

most significant variance in FY 2023 compared to FY 2022 for the same period is the receipt of payments from the Commonwealth, including HB 599 funds for local law enforcement and Personal Property Tax Relief funds. Both of these were remitted to the City in September of FY 2022.

Revenue may not track consistently with a monthly calendar since many revenue sources have due dates that do not occur evenly throughout the year. The largest revenue source, real estate tax, is remitted twice per year. Personal property tax revenue is due on October 5 each year. Through the first two months of the fiscal year, no category has sufficient receipts to establish a clear pattern. This report includes the unaudited revenue totals for FY 2022. Nearly all categories exceed the budgeted amount. For comparative purposes, the FY 2022 final budget is shown on the revenue schedule (Attachment 1). In subsequent months, the amended budget as of that specific month will be shown to provide a comparison of revenues and expenditures to date against the budget to date. The City's audited Annual Comprehensive Financial Report will be presented to City Council in November.

It is important to note that the FY 2022 budget was developed in Spring 2021, when the continued economic impact of the pandemic was still unknown. Consumer spending charts are attached which compare several significant tax revenue categories to the pre-pandemic level in FY 2019. Sales tax and Meals tax revenues have both rebounded to pre-pandemic levels. Revenues in August for hotel stays that occurred in July 2022 are within 10 percent of pre-pandemic levels, which is the strongest month for Transient Lodging tax revenues since the pandemic.

As of August 31, 2022, General Fund expenditures totaled \$108.8 million, a difference of \$6.0 million over the same time period for FY 2022. Similar to the situation with revenues, it is too soon to make any definitive economic interpretation from the activity that has occurred in the first two months of the fiscal year. No significant expenditure has occurred in the first two months of Fiscal Year 2023 that is unbudgeted or unexpected. The most significant difference is the timing of payments. Debt Service payments scheduled in July are greater in FY 2023 than in FY 2022. In Non-Departmental, lease payments have been posted for a partial year, pending the colocation of DCHS, Health and other employees to a City-owned building.

ATTACHMENTS:

- Attachment 1: Comparative Statement of General Fund Revenues
- Attachment 2: Comparative Statement of General Fund Expenditures
- Attachment 3: Consumer Spending comparison charts

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