluqm6bHB1G</a>
Wed	Sep 18	4:30 p.m. – 6:30 p.m.	EnVision Center Grand Opening and Ribbon Cutting  Location: EnVision Center 1310 E. Apache Boulevard Tempe, AZ 85281
Wed	Sep 18	7:00 p.m. – 8:00 p.m.	Bond Election Information Meeting  Location: Kiwanis Recreation Center 6111 S. All America Way Tempe, AZ
Mon	Sep 23	6:00 p.m. – 7:00 p.m.	Bond Election Information Meeting  Location: North Tempe Multi-Generational Center 1555 N. Bridalwreath Street Tempe, AZ
Tue	Sep 24	5:30 p.m. – 7:30 p.m.	Arts in the Parks Block Party: Scudder Park  Location: Scudder Park 5805 S. Lakeshore Drive Tempe, AZ
Tue	Sep 24	6:00 p.m. – 7:00 p.m.	Bond Election Information Meeting  Location: Temp Public Library 3500 S. Rural Road Tempe, AZ
Wed	Sep 25	8:00 a.m. – 9:00 a.m.	Nourishing Generations: Senior Breakfast in Support of Seniors  Location: Tempe Community Action Agency 1700 N. Granite Reef Road Scottsdale, AZ
Wed	Sep 25	5:30 p.m. – 7:30 p.m.	Backstage Pass – Councilmember Garlid  Location: Hayden Ferry 60 E. Rio Salado Parkway Tempe, AZ
Wed	Sep 25	5:30 p.m. – 7:30 p.m.	Arts in the Parks Block Party: Mary and Moses Green Park  Location: Mary and Moses Green Park 9325 W. Warner Ranch Drive Tempe, AZ
Thu	Sep 26	5:30 p.m. – 7:30 p.m.	Arts in the Parks Block Party: Optimist Park  Location: Optimist Park 2000 E. Sesame Street Tempe, AZ

Thu - Sat	Sep 26 -28	All Day	Democrat Municipal Officials Summit  Location: Temp Mission Palms 60 E. 5 <sup>th</sup> Street Tempe, AZ
Sat	Sep 28	9:00 a.m. – 2:30 p.m.	Maricopa County Branch NAACP – Annual Women’s Luncheon & Expo  Location: SRP PERA Building 1 E. Continental Drive Tempe, AZ
Sat	Sep 28	9:30 a.m. – 3:00 p.m.	NAREB Black Wealth Tour Black Farmers Edition  Location: National Association of Real Estate Brokers 1401 E. Jefferson Street Phoenix, AZ
Wed	Oct 9	5:00 p.m. – 7:00 p.m.	Tempe Sister Cities New Garden Reveal  Location: Tempe Public Library Community Complex 3500 S. Rural Road Tempe, AZ
Fri – Sat	Oct 11 – 13	All Day	Oktoberfest  Location: Tempe Beach Park 80 W. Rio Salado Parkway Tempe, AZ
Sat	Oct 12	4:00 p.m. – 6:00 p.m.	Parque de Soza Renaming Celebration  Location: Parque de Soza Park 1430 S. Cedar Street Tempe, AZ
Wed	Oct 16	5:30 p.m. – 7:30 p.m.	Arts in the Parks Block Party: Daumler Park  Location: Daumler Park 2821 S. Evergreen Road Tempe, AZ
Sat	Oct 19	3:00 p.m. – 7:00 p.m.	Getting Arizona Involved in Neighborhoods (GAIN)  Location: City of Tempe 31 E. Fifth Street Tempe, AZ
Sat	Oct 19	9:00 a.m. – 2:00 p.m.	Tempe Veterans Commission  Location: American Legion Post 2 2125 S. Industrial Park Avenue Tempe, AZ

Tue	Oct 22	11:00 a.m. – 1:30 p.m.	FSL's 50 <sup>th</sup> Anniversary Celebration  Location: Renaissance Phoenix Downtown Hotel 100 N. 1 <sup>st</sup> Street Tempe, AZ
Tue	Oct 22	5:30 p.m. – 7:30 p.m.	Arts in the Parks Block Party: Clark Park  Location: Clark Park 1730 S. Roosevelt Street Tempe, AZ
Wed	Oct 23	5:30 p.m. – 7:30 p.m.	Arts in the Parks Block Party: Indian Bend Park  Location: Indian Bend Park 1250 E. Marigold Lane Tempe, AZ
Thu	Oct 24	6:00 p.m. – 8:00 p.m.	Escalante Community Fall Festival  Location: Escalante Park 2150 E. Orange Street Tempe, AZ
Sat	Oct 26	9:00 a.m. – 11:00 a.m.	Fire Station 2 Grand Opening  Location: Fire Station 2 3025 S. Hardy Drive Tempe, AZ
Sat	Oct. 26	1:00 p.m. – 4:00 p.m.	Michelle Brooks Tortes Park Dedication  Location: Michelle Books Tortes Park 1225 E. Redfield Road Tempe, AZ
Fri	Nov 1	4:00 p.m. – 6:00 p.m.	Tempe Town Lake Silver Anniversary  Location: TCA – Lakeside Room 700 W. Rio Salado Parkway Tempe, AZ
Sun	Nov 3	11:00 a.m. – 2:00 p.m.	Tempe Town Lake Silver Anniversary  Location: Tempe Town Lake 550 E. Tempe Town Lake Tempe, AZ
Thu	Nov 7	5:00 p.m. – 7:00 p.m.	10 <sup>th</sup> Annual Hammers & Ales Party & Fundraiser  Location: Toolbank 3531 E. Corona Avenue Tempe, AZ
Tue	Nov 12	5:30 p.m. – 7:30 p.m.	Arts in the Parks Block Party: Estrada Park  Location: Estrada Park

			1801 E. Palomino Drive Tempe, AZ
Wed	Nov 13	8:00 a.m. – 10:00 a.m.	LISC Phoenix Annual Breakfast & Community Awards  Location: LISC Phoenix 326 Coronado Road, Suite 204 Phoenix, AZ
Wed	Nov 13	5:30 p.m. – 7:30 p.m.	Arts in the Parks Block Party: Meyer Park  Location: Meyer Park 2727 S. Dorsey Lane Tempe, AZ
Wed	Nov 13	7:30 a.m. – 9:00 a.m.	United Food Bank Friends Breakfast  Location: United Food Bank – Sunkist Warehouse 254 W. Broadway Road Mesa, AZ
Sat	Nov 16	6:00 p.m. – 9:00 p.m.	Tempe Jam  Location: Tempe Sports Complex 8401 S. Hardy Tempe, AZ
Mon	Nov 18	5:00 p.m. – 9:00 p.m.	41 <sup>st</sup> Annual Don Carlos Humanitarian Awards – Tempe Community Council  Location: Pera Club 1 E. Continental Drive Tempe, AZ
Sat	Dec 7	12:00 p.m. – 4:00 p.m.	Chandler Thunderbird Lodge #15 125 <sup>th</sup> Anniversary  Location: Chandler Thunderbird Lodge #15 88 W. Erie Street Tempe, AZ
Fri	Dec 13	11:00 a.m. – 4:00 p.m.	Tempe Elementary Blood Drive  Location: Tempe Elementary School District #3 3205 S. Rural Road Tempe, AZ
Sun-Fri	Mar 9 –14, 2025	All day	NLC Congressional City Council  Location: Washington D.C.
Sat	Apr 19, 2025	5:30 p.m. – 8:30 p.m.	Ignite the Night – Tempe Diablos Charity Event  Location: Phoenix Zoo 455 N. Galvin Parkway Phoenix, AZ

08/23/24 KS



## Memorandum

TO: Mayor and City Council

FROM: Bill Greene, City Auditor

DATE: August 23, 2024

SUBJECT: FINAL REPORT

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Attached is our final report issued for the following project:

- Golf Course Contract Audit (Ken McDonald G.C.)

A copy of this report will also be posted to the Internal Audit Office website.

We appreciate the cooperation of all the City staff during this project. Please contact me if you have any questions about our results.





## Memorandum

TO: Craig Hayton, Community Services Director

THRU: Bill Greene, City Auditor (X8982)

FROM: Diana Storino, Senior Internal Auditor (X8997)

CC: Rosa Inchausti, City Manager  
Greg Ruiz, Chief Deputy City Manager  
Keith Burke, Deputy City Manager  
Lisette Camacho, Deputy City Manager  
Alexander Jovanovic, Deputy Community Services Director – Parks & Rec  
Julie Hietter, Community Services Admin Manager

DATE: August 19, 2024

SUBJECT: FINAL REPORT: GOLF COURSE CONTRACT AUDIT (Ken McDonald G.C.)

Attached is our final report on the subject audit. Copies of this report will be distributed to the mayor and council and posted to the Internal Audit Office website.

Thank you and your staff for your cooperation during this project.

# Golf Course Contract Audit (Ken McDonald)

## Project Team:

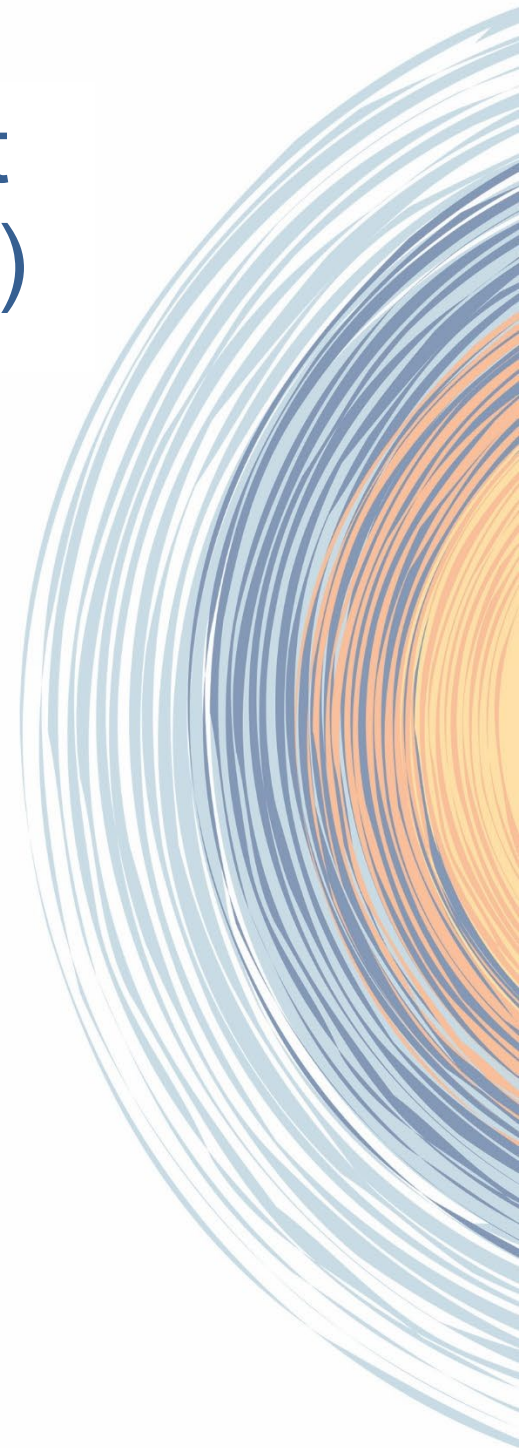
Bill Greene, City Auditor  
Diana Storino, Sr. Auditor

## Mission Statement

To enhance and protect organizational value by providing high-quality, objective, risk-based audit and consulting services to assist the City in accomplishing strategic priorities, goals, and objectives.



20 E. 6th Street, 2nd Floor | Tempe, AZ 85281 | 480-350-8982



## **Executive Summary**

### **Purpose**

We evaluated internal controls that ensure revenue payments are remitted to the City of Tempe (“City” or “Landlord”) by Tempe Golf LLC (“Tenant” or “Courseco, Inc”) in accordance with the requirements of the Golf Course Lease and Management Agreement (dba Ken McDonald Golf Course “the Golf Course”).

### **Background**

On July 2, 2021, the City issued a Request for Proposal (RFP) related to improvement and operation of the Golf Course. The four stated goals were to: (1) ensure the long-term viability of public golf, (2) address capital improvement needs at the Golf Course, (3) provide revenue to the City, and (4) expand golf and recreational amenities to a wide and diverse audience. On March 3, 2022, City Council authorized staff to negotiate an agreement with Courseco, Inc. for improvement and operation of the Golf Course in accordance with Tenant’s proposal.

The Golf Course agreement has an effective date July 1, 2023, with initial term of lease for 20 years from the effective date and expiration date is June 30, 2043, with two extension terms of 5 years each. Courseco, Inc submits a Quarterly Revenue Report (QRR) to the City which details revenue by category and the revenue-sharing payment amount.

For quarters ending September 2023, December 2023 and March 2024, golf revenue was about \$430,000, \$610,000, and \$1,044,000 respectively. The City’s Golf Revenue sharing percentage of 5% resulted in revenue sharing payments from July 2023 through March 2024 totaling about \$104,000.

### **Results in Brief**

**Internal controls exist to ensure revenue payments are remitted to the City of Tempe in accordance with the requirements of the Golf Course Lease and Management Agreement. However, requiring Courseco, Inc. to include supporting documentation with their Quarterly Revenue Summary Reports (QRRs) would provide more assurance that payment amounts are accurate.**

Courseco, Inc. does not currently submit the supporting documentation necessary to evaluate and substantiate the revenue-sharing payments along with their Quarterly Revenue Summary Reports. This documentation should include a chart of accounts, Pro Shop Daily Reconciliation, deposit tickets, cash register reports, trial balance, and bank statements, all of which would allow for the amounts reported to be properly substantiated.

## **Recommendations**

Our detailed report contains audit recommendations to further improve contract administration controls.

## Department Responses to Recommendations

<p><b>Rec. 1.1:</b> Require source documentation and all relevant reconciliations be attached to each Quarterly Revenue Report in Excel format.</p>	
<p><b>Response:</b> As part of reporting on the audit results to CourseCo, we will request the recommended documentation be included with all quarterly revenue reports, starting with the July-Sept 2024 report.</p>	<p><b>Target Date:</b> Sept 30, 2024</p>
<p><b>Explanation, Target Date &gt; 90 Days:</b> N/A</p>	
<p><b>Rec. 1.2:</b> Upon completion, obtain and review the independent certified public accountant review of annual statement.</p>	
<p><b>Response:</b> We will request and review the certified review of annual statement for each year, beginning with fiscal year 2023-24. Fiscal year-end reports are due to the City by Aug 31 each year.</p>	<p><b>Target Date:</b> Sept 30, 2024</p>
<p><b>Explanation, Target Date &gt; 90 Days:</b> N/A</p>	
<p><b>Rec. 2.1:</b> Review source documents and reconciliations submitted with each QRR and monitor the cash over/short account and perform follow up as necessary.</p>	
<p><b>Response:</b> We will review the recommended documentation beginning with the July-Sept 2024 quarterly revenue report to ensure revenue reports are accurately reported. Quarterly reports are due to the City 30 days following the close of the quarter.</p>	<p><b>Target Date:</b> Nov 15, 2024</p>
<p><b>Explanation, Target Date &gt; 90 Days:</b> Revenue report for July-Sept 2024 is due 30 days following close of the quarter, Oct 30.</p>	
<p><b>Rec. 3.1:</b> Assign the responsibility for retaining and reviewing insurance certificates.</p>	
<p><b>Response:</b> As part of reporting on the audit results to CourseCo, we will request to receive annual notification of their insurance policy renewals. If annual notification can't be set up automatically, we will request the policies each year 30 days prior to the renewal date.</p>	<p><b>Target Date:</b> Sept 30, 2024</p>
<p><b>Explanation, Target Date &gt; 90 Days:</b> N/A</p>	

# **1 – Internal Controls: Revenue Cycle**

## **Background**

The golf course revenue cycle encompasses all the processes involved in generating, managing, and collecting revenue from various sources within the golf course operation. Efficient management of the golf course revenue cycle is essential for maximizing profitability, maintaining high service standards, and ensuring a positive experience for members and guests.

The primary revenue accounts include various fees and pro shop sales. The revenue cycle begins when a customer purchases merchandise and the cashier scan the bar code into the contractor's Point of Sale (POS) System (Total E Integrated). This POS system is used to capture all golf and related revenue transactions.

POS system captures revenue daily. The following POS documents are generated at the golf course and are forwarded daily to Courseco, Inc. Corporate Accounting:

- End of Day Register tapes
- Cash deposit ticket
- Pro Shop Daily Reconciliation
- Settlement Summary by Terminal Identification (credit card detail breakdown by cash register)

Accounting documents located at Courseco, Inc Corporate Accounting Offices include:

- Trial balance (a bookkeeping worksheet in which the balances of all ledgers are compiled and serve as the basis for the preparation of financial statements),
- Chart of Accounts (listing of all balance sheet and profit and loss accounts),
- Bank statements.

Courseco, Inc. submits a Quarterly Revenue Report (QRR) to the City. The report details golf revenue, by category (e.g., green fees, cart rental, driving range to name a few) and revenue-sharing payment amount.

## **Approach**

To evaluate the effectiveness of internal controls governing revenue recognition, revenue-sharing payments arrangements and insurance requirements, we performed the following steps:

- Met with Courseco, Inc. staff to gain an understanding of golf course operations and reviewed lease agreement noting revenue sharing component and insurance requirements.
- Reviewed lease agreement terms to ensure revenue-sharing calculation was clearly defined in agreement and revenue sharing reports provided adequate supporting documentation to substantiate revenue sharing calculation and subsequent payment.

- Reviewed QRR and supporting documentation to ensure revenue-sharing payment amount is accurate.
- Assessed segregation of duties to prevent unauthorized access or manipulation of revenue data.
- Determined revenue sharing reports were being maintained in accordance with lease agreement terms.

## Results

**Internal controls, such as clearly defined lease agreement terms, required individual log-in identification at the cash register combined with daily reconciliations, and proper segregation of duties between cash handling and accounting functions, help ensure that revenue-sharing payments are made, and insurance requirements are met in accordance with lease agreement terms.**

Primary internal controls surrounding the revenue cycle at the Golf Course include:

- Lease agreement with clearly defined descriptions for revenue-sharing calculation and payment and insurance requirements
- Individual log-in identification at the register
- Daily reconciliations between POS system and accounting records
- Segregation of duties between the cash handling and accounting functions

**Lease Agreement Terms:** The golf revenue sharing calculation and subsequent payments and reports are defined in the agreement as follows:

*Golf Revenue Sharing* - Courseco, Inc. pays the City five percent (5%) of all Golf Course Revenues up to the Golf Course Revenue Threshold. Golf Course Revenue Threshold means Golf Course Revenues of \$2.4 million in the first year of the lease term and increased annually in accordance with the terms of the lease agreement.

*Revenue Sharing Payments* – Courseco, Inc. pays the City on a quarterly basis. The payments are due in full within thirty (30) calendar days following the end of each quarter. Currently, Food & Beverage revenue sharing component has not commenced pursuant to Article 5.3.2 but will begin following the completion of the Clubhouse Improvements.

*Revenue Sharing Reports* – Courseco, Inc. submits to the City a statement of Golf Revenues and Food and Beverage Revenues (collectively “Gross Revenues”) within thirty (30) days after the end of each calendar quarter.

Article 18.2 of the Golf Course Lease and Management Agreement specified the types and amounts of insurance required.

**Individual Log-in:** During a site visit, the Courseco, Inc. Manager, demonstrated at the register that all employees who handle cash and have access to cash registers each have individual log-in identifications. At the end of each shift, registers are subjected to

a “blind close”, where the employee does not know how many cash sales were made. After closing, the employees leave the starting “till” (cash in the drawer) in the register and secure the day’s cash sales in a drop bag into the safe.

**Daily Reconciliation:** Courseco, Inc. Controller stated POS documentation is submitted daily to Corporate Accounting and information is reviewed as part of the monthly Corporate Accounting bank statement reconciliation process.

**Segregation of Duties:** There is no single individual who controls the entire revenue recognition and payment process. The General Manager reconciles and forwards the sales reports for cash and credit card deposits daily to Courseco, Inc. Accounting Department. Monthly, the corporate accounting staff matches deposits against the POS Sales Summary Reports and daily sales deposits. Cash variances are posted to the over/short cash account and credit card sales discrepancies are identified in Courseco, Inc. company-wide bank statement reconciliation process. Also, Courseco, Inc.’s Accounting Department performs monthly reconciliations of their revenue accounts.

Additionally, according to Courseco, Inc. staff, periodic training is provided to employees involved in revenue recognition and payment calculation. Training raises awareness among staff about the importance of compliance with contractual obligations and the potential consequences for non-compliance.

**Courseco, Inc. submits a QRR to the City but does not attach supporting documentation. Without QRR supporting documentation, contract monitoring cannot be performed to provide reasonable assurance that payment amounts are accurate.**

Courseco, Inc. does not currently submit the supporting documentation necessary to evaluate and substantiate the revenue-sharing payments along with their Quarterly Revenue Summary Reports. This documentation should include a chart of accounts, Pro Shop Daily Reconciliation, deposit tickets, cash register reports, trial balance, and bank statements, all of which would allow for the amounts reported to be properly substantiated.

The City can access these documents in accordance with Article 5.6 of the contract. Specifically,

#### **Inspection and Audit**

*City shall be entitled at any time and from time to time during the Term and within three (3) years after the Expiration Date or other termination of this Lease, to inspect, examine, copy, and audit Tenant’s books, records and cash receipts as related to Gross Revenues. The purpose of such an examination is to enable City to ascertain, clearly and accurately, the Tenant’s Gross Revenues and to verify that the form and method of Tenant’s record keeping provide adequate and proper control and check of all such revenues.*



Matching numbers from the QRRs to the source documentation is a key step to ensure revenue transactions recorded are included in the revenue-sharing calculation. Also, periodically comparing the chart of accounts for revenue/deferred revenue provides reasonable assurance that all revenue categories are being included in the QRR and in revenue payment calculation.

By exercising the lease agreement provision regarding the examination of underlying documents, contract monitoring would be strengthened. Establishing procedures for periodic and systematic monitoring of revenue transactions, revenue allocation and payment processing would strengthen the contract management and oversight function by identifying any discrepancies between revenue and payment records.

### Independent Review

The lease agreement states that the annual statement will be reviewed by an independent certified public accountant. Our fieldwork testing ended prior to the annual statement being completed by the independent certified public accountant. Contractual monitoring should include obtaining a copy of the annual statement and address if revenue recognition follows generally accepted accounting principles.

Specifically, Section 5.5 of the lease agreement states:

*“In addition, each annual statement shall be reviewed by an independent certified public accountant, at Tenant’s expense, reasonably acceptable to the City. Tenant shall keep at the Premises or at Tenant’s business office complete and accurate books of account, records, cash receipts and other pertinent data, in accordance with good accounting practices and in a form approved by City, showing its Gross Revenues, including without limitation, accurate records of every sale and other transaction made from the Premises.”*

## **Recommendations**

- 1.1 Require source documentation and all relevant reconciliations be attached to each Quarterly Revenue Report in Excel format.
- 1.2 Upon completion, obtain and review the *independent certified public accountant review of annual statement*.

## 2 – Revenue Sharing Calculation

### Background

Golf course revenue is primarily from green, cart and driving range fees and pro shop sales. Courseco, Inc. submits a Quarterly Revenue Report (QRR) to the City from which the revenue sharing calculation is made, and payments are submitted.

### Approach

To ensure revenue payments were remitted to the City in accordance with lease agreement requirements, we conducted the following steps:

- Matched monthly revenue amounts from the POS Sales Summary to the Trial Balance report and to the Quarterly Revenue Report submitted to the City which specifies the revenue sharing amount.
- Selected a sample of transactions and traced them through the Courseco, Inc. point of sale system (End of Day Report, Pro Shop Daily Reconciliation Report, credit card report), and their bank statement and to the City’s official financial records.

### Results

**Quarterly golf sharing revenue payments were calculated correctly, recorded accurately and paid to the City according to lease agreement terms.**

Table No. 2.1 details the various types of revenue recorded by each quarter and the corresponding revenue sharing payment made to the City and recorded in the City’s official financial records.

<b>Table No. 2.1 Quarterly Revenue Report Revenue Sharing Payments</b>				
<b>Description</b>	<b>(3rd quarter) July – Sept 2023</b>	<b>(4<sup>th</sup> quarter) Oct - Dec 2023</b>	<b>(1<sup>st</sup> quarter) Jan - March 2024</b>	<b>Total Revenue by Type</b>
Green Fees	\$280,608	\$423,653	\$665,935	\$1,370,196
Cart Rental	79,250	103,326	140,644	323,220
Card Program <sup>1</sup>	NA	0	81,550	81,550
Driving Range	37,681	41,689	87,474	166,844
Lessons	6,755	5,387	12,736	24,878
Merchandise	19,769	24,249	32,768	76,786
Club Rentals	1,873	4,195	5,691	11,759
Other Revenues	3,912	7,418	16,845	28,175
<b>Total Golf Revenue</b>	<b>\$429,848</b>	<b>\$609,917</b>	<b>\$1,043,643</b>	<b>\$2,083,408</b>
<b>Revenue Sharing Payments</b>	<b>\$21,492</b>	<b>\$30,496</b>	<b>\$52,182</b>	<b>\$104,170</b>

Note: <sup>1</sup> Courseco, Inc Controller stated the card program commenced in December 2023 and that the revenue was recorded in January 2024. We verified that the card program revenue recorded in the trial balance as of December 2023 was moved to January 2024 through a journal entry.

We judgmentally selected three months (September and December 2023 and March 2024) and performed the following:

- Verified the total for each revenue category on the POS Sales Summary matched the total on Courseco's, Inc. trial balance and QRR.
- Recalculated Quarterly Golf Revenue Sharing payments noting revenue amounts on Courseco's, Inc Trial Balance matched what was reported in the QRR and the City's Cash Receipt Form noting date, payer, amount, account, and cost center numbers and posting to the general ledger.
- Verified that revenue-sharing payments were made timely and accurately.
- Verified the mathematical accuracy of the QRR.

We noted no exceptions other than the 4<sup>th</sup> quarter payment was not made in a timely manner in accordance with contract requirements. It should have been paid on January 30, 2024, and the check date was February 8, 2024.

**In general, the daily total for each revenue category on the POS Sales Summary used to calculate revenue sharing payments matched the total on Courseco's trial balance (official financial record) and bank statement.**

We judgmentally selected five days from July 2023 through March 2024 and reconciled individual days transactions from the Courseco, Inc. POS system to their accounting system and the final recording of payments in the City's official financial record. All amounts matched. Table No. 2.2 summarizes the transactions tested and the cash/credit card differences between the credit card report and bank statements identified during testing.

Table No. 2.2 Sales Transaction Testing Daily Reconciliation					
Description	2023		2024		
	Sept. 24	Oct. 13	Feb. 22	Mar. 16	Mar. 31
Total Actual Credit Card Payments	\$8,700	\$9,546	\$12,474	\$14,289	\$4,991
Cash Collected	1,085	1,769	1,902	1,264	392
Cash [Over/(short)]	\$29	\$1	\$2	(\$122)	\$27
Credit Card [Over/(short)]	\$47	\$94	(\$61)	\$30	\$5,141

Cash Over/Short

We verified that the over/short cash amounts were properly recorded in the expense general ledger Cash (Over)/Short Golf reflecting the difference between expected and actual cash collected. The City does not receive the general ledger expense account detail. As of March 2024, this expense account showed a cash shortage of about \$1,400.

### Credit Card Over/Short

The credit card variances are included as part of the corporate bank reconciliation process. The credit card reconciling items ranged from \$30 - \$5,141 and Courseco, Inc. Controller indicated they were identified in the corporate wide bank statement reconciliation process. No further investigation of the minor credit card over/short amounts was performed due to immateriality.

We performed further inquiry regarding March 31, 2024, since the amount (\$5,141) was much larger than the other variances. Courseco, Inc. Controller explained that amount reflected an offline credit card amount. This means the POS system went offline and during this time sales were entered using a handheld terminal. When the POS system came back online, staff was unable to record the revenues at the discounted rate, so the revenues were recorded at the undiscounted rates. This led Courseco, Inc. to make a business decision to expense the shortage as identified during the April 2024 bank reconciliation process. This treatment has no effect on the revenue reported to the City and subsequent payments.

## **Recommendation**

- 2.1 Review source documents and reconciliations submitted with each QRR and monitor the cash over/short account and perform follow up as necessary.

### **3 – Insurance Requirements**

#### **Background**

In accordance with Article 18.2 of the Golf Course Lease and Management Agreement, the following types of insurance are required:

- Workers Compensation Per Az Law
- Commercial General Liability
- Automobile Liability
- Professional Liability
- Liquor Liability
- Property, Natural Hazard, and Fire
- Crime and Fidelity
- Umbrella Liability

#### **Approach**

We performed the following steps to determine if the contractor complied with the insurance provisions:

- Reviewed insurance requirements specified in the contract coverage type and amount.
- Compared these requirements with the coverage listed on the insurance certificate.

#### **Results**

**The insurance certificate provided by the contractor met all the specified insurance requirements outlined in the contract. However, City staff was unable to provide the certificates of insurance, and no one is assigned the responsibility of monitoring insurance to ensure compliance with requirements are maintained throughout the contract period.**

Initially, at the start of the contract, Courseco, Inc. staff indicated they had the insurance broker review the insurance requirements in the contract to ensure insurance certificates reflect compliance with the contractual requirements. Courseco, Inc. Senior Operations Manager provided a copy for all insurance listed above except the Workers Compensation because that was procured separately from the other required insurances. We reviewed each Certificate of Liability Insurance noting the contractor's insurance coverage aligns with the contractual obligations and the City of Tempe is the certificate holder.

Additionally, Courseco's, Inc. Controller provided a copy of the Certificate of Liability Insurance for Workers Compensation, and the certificate holder is Tempe Golf LLC. This certificate states, "All worksite employees working for Tempe Golf LLC DBA Ken McDonald Golf Course paid under ADP TOTALSOURCE, Inc.'s payroll, are covered

under the (above) stated policy.” Regular review is advised to ensure ongoing compliance.

## **Recommendation**

3.1 Assign the responsibility for retaining and reviewing insurance certificates.

## **Scope, Methods, and Standards**

### **Scope**

We judgmentally selected five days from the following quarters and traced sales transactions from the point-of-sale system to the official financial records of Courseco, Inc and the City of Tempe:

- 2023 Quarter 3 (July 2023 – September 2023)
- 2023 Quarter 4 (October 2023 – December 2023)
- 2024 Quarter 1 (January 2024 – March 2024)

This audit scope included only golf shop revenue as the food revenue sharing component of the contract will not commence until after completion of the Clubhouse Improvements estimated around the Fall of 2026.

### **Methods**

We used the following methods to complete this audit:

- Conducted interviews with Community Services and Courseco, Inc. staff to gain an understanding of golf course operations.
- Reviewed documentation to ensure compliance with contract terms and conditions relative to golf revenue sharing calculation, reporting and payment.
- Selected a sample of revenue transactions and traced amounts from the Point-of-Sale System to Courseco, Inc. official financial records.

Unless otherwise stated in the report, all sampling in this audit was conducted using a judgmental methodology to maximize efficiency based on auditor knowledge of the population being tested. As such, sample results cannot be extrapolated to the entire population and are limited to a discussion of only those items reviewed.



# MEMORANDUM

TO: Mayor and City Council  
FROM: Kara DeArrastia, City Clerk  
DATE: August 23, 2024  
SUBJECT: November 5, 2024 Special Bond Election Update

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At the April 25, 2024, Regular Council Meeting, the City Council adopted [Resolution No. R2024.33](#), ordering and calling a **Special Bond Election** to be held in and for the City of Tempe, Arizona, in conjunction with the Statewide General Election on **Tuesday, November 5, 2024**, to seek voter authorization to issue and sell general obligation bonds payable from Secondary (Ad Valorem) Property Taxes for the purposes of enhancing community safety through public safety and roadway improvements; improving quality of life in Tempe neighborhoods; and increasing the supply of affordable housing in Tempe, in the principal amount not to exceed \$581,500,000.

There will be [three bond questions on the ballot](#), as summarized below.

**Question No. 1: Enhance Community Safety Through Public Safety and Roadway Improvements** seeks voter authorization to issue and sell general obligation bonds in the principal amount of up to \$301,000,000 to provide funding for fire, police, roadway, pedestrian infrastructure, and storm drain projects.

**Question No. 2: Improve Quality of Life in Tempe Neighborhoods** seeks voter authorization to issue and sell general obligation bonds in the principal amount of up to \$248,500,000 to provide funding for parks, historic preservation, and municipal infrastructure projects.

**Question No. 3: Increase Supply of Affordable Housing** seeks voter authorization to issue and sell general obligation bonds in the principal amount of up to \$32,000,000 to provide funding to increase the supply of affordable housing in Tempe.

The estimated average annual tax rate that is required to be calculated by statute for the proposed bond authorization is \$0.8781 per \$100 of net assessed value used for secondary tax purposes.

People can visit [www.tempe.gov/bond](http://www.tempe.gov/bond) to learn more about the bond questions, important election dates, and frequently asked questions regarding the bond election.

Below are updates regarding the November 5, 2024 Special Bond Election, for the week ending August 23, 2024.

Arguments Filed “For” or “Against” Bond Questions 1, 2, and 3 for Publicity Pamphlet

Wednesday, August 7, was the deadline for people to file arguments supporting or opposing the authorization of one or more of the three bond questions that will be on the November 5 Election ballot.



In total, twenty-nine (29) arguments were filed: twenty-six (26) in support of Questions 1, 2, and 3; one (1) against Questions 1, 2, and 3; and two (2) in support of Question 2. The filed arguments will be included in the publicity pamphlet, which will be mailed to each Tempe household containing a registered voter no later than **Tuesday, October 1**. An electronic copy of the pamphlet will also be posted at [www.tempe.gov/election](http://www.tempe.gov/election).

#### Bond Election Informational Meetings

Tempe voters can attend an informational meeting to learn more about the November 5 Bond Election and questions on the ballot. Four meetings are available. All are free and open to everyone.

<b>Date</b>	<b>Time</b>	<b>Location</b>
Wednesday, September 18	12 p.m. noon	<a href="#">Virtual – register here</a>
Wednesday, September 18	7 p.m.	<a href="#">Kiwanis Recreation Center – Classroom A &amp; B, 6111 South All America Way, Tempe</a>
Monday, September 23	6 p.m.	<a href="#">North Tempe Multi-Generational Center – Manzanita/Mesquite Room, 1555 North Bridalwreath Street, Tempe</a>
Tuesday, September 24	6 p.m.	<a href="#">Tempe Public Library – Desert Willow Room, 3500 South Rural Road, Tempe</a>

#### August Water Bill Insert

An August water bill insert was sent out to Tempe residents providing information about the November 5 Bond Election; informational meetings; voter registration; and important voter dates. Attached to this memo is the two-sided insert, in English and Spanish.

#### Verify Your Voter Status

Voters are encouraged to check their voter status and make any needed updates to ensure they are ready to vote in the November 5 election. Maricopa County voters can view and update their personalized voting information by visiting the website [BeBallotReady.Vote](https://BeBallotReady.Vote) on their smartphone or computer. When they sign into their dashboard, they find everything from their voter registration status to what is on their ballot to details about upcoming elections. Voters can also call the Maricopa County Elections Department at 602-506-1511 or visit [Maricopa.Vote](https://Maricopa.Vote) for more information. The voter registration deadline for the November 5 election is **Monday, October 7**. People can register to vote or update their registration at <https://servicearizona.com/VoterRegistration>.

Visit [www.tempe.gov/election](http://www.tempe.gov/election) for more information about the November 5, 2024 Special Bond Election. Future updates will be provided throughout the election season as needed. Should you have any questions or need further information, please do not hesitate to contact me at (480) 350-8947 or [kara\\_dearrastia@tempe.gov](mailto:kara_dearrastia@tempe.gov).



# Election Information

Registered Tempe voters will have the opportunity to decide whether to fund public safety and road improvements, quality-of-life enhancements in Tempe neighborhoods and new affordable

housing. Voting takes place in conjunction with the Nov. 5 Statewide General Election.

Included in the bond is funding to restore the pavement of every street in Tempe within five years, provide funds for infrastructure projects like water lines, improve neighborhood parks and increase the supply of affordable housing. The estimated average annual tax rate that is required to be calculated by statute for the proposed bond authorization is \$0.87814 per \$100 of net assessed value used for secondary tax purposes.

**Get additional information about the bond questions at [tempe.gov/election](https://tempe.gov/election) or attend an informational meeting. Four meetings are available. All are free and open to everyone.**

1. **Wednesday, Sept. 18 at noon (virtual) and 7 p.m. at Kiwanis Recreation Center, 6111 S All America Way**
2. **Monday, Sept. 23 at 6 p.m. at North Tempe Multi-Generational Center, 1555 N Bridalwreath St.**
3. **Tuesday, Sept. 24 at 6 p.m. at Tempe Public Library, 3500 S. Rural Road**

## Are you ready to vote?

Arizona will hold a General Election on Tuesday, Nov. 5. This election includes federal, state, county and local offices that are up for election. It also includes a Special Bond Election for registered voters in Tempe, and Prop 479, a measure that will ask Maricopa County voters whether to extend the existing half-cent sales tax dedicated to transportation for an additional 20 years.

Register to vote or update your current registration by Oct. 7 by visiting <https://servicearizona.com/VoterRegistration>. Please call the Maricopa County Elections Department at 602-506-1511 or visit [maricopa.vote](https://maricopa.vote) with questions regarding your eligibility, voter registration or ballot. Visit [BeBallotReady.Vote](https://BeBallotReady.Vote) to verify your registration information.

## Important voter dates

- Oct. 7 Voter Registration Deadline
- Oct. 9 Ballots Mailed and Drop Boxes Available
- Oct. 25 Last day to request an early ballot
- Oct. 29 Last Day to Mail Back Your Ballot
- Nov. 5 Election Day





# Información electoral

Los votantes registrados en Tempe tendrán la oportunidad de decidir si financian la seguridad pública y mejoramiento en las carreteras, mejoramiento en la calidad de vida en los vecindarios de Tempe y nuevas viviendas asequibles. La votación

se lleva a cabo en conjunto con la Elección General Estatal del 5 de noviembre.

El bono incluye fondos para restaurar el pavimento de cada calle en Tempe dentro de cinco años, proporcionar fondos para proyectos de infraestructura como líneas de agua, el mejoramiento los parques del barrio y aumentar la oferta de viviendas asequibles. La tasa impositiva anual de promedio es estimada que se requiere que se calcule por ley para la autorización de bonos propuesta es de \$0,87814 por \$100 de valor neto utilizado para propósitos de impuestos secundarios.

**Obtenga información adicional sobre las preguntas sobre los bonos en [tempe.gov/election](https://tempe.gov/election) o asista a una reunión informativa. Hay cuatro reuniones disponibles. Todas son gratuitas y abiertas a todo el mundo.**

1. 18 de septiembre al mediodía (virtual) y a las 7 p.m. en el Centro Recreativo Kiwanis, 6111 S All America Way
2. 23 de septiembre a las 6 p.m. en el Centro Multigeneracional de North Tempe, 1555 N Bridalwreath St.
3. 24 de septiembre a las 6 p.m. en la Biblioteca Pública de Tempe, 3500 S. Rural Road

## ¿Estás listo para votar?

Arizona llevará a cabo una elección general el martes 5 de noviembre. Esta elección incluye los cargos federales, estatales, del condado y locales que están en juego. También incluye una Elección de Bonos Especiales para los votantes registrados en Tempe, y la Proposición 479, una medida que preguntará a los votantes del Condado de Maricopa si extenderán el impuesto de medio centavo a las ventas existente dedicado al transporte por 20 años adicionales.

Regístrese para votar o actualice su registro actual antes del 7 de octubre visitando <https://servicearizona.com/VoterRegistration>. Por favor llame al Departamento de Elecciones del Condado de Maricopa al 602-506-1511 o visite [maricopa.vote](https://maricopa.vote) con preguntas sobre su elegibilidad, registro de votante o boleta electoral. Visite [BeBallotReady.Vote](https://BeBallotReady.Vote) para verificar su información de registro.

## Fechas importantes para los votantes

9 de octubre Boletas enviadas por correo y buzones disponibles

25 de octubre Último día para solicitar votación anticipada

29 de octubre Último día para enviar su boleta por correo

5 de noviembre Día de elección



# MEMORANDUM



TO: Mayor and Council  
FROM: Lauri Oszakiewski, Senior Municipal Budget & Finance Analyst  
THROUGH: Lisette Camacho, Deputy City Manager  
Ben Beutler, Budget Director  
DATE: August 23, 2024  
SUBJECT: Tax Revenue Statistical Report – June 2024

## Introduction

The Municipal Budget Office (MBO) reviews the City’s privilege (sales) tax collections for the General Fund (1.2%), Transit Fund (0.5%) and Arts & Cultural Fund (0.1%) and the General Fund bed tax (5.0%) to monitor the financial performance of the City’s largest revenue source. This monthly analysis also provides the opportunity to determine if adjustments need to be made for any significant variances to ensure continuity of programs and service delivery. The June 2024 report summarizes our analysis of the May sales activity reported to the Arizona Department of Revenue (ADOR).

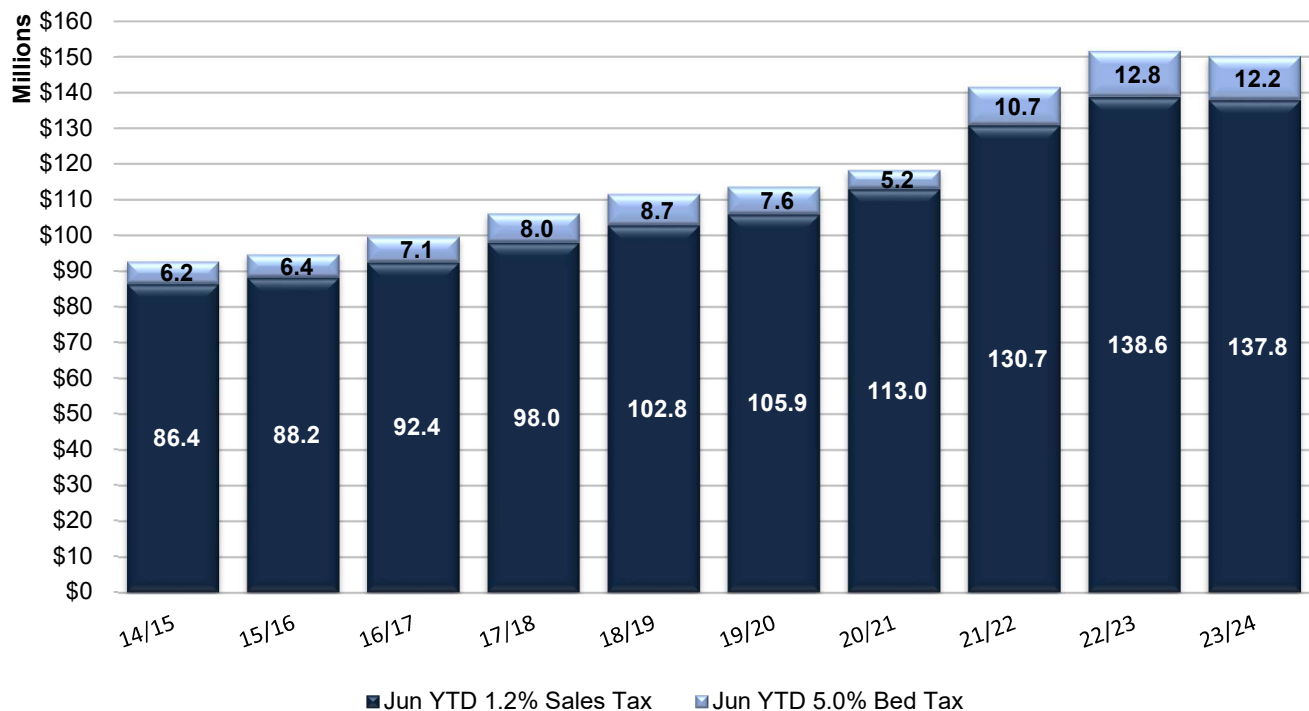
## Overall Highlights

Total fiscal year to date taxable *sales* decreased by 0.9% over the same year to date period in the prior fiscal year. Total sales tax *revenue* is down 0.8% or \$1.8 million, despite growth in rentals (\$1.9 million), contracting (\$1.1 million) and restaurants (\$596 thousand) activity. The attached Executive Summary provides a summary of historical and current fiscal year taxable sales, sales tax collections by fund, tax revenues by business activity, and an analysis of retail tax revenues by activity.

## General Fund Highlights

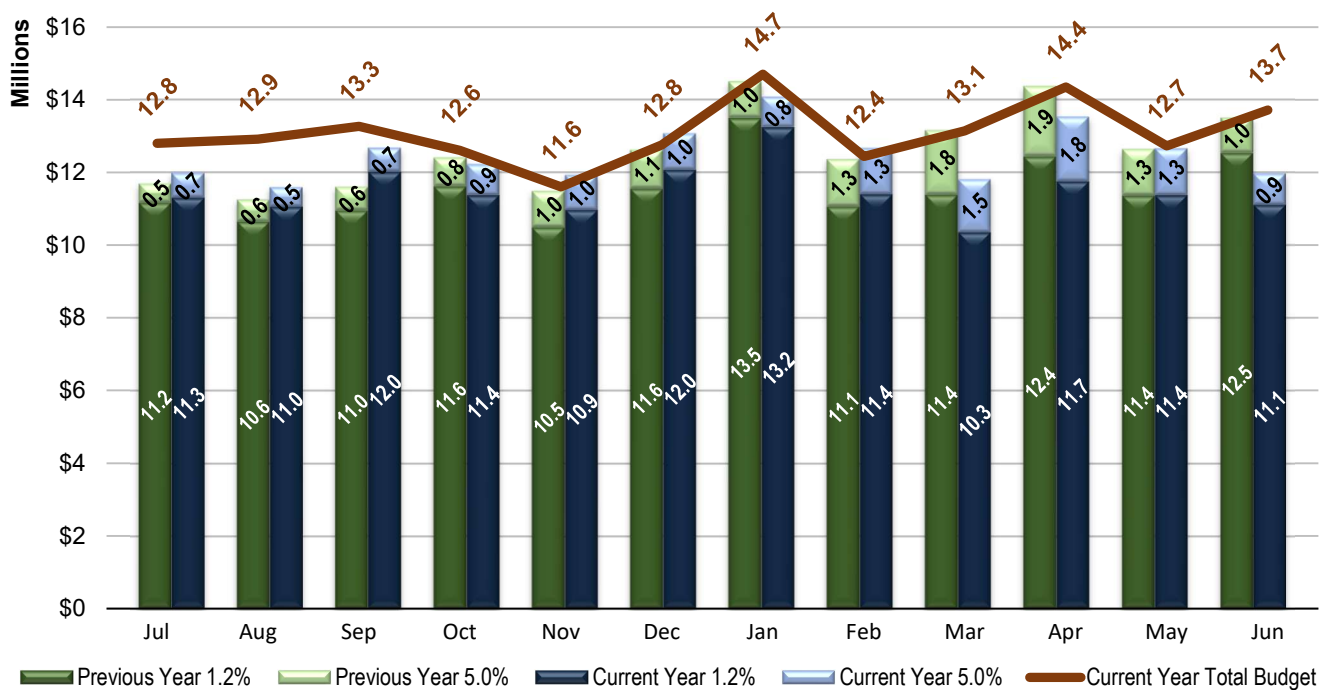
As the General Fund portion of the City’s sales and bed tax revenue collections represents the General Fund’s largest revenue source, further analysis is performed on these specific tax collections. The graph below depicts year to date General Fund historical sales and bed tax revenue from FY 2014/15 through FY 2023/24. General Fund sales and bed tax revenue for FY 2023/24 is down 1.0% or \$1.4 million over the prior year to date period.

General Fund Year to Date Sales and Bed Tax Collections through June



In addition to the 10-year historical comparison, we also review 12 months of General Fund monthly sales and bed tax collections compared to the previous year and to the FY 2023/24 adopted budget for the combined sales and bed tax, as noted in the graph below.

**General Fund Monthly Sales and Bed Tax Collection vs. Previous Year**



Finally, the MBO prepares the attached Actual to Budget Comparison report that provides a summary of FY 2023/24 General Fund sales tax, bed tax, and a combined total sales and bed tax collections compared to a projected budget amount for the month. Although sales and bed tax are not actually budgeted monthly, this type of analysis of actual collections compared to projections provides insight into sales and bed tax performance. Using this approach, fiscal year to date General Fund sales tax is \$6.9 million below revenue projections, General Fund bed tax is \$90 thousand below projections, and the combined General Fund sales and bed tax collections for the General Fund are \$7.0 million below the revenue projection.

As detailed above, sales and bed tax collections ended the fiscal year below revenue projections. The Municipal Budget Office is closely monitoring revenues and will incorporate actual revenue collections into the 5-year forecast presented to City Council in November. In the future, if overall revenue collections are not meeting projections, the city will make the necessary budget adjustments to maintain financial stability, while also ensuring the continuity of programs and service delivery for residents.

Attachments: Executive Summary  
Actual Compared to Budget Projection

## Executive Summary

Current Month - June	2020-21	Change	2021-22	Change	2022-23	Change	2023-24	Change
<b>Taxable Sales</b>								
Total Taxable Sales	854,405,000	23.3%	951,378,000	11.3%	1,064,443,000	11.9%	945,909,000	-11.1%
Retail Taxable Sales	494,818,000	20.6%	498,655,000	0.8%	547,014,000	9.7%	498,862,000	-8.8%
<b>Tax Revenues by Fund</b>								
General Fund								
Privilege Tax (1.2%)	9,889,000	21.8%	11,047,000	11.7%	12,530,000	13.4%	11,089,000	-11.5%
Bed Tax (5.0%)	568,000	80.9%	969,000	70.6%	954,000	-1.5%	869,000	-8.9%
Privilege Tax Rebates	227,000	90.8%	137,000	-39.6%	30,000	-78.1%	75,000	150.0%
Total General Fund	10,684,000	24.9%	12,153,000	13.7%	13,514,000	11.2%	12,033,000	-11.0%
Transit Fund								
Privilege Tax (0.5%)	4,121,000	21.8%	4,603,000	11.7%	5,225,000	13.5%	4,652,000	-11.0%
Privilege Tax Rebates	94,000	88.0%	57,000	-39.4%	-	-100.0%	-	0.0%
Total Transit Fund	4,215,000	22.8%	4,660,000	10.6%	5,225,000	12.1%	4,652,000	-11.0%
Arts & Culture Fund								
Privilege Tax (0.1%)	843,000	22.7%	932,000	10.6%	1,045,000	12.1%	930,000	-11.0%
Total Arts & Culture Fund	843,000	22.7%	932,000	10.6%	1,045,000	12.1%	930,000	-11.0%
<b>Totals</b>	<b>15,742,000</b>	<b>24.2%</b>	<b>17,745,000</b>	<b>12.7%</b>	<b>19,784,000</b>	<b>11.5%</b>	<b>17,615,000</b>	<b>-11.0%</b>
<b>Tax Revenues by Business Activities</b>								
Retail	8,549,000	15.7%	8,976,000	5.0%	9,721,000	8.3%	8,980,000	-7.6%
Rentals	2,832,000	18.8%	3,093,000	9.2%	3,756,000	21.4%	3,649,000	-2.8%
Utilities/Communication	573,000	-4.7%	649,000	13.3%	702,000	8.2%	740,000	5.4%
Restaurants	1,322,000	70.4%	1,484,000	12.3%	1,493,000	0.6%	1,534,000	2.7%
Contracting	1,085,000	9.8%	1,397,000	28.8%	1,192,000	-14.7%	1,018,000	-14.6%
Hotel/Motel	219,000	85.6%	370,000	68.9%	378,000	2.2%	352,000	-6.9%
Transient (Bed Tax)	568,000	80.9%	969,000	70.6%	974,000	0.5%	921,000	-5.4%
Non-Recurring Business Activities	414,000	100.0%	619,000	49.5%	1,331,000	115.0%	-	-100.0%
Amusements	123,000	459.1%	114,000	-7.3%	165,000	44.7%	343,000	107.9%
All Other	58,000	-31.0%	75,000	29.3%	71,000	-5.3%	78,000	9.9%
<b>Totals</b>	<b>15,742,000</b>	<b>24.2%</b>	<b>17,745,000</b>	<b>12.7%</b>	<b>19,784,000</b>	<b>11.5%</b>	<b>17,615,000</b>	<b>-11.0%</b>
<b>Retail Tax Revenues by Activities</b>								
Automotive	1,561,000	21.1%	1,371,000	-12.2%	1,485,000	8.3%	1,464,000	-1.4%
Building Supply Stores	375,000	9.3%	420,000	12.0%	411,000	-2.1%	415,000	1.0%
Department Stores	1,117,000	17.2%	1,149,000	2.9%	1,111,000	-3.3%	1,106,000	-0.5%
Drug/Small Stores	1,270,000	22.1%	1,471,000	15.8%	1,410,000	-4.1%	1,222,000	-13.3%
Furniture/Equipment/Electronics	717,000	74.5%	600,000	-16.3%	697,000	16.2%	547,000	-21.5%
Grocery Stores	824,000	-2.6%	597,000	-27.5%	1,009,000	69.0%	971,000	-3.8%
Manufacturing Firms	716,000	33.8%	451,000	-37.0%	367,000	-18.6%	380,000	3.5%
All Other Retail	1,969,000	-0.1%	2,917,000	48.1%	3,231,000	10.8%	2,875,000	-11.0%
<b>Totals</b>	<b>8,549,000</b>	<b>15.7%</b>	<b>8,976,000</b>	<b>5.0%</b>	<b>9,721,000</b>	<b>8.3%</b>	<b>8,980,000</b>	<b>-7.6%</b>
<b>Fiscal Year to Date - June</b>								
	2020-21	Change	2021-22	Change	2022-23	Change	2023-24	Change
<b>Taxable Sales</b>								
Total Taxable Sales	9,727,407,000	5.7%	11,363,069,000	16.8%	11,891,572,000	4.7%	11,789,088,000	-0.9%
Retail Taxable Sales	5,686,812,000	12.1%	6,504,492,000	14.4%	6,372,645,000	-2.0%	6,268,749,000	-1.6%
<b>Tax Revenues by Fund</b>								
General Fund								
Privilege Tax (1.2%)	112,973,000	6.7%	130,691,000	15.7%	138,638,000	6.1%	137,782,000	-0.6%
Bed Tax (5.0%)	5,193,000	-31.9%	10,733,000	106.7%	12,802,000	19.3%	12,211,000	-4.6%
Privilege Tax Rebates	2,509,000	-5.8%	3,090,000	23.2%	1,009,000	-67.3%	1,068,000	5.8%
Total General Fund	120,675,000	3.9%	144,514,000	19.8%	152,449,000	5.5%	151,061,000	-0.9%
Transit Fund								
Privilege Tax (0.5%)	47,074,000	6.6%	54,456,000	15.7%	57,770,000	6.1%	57,852,000	0.1%
Privilege Tax Rebates	1,044,000	-4.0%	1,286,000	23.2%	404,000	-68.6%	-	-100.0%
Total Transit Fund	48,118,000	6.4%	55,742,000	15.8%	58,174,000	4.4%	57,852,000	-0.6%
Arts & Culture Fund								
Privilege Tax (0.1%)	9,624,000	6.4%	11,148,000	15.8%	11,635,000	4.4%	11,570,000	-0.6%
Total Arts & Culture Fund	9,624,000	6.4%	11,148,000	15.8%	11,635,000	4.4%	11,570,000	-0.6%
<b>Totals</b>	<b>178,417,000</b>	<b>-47.7%</b>	<b>211,404,000</b>	<b>18.5%</b>	<b>222,258,000</b>	<b>5.1%</b>	<b>220,483,000</b>	<b>-0.8%</b>
<b>Tax Revenues by Business Activities</b>								
Retail	99,858,000	9.3%	117,081,000	17.2%	112,940,000	-3.5%	110,022,000	-2.6%
Rentals	33,039,000	5.8%	36,847,000	11.5%	42,596,000	15.6%	44,486,000	4.4%
Utilities/Communication	7,566,000	-1.6%	7,812,000	3.3%	8,296,000	6.2%	8,707,000	5.0%
Restaurants	12,181,000	-0.3%	16,335,000	34.1%	17,697,000	8.3%	18,293,000	3.4%
Contracting	11,524,000	-13.4%	12,019,000	4.3%	12,293,000	2.3%	13,389,000	8.9%
Hotel/Motel	2,005,000	-28.7%	4,093,000	104.1%	5,071,000	23.9%	4,954,000	-2.3%
Transient (Bed Tax)	5,193,000	-31.9%	10,733,000	106.7%	12,715,000	18.5%	12,936,000	1.7%
Non-Recurring Business Activities	5,320,000	158.8%	3,738,000	-29.7%	7,239,000	93.7%	3,839,000	-47.0%
Amusements	844,000	-31.8%	1,596,000	89.1%	2,139,000	34.0%	2,731,000	27.7%
All Other	887,000	-99.5%	1,150,000	29.7%	1,273,000	10.7%	1,124,000	-11.7%
<b>Totals</b>	<b>178,417,000</b>	<b>-47.7%</b>	<b>211,404,000</b>	<b>18.5%</b>	<b>222,258,000</b>	<b>5.1%</b>	<b>220,483,000</b>	<b>-0.8%</b>
<b>Retail Tax Revenues by Activities</b>								
Automotive	15,234,000	11.8%	16,321,000	7.1%	16,415,000	0.6%	16,560,000	0.9%
Building Supply Stores	4,259,000	14.4%	4,963,000	16.5%	4,991,000	0.6%	4,699,000	-5.9%
Department Stores	13,070,000	8.5%	14,102,000	7.9%	14,540,000	3.1%	14,499,000	-0.3%
Drug/Small Stores	15,934,000	15.7%	16,729,000	5.0%	16,085,000	-3.8%	15,267,000	-5.1%
Furniture/Equipment/Electronics	7,835,000	24.2%	8,304,000	6.0%	5,707,000	-31.3%	6,058,000	6.2%
Grocery Stores	10,391,000	1.8%	10,983,000	5.7%	11,743,000	6.9%	11,923,000	1.5%
Manufacturing Firms	7,421,000	6.0%	10,508,000	41.6%	5,298,000	-49.6%	5,477,000	3.4%
All Other Retail	25,714,000	4.3%	35,171,000	36.8%	38,161,000	8.5%	35,539,000	-6.9%
<b>Totals</b>	<b>99,858,000</b>	<b>9.3%</b>	<b>117,081,000</b>	<b>17.2%</b>	<b>112,940,000</b>	<b>-3.5%</b>	<b>110,022,000</b>	<b>-2.6%</b>

## Actual Compared to Budget Projection

### Privilege Tax Revenue - General Fund (1.2%) 2023-24 Actual Compared to Budget

#### Monthly Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.3%	\$ 12,015,000	\$ 11,283,000	\$ (732,000)	-6.1%
Aug	8.1%	11,727,000	11,037,000	(690,000)	-5.9%
Sep	8.1%	11,714,000	11,997,000	283,000	2.4%
Oct	8.3%	11,977,000	11,355,000	(622,000)	-5.2%
Nov	7.5%	10,818,000	10,949,000	131,000	1.2%
Dec	8.2%	11,919,000	12,048,000	129,000	1.1%
Jan	9.6%	13,913,000	13,224,000	(689,000)	-5.0%
Feb	7.9%	11,410,000	11,380,000	(30,000)	-0.3%
Mar	8.1%	11,745,000	10,331,000	(1,414,000)	-12.0%
Apr	8.9%	12,825,000	11,735,000	(1,090,000)	-8.5%
May	8.1%	11,720,000	11,354,000	(366,000)	-3.1%
Jun	8.9%	12,939,000	11,089,000	(1,850,000)	-14.3%
<b>Totals</b>	<b>100.0%</b>	<b>\$ 144,722,000</b>	<b>\$ 137,782,000</b>	<b>\$ (6,940,000)</b>	<b>-4.8%</b>

#### Cumulative Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.3%	\$ 12,015,000	\$ 11,283,000	\$ (732,000)	-6.1%
Jul-Aug	16.4%	23,742,000	22,320,000	(1,422,000)	-6.0%
Jul-Sep	24.5%	35,456,000	34,317,000	(1,139,000)	-3.2%
Jul-Oct	32.8%	47,433,000	45,672,000	(1,761,000)	-3.7%
Jul-Nov	40.3%	58,251,000	56,621,000	(1,630,000)	-2.8%
Jul-Dec	48.5%	70,170,000	68,669,000	(1,501,000)	-2.1%
Jul-Jan	58.1%	84,083,000	81,893,000	(2,190,000)	-2.6%
Jul-Feb	66.0%	95,493,000	93,273,000	(2,220,000)	-2.3%
Jul-Mar	74.1%	107,238,000	103,604,000	(3,634,000)	-3.4%
Jul-Apr	83.0%	120,063,000	115,339,000	(4,724,000)	-3.9%
Jul-May	91.1%	131,783,000	126,693,000	(5,090,000)	-3.9%
Jul-Jun	100.0%	144,722,000	137,782,000	(6,940,000)	-4.8%

#### Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
% of Increase	\$ 137,782,000	\$ 144,722,000	\$ (6,940,000)	-4.8%
% Received	\$ 137,782,000	\$ 144,722,000	\$ (6,940,000)	-4.8%

### Bed Tax Revenue - General Fund (5.0%) 2023-24 Actual Compared to Budget

#### Monthly Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	6.4%	\$ 785,000	\$ 688,000	\$ (97,000)	-12.4%
Aug	9.7%	1,188,000	534,000	(654,000)	-55.1%
Sep	12.6%	1,549,000	663,000	(886,000)	-57.2%
Oct	5.1%	626,000	854,000	228,000	36.4%
Nov	6.4%	788,000	960,000	172,000	21.8%
Dec	6.8%	838,000	1,012,000	174,000	20.8%
Jan	6.5%	795,000	834,000	39,000	4.9%
Feb	8.3%	1,025,000	1,268,000	243,000	23.7%
Mar	11.3%	1,396,000	1,468,000	72,000	5.2%
Apr	12.4%	1,528,000	1,777,000	249,000	16.3%
May	8.2%	1,010,000	1,284,000	274,000	27.1%
Jun	6.3%	773,000	869,000	96,000	12.4%
<b>Totals</b>	<b>100.0%</b>	<b>\$ 12,301,000</b>	<b>\$ 12,211,000</b>	<b>\$ (90,000)</b>	<b>-0.7%</b>

#### Cumulative Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	6.4%	\$ 785,000	\$ 688,000	\$ (97,000)	-12.4%
Jul-Aug	16.0%	1,973,000	1,222,000	(751,000)	-38.1%
Jul-Sep	28.6%	3,522,000	1,885,000	(1,637,000)	-46.5%
Jul-Oct	33.7%	4,148,000	2,739,000	(1,409,000)	-34.0%
Jul-Nov	40.1%	4,936,000	3,699,000	(1,237,000)	-25.1%
Jul-Dec	46.9%	5,774,000	4,711,000	(1,063,000)	-18.4%
Jul-Jan	53.4%	6,569,000	5,545,000	(1,024,000)	-15.6%
Jul-Feb	61.7%	7,594,000	6,813,000	(781,000)	-10.3%
Jul-Mar	73.1%	8,990,000	8,281,000	(709,000)	-7.9%
Jul-Apr	85.5%	10,518,000	10,058,000	(460,000)	-4.4%
Jul-May	93.7%	11,528,000	11,342,000	(186,000)	-1.6%
Jul-Jun	100.0%	12,301,000	12,211,000	(90,000)	-0.7%

#### Tax and License Annual Privilege Tax Revenue Projections

Method	Bed Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
% of Increase	\$ 12,211,000	\$ 12,301,000	\$ (90,000)	-0.7%
% Received	\$ 12,211,000	\$ 12,301,000	\$ (90,000)	-0.7%

### Total General Fund Tax Revenue 2023-24 Actual Compared to Budget

#### Monthly Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.2%	\$ 12,800,000	\$ 11,971,000	\$ (829,000)	-6.5%
Aug	8.2%	12,915,000	11,571,000	(1,344,000)	-10.4%
Sep	8.4%	13,263,000	12,660,000	(603,000)	-4.5%
Oct	8.0%	12,603,000	12,209,000	(394,000)	-3.1%
Nov	7.4%	11,606,000	11,909,000	303,000	2.6%
Dec	8.1%	12,757,000	13,060,000	303,000	2.4%
Jan	9.4%	14,708,000	14,058,000	(650,000)	-4.4%
Feb	7.9%	12,435,000	12,648,000	213,000	1.7%
Mar	8.4%	13,141,000	11,799,000	(1,342,000)	-10.2%
Apr	9.1%	14,353,000	13,512,000	(841,000)	-5.9%
May	8.1%	12,730,000	12,638,000	(92,000)	-0.7%
Jun	8.7%	13,712,000	11,958,000	(1,754,000)	-12.8%
<b>Totals</b>	<b>100.0%</b>	<b>\$ 157,023,000</b>	<b>\$ 149,993,000</b>	<b>\$ (7,030,000)</b>	<b>-4.5%</b>

#### Cumulative Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.2%	\$ 12,800,000	\$ 11,971,000	\$ (829,000)	-6.5%
Jul-Aug	16.4%	25,715,000	23,542,000	(2,173,000)	-8.5%
Jul-Sep	24.8%	38,978,000	36,202,000	(2,776,000)	-7.1%
Jul-Oct	32.8%	51,581,000	48,411,000	(3,170,000)	-6.1%
Jul-Nov	40.2%	63,187,000	60,320,000	(2,867,000)	-4.5%
Jul-Dec	48.4%	75,944,000	73,380,000	(2,564,000)	-3.4%
Jul-Jan	57.7%	90,652,000	87,438,000	(3,214,000)	-3.5%
Jul-Feb	65.7%	103,087,000	100,086,000	(3,001,000)	-2.9%
Jul-Mar	74.0%	116,228,000	111,885,000	(4,343,000)	-3.7%
Jul-Apr	83.2%	130,581,000	125,397,000	(5,184,000)	-4.0%
Jul-May	91.3%	143,311,000	138,035,000	(5,276,000)	-3.7%
Jul-Jun	100.0%	157,023,000	149,993,000	(7,030,000)	-4.5%

#### Tax and License Annual Privilege Tax Revenue Projections

Method	Total Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
% of Increase	\$ 149,993,000	\$ 157,023,000	\$ (7,030,000)	-4.5%
% Received	\$ 149,993,000	\$ 157,023,000	\$ (7,030,000)	-4.5%

# COMMUNITY SERVICES UPDATE

August 23, 2024

## PARK RANGER UPDATE: BIKE PROGRAM

Park Rangers will soon be trained and equipped to patrol parks by bike. Michael Clark, former Park Ranger Lead, started the program within the first couple months of hire. He researched different brands, quality, accessories, and which would be most cost effective for the Ranger program. After additional support and advice from Tempe Police Department, the bike program is coming into fruition.

Each bike is equipped to handle rough terrain, coupled with lights to ensure a safe ride at night in the parks and preserves. There are a total of eight (8) bikes: four (4) regular sized, two (2) large, and two (2) small. Each bike has a saddle bag on the back which contains various hand tools, a “Stop the Bleed” pack with emergency supplies for superficial wounds, a tourniquet, as well as, two (2) doses of Narcan. The bike packs also have “Ranger” identified with light-reflective stickers.

The training for the bike program will be a collaborative effort with the police department. Once certified, Rangers will use the bikes in the field. The implementation of bikes in parks and preserves can help the Rangers get to more remote destinations fast and can vastly improve the response time in difficult terrain where trucks are not allowed. Bike patrol is best for preserve trails compared to large trucks to avoid the disruption to native plant growth.

You may see a Park Ranger riding a bike in a park or preserve near you soon!

