

Monthly Financial Report

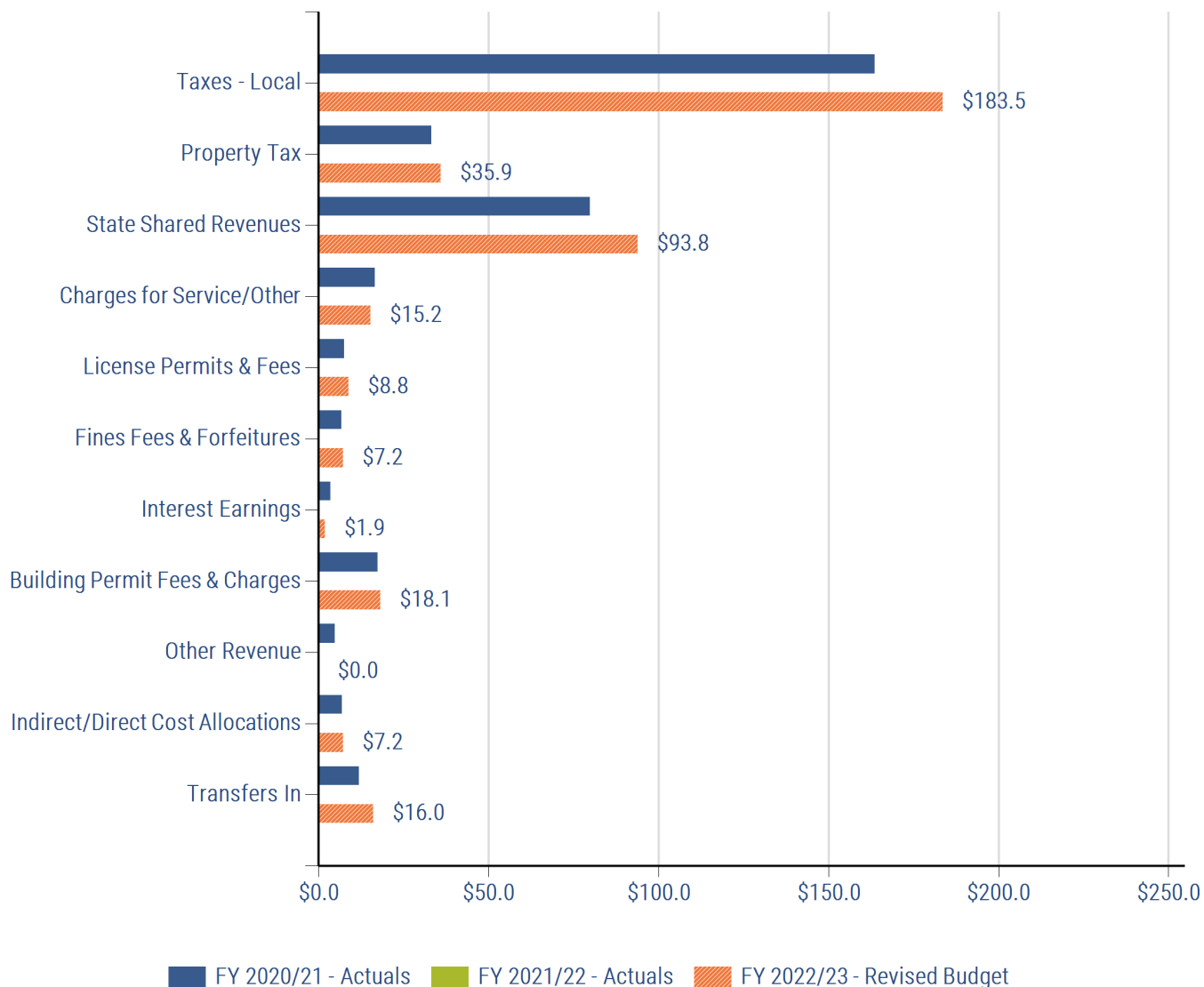
**Fiscal Year to Date as of
September 30, 2022**

Report to the City Council
Prepared by the City Treasurer
November 21, 2022

Sources

General Fund

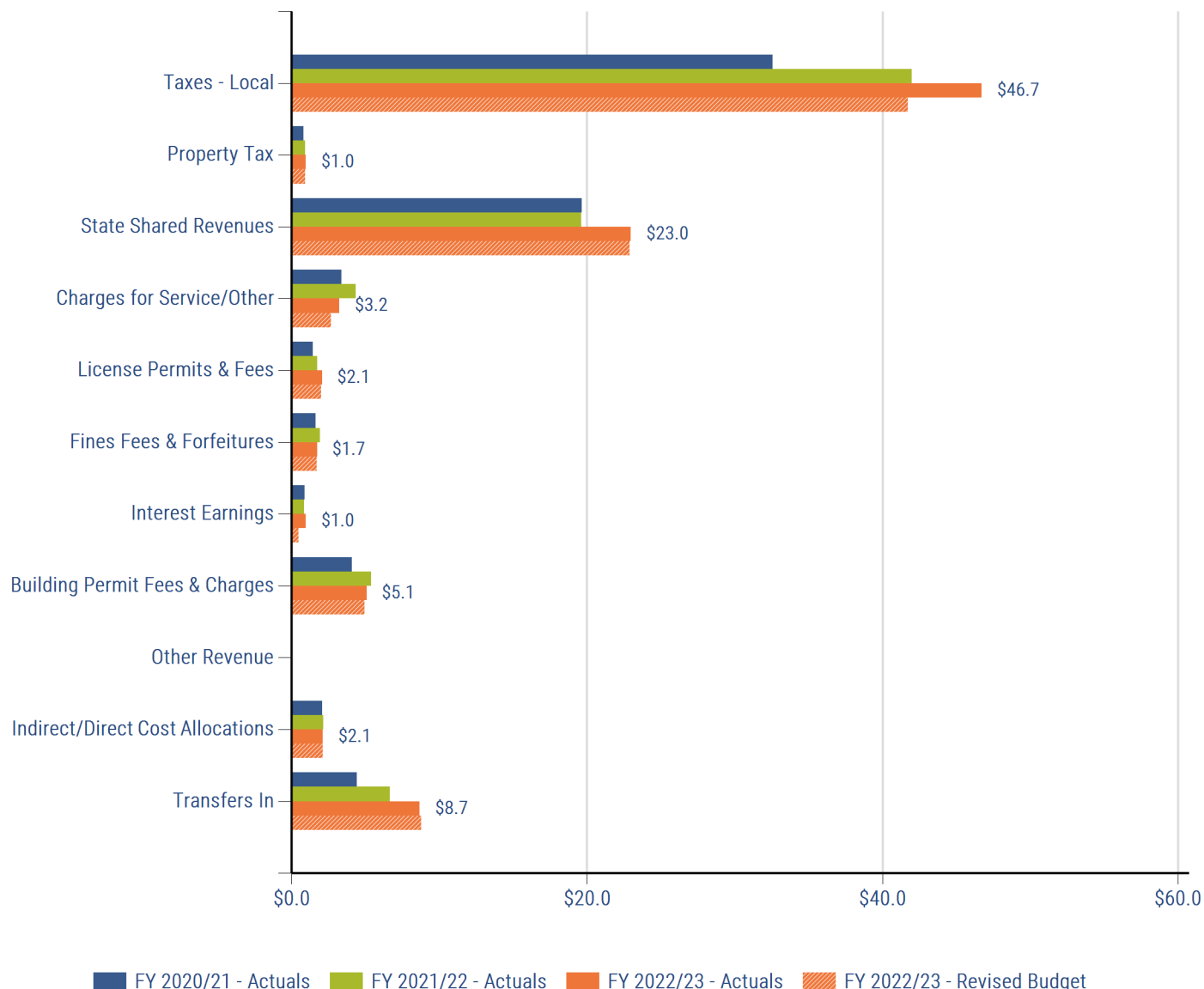
Twelve Months: Fiscal Year



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Revised Budget |
|----------------------------------|-----------------------|-----------------------|---------------------------------|
| Taxes - Local | \$163.5 | n/a | \$183.5 |
| Property Tax | 33.1 | n/a | 35.9 |
| State Shared Revenues | 79.7 | n/a | 93.8 |
| Charges for Service/Other | 16.5 | n/a | 15.2 |
| License Permits & Fees | 7.6 | n/a | 8.8 |
| Fines Fees & Forfeitures | 6.6 | n/a | 7.2 |
| Interest Earnings | 3.4 | n/a | 1.9 |
| Building Permit Fees & Charges | 17.4 | n/a | 18.1 |
| Other Revenue | 4.7 | n/a | - |
| Indirect/Direct Cost Allocations | 6.9 | n/a | 7.2 |
| Transfers In | 11.9 | n/a | 16.0 |
| Total Sources | \$351.5 | n/a | \$387.7 |

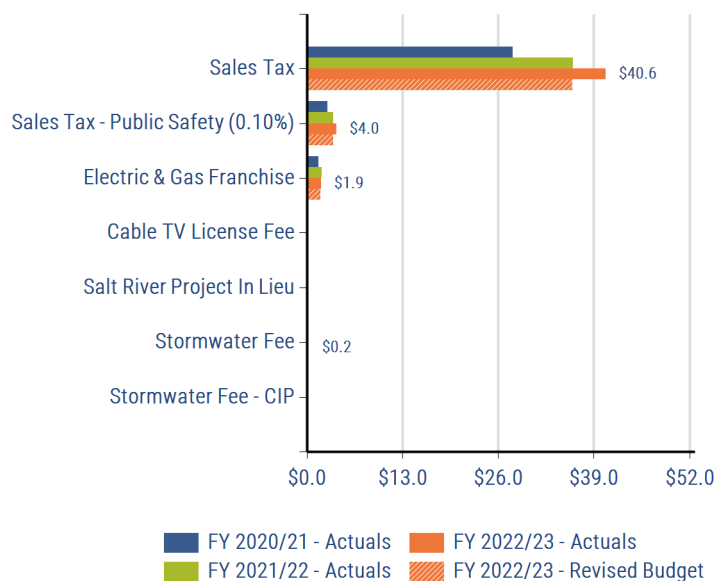
Note: FY 2021/22 twelve month actuals are not available at this time. Once completed, they will be included within the report.

Sources (Fiscal Year to Date: September 2022)



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Taxes - Local | \$32.6 | \$42.0 | \$46.7 | \$41.7 | \$5.0 | 12% |
| Property Tax | 0.8 | 0.9 | 1.0 | 0.9 | - | - |
| State Shared Revenues | 19.6 | 19.6 | 23.0 | 22.9 | 0.1 | 0% |
| Charges for Service/Other | 3.4 | 4.4 | 3.2 | 2.7 | 0.6 | 21% |
| License Permits & Fees | 1.4 | 1.7 | 2.1 | 2.0 | 0.1 | 3% |
| Fines Fees & Forfeitures | 1.6 | 1.9 | 1.7 | 1.7 | - | - |
| Interest Earnings | 0.9 | 0.9 | 1.0 | 0.5 | 0.5 | nm |
| Building Permit Fees & Charges | 4.1 | 5.4 | 5.1 | 4.9 | 0.1 | 3% |
| Other Revenue | - | - | - | - | - | - |
| Indirect/Direct Cost Allocations | 2.1 | 2.1 | 2.1 | 2.1 | - | - |
| Transfers In | 4.4 | 6.7 | 8.7 | 8.8 | (0.1) | (1%) |
| Total Sources | \$71.0 | \$85.6 | \$94.6 | \$88.3 | \$6.3 | 7% |

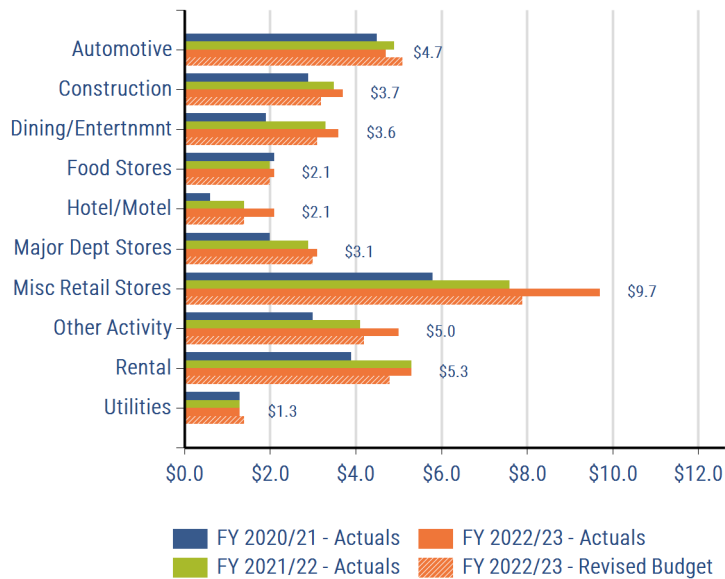
Taxes - Local (Fiscal Year to Date: September 2022)



Actual to Revised Budget variance of \$5.0 million or 12%. The favorable variance is primarily due to Sales Tax. See detailed Sales Tax information on page 5.

| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Sales Tax | \$28.0 | \$36.2 | \$40.6 | \$36.1 | \$4.4 | 12% |
| Sales Tax - Public Safety (0.10%) | 2.8 | 3.6 | 4.0 | 3.6 | 0.5 | 13% |
| Electric & Gas Franchise | 1.6 | 2.0 | 1.9 | 1.8 | 0.1 | 7% |
| Cable TV License Fee | - | - | - | - | - | - |
| Salt River Project In Lieu | - | - | - | - | - | - |
| Stormwater Fee | 0.2 | 0.2 | 0.2 | 0.2 | - | - |
| Stormwater Fee - CIP | - | - | - | - | - | - |
| Taxes - Local Total | \$32.6 | \$42.0 | \$46.7 | \$41.7 | \$5.0 | 12% |

Sales Tax (Fiscal Year to Date: September 2022)

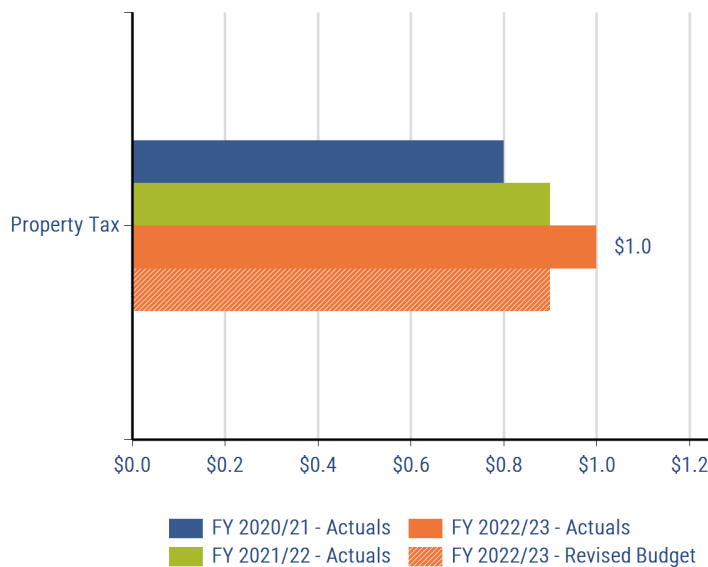


Actual to Revised Budget variance of \$4.4 million or 12%:
 The favorable variance is due to: 1) Construction - price increases from specialty contractors due to inflation and supply chain issues; 2) Dining/Entertainment - restaurants are doing better than anticipated, the variance is also largely related to inflation and supply chain issues causing higher prices; 3) Hotel/Motel - an unbudgeted settlement payment was received; 4) Misc Retail Stores - there are new retailers in the city, a retailer reporting a large infrequent taxable transaction, and also inflation causing the increase in the price of goods; 5) Other Activity - increases from manufacturers and software developers due to inflation and other supply chain issues; and 6) Rental - a one-time taxable sale of an apartment complex and also increasing rental rates. The favorable variance would have been greater but is being offset by Automotive Sales Tax due to decreased sales from motor vehicle dealerships.

| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) | |
|------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| | | | | | Amount | Percent |
| Automotive | \$4.5 | \$4.9 | \$4.7 | \$5.1 | (\$0.4) | (7%) |
| Construction | 2.9 | 3.5 | 3.7 | 3.2 | 0.5 | 15% |
| Dining/Entertainment | 1.9 | 3.3 | 3.6 | 3.1 | 0.5 | 16% |
| Food Stores | 2.1 | 2.0 | 2.1 | 2.0 | 0.1 | 6% |
| Hotel/Motel | 0.6 | 1.4 | 2.1 | 1.4 | 0.6 | 44% |
| Major Dept Stores | 2.0 | 2.9 | 3.1 | 3.0 | 0.1 | 3% |
| Misc Retail Stores | 5.8 | 7.6 | 9.7 | 7.9 | 1.8 | 23% |
| Other Activity | 3.0 | 4.1 | 5.0 | 4.2 | 0.7 | 18% |
| Rental | 3.9 | 5.3 | 5.3 | 4.8 | 0.5 | 10% |
| Utilities | 1.3 | 1.3 | 1.3 | 1.4 | (0.1) | (6%) |
| Sales Tax Total | \$28.0 | \$36.2 | \$40.6 | \$36.1 | \$4.4 | 12% |

Property Tax (Fiscal Year to Date: September 2022)

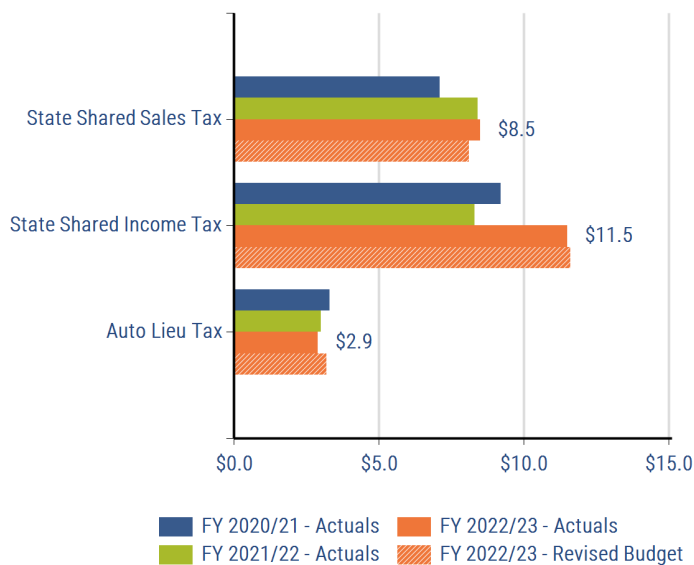
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|---------|
| Property Tax | \$0.8 | \$0.9 | \$1.0 | \$0.9 | \$ - | - |
| Property Tax Total | \$0.8 | \$0.9 | \$1.0 | \$0.9 | \$ - | - |

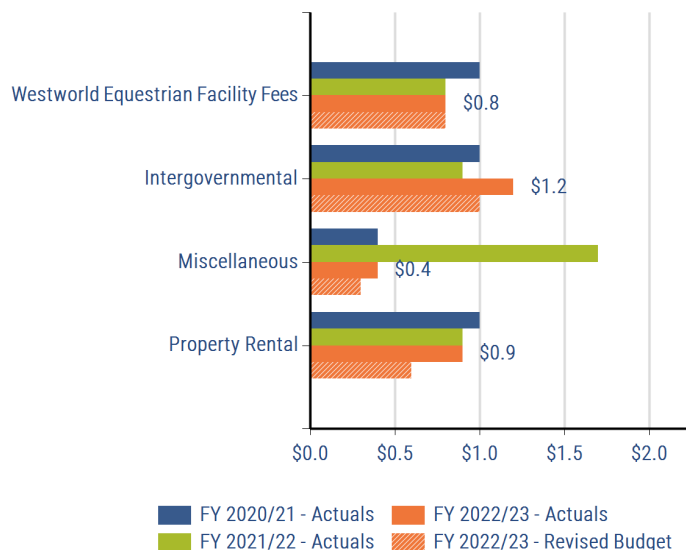
State Shared Revenues (Fiscal Year to Date: September 2022)

Actual to Revised Budget variance of \$0.1 million or 0%:
State Shared Sales Tax is favorable due to strong consumer demand and inflation causing higher prices. It is unclear if Auto Lieu Tax is unfavorable due to timing or if we will be trending unfavorable this fiscal year due to revised populations and less vehicle license tax taken in by the State due to the global chip shortage despite an increased demand for used cars.



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-----------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|---------|
| State Shared Sales Tax | \$7.1 | \$8.4 | \$8.5 | \$8.1 | \$0.5 | 6% |
| State Shared Income Tax | 9.2 | 8.3 | 11.5 | 11.6 | (0.1) | (1%) |
| Auto Lieu Tax | 3.3 | 3.0 | 2.9 | 3.2 | (0.3) | (10%) |
| State Shared Revenues Total | \$19.6 | \$19.6 | \$23.0 | \$22.9 | \$0.1 | 0% |

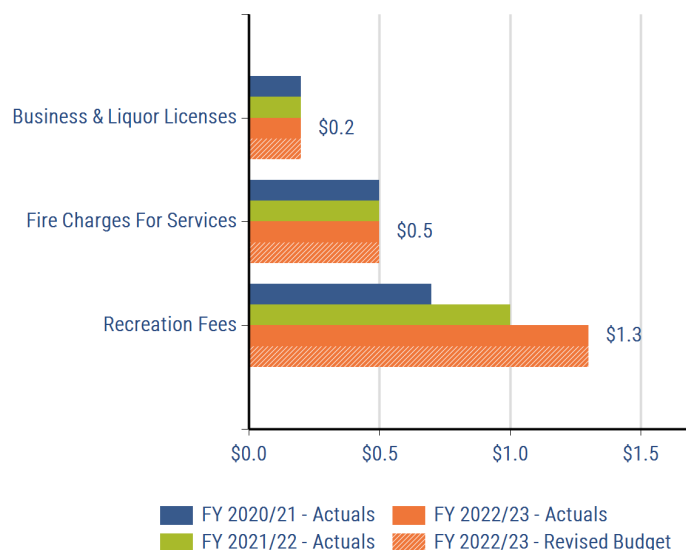
Charges for Service/Other (Fiscal Year to Date: September 2022)



Actual to Revised Budget variance of \$0.6 million or 21%: Property Rental is favorable primarily due to greater than projected revenue for retail and event activity at various city locations and also due to advanced payments for cell tower and outdoor dining leases.

| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Westworld Equestrian Facility Fees | \$1.0 | \$0.8 | \$0.8 | \$0.8 | \$ - | - |
| Intergovernmental | 1.0 | 0.9 | 1.2 | 1.0 | 0.1 | 12% |
| Miscellaneous | 0.4 | 1.7 | 0.4 | 0.3 | 0.1 | 40% |
| Property Rental | 1.0 | 0.9 | 0.9 | 0.6 | 0.4 | 64% |
| Charges for Service/Other Total | \$3.4 | \$4.4 | \$3.2 | \$2.7 | \$0.6 | 21% |

License Permits & Fees (Fiscal Year to Date: September 2022)

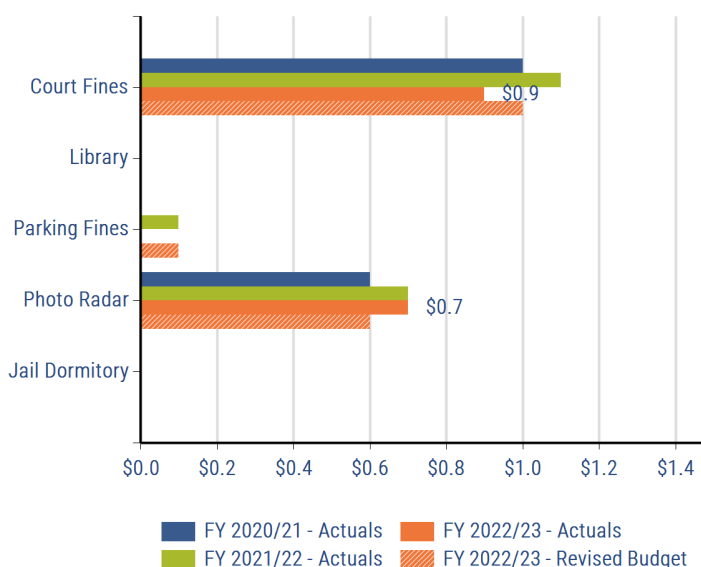


Actual to Revised Budget variance of \$0.1 million or 3%: No explanation necessary.

| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Business & Liquor Licenses | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$ - | - |
| Fire Charges For Services | 0.5 | 0.5 | 0.5 | 0.5 | - | - |
| Recreation Fees | 0.7 | 1.0 | 1.3 | 1.3 | - | - |
| License Permits & Fees Total | \$1.4 | \$1.7 | \$2.1 | \$2.0 | \$0.1 | 3% |

Fines Fees & Forfeitures (Fiscal Year to Date: September 2022)

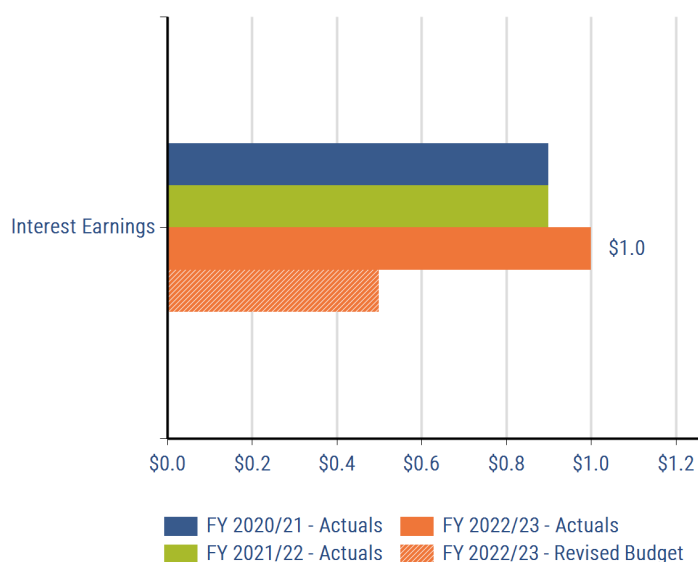
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|----------|
| Court Fines | \$1.0 | \$1.1 | \$0.9 | \$1.0 | (\$0.1) | (9%) |
| Library | - | - | - | - | - | - |
| Parking Fines | - | 0.1 | - | 0.1 | - | - |
| Photo Radar | 0.6 | 0.7 | 0.7 | 0.6 | 0.1 | 15% |
| Jail Dormitory | - | - | - | - | - | - |
| Fines Fees & Forfeitures Total | \$1.6 | \$1.9 | \$1.7 | \$1.7 | \$ - | - |

Interest Earnings (Fiscal Year to Date: September 2022)

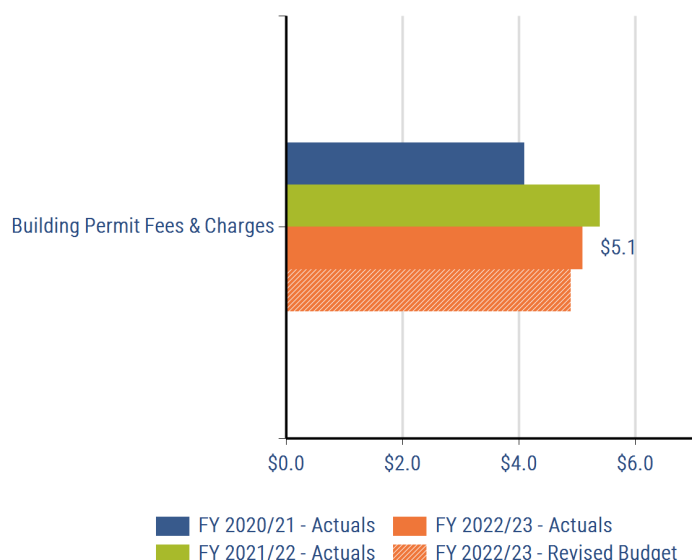
Actual to Revised Budget variance of \$0.5 million or nm:
Interest Earnings is favorable due to the approximate rate of return being higher than expected.



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Interest Earnings | \$0.9 | \$0.9 | \$1.0 | \$0.5 | \$0.5 | nm |
| Interest Earnings Total | \$0.9 | \$0.9 | \$1.0 | \$0.5 | \$0.5 | nm |

Building Permit Fees & Charges (Fiscal Year to Date: September 2022)

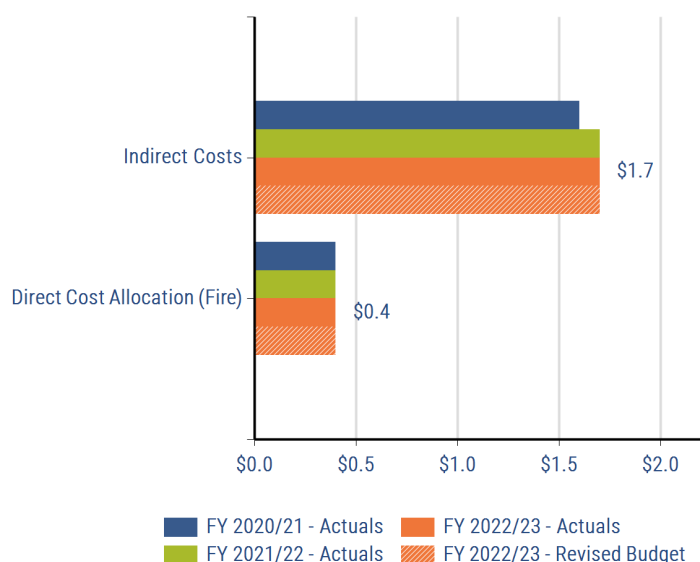
Actual to Revised Budget variance of \$0.1 million or 3%:
No explanation necessary.



| | <u>FY 2020/21 Actuals</u> | <u>FY 2021/22 Actuals</u> | <u>FY 2022/23 Actuals</u> | <u>FY 2022/23 Revised Budget</u> | <u>Actual vs. Budget Favorable / (Unfavorable) Amount</u> | <u>Percent</u> |
|---|-------------------------------|-------------------------------|-------------------------------|--|---|----------------|
| Building Permit Fees & Charges | \$4.1 | \$5.4 | \$5.1 | \$4.9 | \$0.1 | 3% |
| Building Permit Fees & Charges Total | \$4.1 | \$5.4 | \$5.1 | \$4.9 | \$0.1 | 3% |

Indirect/Direct Cost Allocations (Fiscal Year to Date: September 2022)

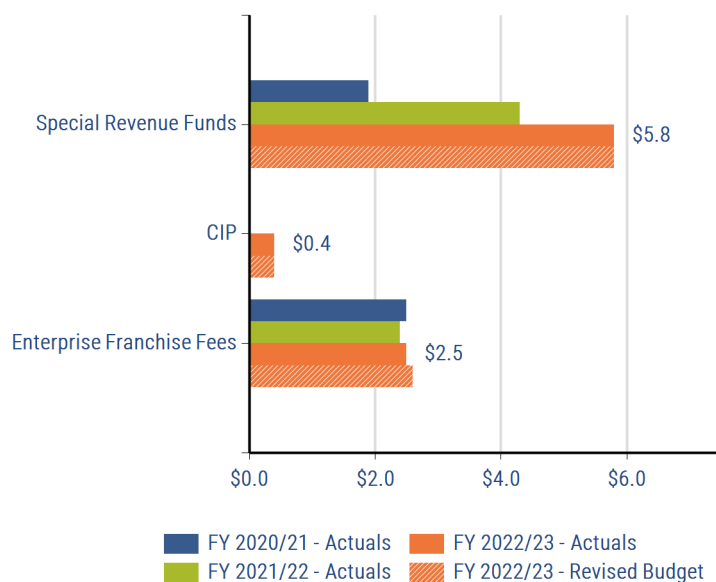
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



| | <u>FY 2020/21 Actuals</u> | <u>FY 2021/22 Actuals</u> | <u>FY 2022/23 Actuals</u> | <u>FY 2022/23 Revised Budget</u> | <u>Actual vs. Budget Favorable / (Unfavorable) Amount</u> | <u>Percent</u> |
|---|-------------------------------|-------------------------------|-------------------------------|--|---|----------------|
| Indirect Costs | \$1.6 | \$1.7 | \$1.7 | \$1.7 | \$ - | - |
| Direct Cost Allocation (Fire) | 0.4 | 0.4 | 0.4 | 0.4 | - | - |
| Indirect/Direct Cost Allocations Total | \$2.1 | \$2.1 | \$2.1 | \$2.1 | \$ - | - |

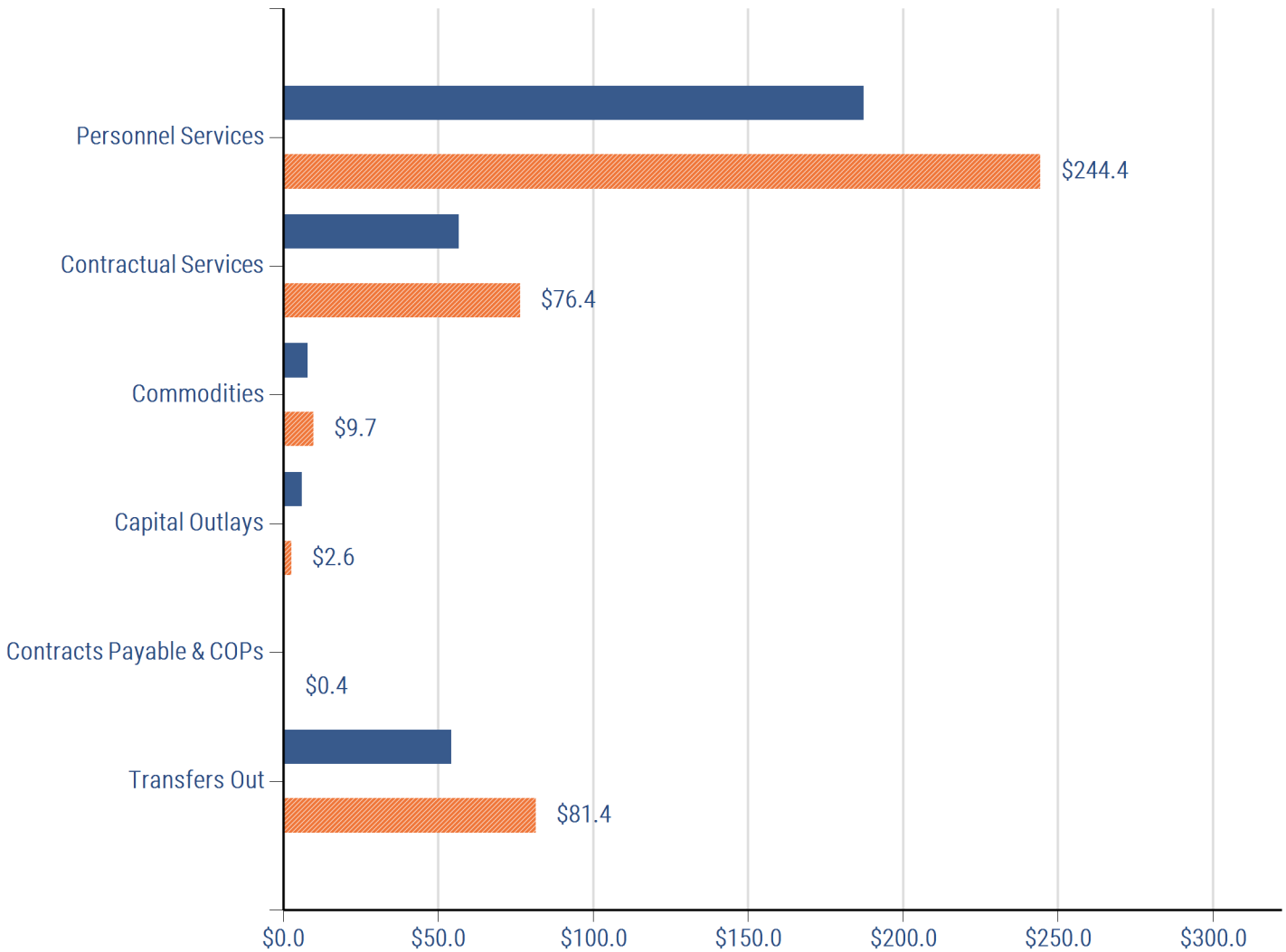
Transfers In (Fiscal Year to Date: September 2022)

Actual to Revised Budget variance of (\$0.1) million or (1%):
No explanation necessary.



| | <u>FY 2020/21</u> <u>Actuals</u> | <u>FY 2021/22</u> <u>Actuals</u> | <u>FY 2022/23</u> <u>Actuals</u> | <u>FY 2022/23</u> <u>Revised</u> <u>Budget</u> | <u>Actual vs. Budget</u> <u>Favorable / (Unfavorable)</u> <u>Amount</u> | <u>Percent</u> |
|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|---|----------------|
| Special Revenue Funds | \$1.9 | \$4.3 | \$5.8 | \$5.8 | \$ - | - |
| CIP | - | - | 0.4 | 0.4 | - | - |
| Enterprise Franchise Fees | 2.5 | 2.4 | 2.5 | 2.6 | (0.1) | (4%) |
| Transfers In Total | \$4.4 | \$6.7 | \$8.7 | \$8.8 | (\$0.1) | (1%) |

Twelve Months: Fiscal Year



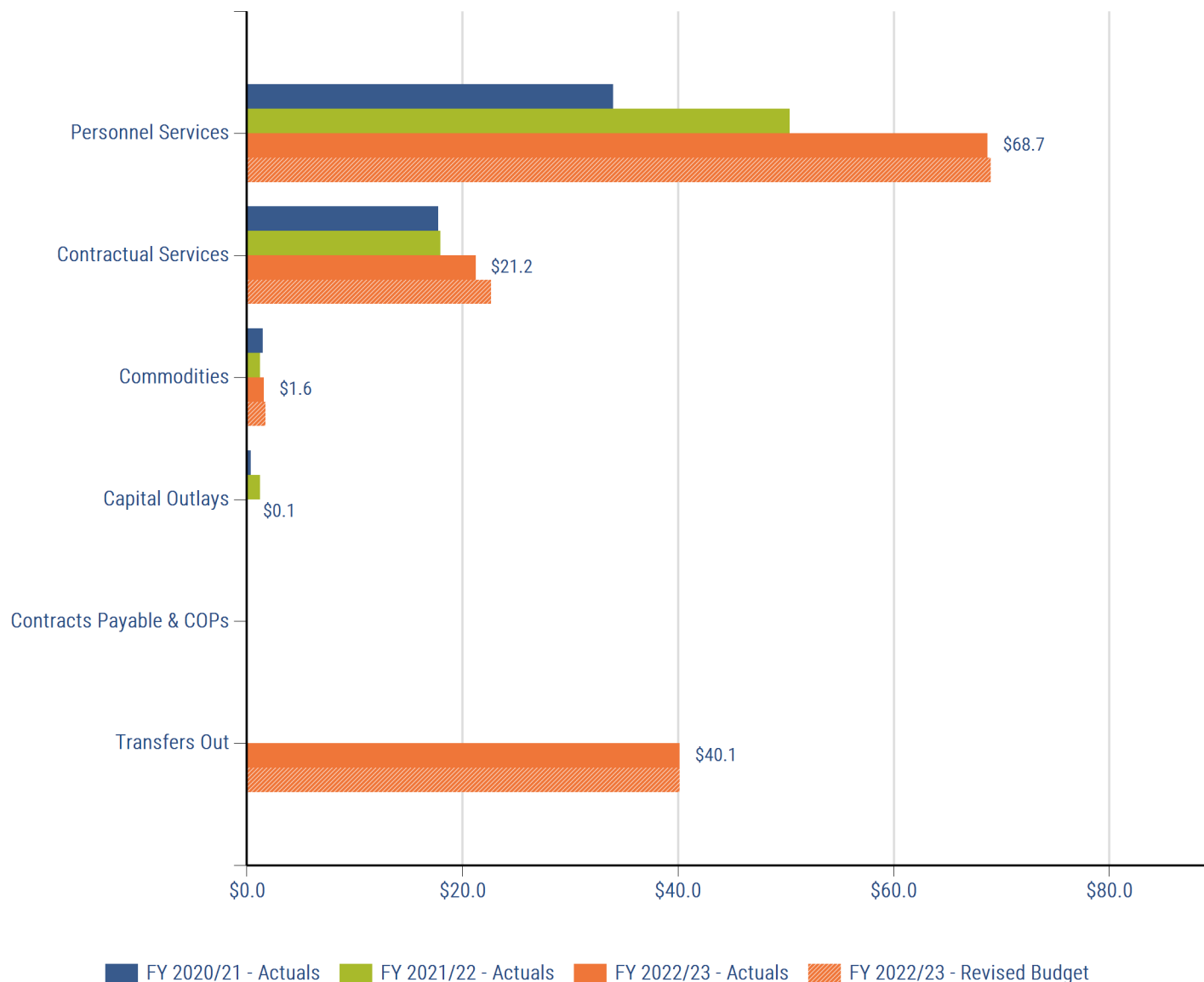
■ FY 2020/21 - Actuals
 ■ FY 2021/22 - Actuals
 ■ *FY 2022/23 - Revised Budget

| | FY 2020/21 <u>Actuals</u> | FY 2021/22 <u>Actuals</u> | FY 2022/23 <u>Revised Budget</u> |
|--------------------------|------------------------------|------------------------------|---|
| Personnel Services | \$187.3 | n/a | \$244.4 |
| Contractual Services | 56.6 | n/a | 76.4 |
| Commodities | 7.8 | n/a | 9.7 |
| Capital Outlays | 6.0 | n/a | 2.6 |
| Contracts Payable & COPs | 0.4 | n/a | 0.4 |
| Transfers Out | 54.3 | n/a | 81.4 |
| Total Uses | \$312.5 | n/a | \$415.0 |

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

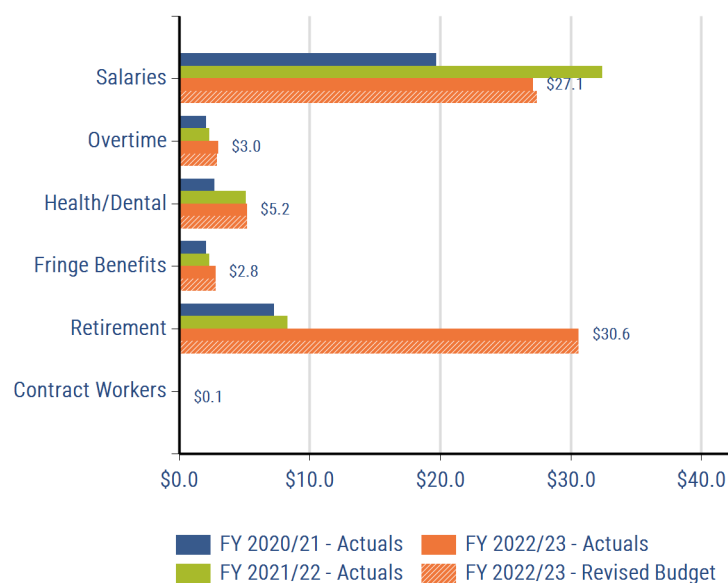
Note: FY 2021/22 twelve month actuals are not available at this time. Once completed, they will be included within the report.

Uses (Fiscal Year to Date: September 2022)



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Personnel Services | \$34.0 | \$50.4 | \$68.7 | \$69.0 | \$0.3 | 0% |
| Contractual Services | 17.8 | 18.0 | 21.2 | 22.7 | 1.4 | 6% |
| Commodities | 1.5 | 1.3 | 1.6 | 1.7 | 0.1 | 7% |
| Capital Outlays | 0.4 | 1.2 | 0.1 | 0.1 | - | - |
| Contracts Payable & COPs | - | - | - | - | - | - |
| Transfers Out | - | - | 40.1 | 40.1 | - | - |
| Total Uses | \$53.6 | \$70.8 | \$131.8 | \$133.6 | \$1.8 | 1% |

Personnel Services (Fiscal Year to Date: September 2022)



Actual to Revised Budget variance of \$0.3 million or 0%: Salaries is favorable primarily due to newer employees (sworn and non-sworn) having a lower salary than the employees they replaced and also from savings in part-time wages from the vacancies caused by the difficult job market. While there is no Retirement variance to report on, Budget and Actuals are significantly higher in FY 2022/23 due to a pre-payment for Public Safety - Fire and Police annual contributions in an effort to lower the city's unfunded liability with PSPRS.

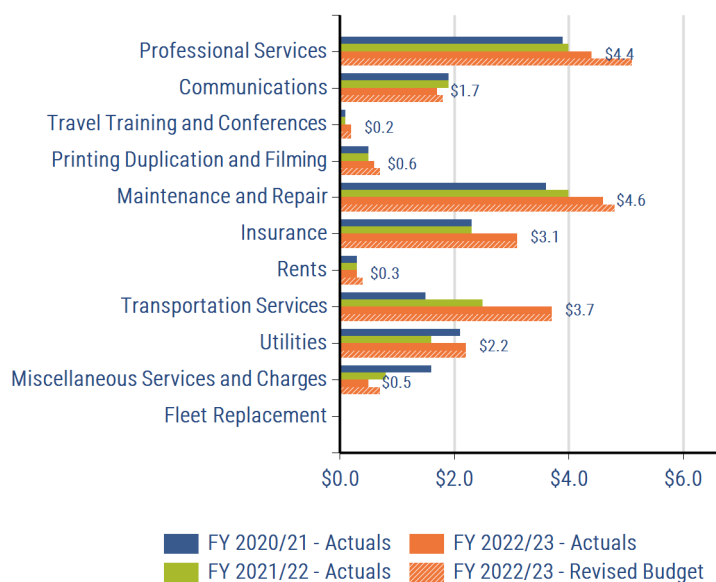
| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Salaries | \$19.7 | \$32.4 | \$27.1 | \$27.4 | \$0.3 | 1% |
| Overtime | 2.1 | 2.3 | 3.0 | 2.9 | - | - |
| Health/Dental | 2.7 | 5.1 | 5.2 | 5.2 | - | - |
| Fringe Benefits | 2.1 | 2.3 | 2.8 | 2.8 | 0.1 | 2% |
| Retirement | 7.3 | 8.3 | 30.6 | 30.6 | - | - |
| Contract Workers | - | - | 0.1 | 0.1 | - | - |
| Personnel Services Total | \$34.0 | \$50.4 | \$68.7 | \$69.0 | \$0.3 | 0% |

Personnel Services Citywide Adjustments

| | FY 2022/23 Adopted Budget | FY 2022/23 Year-To-Date Saved/(Used) | Remaining |
|--|---------------------------------|--|-----------|
| Citywide Pay Program | \$5.4 | (\$3.1) | \$2.3 |
| Vacancy Savings | (7.4) | 3.6 | (3.8) |
| Medical Leave Payouts | 1.3 | (0.4) | 0.9 |
| Vacation Leave Payouts | 1.0 | (0.3) | 0.6 |
| Vacation Trade Payouts | 1.3 | - | 1.3 |
| Compensation Other | 10.4 | (10.4) | - |
| Personnel Services Citywide Adjustments Total | \$11.9 | (\$10.6) | |

Total Saved/(Used) YTD of (\$10.6) million: Expenses in Citywide Pay Program and Compensation Other were used to support employees salaries when evaluated against inflation impacts and to provide merit based pay increases to employees meeting or exceeding performance expectations. In addition, the city has achieved \$3.6 million in vacancy savings. This is partially offset by (\$0.7 million) in vacation and medical leave payouts.

Contractual Services (Fiscal Year to Date: September 2022)



Actual to Revised Budget variance of \$1.4 million or 6%: Professional Services is favorable primarily due to budget timing and also timing for large city projects. Printing Duplication and Filming is favorable due to departments moving towards paperless activities. Maintenance and Repair is favorable primarily due to invoice timing from citywide software and technology vendors. Rents is favorable due to timing. Miscellaneous Services and Charges is favorable due to invoice timing for communication and dispatch services.

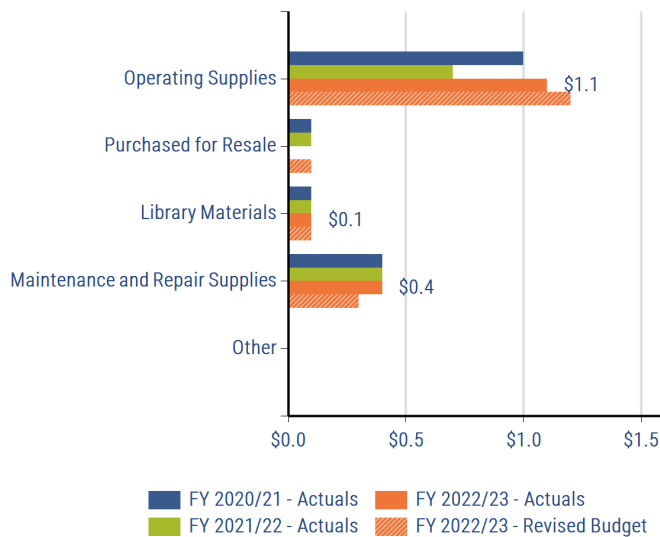
| | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2022/23 | Actual vs. Budget | |
|------------------------------------|---------------|---------------|---------------|----------------|----------------------------------|-----------|
| | Actuals | Actuals | Actuals | Revised Budget | Favorable / (Unfavorable) Amount | Percent |
| Professional Services | \$3.9 | \$4.0 | \$4.4 | \$5.1 | \$0.7 | 14% |
| Communications | 1.9 | 1.9 | 1.7 | 1.8 | - | - |
| Travel Training and Conferences | 0.1 | 0.1 | 0.2 | 0.2 | - | - |
| Printing Duplication and Filming | 0.5 | 0.5 | 0.6 | 0.7 | 0.1 | 11% |
| Maintenance and Repair | 3.6 | 4.0 | 4.6 | 4.8 | 0.3 | 6% |
| Insurance | 2.3 | 2.3 | 3.1 | 3.1 | - | - |
| Rents | 0.3 | 0.3 | 0.3 | 0.4 | 0.1 | 24% |
| Transportation Services | 1.5 | 2.5 | 3.7 | 3.7 | - | - |
| Utilities | 2.1 | 1.6 | 2.2 | 2.2 | - | - |
| Miscellaneous Services and Charges | 1.6 | 0.8 | 0.5 | 0.7 | 0.2 | 31% |
| Fleet Replacement | - | - | - | - | - | - |
| Contractual Services Total | \$17.8 | \$18.0 | \$21.2 | \$22.7 | \$1.4 | 6% |

Contractual Services Citywide Adjustments

| | FY 2022/23 | FY 2022/23 | |
|--|----------------|-------------------|---------------|
| | Adopted Budget | Year-To-Date Used | Remaining |
| Fleet Replacement | \$8.1 | (\$8.1) | \$ - |
| Fuel and Maint and Repair | 6.0 | (1.7) | 4.3 |
| Utilities | 8.4 | (2.2) | 6.2 |
| Contractual Services Citywide Adjustments Total | \$22.5 | (\$12.0) | \$10.5 |

Total Saved/(Used) YTD of (\$12.0) million: Through September, utilities are trending higher due to increased water usage and higher than anticipated market rates for electric.

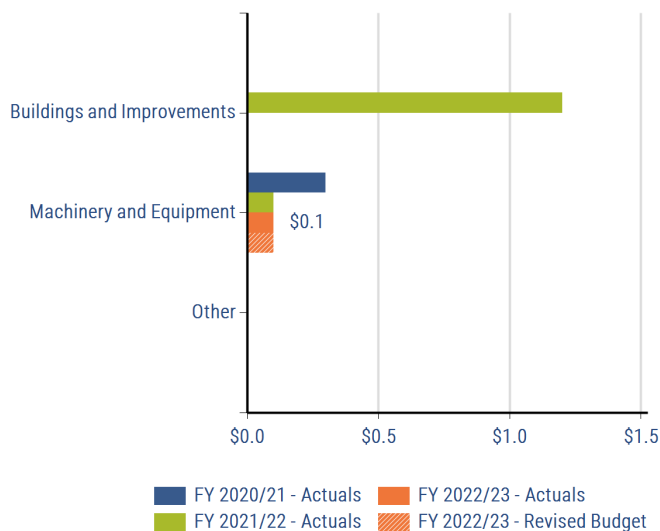
Commodities (Fiscal Year to Date: September 2022)



Actual to Revised Budget variance of \$0.1 million or 7%: Operating Supplies is favorable due to timing caused by supply chain and shipping delays. The variance would have been greater but is being offset by: 1) supplies ordered last fiscal year are arriving and being paid for in this fiscal year; and 2) additional uniform purchases made for new firefighter recruits to replace staff that are leaving or have left. Maintenance and Repair Supplies is unfavorable due to repair materials purchased earlier than anticipated.

| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Operating Supplies | \$1.0 | \$0.7 | \$1.1 | \$1.2 | \$0.2 | 12% |
| Purchased for Resale | 0.1 | 0.1 | - | 0.1 | - | - |
| Library Materials | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Maintenance and Repair Supplies | 0.4 | 0.4 | 0.4 | 0.3 | (0.1) | (27%) |
| Other | - | - | - | - | - | - |
| Commodities Total | \$1.5 | \$1.3 | \$1.6 | \$1.7 | \$0.1 | 7% |

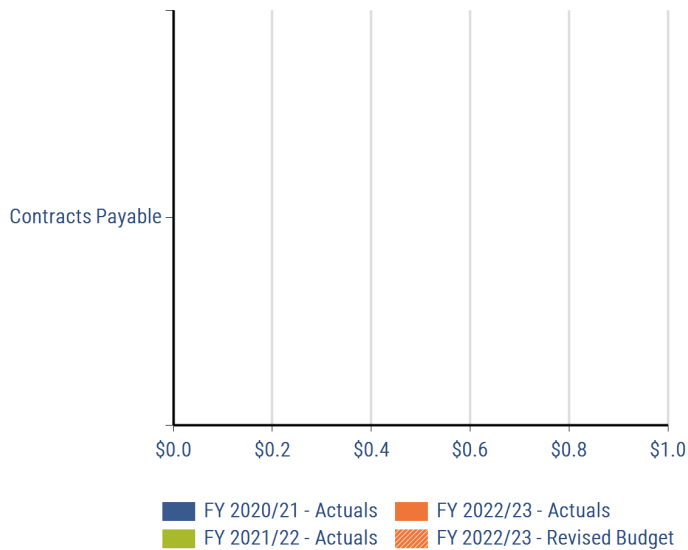
Capital Outlays (Fiscal Year to Date: September 2022)



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

| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|----------|
| Buildings and Improvements | \$ - | \$1.2 | \$ - | \$ - | \$ - | - |
| Machinery and Equipment | 0.3 | 0.1 | 0.1 | 0.1 | - | - |
| Other | - | - | - | - | - | n/a |
| Capital Outlays Total | \$0.4 | \$1.2 | \$0.1 | \$0.1 | \$ - | - |

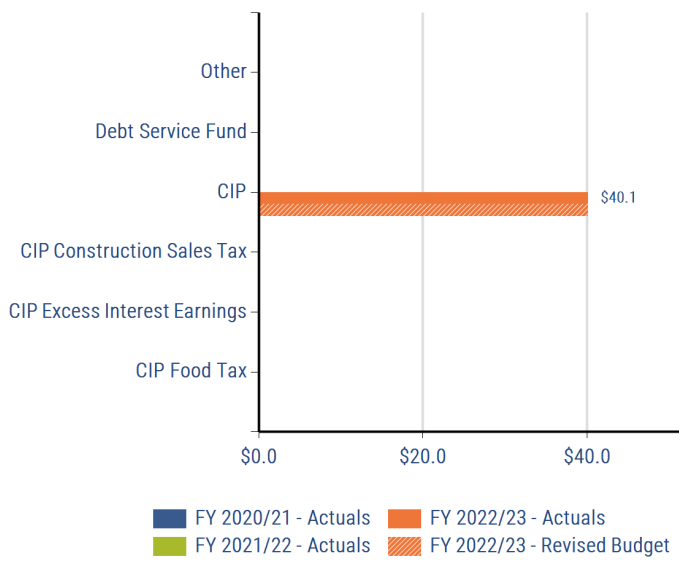
Contracts Payable & COPs (Fiscal Year to Date: September 2022)



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

| | <u>FY 2020/21 Actuals</u> | <u>FY 2021/22 Actuals</u> | <u>FY 2022/23 Actuals</u> | <u>FY 2022/23 Revised Budget</u> | <u>Actual vs. Budget Favorable / (Unfavorable) Amount</u> | <u>Percent</u> |
|---|-------------------------------|-------------------------------|-------------------------------|--|---|----------------|
| Contracts Payable | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| Contracts Payable & COPs Total | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$ - | - |

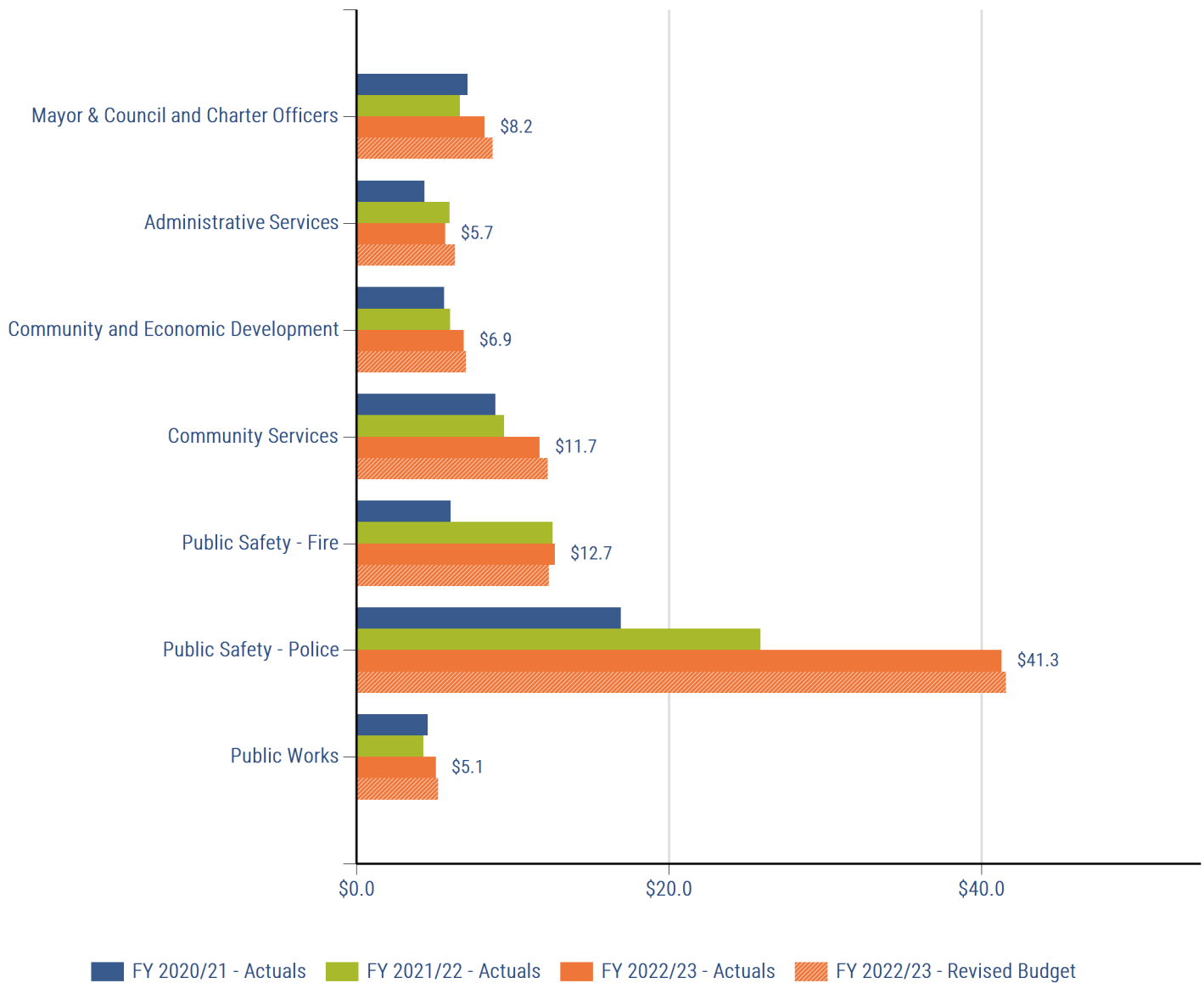
Transfers Out (Fiscal Year to Date: September 2022)



Actual to Revised Budget variance of \$0.0 million or 0%:
While there is no variance to report for Transfers Out, Budget and Actuals for Transfer Out - CIP are significantly higher in FY 2022/23 than previous years due to planned budget transfers from the General Fund to CIP to be allocated towards various CIP and Bond 2019 projects that were recognized to have shortfalls during the construction process.

| | <u>FY 2020/21 Actuals</u> | <u>FY 2021/22 Actuals</u> | <u>FY 2022/23 Actuals</u> | <u>FY 2022/23 Revised Budget</u> | <u>Actual vs. Budget Favorable / (Unfavorable) Amount</u> | <u>Percent</u> |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|--|---|----------------|
| Other | \$ - | \$ - | \$ - | \$ - | \$ - | n/a |
| Debt Service Fund | - | - | - | - | - | - |
| CIP | - | - | 40.1 | 40.1 | - | - |
| CIP Construction Sales Tax | - | - | - | - | - | - |
| CIP Excess Interest Earnings | - | - | - | - | - | - |
| CIP Food Tax | - | - | - | - | - | - |
| Transfers Out Total | \$0.0 | \$0.0 | \$40.1 | \$40.1 | \$ - | - |

Division Expenditures (Fiscal Year to Date: September 2022)



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Mayor & Council and Charter Officers | \$7.1 | \$6.6 | \$8.2 | \$8.7 | \$0.5 | 6% |
| Administrative Services | 4.4 | 6.0 | 5.7 | 6.3 | 0.6 | 10% |
| Community and Economic Development | 5.6 | 6.0 | 6.9 | 7.0 | 0.1 | 2% |
| Community Services | 8.9 | 9.5 | 11.7 | 12.2 | 0.5 | 4% |
| Public Safety - Fire | 6.0 | 12.6 | 12.7 | 12.3 | (0.4) | (3%) |
| Public Safety - Police | 16.9 | 25.9 | 41.3 | 41.6 | 0.3 | 1% |
| Public Works | 4.6 | 4.3 | 5.1 | 5.3 | 0.1 | 3% |
| Total | \$53.6 | \$70.8 | \$91.7 | \$93.4 | \$1.8 | 2% |

Actual to Revised Budget variance of \$1.8 million or 2%:

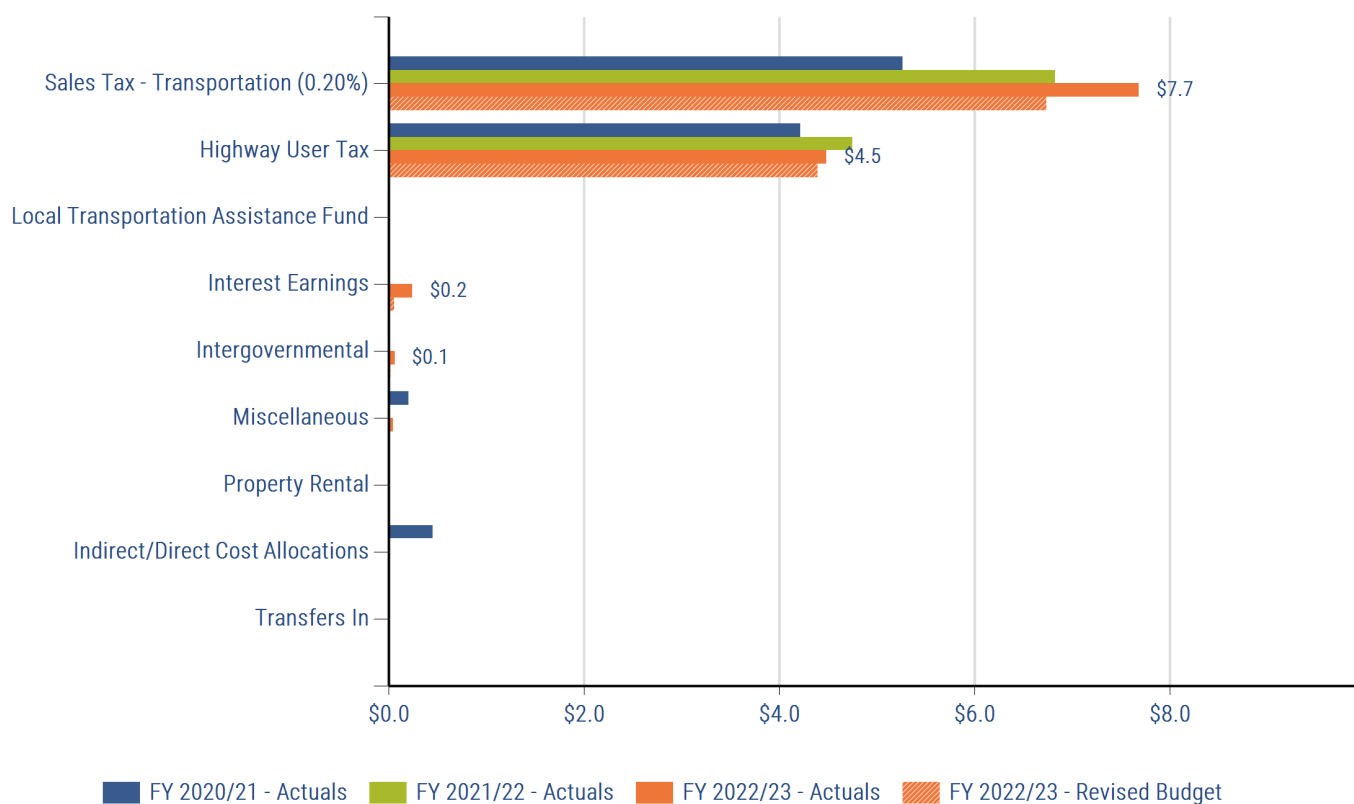
Mayor & Council and Charter Officers is favorable due to: 1) vacancy savings and lower salary rates for newer employees than those they replaced; 2) timing of services and litigation expenses; and 3) lower than projected expenses related to the elections.

Administrative Services is favorable primarily due to invoice timing for citywide software renewals.

Community Services is favorable due to: 1) new personnel having a lower salary rate than those they replaced; 2) savings in part-time wages due to vacancies and staffing difficulties; and 3) timing of the Indian School Park Master Plan.

Public Safety - Fire is unfavorable primarily due to: 1) increased overtime costs caused by short staffing levels. Overtime is needed when personnel is out for various reasons, or required to attend trainings and/or paramedic school to maintain minimum staffing levels for emergency responses; 2) an un-budgeted software purchase to replace an old system that crashed that is required for reporting and tracking calls; and 3) various supplies and equipment ordered last fiscal year are arriving now due to supply chain issues.

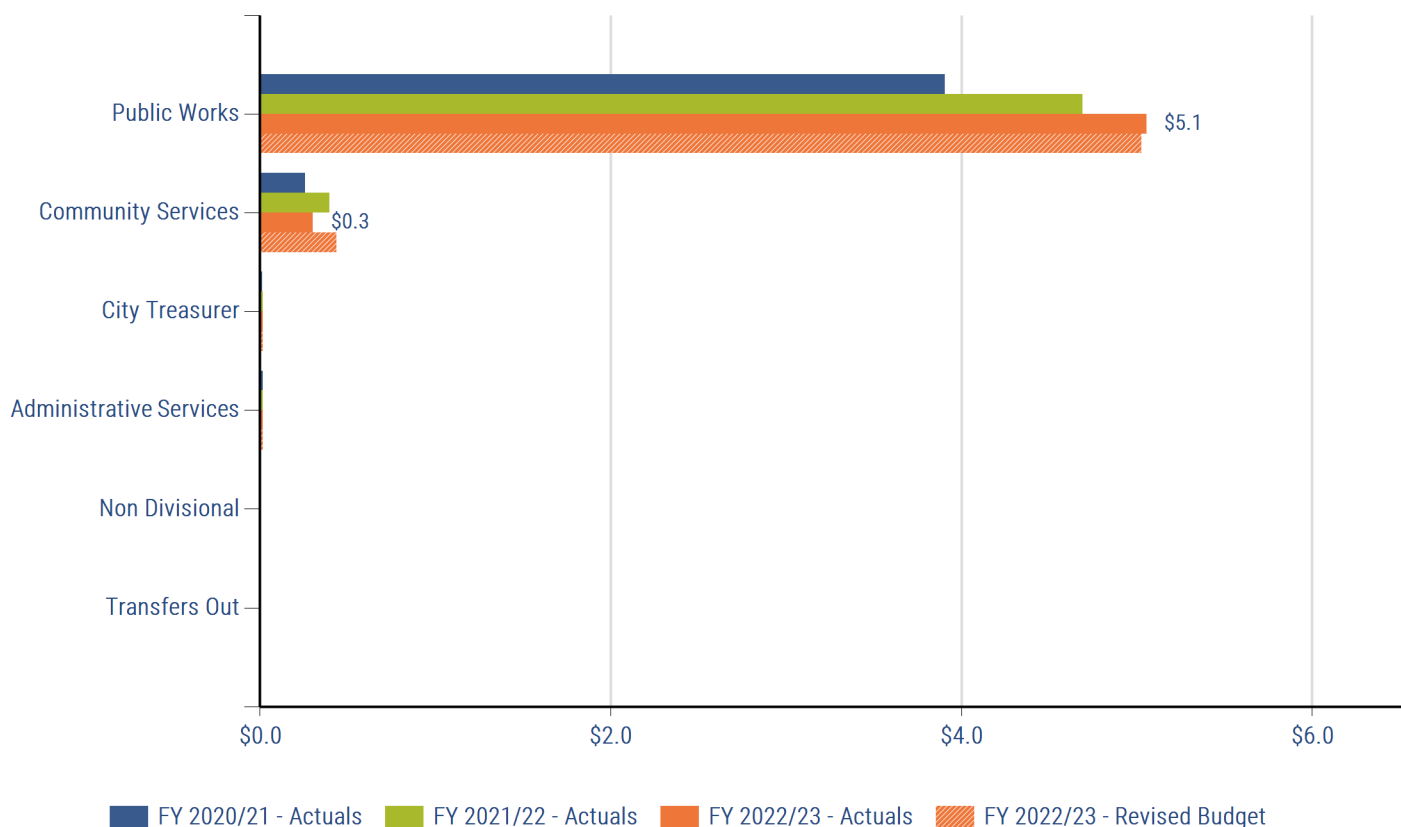
Sources (Fiscal Year to Date: September 2022)



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Sales Tax - Transportation (0.20%) | \$5.3 | \$6.8 | \$7.7 | \$6.7 | \$0.9 | 14% |
| Highway User Tax | 4.2 | 4.8 | 4.5 | 4.4 | 0.1 | 2% |
| Local Transportation Assistance Fund | - | - | - | - | - | - |
| Interest Earnings | - | - | 0.2 | 0.1 | 0.2 | nm |
| Intergovernmental | - | - | 0.1 | - | - | - |
| Miscellaneous | 0.2 | - | - | - | - | n/a |
| Property Rental | - | - | - | - | - | - |
| Indirect/Direct Cost Allocations | 0.5 | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - |
| Total Sources | \$10.1 | \$11.6 | \$12.5 | \$11.2 | \$1.3 | 12% |

Actual to Revised Budget variance of \$1.3 million or 12%: Sales Tax - Transportation (0.20%) is favorable primarily due to Sales Tax, see page 5 for explanations by category. Highway User Tax is favorable due to an increased amount of vehicular traffic on city streets. This tax includes gasoline and use-fuel taxes, motor-carrier taxes, vehicle-license taxes, vehicle registration fees, and other miscellaneous fees. Interest earnings is favorable due to the approximate rate of return being higher than expected.

Uses (Fiscal Year to Date: September 2022)

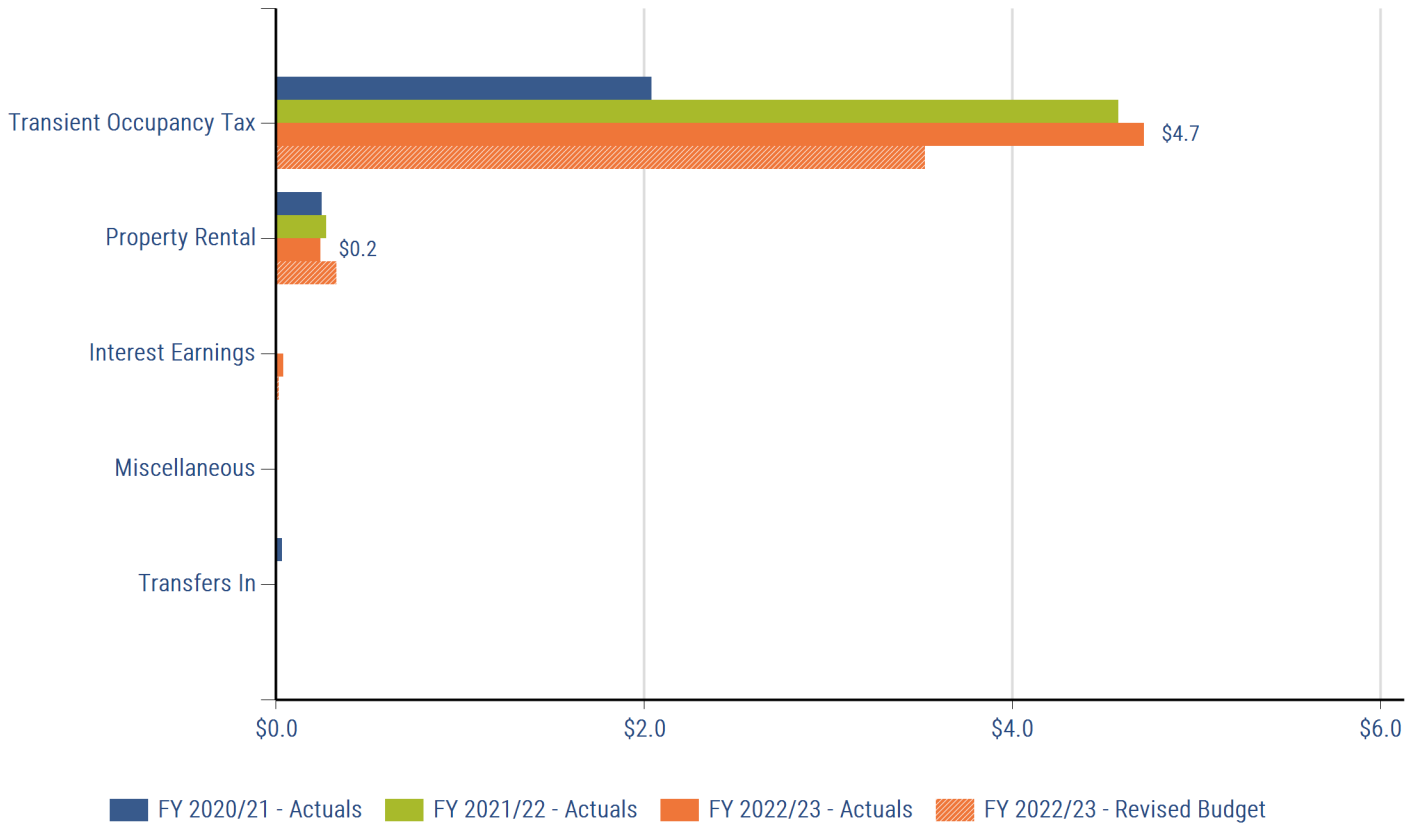


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Public Works | \$3.9 | \$4.7 | \$5.1 | \$5.0 | \$ - | - |
| Community Services | 0.3 | 0.4 | 0.3 | 0.4 | 0.1 | 31% |
| City Treasurer | - | - | - | - | - | - |
| Administrative Services | - | - | - | - | - | - |
| Non Divisional | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - |
| Total Uses | \$4.2 | \$5.1 | \$5.4 | \$5.5 | \$0.1 | 2% |

Actual to Revised Budget variance of \$0.1 million or 2%: The favorable variance in Community Services is due lower than projected right-of-way median maintenance at this point in the fiscal year.

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: September 2022)

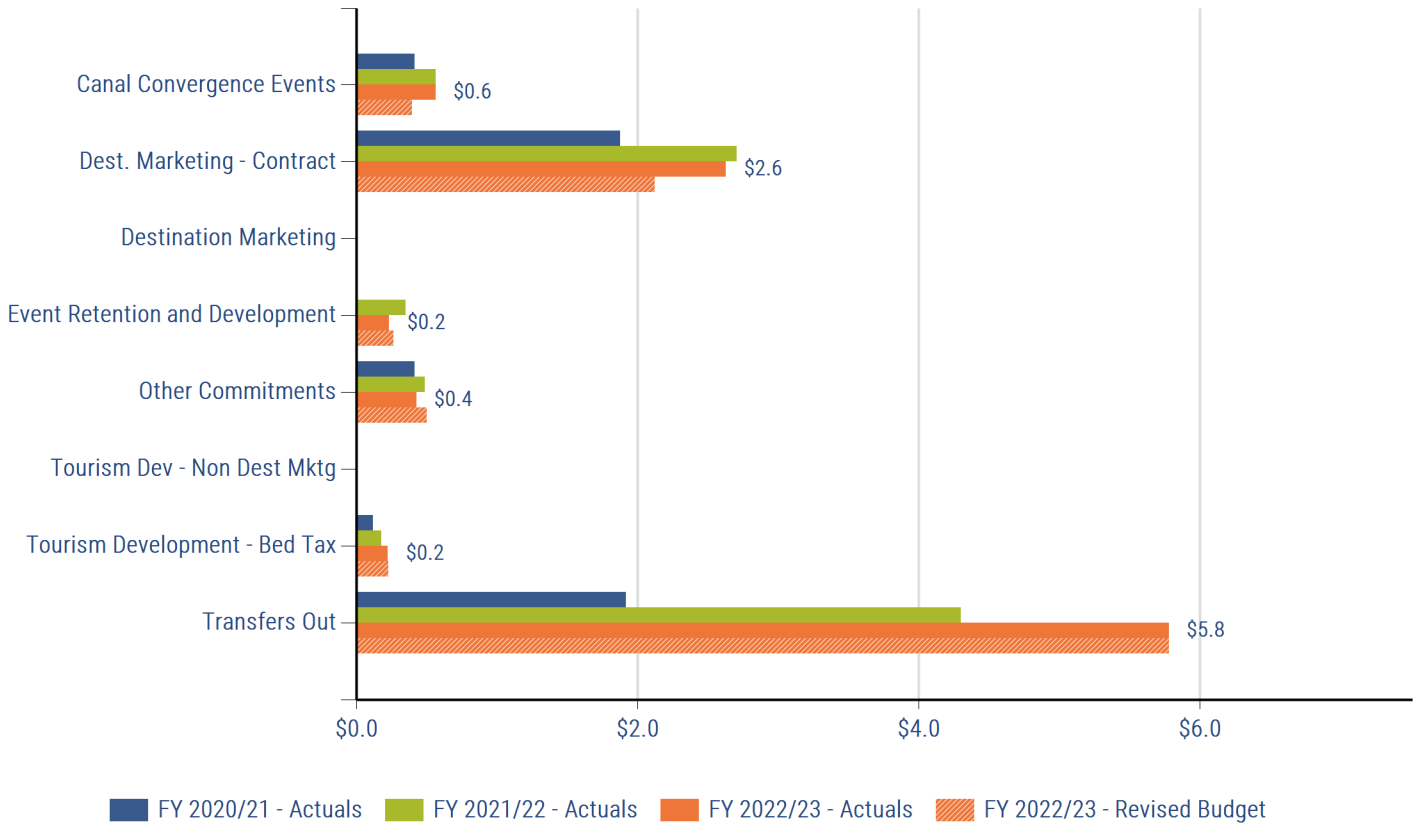


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Budget (Unfavorable) Percent |
|-------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------------------------------|
| Transient Occupancy Tax | \$2.0 | \$4.6 | \$4.7 | \$3.5 | \$1.2 | 34% |
| Property Rental | 0.3 | 0.3 | 0.2 | 0.3 | (0.1) | (26%) |
| Interest Earnings | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | n/a |
| Transfers In | - | - | - | - | - | - |
| Total Sources | \$2.3 | \$4.8 | \$5.0 | \$3.9 | \$1.1 | 29% |

Actual to Revised Budget variance of \$1.1 million or 29%: Transient Occupancy Tax is favorable due to higher than anticipated collections driven by the continuously high touristic activity in the city. Property Rental is unfavorable due to revenues planned for in FY 2022/23 being recorded in FY 2021/22.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: September 2022)

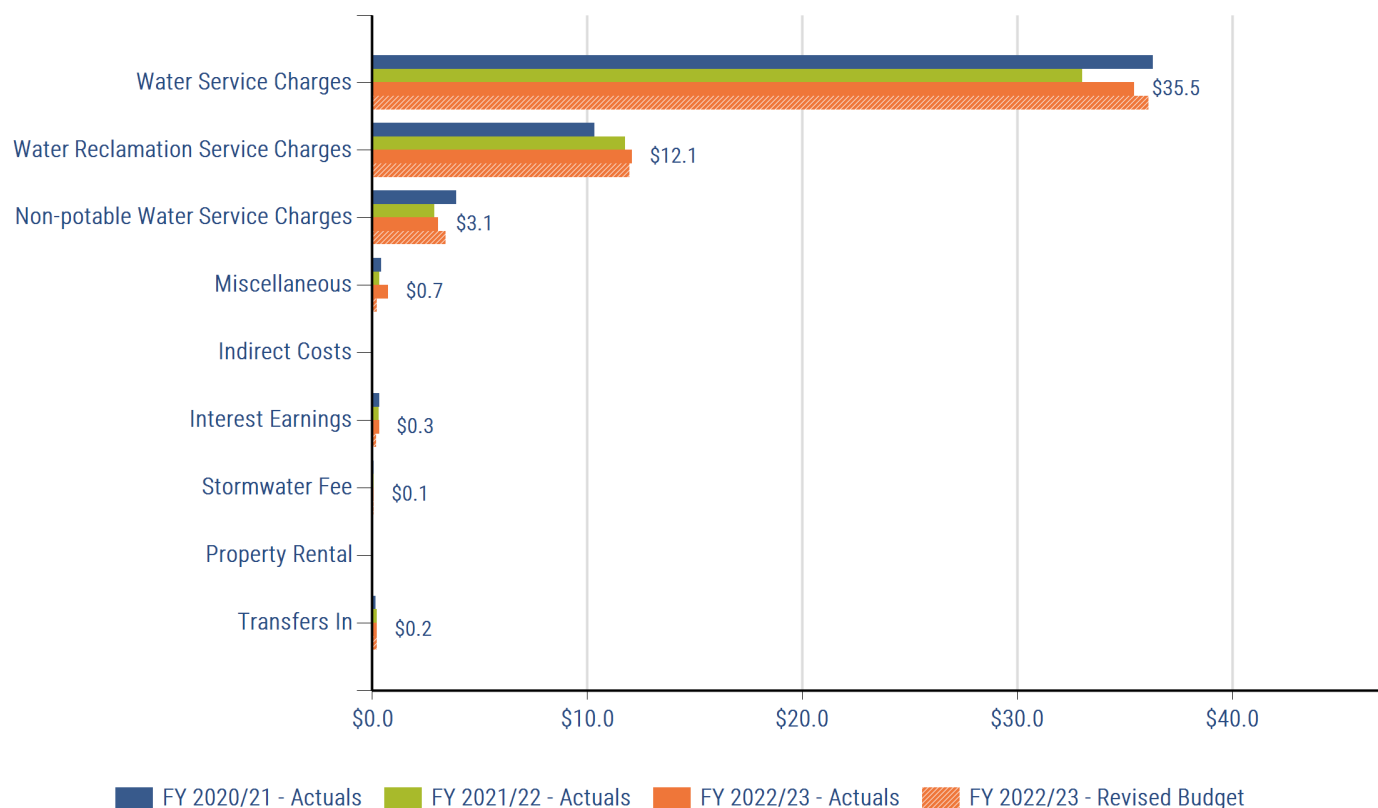


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-------------|
| Canal Convergence Events | \$0.4 | \$0.6 | \$0.6 | \$0.4 | (\$0.2) | (42%) |
| Dest. Marketing - Contract | 1.9 | 2.7 | 2.6 | 2.1 | (0.5) | (24%) |
| Destination Marketing | - | - | - | - | - | - |
| Event Retention and Development | - | 0.3 | 0.2 | 0.3 | - | - |
| Other Commitments | 0.4 | 0.5 | 0.4 | 0.5 | 0.1 | 15% |
| Tourism Dev - Non Dest Mktg | - | - | - | - | - | - |
| Tourism Development - Bed Tax | 0.1 | 0.2 | 0.2 | 0.2 | - | - |
| Transfers Out | 1.9 | 4.3 | 5.8 | 5.8 | - | - |
| Total Uses | \$4.7 | \$8.6 | \$9.9 | \$9.3 | (\$0.6) | (6%) |

Actual to Revised Budget variance of (\$0.6) million or (6%): Canal Convergence Events is unfavorable due to timing. The unfavorable variance in Dest. Marketing - Contract is related to the higher than anticipated collection of Transient Occupancy Tax, 45 percent which by agreement is paid to Experience Scottsdale for destination marketing activities.

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: September 2022)

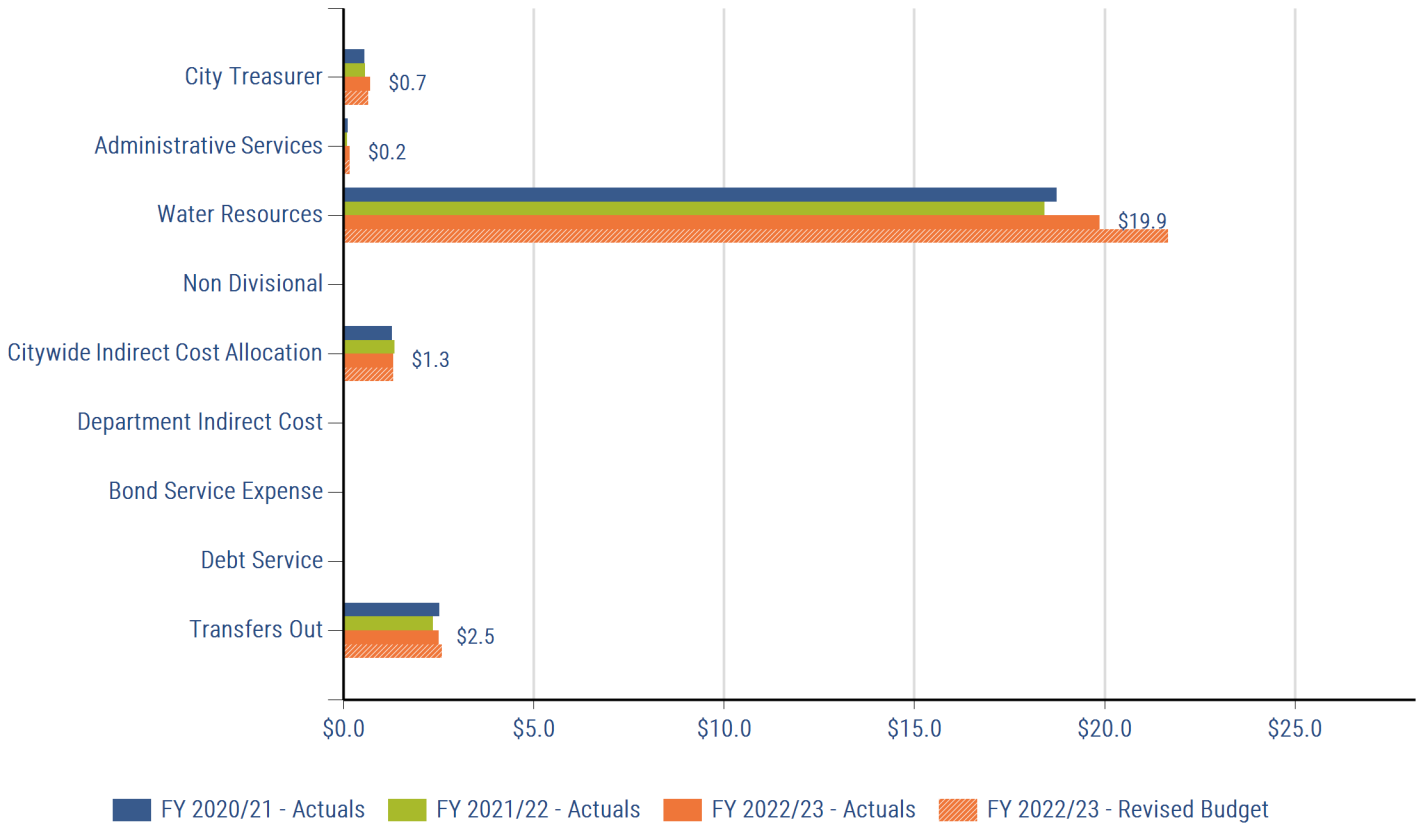


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Water Service Charges | \$36.3 | \$33.0 | \$35.5 | \$36.1 | (\$0.6) | (2%) |
| Water Reclamation Service Charges | 10.4 | 11.8 | 12.1 | 12.0 | 0.1 | 1% |
| Non-potable Water Service Charges | 3.9 | 2.9 | 3.1 | 3.4 | (0.3) | (10%) |
| Miscellaneous | 0.4 | 0.3 | 0.7 | 0.2 | 0.5 | nm |
| Indirect Costs | - | - | - | - | - | - |
| Interest Earnings | 0.3 | 0.3 | 0.3 | 0.2 | 0.1 | 66% |
| Stormwater Fee | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Property Rental | - | - | - | - | - | - |
| Transfers In | 0.2 | 0.2 | 0.2 | 0.2 | - | - |
| Total Sources | \$51.6 | \$48.6 | \$52.0 | \$52.2 | (\$0.2) | 0% |

Actual to Revised Budget variance of (\$0.2) million or 0%: Water Service Charges is unfavorable primarily due to lower-than-expected Base Service and Water Usage charges when compared to the three-year prior average due to a heavy monsoon season. Non-potable Water Service Charges is unfavorable primarily due to a 22 percent decrease in Irrigation Water Distribution System (IWDS) deliveries and a 15 percent decrease in Reclaimed Water Distribution System (RWDS) when compared to historical trends based on the large amount of rain received during the monsoon season. Miscellaneous is favorable primarily due to revenue received the Central Arizona Project (CAP) and Arizona Department of Water Resources (ADWS) for reducing usage from Lake Mead. Interest Earnings is favorable due to the approximate rate of return being higher than expected.

\$ in millions/rounding differences may occur

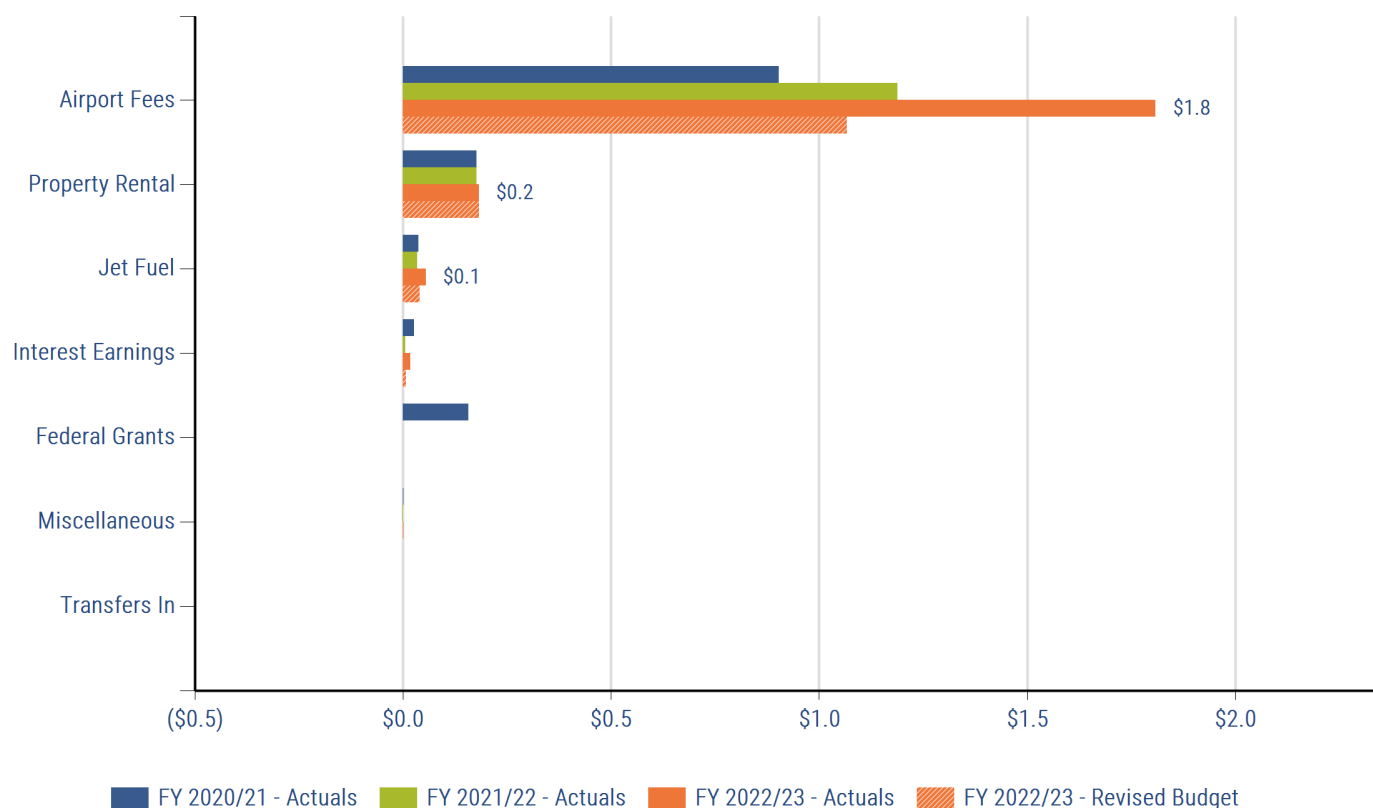
Uses (Fiscal Year to Date: September 2022)



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Budget Percent |
|-----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-------------------|
| City Treasurer | \$0.6 | \$0.6 | \$0.7 | \$0.6 | (\$0.1) | (8%) |
| Administrative Services | 0.1 | 0.1 | 0.2 | 0.2 | - | - |
| Water Resources | 18.7 | 18.4 | 19.9 | 21.7 | 1.8 | 8% |
| Non Divisional | - | - | - | - | - | - |
| Citywide Indirect Cost Allocation | 1.3 | 1.3 | 1.3 | 1.3 | - | - |
| Department Indirect Cost | - | - | - | - | - | - |
| Bond Service Expense | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - |
| Transfers Out | 2.5 | 2.4 | 2.5 | 2.6 | 0.1 | 4% |
| Total Uses | \$23.2 | \$22.8 | \$24.6 | \$26.4 | \$1.8 | 7% |

Actual to Revised Budget variance of \$1.8 million or 7%: Water Resources is favorable due to decreased production at the CAP Water Treatment Plant, which treats water from the Colorado River, and also due to high turnover which brought in newer employees that are at a lower salary rate than those they replaced.

Sources (Fiscal Year to Date: September 2022)

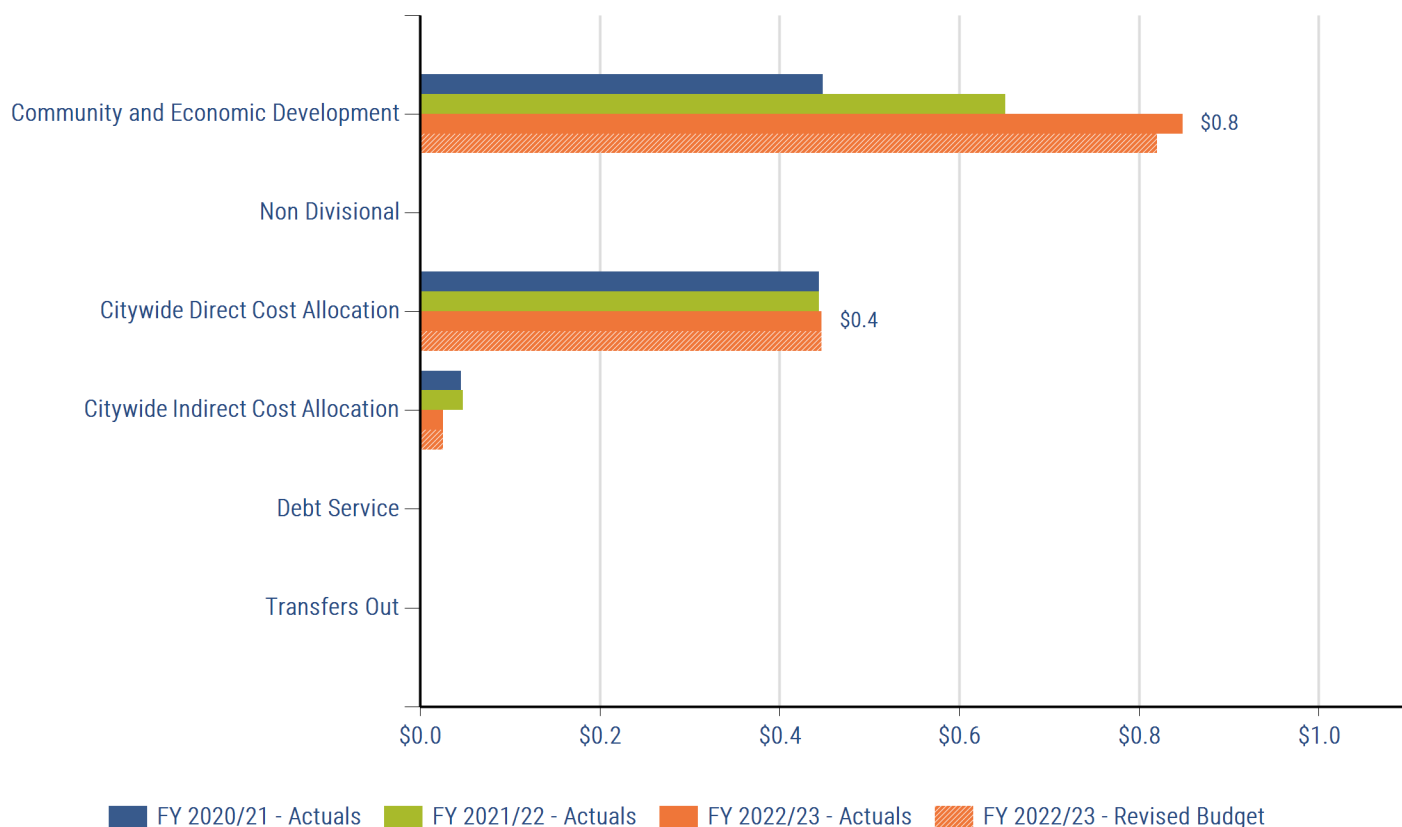


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Budget (Unfavorable) Percent |
|----------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------------------------------|
| Airport Fees | \$0.9 | \$1.2 | \$1.8 | \$1.1 | \$0.7 | 70% |
| Property Rental | 0.2 | 0.2 | 0.2 | 0.2 | - | - |
| Jet Fuel | - | - | 0.1 | - | - | - |
| Interest Earnings | - | - | - | - | - | - |
| Federal Grants | 0.2 | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | n/a |
| Transfers In | - | - | - | - | - | - |
| Total Sources | \$1.3 | \$1.4 | \$2.1 | \$1.3 | \$0.8 | 59% |

Actual to Revised Budget variance of \$0.8 million or 59%: Airport Fees is favorable due to budget timing.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: September 2022)

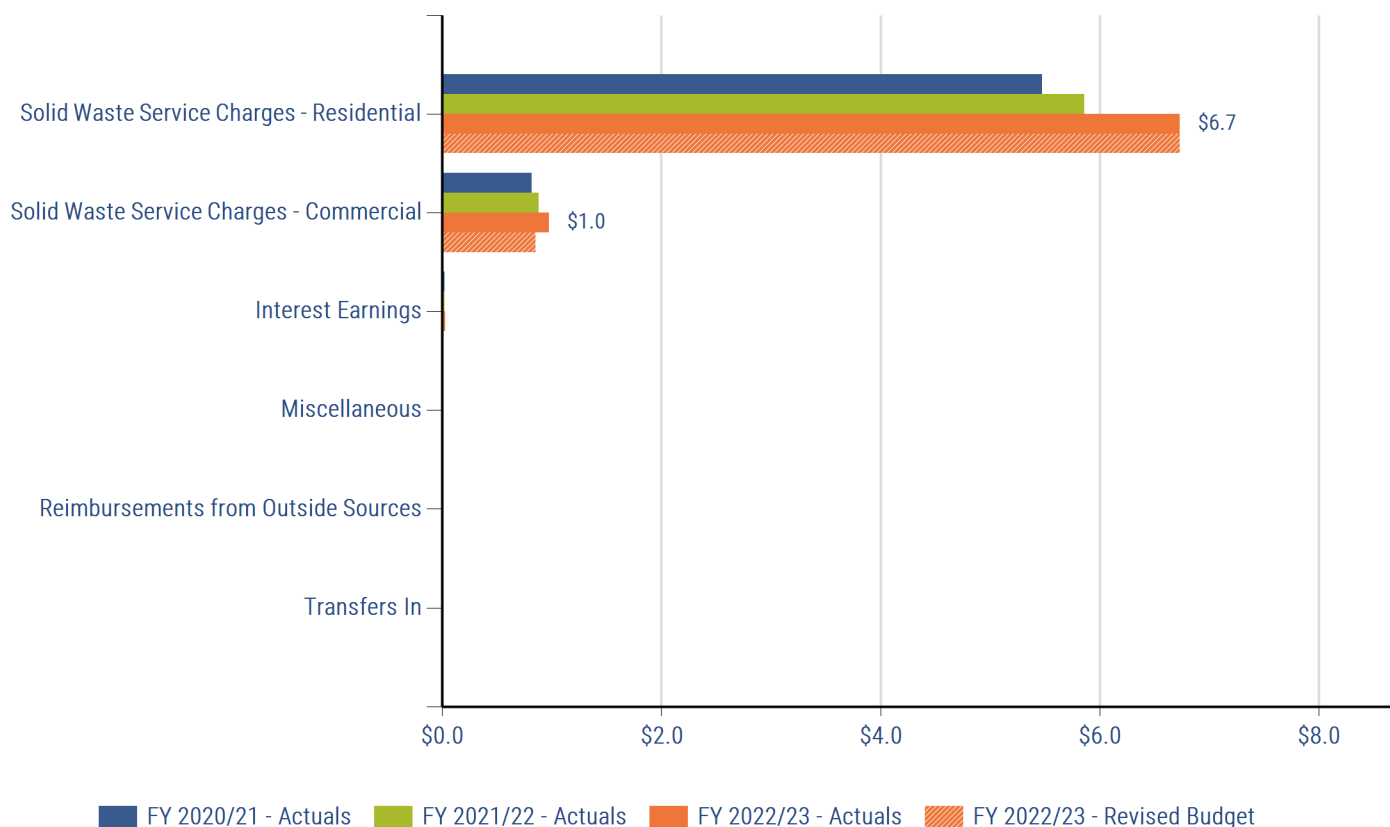


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Budget (Unfavorable) Percent |
|------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------------------------------|
| Community and Economic Development | \$0.4 | \$0.7 | \$0.8 | \$0.8 | \$ - | - |
| Non Divisional | - | - | - | - | - | n/a |
| Citywide Direct Cost Allocation | 0.4 | 0.4 | 0.4 | 0.4 | - | - |
| Citywide Indirect Cost Allocation | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - |
| Total Uses | \$0.9 | \$1.1 | \$1.3 | \$1.3 | \$ - | - |

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

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: September 2022)

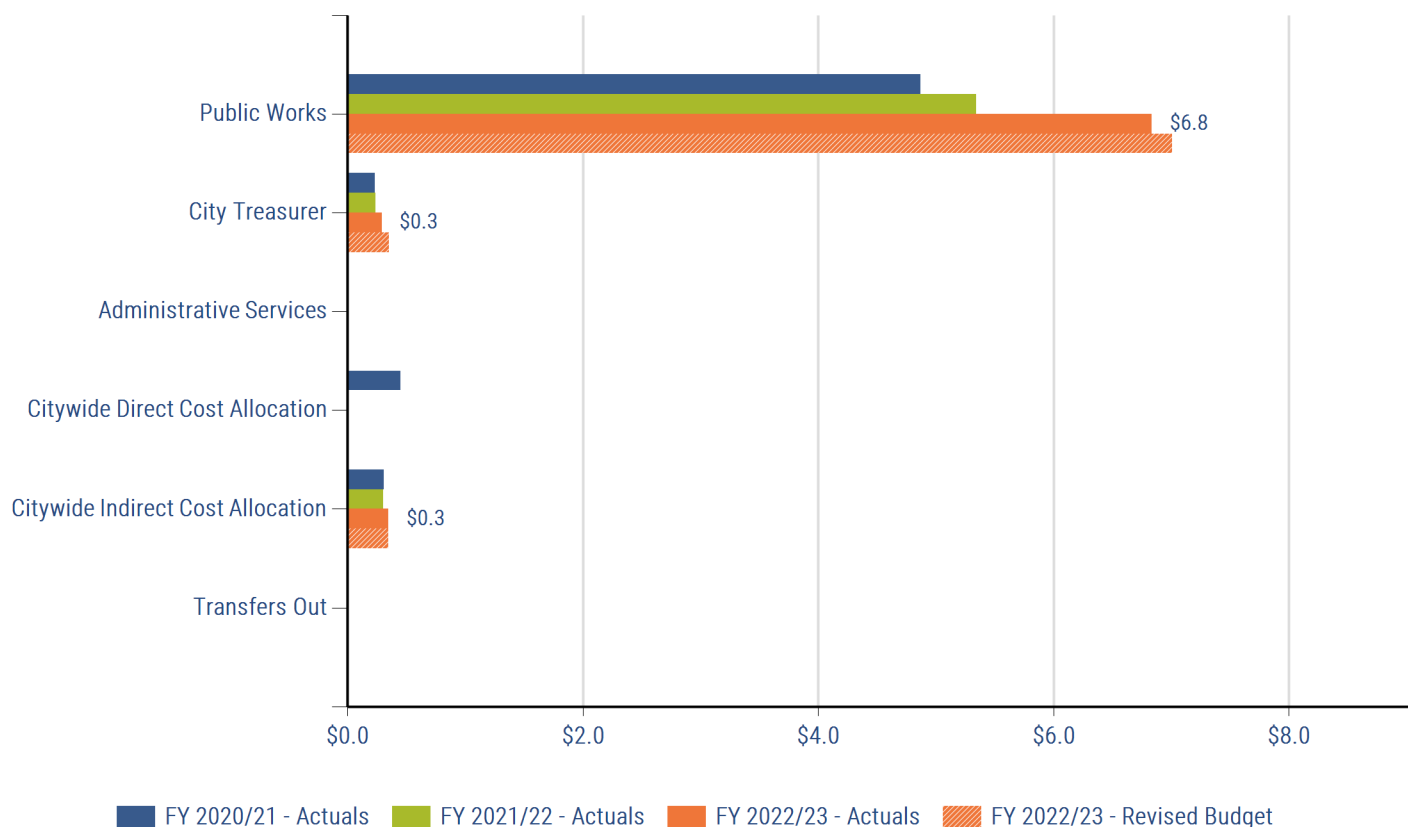


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Solid Waste Service Charges - Residential | \$5.5 | \$5.9 | \$6.7 | \$6.7 | \$ - | - |
| Solid Waste Service Charges - Commercial | 0.8 | 0.9 | 1.0 | 0.9 | 0.1 | 14% |
| Interest Earnings | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Reimbursements from Outside Sources | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - |
| Total Sources | \$6.3 | \$6.8 | \$7.7 | \$7.6 | \$0.1 | 2% |

Actual to Revised Budget variance of \$0.1 million or 2%: The favorable variance in Solid Waste Service Charges - Commercial is due to increased demand for roll-off services during the summer months because of summer storms, annual landscape maintenance, and increased business activity.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: September 2022)

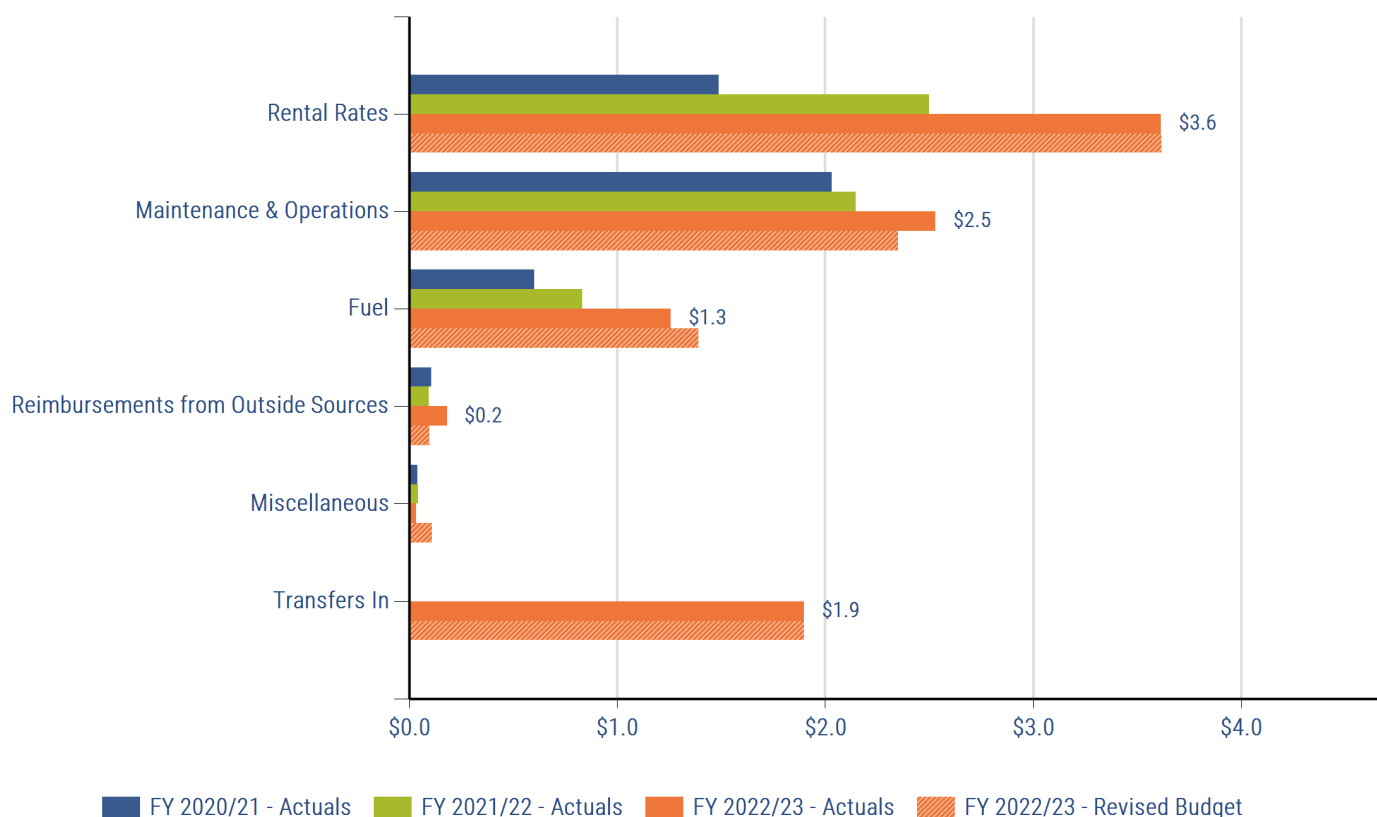


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Public Works | \$4.9 | \$5.3 | \$6.8 | \$7.0 | \$0.2 | 2% |
| City Treasurer | 0.2 | 0.2 | 0.3 | 0.4 | 0.1 | 17% |
| Administrative Services | - | - | - | - | - | - |
| Citywide Direct Cost Allocation | 0.5 | - | - | - | - | - |
| Citywide Indirect Cost Allocation | 0.3 | 0.3 | 0.3 | 0.3 | - | - |
| Transfers Out | - | - | - | - | - | - |
| Total Uses | \$5.9 | \$5.9 | \$7.5 | \$7.7 | \$0.2 | 3% |

Actual to Revised Budget variance of \$0.2 million or 3%: Public Works is favorable due to: 1) a budgeted equipment purchase for FY 2022/23 received and paid for in FY 2021/22. Due to extensive lead times on equipment, the purchase was approved to be made in FY 2021/22 by the City Manager; 2) smaller orders requested for recycling containers; 3) supply chain issues causing extensive lead times for equipment and supplies; and 4) invoice timing for recycling processing. City Treasurer is favorable due to contractual work order credit allocations being less than anticipated.

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: September 2022)

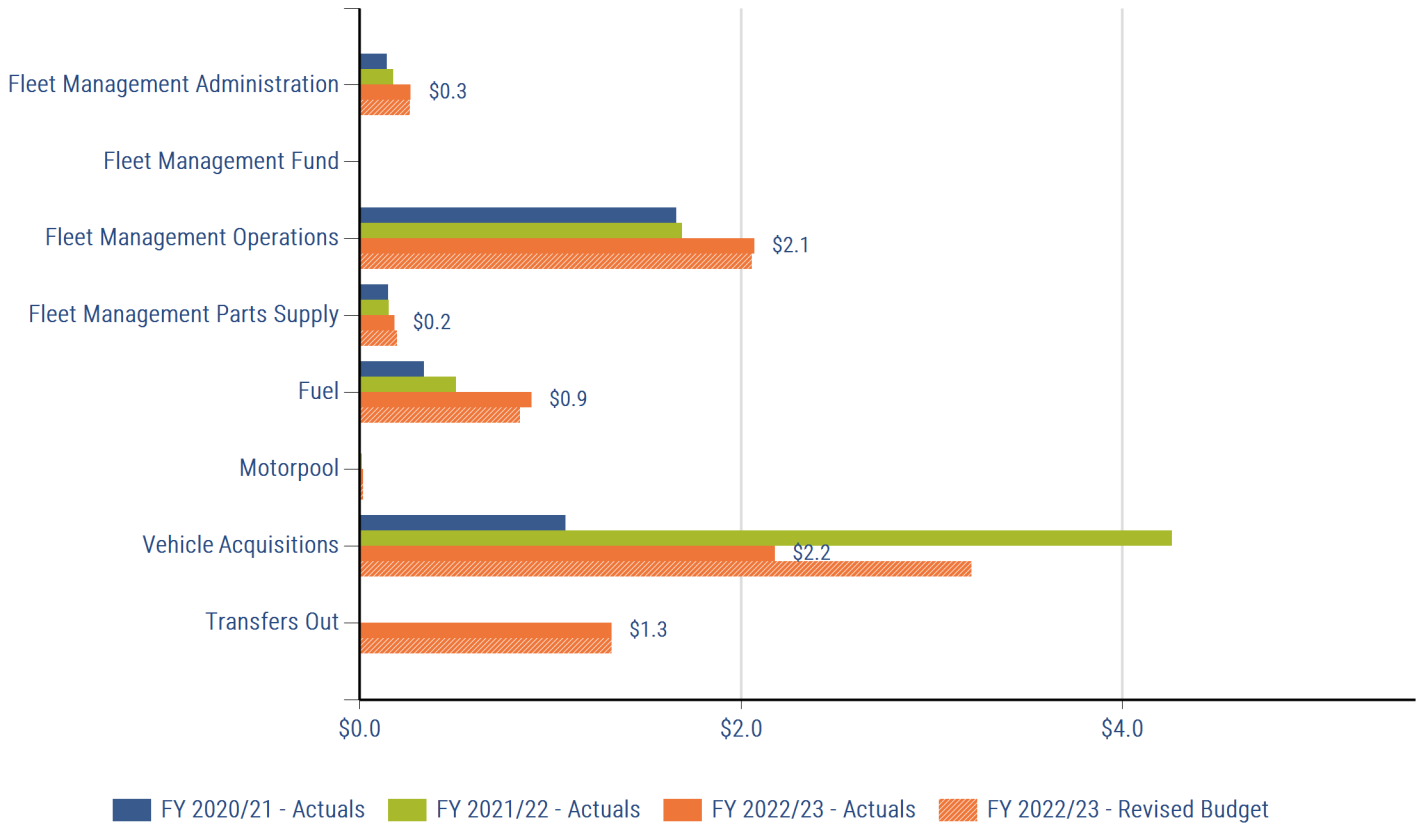


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Rental Rates | \$1.5 | \$2.5 | \$3.6 | \$3.6 | \$ - | - |
| Maintenance & Operations | 2.0 | 2.1 | 2.5 | 2.4 | 0.2 | 8% |
| Fuel | 0.6 | 0.8 | 1.3 | 1.4 | (0.1) | (10%) |
| Reimbursements from Outside Sources | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 | 87% |
| Miscellaneous | - | - | - | 0.1 | (0.1) | (69%) |
| Transfers In | - | - | 1.9 | 1.9 | - | - |
| Total Sources | \$4.3 | \$5.6 | \$9.5 | \$9.5 | \$0.1 | 1% |

Actual to Revised Budget variance of \$0.1 million or 1%: Maintenance & Operations is favorable due to timing delays to repair and maintain older vehicles because of the global supply chain issues. Fuel is unfavorable due to the fluctuations in the fuel market, volatility is expected to continue throughout the fiscal year. Reimbursements from Outside Sources is favorable due to accident repair revenue. Miscellaneous is unfavorable due to the amount of auction proceeds received being less-than-anticipated.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: September 2022)

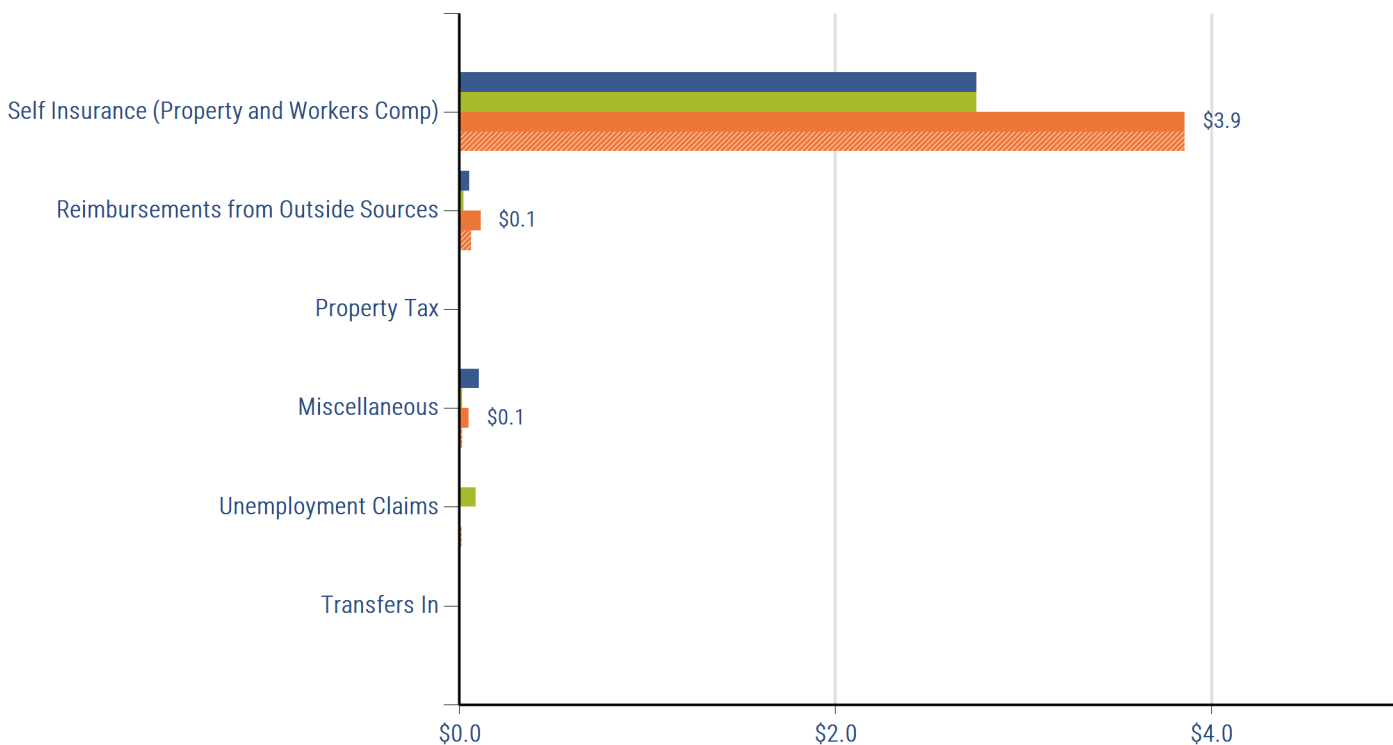


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Fleet Management Administration | \$0.1 | \$0.2 | \$0.3 | \$0.3 | \$ - | - |
| Fleet Management Fund | - | - | - | - | - | - |
| Fleet Management Operations | 1.7 | 1.7 | 2.1 | 2.1 | - | - |
| Fleet Management Parts Supply | 0.2 | 0.2 | 0.2 | 0.2 | - | - |
| Fuel | 0.3 | 0.5 | 0.9 | 0.8 | (0.1) | (7%) |
| Motorpool | - | - | - | - | - | - |
| Vehicle Acquisitions | 1.1 | 4.3 | 2.2 | 3.2 | 1.0 | 32% |
| Transfers Out | - | - | 1.3 | 1.3 | - | - |
| Total Uses | \$3.4 | \$6.8 | \$6.9 | \$7.9 | \$1.0 | 12% |

Actual to Revised Budget variance of \$1.0 million or 12%: Fuel is unfavorable due to fluctuations in the fuel market, volatility is expected to continue throughout the fiscal year. Vehicle Acquisition is favorable due to unpredictable equipment deliveries. A budget transfer has been approved by Council to move operating budget into capital to allow flexibility for long lead time vehicles and equipment.

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: September 2022)



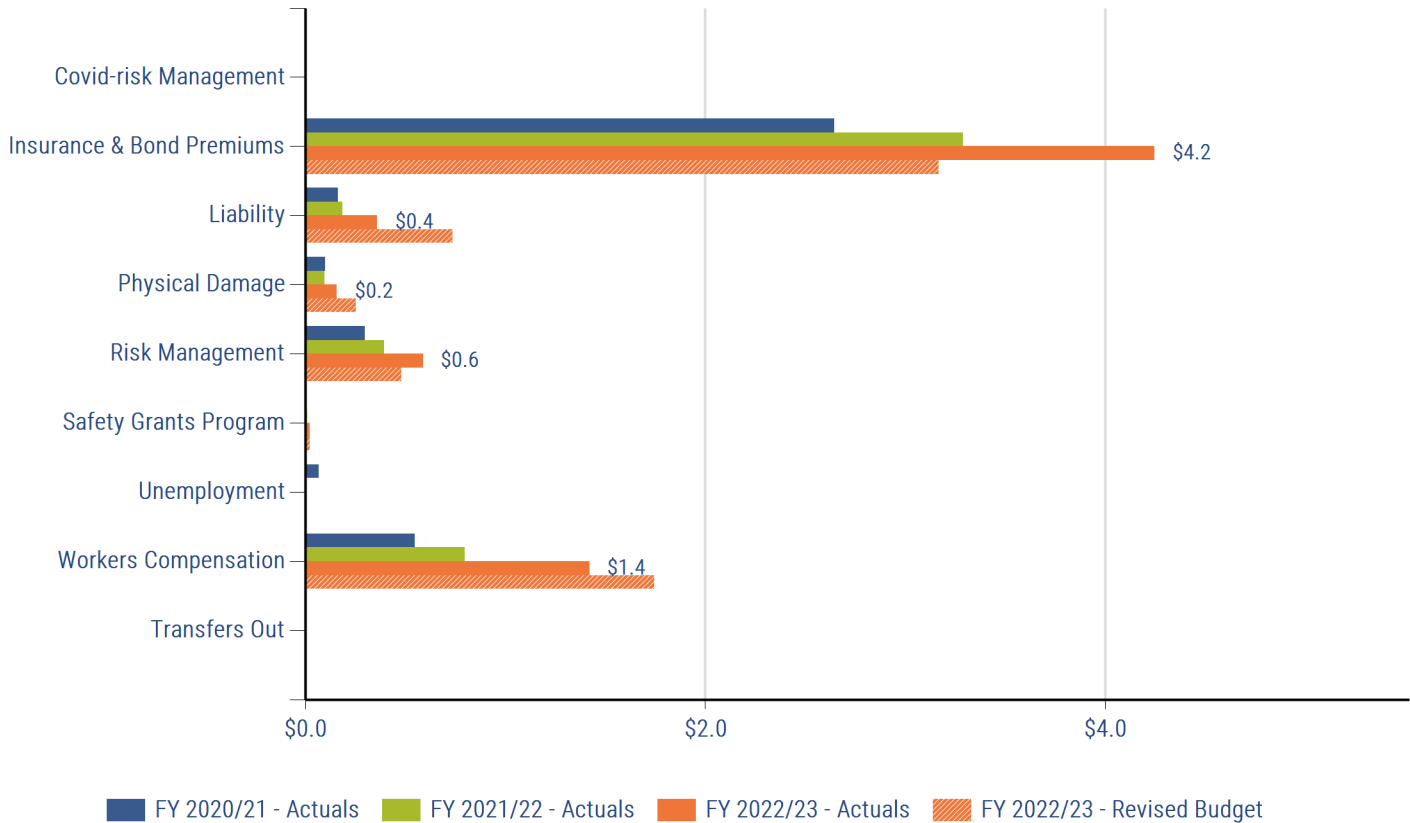
■ FY 2020/21 - Actuals
 ■ FY 2021/22 - Actuals
 ■ FY 2022/23 - Actuals
 ■ FY 2022/23 - Revised Budget

| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Self Insurance (Property and Workers Comp) | \$2.7 | \$2.8 | \$3.9 | \$3.9 | \$ - | - |
| Reimbursements from Outside Sources | 0.1 | - | 0.1 | 0.1 | 0.1 | 80% |
| Property Tax | - | - | - | - | - | - |
| Miscellaneous | 0.1 | - | 0.1 | - | - | - |
| Unemployment Claims | - | 0.1 | - | - | - | - |
| Transfers In | - | - | - | - | - | - |
| Total Sources | \$2.9 | \$2.9 | \$4.0 | \$4.0 | \$0.1 | 2% |

Actual to Revised Budget variance of \$0.1 million or 2%: The favorable variance in Reimbursements from Outside Sources is due to the timing of receiving claim invoices.

\$ in millions/rounding differences may occur

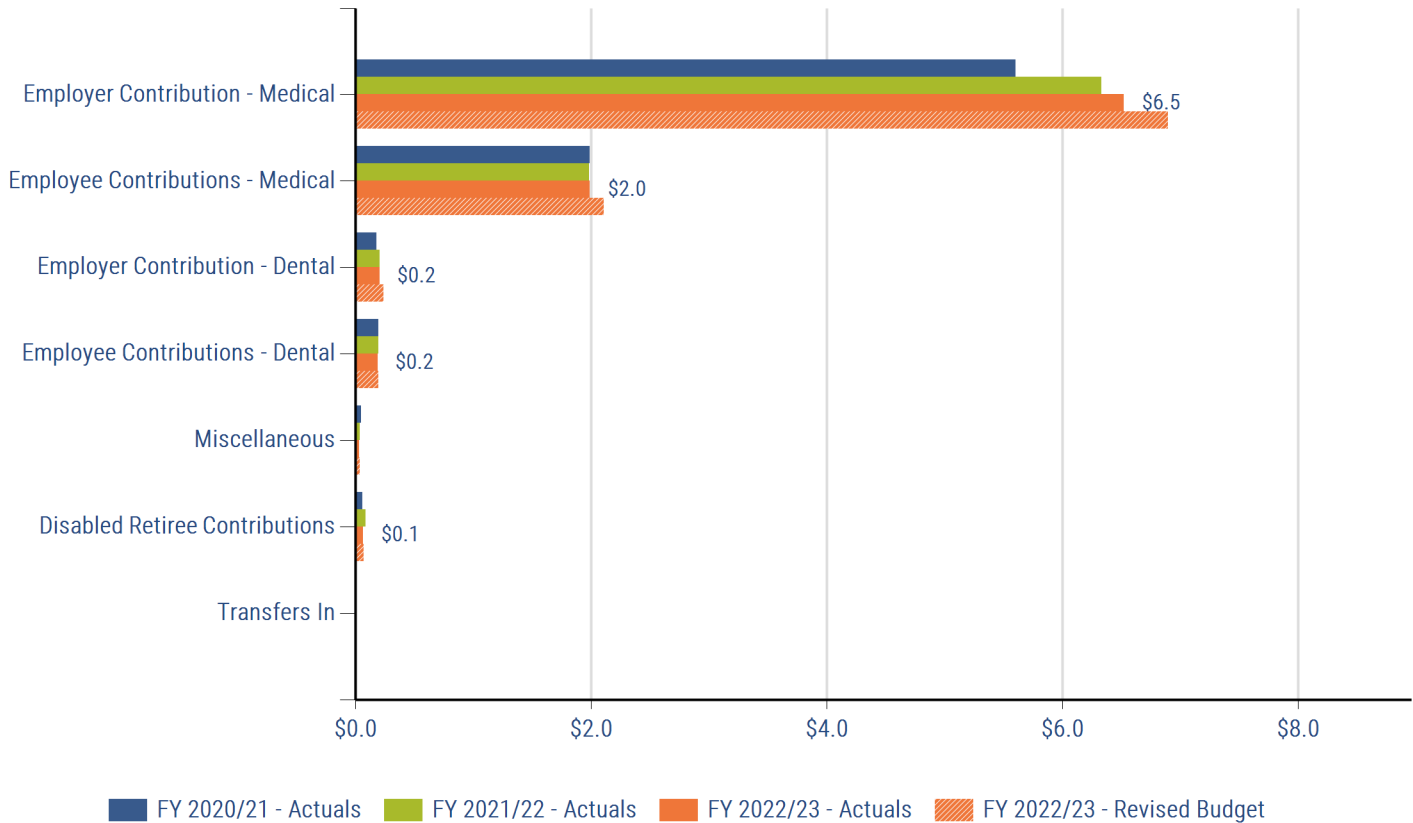
Uses (Fiscal Year to Date: September 2022)



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-------------|
| Covid-risk Management | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| Insurance & Bond Premiums | 2.6 | 3.3 | 4.2 | 3.2 | (1.1) | (34%) |
| Liability | 0.2 | 0.2 | 0.4 | 0.7 | 0.4 | 51% |
| Physical Damage | 0.1 | 0.1 | 0.2 | 0.3 | 0.1 | 37% |
| Risk Management | 0.3 | 0.4 | 0.6 | 0.5 | (0.1) | (23%) |
| Safety Grants Program | - | - | - | - | - | - |
| Unemployment | 0.1 | - | - | - | - | - |
| Workers Compensation | 0.5 | 0.8 | 1.4 | 1.7 | 0.3 | 19% |
| Transfers Out | - | - | - | - | - | - |
| Total Uses | \$3.8 | \$4.8 | \$6.8 | \$6.4 | (\$0.4) | (6%) |

Actual to Revised Budget variance of (\$0.4) million or (6%): The unfavorable variance in Insurance & Bond Premiums is due to higher-than-expected insurance premiums as a result of market hardening and government liability payments and lawsuits. The favorable variance in Liability and Physical Damage is due to the timing of claim invoices and unpredictability of claims. Risk Management is unfavorable due to the timing of invoices from FY 2021/22 for claim management software. Workers Compensation is favorable due to timing of invoices and claims.

Sources (Fiscal Year to Date: September 2022)

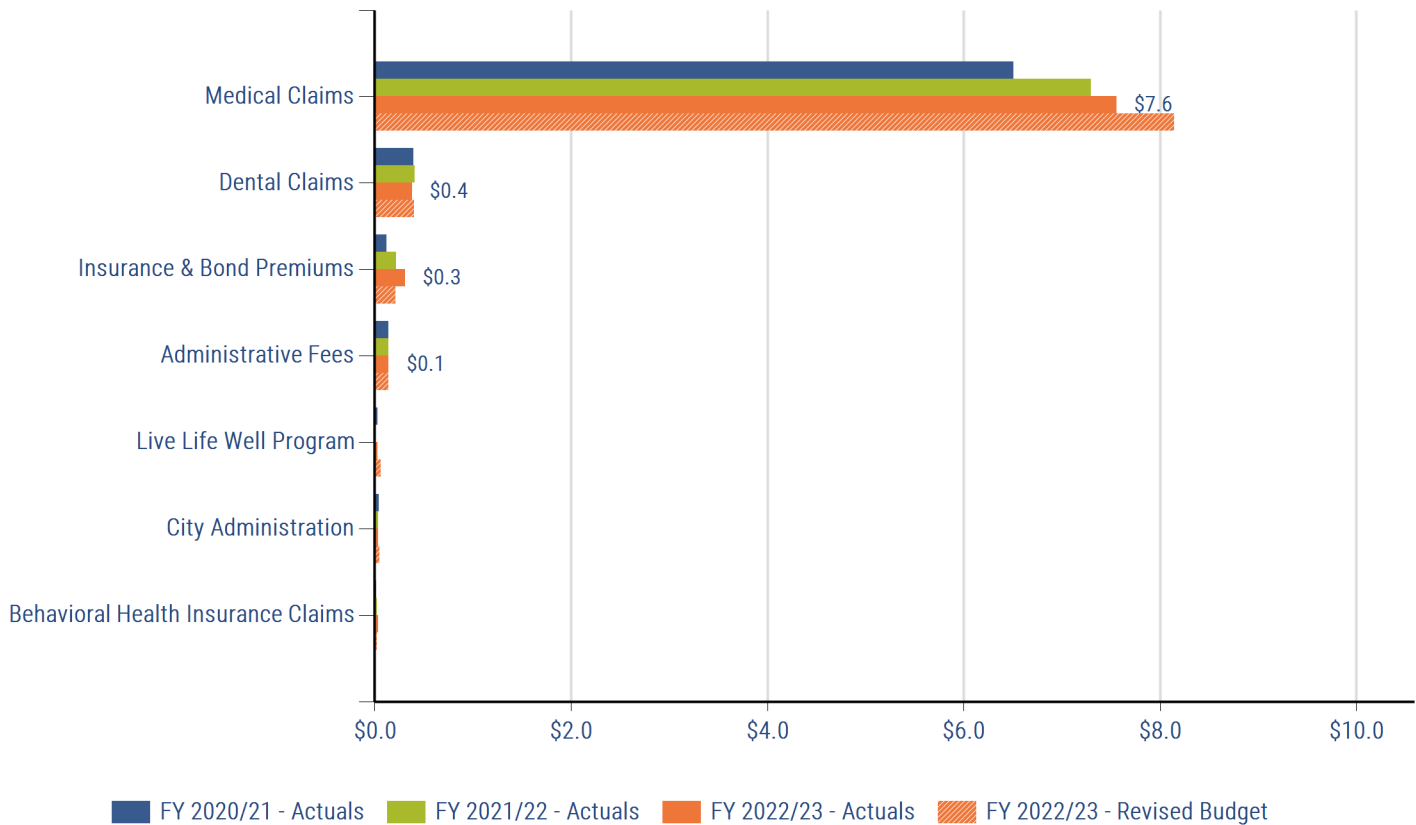


| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-------------|
| Employer Contribution - Medical | \$5.6 | \$6.3 | \$6.5 | \$6.9 | (\$0.4) | (5%) |
| Employee Contributions - Medical | 2.0 | 2.0 | 2.0 | 2.1 | (0.1) | (6%) |
| Employer Contribution - Dental | 0.2 | 0.2 | 0.2 | 0.2 | - | - |
| Employee Contributions - Dental | 0.2 | 0.2 | 0.2 | 0.2 | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Disabled Retiree Contributions | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Transfers In | - | - | - | - | - | - |
| Total Sources | \$8.1 | \$8.8 | \$9.0 | \$9.5 | (\$0.5) | (6%) |

Actual to Revised Budget variance of (\$0.5) million or (6%): The unfavorable variance in Employer Contribution - Medical and Employee Contributions - Medical is due to employee turnover where the new employee is selecting different benefits from what was budgeted. The unfavorable variance is also due to plan selection, which occurs after the budget has been prepared.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: September 2022)



| | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Actuals | FY 2022/23 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Budget (Unfavorable) Percent |
|------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------------------------------|
| Medical Claims | \$6.5 | \$7.3 | \$7.6 | \$8.1 | \$0.6 | 7% |
| Dental Claims | 0.4 | 0.4 | 0.4 | 0.4 | - | - |
| Insurance & Bond Premiums | 0.1 | 0.2 | 0.3 | 0.2 | (0.1) | (46%) |
| Administrative Fees | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Live Life Well Program | - | - | - | 0.1 | - | - |
| City Administration | - | - | - | - | - | - |
| Behavioral Health Insurance Claims | - | - | - | - | - | - |
| Total Uses | \$7.3 | \$8.1 | \$8.5 | \$9.0 | \$0.5 | 6% |

Actual to Revised Budget variance of \$0.5 million or 6%: The favorable variance in Medical Claims is due to timing and the difficulty in predicting claims. The unfavorable variance in Insurance & Bond Premiums is due to higher monthly expenditures than anticipated, rate increases occur in September so the unfavorable variance is expected to continue throughout the fiscal year.

\$ in millions/rounding differences may occur

WestWorld

Statement of Operations

| | Twelve Months: Fiscal Year | | | | | | |
|--|----------------------------|----------------------|----------------------|----------------------------------|------------------------------|-------------------------------|-------------------------------|
| | 2018/19 Actual | 2019/20 Actual | 2020/21 Actual | 2021/22 Actual ^(a) | 2022/23 Adopted Budget | 2022/23 Approved Budget | 2022/23 Forecast Budget |
| Operating Revenue | | | | | | | |
| Rental Facilities | \$2,329,364 | \$2,261,538 | \$3,601,497 | n/a | \$3,454,610 | \$3,454,610 | \$3,454,610 |
| RV Rental | 375,447 | 365,834 | 496,017 | n/a | 430,072 | 430,072 | 430,072 |
| Feed/Bedding Sales | 557,581 | 524,759 | 919,338 | n/a | 700,000 | 700,000 | 700,000 |
| Labor Fees | 394,745 | 377,019 | 473,148 | n/a | 402,800 | 402,800 | 402,800 |
| Concession Fees ^(b) | 717,558 | 362,494 | 2,942 | n/a | 2,000 | 2,000 | 2,000 |
| Parking | 90,583 | 78,846 | 177,065 | n/a | 200,000 | 200,000 | 200,000 |
| Other Income | 134,511 | 169,289 | 132,338 | n/a | 124,500 | 124,500 | 124,500 |
| Equidome Project Use Fee | 360,000 | 360,000 | 360,000 | n/a | 360,000 | 360,000 | 360,000 |
| Operating Transfer In | 100,000 | 100,000 | 100,000 | n/a | 100,000 | 100,000 | 100,000 |
| Operating Revenue | \$5,059,788 | \$4,599,778 | \$6,262,345 | n/a | \$5,773,982 | \$5,773,982 | \$5,773,982 |
| Operating Expenses | | | | | | | |
| Personnel Services | | | | | | | |
| Wages/Salaries/Benefits | \$2,005,230 | \$2,024,104 | \$1,903,738 | n/a | \$3,011,692 | \$2,738,253 | \$2,738,253 |
| Overtime | 33,067 | 52,024 | 43,649 | n/a | 51,738 | 55,460 | 55,460 |
| Contractual Services | | | | | | | |
| Contractual Workers | 133,369 | 115,819 | 157,624 | n/a | 318,696 | 318,696 | 318,696 |
| Telephone | 36,989 | 41,817 | 13,169 | n/a | 14,476 | 14,476 | 14,476 |
| Utilities ^(c) | 1,271,518 | 1,103,652 | 1,208,499 | n/a | - | 258,688 | 258,688 |
| Maintenance & Equipment Rental & Fleet | 719,019 | 742,575 | 551,765 | n/a | 292,775 | 642,179 | 642,179 |
| License and Permits | 142,826 | 250,941 | 220,259 | n/a | 365 | 365 | 365 |
| Property, Liability & Workers' Comp | 73,984 | 77,449 | 110,087 | n/a | 220,880 | 220,880 | 220,880 |
| Advertising/Marketing Contract | 365,148 | 340,907 | 194,981 | n/a | 260,000 | 260,000 | 260,000 |
| Other | 261,188 | 285,712 | 211,735 | n/a | 335,590 | 335,590 | 335,590 |
| Commodities and Capital Outlays | | | | | | | |
| Agriculture & Horticulture & Other Supply | 163,735 | 78,949 | 122,494 | n/a | 115,500 | 115,500 | 115,500 |
| Maintenance & Repairs Supply, Equipment | 144,340 | 117,840 | 138,694 | n/a | 127,065 | 127,065 | 127,065 |
| Inventory Purchased for Resale | 326,497 | 321,449 | 488,953 | n/a | 425,000 | 425,000 | 425,000 |
| Construction - Other | 20,483 | 26,314 | 11,679 | n/a | 514,840 | 514,840 | 514,840 |
| Other Expenses | 36,372 | 32,657 | 34,270 | n/a | 45,620 | 45,620 | 45,620 |
| BOR Admin | | | | | | | |
| BOR Admin/WestWorld | 171,034 | 179,586 | 188,565 | n/a | 207,893 | 207,893 | 207,893 |
| Allocated Expenses^(d) | | | | | | | |
| COS Indirect Costs | 378,803 | 398,702 | 371,073 | n/a | 422,524 | 422,524 | 422,524 |
| Operating Transfer Out | | | | | | | |
| Operating Transfer Out | - | - | - | n/a | - | - | - |
| Operating Expenses | \$6,283,602 | \$6,190,497 | \$5,971,234 | n/a | \$6,364,654 | \$6,703,029 | \$6,703,029 |
| Operating Income | (\$1,223,814) | (\$1,590,720) | \$291,111 | n/a | (\$590,672) | (\$929,047) | (\$929,047) |
| Debt Service (Less contributions) | | | | | | | |
| Debt Service - (52 & 17 acres) | \$2,334,637 | \$2,317,059 | \$2,238,918 | n/a | \$2,280,707 | \$2,280,707 | \$2,280,707 |
| Debt Service - TNEC (\$41.935M) ^(e) | 1,461,375 | 1,455,876 | 1,255,864 | n/a | 1,380,229 | 1,380,229 | 1,380,229 |
| Debt Service - TNEC Tourism Funded | 1,200,000 | 1,200,000 | 1,200,000 | n/a | 1,200,000 | 1,200,000 | 1,200,000 |
| Bed Tax Contributions - TNEC | (1,200,000) | (1,200,000) | (1,200,000) | n/a | (1,200,000) | (1,200,000) | (1,200,000) |
| Net Debt Service | \$3,796,012 | \$3,772,935 | \$3,494,782 | n/a | \$3,660,936 | \$3,660,936 | \$3,660,936 |
| Operating Income After Debt Service | (\$5,019,826) | (\$5,363,655) | (\$3,203,671) | n/a | (\$4,251,608) | (\$4,589,983) | (\$4,589,983) |

^(a) FY 2021/22 twelve month actuals are not available at this time. Once completed, they will be included within the report.

^(b) Beginning in FY 2020/21 Concession Fees is recorded under Rental Facilities in accordance with stipulations of the new marketing agreement.

^(c) 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 forecast budget is an estimate of expected utilities costs at fiscal year-end.

^(d) 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.

^(e) The FY 2020/21 actual was updated to reflect the actual expenses. The amount previously reported was a forecasted amount.

\$ in millions / rounding differences may occur

September 2022
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WestWorld

Statement of Operations

Statement of Operations for September 2022 / 3 Months YTD

| | FY 2018/19 YTD Actual | FY 2019/20 YTD Actual | FY 2020/21 YTD Actual | FY 2021/22 YTD Actual | FY 2022/23 YTD Actual | FY 2022/23 Approved YTD Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------------|--|-------------|
| Operating Revenue | | | | | | | | |
| Rental Facilities | \$436,875 | \$507,681 | \$704,305 | \$644,519 | \$569,361 | \$613,025 | (\$43,664) | (7%) |
| RV Rental | 16,619 | 28,335 | 13,170 | 48,015 | 57,663 | 21,078 | 36,585 | nm |
| Feed/Bedding Sales | 66,726 | 82,041 | 188,250 | 79,086 | 72,411 | 125,974 | (53,563) | (43%) |
| Labor Fees | 25,329 | 22,756 | 41,660 | 42,287 | 70,347 | 41,040 | 29,307 | 71% |
| Concession Fees | (7,194) | (20,898) | (1,378) | 22 | 65 | 498 | (433) | (87%) |
| Parking | 16,712 | 33,240 | - | 12,585 | 38,838 | 38,000 | 838 | 2% |
| Other Income | 12,224 | 24,559 | 22,670 | 134,057 | 26,954 | 12,519 | 14,435 | nm |
| Equidome Project Use Fee | - | - | - | - | - | - | - | - |
| Operating Transfer In | 100,000 | 100,000 | 100,000 | 121,734 | 100,000 | 100,000 | - | - |
| Operating Revenue | \$667,291 | \$777,714 | \$1,068,676 | \$1,082,303 | \$935,638 | \$952,134 | (\$16,496) | (2%) |
| Operating Expenses | | | | | | | | |
| Personnel Services | | | | | | | | |
| Wages/Salaries/Benefits | \$451,705 | \$470,443 | \$449,856 | \$499,539 | \$522,938 | \$550,180 | \$27,242 | 5% |
| Overtime | 1,741 | 13,651 | 2,162 | 1,851 | 13,122 | 11,526 | (1,596) | (14%) |
| Contractual Services | | | | | | | | |
| Contractual Workers | 9,274 | 4,007 | 3,885 | 22,708 | 32,758 | 36,715 | 3,957 | 11% |
| Telephone | 20,915 | 25,084 | 16,197 | 13,750 | 11,957 | 12,289 | 332 | 3% |
| Utilities | 220,143 | 206,090 | 279,640 | 131,640 | 258,687 | 258,688 | 1 | 0% |
| Maintenance & Equipment Rental & Fleet | 117,656 | 145,028 | 87,423 | 151,843 | 183,093 | 161,285 | (21,808) | (14%) |
| License and Permits | 142,364 | 156,283 | 218,334 | 40 | - | 60 | 60 | 100% |
| Property, Liability & Workers' Comp | 18,442 | 18,987 | 27,522 | 36,444 | 55,221 | 55,221 | - | - |
| Advertising/Marketing Contract | 58,402 | 120,224 | 40,996 | 121,959 | 114,911 | 107,500 | (7,411) | (7%) |
| Other | 22,846 | 32,496 | 16,600 | 18,407 | 73,834 | 49,970 | (23,864) | (48%) |
| Commodities and Capital Outlays | | | | | | | | |
| Agriculture & Horticulture & Other Supply | 67,640 | 18,994 | 14,381 | 8,817 | 14,172 | 21,648 | 7,476 | 35% |
| Maintenance & Repairs Supply, Equipment | 41,415 | 49,334 | 40,234 | 6,791 | 42,136 | 16,053 | (26,083) | nm |
| Inventory Purchased for Resale | 80,048 | 45,019 | 70,315 | 75,590 | 47,219 | 70,257 | 23,038 | 33% |
| Construction - Other | - | 2,220 | - | 307 | 400 | 1,840 | 1,440 | 78% |
| Other Expenses | 11,101 | 3,358 | 6,537 | 2,446 | 2,872 | 2,837 | (35) | (1%) |
| BOR Admin | | | | | | | | |
| BOR Admin/WestWorld | - | - | - | - | - | - | - | - |
| Allocated Expenses | | | | | | | | |
| COS Indirect Costs | 94,701 | 99,675 | 92,766 | 96,069 | 105,630 | 105,630 | - | - |
| Operating Transfer Out | | | | | | | | |
| Operating Transfer Out | - | - | - | 21,734 | - | - | - | - |
| Operating Expenses | \$1,358,392 | \$1,410,894 | \$1,366,847 | \$1,209,934 | \$1,478,949 | \$1,461,699 | (\$17,250) | (1%) |
| Operating Income | (\$691,101) | (\$633,180) | (\$298,170) | (\$127,631) | (\$543,311) | (\$509,565) | (\$33,746) | nm |
| Debt Service (Less contributions) | | | | | | | | |
| Debt Service - (52 & 17 acres) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| Debt Service - TNEC (\$41.935M) | - | - | - | - | - | - | - | - |
| Debt Service - TNEC Tourism Funded | - | - | - | - | - | - | - | - |
| Bed Tax Contributions - TNEC | - | - | - | - | - | - | - | - |
| Net Debt Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| Operating Income After Debt Service | (\$691,101) | (\$633,180) | (\$298,170) | (\$127,631) | (\$543,311) | (\$509,565) | (\$33,746) | nm |



Privilege (Sales) & Use Tax Collections For September 2022

(For Business Activity in August 2022)

Below 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 12 percent compared to the Budget, and increased 12 percent compared to the same period a year ago.

Privilege (Sales) & Use Tax by Category and Fund

| Fiscal Year-to-Date: September 2022 | | | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|--------------------------------|---------------|
| | 2020/21 | 2021/22 | 2022/23 | 2022/23 | Actual vs. Budget | |
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Budget</u> | <u>Favorable/(Unfavorable)</u> | <u>Amount</u> |
| 1.00% General Purpose | | | | | | |
| Automotive | \$4.5 | \$4.9 | \$4.7 | \$5.1 | (\$0.4) | -7% |
| Construction | 2.9 | 3.5 | 3.7 | 3.2 | 0.5 | 15% |
| Dining/ Entertainment | 1.9 | 3.3 | 3.6 | 3.1 | 0.5 | 16% |
| Food Stores | 2.1 | 2.0 | 2.1 | 2.0 | 0.1 | 6% |
| Hotel/Motel | 0.6 | 1.4 | 2.1 | 1.4 | 0.6 | 44% |
| Major Dept. Stores | 2.0 | 2.9 | 3.1 | 3.0 | 0.1 | 3% |
| Misc. Retail Stores | 5.8 | 7.6 | 9.7 | 7.9 | 1.8 | 23% |
| Other Activity | 3.0 | 4.1 | 5.0 | 4.2 | 0.7 | 18% |
| Rentals | 3.9 | 5.3 | 5.3 | 4.8 | 0.5 | 10% |
| Utilities | 1.3 | 1.3 | 1.3 | 1.4 | (0.1) | -6% |
| Subtotal | \$28.0 | \$36.2 | \$40.6 | \$36.1 | \$4.4 | 12% |
| 0.10% Public Safety | \$2.8 | \$3.6 | \$4.0 | \$3.6 | \$0.5 | 13% |
| 0.20% Transportation 1990 | 5.3 | 6.8 | 7.7 | 6.7 | 0.9 | 14% |
| 0.10% Transportation 2019 | 2.8 | 3.6 | 3.9 | 3.6 | 0.4 | 10% |
| 0.20% McDowell Preserve 1995 | 5.5 | 7.1 | 8.0 | 7.1 | 0.9 | 13% |
| 0.15% McDowell Preserve 2004 | 4.1 | 5.3 | 6.0 | 5.3 | 0.7 | 13% |
| Total | \$48.4 | \$62.6 | \$70.2 | \$62.5 | \$7.8 | 12% |
| % Change vs. Prior Year | -13% | 29% | 12% | 0% | | |
| Top 20 Taxpayers | \$12.4 | \$14.3 | \$14.8 | | | |
| % of Total | 26% | 23% | 21% | | | |
| % Change vs. Prior Year | -4% | 15% | 3% | | | |

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 (\$0.4) million or (7%): The variance is due in part to decreased sales from motor vehicle dealers.

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 \$0.5 million or 15%: This is due in part to increases from specialty contractors.

Dining/Entertainment Sales Taxes

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

Actual to Revised Budget variance of \$0.5 million or 16%: This is due in part to restaurants doing better than anticipated and inflation.

Food Stores Sales Taxes

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

Actual to Revised Budget variance of \$0.1 million or 6%: The variance is due in part to some timing differences of when payments were received this year versus last year.

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 \$0.6 million or 44%: This is due in part to a one-time audit payment.

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 3%: The variance is due in part to some timing differences of when payments were received this year versus last year.

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 \$1.8 million or 23%: This is due in part to some new retailers, a retailer reporting an infrequent large taxable transaction, and inflation.

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 \$0.7 million or 18%: The variance is due in part to some increases from manufacturers and software developers.

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 \$0.5 million or 10%: This is due in part to a one-time taxable speculative sale of an apartment complex and an increase in rental rates.

Utilities Sales Taxes

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

Actual to Revised Budget variance of (\$0.1) million or (6%): The variance is due in part to some timing differences of when payments were received this year versus last year.

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 Fairmont Scottsdale Princess Resort. 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 and effluent treated to irrigation standards. These different water types are delivered to 22 Reclaimed Water Distribution System golf courses, 3 Irrigation Water Distribution System 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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- Qsjwjnfhf!boe!Vtf!Uby.Kfu!Gvf!bsf!di!bshft!fbofe!gspn!kfu!gvf!t!bmf!t!cz!Gjyfe!Cbtfe!Pqfsbupst!jo!bddpsebodf!xju!i!uif!Tdpuutebmf!Sfwjfe!Dpef!-!Bsujdf!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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