

Monthly Financial Report

**Fiscal Year to Date as
of March 31, 2021**

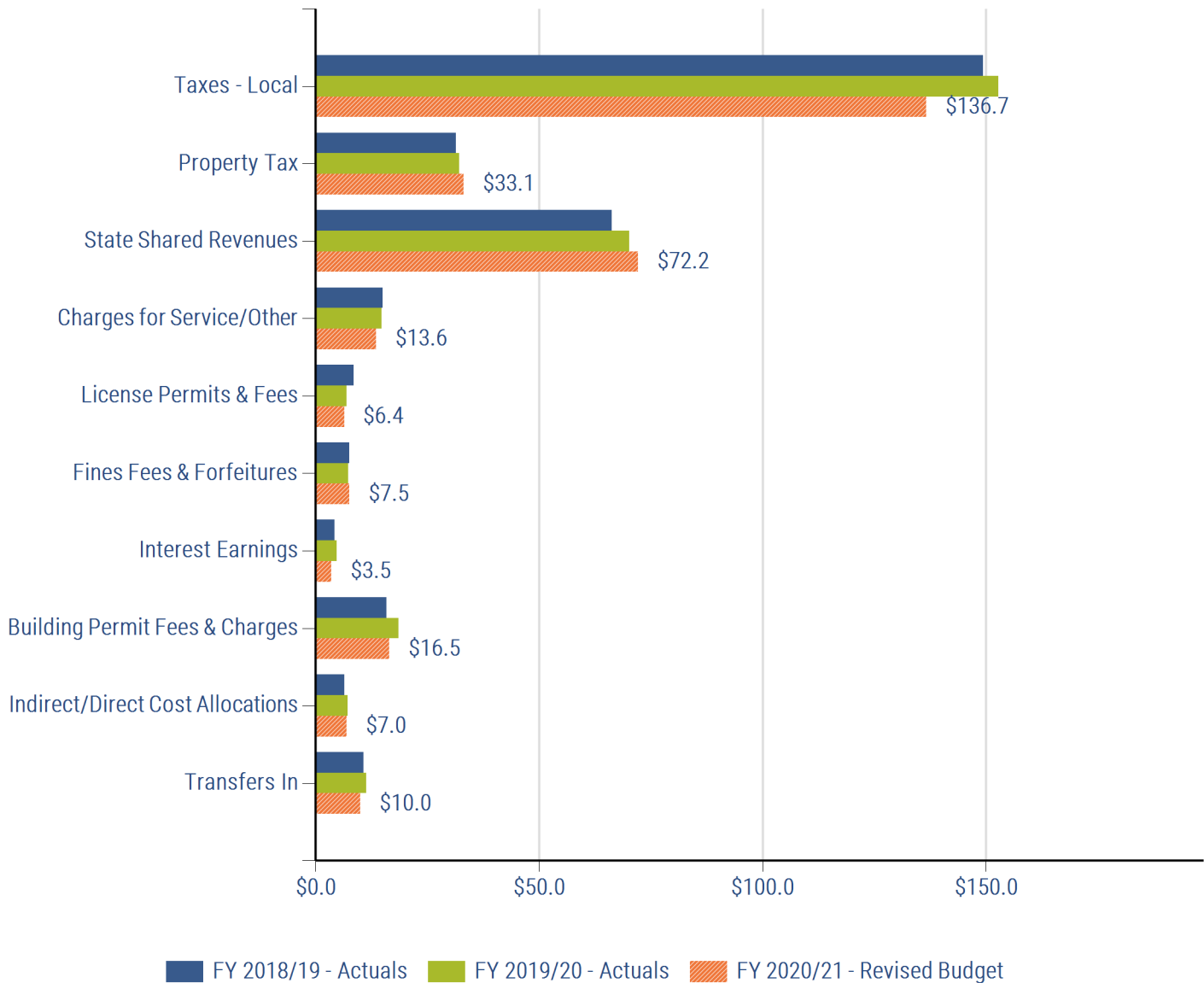
Report to the City Council
Prepared by the City Treasurer
May 18, 2021



Sources

General Fund

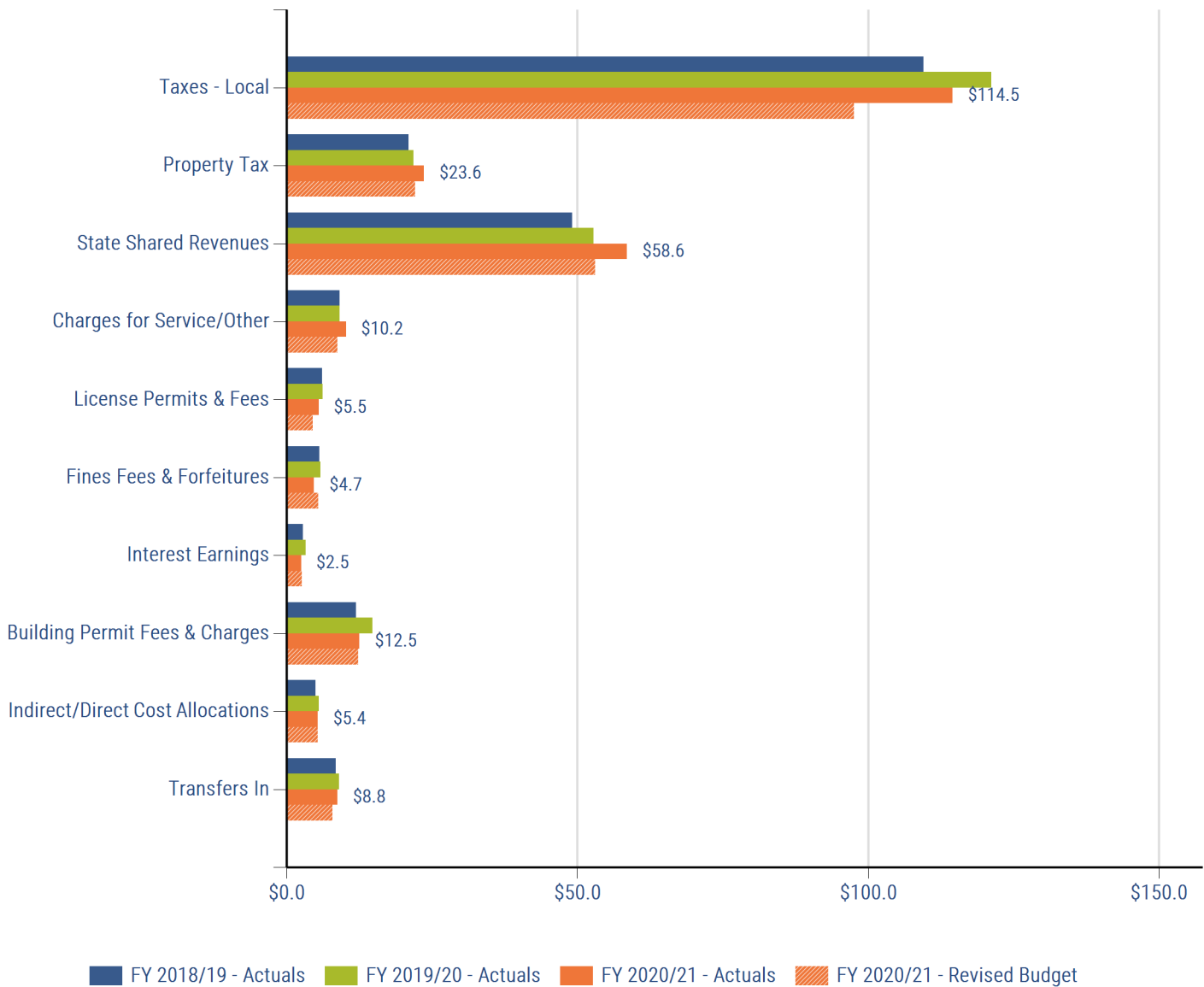
Twelve Months: Fiscal Year



	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Actuals</u>	FY 2020/21 <u>Revised Budget</u>
Taxes - Local	\$149.3	\$152.8	\$136.7
Property Tax	31.4	32.2	33.1
State Shared Revenues	66.2	70.2	72.2
Charges for Service/Other	14.9	14.7	13.6
License Permits & Fees	8.5	6.9	6.4
Fines Fees & Forfeitures	7.5	7.3	7.5
Interest Earnings	4.3	4.7	3.5
Building Permit Fees & Charges	15.9	18.5	16.5
Indirect/Direct Cost Allocations	6.5	7.2	7.0
Transfers In	10.7	11.3	10.0
Total Sources	\$315.2	\$326.0	\$306.4



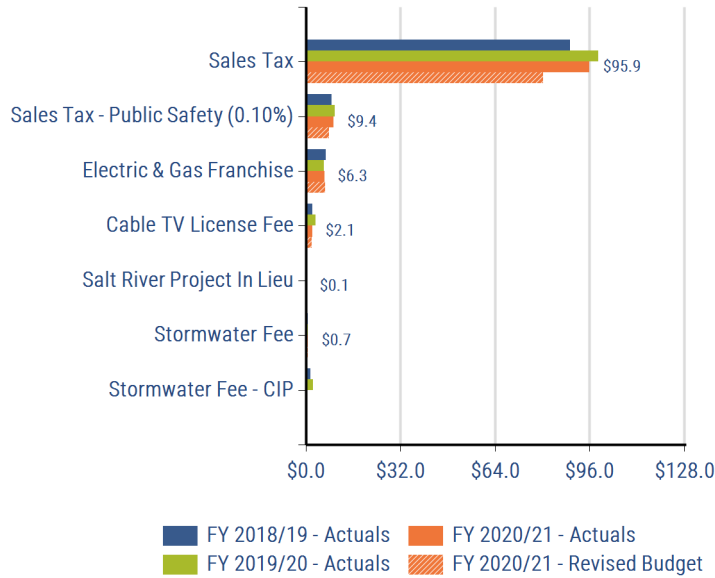
Sources (Fiscal Year to Date: March 2021)



	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$109.5	\$121.2	\$114.5	\$97.6	\$16.9	17%
Property Tax	21.0	21.8	23.6	22.1	1.5	7%
State Shared Revenues	49.1	52.8	58.6	53.1	5.5	10%
Charges for Service/Other	9.2	9.2	10.2	8.7	1.5	17%
License Permits & Fees	6.1	6.2	5.5	4.5	1.0	23%
Fines Fees & Forfeitures	5.7	5.8	4.7	5.5	(0.7)	(13%)
Interest Earnings	2.8	3.3	2.5	2.6	(0.1)	(4%)
Building Permit Fees & Charges	12.0	14.7	12.5	12.3	0.2	2%
Indirect/Direct Cost Allocations	5.0	5.6	5.4	5.3	-	-
Transfers In	8.5	9.0	8.8	7.9	0.9	11%
Total Sources	\$228.7	\$249.5	\$246.2	\$219.6	\$26.7	12%



Taxes - Local (Fiscal Year to Date: March 2021)

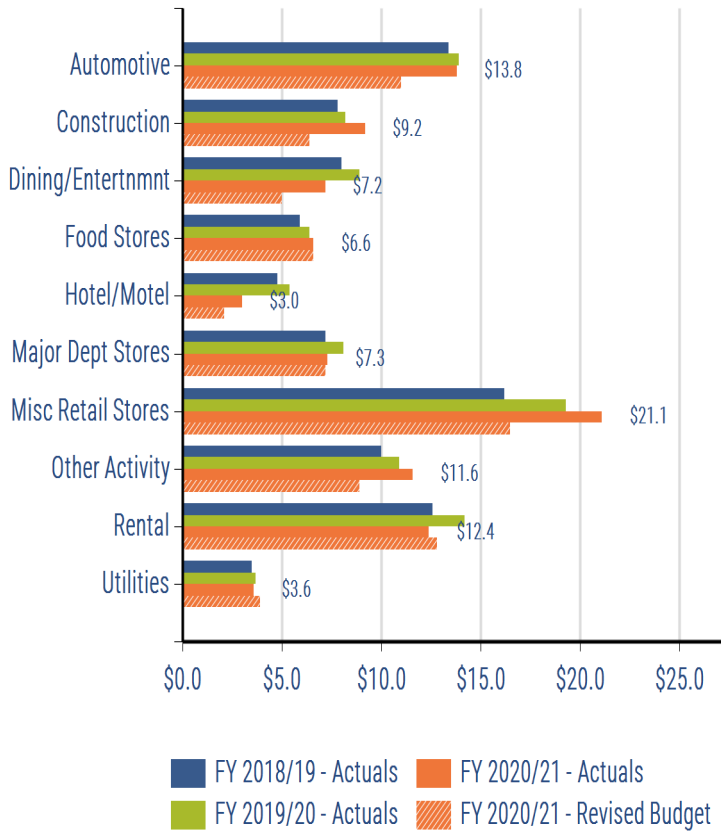


Actual to Revised Budget variance of \$16.9 million or 17%:
 The favorable variance is primarily due to Sales Tax. See detailed Sales Tax information on page 5. Cable TV License Fee is favorable due to people keeping/signing up for cable packages at a higher rate than expected due to many being homebound due to COVID-19. Electric & Gas Franchise is unfavorable due to the APS quarterly franchise payment coming in lower than expected largely due to the Tax Cuts and Jobs Act of 2017.

	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$89.4	\$99.0	\$95.9	\$80.3	\$15.6	19%
Sales Tax - Public Safety (0.10%)	8.8	9.7	9.4	7.9	1.5	19%
Electric & Gas Franchise	6.7	6.1	6.3	6.6	(0.3)	(5%)
Cable TV License Fee	2.2	3.2	2.1	2.0	0.1	5%
Salt River Project In Lieu	0.2	0.1	0.1	0.1	-	-
Stormwater Fee	0.7	0.7	0.7	0.7	-	-
Stormwater Fee - CIP	1.6	2.4	-	-	-	-
Taxes - Local Total	\$109.5	\$121.2	\$114.5	\$97.6	\$16.9	17%



Sales Tax (Fiscal Year to Date: March 2021)



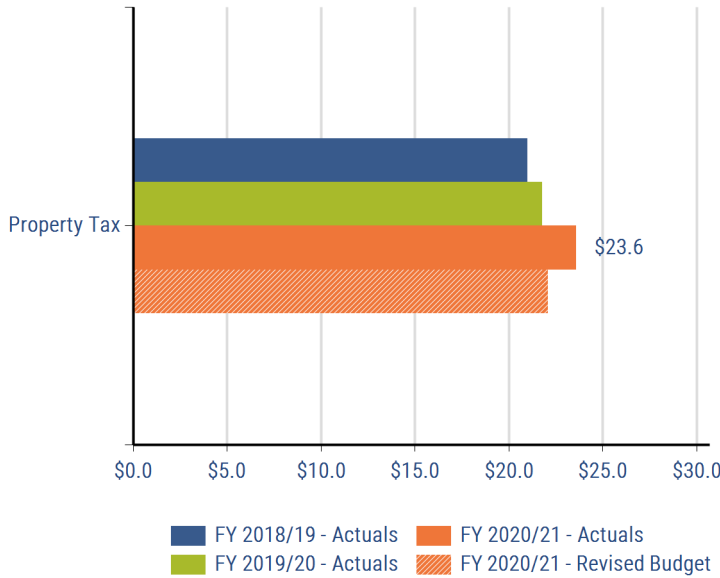
Actual to Revised Budget variance of \$15.6 million or 19%: While variances are now more often derived from revenue fluctuations within individual Sales Tax categories, Sales Tax can still be influenced by the unpredictability of the timing in collection by Arizona Department of Revenue. The favorable variance is also the result of the following: 1) Automotive – car dealers doing better than expected; 2) Construction – unanticipated increases in construction and speculative sale activity; 3) Dining/Entertainment – restaurants doing better than anticipated even with their reduced capacity as a result of the COVID-19 pandemic; 4) Hotel/Motel - hotels doing better than anticipated despite less people traveling, an increase in bookings with short term vacation rental properties and a new hotel opening; 5) Misc Retail Stores - increased software sales, some stores performing better than expected and additional revenue from online marketplace facilitators and remote sellers and; 6) Other Activity –increase in taxable sales from computer software and hardware wholesalers and manufacturers sellers and greater use tax purchases by businesses in this category. The favorable variance would have been greater but is being partially offset by: 1) Rental - less rents being collected by commercial and residential properties due to the COVID-19 pandemic and personal property rentals showing a decrease when compared to a year ago; and 2) Utilities - decreases in the telecommunications sector.

	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Automotive	\$13.4	\$13.9	\$13.8	\$11.0	\$2.8	26%
Construction	7.8	8.2	9.2	6.4	2.9	45%
Dining/Entertainment	8.0	8.9	7.2	5.0	2.2	45%
Food Stores	5.9	6.4	6.6	6.6	-	-
Hotel/Motel	4.8	5.4	3.0	2.1	0.9	43%
Major Dept Stores	7.2	8.1	7.3	7.2	0.1	2%
Misc Retail Stores	16.2	19.3	21.1	16.5	4.6	28%
Other Activity	10.0	10.9	11.6	8.9	2.7	31%
Rental	12.6	14.2	12.4	12.8	(0.4)	(3%)
Utilities	3.5	3.7	3.6	3.9	(0.3)	(8%)
Sales Tax Total	\$89.4	\$99.0	\$95.9	\$80.3	\$15.6	19%



Property Tax (Fiscal Year to Date: March 2021)

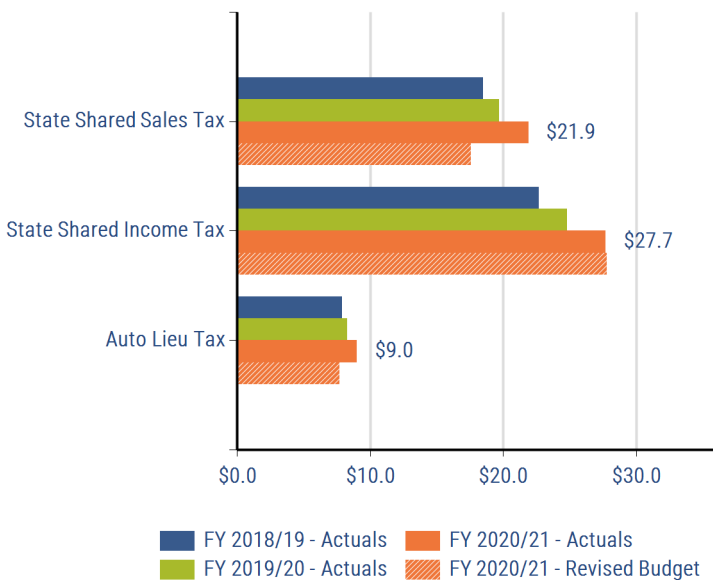
Actual to Revised Budget variance of \$1.5 million or 7%: Favorable variance is due to the budget spread, which is based on the way people paid on average over the last two years and may vary year over year.



	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$21.0	\$21.8	\$23.6	\$22.1	\$1.5	7%
Property Tax Total	\$21.0	\$21.8	\$23.6	\$22.1	\$1.5	7%

State Shared Revenues (Fiscal Year to Date: March 2021)

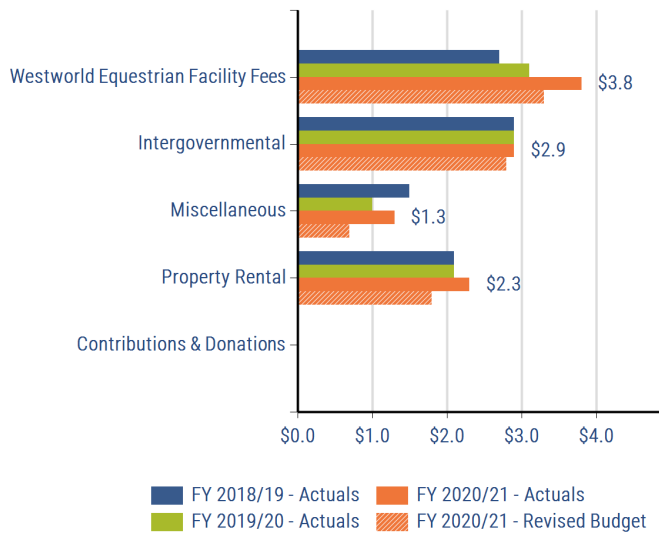
Actual to Revised Budget variance of \$5.5 million or 10%: State Shared Sales Tax is favorable due to better than expected state shared sales tax revenue brought in and shared with cities than originally projected based on the expected economic conditions caused by the COVID-19 virus. Additionally, Scottsdale is continuing to see the effects of the 2019 Wayfair Bill on online sales and higher overall online shopping than in previous years due to the pandemic. Auto Lieu Tax is favorable due to higher than expected vehicle sales as a result of aggressive promotions by auto dealers.



	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$18.5	\$19.7	\$21.9	\$17.6	\$4.3	24%
State Shared Income Tax	22.7	24.8	27.7	27.8	(0.1)	(1%)
Auto Lieu Tax	7.9	8.3	9.0	7.7	1.4	18%
State Shared Revenues Total	\$49.1	\$52.8	\$58.6	\$53.1	\$5.5	10%



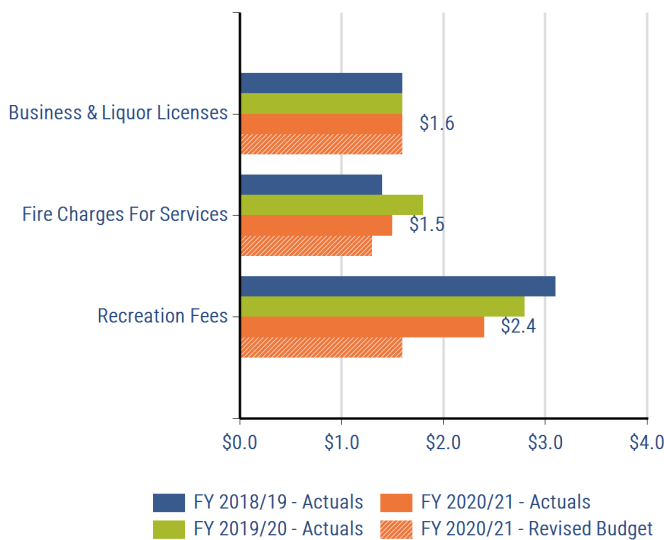
Charges for Service/Other (Fiscal Year to Date: March 2021)



Actual to Revised Budget variance of \$1.5 million or 17%: Westworld Equestrian Facility Fees is favorable primarily due to hosting a much larger AZ Fall Championship (equestrian national show) at WestWorld since it absorbed the participants from another state's event that was canceled, and to revenue from FY 2019/20 events received in FY 2020/21. Miscellaneous is favorable due to reimbursements for Public Safety – Fire from the state and county for costs related to assistance the Division provided in response to fires around Arizona and reimbursements for emergency rent and utility assistance for Vista del Camino from Maricopa County. Property Rental is favorable due to advanced billings for cell tower and outdoor dining leases and because the fourth quarter FY 2019/20 Tournament Player's Club payment was paid in FY 2020/21.

	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$2.7	\$3.1	\$3.8	\$3.3	\$0.4	13%
Intergovernmental	2.9	2.9	2.9	2.8	0.1	2%
Miscellaneous	1.5	1.0	1.3	0.7	0.5	77%
Property Rental	2.1	2.1	2.3	1.8	0.5	25%
Contributions & Donations	-	-	-	-	-	-
Charges for Service/Other Total	\$9.2	\$9.2	\$10.2	\$8.7	\$1.5	17%

License Permits & Fees (Fiscal Year to Date: March 2021)



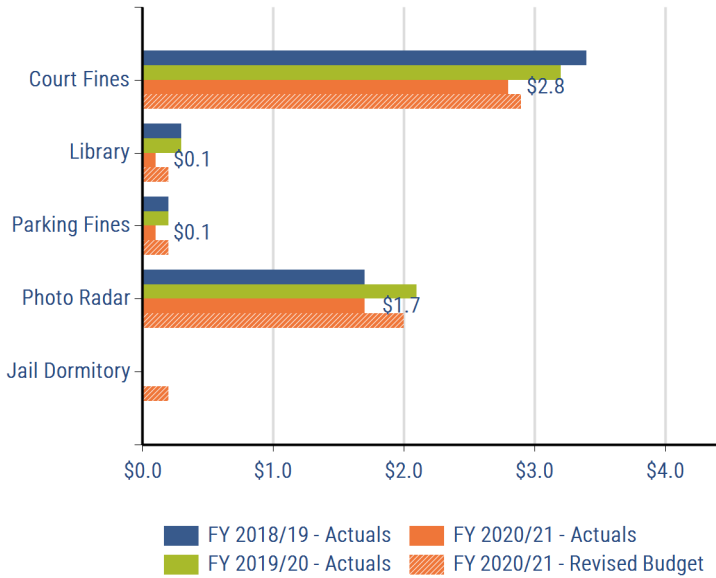
Actual to Revised Budget variance of \$1.0 million or 23%: Fire Charges For Services is favorable due primarily to an FY 2019/20 ambulance contract payment received and recorded in FY 2020/21. Recreation Fees is favorable due to the difficulty in predicting how the occupancy status of recreation facilities would be affected by the COVID-19 pandemic, increased lessons offered and pool "drop-in" activity than anticipated at aquatic facilities, and a higher than expected number of summer camp sessions offered and total registrations received for those sessions.

	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Business & Liquor Licenses	\$1.6	\$1.6	\$1.6	\$1.6	\$ -	-
Fire Charges For Services	1.4	1.8	1.5	1.3	0.1	11%
Recreation Fees	3.1	2.8	2.4	1.6	0.9	55%
License Permits & Fees Total	\$6.1	\$6.2	\$5.5	\$4.5	\$1.0	23%

\$ in millions / rounding differences may occur



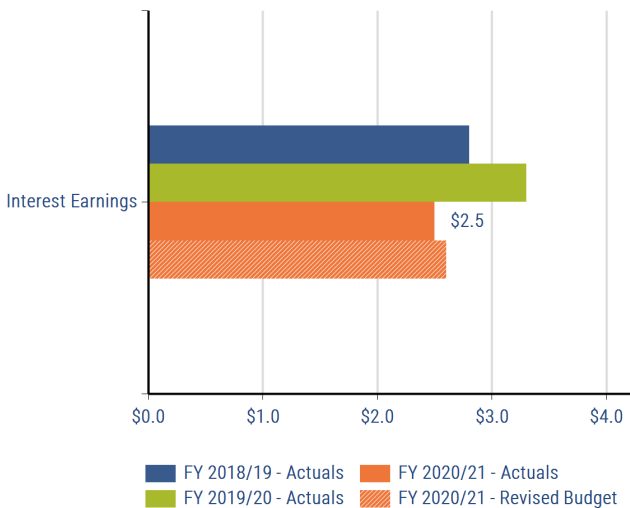
Fines Fees & Forfeitures (Fiscal Year to Date: March 2021)



Actual to Revised Budget variance of (\$0.7) million or (13%):
 Court Fines is showing an unfavorable variance due to people delaying or not making payments related to fines and the number of overall filings being down. The unfavorable variance is being almost completely offset by unexpected revenue received from the recently passed Nuisance Ordinance. Library is unfavorable due to reduced library fine revenue as a result of the limited operating hours and the continued closure of two city libraries. Photo Radar is unfavorable due to photo enforcement sites being down, less people out on the roads and others delaying payments related to fines. Jail Dormitory is unfavorable due to fewer offenders being housed in the jail due to COVID-19 concerns.

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/21	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Court Fines	\$3.4	\$3.2	\$2.8	\$2.9	(\$0.1)	(2%)
Library	0.3	0.3	0.1	0.2	(0.1)	(58%)
Parking Fines	0.2	0.2	0.1	0.2	(0.1)	(31%)
Photo Radar	1.7	2.1	1.7	2.0	(0.3)	(16%)
Jail Dormitory	-	-	-	0.2	(0.2)	(85%)
Fines Fees & Forfeitures Total	\$5.7	\$5.8	\$4.7	\$5.5	(\$0.7)	(13%)

Interest Earnings (Fiscal Year to Date: March 2021)

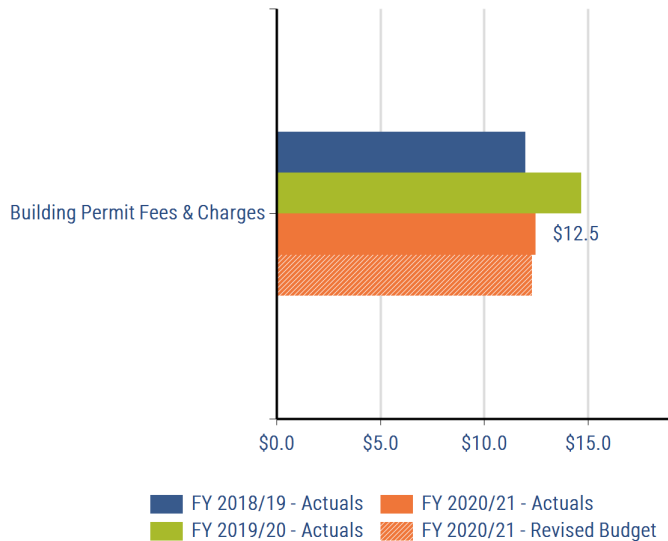


Actual to Revised Budget variance of (\$0.1) million or (4%):
 No explanation necessary.

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/21	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$2.8	\$3.3	\$2.5	\$2.6	(\$0.1)	(4%)
Interest Earnings Total	\$2.8	\$3.3	\$2.5	\$2.6	(\$0.1)	(4%)



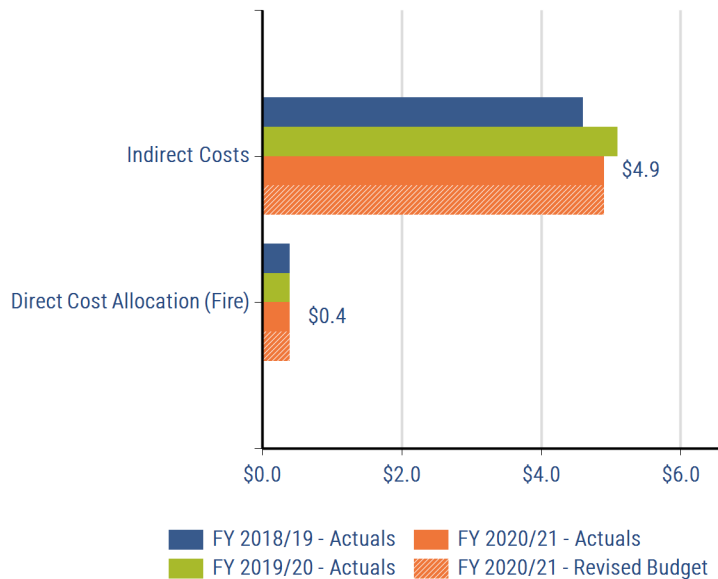
Building Permit Fees & Charges (Fiscal Year to Date: March 2021)



Actual to Revised Budget variance of \$0.2 million or 2%: Favorable variance due to Encroachment permits received in December related to Asteria Highlands and Alamedia Rd. utilities and 118th St & Ranch Gate Rd. The favorable variance would have been greater but is being partially offset by Building Permits, Right-of-Way Fees and Development Application Fees collections being lower than anticipated.

	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2020/21 Actuals</u>	<u>FY 2020/21 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Building Permit Fees & Charges	\$12.0	\$14.7	\$12.5	\$12.3	\$0.2	2%
Building Permit Fees & Charges Total	\$12.0	\$14.7	\$12.5	\$12.3	\$0.2	2%

Indirect/Direct Cost Allocations (Fiscal Year to Date: March 2021)

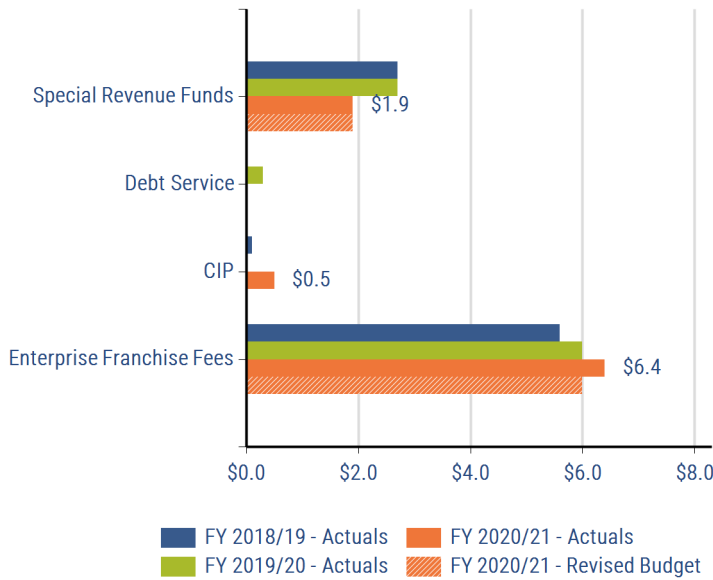


Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.

	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2020/21 Actuals</u>	<u>FY 2020/21 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Indirect Costs	\$4.6	\$5.1	\$4.9	\$4.9	\$ -	-
Direct Cost Allocation (Fire)	0.4	0.4	0.4	0.4	-	-
Indirect/Direct Cost Allocations Total	\$5.0	\$5.6	\$5.4	\$5.3	\$ -	-



Transfers In (Fiscal Year to Date: March 2021)



Actual to Revised Budget variance of \$0.9 million or 11%: CIP is favorable due to a reimbursement to the General Fund for a transfer out to the Debt Service Fund that should have been funded by Capital Improvement Plan (CIP) Stormwater Fees. Enterprise Franchise Fees is favorable due to higher revenue collected in the Water & Water Reclamation Fund than anticipated, which consequently affects the transfers into the General Fund. The increase is a result of greater water deliveries compared to the four-year running average due to the lack of rain and excessive temperatures Scottsdale faced so far this year.

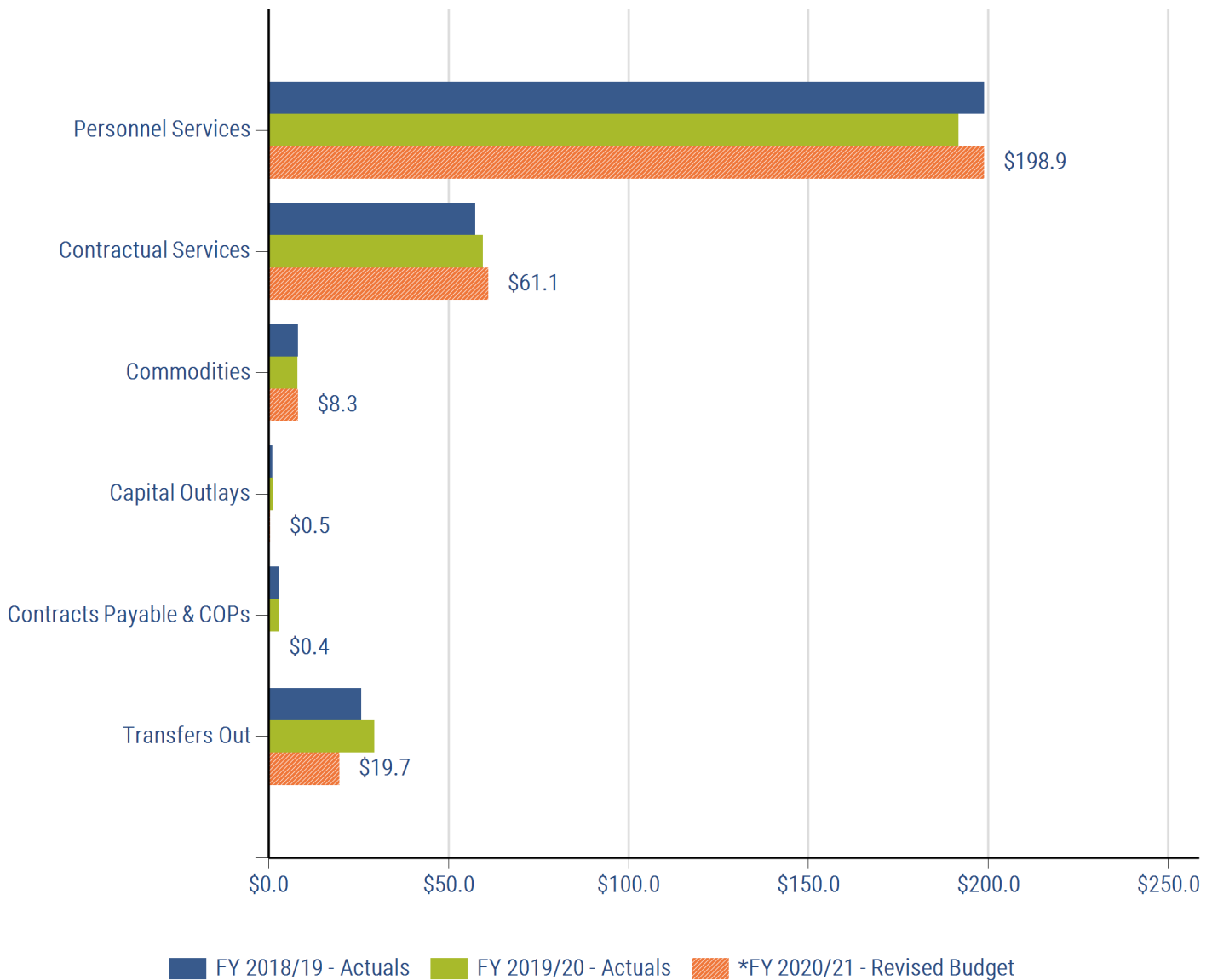
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/21	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Special Revenue Funds	\$2.7	\$2.7	\$1.9	\$1.9	\$ -	-
Debt Service	-	0.3	-	-	-	-
CIP	0.1	-	0.5	-	0.5	n/a
Enterprise Franchise Fees	5.6	6.0	6.4	6.0	0.4	7%
Transfers In Total	\$8.5	\$9.0	\$8.8	\$7.9	\$0.9	11%



Uses

General Fund

Twelve Months: Fiscal Year

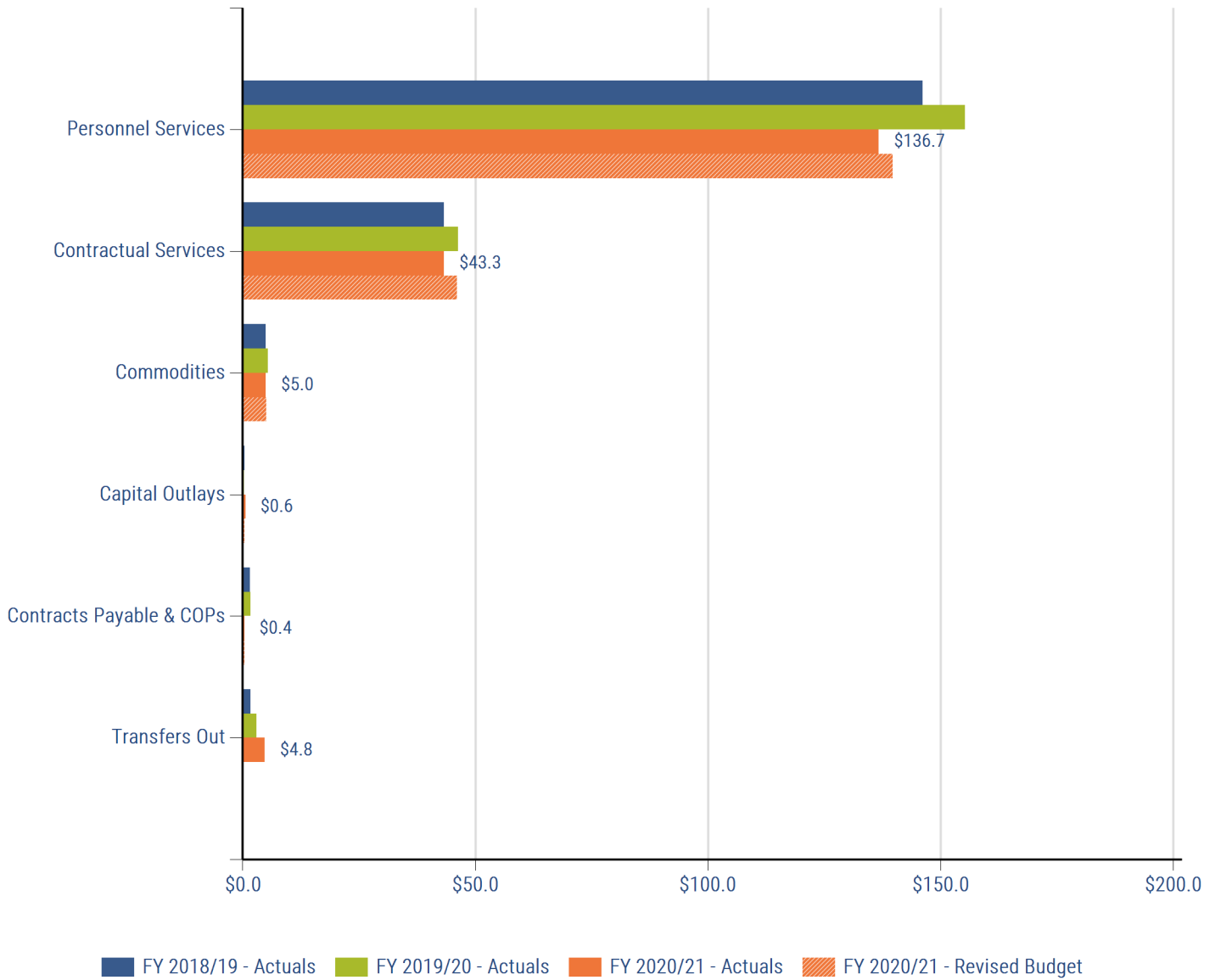


	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Actuals</u>	FY 2020/21 <u>Revised Budget</u>
Personnel Services	\$198.9	\$191.8	\$198.9
Contractual Services	57.4	59.6	61.1
Commodities	8.3	8.1	8.3
Capital Outlays	1.0	1.5	0.5
Contracts Payable & COPs	2.9	2.9	0.4
Transfers Out	25.8	29.4	19.7
Total Uses	\$294.3	\$293.2	\$288.8

*Includes budgeted vacancy savings net of Leave Accrual Payouts, Utilities, Fleet Replacement, Fleet Maintenance and Fuel costs.



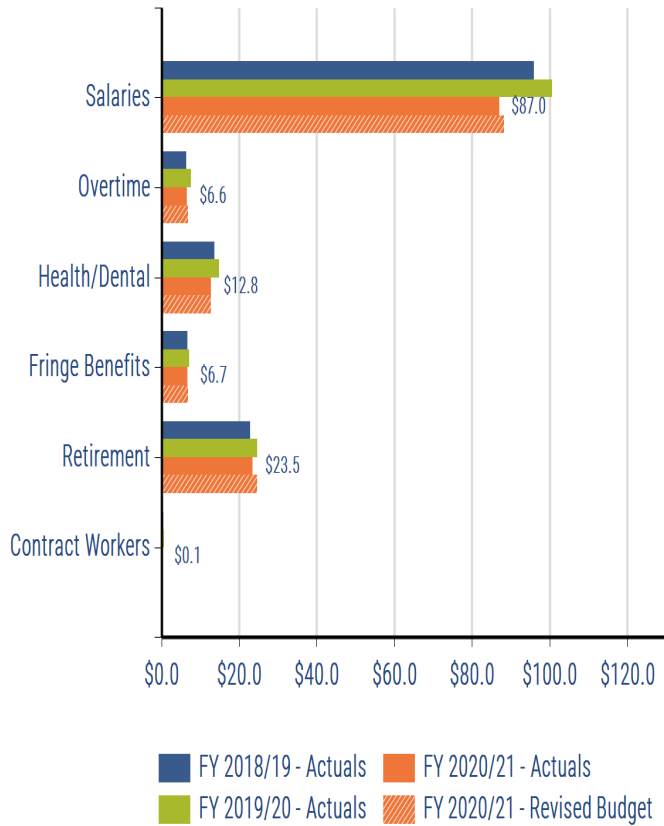
Uses (Fiscal Year to Date: March 2021)



	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Personnel Services	\$146.2	\$155.3	\$136.7	\$139.8	\$3.0	2%
Contractual Services	43.3	46.4	43.3	46.1	2.8	6%
Commodities	5.0	5.5	5.0	5.1	0.2	3%
Capital Outlays	0.4	0.3	0.6	0.5	(0.1)	(28%)
Contracts Payable & COPs	1.6	1.6	0.4	0.4	-	-
Transfers Out	1.7	2.9	4.8	-	(4.8)	n/a
Total Uses	\$198.2	\$212.0	\$190.7	\$191.8	\$1.1	1%



Personnel Services (Fiscal Year to Date: March 2021)



Actual to Revised Budget variance of \$3.0 million or 2%: Salaries is favorable due to rank promotions with replacement employees coming in at a lower rate than the person who was promoted and less than estimated other compensations such as specialty pay and translator pay for Public Safety – Fire. The favorable variance would have been greater, but is being partially offset by a greater number of part time hours needed to staff the opening of recreation facilities, learn to swim and other community programs than what was originally expected and the use of emergency sick leave due to the COVID-19 pandemic. Overtime is favorable primarily due to several special events requiring overtime support being canceled or rescheduled due to COVID-19 including a smaller footprint for Spring Training resulting in the need for less overtime personnel. The favorable variance would have been greater but is being partially offset by 19 firefighters being out of work due to workers comp, off duty injury and Family Medical Leave Act (FMLA). It is also due to covering apparatuses while the wildland fire team prepared for the fire season which was worse than usual due to the dry conditions experienced earlier in the fiscal year. Finally, the offset is due to the decision to pay holiday pay for city recognized and actual holidays when they fall on two different days and the use of overtime for special investigations and detective casework. Retirement is favorable due to overall Public Safety Personnel Retirement System (PSPRS) expenses being lower than estimated as a result of replacement employees coming in at a lower rate than the person who was promoted or retired.

	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Salaries	\$96.0	\$100.6	\$87.0	\$88.3	\$1.3	1%
Overtime	6.4	7.6	6.6	6.9	0.3	5%
Health/Dental	13.7	14.8	12.8	12.8	-	-
Fringe Benefits	6.7	7.2	6.7	6.8	0.2	2%
Retirement	22.9	24.6	23.5	24.7	1.2	5%
Contract Workers	0.5	0.6	0.1	0.1	-	-
Personnel Services Total	\$146.2	\$155.3	\$136.7	\$139.8	\$3.0	2%



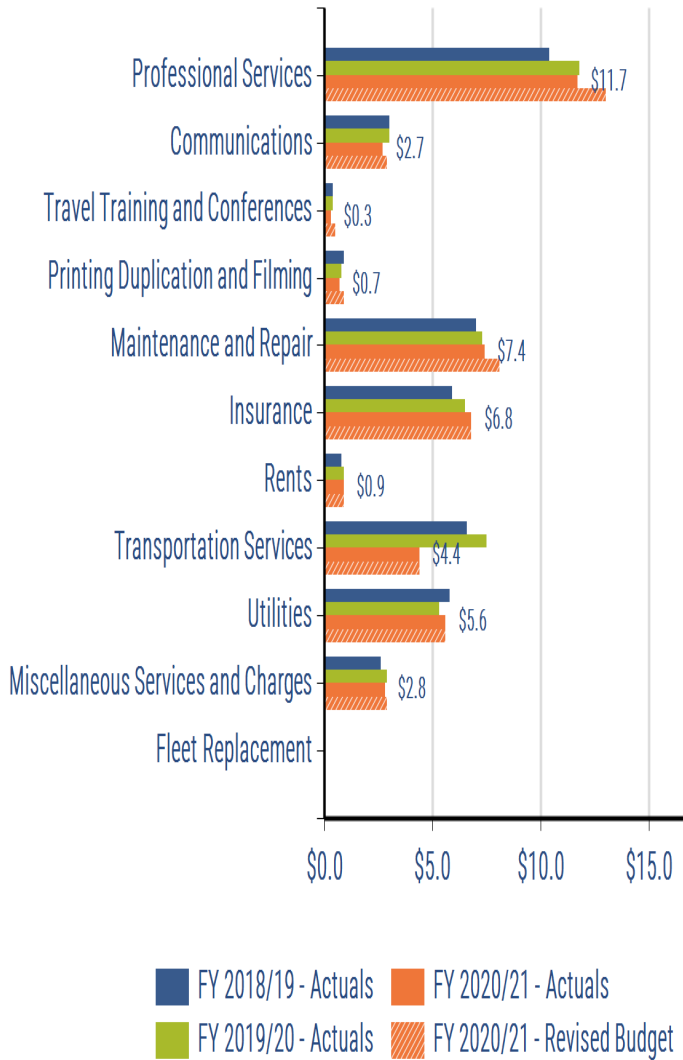
Personnel Services Macro Adjustments

	FY 2020/21 Adopted Budget	FY 2020/21 Year-To-Date	
		Saved/(Used)	Remaining
Vacancy Savings	(4.0)	4.2	-
Medical Leave Payouts	1.2	(1.1)	0.1
Vacation Leave Payouts	0.7	(0.7)	-
PSPRS DROP Savings	-	0.2	0.2
Personnel Services Macro Adjustments Total	(\$2.1)	\$2.6	\$0.3

Total Saved/(Used) YTD of \$2.6 million: The city has achieved \$4.2 million in vacancy savings and \$0.2 million in PSPRS DROP savings year-to-date year-to-date offset by (\$1.8) million in vacation and medical leave payouts.



Contractual Services (Fiscal Year to Date: March 2021)



Actual to Revised Budget variance of \$2.8 million or 6%: Professional Services is favorable primarily due to savings in Leisure Education and Adult Sports as a result of lower operating costs due to facility closures and program cancellations related to the COVID-19 pandemic, fewer offenders arrested and sent to Maricopa County Jail in an attempt to mitigate the spread of COVID-19, fewer successful dispositions from Photo Enforcement and some radar sites being down. It is also due to lower-than-expected banking services charges, contracted services due to the pandemic and the timing of invoices and contract charges. Travel Training and Conferences is favorable due to the virtualization or cancellation of conferences and trainings due to the COVID-19 pandemic. The favorable variance is partially offset by unexpected costs to send six Public Safety - Fire recruits to attend the academy and attend paramedic training. Printing Duplication and Filming is favorable due to several divisions spending less on printing promotional and informational materials than anticipated as a result of the COVID-19 pandemic. Maintenance and Repair is favorable mainly due to the timing in receiving and processing software, license and other invoices, as well as one-time savings in equipment maintenance. It is also due to delays in and the scaling down of projects in the Public Works Division due to material backorders, scheduling concerns and COVID project prioritization and lower building maintenance costs due to lower use. The favorable variance would have been greater but is being partially offset by the unbudgeted purchase of software in Public Safety – Police to assist with civil unrest activity; the timing of other software maintenance and licensing; the unexpected need for on-call service technicians to assist with secure access control and closed caption television (CCTV) maintenance; and the timing of tree pruning and court resurfacing projects. Rents is favorable due to the timing of invoices.

	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Professional Services	\$10.4	\$11.8	\$11.7	\$13.0	\$1.3	10%
Communications	3.0	3.0	2.7	2.9	0.1	4%
Travel Training and Conferences	0.4	0.4	0.3	0.5	0.3	54%
Printing Duplication and Filming	0.9	0.8	0.7	0.9	0.2	26%
Maintenance and Repair	7.0	7.3	7.4	8.1	0.7	9%
Insurance	5.9	6.5	6.8	6.8	-	-
Rents	0.8	0.9	0.9	0.9	0.1	9%
Transportation Services	6.6	7.5	4.4	4.4	-	-
Utilities	5.8	5.3	5.6	5.6	-	-
Miscellaneous Services and Charges	2.6	2.9	2.8	2.9	-	-
Fleet Replacement	-	-	-	-	-	-
Contractual Services Total	\$43.3	\$46.4	\$43.3	\$46.1	\$2.8	6%



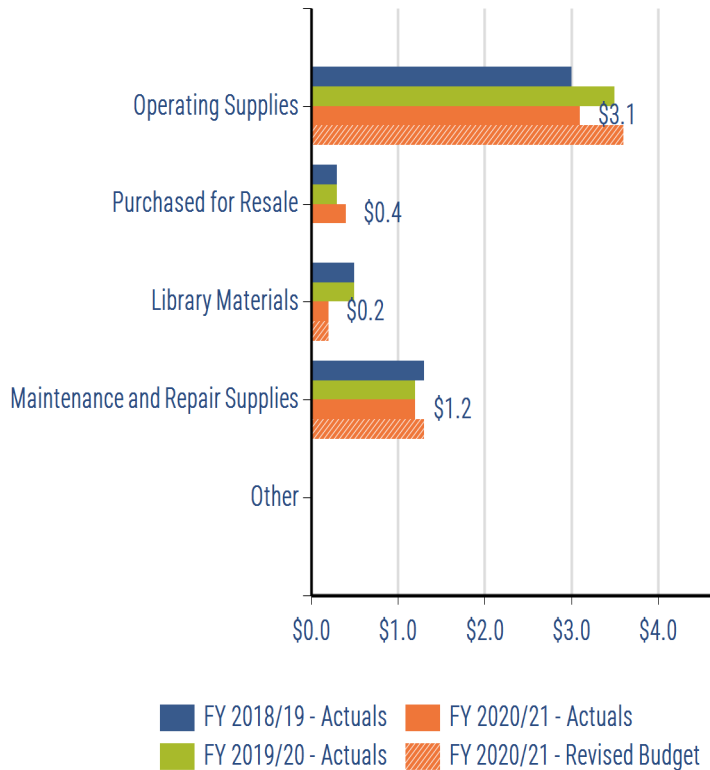
Contractual Services Macro Adjustments

	FY 2020/21	FY 2020/21	
	Adopted Budget	Used	Remaining
Fleet Replacement	\$1.7	(\$1.7)	\$ -
Fuel and Maint and Repair	4.5	(3.1)	1.4
Utilities	8.6	(5.6)	3.0
Contractual Services Macro Adjustments Total	\$14.8	(\$10.4)	\$4.4

Total Saved/(Used) YTD of (\$10.4) million: Fleet Replacement, Fuel and Maint and Repair, and Utilities are budgeted on a macro level. Budgeting on a macro level is a tool used by the Budget Department to more accurately track how expenses are occurring by each Division. Fleet Replacement is on target. Fuel is trending favorably due to lower than expected fuel prices and Maint and Repair is trending unfavorably due to higher than expected rates of accidents, major repairs, and upfitting of vehicles. Utilities is trending favorably due to the timing of invoices and lower than expected electric expenses.



Commodities (Fiscal Year to Date: March 2021)

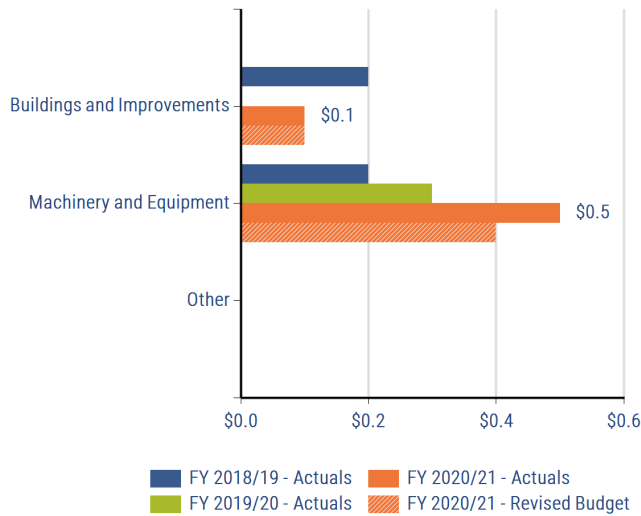


Actual to Revised Budget variance of \$0.2 million or 3%: Operating Supplies is favorable due to delays in purchasing fire truck supplies, furniture, small equipment, office supplies, and other items. It is also due to reduced costs for food at the detention facility due to fewer prisoners being housed there and the lower expected need to purchase operating equipment, education, recreation, and agricultural supplies. The favorable variance would have been greater but is being partially offset by unexpected supplies needed because Facilities staff moved from one floor to another at North Corp Yard to accommodate Public Safety - Fire personnel, the timing of invoices, the timing of ammunition purchases by Public Safety - Police, and higher-than-expected costs for pool and fountain chemicals. Purchased for Resale is unfavorable due to the AZ Fall Championship show doubling in size because of the cancellation of the same event in another state as well as shavings, grains and other event supplies purchased ahead of projections. Maintenance and Repair Supplies is favorable due to fewer maintenance and repair materials needed in the Public Works Division as a result of delays in projects. The favorable variance would have been greater but is being partially offset by the timing of the purchase of irrigation supplies.

	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	vs. Budget Percent
Operating Supplies	\$3.0	\$3.5	\$3.1	\$3.6	\$0.5	13%
Purchased for Resale	0.3	0.3	0.4	-	(0.4)	nm
Library Materials	0.5	0.5	0.2	0.2	-	-
Maintenance and Repair Supplies	1.3	1.2	1.2	1.3	0.1	10%
Other	-	-	-	-	-	-
Commodities Total	\$5.0	\$5.5	\$5.0	\$5.1	\$0.2	3%



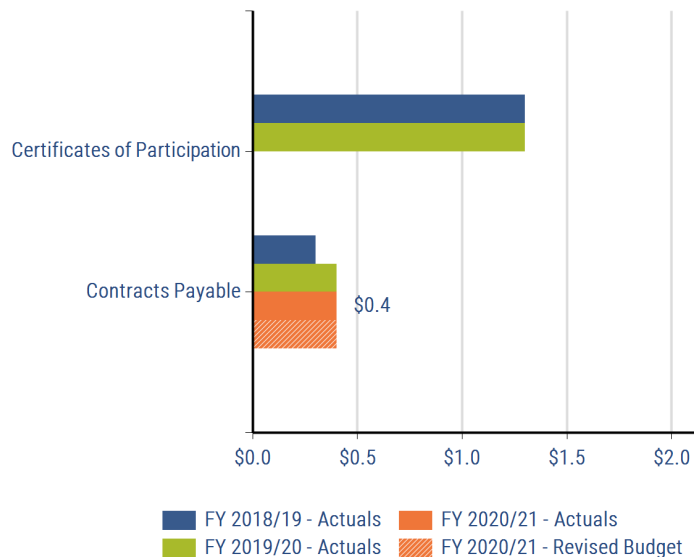
Capital Outlays (Fiscal Year to Date: March 2021)



Actual to Revised Budget variance of (\$0.1) million or (28%): Machinery and Equipment is unfavorable due to the unbudgeted but necessary purchase of computer and radio equipment by Public Safety- Fire.

	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$0.2	\$ -	\$0.1	\$0.1	\$ -	-
Machinery and Equipment	0.2	0.3	0.5	0.4	(0.1)	(27%)
Other	-	-	-	-	-	-
Capital Outlays Total	\$0.4	\$0.3	\$0.6	\$0.5	(\$0.1)	(28%)

Contracts Payable & COPs (Fiscal Year to Date: March 2021)

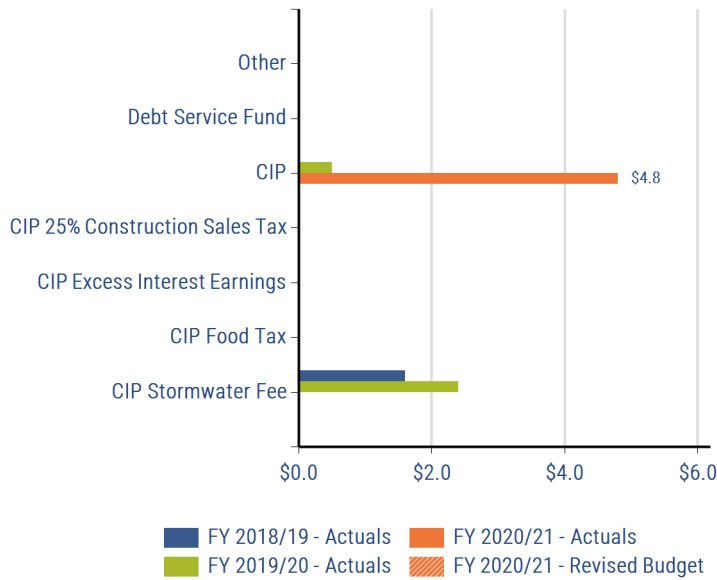


Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.

	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$1.3	\$1.3	\$ -	\$ -	\$ -	-
Contracts Payable	\$0.3	\$0.4	\$0.4	\$0.4	\$ -	-
Contracts Payable & COPs Total	\$1.6	\$1.6	\$0.4	\$0.4	\$ -	-



Transfers Out (Fiscal Year to Date: March 2021)

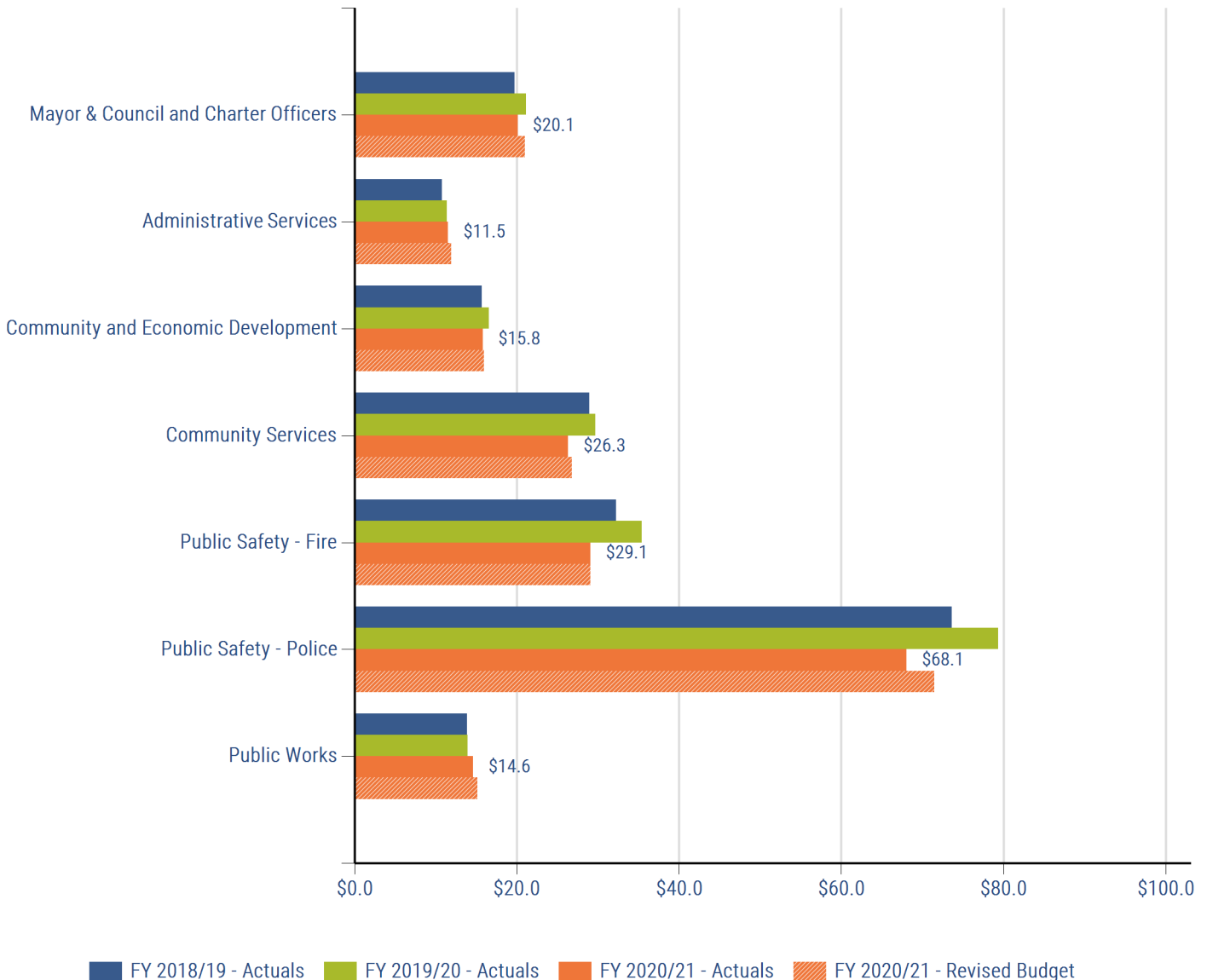


Actual to Revised Budget variance of (\$4.8) million or 0%: CIP is unfavorable due to a transfer related to the purchase of land from the Arizona State Land Department for the WestWorld Main Access and Master Plan project approved by City Council at the December 1st, 2020 meeting.

	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Other	\$ -	\$ -	\$ -	\$ -	\$ -	-
Debt Service Fund	-	-	-	-	-	-
CIP	-	0.5	4.8	-	(4.8)	n/a
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
CIP Stormwater Fee	1.6	2.4	-	-	-	-
Transfers Out Total	\$1.7	\$2.9	\$4.8	\$0.0	(\$4.8)	n/a



Division Expenditures (Fiscal Year to Date: March 2021)



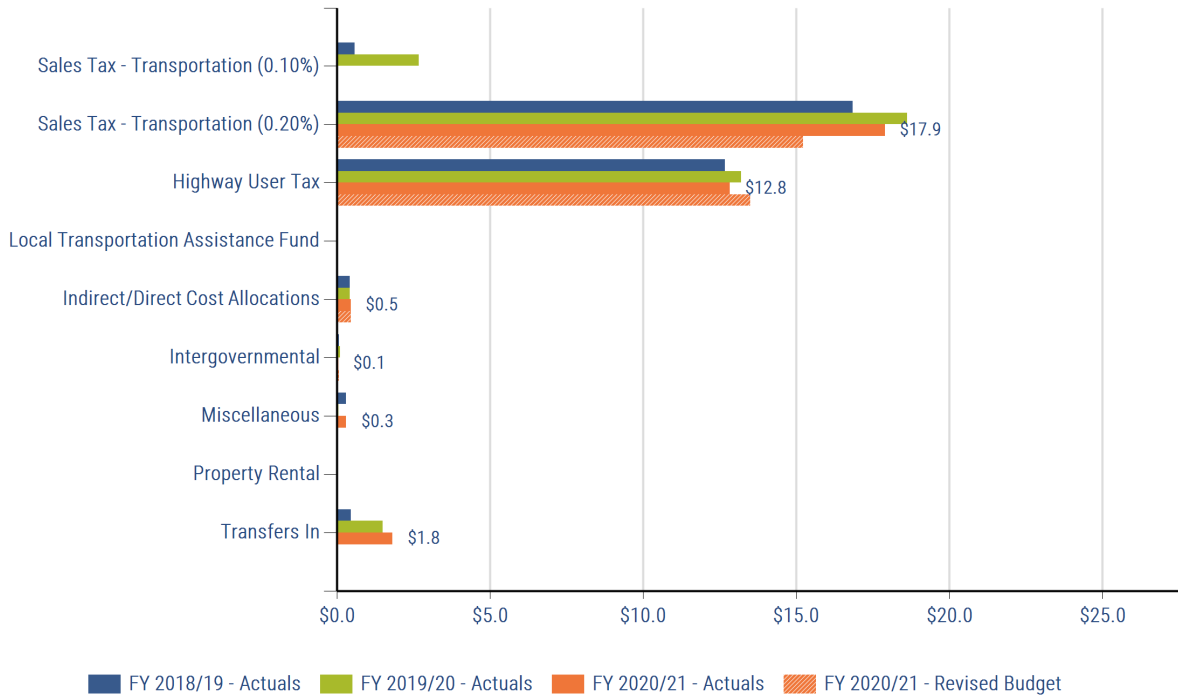
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/21	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$19.7	\$21.2	\$20.1	\$21.0	\$0.9	4%
Administrative Services	10.8	11.4	11.5	11.9	0.4	3%
Community and Economic Development	15.7	16.5	15.8	16.0	0.1	1%
Community Services	28.9	29.7	26.3	26.8	0.5	2%
Public Safety - Fire	32.3	35.4	29.1	29.0	-	-
Public Safety - Police	73.6	79.3	68.1	71.4	3.4	5%
Public Works	13.9	13.9	14.6	15.2	0.6	4%
Total	\$194.9	\$207.4	\$185.6	\$191.4	\$5.8	3%



Actual to Revised Budget variance of \$5.8 million or 3%: Mayor & Council and Charter Officers is favorable due to the timing of purchases, lower-than-expected banking services charges and less postage, shipping, printing and graphic costs in the City Treasurer Division as a result of events being canceled due to COVID-19. It is also due to fewer consultant and other professional services needs than expected in the City Manager's Division, the new City Clerk starting at a lower salary than his predecessor and lower legal services charges to other divisions from the City Attorney Division. Administrative Services is favorable due to timing in receiving and processing software and license invoices, as well as one-time savings in equipment maintenance. Community Services is showing a small favorable variance. However, there is actually a larger favorable variance due primarily to the timing of software maintenance, WestWorld promotional material and other invoices, and lower printing and graphic costs related to less promotional material being sent out due to the COVID-19 pandemic. It is also due to delays in and the lower than expected need to purchase library, education, agricultural and recreation supplies based on usage rates; savings in grants and subsidies due to allocations to non-profit agencies varying based on qualifications and need; and new full-time staff being brought on at lower starting salaries than the employees they are replacing. The favorable variance is being almost completely offset by part-time employees' hours needed based on the ebb and flow of the COVID-19 pandemic as facilities are opening at a higher rate than what was expected during budget development. It is also due to the purchase of inventory for resale at WestWorld for the AZ Fall Championship show that was doubled in size because of the cancellation of the same event in another state, the timing of purchases and higher than expected costs for pool and fountain chemicals. Public Safety – Fire is showing a net zero variance. However there is actually a large favorable variance being almost completely offset by a large unfavorable variance. The favorable variance is due primarily to the timing of medical exams for firefighters and invoices; and delays in purchasing fire truck supplies, furniture, small equipment and other items. It is also due to less than estimated other compensations such as specialty pay and rank promotions with replacement employees coming in at a lower rate than the person who was promoted. Finally it is due to the use of emergency sick leave due to the COVID-19 pandemic which is off-setting the charges to Full-Time Wages. The offsetting unfavorable variance is primarily due to 19 firefighters out of work due to workers comp, off duty injury and FMLA. It is also due to overtime needed for covering apparatuses while the wildland fire team prepared for the fire season which was worse than usual due to the dry conditions experienced earlier in the fiscal year; unexpected costs to send six recruits to attend the academy and attend paramedic training; and the unexpected, but necessary purchase of computer and radio equipment. Public Safety – Police is favorable primarily due to rank promotions with replacement employees coming in at a lower rate than the person who was promoted, lower Jail Services contract costs as a result of fewer offenders being arrested and sent to Maricopa County Jail in an attempt to mitigate the spread of COVID-19 and less food needing to be purchased to feed those offenders. It is also due to fewer Photo Enforcement dispositions, some photo radar sites being down as well as several special events requiring overtime support being cancelled or reduced due to COVID-19 including a smaller footprint for Spring Training resulting in the need for less overtime personnel. Finally, it is due to the timing of invoices and overall PSPRS expenses being lower than estimated as a result of replacement employees coming in at a lower rate than the person who was promoted or retired. The favorable variance would have been greater but is being partially offset by unexpected software costs to assist with potential civil unrest activities; and higher than expected overtime worked during the holidays for details, detective casework, and civil unrest possibilities. It is also due to a decision to pay holiday pay for city recognized and actual holidays when they fall on two different days. Finally, it is due to invoice timing, and an unexpected need for on-call service technicians to assist with secure access control and closed caption television (CCTV) maintenance. Public Works is favorable due to charging hours for those who work on COVID-19 related projects to the AZCares Fund, scaled down projects; delays and rescheduling of projects due to the prioritization of COVID-19 related projects; and lower maintenance costs due to less usage at many locations. The favorable variance would have been greater but is being partially offset by unexpected supplies needed to accommodate Facilities staff who moved from one floor to another at North Corp Yard to accommodate Public Safety - Fire personnel.



Sources (Fiscal Year to Date: March 2021)

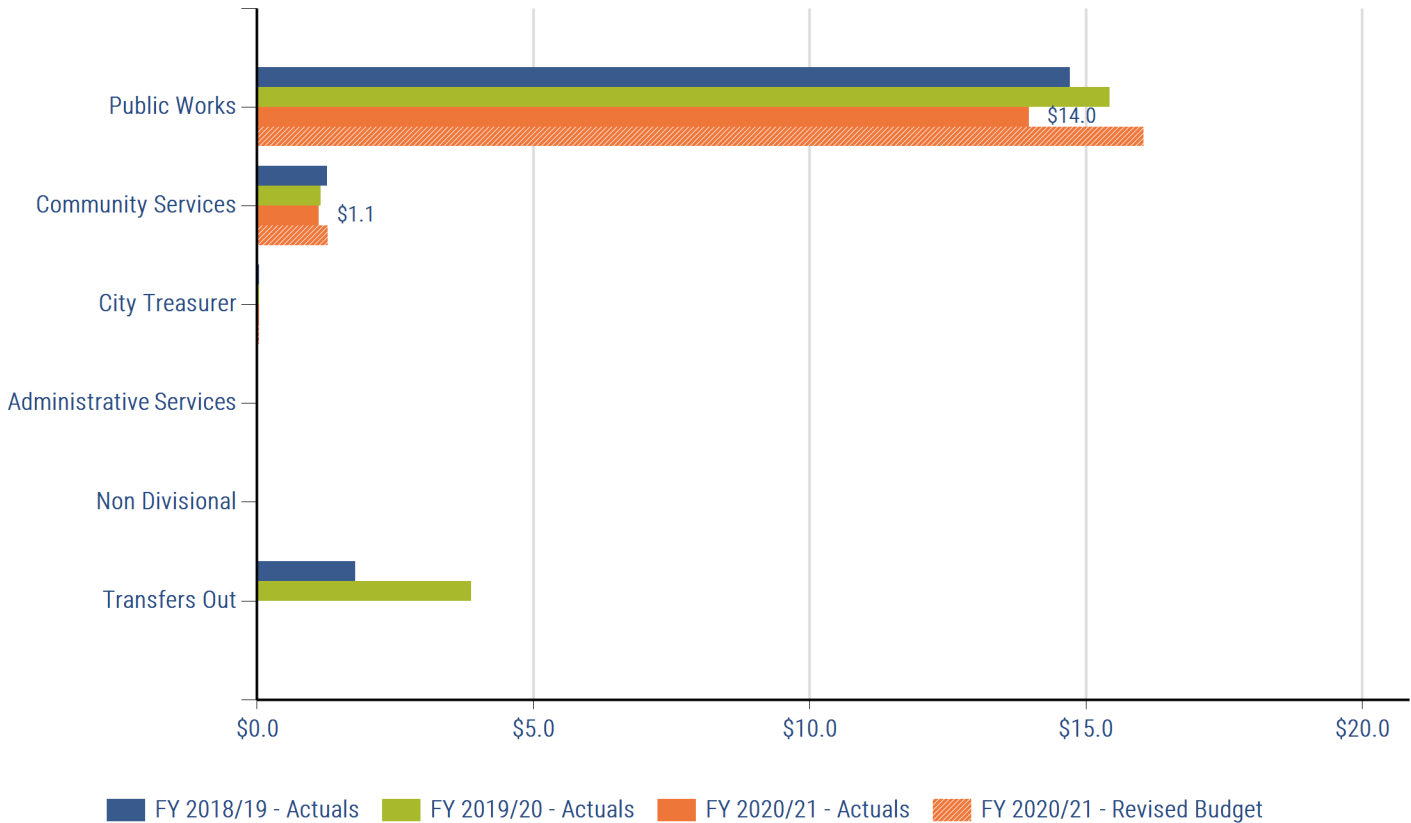


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax - Transportation (0.10%)	\$0.6	\$2.7	\$ -	\$ -	\$ -	-
Sales Tax - Transportation (0.20%)	\$16.8	\$18.6	\$17.9	\$15.2	\$2.7	18%
Highway User Tax	12.7	13.2	12.8	13.5	(0.7)	(5%)
Local Transportation Assistance Fund	-	-	-	-	-	-
Indirect/Direct Cost Allocations	0.4	0.4	0.5	0.5	-	-
Intergovernmental	0.1	0.1	0.1	0.1	-	-
Miscellaneous	0.3	0.1	0.3	-	0.3	nm
Property Rental	-	-	-	-	-	-
Transfers In	0.5	1.5	1.8	-	1.8	n/a
Total Sources	\$31.3	\$36.6	\$33.4	\$29.3	\$4.1	14%

Actual to Revised Budget variance of \$4.1 million or 14%: The favorable variance in Sales Tax - Transportation (0.20%) is the result of better than expected revenue from automotive, construction, dining/entertainment, hotel/motel, miscellaneous, retail stores and other activity. The unfavorable variance in the Highway User Tax is due to the reduced amount of vehicular traffic that was on city streets during the peak of the pandemic. Components of this this tax include gasoline and use-fuel taxes, motor-carrier taxes, vehicle-license taxes, motor vehicle registration fees, and other miscellaneous fees. The favorable variance in Miscellaneous is the result of a Regional Public Transportation Authority (RPTA) Alternative Transportation (RideChoice) refund to the City of Scottsdale for FY 2019/20 received in FY 2020/21. The refund was primarily due to lower passenger demand than planned. The favorable variance in Transfers In is the result of an Arizona State Land Department reimbursement related to the roadway segment of the Hayden Rd.-Union Hills Dr. to Pima Freeway (SR101) project. These funds will be used towards the reimbursement to Axon for public infrastructure costs once all performance requirements are met.



Uses (Fiscal Year to Date: March 2021)

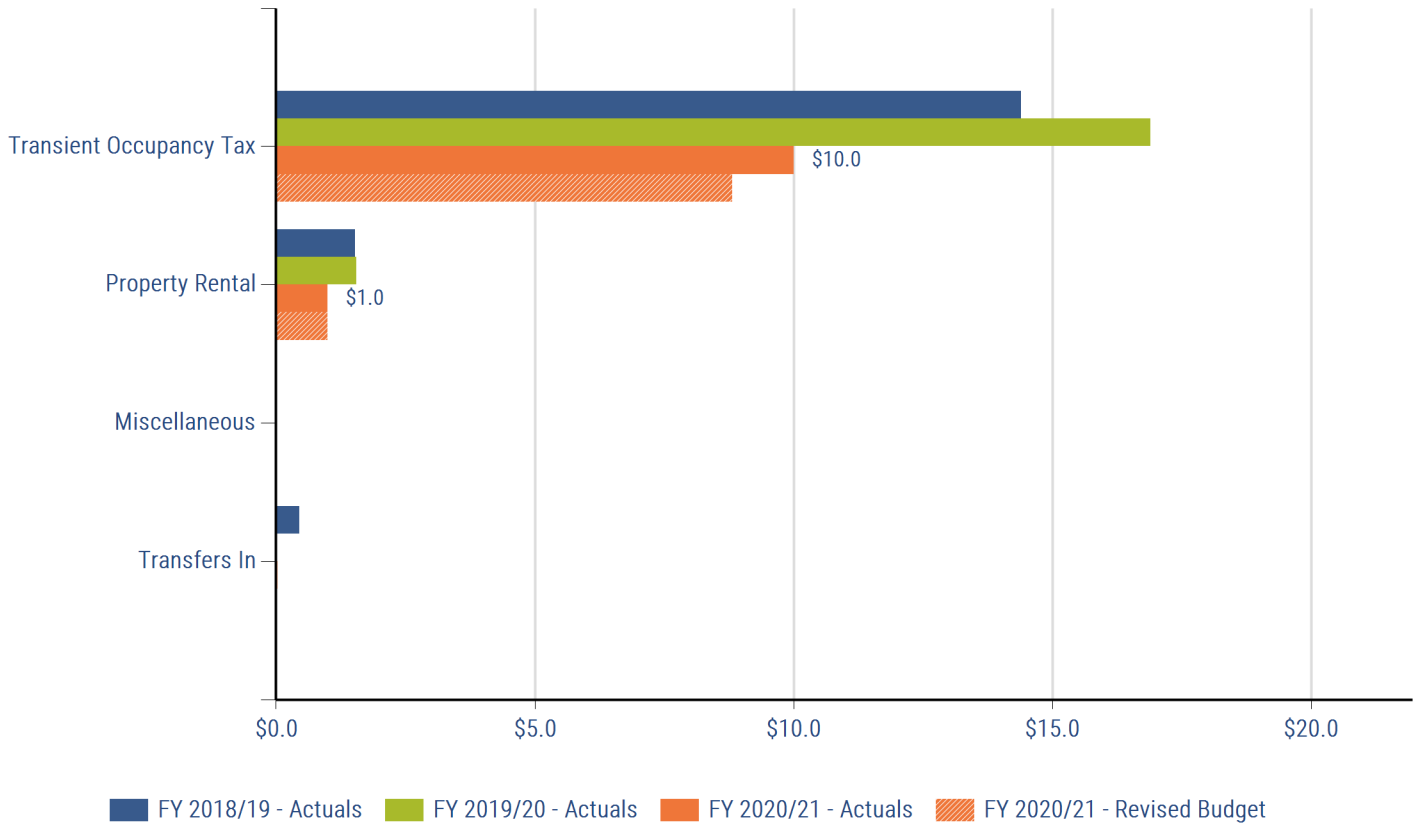


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$14.7	\$15.4	\$14.0	\$16.0	\$2.1	13%
Community Services	1.3	1.2	1.1	1.3	0.2	12%
City Treasurer	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-
Non Divisional	-	-	-	-	-	n/a
Transfers Out	1.8	3.9	-	-	-	-
Total Uses	\$17.8	\$20.5	\$15.2	\$17.4	\$2.2	13%

Actual to Revised Budget variance of \$2.2 million or 13%: The favorable variance in Public Works is primarily the result of one trolley route not in operation; the delay in the Multi-Use Path relamping project; and lower participation in the taxi voucher program due to COVID-19. It is also due to invoice timing of consultant services; pavement survey and street overlay expenses; and a quieter monsoon season which resulted in less storm clean-up. The favorable variance in Community Services is the result of lower median maintenance and landscaping costs than originally expected.



Sources (Fiscal Year to Date: March 2021)

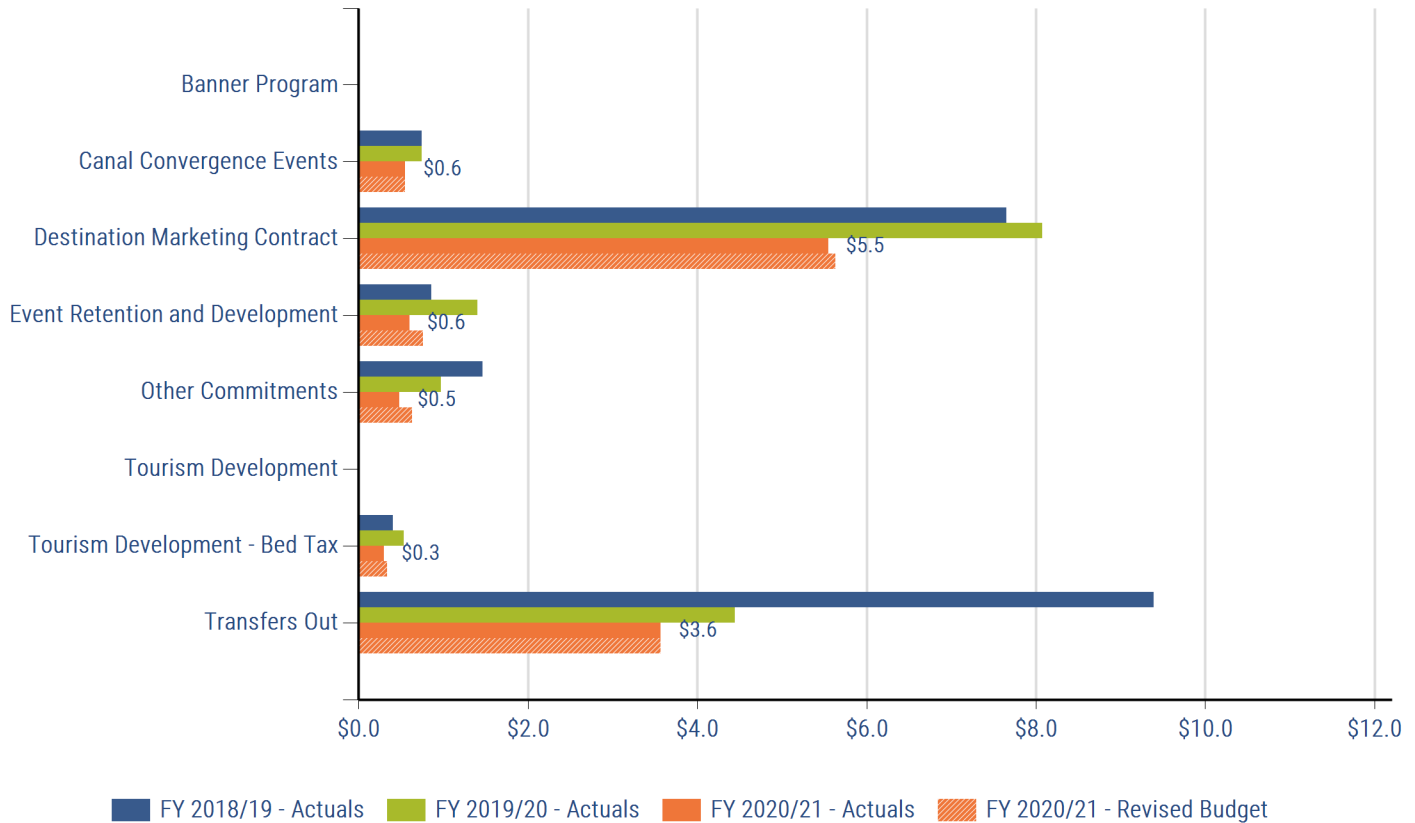


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Transient Occupancy Tax	\$14.4	\$16.9	\$10.0	\$8.8	\$1.2	13%
Property Rental	1.5	1.5	1.0	1.0	-	-
Miscellaneous	-	-	-	-	-	-
Transfers In	0.5	-	-	-	-	-
Total Sources	\$16.4	\$18.4	\$11.0	\$9.8	\$1.2	13%

Actual to Revised Budget variance of \$1.2 million or 13%: Favorable variance in Transient Occupancy Tax is due to higher than anticipated Transient Occupancy Tax (Bed Tax) collections mostly driven by non-hotel collections (i.e. on-line lodging, hotel alternatives) and the upward trend in the average daily rate.



Uses (Fiscal Year to Date: March 2021)

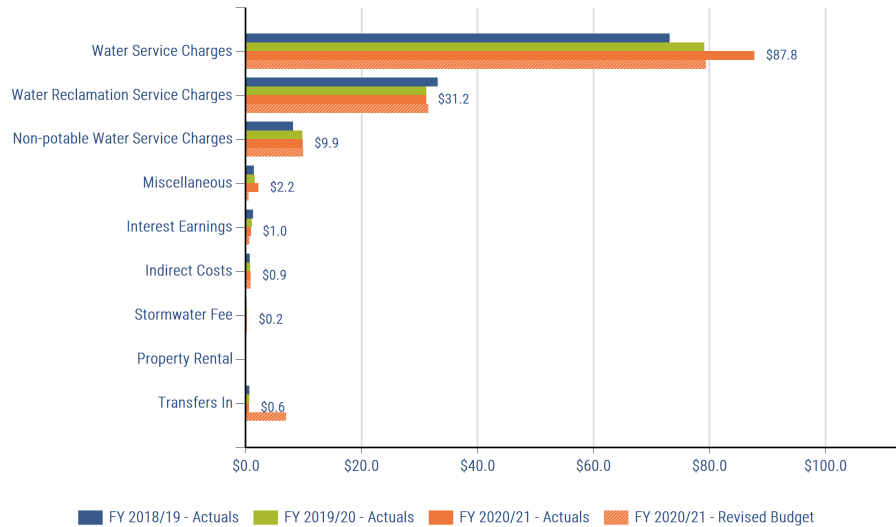


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Banner Program	\$ -	\$ -	\$ -	\$ -	\$ -	-
Canal Convergence Events	0.8	0.8	0.6	0.6	-	-
Destination Marketing Contract	7.7	8.1	5.5	5.6	0.1	2%
Event Retention and Development	0.9	1.4	0.6	0.8	0.2	21%
Other Commitments	1.5	1.0	0.5	0.6	0.2	24%
Tourism Development	-	-	-	-	-	-
Tourism Development - Bed Tax	0.4	0.5	0.3	0.3	-	-
Transfers Out	9.4	4.4	3.6	3.6	-	-
Total Uses	\$20.5	\$16.2	\$11.1	\$11.5	\$0.4	4%

Actual to Revised Budget variance of \$0.4 million or 4% The favorable variance in Event Retention and Development is due to the unpredictability of timing of reimbursement requests from event producers. The favorable variance in Other Commitments is mostly due to timing of invoices and to not needing rentals for events as a result of the pandemic.



Sources (Fiscal Year to Date: March 2021)

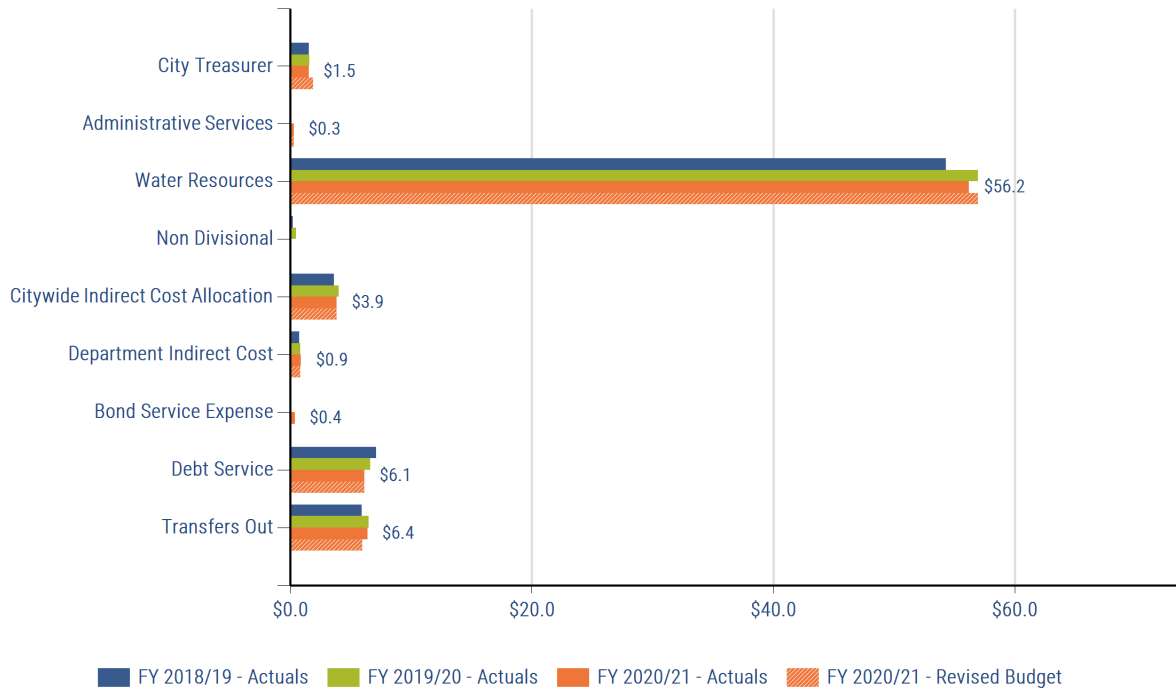


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Water Service Charges	\$73.1	\$79.1	\$87.8	\$79.4	\$8.4	11%
Water Reclamation Service Charges	33.2	31.1	31.2	31.5	(0.3)	(1%)
Non-potable Water Service Charges	8.2	9.8	9.9	10.0	(0.1)	(1%)
Miscellaneous	1.5	1.6	2.2	0.6	1.7	nm
Interest Earnings	1.3	1.1	1.0	0.7	0.3	39%
Indirect Costs	0.7	0.8	0.9	0.9	-	-
Stormwater Fee	0.2	0.2	0.2	0.3	-	-
Property Rental	-	-	-	-	-	-
Transfers In	0.7	0.7	0.6	7.0	(6.4)	(91%)
Total Sources	\$118.9	\$124.5	\$133.8	\$130.3	\$3.5	3%

Actual to Revised Budget variance of \$3.5 million or 3%: Water Service Charges is showing a favorable variance primarily due to a 9 percent increase in water sales as a result of record temperatures and little to no monsoon activity. Precipitation is down 72 percent over the prior three-year average. Miscellaneous is favorable primarily due to the settlement of a class action lawsuit relating to claims of anti-trust activity against manufacturers and sellers of aluminum sulfate. It is also due to the reimbursement of expenditures related to the rehabilitation of the Ground Water Treatment Facility which began in FY 2019/20 and has continued into FY 2020/21 and an increase in participation agreements based on development Transfers In is unfavorable due to a refunding bond effort that happened in December which will eliminate the need for the budgeted Water and Sewer Revenue Bonds and Debt Service MPC Bonds transfers to occur in FY 2020/21.



Uses (Fiscal Year to Date: March 2021)

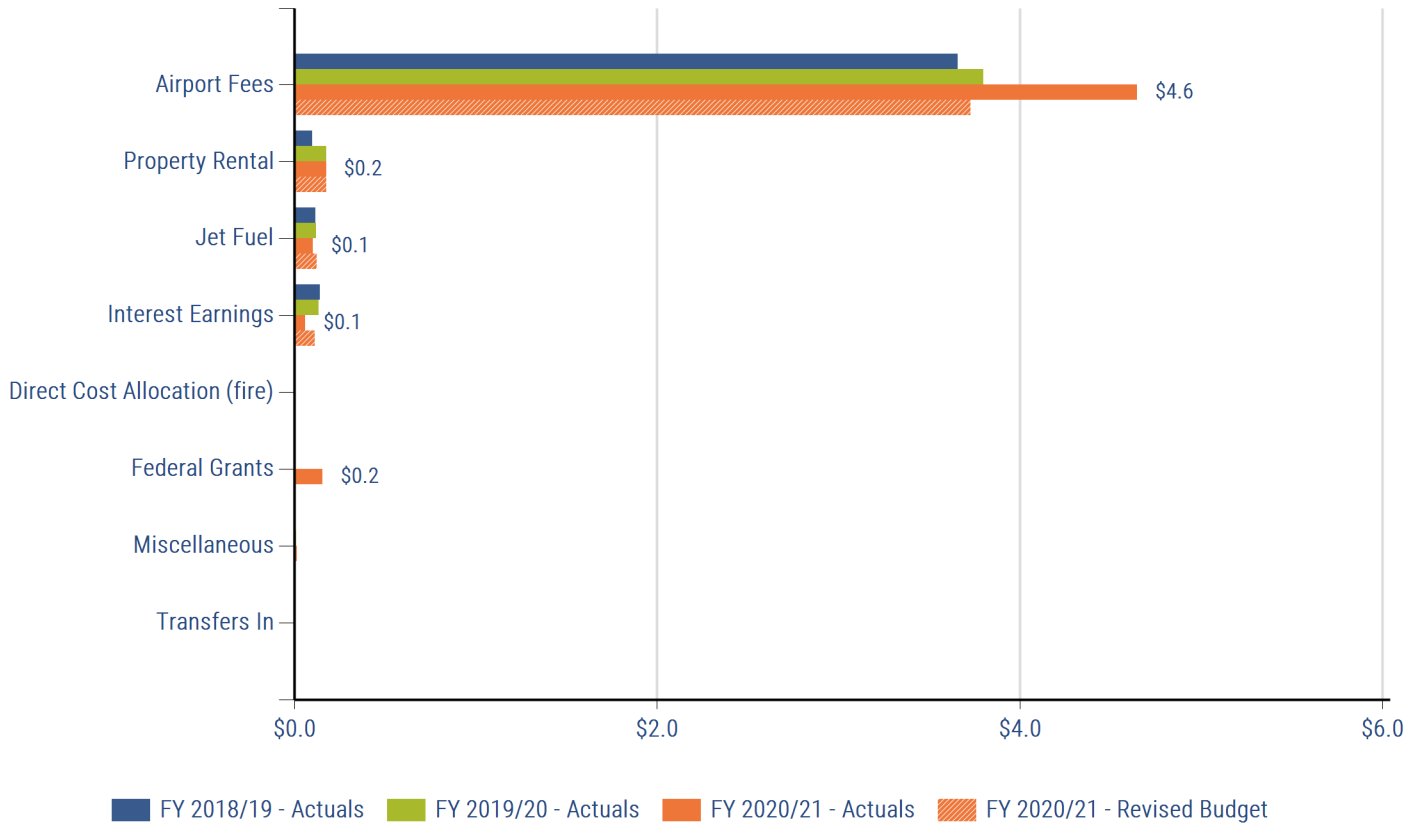


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
City Treasurer	\$1.6	\$1.6	\$1.5	\$1.9	\$0.4	19%
Administrative Services	-	-	0.3	0.3	-	-
Water Resources	54.3	56.9	56.2	56.9	0.7	1%
Non Divisional	0.2	0.5	-	-	-	-
Citywide Indirect Cost Allocation	3.6	4.0	3.9	3.8	-	-
Department Indirect Cost	0.7	0.8	0.9	0.9	-	-
Bond Service Expense	-	-	0.4	-	(0.4)	n/a
Debt Service	7.1	6.6	6.1	6.1	-	-
Transfers Out	5.9	6.5	6.4	6.0	(0.4)	(7%)
Total Uses	\$73.4	\$77.0	\$75.7	\$76.0	\$0.3	0%

Actual to Revised Budget variance of \$0.3 million or 0%: City Treasurer is favorable primarily due to the timing of software maintenance and licensing. The favorable variance in Water Resources is primarily due to the way Purchased Water is recovered through contractual agreements. This number will vary throughout the year based on the availability to recharge in the regional facilities. It is also due to promotions/retirements with replacement employees coming in at a lower rate than the person who they replaced, lower than expected overtime costs, lower than anticipated contract labor costs, and greater than expected Arizona Power Authority energy credits versus energy costs. The favorable variance would have been greater but is being partially offset by inaccurate budget spread related to the creation of a new account to track large valve maintenance and unexpected rehab costs related to the Central Groundwater Treatment Facility. Bond Service Expense is unfavorable due to unexpected expenses incurred due to the issuance of refunding bonds. Transfers Out is unfavorable due to higher revenue collected in the Water & Water Reclamation Fund than anticipated, which consequently affects the transfers into the General Fund. The increase is a result of greater water deliveries compared to the three-year running average.



Sources (Fiscal Year to Date: March 2021)

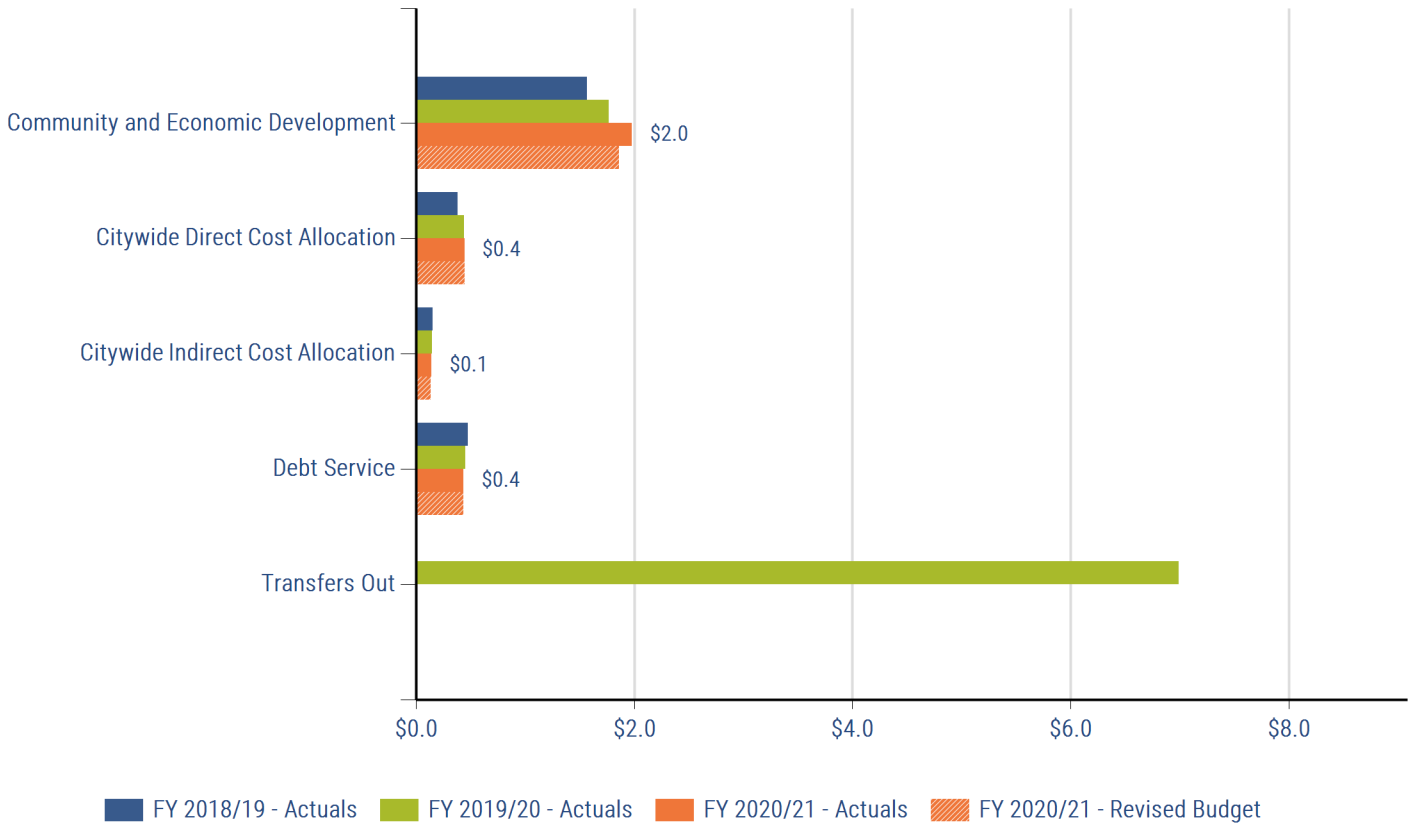


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Airport Fees	\$3.7	\$3.8	\$4.6	\$3.7	\$0.9	25%
Property Rental	0.1	0.2	0.2	0.2	-	-
Jet Fuel	0.1	0.1	0.1	0.1	-	-
Interest Earnings	0.1	0.1	0.1	0.1	(0.1)	(46%)
Direct Cost Allocation (fire)	-	-	-	-	-	-
Federal Grants	-	-	0.2	-	0.2	n/a
Miscellaneous	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$4.0	\$4.2	\$5.2	\$4.1	\$1.0	25%

Actual to Revised Budget variance of \$1.0 million or 25%: The favorable variance in Airport Fees is mainly due to higher than anticipated activity, especially in customs, which is trending about 20 percent higher than previous years. The favorable variance in Federal Grants is due to receiving an economic relief grant from the Federal Aviation Administration, which will be used to pay debt service.



Uses (Fiscal Year to Date: March 2021)

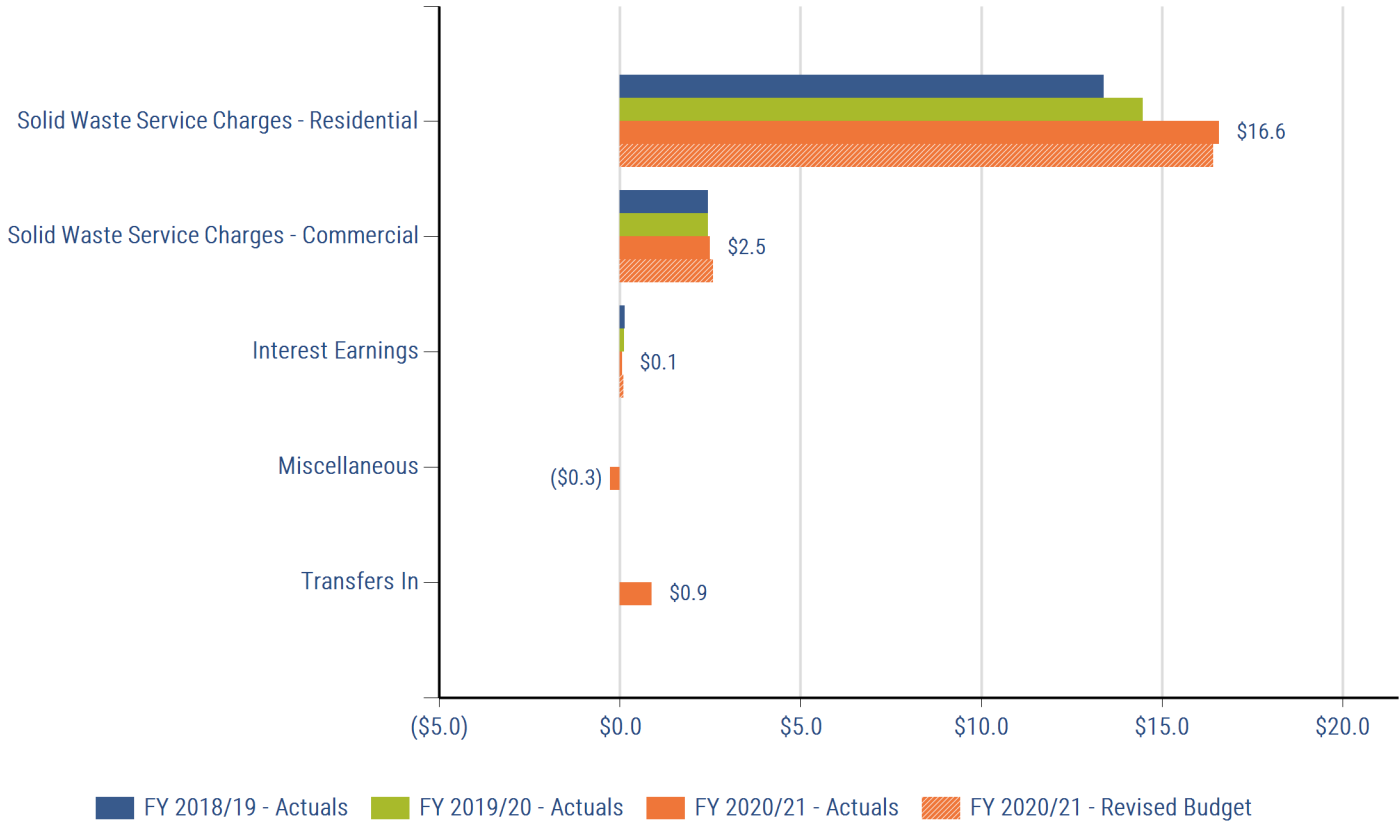


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Community and Economic Development	\$1.6	\$1.8	\$2.0	\$1.9	(\$0.1)	(6%)
Citywide Direct Cost Allocation	0.4	0.4	0.4	0.4	-	-
Citywide Indirect Cost Allocation	0.2	0.1	0.1	0.1	-	-
Debt Service	0.5	0.5	0.4	0.4	-	-
Transfers Out	-	7.0	-	-	-	-
Total Uses	\$2.6	\$9.8	\$3.0	\$2.9	(\$0.1)	(4%)

Actual to Revised Budget variance of (\$0.1) million or (4%): The unfavorable variance in Community and Economic Development is mostly due to higher than anticipated charges for the Customs and Border Patrol officers at the airport, higher than anticipated annual software maintenance expenses, and the cost of two large maintenance projects. The unfavorable variance is offset by savings from canceling or postponing training and business conferences as well as from delaying printing and graphic services for marketing materials to be used in trade shows.



Sources (Fiscal Year to Date: March 2021)

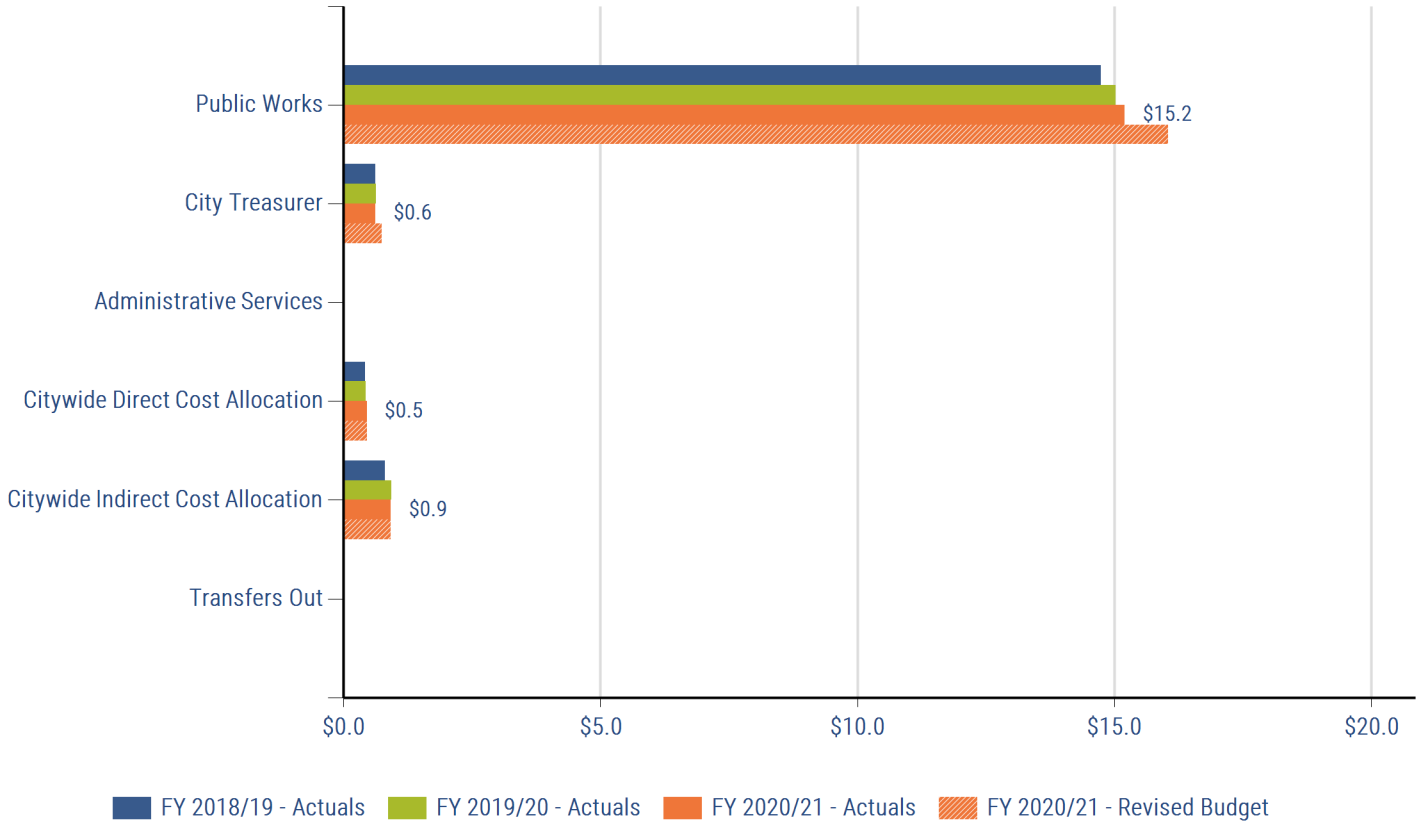


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Solid Waste Service Charges - Residential	\$13.4	\$14.5	\$16.6	\$16.4	\$0.1	1%
Solid Waste Service Charges - Commercial	2.4	2.4	2.5	2.6	(0.1)	(4%)
Interest Earnings	0.1	0.1	0.1	0.1	-	-
Miscellaneous	-	-	(0.3)	-	(0.3)	n/a
Transfers In	-	-	0.9	-	0.9	n/a
Total Sources	\$15.9	\$17.0	\$19.7	\$19.1	\$0.6	3%

Actual to Revised Budget variance of \$0.6 million or 3%: The unfavorable variance in Miscellaneous is related to a loss incurred from Solid Waste Vehicle technology auction proceeds. The favorable variance in Transfers In is related to savings transferred from CIP for the closure of the Additional Compressed Natural Gas (CNG) Station CIP project in January 2021.



Uses (Fiscal Year to Date: March 2021)

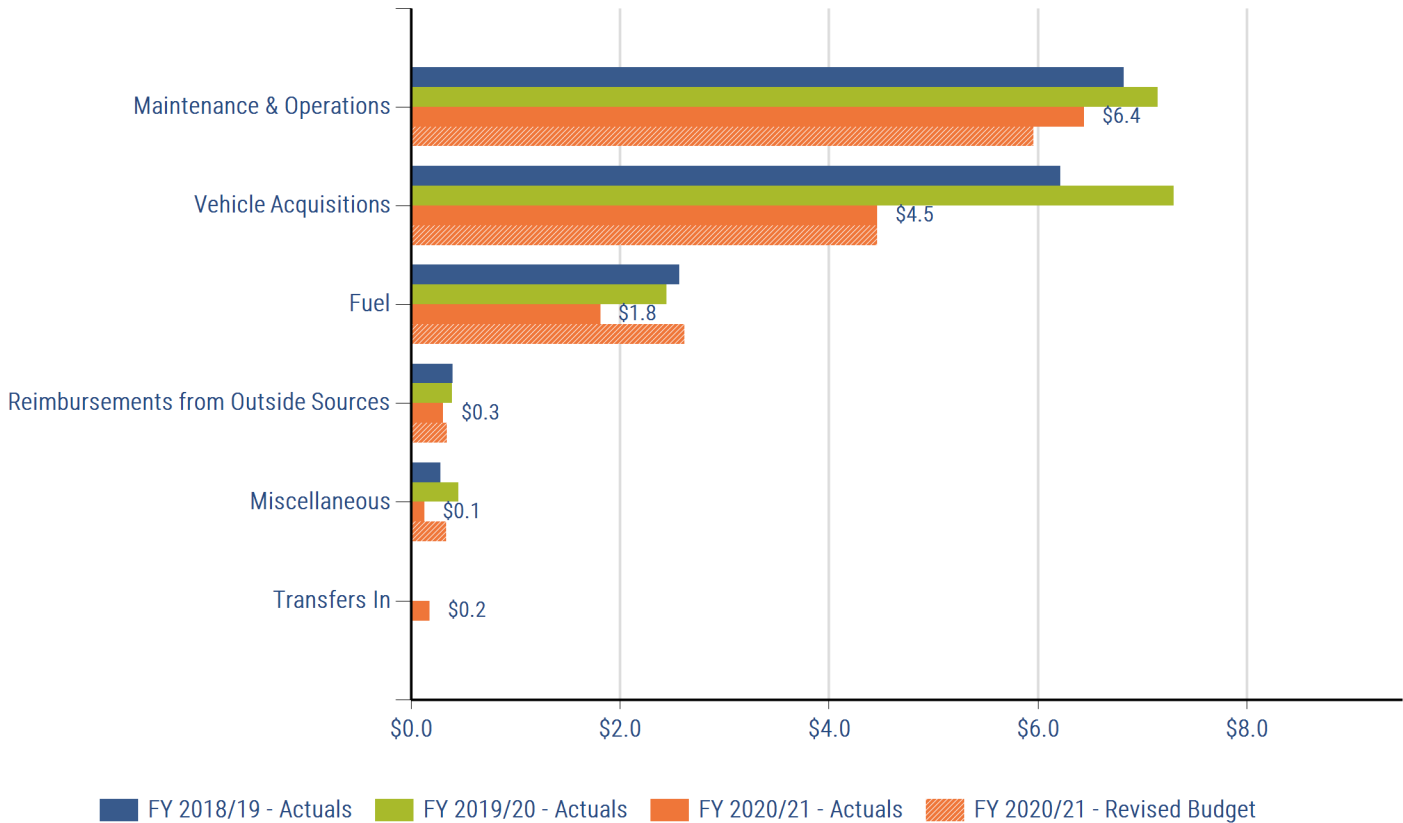


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$14.7	\$15.0	\$15.2	\$16.0	\$0.8	5%
City Treasurer	0.6	0.6	0.6	0.7	0.1	17%
Administrative Services	-	-	-	-	-	-
Citywide Direct Cost Allocation	0.4	0.4	0.5	0.5	-	-
Citywide Indirect Cost Allocation	0.8	0.9	0.9	0.9	-	-
Transfers Out	-	-	-	-	-	-
Total Uses	\$16.6	\$17.0	\$17.2	\$18.2	\$1.0	5%

Actual to Revised Budget variance of \$1.0 million or 5%: The favorable variance in Public Works is due to the lower costs associated with diverting a higher ratio of recyclable materials to the landfill as the contracted recycling vendor does not have capacity to process the city's recycling load. The favorable variance would have been greater but is being partially offset by higher than expected Landfill Contract costs due to this diversion of the recycling material as well as an increase in residential trash tonnage increasing from the stay-at-home order. The favorable variance in City Treasurer is due to lower contractual costs than anticipated.



Sources (Fiscal Year to Date: March 2021)

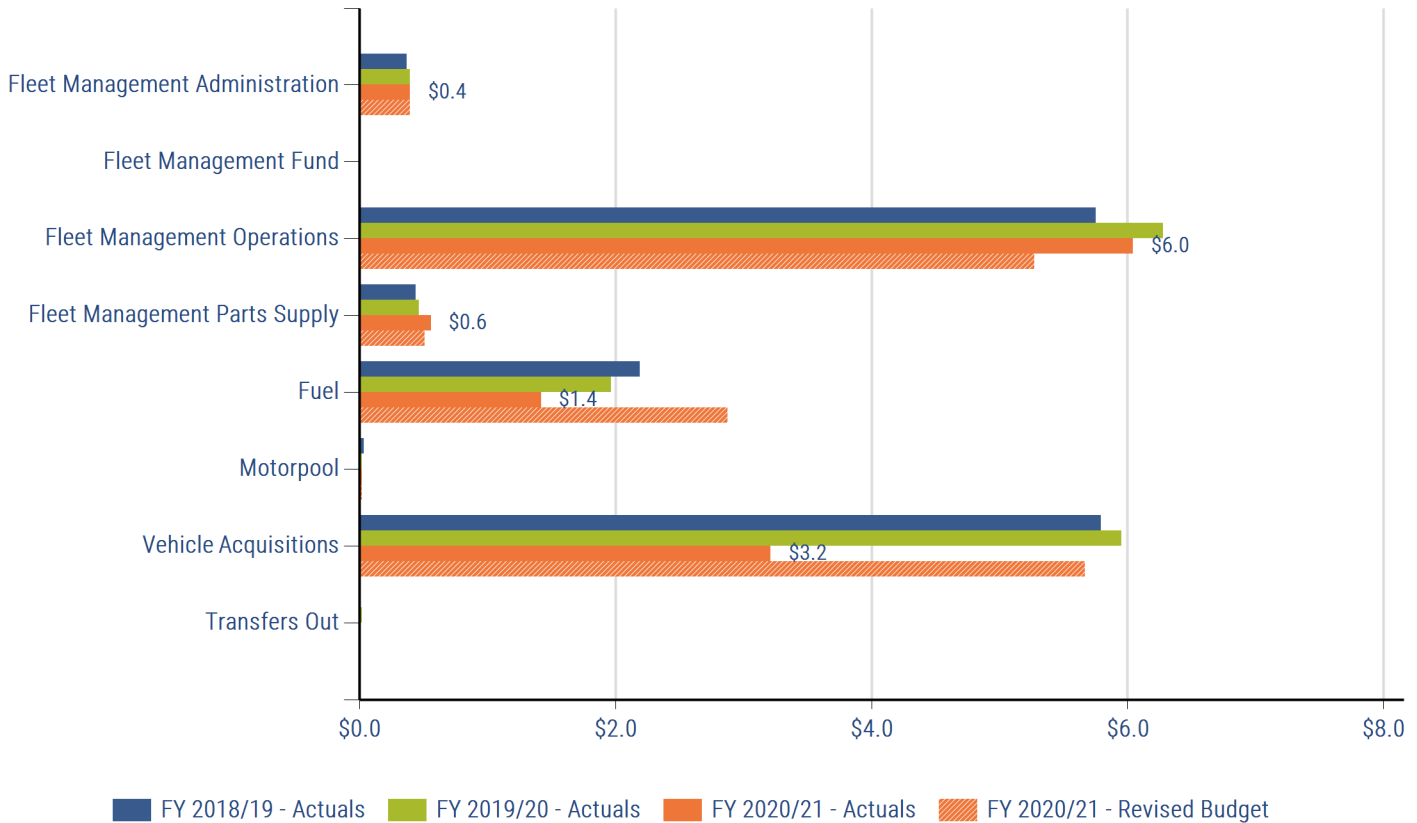


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget (Unfavorable) Percent
Maintenance & Operations	\$6.8	\$7.1	\$6.4	\$6.0	\$0.5	8%
Vehicle Acquisitions	6.2	7.3	4.5	4.5	-	-
Fuel	2.6	2.4	1.8	2.6	(0.8)	(31%)
Reimbursements from Outside Sources	0.4	0.4	0.3	0.3	-	-
Miscellaneous	0.3	0.5	0.1	0.3	(0.2)	(61%)
Transfers In	-	-	0.2	-	0.2	n/a
Total Sources	\$16.3	\$17.7	\$13.3	\$13.7	(\$0.4)	(3%)

Actual to Revised Budget variance of (\$0.4) million or (3%): The favorable variance in Maintenance & Operations is primarily due higher charges to divisions associated with the contracting out of Solid Waste vehicle and tire repair work and higher than expected vehicle maintenance and repair costs on vehicles where replacement was deferred during FY 2020/21. The unfavorable variance in Fuel is due to the lower projected fuel expenses being charged to divisions. The unfavorable in Miscellaneous is primarily due to auction proceeds coming in lower than forecasted. The favorable variance in Transfers In is related to savings transferred from CIP for to the closure of the Additional Compressed Natural Gas (CNG) Station CIP project in January 2021.



Uses (Fiscal Year to Date: March 2021)

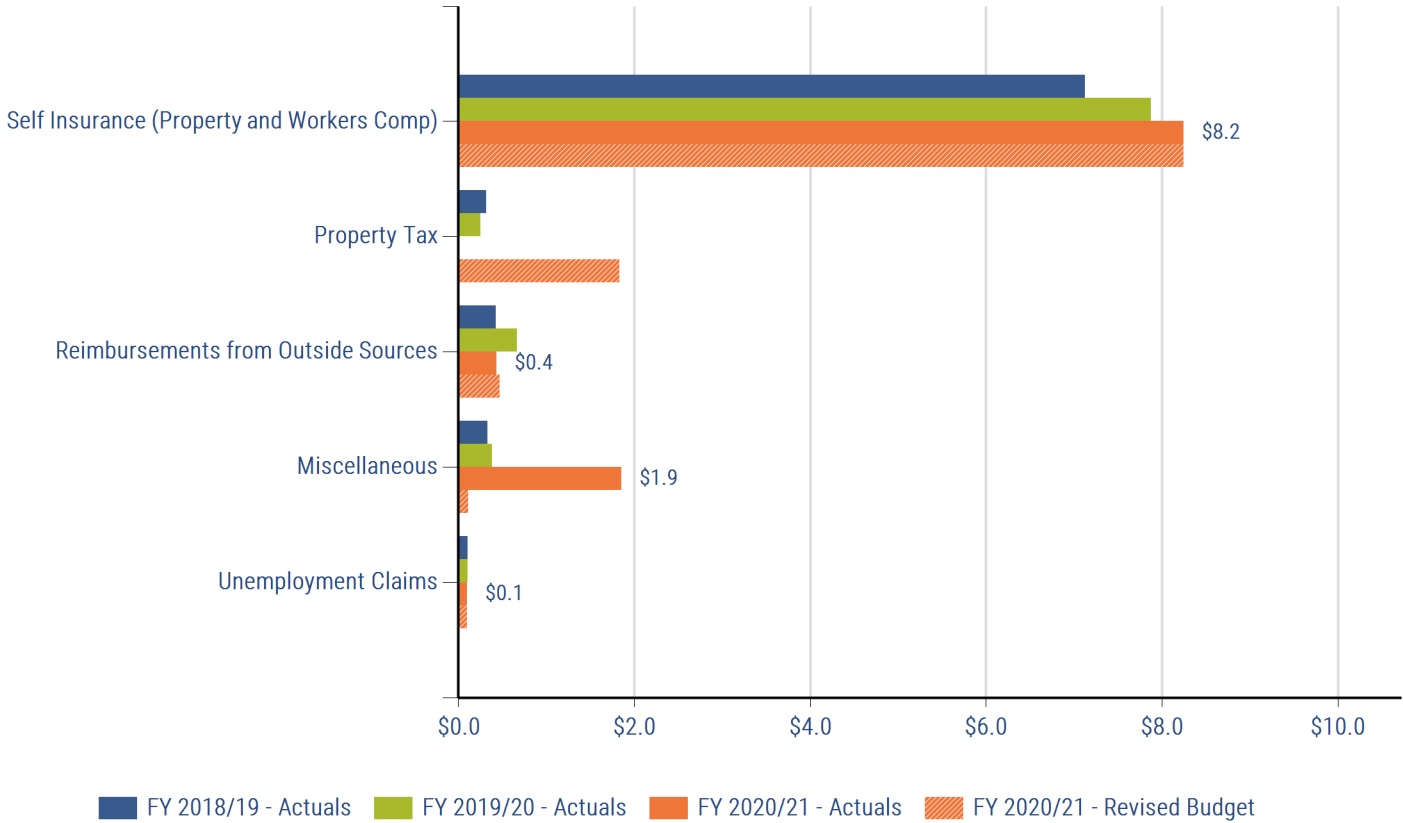


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Fleet Management Administration	\$0.4	\$0.4	\$0.4	\$0.4	\$ -	-
Fleet Management Fund	-	-	-	-	-	-
Fleet Management Operations	5.8	6.3	6.0	5.3	(0.8)	(15%)
Fleet Management Parts Supply	0.4	0.5	0.6	0.5	-	-
Fuel	2.2	2.0	1.4	2.9	1.5	51%
Motorpool	-	-	-	-	-	-
Vehicle Acquisitions	5.8	6.0	3.2	5.7	2.5	43%
Transfers Out	-	-	-	-	-	-
Total Uses	\$14.6	\$15.1	\$11.6	\$14.7	\$3.1	21%

Actual to Revised Budget variance of \$3.1 million or 21%: The unfavorable variance in Fleet Management Operations is due to the higher than expected increase in the cost of parts required for repairs for vehicles. Public Safety – Police and Solid Waste are the major contributors to these necessary repairs. The favorable variance in Fuel is due to lower fuel expenses. The favorable variance in Vehicle Acquisitions is due to delays in taking delivery of vehicles and equipment as a result of factory shut downs due to the COVID-19 pandemic.



Sources (Fiscal Year to Date: March 2021)

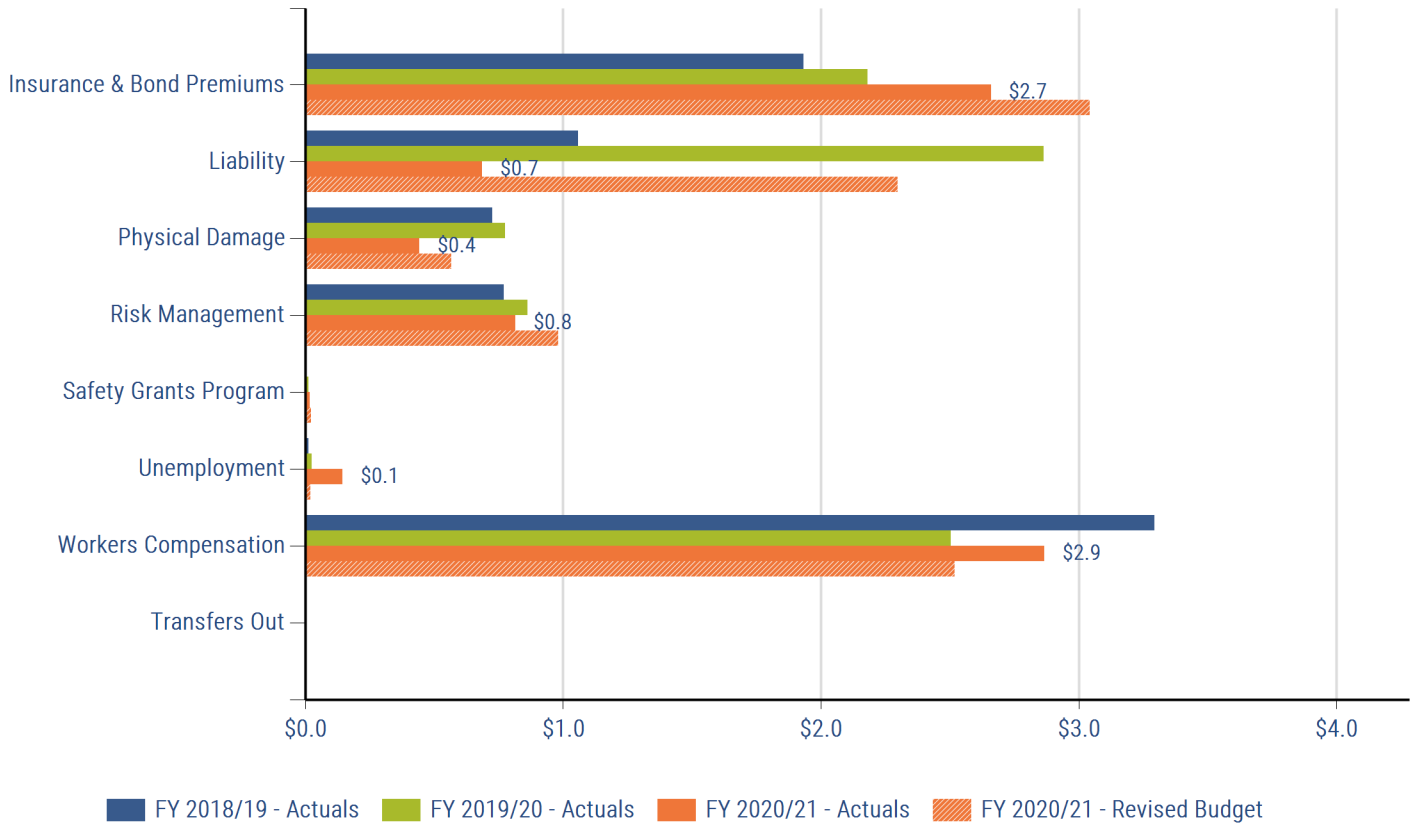


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Self Insurance (Property and Workers Comp)	\$7.1	\$7.9	\$8.2	\$8.2	\$ -	-
Property Tax	0.3	0.3	-	1.8	(1.8)	(100%)
Reimbursements from Outside Sources	0.4	0.7	0.4	0.5	-	-
Miscellaneous	0.3	0.4	1.9	0.1	1.7	nm
Unemployment Claims	0.1	0.1	0.1	0.1	-	-
Total Sources	\$8.3	\$9.3	\$10.6	\$10.8	(\$0.1)	(1%)

Actual to Revised Budget variance of (\$0.1) million or (1%): The unfavorable variance in Property Tax is due to the timing of the state reimbursements for tort claims. The favorable variance in Miscellaneous is due to payments received from an excess insurance carrier following a catastrophic property loss.



Uses (Fiscal Year to Date: March 2021)

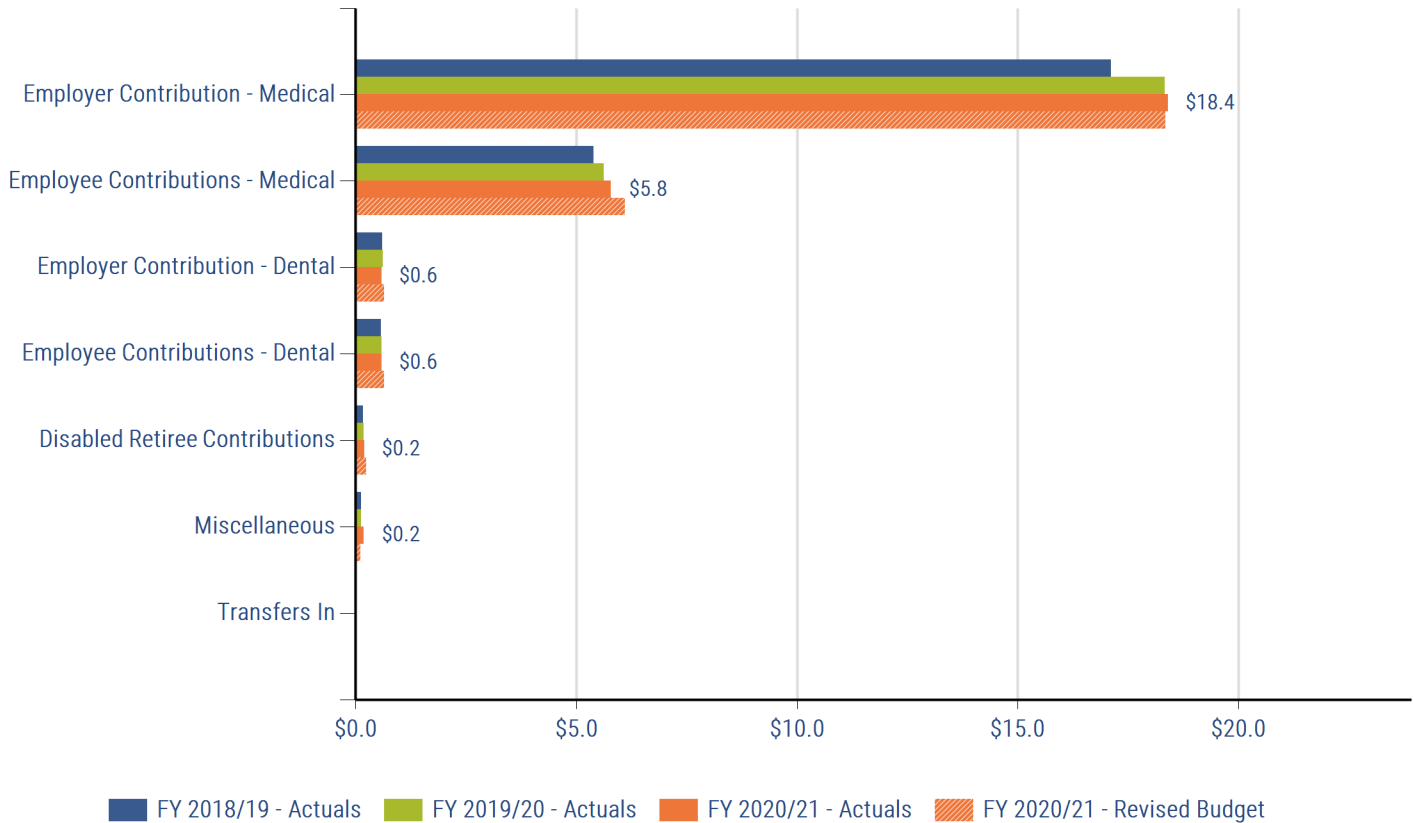


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Insurance & Bond Premiums	\$1.9	\$2.2	\$2.7	\$3.0	\$0.4	13%
Liability	1.1	2.9	0.7	2.3	1.6	70%
Physical Damage	0.7	0.8	0.4	0.6	0.1	22%
Risk Management	0.8	0.9	0.8	1.0	0.2	17%
Safety Grants Program	-	-	-	-	-	-
Unemployment	-	-	0.1	-	(0.1)	nm
Workers Compensation	3.3	2.5	2.9	2.5	(0.3)	(14%)
Transfers Out	-	-	-	-	-	-
Total Uses	\$7.8	\$9.2	\$7.6	\$9.4	\$1.8	19%

Actual to Revised Budget variance of \$1.8 million or 19%: The favorable variance in Insurance & Bond Premiums is due to lower than anticipated costs of liability policies. The favorable variance in Liability and Physical Damage is due to the unpredictable nature of these expenses. The favorable variance in Risk Management is due to savings related to lower personnel expenses, fewer trainings than anticipated and decreased utilization of contractual services. The unfavorable variance in Unemployment is due to employment departures related to COVID-19. The unfavorable variance in Workers Compensation is due to a greater than expected number of and cost for medical procedures.



Sources (Fiscal Year to Date: March 2021)

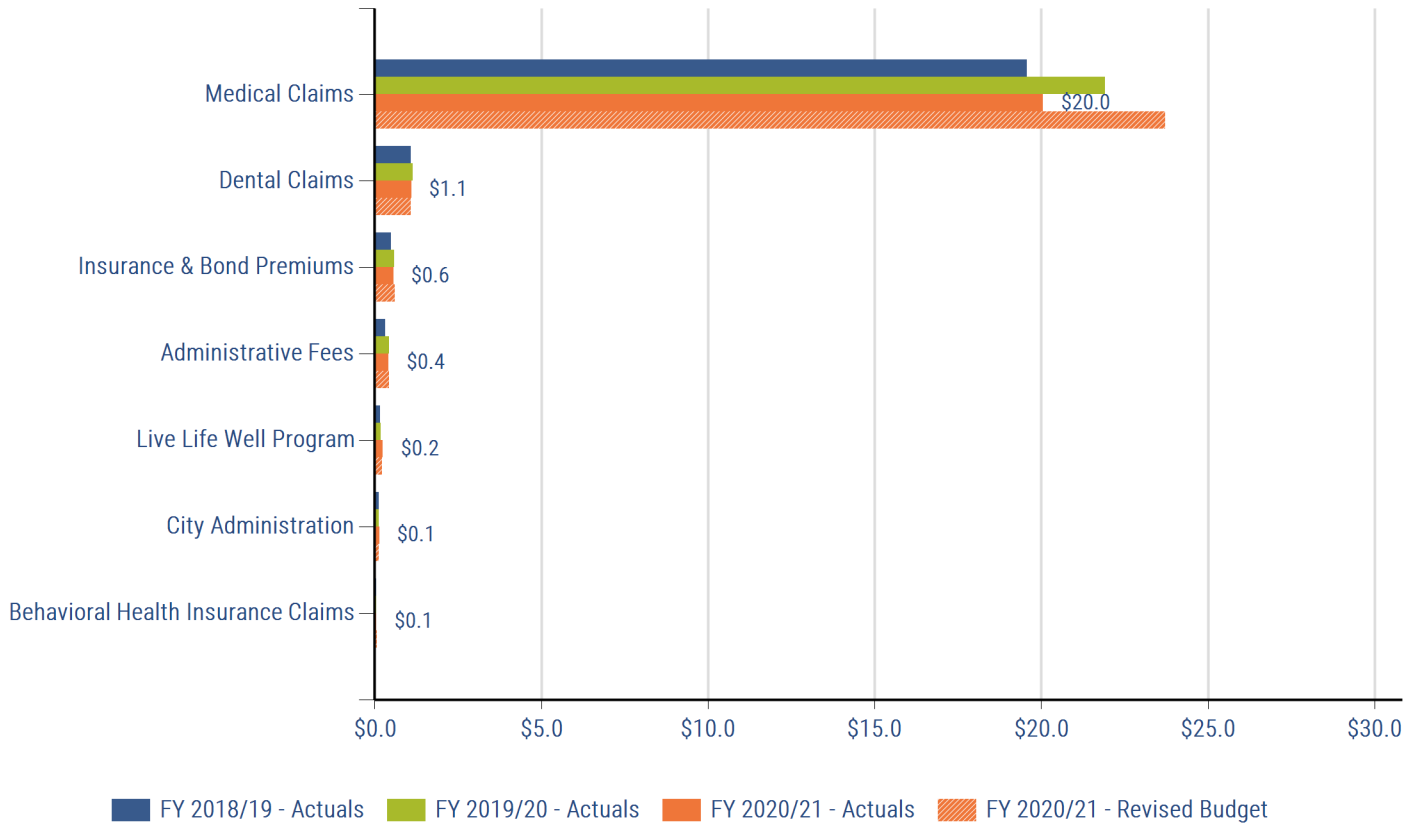


	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Employer Contribution - Medical	\$17.1	\$18.3	\$18.4	\$18.4	\$ -	-
Employee Contributions - Medical	5.4	5.6	5.8	6.1	(0.3)	(5%)
Employer Contribution - Dental	0.6	0.6	0.6	0.7	(0.1)	(10%)
Employee Contributions - Dental	0.6	0.6	0.6	0.6	(0.1)	(10%)
Disabled Retiree Contributions	0.2	0.2	0.2	0.2	-	-
Miscellaneous	0.1	0.1	0.2	0.1	0.1	76%
Transfers In	-	-	-	-	-	-
Total Sources	\$24.0	\$25.5	\$25.7	\$26.1	(\$0.4)	(1%)

Actual to Revised Budget variance of (\$0.4) million or (1%): The unfavorable variance in Employee Contributions - Medical, Employer Contribution - Dental, and Employee Contributions - Dental are due to employee turnover and to plan selection, which occurs after the budget is prepared. The favorable variance in Miscellaneous is due to the timing of the Cigna Wellness Incentive payment.



Uses (Fiscal Year to Date: March 2021)



	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2020/21 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Medical Claims	\$19.6	\$21.9	\$20.0	\$23.7	\$3.7	15%
Dental Claims	1.1	1.1	1.1	1.1	-	-
Insurance & Bond Premiums	0.5	0.6	0.6	0.6	-	-
Administrative Fees	0.3	0.4	0.4	0.4	-	-
Live Life Well Program	0.2	0.2	0.2	0.2	-	-
City Administration	0.1	0.1	0.1	0.1	-	-
Behavioral Health Insurance Claims	0.1	0.1	0.1	0.1	-	-
Total Uses	\$21.8	\$24.4	\$22.6	\$26.3	\$3.7	14%

Actual to Revised Budget variance of \$3.7 million or 14%: The favorable variance in Medical Claims is due to lower primary care office visits and to the difficulty in predicting timing of claims.



WestWorld Statement of Operations

	Twelve Months: Fiscal Year						
	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Adopted Budget	2020/21 Approved Budget	2020/21 Forecast Budget
Operating Revenue							
Rental Facilities	\$2,604,680	\$2,542,842	\$2,329,364	\$2,261,538	\$2,448,611	\$2,448,611	\$2,602,478
RV Rental	297,593	355,601	375,447	365,834	400,898	400,898	400,898
Feed/Bedding Sales	463,286	523,261	557,581	524,759	550,000	550,000	800,000
Labor Fees	352,088	404,957	394,745	377,019	424,328	424,328	524,328
Concession Fees	392,106	472,875	717,558	362,494	650,000	2,000	2,000
Parking	88,280	108,994	90,583	78,846	175,000	175,000	75,000
Other Income	155,990	130,453	134,511	169,289	66,690	714,690	430,690
Equidome Project Use Fee	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Operating Transfer In ^(a)	-	100,000	100,000	100,000	100,000	100,000	100,000
Operating Revenue	\$4,714,023	\$4,998,983	\$5,059,788	\$4,599,778	\$5,175,527	\$5,175,527	\$5,295,394
Operating Expenses							
Personnel Services							
Wages/Salaries/Benefits	\$1,954,437	\$1,934,800	\$2,005,230	\$2,024,104	\$2,272,910	\$2,250,396	\$2,250,396
Overtime	36,574	31,817	33,067	52,024	44,023	45,148	45,148
Contractual Services							
Contractual Workers	114,025	139,522	133,369	115,819	-	-	324,014
Telephone	28,381	34,182	36,989	41,817	16,498	16,498	16,498
Utilities ^(b)	1,247,702	1,354,976	1,271,518	1,103,652	-	105,912	105,912
Maintenance & Equipment Rental & Fleet	724,550	710,237	723,231	741,565	295,300	532,520	532,520
License and Permits	158,548	160,727	142,826	250,941	221,649	221,649	221,649
Property, Liability & Workers' Comp	62,401	76,025	69,772	75,948	110,087	110,087	110,087
Advertising/Marketing Contract	194,294	327,544	365,148	340,907	250,000	226,000	226,000
Other	343,819	308,750	261,188	285,712	384,387	339,387	339,387
Commodities and Capital Outlays							
Agriculture & Horticulture & Other Supply	137,506	114,194	163,735	78,949	163,545	163,545	163,545
Maintenance & Repairs Supply, Equipment	125,083	83,417	144,340	117,840	174,774	174,774	174,774
Inventory Purchased for Resale	273,513	259,279	326,497	321,449	330,410	330,410	390,410
Construction - Other	-	21,126	20,483	26,314	-	-	-
Other Expenses	76,182	39,036	36,372	32,657	44,295	44,295	44,295
BOR Admin							
BOR Admin/WestWorld	155,133	162,889	171,034	179,586	188,565	188,565	188,565
Allocated Expenses^(c)							
COS Indirect Costs	370,385	430,425	378,803	398,702	371,073	371,073	371,073
Operating Expenses	\$6,002,533	\$6,188,946	\$6,283,602	\$6,187,986	\$4,867,516	\$5,120,259	\$5,504,273
Operating Income	(\$1,288,511)	(\$1,189,963)	(\$1,223,814)	(\$1,588,208)	\$308,011	\$55,268	(\$208,879)
Debt Service (Less contributions)							
Debt Service - (52 & 17 acres)	\$2,304,207	\$2,314,216	\$2,334,637	\$2,317,059	\$2,331,449	\$2,331,449	\$2,331,449
Debt Service - TNEC (\$41.935M)	1,506,875	1,479,375	1,461,375	1,455,876	1,457,125	1,457,125	1,457,125
Debt Service - TNEC Tourism Funded	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Bed Tax Contributions - TNEC	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Net Debt Service	\$3,811,082	\$3,793,591	\$3,796,012	\$3,772,935	\$3,788,574	\$3,788,574	\$3,788,574
Operating Income After Debt Service	(\$5,099,593)	(\$4,983,554)	(\$5,019,826)	(\$5,361,143)	(\$3,480,563)	(\$3,733,306)	(\$3,997,453)

^(a) Beginning in FY 2017/18 a transfer from the Tourism Development Fund will cover a portion of the marketing contract since tourism benefits from WestWorld's activity. The

^(b) adopted budget is zero because utilities charges are budgeted at a citywide macro level. Monthly, as expenditures occur, a budget transfer will be completed to move the needed budget from the macro level holding account to the department.

^(c) Allocated Expenses are not budgeted for in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations. This report does not include Facilities Maintenance expenses.



WestWorld Statement of Operations

Statement of Operations for March 2021 / 9 Months YTD

	FY 2016/17 YTD Actual	FY 2017/18 YTD Actual	FY 2018/19 YTD Actual	FY 2019/20 YTD Actual	FY 2020/21 YTD Actual	FY 2020/21 Approved YTD Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Revenue								
Rental Facilities	\$1,502,615	\$1,422,102	\$1,391,794	\$1,792,707	\$1,805,765	\$1,805,007	\$758	-
RV Rental	154,655	183,962	191,560	236,488	372,780	366,500	6,280	2%
Feed/Bedding Sales	387,523	444,621	509,650	457,582	756,154	550,000	206,154	37%
Labor Fees	119,440	142,560	165,414	184,521	215,570	214,805	765	-
Concession Fees	192,332	278,011	275,450	275,958	1,787	-	1,787	n/a
Parking	49,002	78,362	72,389	69,096	42,872	85,697	(42,825)	(50%)
Other Income	25,381	21,916	32,294	59,007	58,853	292,100	(233,247)	(80%)
Equidome Project Use Fee	285,000	45,000	45,000	45,000	285,000	285,000	-	-
Operating Transfer In ^(a)	-	100,000	100,000	100,000	100,000	100,000	-	-
Operating Revenue	\$2,715,948	\$2,716,535	\$2,783,553	\$3,220,358	\$3,638,781	\$3,699,109	(\$60,328)	(2%)
Operating Expenses								
Personnel Services								
Wages/Salaries/Benefits	\$1,436,327	\$1,416,195	\$1,493,412	\$1,491,182	\$1,498,780	\$1,586,859	\$88,079	6%
Overtime	28,489	25,934	28,088	44,642	34,688	37,709	3,021	8%
Contractual Services								
Contractual Workers	79,435	90,031	99,294	95,541	99,319	-	(99,319)	n/a
Telephone	22,354	25,684	31,672	36,522	14,853	15,663	810	5%
Utilities ^(b)	866,177	922,768	890,599	718,818	105,913	105,912	(1)	(0%)
Maintenance & Equipment Rental & Fleet	534,592	489,301	548,375	555,638	349,491	355,919	6,428	2%
License and Permits	152,635	161,361	142,502	249,773	221,411	219,344	(2,067)	(1%)
Property, Liability & Workers' Comp	46,800	57,015	52,326	56,961	82,566	82,566	-	-
Advertising/Marketing Contract	191,262	323,461	308,905	324,256	194,724	196,800	2,076	1%
Other	185,125	227,437	155,402	194,266	150,188	225,722	75,534	33%
Commodities and Capital Outlays								
Agriculture & Horticulture & Other Supply	101,287	88,473	109,657	48,435	79,849	40,758	(39,091)	(96%)
Maintenance & Repairs Supply, Equipment	79,102	61,305	124,371	88,234	73,401	94,948	21,547	23%
Inventory Purchased for Resale	232,410	206,162	268,181	291,795	436,310	-	(436,310)	n/a
Construction - Other	-	18,385	18,339	26,171	10,050	-	(10,050)	n/a
Other Expenses	29,274	28,330	27,699	24,189	26,237	30,434	4,198	14%
BOR Admin								
BOR Admin/WestWorld	155,133	162,889	171,034	179,586	188,565	188,565	-	-
Allocated Expenses^(c)								
COS Indirect Costs	277,785	322,819	284,102	299,025	278,298	278,298	-	-
Operating Expenses	\$4,418,187	\$4,627,552	\$4,753,959	\$4,725,033	\$3,844,642	\$3,459,497	(\$385,145)	(11%)
Operating Income	(\$1,702,239)	(\$1,911,017)	(\$1,970,406)	(\$1,504,674)	(\$205,861)	\$239,612	(\$445,473)	nm
Debt Service (Less contributions)								
Debt Service - (52 & 17 acres)	\$32,169	\$ -	\$ -	\$ -	\$ -	\$721,148	\$721,148	100%
Debt Service - TNEC (\$41.935M)	-	-	-	-	-	-	-	-
Debt Service - TNEC Tourism Funded	-	-	-	-	-	-	-	-
Bed Tax Contributions - TNEC	-	-	-	-	-	-	-	-
Net Debt Service	\$32,169	\$ -	\$ -	\$ -	\$ -	\$721,148	\$721,148	100%
Operating Income After Debt Service	(\$1,734,408)	(\$1,911,017)	(\$1,970,406)	(\$1,504,674)	(\$205,861)	(\$481,536)	\$275,675	nm

^(a) Beginning in FY 2017/18 a transfer from the Tourism Development Fund will cover a portion of the marketing contract since tourism benefits from WestWorld's activity.

^(b) The adopted budget is zero because utilities charges are budgeted at a citywide macro level. Monthly, as expenditures occur, a budget transfer will be completed to move the needed budget from the macro level holding account to the department. The revised budget is an estimate of expected utilities costs at fiscal year-end.

^(c) Allocated Expenses are not budgeted for in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations. This report does not include Facilities Maintenance expenses.



Privilege (Sales) & Use Tax Collections For March 2021

(For Business Activity in February 2021)

This report contains information regarding the “actual” revenue collections from the 1.0 percent Privilege and Use Tax reflected in the General Fund, 0.2 percent dedicated Transportation Privilege Tax, 0.1 percent additional dedicated to Transportation Privilege and Use Taxes, 0.2 percent dedicated Preserve Privilege and Use Taxes, 0.15 percent additional dedicated Preserve Privilege and Use Taxes, and 0.1 percent dedicated Public Safety Privilege and Use Taxes, including adjustments for related license revenues, late collections and audits. While the report includes the actual year-to-date tax collections for the funds previously noted, only the General Fund portion (1.0 percent) of the tax is unrestricted and available for general government purposes.

The fiscal year to date Privilege and Use Tax (1.0 percent General Purpose) collections increased 19 percent compared to the Budget, and decreased 3 percent compared to the same period a year ago.

Privilege (Sales) & Use Tax by Category and Fund

Fiscal Year-to-Date: March 2021						
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Budget	Actual vs. Budget	
					Favorable/(Unfavorable) Amount	Percent
1.00% General Purpose						
Automotive	\$13.4	\$13.9	\$13.8	\$11.0	\$2.8	26%
Construction	7.8	8.2	9.2	6.4	2.9	45%
Dining/ Entertainment	8.0	8.9	7.2	5.0	2.2	45%
Food Stores	5.9	6.4	6.6	6.6	0.0	0%
Hotel/Motel	4.8	5.4	3.0	2.1	0.9	43%
Major Dept. Stores	7.2	8.1	7.3	7.2	0.1	2%
Misc. Retail Stores	16.2	19.3	21.1	16.5	4.6	28%
Other Activity	10.0	10.9	11.6	8.9	2.7	31%
Rentals	12.6	14.2	12.4	12.8	(0.4)	-3%
Utilities	3.5	3.7	3.6	3.9	(0.3)	-8%
Subtotal	\$89.4	\$99.0	\$95.9	\$80.3	\$15.6	19%
0.10% Public Safety	\$8.8	\$9.7	\$9.4	\$7.9	\$1.5	19%
0.20% Transportation 1990	16.8	18.6	17.9	15.2	2.7	18%
0.10% Transportation 2019	n/a	9.6	9.4	7.9	1.5	19%
0.20% McDowell Preserve 1995	17.5	19.4	18.8	15.8	3.0	19%
0.15% McDowell Preserve 2004	13.1	14.6	14.1	11.8	2.3	19%
Total	\$146.2	\$170.9	\$165.4	\$138.9	\$26.6	19%
% Change vs. Prior Year	8%	17%	-3%	-19%		

Rounding differences may occur.

Automotive Sales Taxes

The automotive category includes automobile dealers, motorcycle dealers, automotive repair shops, tire shops, car washes, and car leasing companies.

Actual to Revised Budget variance of \$2.8 million or 26%: The variance is due in part to some car dealers are performing better than expected.

Construction Sales Taxes

The construction tax is collected on all construction activity; commercial and residential; new and re-model. It also includes landscaping, painting, flooring installation, siding, roofing, concrete, plumbing, heating, electrical, framing, drywall, infrastructure, masonry, finish carpentry, etc.

Actual to Revised Budget variance of \$2.9 million or 45%: This is due in part to an increase in construction activity and speculative sale activity.

Dining/Entertainment Sales Taxes

The restaurant category includes restaurants, bars, cafeterias, mobile food vendors, and caterers.

Actual to Revised Budget variance of \$2.2 million or 45%: This is due in part to restaurants doing better than anticipated with their reduced capacity.

Food Stores Sales Taxes

This category includes grocery stores, candy stores, meat markets and convenience stores.

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

Hotel/Motel Sales Taxes

This category includes lodging space rental on a short-term basis and other activities provided at the hotel/motel.

Actual to Revised Budget variance of \$0.9 million or 43%: This is due in part to hotels doing better than anticipated with less people traveling and an increase in bookings with short term vacation rental properties. This is also due in part to a new hotel opening.

Major Department Stores Sales Taxes

This category includes large department stores, warehouse clubs, supercenters, and discount department stores.

Actual to Revised Budget variance of \$0.1 million or 2%: Normal business fluctuations.

Miscellaneous Retail Stores Sales Taxes

This category includes small clothing stores, art galleries, luggage stores, home furnishing stores, jewelry stores, drug stores, hobby stores, household appliance stores, sporting goods stores, florists, computer stores, hardware stores, online shopping, and pet supply stores.

Actual to Revised Budget variance of \$4.6 million or 28%: This is due in part to increased software sales, additional revenue from online marketplace facilitators and remote sellers, and some stores performing better than expected.

Other Activity Sales Taxes

This category includes movie theatres, golf courses, gyms, bowling centers, amusement arcades, interior designers, publishers, banks, doctors, lawyers, accountants, beauty salons, barber shops, personal goods repair shops, photographers, advertising, wholesalers, and manufacturers. This also includes license fees, penalties, and interest.

Actual to Revised Budget variance of \$2.7 million or 31%: The variance is due in part to an increase in taxable sales from computer software/hardware wholesalers/manufacturers and an increase in use tax purchases by businesses in this category.

Rental Sales Taxes

The rental category includes rentals of commercial and residential real property and personal property rentals, (such as rentals of formal wear, DVD's, home health equipment, recreational goods, electronics, appliances, etc.)

Actual to Revised Budget variance of (\$0.4) million or (3%): This is due in part to a lower amount of rents being collected by commercial and residential properties due to the COVID-10 pandemic. Additionally, personal property rentals are showing a decrease compared to a year ago. Also, there were a few one-time taxable speculative sales of apartment complexes last year.

Utilities Sales Taxes

This category includes businesses that provide telecommunication (landlines and cellular), electricity, gas, or water services.

Actual to Revised Budget variance of (\$0.3) million or (8%): The variance is due in part to decreases in the telecommunications sector.



To ensure legal compliance and financial management for the various restricted revenues and expenditures, the city's accounting and budget structure is segregated into various funds. This approach is unique to the government sector. Fund accounting segregates functions and activities into separate self-balancing funds that are created and maintained for specific purposes.

A **fund** is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The General Fund is the city's chief operating fund and is used to account for all financial resources, except those that are legally required to be accounted for in another fund.

GENERAL FUND SOURCES

Taxes - Local - Encompasses a series of local taxes. The largest component of this source includes a 1.10 percent sales tax, of which 0.10 percent is dedicated to public safety. The remaining 1.0 percent of the sales tax is available to fund basic municipal services such as police, fire, libraries, and parks. Sales tax receipts received in the current month are based on prior month activity. This general-purpose sales tax is the city's single largest revenue source. The sales tax category results can be found earlier in the report. Other revenue sources that make up this category include electric and gas franchise fees and cable TV license fees, which are revenues from utility and cable providers for their permitted use of the city's rights-of-way; a stormwater quality charge, which is a fee to help pay a portion of the city's stormwater management program and the Salt River Project (SRP) in lieu tax.

Property Taxes - Property taxes are comprised only of the "Primary" property taxes levied on the assessed value of all property within the city to help pay for basic operations of the city. Secondary property taxes are not included in the General Fund as they must be used solely for General Obligation bond debt service payments. Increases in revenue from year to year reflect new property additions to the tax roll and Council actions to increase total revenue as legally allowed.

State Shared Revenues - These revenues are derived from state shared sales taxes, income taxes, and vehicle license taxes (auto lieu). On a per capita basis, state sales taxes generated in Scottsdale tend to be higher than most other cities/towns due to higher wealth, consumer spending habits, and larger amounts of visitor/tourist spending. As directed by statute, the State distributes the shared portion of State sales taxes back to local governments based on population, not by the amount of sales taxes collected within the local jurisdiction.

Charges for Services/Other - Charges for Services include miscellaneous charges that do not fall into any other category such as property rentals, cell tower leases and stadium usage fees.

License Permits & Fees - These charges include those for fees and licenses associated with specific services and programs offered by the city.

Fines Fees & Forfeitures - These are charges penalizing individuals for violating a law or policy of the city or paying for services and facilities designed to support this punishment, such as the Court, Library and Public Safety - Police.

Interest Earnings - Revenues generated through the use of various investment vehicles on General Fund cash balances throughout the year.

Building Permit Fees & Charges - These charges include the licensing of business activity and the associated fees relating to the licensure and regulation of specific activities.

Indirect/Direct Cost Allocations - Indirect cost allocations charged to the Enterprise Funds for specific central administrative functions which benefit the Enterprise operations (e.g. Information Technology, Payroll and Human Resources). Direct cost allocations represent Aviation Fund charges for the direct cost of fire service at the airport performed by General Fund personnel.

Transfers In - Transfers in reflects funds received from the Enterprise Funds (Franchise Fees), Special Programs Fund (30 Day Tow) and Tourism Development Fund (comply with financial policy #21A).



GENERAL FUND USES

Personnel Services includes the salaries and wages plus the city's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. It is reduced by vacancy savings, but increased for medical and vacation leave accrual payouts that are made at the time of separation from the city. Personnel services also include pay-for-performance and compensation adjustments.

Contractual Services includes expenditures for services performed by firms, individuals, or other city divisions.

Commodities includes supplies, repair and replacement parts, small tools, and maintenance and repairs.

Capital Outlays includes the purchase of land, the purchase or construction of buildings, structures, and facilities, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increases the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as capital outlay the expenditure must meet all of the following requirements: (1) have an estimated useful life of more than two years; (2) have a unit cost higher than \$10,000; and (3) be betterment or improvement.

Contracts Payable & COPs includes contractual obligations related to development agreements (funded by sales tax rebates) which vary based on the actual sales tax collections and certificates of participation which are a funding mechanism similar to bonds utilized for the purchase of capital items.

Transfers Out represents the authorized transfer of cash to other funds and/or capital projects.

OTHER FUNDS

Transportation Fund is considered a Special Revenue Fund, which is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Transportation Fund receives and expends the city's allocation of the Arizona Highway User Revenue Tax (HURF) as well as other transportation related revenues. The amount of HURF available to each city is allocated based on population. These monies must be used for street construction, reconstruction, maintenance, or transit. The State of Arizona requires the city to establish and maintain an accounting for Highway User Revenue Funds. The fund also accounts for the 1989 voter approved Transportation Privilege (Sales) Tax of 0.20 percent which is dedicated to funding transportation improvements and operations. Fifty percent of the Sales Tax - Transportation (0.20%) is transferred to the Capital Improvement Plan (CIP) for transportation related capital improvement projects, while 100 percent of the Sales Tax - Transportation (0.10%) is collected and reported in the CIP.

Tourism Development Fund is a Special Revenue Fund to account for the sources and uses related to tourism. Revenues consist of transient lodging tax (bed tax) and lease rental earnings from the Princess Hotel. Bed Tax is the largest portion of this fund and is derived from lodging room charges for stays of 29 days or less in hotels or short-term rentals.

Enterprise Funds are used to account for operations, which are financed and operated similarly to private businesses, where the intent is that the service is self-sufficient, with all costs including debt service supported predominantly by user charges. The city maintains three Enterprise Funds to account for Water & Water Reclamation, Aviation, and Solid Waste activities.

Water & Water Reclamation Funds

This fund accounts for the transactions related to the city's water and water reclamation business activities, including operating revenue, expenditures and debt service payments.

- Water Service Charges are monthly water billings which consist of a base charge according to meter size and a variable charge for the amount of water consumed.
- Water Reclamation Service Charges are monthly charges based on the volume and strength of the sewage discharge.
- Non-Potable Water Fees include the sale of surface water, reverse osmosis (RO) and effluent treated to irrigation standards. These different water types are delivered to 22 Reclaimed Water Distribution System (RWDS) golf courses, 3 Irrigation Water Distribution System (IWDS) golf courses, the Gainey Ranch Golf Club, the WestWorld golf course and the Inlet/Silverado golf course.
- Miscellaneous Revenue includes rental income, miscellaneous reimbursements and other minor fees.



Aviation Fund

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- Bwjbujo!Gfft!bsf!di!bshft!gps!b!wbsjfu!pg!t!fswjdf!t!qspwje!fe!up!bjsqpsu!dvtupn!fst!jodnvejoh!Mboejoh!Gfft!-!Bjsqpsu!Bjsqbs!Gvf!Gfft!-!Usbotjfo!Qbs!joh!Gfft!-!Gjyfe!Ufobou!Sfout!-!Qfsdfoubhf!Gfft!gps!Bfspobvujdbm!Cvtjof!t!Qfns!jut!BCQt*!Dvtupn!Gfft!boe!n!jtdfmmbo!fpvt!pui!fs!di!bshft/
- Qsjwn!hf!boe!Vt!f!Uby!Kfu!Gvf!bsf!di!bshft!fbofe!gspn!kfu!gvf!t!bmf!t!cz!Gjyfe!Cbtfe!Pqfsubst!)GCPt*!joh!bddpsebodf!xju!i!uif!Tdpuutebmf!Sfwjfe!Dpef!-!Bsjdmf!JW!-!Tfdujpo!533/

Solid Waste Fund

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Risk Management Fund

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Healthcare Self Insurance Fund

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