

Monthly Financial Report

Fiscal Year to Date
as of July 31, 2017



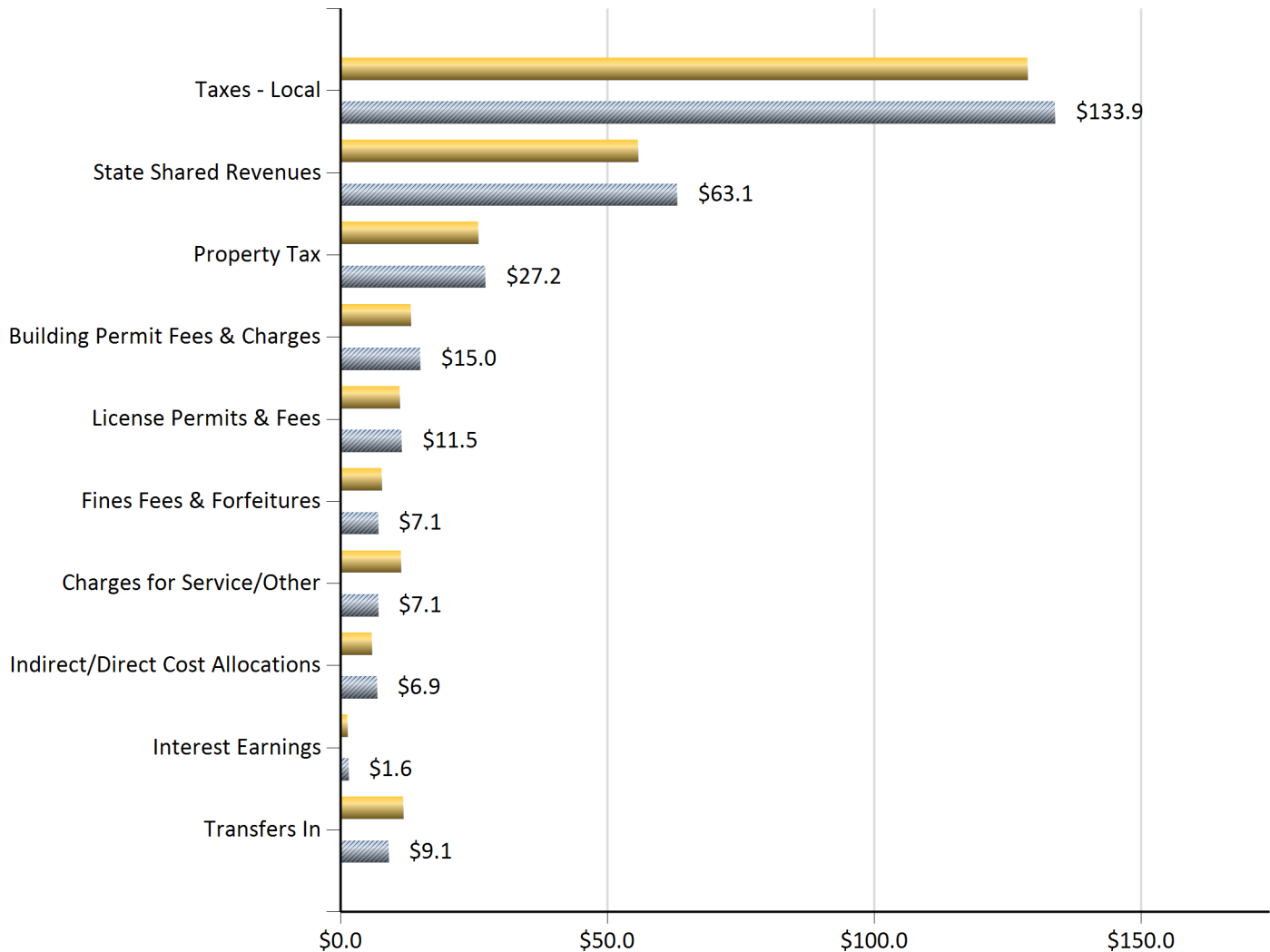
Report to the City Council
Prepared by the City Treasurer
September 19, 2017



Sources

General Fund

Twelve Months: Fiscal Year



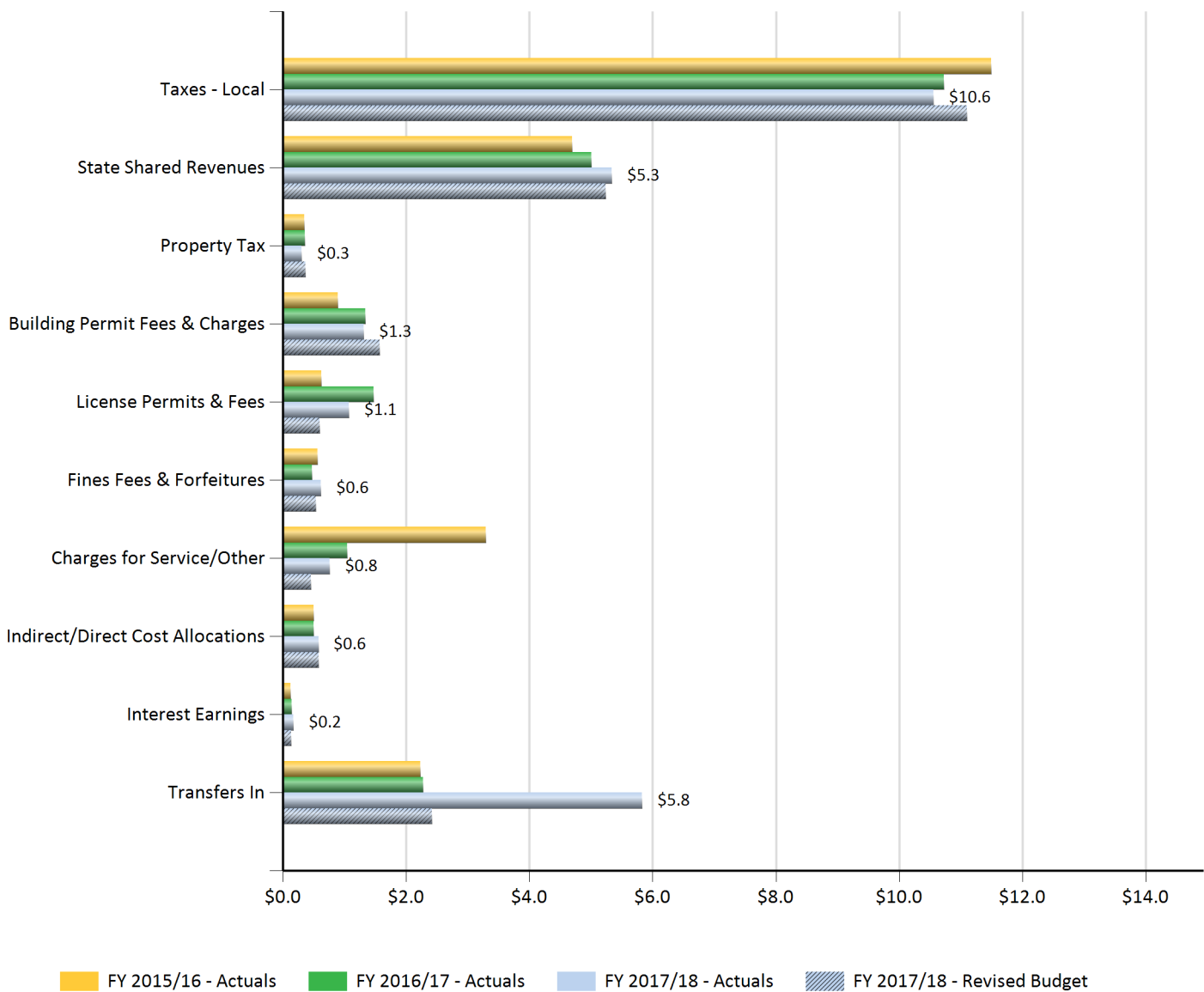
■ FY 2015/16 - Actuals
 ■ FY 2016/17 - Actuals
 ■ FY 2017/18 - Revised Budget

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Revised Budget
Taxes - Local	\$128.8	n/a	\$133.9
State Shared Revenues	55.8	n/a	63.1
Property Tax	25.9	n/a	27.2
Building Permit Fees & Charges	13.2	n/a	15.0
License Permits & Fees	11.1	n/a	11.5
Fines Fees & Forfeitures	7.8	n/a	7.1
Charges for Service/Other	11.4	n/a	7.1
Indirect/Direct Cost Allocations	6.0	n/a	6.9
Interest Earnings	1.4	n/a	1.6
Transfers In	11.8	n/a	9.1
Total Sources	\$273.1	n/a	\$282.6

Note: FY 2016/17 twelve month actuals are not available at this time. Once completed, they will be included within the report.



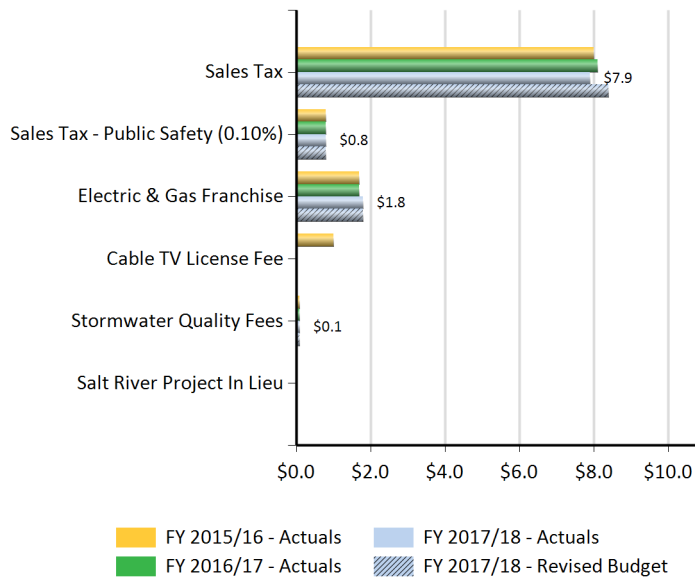
Sources (Fiscal Year to Date: July 2017)



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$11.5	\$10.7	\$10.6	\$11.1	(\$0.5)	(5%)
State Shared Revenues	4.7	5.0	5.3	5.2	0.1	2%
Property Tax	0.3	0.4	0.3	0.4	(0.1)	(16%)
Building Permit Fees & Charges	0.9	1.3	1.3	1.6	(0.3)	(17%)
License Permits & Fees	0.6	1.5	1.1	0.6	0.5	79%
Fines Fees & Forfeitures	0.6	0.5	0.6	0.5	0.1	15%
Charges for Service/Other	3.3	1.0	0.8	0.5	0.4	8%
Indirect/Direct Cost Allocations	0.5	0.5	0.6	0.6	-	-
Interest Earnings	0.1	0.1	0.2	0.1	-	-
Transfers In	2.2	2.3	5.8	2.4	3.4	nm
Total Sources	\$24.8	\$23.3	\$26.5	\$23.0	\$3.5	15%



Taxes - Local (Fiscal Year to Date: July 2017)

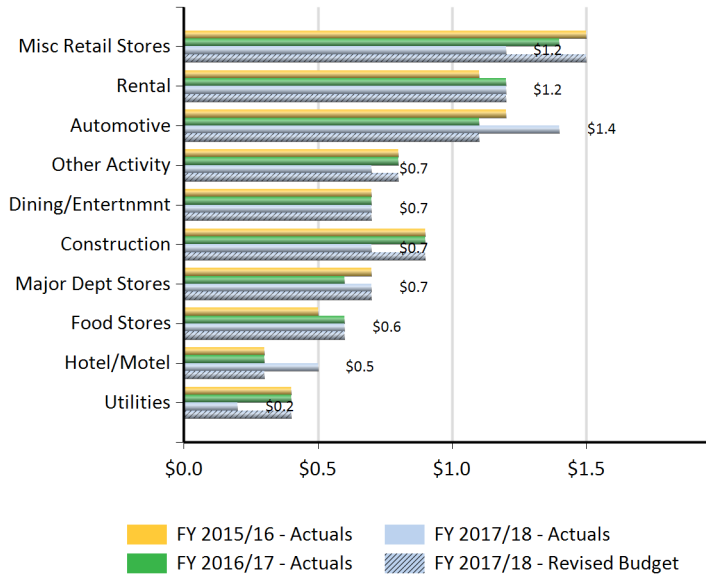


Actual to Revised Budget variance of (\$0.5) million or (5%): The unfavorable budget to actual variance is the result of the budget spread. There is only 5 months of the Arizona Department of Revenue taking over collections data to consider when spreading the budget. It will be some time before enough data is obtained to build any reliable spread for the "new normal."

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Sales Tax	\$8.0	\$8.1	\$7.9	\$8.4	(\$0.5)	(6%)
Sales Tax - Public Safety (0.10%)	0.8	0.8	0.8	0.8	(0.1)	(6%)
Electric & Gas Franchise	1.7	1.7	1.8	1.8	-	-
Cable TV License Fee	1.0	-	-	-	-	-
Stormwater Quality Fees	0.1	0.1	0.1	0.1	-	-
Salt River Project In Lieu	-	-	-	-	-	-
Taxes - Local Total	\$11.5	\$10.7	\$10.6	\$11.1	(\$0.5)	(5%)



Sales Tax (Fiscal Year to Date: July 2017)



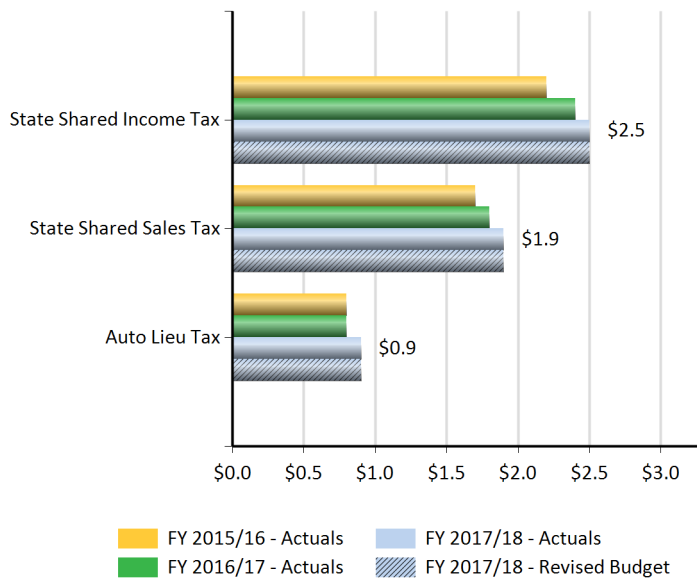
Actual to Revised Budget variance of (\$0.5) million or (6%):
 The unfavorable budget to actual variance is the result of the budget spread. There is only 5 months of the Arizona Department of Revenue taking over collections data to consider when spreading the budget. It will be some time before enough data is obtained to build any reliable spread for the "new normal."

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$1.5	\$1.4	\$1.2	\$1.5	(\$0.3)	(18%)
Rental	1.1	1.2	1.2	1.2	-	-
Automotive	1.2	1.1	1.4	1.1	0.2	20%
Other Activity	0.8	0.8	0.7	0.8	(0.1)	(13%)
Dining/Entertainment	0.7	0.7	0.7	0.7	-	-
Construction	0.9	0.9	0.7	0.9	(0.2)	(25%)
Major Dept Stores	0.7	0.6	0.7	0.7	-	-
Food Stores	0.5	0.6	0.6	0.6	-	-
Hotel/Motel	0.3	0.3	0.5	0.3	0.2	60%
Utilities	0.4	0.4	0.2	0.4	(0.3)	(58%)
Sales Tax Total	\$8.0	\$8.1	\$7.9	\$8.4	(\$0.5)	(6%)



State Shared Revenues (Fiscal Year to Date: July 2017)

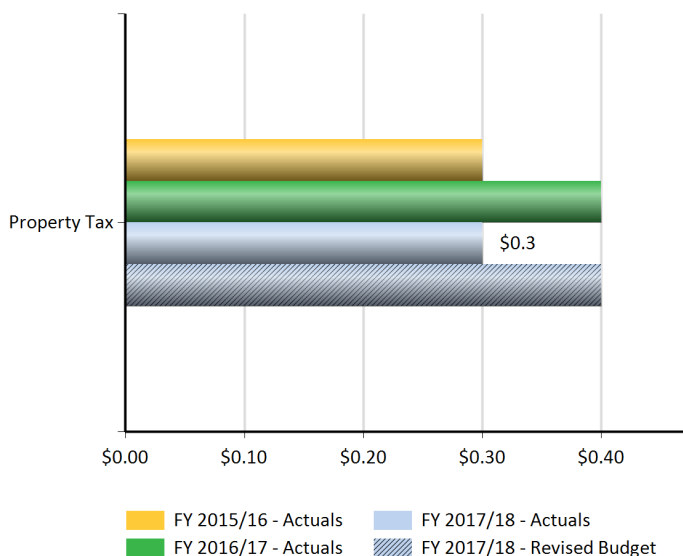
Actual to Revised Budget variance of \$0.1 million or 2%:
No explanation needed.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Income Tax	\$2.2	\$2.4	\$2.5	\$2.5	\$0.1	3%
State Shared Sales Tax	1.7	1.8	1.9	1.9	0.1	4%
Auto Lieu Tax	0.8	0.8	0.9	0.9	-	-
State Shared Revenues Total	\$4.7	\$5.0	\$5.3	\$5.2	\$0.1	2%

Property Tax (Fiscal Year to Date: July 2017)

Actual to Revised Budget variance of (\$0.1) million or (16%):
Property Tax unfavorable variance is due to timing. The budget is based on the way taxpayers paid last year and may vary year over year.

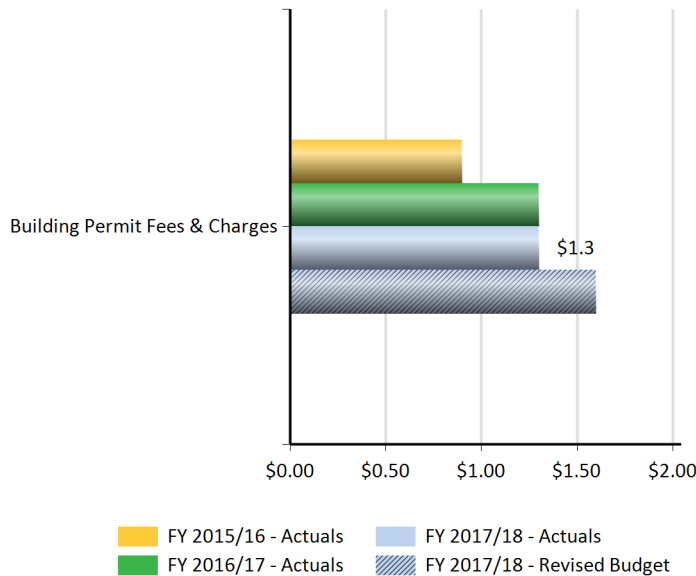


	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$0.3	\$0.4	\$0.3	\$0.4	(\$0.1)	(16%)
Property Tax Total	\$0.3	\$0.4	\$0.3	\$0.4	(\$0.1)	(16%)



Building Permit Fees & Charges (Fiscal Year to Date: July 2017)

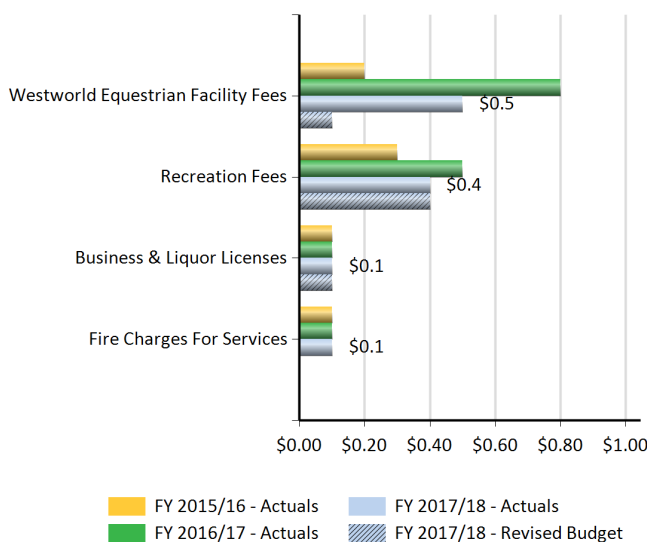
Actual to Revised Budget variance of (\$0.3) million or (17%): Unfavorable variance is due to lower building permit valuations than originally projected.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$0.9	\$1.3	\$1.3	\$1.6	(\$0.3)	(17%)
Building Permit Fees & Charges Total	\$0.9	\$1.3	\$1.3	\$1.6	(\$0.3)	(17%)

License Permits & Fees (Fiscal Year to Date: July 2017)

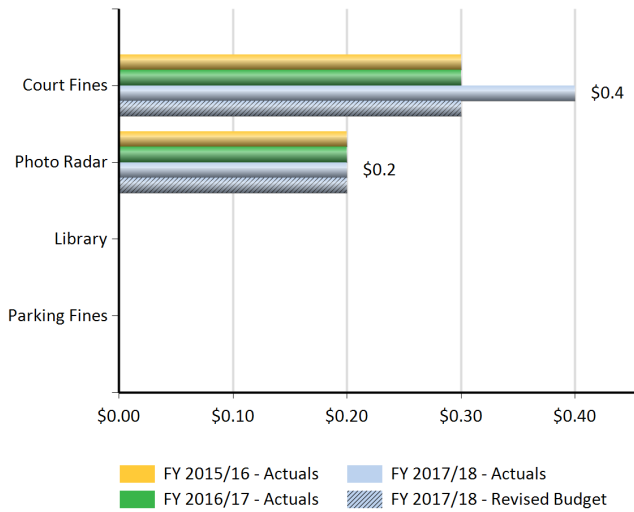
Actual to Revised Budget variance of \$0.5 million or 79%: Favorable variance primarily as a result of invoice timing at WestWorld - receiving FY 2016/17 rental facility fees in FY 2017/18.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$0.2	\$0.8	\$0.5	\$0.1	\$0.4	nm
Recreation Fees	0.3	0.5	0.4	0.4	-	-
Business & Liquor Licenses	0.1	0.1	0.1	0.1	-	-
Fire Charges For Services	0.1	0.1	0.1	-	0.1	nm
License Permits & Fees Total	\$0.6	\$1.5	\$1.1	\$0.6	\$0.5	79%



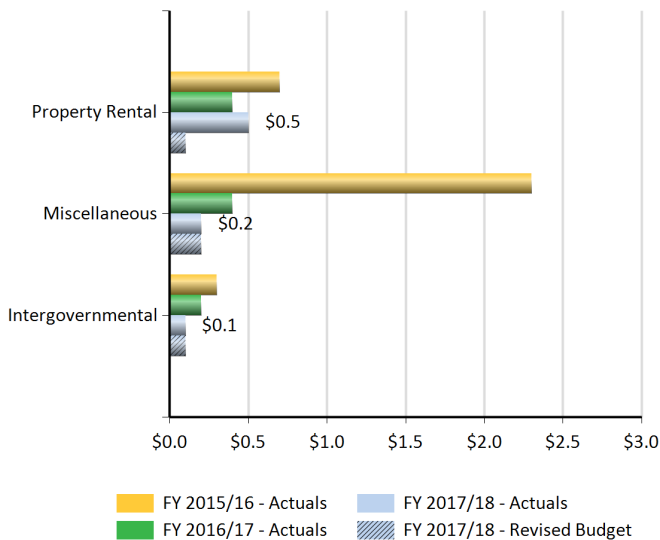
Fines Fees & Forfeitures (Fiscal Year to Date: July 2017)



Actual to Revised Budget variance of \$0.1 million or 15%: Favorable variance in Court Fines is due to the timing of when base fines collections were received in verses when they were anticipated

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$0.3	\$0.3	\$0.4	\$0.3	\$0.1	37%
Photo Radar	0.2	0.2	0.2	0.2	-	-
Library	-	-	-	-	-	-
Parking Fines	-	-	-	-	-	-
Fines Fees & Forfeitures Total	\$0.6	\$0.5	\$0.6	\$0.5	\$0.1	15%

Charges for Service/Other (Fiscal Year to Date: July 2017)



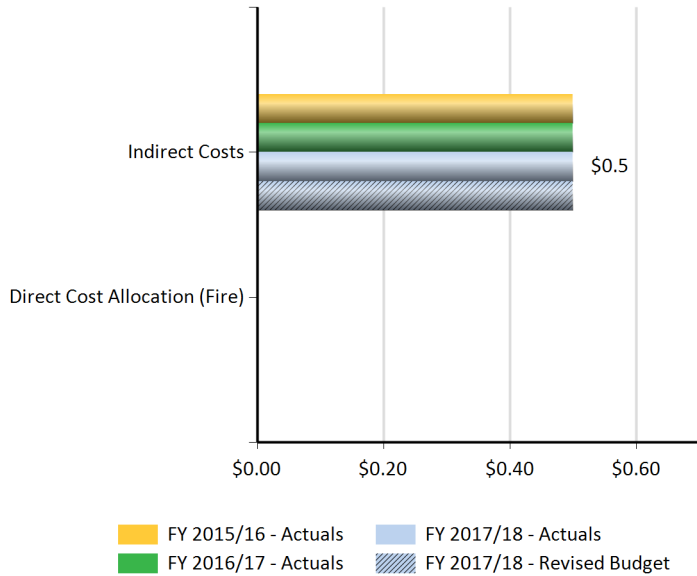
Actual to Revised Budget variance of \$0.3 million or 68%: Favorable variance in Property Rental is primarily due to the timing of the SkySong rental payment as it was received sooner than expected.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Rental	\$0.7	\$0.4	\$0.5	\$0.1	\$0.4	nm
Miscellaneous	2.3	0.4	0.2	0.2	-	-
Intergovernmental	0.3	0.2	0.1	0.1	-	-
Charges for Service/Other Total	\$3.3	\$1.0	\$0.8	\$0.5	\$0.4	8%



Indirect/Direct Cost Allocations (Fiscal Year to Date: July 2017)

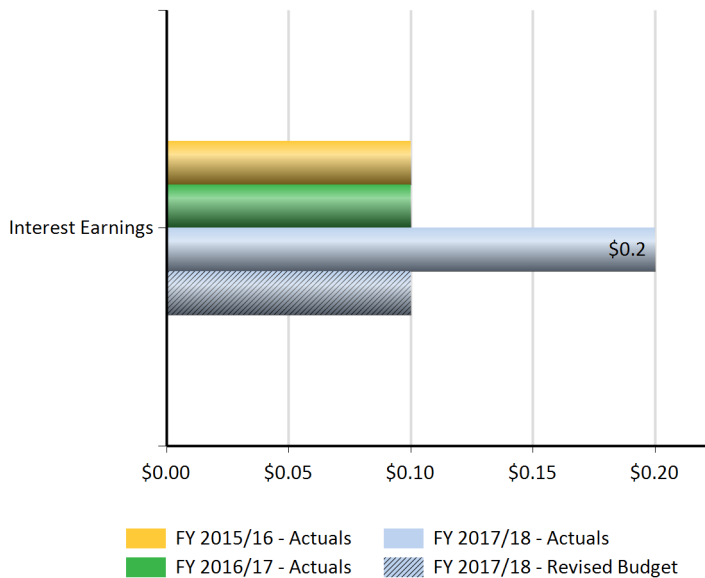
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation needed.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$0.5	\$0.5	\$0.5	\$0.5	\$ -	-
Direct Cost Allocation (Fire)	-	-	-	-	-	-
Indirect/Direct Cost Allocations Total	\$0.5	\$0.5	\$0.6	\$0.6	\$ -	-

Interest Earnings (Fiscal Year to Date: July 2017)

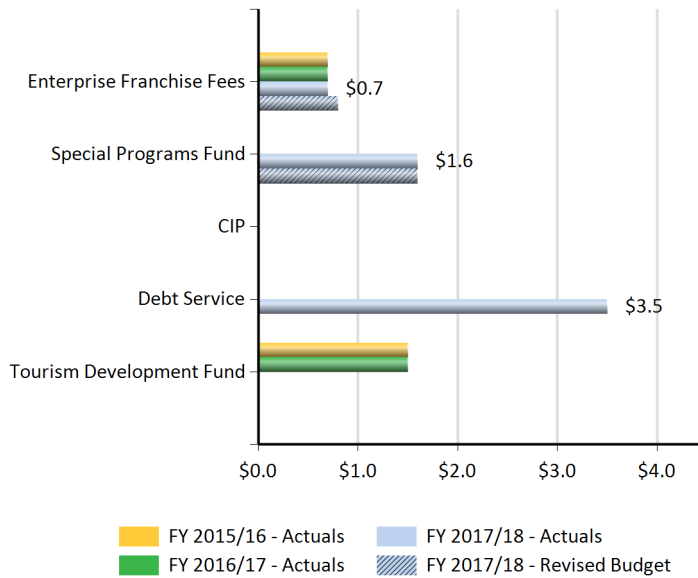
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation needed.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$0.1	\$0.1	\$0.2	\$0.1	\$ -	-
Interest Earnings Total	\$0.1	\$0.1	\$0.2	\$0.1	\$ -	-



Transfers In (Fiscal Year to Date: July 2017)



Actual to Revised Budget variance of \$3.4 million or 0%: The favorable variance of \$3.4 million is due to a FY 2016/17 Giants Stadium MPC debt transfer in that was mistakenly entered for FY 2017/18. A reversal will be included in the August Monthly Financial Update.

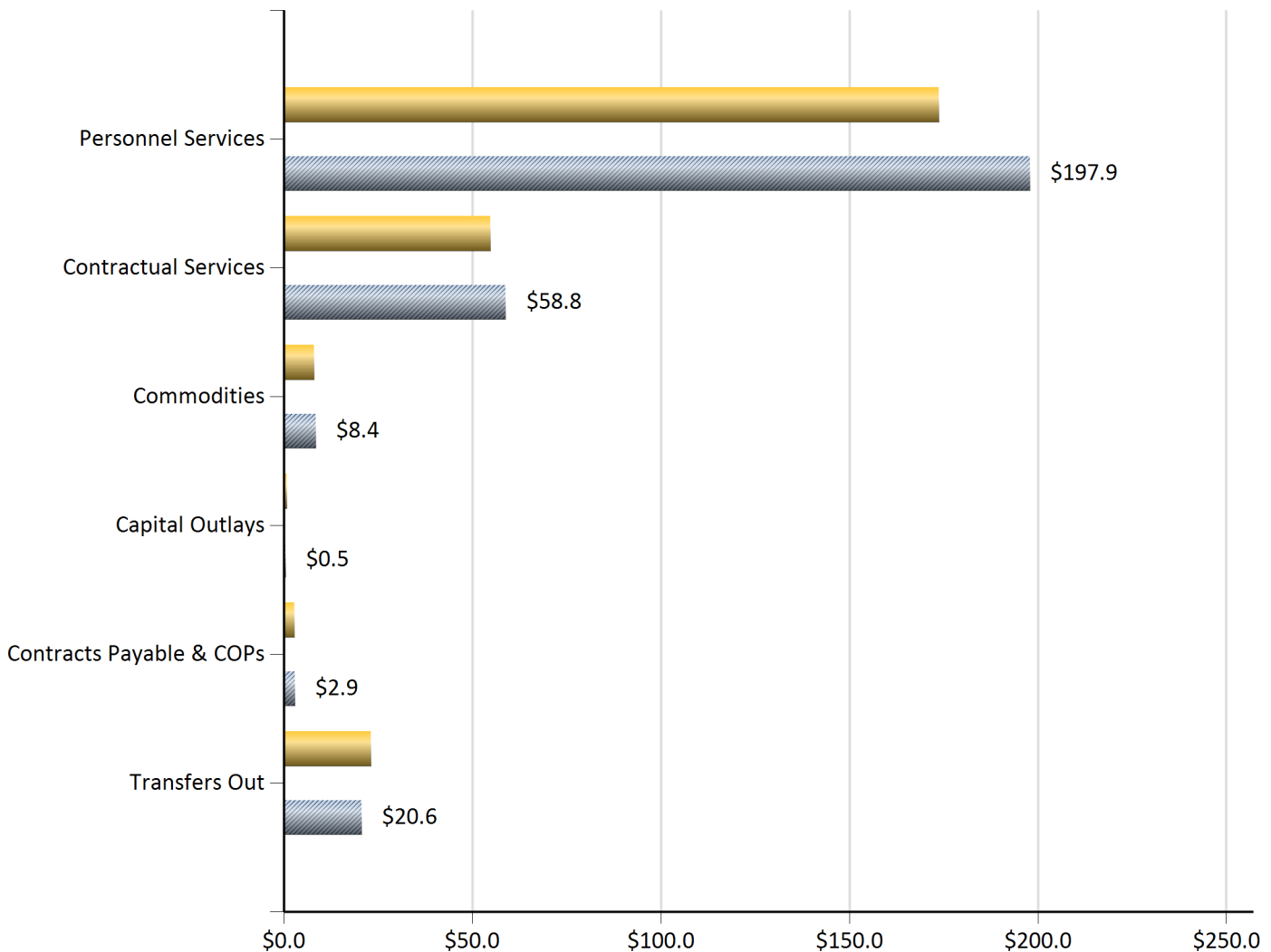
	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Enterprise Franchise Fees	\$0.7	\$0.7	\$0.7	\$0.8	(\$0.1)	(6%)
Special Programs Fund	-	-	1.6	1.6	-	-
CIP	-	-	-	-	-	-
Debt Service	-	-	3.5	-	3.5	n/a
Tourism Development Fund	1.5	1.5	-	-	-	-
Transfers In Total	\$2.2	\$2.3	\$5.8	\$2.4	\$3.4	nm



Uses

General Fund

Twelve Months: Fiscal Year



■ FY 2015/16 - Actuals
 ■ FY 2016/17 - Actuals
 ■ *FY 2017/18 - Revised Budget

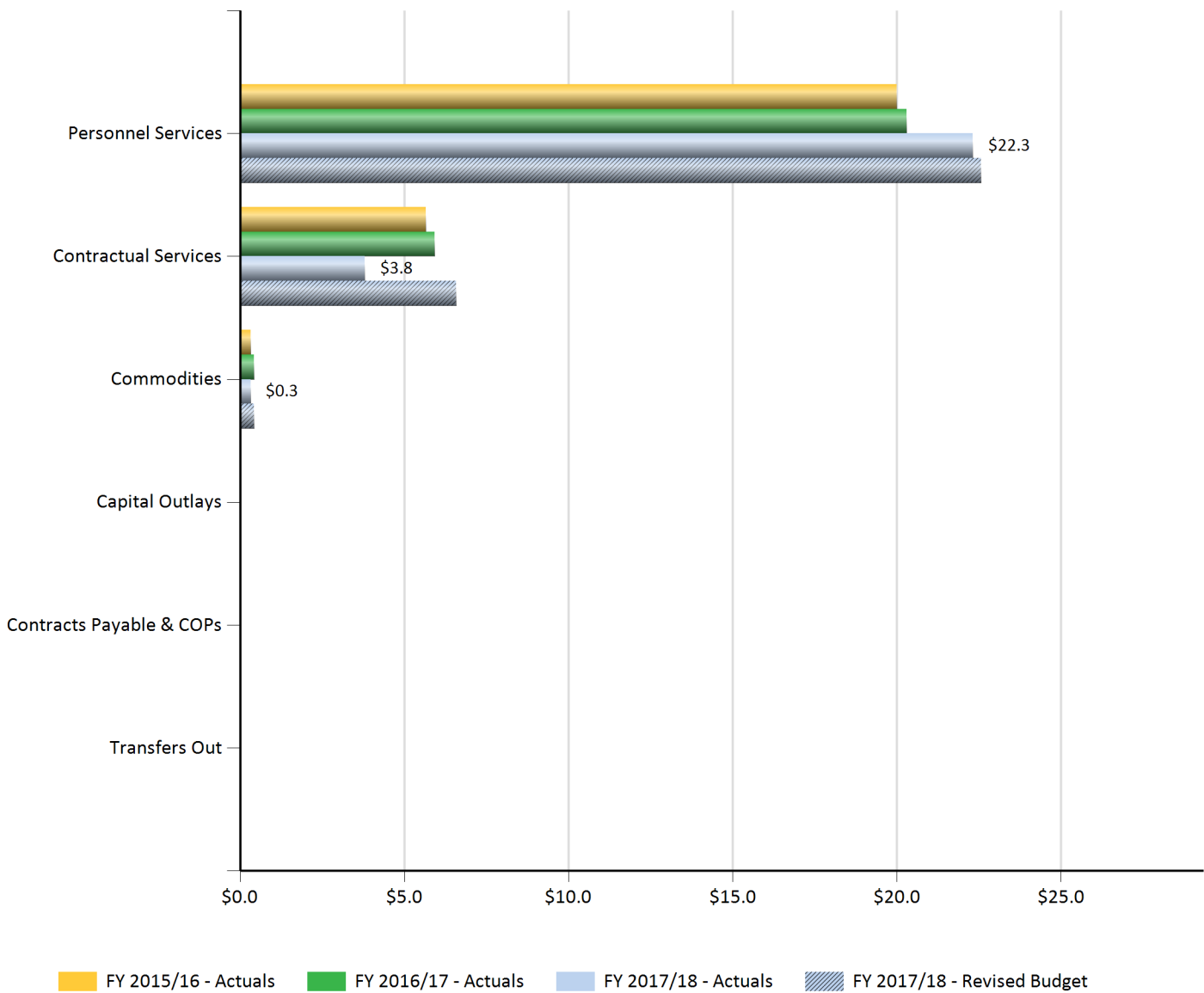
	FY 2015/16 <u>Actuals</u>	FY 2016/17 <u>Actuals</u>	FY 2017/18 <u>Revised Budget</u>
Personnel Services	\$173.7	n/a	\$197.9
Contractual Services	54.7	n/a	58.8
Commodities	8.0	n/a	8.4
Capital Outlays	0.8	n/a	0.5
Contracts Payable & COPs	2.8	n/a	2.9
Transfers Out	23.1	n/a	20.6
Total Uses	\$263.1	n/a	\$289.0

*Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance, up to 5% pay for performance for those in the Step Program, compensation adjustments, utilities and the Parker Case Ruling payout.

Note: FY 2016/17 twelve month actuals are not available at this time. Once completed, they will be included within the report.



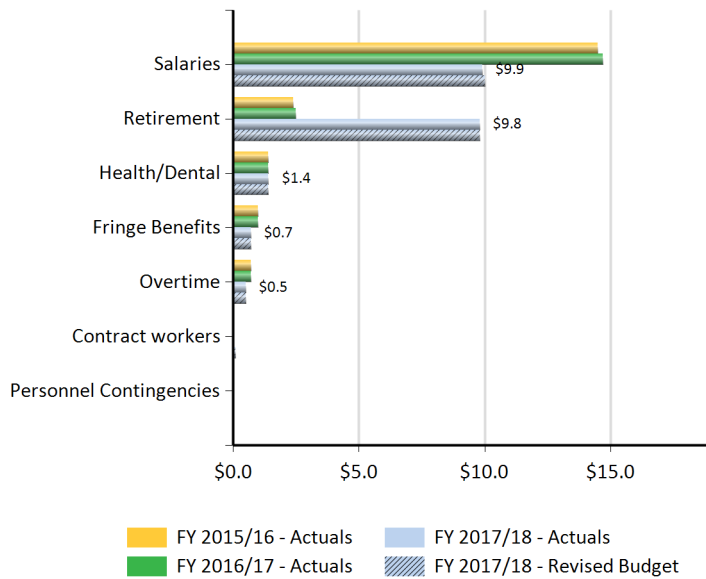
Uses (Fiscal Year to Date: July 2017)



	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$20.0	\$20.3	\$22.3	\$22.6	\$0.3	1%
Contractual Services	5.7	5.9	3.8	6.6	2.8	42%
Commodities	0.3	0.4	0.3	0.4	0.1	26%
Capital Outlays	-	-	-	-	-	-
Contracts Payable & COPs	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Uses	\$26.0	\$26.6	\$26.4	\$29.6	\$3.1	11%



Personnel Services (Fiscal Year to Date: July 2017)



Actual to Revised Budget variance of \$0.3 million or 1%: Personnel Services had no significant variance requiring an explanation. However, it is worth noting that retirement is \$7.7 million higher than in FY 2016/17 because of the Parker case ruling, resulting in a refunding of prior year retirement contributions for public safety sworn staff hired before July 1, 2012 and elected officials. It was budgeted at the macro-level initially in FY 2017/18 but was moved to the respective divisions in July. Further court rulings are expected on the accompanying interest payment calculation. Additionally, when comparing to FY 2016/17, salaries actuals are \$4.8 million lower because there was an extra pay period in FY 2016/17.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Salaries	\$14.5	\$14.7	\$9.9	\$10.0	\$0.1	1%
Retirement	2.4	2.5	9.8	9.8	-	-
Health/Dental	1.4	1.4	1.4	1.4	-	-
Fringe Benefits	1.0	1.0	0.7	0.7	-	-
Overtime	0.7	0.7	0.5	0.5	-	-
Contract workers	-	-	-	0.1	-	-
Personnel Contingencies	-	-	-	-	-	-
Personnel Services Total	\$20.0	\$20.3	\$22.3	\$22.6	\$0.3	1%

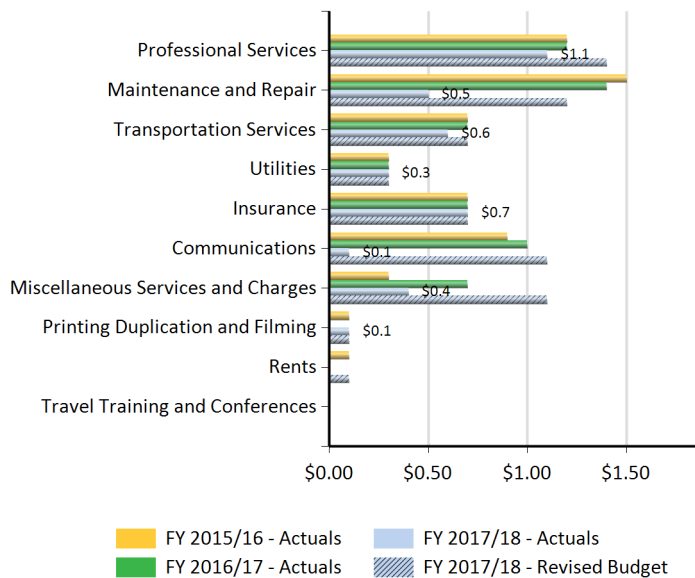
Macro Personnel Adjustments

	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Year-To-Date	
				Saved/(Used)	Remaining
3% Pay for Performance	\$3.0	n/a	\$2.1	(\$2.1)	\$ -
5% Step - Fire	-	n/a	0.9	(0.8)	0.1
5% Step - Police Officer	-	n/a	1.3	(1.3)	-
5% Step - Police Sergeant	-	n/a	0.4	(0.4)	-
Retirement Savings	(0.8)	n/a	-	-	-
Compensation Adjustments	-	n/a	0.4	-	0.4
Vacancy Savings	(4.8)	n/a	(4.0)	0.4	(3.6)
Medical Leave Payouts	1.0	n/a	1.4	(0.1)	1.3
Vacation Leave Payouts	0.9	n/a	0.8	-	0.7
Parker Case Ruling	-	n/a	7.8	(7.7)	-
Total Vacancy Savings/Payouts	(\$0.6)	n/a	\$11.0	(\$12.0)	(\$1.0)

Total Saved/(Used) YTD of (\$12.0) million: The city has achieved \$0.4 million in vacancy savings year-to-date offset by (\$0.1) million in vacation and medical leave payouts. In July, the Citywide Pay for Performance Program was funded and implemented initiating the use of ongoing dollars for compensation increases. These increases include a 3 percent pay program based on performance and a 5 percent step program for Firefighters, Fire Engineers, Fire Captains, Police Officers and Police Sergeants. The is related to the Parker case ruling which ed K @ 7 K 7 court rulings are expected on the accompanying interest payment calculation.



Contractual Services (Fiscal Year to Date: July 2017)

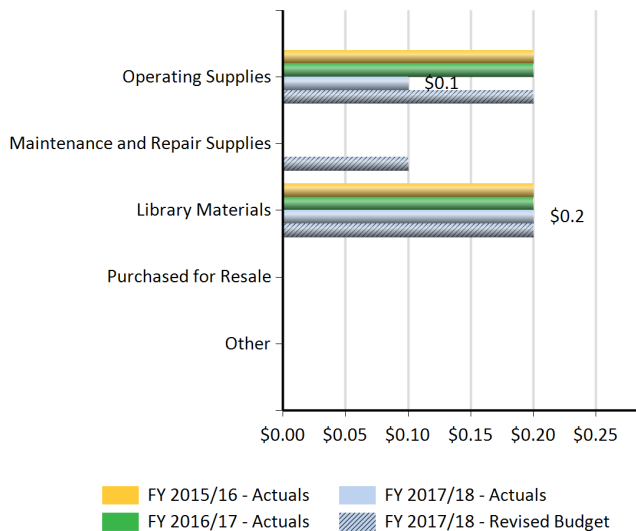


Actual to Revised Budget variance of \$2.8 million or 42%: Contractual Services is favorable in Professional Services because of the timing in payment of the WestWorld marketing contract and the mischarging of the Global Ties payment in the City Manager's Office to City Memberships instead of Other Professional Services (this will be corrected in August). Maintenance and Repair is favorable because payments did not occur in July as expected for Software Maintenance & Licensing. Communications is favorable because payments did not occur in July as expected for PC Replacement. Miscellaneous Services and Charges is favorable due to timing in Public Safety - Fire and City Treasurer related to the Phoenix dispatch and Arizona Department of Revenue contracts respectively.

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Professional Services	\$1.2	\$1.2	\$1.1	\$1.4	\$0.3	19%
Maintenance and Repair	1.5	1.4	0.5	1.2	0.8	62%
Transportation Services	0.7	0.7	0.6	0.7	0.1	15%
Utilities	0.3	0.3	0.3	0.3	-	-
Insurance	0.7	0.7	0.7	0.7	-	-
Communications	0.9	1.0	0.1	1.1	0.9	86%
Miscellaneous Services and Charges	0.3	0.7	0.4	1.1	0.7	63%
Printing Duplication and Filming	0.1	-	0.1	0.1	-	-
Rents	0.1	-	-	0.1	-	-
Travel Training and Conferences	-	-	-	-	-	-
Contractual Services Total	\$5.7	\$5.9	\$3.8	\$6.6	\$2.8	42%



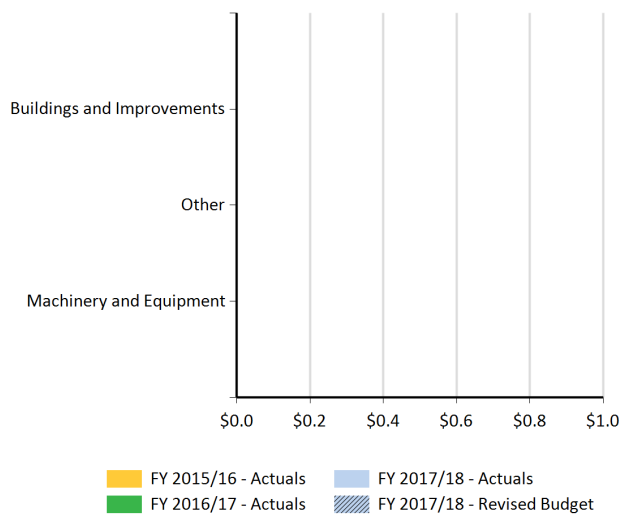
Commodities (Fiscal Year to Date: July 2017)



Actual to Revised Budget variance of \$0.1 million or 26%:
Favorable variance is primarily due to the timing of purchases in Operating Supplies.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$0.2	\$0.2	\$0.1	\$0.2	\$0.1	40%
Maintenance and Repair Supplies	-	-	-	0.1	-	-
Library Materials	0.2	0.2	0.2	0.2	-	-
Purchased for Resale	-	-	-	-	-	-
Other	-	-	-	-	-	-
Commodities Total	\$0.3	\$0.4	\$0.3	\$0.4	\$0.1	26%

Capital Outlays (Fiscal Year to Date: July 2017)



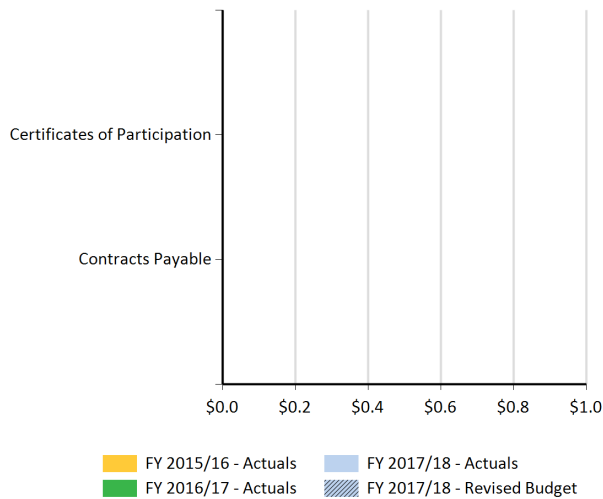
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation needed.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-
Capital Outlays Total	\$0.0	\$0.0	\$0.0	\$0.0	\$ -	-



Contracts Payable & COPs (Fiscal Year to Date: July 2017)

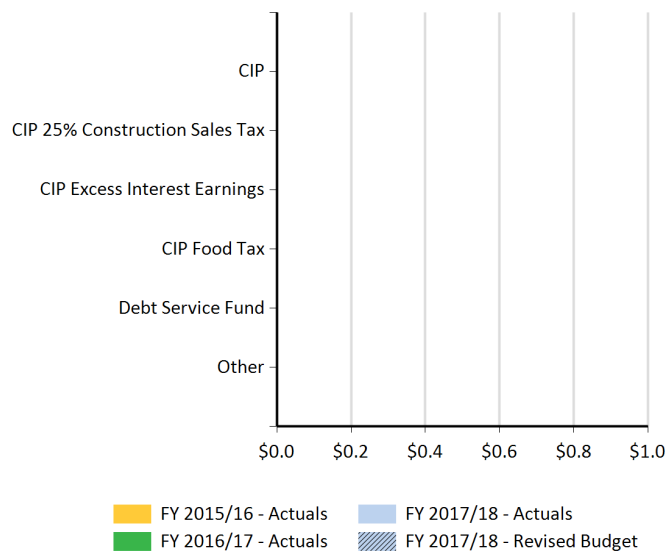
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation needed.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contracts Payable	-	-	-	-	-	-
Contracts Payable & COPs Total	\$0.0	\$0.0	\$0.0	\$0.0	\$ -	-

Transfers Out (Fiscal Year to Date: July 2017)

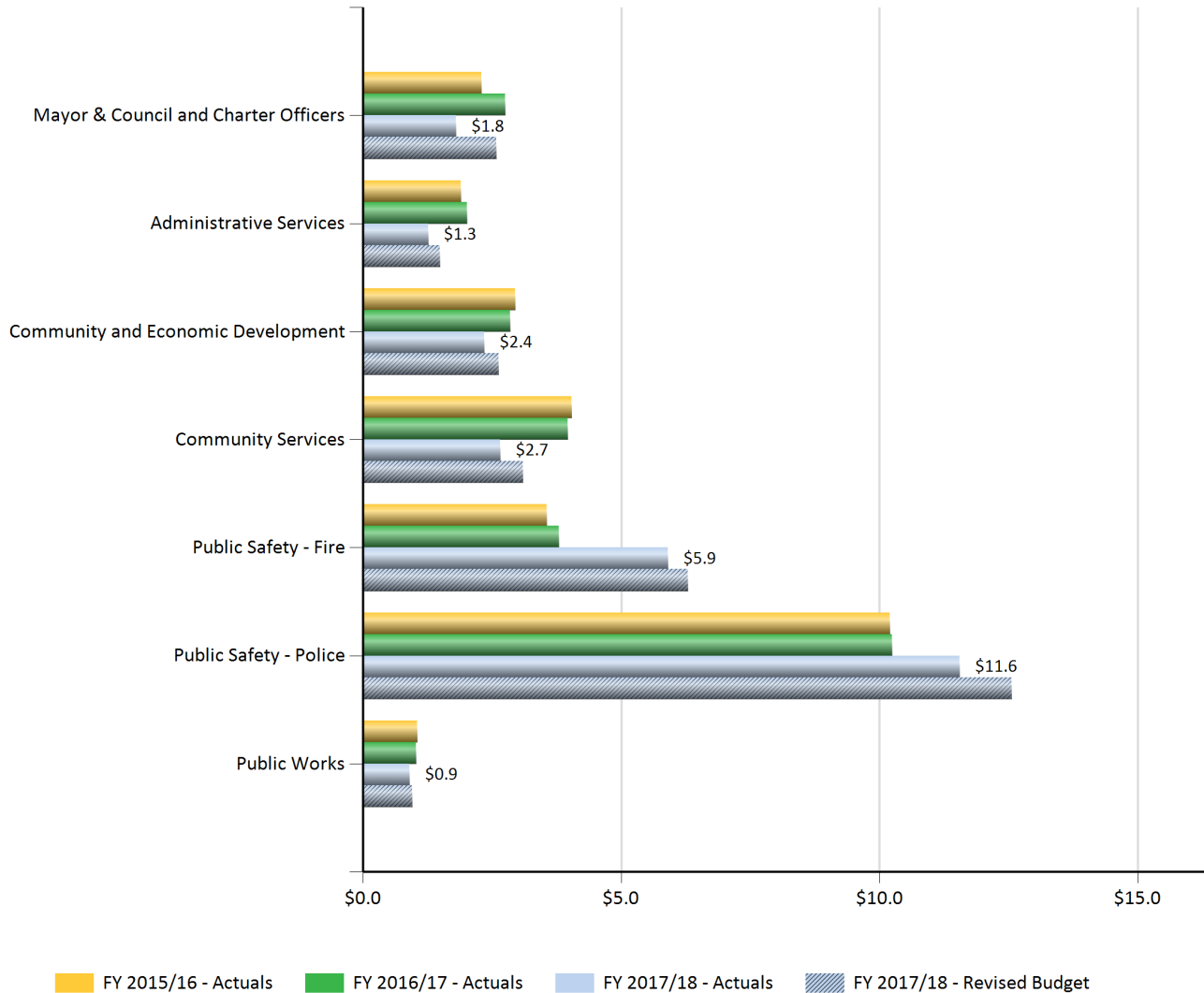
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation needed.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
CIP	\$ -	\$ -	\$ -	\$ -	\$ -	-
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transfers Out Total	\$0.0	\$0.0	\$0.0	\$0.0	\$ -	-



Division Expenditures (Fiscal Year to Date: July 2017)



	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$2.3	\$2.8	\$1.8	\$2.6	\$0.8	30%
Administrative Services	1.9	2.0	1.3	1.5	0.2	15%
Community and Economic Development	3.0	2.8	2.4	2.6	0.3	10%
Community Services	4.0	4.0	2.7	3.1	0.4	14%
Public Safety - Fire	3.6	3.8	5.9	6.3	0.4	6%
Public Safety - Police	10.2	10.2	11.6	12.6	1.0	8%
Public Works	1.0	1.0	0.9	1.0	0.1	5%
Total	\$26.0	\$26.6	\$26.4	\$29.6	\$3.1	11%

Actual to Revised Budget variance of \$3.1 million or 11%: All divisions are favorable due to the timing of payments for PC Replacement and Software, Maintenance & Licensing. Specific divisions had additional reasons contributing to their favorable variances. This includes Mayor & Council and Charter Officers being favorable due to the timing of payments for the ADOR contract in City Treasurer, Community and Economic Development being favorable due to the timing of the WestWorld marketing contract, Public Safety - Fire being favorable due to the timing of the Phoenix dispatch contract and Public Safety - Police being favorable due to the timing of payments on specialty lines.