



TOWN OF
QUEEN CREEK
ARIZONA

FY 20-21 Year to Date Financial Report

Operating Budget to Actual Performance
Fiscal Year to Date through December 2020

Issued January 28, 2021

Executive Summary

The Town's fiscal year 2020-21 budget-to-actual performance through December showed favorable variances for both revenues and expenses. Actual revenues performed well with receipts exceeding expectations by \$13.4M, or 45%. This is the result of Sales Tax, Construction Sales Tax, and Building/Engineering Revenues all performing better than expected due to strong residential and commercial growth. While staff expected this growth to slow due to the impact of the COVID-19 pandemic, actual development activity in the Town has accelerated. The fiscal year 2020-21 budget projected 700 single-family permits for the entire fiscal year, but the Town has already issued 1,061 permits through December. Additionally, average monthly home closings are currently running 23% higher than the prior year.

Total expenses through December are \$1.7M or 6% less than budget. The favorable variance is driven mostly by staffing vacancies, with additional savings in streets maintenance, software, and MCSO contractual services.

The revised Operating Budget anticipated that revenues would exceed expenses by \$2.7M by the end of December 2020. However, actual results are better than anticipated resulting in year-to-date revenues exceeding expenses by \$17.8M, an improvement of \$15.1M.

Because the Town's operating results have been favorable, staff is in the process of revising revenue estimates for fiscal year 2020-21 in conjunction with preparing revenue forecasts for the FY 2021-22 budget adoption cycle. These adjustments will be presented to the Town Council in February. However, the COVID-19 pandemic is not behind us and may yet present additional challenges in the months ahead. The Town maintains healthy reserves and has contingencies built into the budget that can provide flexibility as needs arise. Staff will continue to monitor our local, regional, and national economies regularly and provide updates as more data becomes available.

Operating Budget

The Operating Budget includes the Town's activity from the General, Streets (HURF), Emergency Services and Horseshoe Park Equestrian Center Funds. The schedule below is a summary of the FY 20-21 Operating Budget. The current budget estimates that revenues will exceed expenses by \$3.7M for the year, with additional amounts being transferred out to other funds to cover the non-growth share of debt payments and capital improvements.

Recent budget adjustments have taken \$3.9M from contingency funds to provide budget authority for police vehicle expenditures, business assistance grants, and contract services for plan reviews and building inspections. The revised budget anticipates the Town will use \$6.2M of fund balance, most of which is earmarked for starting up the new Queen Creek Police Department. The current amounts in the Town's reserves are shown below.

The ending fund balance is expected to be \$50.5M, of which \$22.0M is reserved for pension funding and \$16.9M is reserved for the Town's 25% reserve policy. The amounts shown below in the Police Services and COVID-19 reserves may change if the Town Council chooses to use these funds during the fiscal year.

Summary FY 20-21 Operating Budget

	FY 20-21 Total Adopted Budget	FY 20-21 Total Revised Budget	FY 20-21 Year-to-Date Budget	FY 20-21 Year-to-Date Actual
Revenues	\$ 63,588,037	\$ 63,588,037	\$ 30,066,770	\$ 43,473,878
Expenses	55,621,256	59,883,213	27,397,595	25,658,757
Operating Results	\$ 7,966,781	\$ 3,704,824	\$ 2,669,175	\$ 17,815,121
Transfers Out				
Events/Grants Match/Other	\$ 25,000	\$ 25,000	\$ -	\$ -
Debt Service	6,457,677	6,457,677	-	-
CIP	3,377,700	3,377,700	-	-
Transfers Out	\$ (9,860,377)	\$ (9,860,377)	-	-
Net Operating Results	\$ (1,893,596)	\$ (6,155,553)	\$ 2,669,175	\$ 17,815,121
Beginning Fund Balance	\$ 46,656,233	\$ 56,608,528		
Ending Fund Balance	\$ 44,762,637	\$ 50,452,975		
25% Revenue Reserve	\$ 16,857,700	\$ 16,857,700		
Police Services Reserve	4,500,000	523,536		
COVID-19 Reserve	4,770,623	11,060,087		
MSCO Unfunded Pension Liability Reserve	18,634,314	22,011,652		
ASRS Unfunded Pension Liability Reserve	-	-		
Available Fund Balance	-	-		
Total Fund Balance	\$ 44,762,637	\$ 50,452,975		

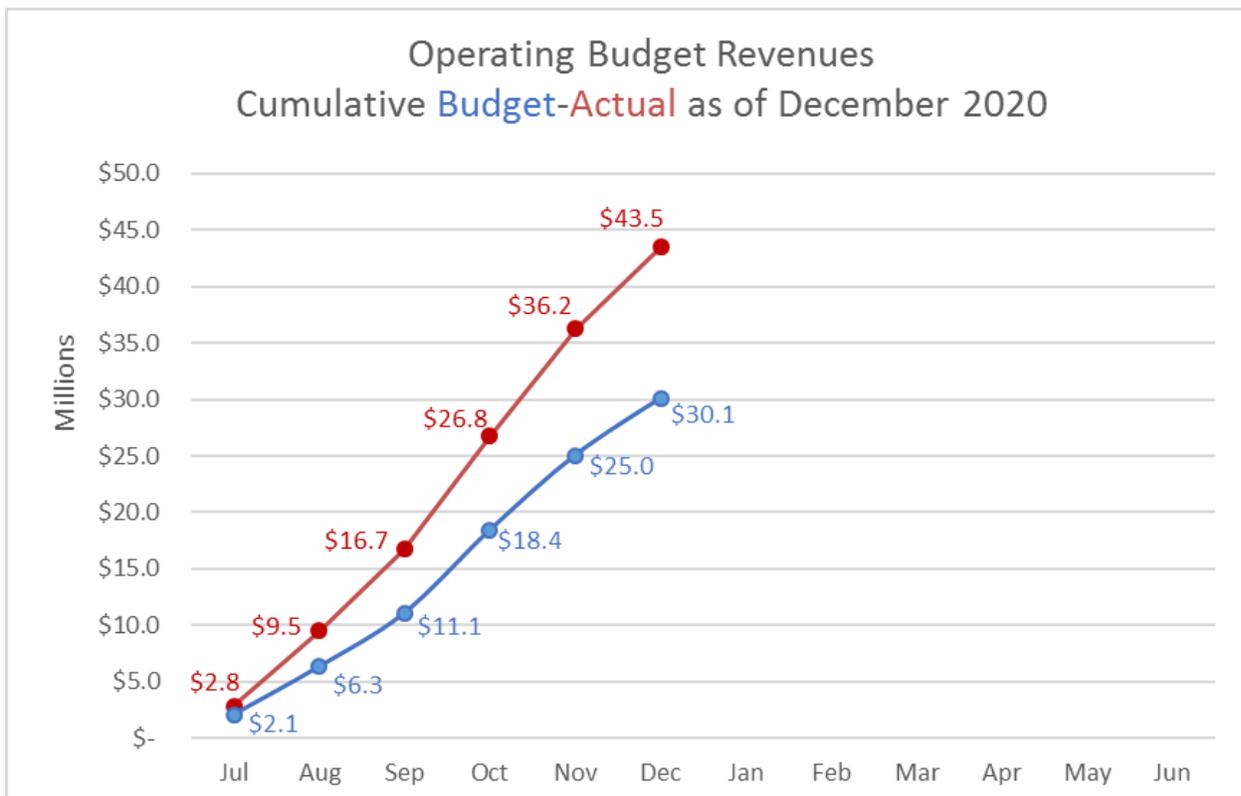
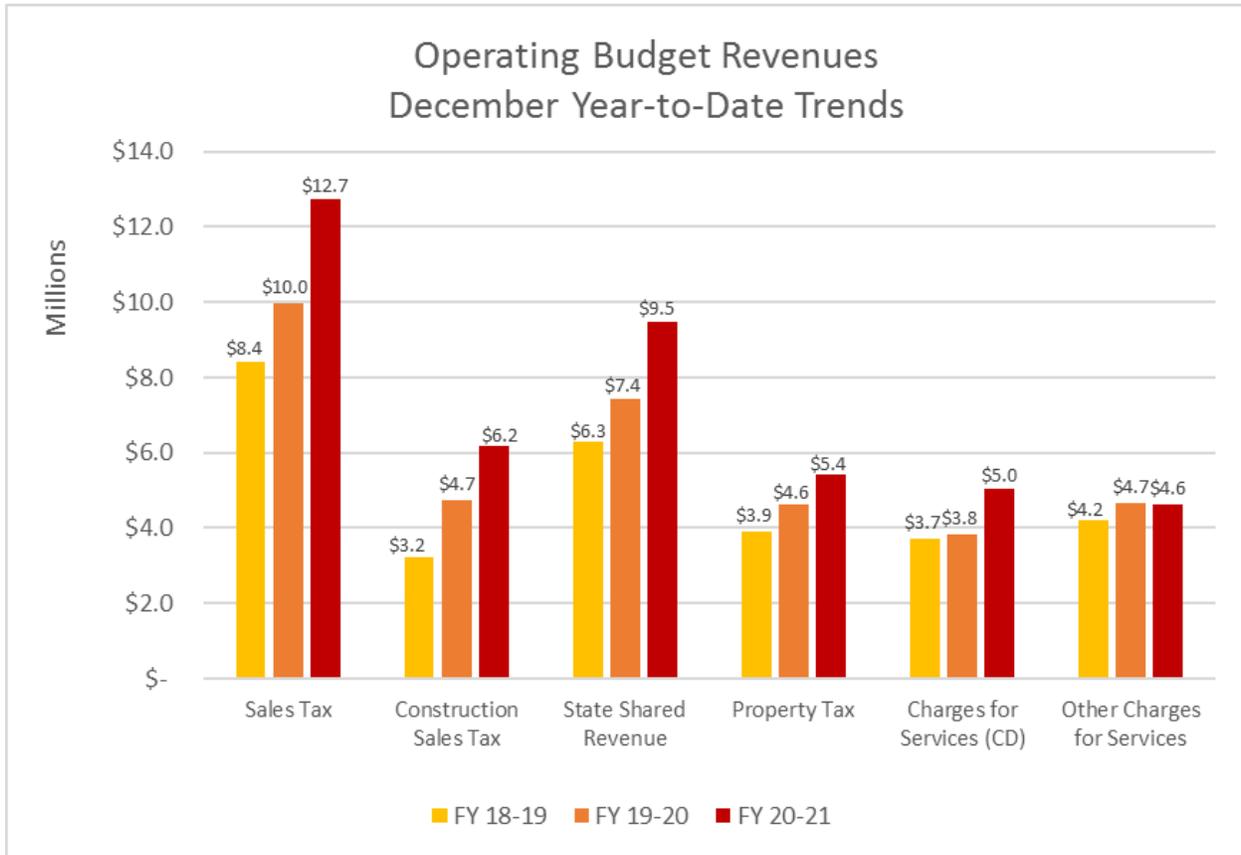
The remainder of this report focuses on revenues and expenses only. It does not include transfers, debt service or infrastructure funding transfers.

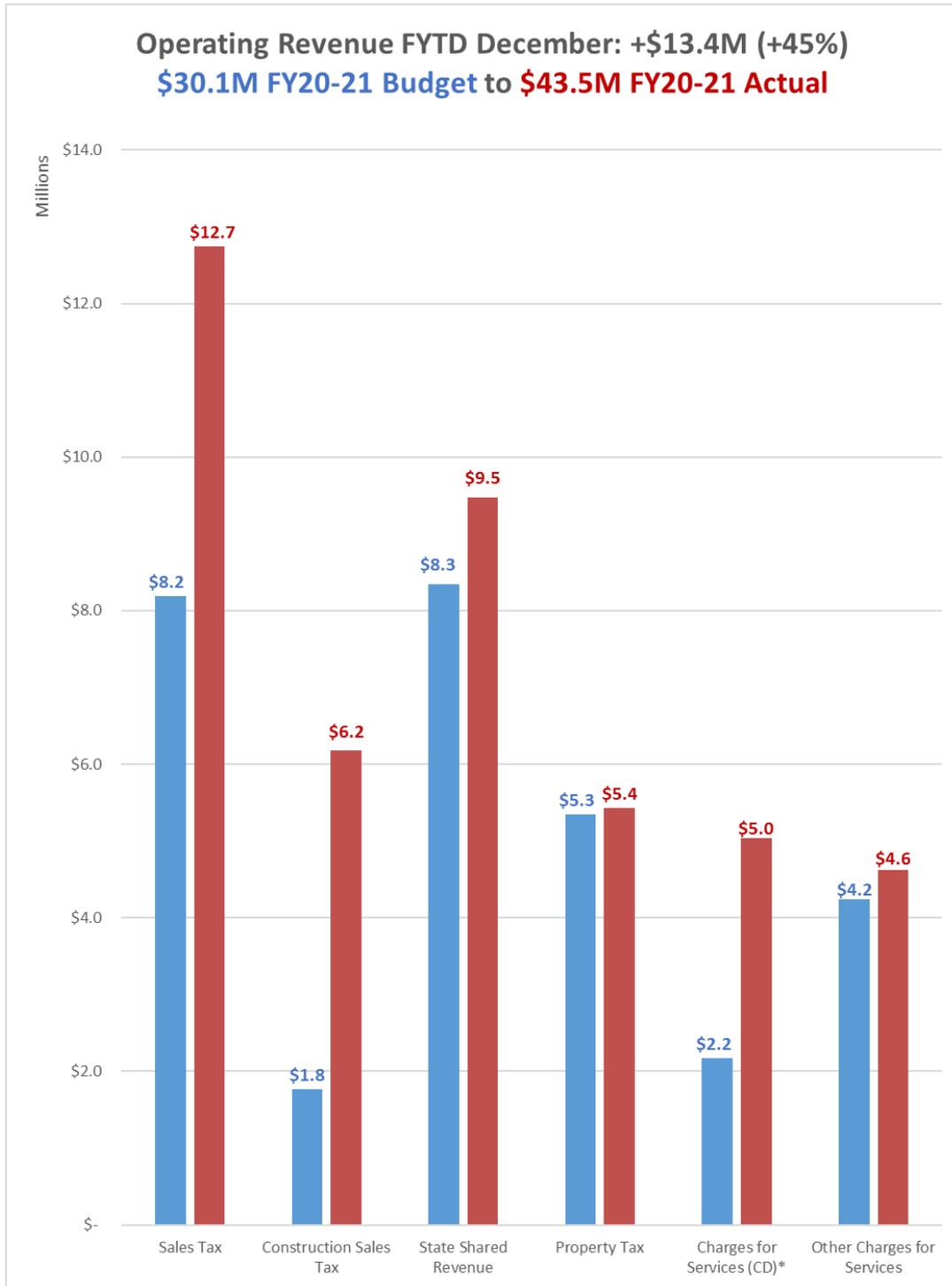
December 2020 Year-to-Date Results

	<u>YTD</u>	<u>YTD</u>	<u>\$ Variance</u>	<u>% Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>	
Revenues				
Sales Tax	\$ 8,190,810	\$ 12,746,030	\$ 4,555,220	56%
Construction Sales Tax	1,769,470	6,173,386	4,403,916	249%
State Shared Revenue	8,344,270	9,472,029	1,127,759	14%
Property Tax	5,344,130	5,427,771	83,641	2%
Charges for Services (CD)*	2,172,300	5,039,155	2,866,855	132%
Other Charges for Services	4,245,790	4,615,508	369,718	9%
Total Revenues	\$ 30,066,770	\$ 43,473,878	\$ 13,407,108	45%
Expenditures				
Salaries & Benefits	\$ 15,049,311	\$ 13,770,559	\$ 1,278,752	8%
Supplies & Services	7,230,254	6,989,959	240,295	3%
Maricopa County Sheriff	3,861,836	3,701,081	160,755	4%
Capital Outlay	1,256,194	1,197,159	59,035	5%
Total Expenditures	\$ 27,397,595	\$ 25,658,757	\$ 1,738,837	6%

*Consists of Community Development Charges for Services including permits, planning and engineering fees

Revenue Analysis





Overall, actual revenues are showing a 45% favorable variance compared to the revised budget. The variances of the Revenue Categories are as follows:

Sales Tax

Sales tax revenue through December 2020 is \$4.6 million or 56% ahead of budget, greatly exceeding expectations. This trend of monthly above-budget sales tax revenue has continued since April 2020 in spite of the uncertainty surrounding the COVID-19 pandemic. This sales tax growth was not anticipated when the fiscal year 2020-21 budget was developed; in fact, sales tax revenue was projected to decrease 24%. Some of this positive performance is attributed to more individuals shopping closer to home because they are working from home, growth in e-commerce from more residents shopping online, recent legislation requiring sales tax on e-commerce, and new businesses that continue to open in Queen Creek. Please refer to the Sales Tax Report (Appendix 1) for additional information on sales tax activity.

Construction Sales Tax

Construction sales tax revenue to date is \$4.4 million or 249% above budget, reflecting robust residential construction activity. The fiscal year 2020-21 budget was developed with an expectation that the COVID-19 pandemic would sharply reduce demand for new homes. This reduction never materialized; in fact, new home construction has accelerated since April 2020 and continues to show strong demand. Since December 2019, the Town has averaged 144 single-family home closings per month, compared to 117 for the previous 12-month period, an increase of 23% or 27 homes per month. Please refer to the Sales Tax Report (Appendix 1) for additional information on construction sales tax activity.

State Shared Revenue

State Shared Revenue is currently \$1.1K or 14% above budget. The State of Arizona as a whole is seeing better-than-expected performance in sales tax activity and HURF revenue. When combined with Queen Creek's population growth, this has increased the Town's share of state tax distributions.

Property Tax

Property tax revenue is currently \$84K or 2% above budget. The Town receives the majority of its property tax distributions in October and November, and the remainder in April and May, due to Arizona's statutes that allow property owners to pay their annual property taxes in two installments.

Charges for Services (CD)

Charges for Services (CD) accounts for planning, engineering and building permit revenues. Year-to-date CD Revenue is favorable by \$2.9M or 132%, as presented in the following schedule:

December 2020 YTD Community Development Detailed Revenues

Charges for Services (CD)	<u>Budget</u>	<u>Actual</u>	<u>\$ Variance</u>	<u>% Variance</u>
Planning Revenue	\$ 160,990	\$ 72,395	\$ (88,595)	(55%)
Engineering Revenue	210,360	772,988	562,628	267%
Building Permit Revenue	<u>1,800,950</u>	<u>4,193,772</u>	<u>2,392,822</u>	<u>133%</u>
Total Charges for Services (CD)	\$ 2,172,300	\$ 5,039,155	\$ 2,866,855	132%

Similar to construction sales tax, CD revenue is tied to new and proposed development activity in the town for new subdivisions, commercial developments, and annexations. The fiscal year 2020-21 budget projected a 26% decrease in revenue from this activity and only 700 new single-family permits for the

entire fiscal year. However, development activity since the onset of the COVID-19 pandemic has increased significantly, with 1,061 single-family permits issued in the first six months of the fiscal year. Staff is in the process of revising permit and revenue projections for the remainder of fiscal year 2020-21.

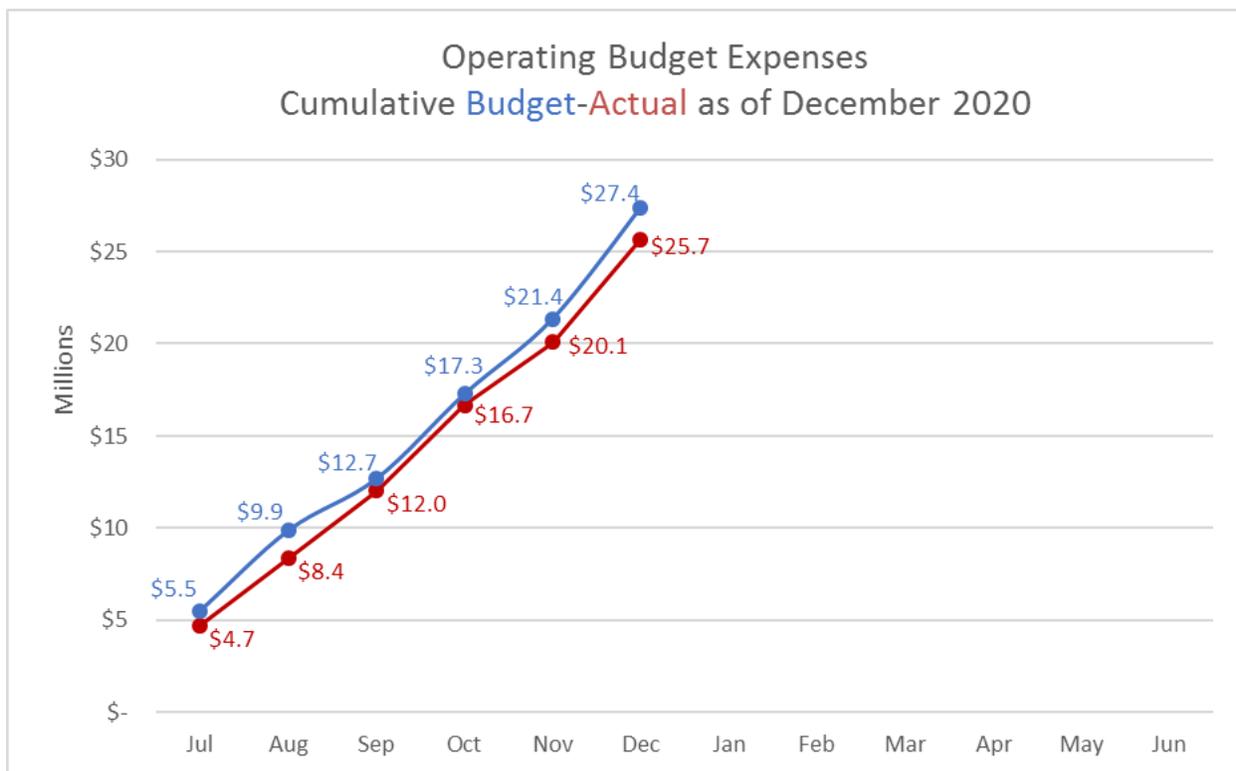
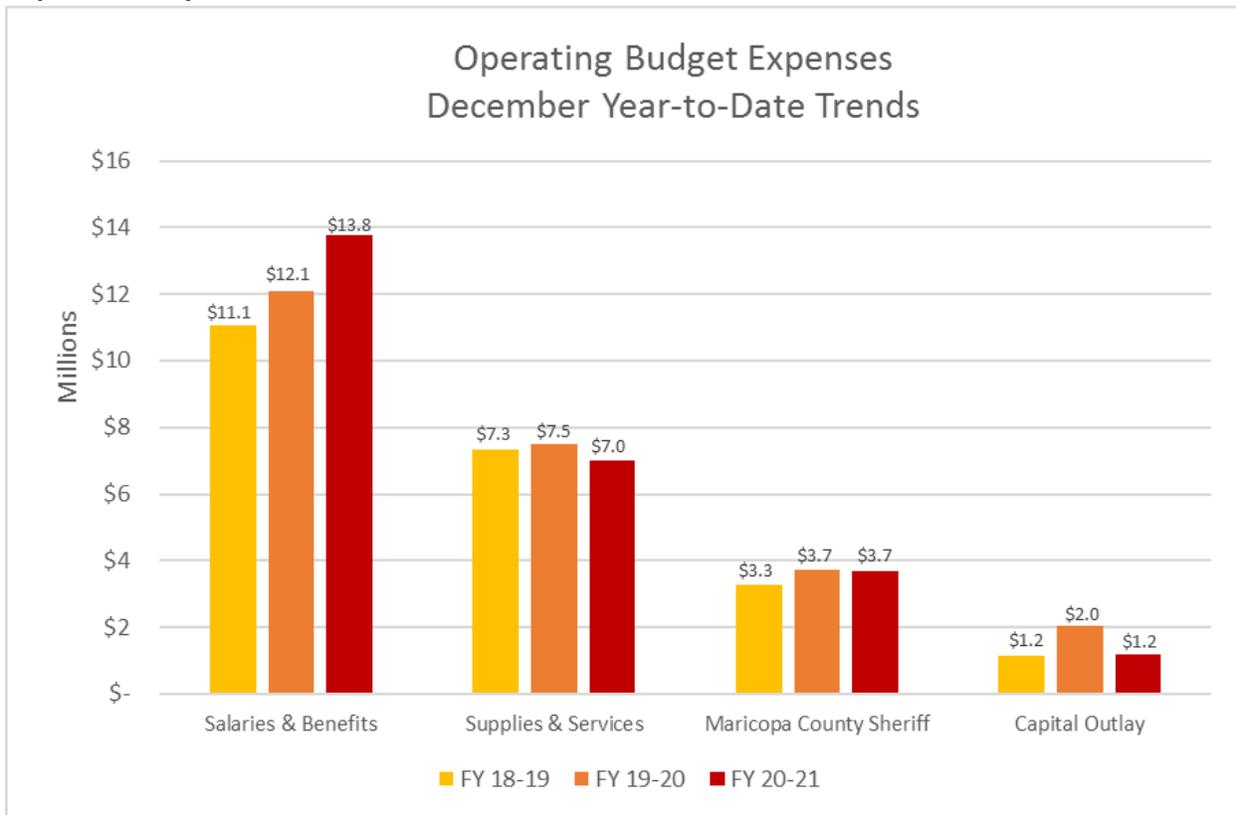
Other Charges for Services

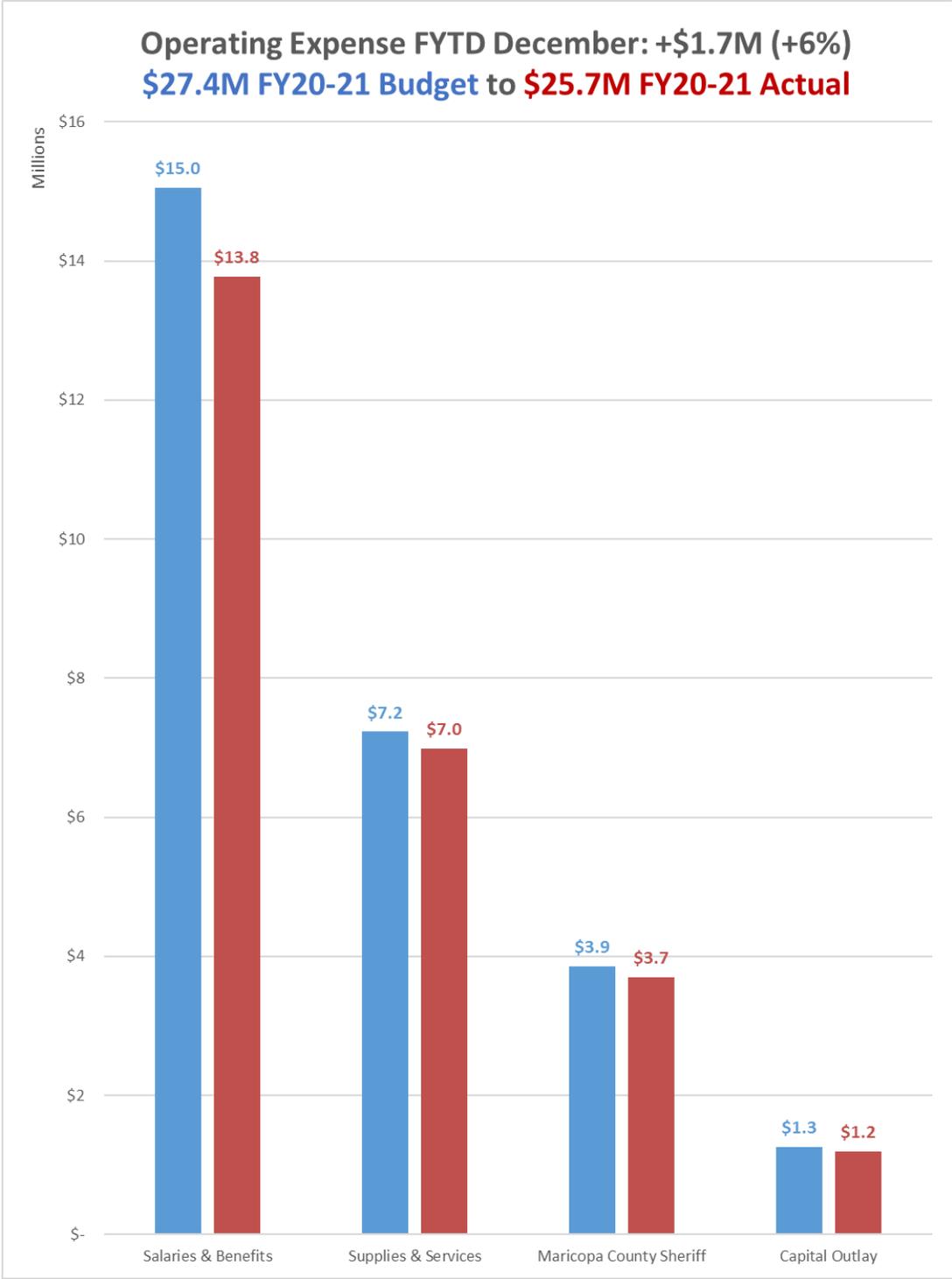
Other Charges for Services is comprised of a number of different sources and is currently showing a \$370K or 9% positive variance. The largest revenue group in this category is Utility ROI and Utility Franchise Fees from the Town's Water and Sewer utility operations, which together account for \$1.6M or 36% of the Other revenue category. Departmental Support Revenue accounts for an additional \$862K or 19% of the total revenue in this category.

Upcoming Revenue Budget Adjustments

In light of the Town's strong economic performance, staff is in the process of revising revenue budget estimates for fiscal year 2020-21. Staff expects to present these adjustments to the Town Council in February 2021 in conjunction with providing revenue forecasts for the FY 2021-22 budget adoption cycle.

Expense Analysis





The year-to-date expenditures for fiscal year 2020-21 reflect a favorable variance of \$1.7M or 6%.

Salaries and Benefits

Salaries and Benefits expenses are \$1.3M or 8% below budget. This variance is partially due to positions that have become vacant since the beginning of the fiscal year. As they happen, vacancies are evaluated on a case-by-case basis to determine if the position needs to be filled right away or if the Town can delay hiring a replacement. Additionally, the fiscal year 2020-21 budget included funding for seven positions related to the new police department that were expected to be filled by October 1st (two police lieutenants, one police administrative assistant, three IT support positions, and one fleet mechanic). Although the recruitments for these positions have been actively moving forward, one position was not filled until November, three were not filled until December, and three remain unfilled, which also contributed to the positive variance in Salaries and Benefits.

Supplies and Services

Supplies and Services expenses are currently right on budget with only a \$240K or 3% positive variance. Savings in street maintenance and repairs, utilities (power/water/gas), software, and employee training are offsetting higher than expected credit card fees and equipment maintenance costs. This category also includes the Town's new business assistance program that through December had paid \$391K in grants to local businesses to support their efforts to combat the COVID-19 pandemic.

Maricopa County Sheriff

Maricopa County Sheriff costs have a favorable variance of \$161K or 4%. The MCSO budget for fiscal year 2020-21 already included an estimate of personnel vacancies for which the Town receives a credit on a regular basis. These credits have been slightly higher than expected.

Capital Outlay

Capital Outlay expenses currently show a favorable variance of \$59K or 5%. The budgets in this category are for one-time purchases related to major equipment and special projects. Of the total capital spending so far this year, \$1.1M has been for police vehicles.



TOWN OF
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FY 20-21 Year to Date Sales Tax Report

FY 20-21 Business Activity through November 2020*

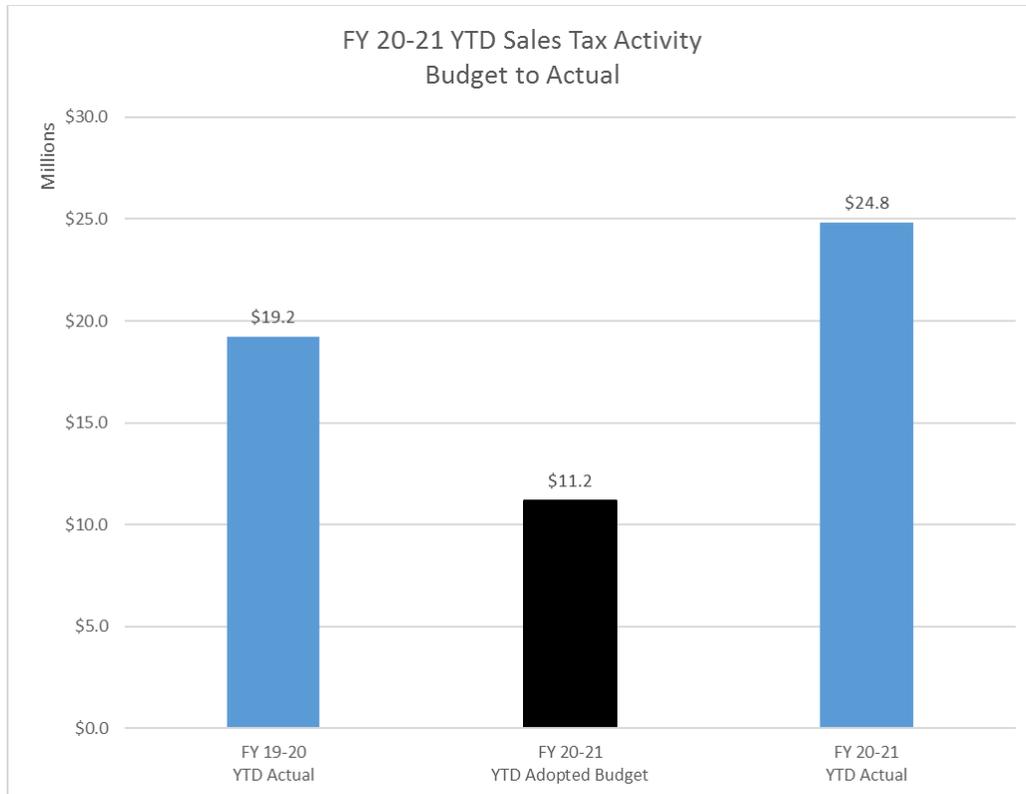
Issued January 2021

This report contains information regarding the actual revenue collections from the Town's 2.0% sales tax reflected in the General Fund, 0.25% dedicated EMS sales tax, 0.25% Town Center dedicated sales tax and the 2.0% Construction Contracting sales tax dedicated to infrastructure improvements.

YEAR-TO-DATE FY 20-21 SALES TAX ACTIVITY

OVERALL PERFORMANCE SUMMARY:

The November 2020 sales tax revenue year-to-date total of \$24.8M exceeds the adopted budget by 122%, or \$13.7M. Relative to the same period in FY 19-20, FY 20-21 actuals are 29%, or \$5.6M higher than the previous year.



Sales Category	FY 19-20 YTD Actual	FY 20-21		FY 20-21 YTD Adopted Budget-To-Actual		FY 19-20 YTD Actual to FY 20-21 YTD Actual	
		YTD Adopted Budget	FY 20-21 YTD Actual	\$ Variance	% Variance	\$ Increase	% Increase
Construction	\$ 8,961,318	\$ 3,531,795	\$ 11,660,841	\$ 8,129,046	230%	\$ 2,699,522	30%
Retail Trade	\$ 6,462,427	4,755,869	8,841,292	4,085,423	86%	2,378,865	37%
Communications & Utilities	\$ 984,755	910,112	1,033,501	123,389	14%	48,745	5%
Restaurant & Bar	\$ 1,426,151	711,571	1,694,005	982,434	138%	267,854	19%
Real Estate, Rental & Leasing	\$ 796,343	753,850	871,737	117,887	16%	75,394	9%
All Others**	\$ 599,779	499,853	715,105	215,252	43%	115,326	19%
Totals	\$ 19,230,774	\$ 11,163,050	\$ 24,816,481	\$ 13,653,431	122%	\$ 5,585,706	29%

**All Others includes transportation, wholesale trade, finance and insurance, services, arts and entertainment, and other categories.

Note: Reporting categories are based on Arizona Department of Revenue Business Code classifications.

ANALYSIS

Town of Queen Creek sales tax collections are positively impacted by the high incomes of Town households. Per the 2018 American Communities Supplemental Survey data provided by the US Census, Queen Creek's median household income is \$98,214, which is among the highest in the region for full-service cities and towns. Additionally, taxable spending from an estimated 100K+ population from Eastmark master-planned community (Mesa) and unincorporated San Tan Valley has a significant impact on the Town's sales tax revenues. A recent study from Elliott Pollack & Company estimates that as of FY 18-19, about 27% of sales tax collections in the retail category and about 50% in the restaurant and bar category are from non-Queen Creek resident spending in the Town.

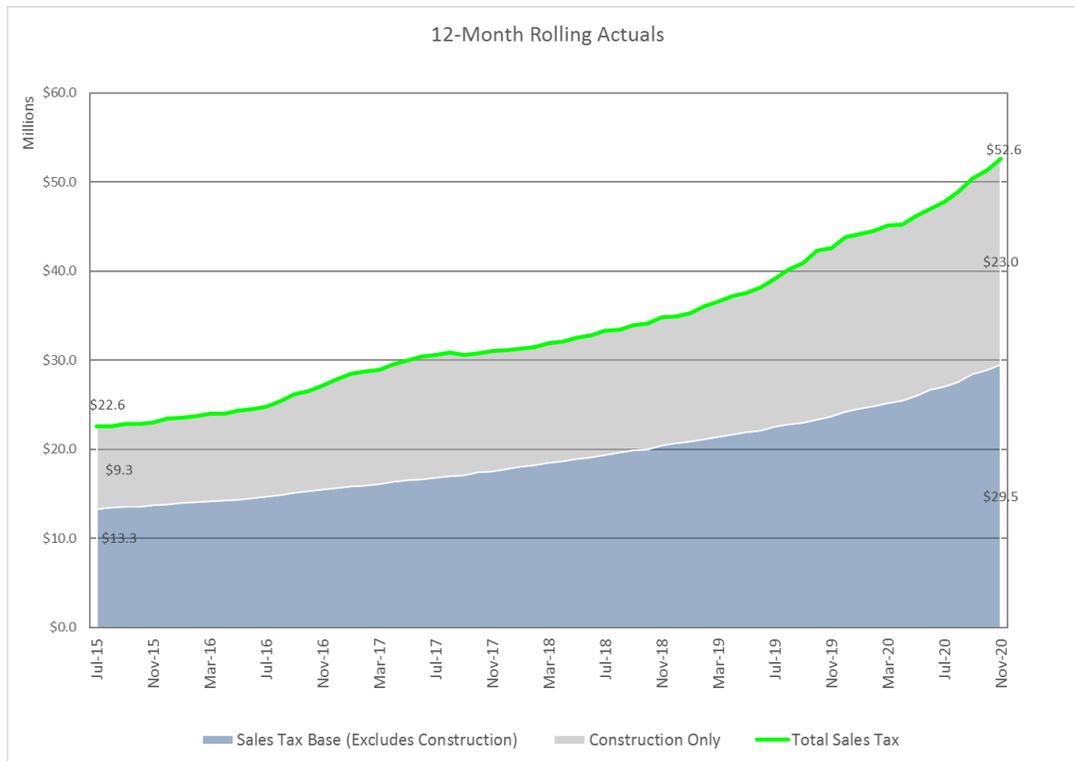
At the onset of the COVID-19 pandemic, the Town's Budget department projected that sales tax revenues in a majority of the sales tax categories would experience declines from March 2020 through June 2020, at which point sales tax revenues would reach their lowest point. The highest declines were projected in the retail, restaurant and bar, and arts and entertainment categories. Additionally, the FY20-21 adopted budget assumed that businesses within the Town would begin to see incremental improvements in their sales tax collections from July 2020 through approximately March 2021, at which point sales tax revenues would be recovered to approximately the same levels as at the end of FY 18-19.

November sales tax collections in FY 20-21 were higher than in FY 19-20 despite continued COVID-19 restrictions on business operations. The strong levels of sales tax collections can be attributed to the continuing growth in population due to development both within the Town and in surrounding areas, more individuals shopping closer to home, new businesses continuing to open, strong construction activity, and the Town's ability to collect sales taxes on e-commerce transactions.

HISTORICAL 12 MONTH ROLLING PERIODS

The following section contains a 12-month rolling historical actuals chart for the sales tax base (everything except construction) and separately for construction contracting sales tax revenues. Together, these categories comprise the total monthly revenue collections for sales tax. This chart is useful to identify the overall data trends since 2015. Of particular note is the continued growth of the sales tax base over time, which signifies that the Town's commercial sectors have continued to grow, diversify, and mature since 2015.

Appendix 1: Queen Creek Monthly Sales Tax Report



YEAR-TO-DATE ANALYSIS BY CATEGORY

CONSTRUCTION CONTRACTING:

Construction sales tax is collected on all construction activity; commercial, new residential and major residential remodels. It also includes landscaping, painting, flooring installation, siding, roofing, concrete, plumbing, heating, framing, drywall, infrastructure, masonry, finish carpentry, etc. Speculative construction activity (developing land for sale as a building site) is also included in this category.

November 2020 Actuals: \$2.2M

FY 20-21 YTD Actuals: \$11.7M

FY 20-21 YTD Adopted Budget to Actual Variance of \$8.1M or 230%

FY 20-21 YTD Actual to FY 19-20 YTD Actual Increase of \$2.7M or 30%

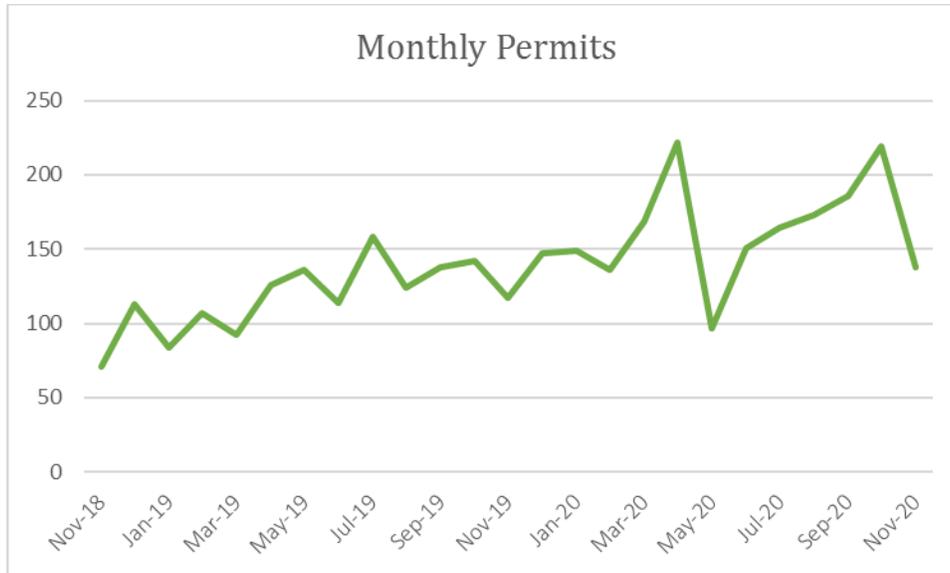
FY 20-21 collections exceed the FY 20-21 adopted budget and the prior fiscal year actuals through November activity. The FY 20-21 adopted budget accounted for an estimated decline in construction activity within the Town due to the impacts of the COVID-19 pandemic. To date, the Town has seen continued construction activity at levels matching or outperforming prior years.

Performance in construction contracting ties mostly to new home sales and in particular, the large-scale homebuilders. Known major homebuilders accounted for the majority of construction contracting sales tax revenues for the month of November. Sales tax paid by homebuilders ties to the sale of a new home, which is dependent on permit completions. The following schedule and graphs display new single-family home (NSF) permits issued and home completions over a rolling 12-month period for the current fiscal year against the previous fiscal year according to Queen Creek's Development Services Department:

Appendix 1: Queen Creek Monthly Sales Tax Report

12-Month Rolling NSF Home Permits	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total	Mo. Avg.
FY 19-20 TOQC NSF Permits Issued	113	84	107	92	126	136	114	158	124	138	142	117	1,451	121
FY 20-21 TOQC NSF Permits Issued	147	149	136	169	222	97	151	164	173	186	219	138	1,951	163

12-Month Rolling NSF Home Completions	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total	Mo. Avg.
FY 19-20 TOQC NSF Completions	82	84	92	122	106	131	136	135	129	151	128	108	1,404	117
FY 20-21 TOQC NSF Completions	135	120	123	120	135	144	161	180	165	168	164	117	1,732	144



The Town utilizes RL Brown Housing Reports, an independent source of housing market information, to track monthly home sales, which are an indicator of construction sales tax receipts for the month. RL Brown’s data indicates that Queen Creek had 147 new home sales close in the month of November with an average sales price of \$459K for these homes. Overall, the Town made up 5.6% of total NSF permits issued in Maricopa County in November. The following table shows the monthly closings by builder, average sale price and estimated gross revenue for the month of November for permits issued within the Town.

Appendix 1: Queen Creek Monthly Sales Tax Report

BUILDER	# CLOSINGS	AVG. SALE PRICE	EST. GROSS REVENUE
RICHMOND AMERICAN	26	\$ 414,473	\$ 10,776,310
LENNAR HOMES	25	\$ 409,842	\$ 10,246,055
TAYLOR MORRISON	18	\$ 445,102	\$ 8,011,840
SHEA HOMES	18	\$ 428,446	\$ 7,712,031
WILLIAM LYON HOMES	17	\$ 447,075	\$ 7,600,278
MARACAY HOMES	11	\$ 639,301	\$ 7,032,310
FULTON HOMES	6	\$ 438,389	\$ 2,630,336
TOLL BROTHERS	5	\$ 558,956	\$ 2,794,778
ASHTON WOODS HOMES	5	\$ 459,658	\$ 2,298,292
CRESLEIGH HOMES	5	\$ 364,256	\$ 1,821,280
MISC CUSTOM	3	\$ 876,318	\$ 2,628,955
GEHAN HOMES	2	\$ 418,293	\$ 836,585
LANDSEA HOMES	2	\$ 367,495	\$ 734,990
DAVID WEEKLEY HOMES	2	\$ 564,850	\$ 1,129,699
ELLIOTT HOMES	1	\$ 543,861	\$ 543,861
VIP HOMES	1	\$ 655,926	\$ 655,926
GRAND TOTAL	147	\$ 458,868	\$ 67,453,526

RETAIL TRADE:

Retail trade includes large department stores, auto dealers, grocery stores, supercenters, automotive repairs, discount stores, home furnishings, drug stores, jewelry and other vendors typically selling merchandise in small quantities to the public.

November 2020 Actuals: \$2.1M

FY 20-21 YTD Actuals: \$8.8M

FY 20-21 YTD Adopted Budget to Actual Variance of \$4.1M or 86%

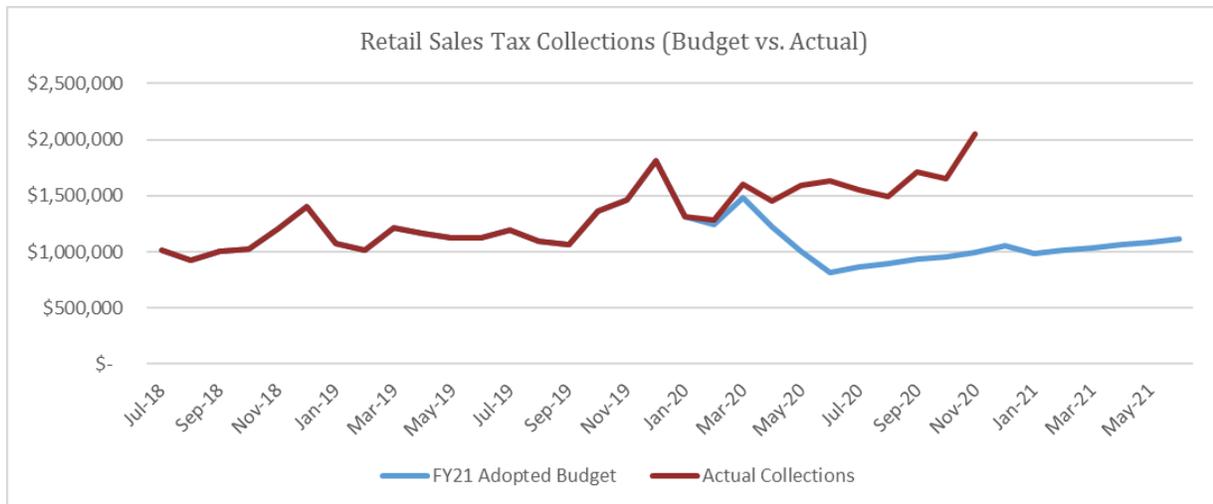
FY 20-21 YTD Actual to FY 19-20 YTD Actual Increase of \$2.4M or 37%

FY 20-21 YTD collections in the retail category exceeded the FY 20-21 adopted budget and prior year actual collections. Compared to the previous fiscal year, new businesses continue to open, but more influentially, retail anchors in the major retail centers in the Town are performing well. The higher-dollar entities drive revenue in this class. In November, the top 20 payers of 3,528 total payers in the retail category delivered 66% of the revenue. The top 10 payers in the category account for 56% of the total.

Of the total retail sales tax collections, \$350K is attributable to e-commerce transactions. From November 2019 to November 2020, the e-commerce subcategory has grown by 63%. This growth can be attributed to an increase in e-commerce reporters due to the Wayfair legislation passed in October 2019, as well as an increase in e-commerce sales due to the pandemic.

The FY 20-21 budget accounted for a sharp decrease in retail activity due to the COVID-19 pandemic, though retail activity through November has continued at a level matching or exceeding pre-pandemic levels. As seen in the graph below, actual retail sales tax collections each month have come in higher than budgeted collections.

Appendix 1: Queen Creek Monthly Sales Tax Report



COMMUNICATIONS/UTILITIES:

This category includes businesses that provide telecommunications (internet, telephone, cellular service, cable/satellite television, etc.) and electricity, gas, or water services.

November 2020 Actuals: \$133K

FY 20-21 YTD Actuals: \$1.0M

FY 20-21 YTD Adopted Budget to Actual Variance of \$123K or 14%

FY 20-21 YTD Actual to FY 19-20 YTD Actual Increase of \$49K or 5%

Year-to-date collections in the communications/utilities category are higher than the adopted FY 20-21 budget. Year-to-date collections are level with the prior year's YTD collections.

RESTAURANTS & BARS:

This industry is comprised of establishments serving customers by preparing meals, snacks, and beverages for immediate consumption.

November 2020 Actuals: \$347K

FY 20-21 YTD Actuals: \$1.7M

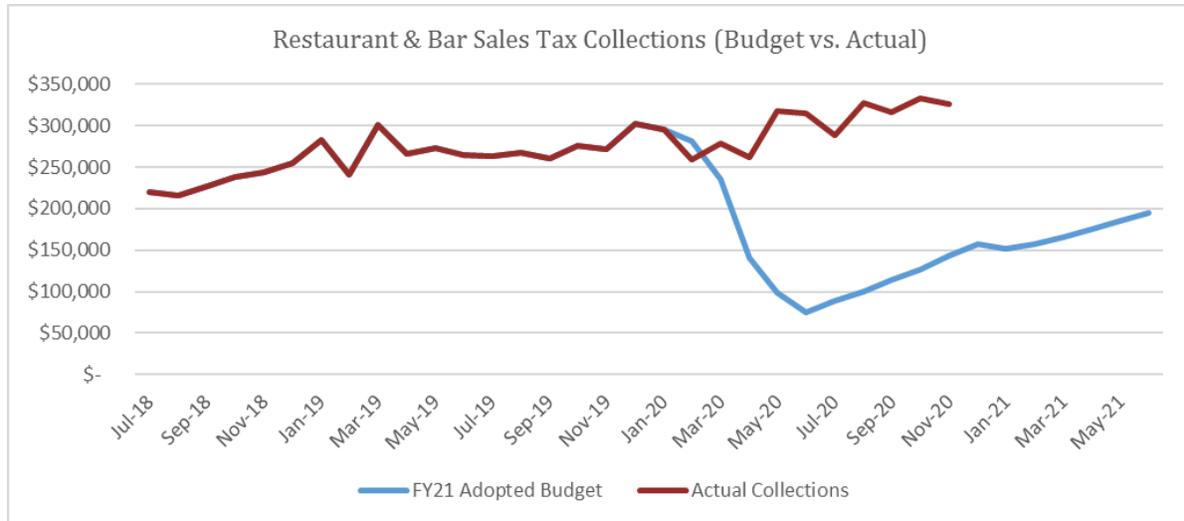
FY 20-21 YTD Adopted Budget to Actual Variance of \$982K or 138%

FY 20-21 YTD Actual to FY 19-20 YTD Actual Increase of \$268K or 19%

This category is above the current year adopted budget and prior year actual collections. The FY 20-21 budget accounted for a sharp decline in activity in this sector due to the COVID-19 pandemic. Performance in this category has been impacted due to restrictions placed on many restaurant and bar establishments, which has required them to limit restaurant capacity or only provide takeout, delivery, and drive-thru services.

Despite these closures and limitations, performance has remained strong for establishments in Queen Creek. As seen in the graph below, monthly collections in the restaurant and bar category have consistently been above budgeted levels.

Appendix 1: Queen Creek Monthly Sales Tax Report



RENTAL, REAL ESTATE & LEASES:

This category consists of entities engaged in renting or leasing tangible and intangible assets as well as other establishments providing related services.

November 2020 Actuals: \$179K

FY 20-21 YTD Actuals: \$872K

FY 20-21 YTD Adopted Budget to Actual Variance of \$118K or 16%

FY 20-21 YTD Actual to FY 19-20 YTD Actual Increase of \$75K or 9%

This category's collections are above the adopted budget and prior year collections. The increase in collections year-over-year through November is made up primarily of increases in collections from the Commercial Renting, Leasing, and Licensing for Use and Residential Renting, Leasing and Licensing subcategories.

ALL OTHER CATEGORIES:

The categories included here are transportation, manufacturing, wholesale trade, finance and insurance, services, and arts and entertainment. Use tax is also included in this category.

November 2020 Actuals: \$72K

FY 20-21 YTD Actuals: \$715K

FY 20-21 YTD Adopted Budget to Actual Variance of \$215K or 43%

FY 20-21 YTD Actual to FY 19-20 YTD Actual Increase of \$115K or 19%

This category is above the current year adopted budget and previous year actual collections. The arts and entertainment and services categories have performed better than anticipated despite closures and limitations due to COVID-19, therefore actual collections YTD appear higher than the adopted budget YTD.

ATTACHMENT 1:

SALES TAX BACKGROUND INFORMATION:

The Town of Queen Creek’s sales tax is the largest revenue source for Town operations. The Town of Queen Creek’s Transaction Privilege Tax (TPT) program is administered by the State of Arizona’s Department of Revenue (AZDOR). AZDOR issues TPT licenses to businesses, updates license data, provides support, collects tax dollars due, performs audits, and distributes the tax revenue to the Town.

SALES TAX RATE DETAILS

The Town of Queen Creek has the following sales tax rates:

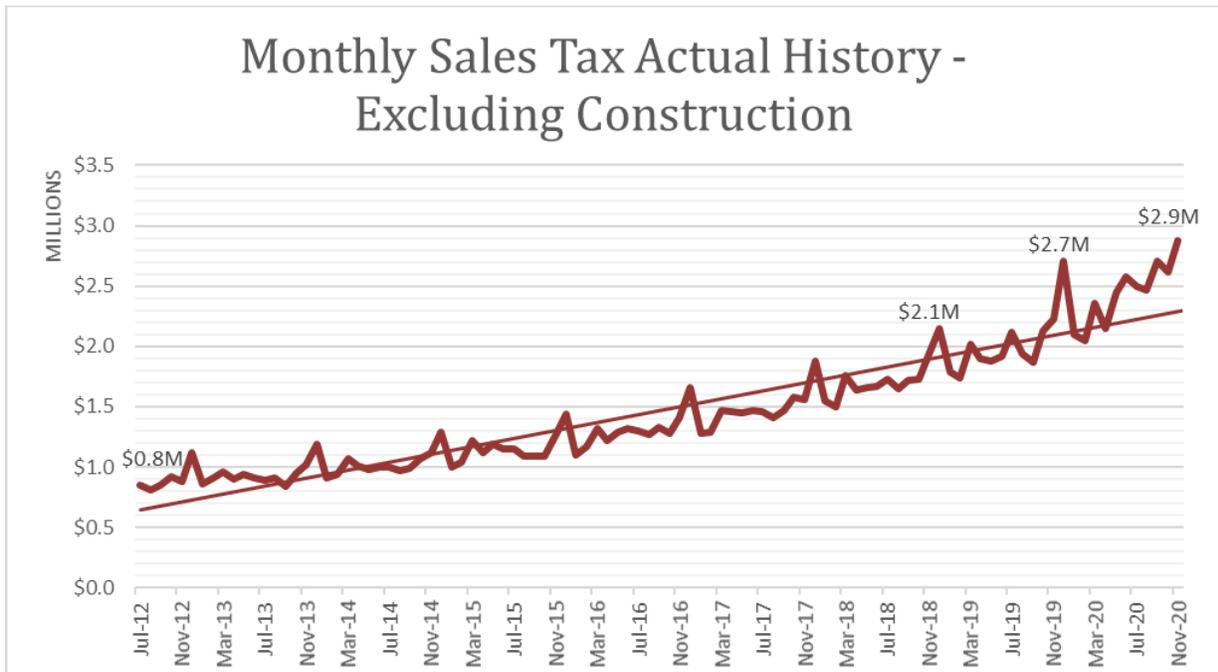
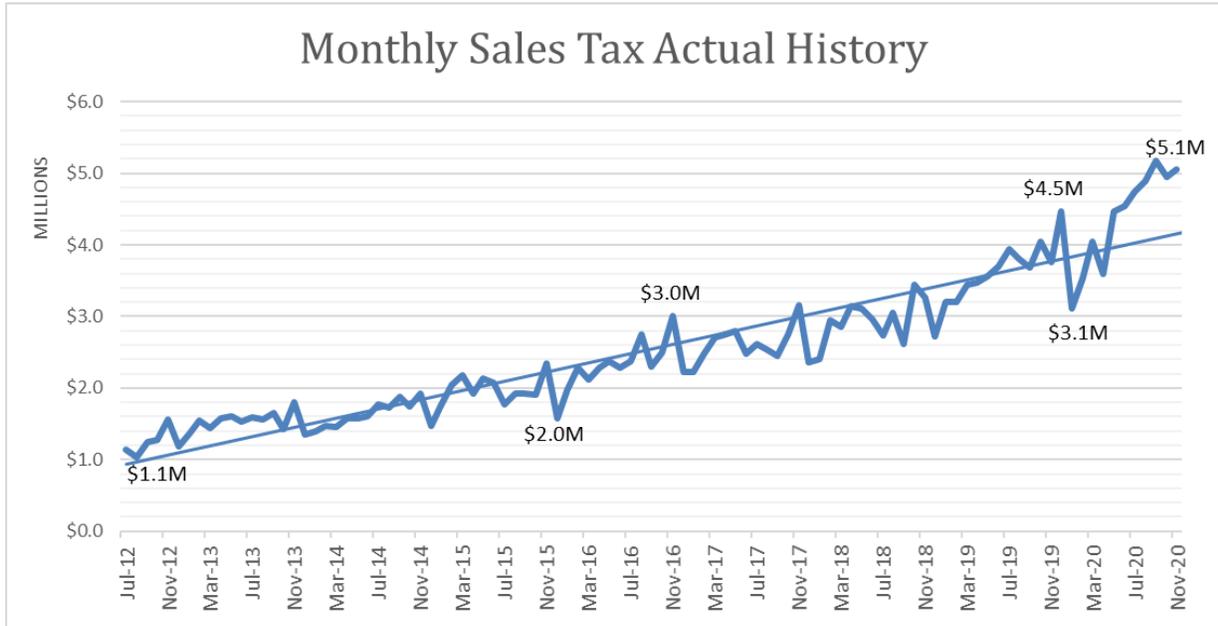
- 2.0% tax rate charged on all taxable activities within Town limits
 - Dedicated to the General Fund for general purpose government operations
- 0.25% tax rate charged on all taxable activities within Town limits
 - Dedicated to the Emergency Services (EMS) Fund to fund law enforcement and fire and medical services
- 0.25% special district rate – an additional tax rate charged on certain taxable activities occurring within certain major retail developments in Town Center: Queen Creek Marketplace, Cornerstone, and QC District
 - Dedicated to the Town Center Fund to fund infrastructure related improvements and other operations within the Town Center planning area
- 2.0% additional tax rate on construction contracting activities within Town limits
 - Dedicated to funding infrastructure improvements within Town limits

Sales Tax Rate Components					
Queen Creek Rate		Queen Creek Special District Rate (Town Center)		Construction Contracting Rate	
General Fund	2.00%	General Fund	2.00%	General Fund	2.00%
EMS	0.25%	EMS	0.25%	EMS	0.25%
		Town Center	0.25%	Construction Fund	2.00%
Total Rate	2.25%	Total Rate	2.50%	Total Rate	4.25%

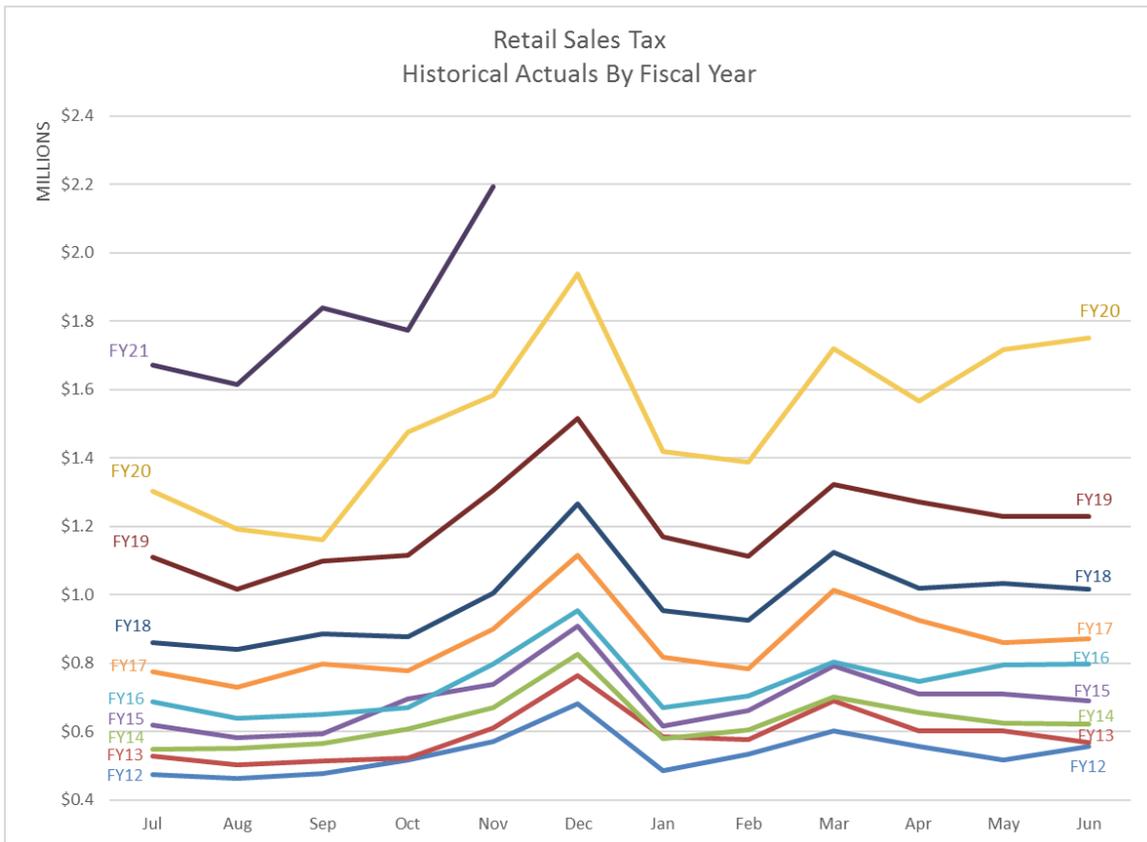
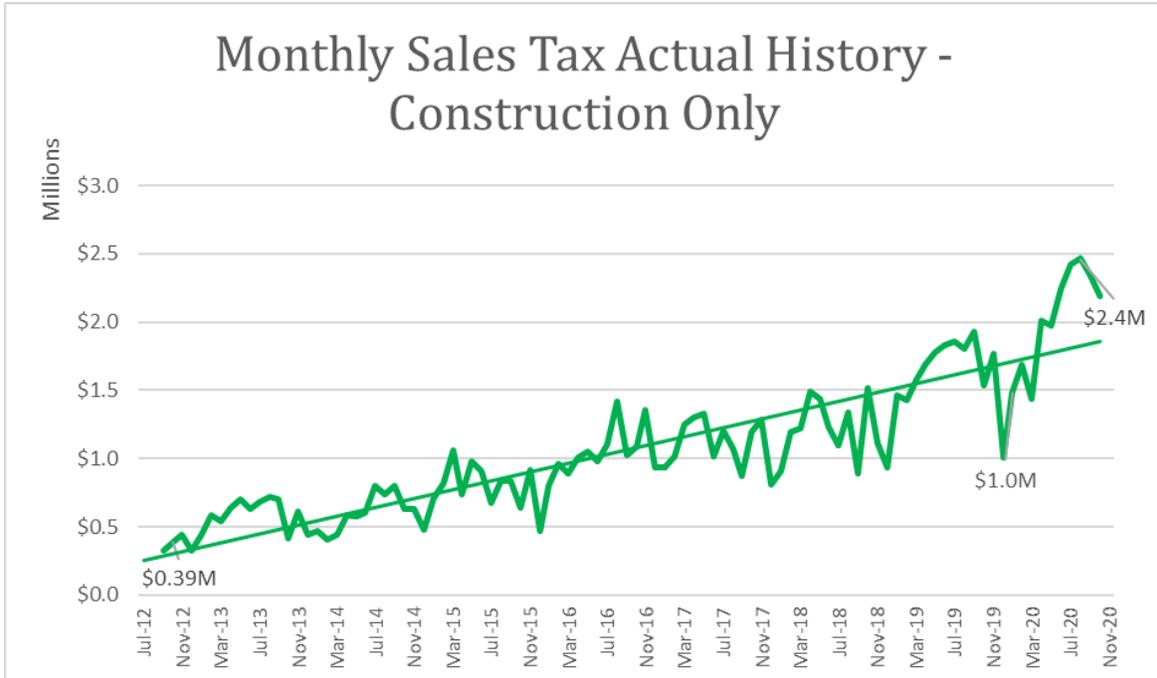
Revenue by Fund	YTD	% of Total
General Fund	\$ 16,814,148	67.8%
EMS Fund	2,101,768	8.5%
Town Center Fund	413,110	1.7%
Construction Fund	5,487,454	22.1%
Totals	\$ 24,816,481	100.0%

Operating Budget	Jul	Aug	Sept	Oct	Nov	FY20-21 YTD
General Fund	\$ 3,210,188	\$ 3,264,754	\$ 3,483,271	\$ 3,352,158	\$ 3,503,776	\$ 16,814,148
EMS Fund	\$ 401,273	\$ 408,094	\$ 435,409	\$ 419,020	\$ 437,972	\$ 2,101,768
Total Operating Budget	\$ 3,611,462	\$ 3,672,848	\$ 3,918,680	\$ 3,771,178	\$ 3,941,748	\$ 18,915,916

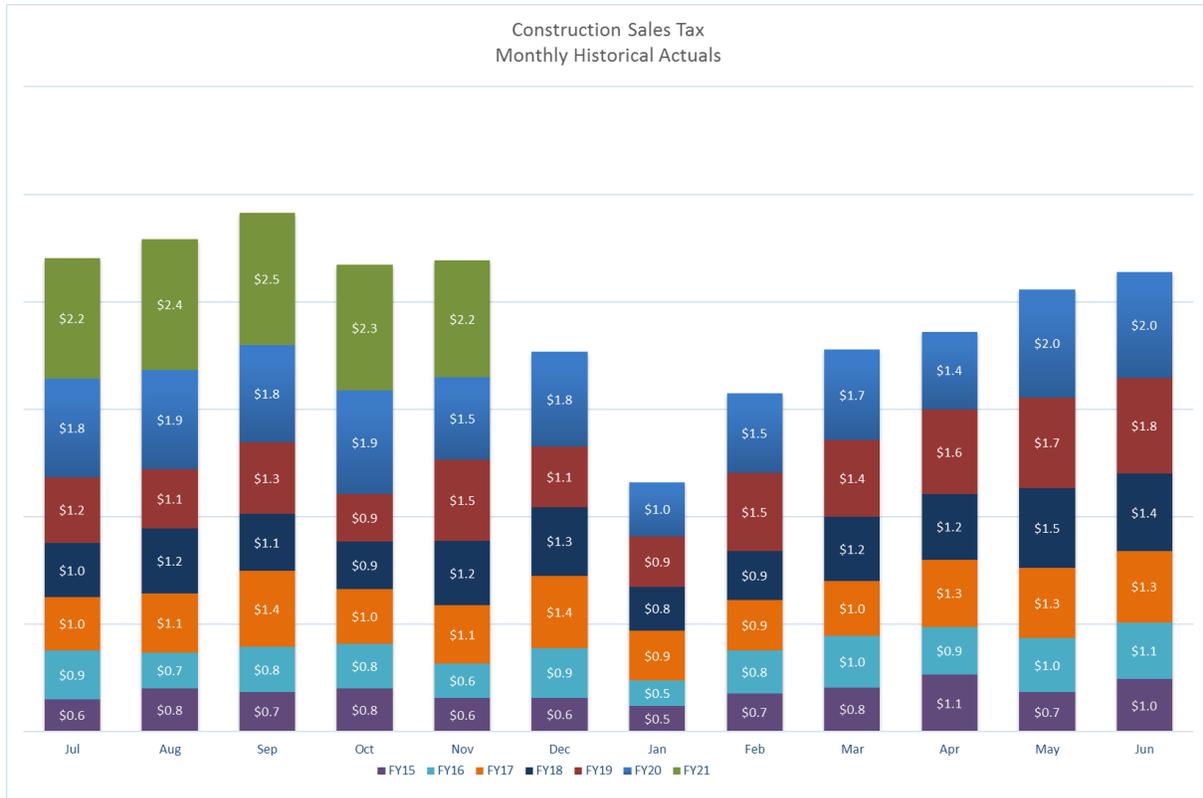
Historical Performance



Appendix 1: Queen Creek Monthly Sales Tax Report



Appendix 1: Queen Creek Monthly Sales Tax Report



Note: In FY 19-20 reporting is revised to reflect ADOR business code categories. Overall TPT revenues are not impacted.

Appendix 1: Queen Creek Monthly Sales Tax Report

TAX RATE CATEGORIES

Town-wide Queen Creek Sales Tax Rates:

CITY/TOWN NAME	REGION CODE	BUSINESS CODE	TAX RATE	COUNTY
QUEEN CREEK	QC			MAR/PNL
Advertising		018	2.25%	
Amusements		012	2.25%	
Contracting-Prime		015	4.25%	
Contracting-Speculative Builders		016	4.25%	
Contracting-Owner Builder		037	4.25%	
Job Printing		010	2.25%	
Manufactured Buildings		027	2.25%	
Timbering and Other Extraction		020	2.25%	
Severance-Metal Mining		019	0.10%	
Publication		009	2.25%	
Hotels		044	2.25%	
Hotel/Motel (Additional Tax)		144	3.00%	
Residential Rental, Leasing & Licensing for Use		045	2.25%	
Commercial Rental, Leasing & Licensing for Use		213	2.25%	
Rental, Leasing & Licensing for Use of		214	2.25%	
Restaurants and Bars		011	2.25%	
Retail Sales		017	2.25%	
Retail Sales Food for Home		062	2.25%	
MRRRA Amount		315	2.25%	
Communications		005	2.25%	
Transporting		006	2.25%	
Utilities		004	2.25%	
Use Tax Purchases		029	2.25%	
Use Tax from Inventory		030	2.25%	
Retail Sales for Remote Sellers		605	2.25%	
Retail Sales Food for Home Consumption Remote Sellers		606	2.25%	

Queen Creek Special District Tax Rates (Town Center):

CITY/TOWN NAME	REGION CODE	BUSINESS CODE	TAX RATE	COUNTY
QUEEN CREEK SPECIAL DISTRICT	QD			MAR
Amusements		012	2.50%	
Job Printing		010	2.50%	
Publication		009	2.50%	
Hotels		044	2.50%	
Restaurant and Bars		011	2.50%	
Retail Sales		017	2.50%	
Retail Sales for Food for Home Consumption		062	2.50%	
MRRRA Amount		315	2.50%	
Communications		005	2.50%	
Utilities		004	2.50%	
Retail Sales for Remote Sellers		605	2.50%	
Retail Sales Food for Home Consumption Remote Sellers		606	2.50%	