



# Financial Report Fiscal Year-to-Date As of May 2011

Report to the City Council

Prepared by City Treasurer – Finance and Accounting Division

June 17, 2011



## FINANCIAL REPORT FOR YEAR-TO-DATE MAY 2011

The following is a financial summary of the City's YTD May 2011 General Fund, Transportation Fund, Fleet Fund and Enterprise Funds. The focus of the report is on the General Fund, which is the primary operating fund of the City. The General Fund exists to account for the resources devoted to finance the services traditionally associated with local government. Included in these services are police and fire protection, parks and recreation, planning and economic development, general administration of the City, and any other activity for which a special fund has not been created.

The report includes a summary for sources and uses by major categories. Significant budget to actual variances are highlighted. The report also includes Appendix 1 which details the City's Privilege (Sales) Tax by major category. Sales Tax receipts received in the current month are based on prior-month activity.

Note: Amounts are rounded in millions; therefore, differences may occur.

<b>Operating Results - General Fund and Transportation Fund</b>				
<b>YTD May 2011</b>				
<b>(\$ in millions)</b>				
	Revised Budget	2010/11 Actual	Change	%Change
Sources	\$251.4	\$255.7	\$4.3	2%
Uses	234.8	227.8	7.0	3%
Change in Fund Balance	\$16.6	\$27.9	\$11.3	

<b>Operating Results - General Fund and Transportation Fund</b>				
<b>May 2011</b>				
<b>(\$ in millions)</b>				
	Revised Budget	2010/11 Actual	Change	%Change
Sources	\$25.8	\$26.6	\$0.8	3%
Uses	20.7	19.8	0.9	4%
Change in Fund Balance	\$5.1	\$6.8	\$1.7	

## GENERAL FUND

**FY 2010/11**  
**(\$ in millions)**

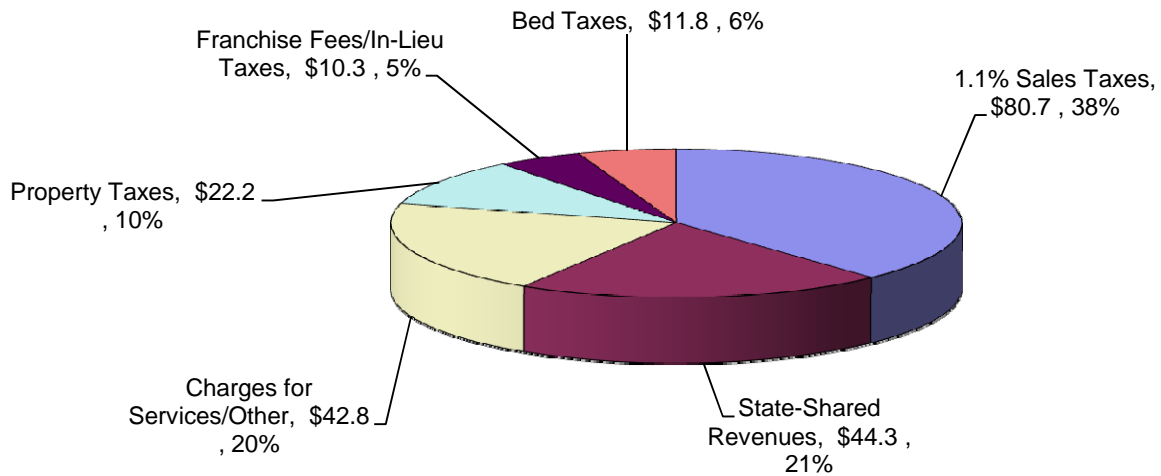
	Adopted Budget	Revised Budget	Change	% Change
Sources	\$243.2	\$242.7	(\$0.5)	0%
Uses	251.6	247.1	4.5	2%
Change in Fund Balance	(\$8.4)	(\$4.4)	\$4.0	
Beginning Fund Balance	\$37.2	\$39.0	\$1.8	
Ending Fund Balance	\$28.7	\$34.5	\$5.8	
Reserved*	\$26.2	\$25.6	(\$0.6)	
Contingency	\$2.5	\$2.4	(\$0.1)	
Unreserved	\$0.0	\$6.5	\$6.5	

\*General Fund Reserved is the calculation of 10% General Fund Operating Expenses plus 10% Transportation Fund Operating Expenses.

### Sources

The General Fund is the primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government such as police and fire protection, parks and recreation, planning and economic development, general administration of the City, and any other activity for which a special fund has not been created.

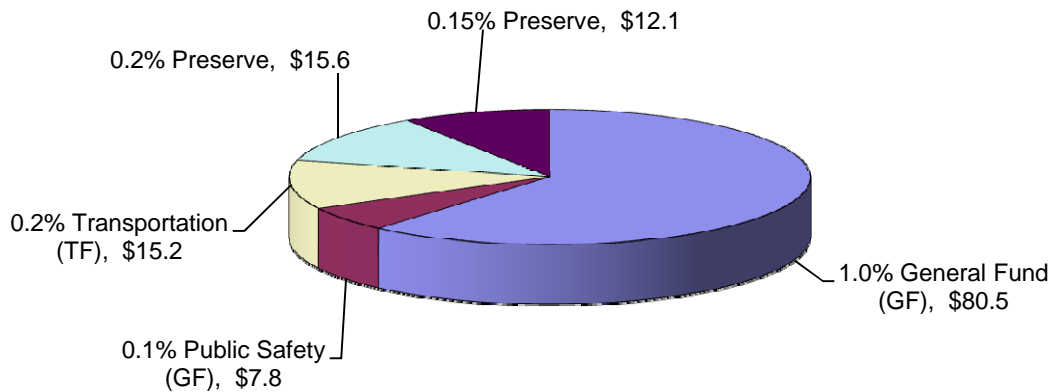
### General Fund Revenues \$212.1 Million Fiscal Year-to-Date May 2011



	Fiscal Year (Twelve Months)			
	2008/09	2009/10	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget
1.1% Sales Taxes	\$95.7	\$85.8	\$88.3	\$85.9
State-Shared Revenues	62.2	55.5	48.6	48.6
Charges for Services/Other	50.1	49.1	46.7	46.7
Property Taxes	22.6	23.3	24.7	24.7
Franchise Fees/In-Lieu Taxes	11.5	11.5	11.6	11.6
Bed Taxes	1.5	7.1	10.6	12.5
Total Revenue	\$243.6	\$232.3	\$230.5	\$230.0
Transfers In	28.5	19.2	12.7	12.7
Total Sources	\$272.1	\$251.5	\$243.2	\$242.7
% Change vs. Prior Year		-8%	-3%	-3%

	Fiscal Year-to-Date May 2011				Actual vs. Budget	
	2008/09	2009/10	2010/11	2010/11	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
1.1% Sales Taxes	\$88.6	\$79.8	\$80.7	\$78.7	\$2.0	3%
State-Shared Revenues	57.2	50.9	44.3	44.7	(0.4)	-1%
Charges for Services/Other	45.9	44.8	42.8	42.4	0.4	1%
Property Taxes	20.0	21.5	22.2	22.5	(0.3)	-1%
Franchise Fees/In-Lieu Taxes	11.5	11.5	10.3	10.8	(0.5)	-5%
Bed Taxes	1.4	6.5	11.8	11.3	0.5	4%
Total Revenue	\$224.6	\$215.0	\$212.1	\$210.4	\$1.7	1%
Transfers In	26.5	17.7	10.9	11.1	(0.2)	-2%
Total Sources	\$251.1	\$232.7	\$223.0	\$221.5	\$1.5	1%
% Change vs. Prior Year		-7%	-4%	-5%		

**1.65% Sales Tax \$131.2 Million  
2010/11 Adopted Budget**



**Sales Taxes**

Scottsdale's total City sales tax rate is 1.65 percent. Of that amount, 0.55 percent is dedicated to the specific purposes related to transportation and preservation (which are accounted for in Special Revenue Funds) and 0.10 percent is dedicated to public safety (accounted for in the General Fund). The remaining 1.0 percent of the sales tax is also accounted for in the General Fund and 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. Revenues from two of the sales taxes categories (construction and rental) have seen dramatic decreases over the prior year and have not resumed to "normal" levels. The sales tax category results can be found in Appendix 1.

	Fiscal Year (Twelve Months)			
	2008/09	2009/10	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget
1.00% General Purpose Sales Tax	\$87.3	\$78.3	\$80.5	\$78.3
0.10% Public Safety Sales Tax	8.4	7.5	7.8	7.6
Total General Fund Sales Taxes	\$95.7	\$85.8	\$88.3	\$85.9
% Change vs. Prior Year		-10%	3%	0%

	Fiscal Year-to-Date May 2011				Actual vs. Budget	
	2008/09	2009/10	2010/11	2010/11	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
1.00% General Purpose Sales Tax	\$80.8	\$72.8	\$73.6	\$71.7	\$1.9	3%
0.10% Public Safety Sales Tax	7.8	7.0	7.1	7.0	0.1	1%
Total General Fund Sales Taxes	\$88.6	\$79.8	\$80.7	\$78.7	\$2.0	3%
% Change vs. Prior Year		-10%	1%	-1%		

**Actual to Revised Budget variance of \$2.0 million or 3%:**

Automotive sales are up attributing to a favorable \$0.7 million increase in General Purpose sales taxes. The Miscellaneous Retail Store sales tax category is also up by \$0.4 million due in part to three large audit payments totaling \$0.2 million. The Dining/Entertainment sales tax category is showing a \$0.3 million favorable result. See Appendix 1 for further information about results by sales tax categories.

**State-Shared Revenues**

These revenues are derived from state shared sales taxes, income taxes (revenue sharing), and vehicle license taxes (auto lieu) based on a statutorily determined formula, primarily driven by population. On a per capita basis, 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.

	Fiscal Year (Twelve Months)			
	2008/09	2009/10	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget
State Revenue Sharing	\$35.1	\$30.3	\$22.8	\$22.8
State Shared Sales Tax	18.9	17.3	17.6	17.6
Auto Lieu Tax	8.2	7.9	8.2	8.2
Total State Shared Revenues	\$62.2	\$55.5	\$48.6	\$48.6
% Change vs. Prior Year		-11%	-12%	-12%

	Fiscal Year-to-Date May 2011					
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised	Favorable/(Unfavorable)	
				Budget	Amount	Percent
State Revenue Sharing	\$32.2	\$27.8	\$20.9	\$20.9	\$0.0	0%
State Shared Sales Tax	17.5	15.8	16.3	16.3	0.0	0%
Auto Lieu Tax	7.5	7.3	7.1	7.5	(0.4)	-5%
Total State Shared Revenues	\$57.2	\$50.9	\$44.3	\$44.7	(\$0.4)	-1%
% Change vs. Prior Year		-11%	-13%	-12%		

**Actual to Revised Budget variance of (\$0.4) million or (1%):**

Auto lieu taxes continue to be less than budgeted as fewer people are buying newer vehicles and continue to drive their older, depreciating vehicles. State sales taxes saw a seventh consecutive monthly year-over-year positive growth and is beginning to show favorable results.

**Charges for Services/Other**

Charges for Services include numerous revenues such as building permits, recreation fees, fire department fees, WestWorld fees, interest income, and property rentals. Also included are cost allocations from the General Fund to the enterprise funds. Certain components of this revenue source are subject to dramatic peaks and valleys from year to year. For example, building permit fees are based on developers' interest in construction projects and ability to secure financing for the projects.

	Fiscal Year (Twelve Months)			
	2008/09	2009/10	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget
<i>Taxes - Local</i>				
Stormwater Water Quality Charge	\$0.7	\$0.8	\$0.9	\$0.9
<i>Licenses, Permits &amp; Fees</i>				
Building Permit Fees & Charges	6.9	6.9	8.2	8.2
Recreation Fees	3.2	3.3	3.4	3.4
WestWorld	2.7	2.5	2.6	2.6
Fire Service Charges	1.8	1.8	0.6	0.6
Business Licenses & Fees	1.7	1.8	1.7	1.7
<i>Fines &amp; Forfeitures</i>				
Court Fines	6.7	7.5	4.8	4.8
Photo Enforcement Revenue	2.5	1.8	1.7	1.7
Parking Fines	0.4	0.3	0.4	0.4
Library Fines & Fees	0.3	0.4	0.3	0.3
<i>Interest Earnings/Property Rental</i>				
Interest Earnings	3.7	2.1	1.0	1.0
Property Rental	3.2	2.9	2.8	2.8
<i>Other Revenue</i>				
Indirect/Direct Cost Allocation	14.0	13.3	14.0	14.0
Intergovernmental Revenue	1.2	-	0.9	0.9
Miscellaneous	0.6	1.6	0.5	0.5
Reimbursements	0.5	2.1	2.9	2.9
Total Charges for Services/Other	\$50.1	\$49.1	\$46.7	\$46.7
% Change vs. Prior Year		-2%	-5%	-5%

	Fiscal Year-to-Date May 2011					
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable/(Unfavorable) Amount	Percent
<i>Taxes - Local</i>						
Stormwater Water Quality Charge	\$0.7	\$0.8	\$0.8	\$0.8	\$0.0	0%
<i>Licenses, Permits &amp; Fees</i>						
Building Permit Fees & Charges	5.9	6.3	6.5	7.4	(0.9)	-12%
Recreation Fees	2.6	2.7	2.9	2.8	0.1	4%
WestWorld	2.2	2.4	2.1	2.2	(0.1)	-5%
Fire Service Charges	2.2	1.2	0.7	0.6	0.1	17%
Business Licenses & Fees	1.7	1.6	1.7	1.6	0.1	6%
<i>Fines &amp; Forfeitures</i>						
Court Fines	6.0	6.8	4.0	4.4	(0.4)	-9%
Photo Enforcement Revenue	2.3	1.6	1.8	1.6	0.2	13%
Parking Fines	0.4	0.3	0.2	0.4	(0.2)	-50%
Library Fines & Fees	0.3	0.3	0.4	0.3	0.1	33%
<i>Interest Earnings/Property Rental</i>						
Interest Earnings	3.6	1.7	1.6	0.9	0.7	78%
Property Rental	3.1	2.7	3.1	2.7	0.4	15%
<i>Other Revenue</i>						
Indirect/Direct Cost Allocation	12.7	14.6	12.7	12.9	(0.2)	-2%
Intergovernmental Revenue	1.2	1.0	0.8	0.8	-	0%
Miscellaneous	0.6	0.4	0.5	0.4	0.1	25%
Reimbursements	0.4	0.4	3.0	2.6	0.4	15%
Total Charges for Services/Other	\$45.9	\$44.8	\$42.8	\$42.4	\$0.4	1%
% Change vs. Prior Year		-2%	-4%	-5%		

**Actual to Revised Budget variance of \$0.4 million or 1%:**

Interest earnings are currently showing a favorable result since performance on investments is more favorable than was conservatively budgeted. Public Defender and Jail Reimbursements originally budgeted in Court Fines, are actually being reported in Reimbursements and, therefore, are creating offsetting variances in each account. Building Permit Fees & Charges is showing a decline attributable to larger than expected smaller valuation type projects being submitted for review. Property Rental revenues from the Scottsdale Princess and the Tournament Players Club are currently experiencing favorable results.

**Property Taxes**

In the General Fund, 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 here 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.

**Actual to Revised Budget variance of (\$0.3) million or (1%):**

An unfavorable variance is related to a class action lawsuit against the County Assessor that has been in process since 1995 and was settled in June 2010. The settlement was not known at the time of forecasting the FY2010/11 budget and will result in a year-end variance of (\$0.2) million versus the budget.

**Franchise Fees and In-Lieu Taxes**

This category represents revenues from utility and cable providers.

	Fiscal Year (Twelve Months)			
	2008/09	2009/10	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget
Electric and Gas Franchise	\$7.8	\$8.0	\$8.2	\$8.2
Cable TV Franchise	3.6	3.4	3.3	3.3
Salt River Project Lieu Tax	0.1	0.1	0.1	0.1
Total Franchise Fees/In-Lieu Taxes	\$11.5	\$11.5	\$11.6	\$11.6
% Change vs. Prior Year		0%	1%	1%

	Fiscal Year-to-Date May 2011					
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable/(Unfavorable)	
					Amount	Percent
Electric and Gas Franchise	\$7.8	\$8.0	\$7.8	\$8.2	(\$0.4)	-5%
Cable TV Franchise	3.6	3.4	2.3	2.5	(0.2)	-8%
Salt River Project Lieu Tax	0.1	0.1	0.2	0.1	0.1	100%
Total Franchise Fees/In-Lieu Taxes	\$11.5	\$11.5	\$10.3	\$10.8	(\$0.5)	-5%
% Change vs. Prior Year		0%	-10%	-6%		

**Actual to Revised Budget variance of (\$0.5) million or (5%):**

The unfavorable variance in Electric and Gas Franchise is driven by a budget assumption that franchise revenue would increase by 4.6 percent year over year. The Electric and Gas Franchise revenue actually has declined by approximately 3 percent year-to-date versus prior year, possibly due to conservation of energy costs and milder summer weather. Cable TV franchise revenue has decreased based on a contract reduction of 0.3 percent.

Note: The Enterprise Franchise Fees and the Enterprise In Lieu Property Tax were previously reported in this category. However, to stay consistent with the City's Comprehensive Annual Financial Report (CAFR) these two items are now reported in the Transfers In.

**Bed Taxes**

A bed tax is applied to lodging room charges for stays of 29 days or less (transient) in hotels or short-term rentals. Effective July 1, 2010, the bed tax rate was increased from 3 percent to 5 percent. (Beginning in FY 2009/10, 100 percent of the Bed Tax revenue was recorded in the General Fund with a corresponding transfer of 80 percent to the Special Programs Fund.) Prior to the tax rate increase, 80 percent of the bed tax revenue was transferred to the Special Program Fund and was restricted for tourism development including the payment of contracts to increase tourism and fund debt service for destination attractions. The City started receiving the revenues from the new 5 percent tax rate in September 2010 and 50 percent of the 5 percent bed tax collections are transferred to the Special Programs Fund to be used for destination marketing purposes.

**Actual to Revised Budget variance of \$0.5 million or 4%:**

Increased tourism activity has produced favorable results for the past 5 months.

**Transfers In**

For FY 2010/11, transfers in reflect funds received from the Capital Improvement Plan (CIP) Funds and the Water and Sewer Funds (Franchise Fees, In Lieu Property Tax, and Water Campus Security). In Lieu Property Tax transfers from the Water and Sewer Funds are being phased out over the three-year period FY 2010/11 - FY 2012/13.

	Fiscal Year (Twelve Months)			
	2008/09	2009/10	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget
CIP	\$14.0	\$9.0	\$3.6	\$3.6
Self Insurance Fund	5.0	-	-	-
Cultural Council	-	0.3	-	-
Community Services/Human Services	0.1	0.3	-	-
Enterprise Franchise Fees	6.4	6.5	6.8	6.8
Enterprise In Lieu Property Tax	2.5	2.7	1.8	1.8
Water Campus Security	0.5	0.4	0.5	0.5
Total Transfers In	\$28.5	\$19.2	\$12.7	\$12.7
% Change vs. Prior Year		-33%	-34%	-34%



	Fiscal Year-to-Date May 2011					
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable/(Unfavorable) Amount	Percent
CIP	\$14.0	\$9.0	\$3.6	\$3.6	\$0.0	0%
Self Insurance Fund	5.0	-	-	-	-	n/a
Cultural Council	-	0.3	-	-	-	n/a
Community Services/Human Services	0.1	0.1	-	-	-	n/a
Enterprise Franchise Fees	5.2	5.4	5.3	5.5	(0.2)	-4%
Enterprise In Lieu Property Tax	2.2	2.5	1.6	1.6	-	0%
Water Campus Security	-	0.4	0.4	0.4	-	0%
Total Transfers In	\$26.5	\$17.7	\$10.9	\$11.1	(\$0.2)	-2%
% Change vs. Prior Year		-33%	-38%	-37%		

**Actual to Revised Budget variance of (\$0.2) million or (2%):**

No explanation necessary.

**Note:** The Enterprise Franchise Fees and the Enterprise In Lieu Property Tax were previously reported in the Franchise Fees and In Lieu Taxes category. However, to stay consistent with the City's Comprehensive Annual Financial Report (CAFR), these two items are now reported in this category.

**GENERAL FUND USES**  
(\$ in millions)

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Expenses:					
Personnel Services	n/a	\$168.0	\$162.5 *	\$160.9 *	(\$1.6)
Contractual	n/a	\$48.8	\$54.9	\$52.0	(\$2.9)
Commodities	n/a	\$7.7	\$8.9	\$7.8	(\$1.1)
Capital Outlays	n/a	\$0.5	\$4.1	\$4.2	\$0.1
Total Operating Expenses	n/a	\$225.0	\$230.4	\$224.9	(\$5.5)
Debt Service & Contracts Payable	n/a	\$9.0	\$11.9	\$11.9	-
Transfers Out	n/a	\$20.1	\$9.3	\$10.3	\$1.0
Total Uses	n/a	\$254.1	\$251.6 *	\$247.1 *	(\$4.5)
% Change vs. Prior Year		n/a	-1%	-3%	

	Fiscal Year-to-Date May 2011					Actual vs. Budget	
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Favorable / Amount	(Unfavorable) Percent	
Expenses:							
Personnel Services	n/a	\$152.8	\$145.0	\$147.4	\$2.4	2%	
Contractual	n/a	\$42.5	\$42.6	\$43.9	\$1.3	3%	
Commodities	n/a	\$6.6	\$5.8	\$6.6	\$0.8	12%	
Capital Outlays	n/a	\$0.2	\$0.2	\$3.3	\$3.1	94%	
Total Operating Expenses	n/a	\$202.1	\$193.6	\$201.2	\$7.6	4%	
Debt Service & Contracts Payable	n/a	\$1.6	\$3.7	\$3.4	(\$0.3)	-9%	
Transfers Out	n/a	\$5.3	\$7.3	\$5.7	(\$1.6)	-28%	
Total Uses	n/a	\$209.0	\$204.6	\$210.3	\$5.7	3%	
% Change vs. Prior Year		n/a	-2%	1%			

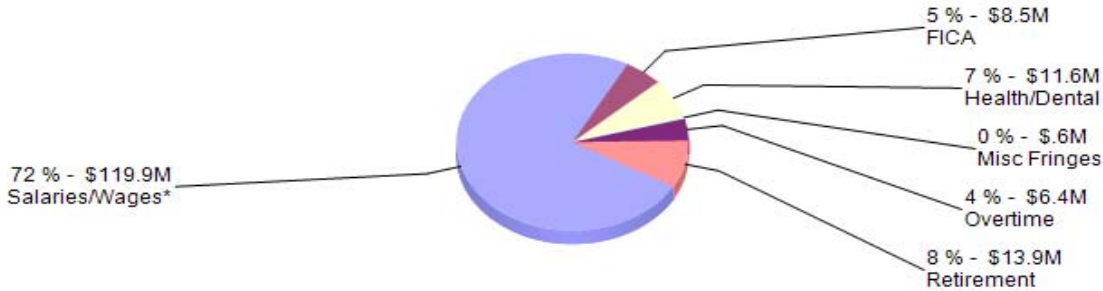
	Fiscal Year-to-Date May 2011					Actual vs. Budget	
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Favorable / Amount	(Unfavorable) Percent	
Expenses:							
MAYOR AND CITY COUNCIL	n/a	\$0.6	\$0.5	\$0.6	\$0.1	17%	
CITY CLERK	n/a	\$1.0	\$0.9	\$1.1	\$0.2	18%	
CITY ATTORNEY	n/a	\$5.7	\$5.0	\$5.3	\$0.3	6%	
CITY AUDITOR	n/a	\$0.7	\$0.7	\$0.8	\$0.1	13%	
CITY COURT	n/a	\$4.3	\$3.8	\$4.1	\$0.3	7%	
CITY MANAGER	n/a	\$1.6	\$1.3	\$1.3	-	-	
PUBLIC WORKS	n/a	\$14.3	\$13.3	\$14.2	\$0.9	6%	
COMMUNITY & ECONOMIC DEV	n/a	\$23.0	\$23.4	\$25.2	\$1.8	7%	
PUBLIC SAFETY - FIRE	n/a	\$24.9	\$24.3	\$24.7	\$0.4	2%	
PUBLIC SAFETY - POLICE	n/a	\$74.8	\$71.8	\$73.4	\$1.6	2%	
CITY TREASURER - FINANCE AND ACCOUNTING	n/a	\$4.4	\$4.4	\$4.4	-	-	
HUMAN RESOURCES	n/a	\$3.1	\$2.7	\$3.0	\$0.3	10%	
COMMUNITY SERVICES	n/a	\$32.3	\$30.6	\$32.1	\$1.5	5%	
INFORMATION TECHNOLOGY	n/a	\$8.6	\$8.1	\$8.4	\$0.3	4%	
ADMINISTRATIVE SERVICES	n/a	\$2.8	\$2.8	\$2.6	(\$0.2)	-8%	
Total Operating Expenses	n/a	\$202.1	\$193.6	\$201.2	\$7.6	4%	

\*Includes budgeted vacancy savings, leave accrual payouts and position reclassifications.

**Personnel Services**

Personnel Services include the salaries and wages (pay for time worked, vacation, and sick leave) plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. It is also inclusive of vacancy savings, the medical and vacation leave accrual payouts that are made at the time of separation from the City, and position reclassifications.

**Fiscal Year  
\$160.9M Personnel Services: Revised Budget**



	Fiscal Year (Twelve Months)				
	2008/2009 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Salaries and Wages	n/a	\$122.6	\$119.9 *	\$119.9 *	-
Overtime	n/a	\$6.1	\$7.3	\$6.4	(\$0.9)
Retirement	n/a	\$15.2	\$14.2	\$13.9	(\$0.3)
Health/Dental	n/a	\$15.1	\$11.8	\$11.6	(\$0.2)
FICA	n/a	\$8.4	\$8.7	\$8.5	(\$0.2)
Miscellaneous Fringes	n/a	\$0.6	\$0.6	\$0.6	-
<b>Total Personnel Services</b>	<b>n/a</b>	<b>\$168.0</b>	<b>\$162.5 *</b>	<b>\$160.9 *</b>	<b>(\$1.6)</b>
<b>% Change vs. Prior Year</b>		n/a	-3%	-4%	

	Fiscal Year-to-Date May 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget		
					Favorable Amount	(Unfavorable) Percent	
Salaries and Wages	n/a	\$112.6	\$109.4	\$109.9	\$0.5	0%	
Overtime	n/a	\$5.6	\$5.2	\$5.9	\$0.7	12%	
Retirement	n/a	\$12.4	\$12.1	\$12.8	\$0.7	5%	
Health/Dental	n/a	\$13.9	\$10.2	\$10.3	\$0.1	1%	
FICA	n/a	\$7.8	\$7.5	\$7.9	\$0.4	5%	
Miscellaneous Fringes	n/a	\$0.5	\$0.6	\$0.6	-	-	
<b>Total Personnel Services</b>	<b>n/a</b>	<b>\$152.8</b>	<b>\$145.0</b>	<b>\$147.4</b>	<b>\$2.4</b>	<b>2%</b>	
<b>% Change vs. Prior Year</b>		n/a	-5%	-4%			

\*Includes budgeted vacancy savings, leave accrual payouts and position reclassifications.

**Actual to Revised Budget variance of \$2.4 million or 2%:** The positive variance is primarily the result of anticipated Community and Economic Development, Community Service and Police overtime usage which did not occur. The budget spread was developed using last year's activity level as an indicator. It is expected that a portion of this positive variance will result in year-end savings. Additionally, the overtime variance has created a favorable variance in the Federal Insurance Contributions Act (FICA) and retirement accounts. The part-time wages budget in Community Services is also contributing to the favorable variance due to the ongoing efforts of re-evaluating work schedules and coverage.

### Vacancy Savings/Payouts/Reclassifications

The 'Vacancy Savings / Payouts / Reclassifications' is the net of the Citywide vacancy savings, the medical and vacation leave accrual payouts that are made at the time of separation from the City, and position reclassifications.

	2008/09	2009/10	2010/11	2010/11	
	Actual	Actual	Adopted	Year-To-Date	Remaining
			Budget	Achieved/(Used)	
Vacancy Savings	n/a	(\$5.1)	(\$3.0)	\$3.4	\$0.4
Vacation Leave Payouts	n/a	\$0.7	\$0.6	(\$0.6)	-
Medical Leave Payouts	n/a	\$1.0	\$0.8	(\$1.0)	(\$0.2)
Reclassifications	n/a	\$0.2	\$0.3	-	\$0.3
Total Vacancy Sav/Payouts/Reclass	n/a	(\$3.2)	(\$1.3)	\$1.8	\$0.5

**Total Achieved/(Used) YTD of \$1.8 million** The City has achieved \$3.4 million in vacancy savings year-to-date. The City Manager has been intentionally holding positions vacant and delaying recruitments in an effort to exceed the vacancy savings budgeted amount of \$3.0 million. Based on the fiscal year-to-date activity, \$3.7 million in vacancy savings is anticipated at year-end. Vacation Leave Payouts has resulted in fully expending the budget for the fiscal year. Medical leave payouts are more year-to-date than expected and will result in a negative variance at year-end. Finally, the budget for position reclassifications remains unused and will produce savings at year-end offsetting the medical leave payouts' unfavorable variance.

### Contractual Services

This category includes expenditures for services performed by firms, individuals, or other City departments.

**Actual to Revised Budget variance of \$1.3 million or 3%:** The favorable variance is primarily attributable to those expenditures that are difficult to budget for because of their unpredictable timing and nature of maintenance repairs and emergencies (e.g. repair, building maintenance services, painting, fire alarm maintenance, elevators, etc).

A positive year end variance is anticipated in this account category due to budget reduction initiatives such as the renegotiation of the current custodial services contract and pager and specialty lines contract, a reduction in requesting outside printing and graphics services, and limiting expenses in professional and consultant services.

### Commodities

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

**Actual to Revised Budget variance of \$0.8 million or 12%:** The favorable variance is a result of various accounts, such as maintenance services and repair materials, and education and recreation supplies which are difficult to budget in the appropriate period as they do not have a predictable spending pattern. In addition, the favorable variance is also a result of Citywide efforts to conserve and reduce supplies costs.

### Capital Outlays

Capital outlays include 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 increase 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 of \$5,000 or more; and (3) be betterment or improvement.

**Actual to Revised Budget variance of \$3.1 million or 94%:** The favorable variance is the result of a few projects' expenditures being applied to the Contractual Services and Commodities accounts instead of the Capital Outlays accounts where the funding for those projects was budgeted. Thus creating an offsetting variance in Contractual Services and Commodities. The favorable variance is also the result of the planned capital operating projects that have not been implemented due to budget constraints and the Citywide initiative to limit expenses to FY 2009/10. In addition, a few operating projects are being re-evaluated to determine if they can be deferred until future years. The City does anticipate year-end savings in this category.

**Debt Service & Contracts Payable**

This activity is debt payments related to Municipal Property Corporation (MPC) bonds that are to be repaid through excise taxes and contractual obligations related to development agreements (funded by sales tax rebates) which vary based on the actual sales tax collections.

	Fiscal Year (Twelve Months)				
	2008/09	2009/10	2010/11	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
MPC Excise Debt Fund	n/a	\$6.7	\$6.7	\$6.7	-
MPC Excise Debt Fund - Bed Tax	n/a	-	\$0.7	\$0.7	-
Certificates of Participation (COP)	n/a	\$0.9	\$0.9	\$0.9	-
Contracts Payable	n/a	\$1.4	\$3.1	\$3.1	-
COP - Radio Financing	n/a	-	\$0.5	\$0.5	-
Debt Service & Contracts Payable	<u>n/a</u>	<u>\$9.0</u>	<u>\$11.9</u>	<u>\$11.9</u>	<u>-</u>
% Change vs. Prior Year		n/a	32%	32%	

	Fiscal Year-to-Date May 2011						
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget		
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable)	Amount	Percent
MPC Excise Debt Fund	n/a	-	-	-	-	-	-
MPC Excise Debt Fund - Bed Tax	n/a	-	-	-	-	-	-
Certificates of Participation (COP)	n/a	\$0.5	\$0.5	\$0.5	-	-	-
Contracts Payable	n/a	\$1.1	\$3.0	\$2.9	(\$0.1)	(\$0.1)	-3%
COP - Radio Financing	n/a	-	\$0.2	-	(\$0.2)	(\$0.2)	-20%
Debt Service & Contracts Payable	<u>n/a</u>	<u>\$1.6</u>	<u>\$3.7</u>	<u>\$3.4</u>	<u>(\$0.3)</u>	<u>(\$0.3)</u>	<u>-9%</u>
% Change vs. Prior Year		n/a	131%	113%			

**Actual to Revised Budget variance of (\$0.3) million or (9)%:** The unfavorable variance is primarily attributable to how the debt payments were budgeted and payments were made. This timing issue will offset the variance by year- end.

**Transfers-Out**

Transfers-Out represents the authorized exchanges of cash between funds, divisions, departments and/or capital projects.

	Fiscal Year (Twelve Months)				
	2008/09	2009/10	2010/11	2010/11	FY 2010/11
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
CIP - General Fund Maintenance	n/a	\$10.4	\$2.2	\$2.2	-
Transportation Fund	n/a	\$3.2	\$1.8	\$1.8	-
Bed Tax Fund	n/a	\$6.4	\$5.0	\$6.0	\$1.0
Special Pgms Fund - Comm Svcs	n/a	-	\$0.2	\$0.2	-
Special Pgms Fund - Planning & Dev	n/a	\$0.1	\$0.1	\$0.1	-
Total Transfers Out	<u>n/a</u>	<u>\$20.1</u>	<u>\$9.3</u>	<u>\$10.3</u>	<u>\$1.0</u>
Change vs. Prior Year		n/a	-54%	-49%	

	Fiscal Year-to-Date May 2011						
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget		
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable)	Amount	Percent
CIP - General Fund Maintenance	n/a	-	-	-	-	-	-
Transportation Fund	n/a	\$0.1	-	-	-	-	-
Bed Tax Fund	n/a	\$5.2	\$7.3	\$5.5	(\$1.8)	(\$1.8)	-33%
Spec Pgms Fund - Comm Svcs	n/a	-	-	\$0.2	\$0.2	\$0.2	100%
Spec Pgms Fund - Planning & Dev	n/a	-	-	-	-	-	-
Total Transfers Out	<u>n/a</u>	<u>\$5.3</u>	<u>\$7.3</u>	<u>\$5.7</u>	<u>(\$1.6)</u>	<u>(\$1.6)</u>	<u>-28%</u>
% Change vs. Prior Year		n/a	38%	8%			

**Actual to Revised Budget variance of (\$1.6) million or (28)%:** The unfavorable variance in Bed Tax Fund is partially related to the actual revenue being greater than budgeted, resulting in increased Transfers Out to the Special Programs Fund for the Convention and Visitor's Bureau (CVB) contract. The Bed Tax Fund's unfavorable variance is also the result of the City Council authorized Bed Tax transfers to the Capital Improvement Program for the new WestWorld Americans with Disabilities Act (ADA) parking lot capital project, Desert Discovery Phase III, and Tony Nelssen Equestrian Center expansion. In addition, the negative variance in the Bed Tax Fund is attributable to the MPC Excise Bed Tax payment, which was reported in Transfers-Out but should have been reported in Debt Service & Contracts Payable. The correction will be reflected in the June report. The positive variance in Special Programs Fund - Comm Svcs is the result of eliminating the Partnership Funding and the Human Services' Affordable Housing program both of which are budget reductions initiatives.

## TRANSPORTATION FUND

<b>FY 2010/11</b>				
<b>(\$ in millions)</b>				
	Adopted Budget	Revised Budget	Change	% Change
Total Sources	\$34.6	\$34.2	(\$0.4)	-1%
Total Uses	34.6	34.6	0.0	0%
Change in Fund Balance	\$0.0	(\$0.4)	(\$0.4)	
Beginning Fund Balance	\$0.0	\$0.0	\$0.0	
Ending Fund Balance	<u>\$0.0</u>	<u>(\$0.4)</u>	<u>(\$0.4)</u>	

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Revenues:					
HURF Taxes	\$14.1	\$13.4	\$13.8	\$13.8	\$ -
0.20% City Sales Tax	16.5	14.6	15.2	14.8	(0.4)
Other	3.0	3.0	3.2	3.2	-
Total Revenues	<u>\$33.6</u>	<u>\$31.0</u>	<u>\$32.2</u>	<u>\$31.8</u>	<u>(\$0.4)</u>
Transfers In	8.9	3.6	2.4	2.4	-
Total Sources	<u>\$42.5</u>	<u>\$34.6</u>	<u>\$34.6</u>	<u>\$34.2</u>	<u>(\$0.4)</u>
% Change vs. Prior Year		-19%	0%	-1%	

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Expenses:					
Personnel Services	n/a	\$6.6	\$6.1 *	\$6.1 *	-
Contractual	n/a	18.7	19.7	19.7	-
Commodities	n/a	0.6	0.8	0.8	-
Capital Outlays	n/a	1.4	0.3	0.3	-
Total Operating Expenses	n/a	\$27.3	\$26.9	\$26.9	-
Transfers Out	n/a	\$7.5	\$7.7	\$7.7	-
Total Uses	<u>n/a</u>	<u>\$34.8</u>	<u>\$34.6 *</u>	<u>\$34.6 *</u>	<u>-</u>
% Change vs. Prior Year		n/a	-1%	0%	

\*Includes budgeted vacancy savings, leave accrual payouts and position reclassifications.

## TRANSPORTATION FUND

FYTD MAY 2011 (\$ in millions)				
	2010/11 Actual	Revised Budget	Change	% Change
Total Sources	\$32.7	\$29.9	\$2.8	9%
Total Uses	23.2	24.5	\$1.3	5%
Change in Fund Balance	\$9.5	\$5.4	\$4.1	

Fiscal Year-to-Date May 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable/(Unfavorable)	
					Amount	Percent
Revenues:						
HURF Taxes	\$13.0	\$12.2	\$12.4	\$12.6	(\$0.2)	-2%
0.20% City Sales Tax	15.2	13.6	13.8	13.6	0.2	1%
Other	2.9	2.1	5.9	3.1	2.8	90%
Total Revenues	\$31.1	\$27.9	\$32.1	\$29.3	\$2.8	10%
Transfers In	1.5	0.5	0.6	0.6	-	0%
Total Sources	\$32.6	\$28.4	\$32.7	\$29.9	\$2.8	9%
% Change vs. Prior Year		-13%	15%	5%		

Fiscal Year-to-Date May 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable/(Unfavorable)	
					Amount	Percent
Expenses:						
Personnel Services	n/a	\$5.9	\$5.8	\$5.7	(\$0.1)	-2%
Contractual	n/a	16.5	14.0	17.8	3.8	21%
Commodities	n/a	0.5	0.5	0.8	0.3	38%
Capital Outlays	n/a	0.1	2.9	0.2	(2.7)	-1350%
Total Operating Expenses	n/a	\$23.0	\$23.2	\$24.5	\$1.3	5%
Transfers Out	n/a	-	-	-	-	-
Total Uses	n/a	\$23.0	\$23.2	\$24.5	\$1.3	5%
% Change from Prior Year		n/a	1%	7%		

**Sources: Actual to Revised Budget variance of \$2.8 million or 9%:**

The "Other" revenue variance is primarily related to American Recovery and Reinvestment Act (ARRA) award for street overlay projects. The funding amount of \$4.6 million was anticipated to be split with \$2.0 million received in FY 2009/10 and \$2.6 million in FY2010/11; however, based on project completion/reimbursement timing, all funding will be received in FY 2010/11 resulting in a large variance from the budget. Additionally, transit agreements for local bus service are currently experiencing favorable results.

HURF Taxes are lower than budget due to less demand for fuel due to economic conditions. See Appendix 1 for further information about the 0.20 percent City Sales Tax results by category.

**Uses: Actual to Revised Budget variance of \$1.3 million or 5%:**

The favorable variance in Contractual Services is primarily the result of American Recovery and Reinvestment Act (ARRA) paving projects expenditures being applied to Capital Outlays and not in the Contractual Services accounts where the funding for those projects is budgeted. This recording of ARRA expenditures is then creating an unfavorable variance in Capital Outlays. In addition, the favorable variance in Contractual Services is attributable to the renegotiated transit contracts with the Regional Public Transportation Authority (RPTA). The City Council approved these contracts in March and year-end savings is expected from the new agreement with RPTA. Additionally, the variance in Commodities is a result of those expenditures that are difficult to budget for because of their unpredictable timing and nature of maintenance repairs and emergencies (e.g. materials to maintain and repair machinery, equipment, buildings etc).

## WATER AND WATER RECLAMATION FUNDS

**FY 2010/11**

(\$ in millions)

	Adopted Budget	Revised Budget	Change	% Change
Total Sources	\$165.4	\$165.4	\$0.0	0%
Total Uses	160.5	159.6	(0.9)	-1%
Change in Fund Balance	\$4.9	\$5.8	\$0.9	
Beginning Fund Balance	\$52.3	\$52.3	\$0.0	
Ending Fund Balance	\$57.2	\$58.1	\$0.9	
60 to 90 Day Operating Reserve	\$19.5	\$19.5	\$0.0	
Repair/Replacement Reserve	29.0	29.0	-	
Revenue Bond Debt Reserve	5.4	5.4	-	
Special Contractual Funds	3.3	3.3	-	
Unreserved Fund Balance	-	0.9	0.9	
Ending Fund Balance	\$57.2	\$58.1	\$0.9	

	Fiscal Year (Twelve Months)				
	2008/09	2009/10	2010/11	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
Revenues:					
Water Service Fees	\$92.0	\$94.8	\$90.5	\$91.3	\$0.8
Water Reclamation Fees	34.1	35.4	33.7	34.1	0.4
Non-Potable Water Fees	0.7	0.6	10.3	10.3	-
Interest Earnings	3.4	2.9	0.8	0.8	-
Miscellaneous Revenue	1.3	2.6	14.4	13.2	(1.2)
Total Revenues	\$131.5	\$136.3	\$149.7	\$149.7	\$0.0
Transfers In	14.0	15.2	15.7	15.7	-
Total Sources	\$145.5	\$151.5	\$165.4	\$165.4	\$0.0
% Change vs. Prior Year		4%	9%	9%	

	Fiscal Year (Twelve Months)				
	2008/09	2009/10	2010/11	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
Expenses:					
Personnel Services	n/a	\$15.7	\$16.5	\$15.6	(\$0.9)
Contractual	n/a	23.5	26.1	26.1	-
Commodities	n/a	20.5	24.0	24.0	-
Capital Outlays	n/a	0.1	0.1	0.1	-
Total Operating Expense	n/a	\$59.8	\$66.7	\$65.8	(\$0.9)
Debt Service	n/a	25.7	28.1	28.1	-
Transfers Out					
In Lieu Property Tax Fees	n/a	2.6	1.7	1.7	-
Franchise Fees	n/a	6.5	6.8	6.8	-
Direct/Indirect Charges	n/a	10.2	10.4	10.4	-
CIP Fund	n/a	71.8	46.8	46.8	-
Total Uses	n/a	\$176.6	\$160.5	\$159.6	(\$0.9)
% Change vs. Prior Year		n/a	-9%	-10%	



# WATER AND WATER RECLAMATION FUNDS

FYTD May 2011

(\$ in millions)

	Actual	Revised Budget	Change	% Change
Total Sources	\$138.0	\$130.6	\$7.4	6%
Total Uses	101.1	106.4	5.3	5%
Change in Fund Balance	\$36.9	\$24.2	\$12.7	

Fiscal Year-to-Date May 2011						
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable /(Unfavorable) Amount	Percent
<b>Revenues:</b>						
Water Service Fees	\$76.8	\$79.2	\$78.8	\$82.0	(\$3.2)	-4%
Water Reclamation Fees	31.3	32.4	31.8	31.0	0.8	3%
Non-Potable Water Fees	7.7	7.3	7.9	7.8	0.1	1%
Interest Earnings	2.7	1.8	0.9	0.8	0.1	13%
Miscellaneous Revenue	0.6	0.8	2.1	1.2	0.9	75%
<b>Total Revenues</b>	<b>\$119.1</b>	<b>\$121.5</b>	<b>\$121.5</b>	<b>\$122.8</b>	<b>(\$1.3)</b>	<b>-1%</b>
Transfers In	-	13.9	16.5	7.8	8.7	112%
<b>Total Sources</b>	<b>\$119.1</b>	<b>\$135.4</b>	<b>\$138.0</b>	<b>\$130.6</b>	<b>\$7.4</b>	<b>6%</b>
% Change vs. Prior Year		14%	2%	-4%		

Fiscal Year-to-Date May 2011						
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable /(Unfavorable) Amount	Percent
<b>Expenses:</b>						
Personnel Services	n/a	\$14.3	\$14.2	\$14.3	\$0.1	1%
Contractual	n/a	18.1	17.5	22.7	5.2	23%
Commodities	n/a	17.4	19.5	20.0	0.5	3%
Capital Outlays	n/a	-	0.2	0.1	(0.1)	-100%
<b>Total Operating Expenses</b>	<b>n/a</b>	<b>\$49.8</b>	<b>\$51.4</b>	<b>\$57.1</b>	<b>\$5.7</b>	<b>10%</b>
Debt Service	n/a	7.3	9.5	9.5	-	0%
<b>Transfers Out</b>						
In Lieu Property Tax Fees	n/a	2.4	1.6	1.6	-	0%
Franchise Fees	n/a	5.4	5.3	5.5	0.2	4%
Direct/Indirect Charges	n/a	11.1	9.9	8.9	(1.0)	-11%
CIP Fund	n/a	35.9	23.4	23.8	0.4	2%
<b>Total Uses</b>	<b>n/a</b>	<b>\$111.9</b>	<b>\$101.1</b>	<b>\$106.4</b>	<b>\$5.3</b>	<b>5%</b>
% Change vs. Prior Year		n/a	-10%	-5%		

**Sources: Actual to Revised Budget variance of \$7.4 million or 6%:**

Water Service Fees are charges for water deliveries which are 3.6 percent lower than forecasted; Water Reclamation Service Fees are charges for the treatment of sewer; Non-Potable Water Fees include sales of effluent, reverse osmosis (RO) and wastewater treated to irrigation standards delivered to golf courses; and finally, Miscellaneous Revenue includes rental income, reimbursements and other. The positive variance for Miscellaneous Revenue is related to the sale of effluent (\$0.6 million) to the Arizona Nuclear Power Plant, an APS Peak Solutions contract (\$0.1) whereby the city participates in the voluntary reduction of electrical use and the sale of scrap material (\$0.2 million). The positive variance for Transfers In is primarily due to a budget spread; transfers out of Development Fee Funds, into Operating were budgeted in June but completed in April.

**Uses: Actual to Revised Budget variance of \$5.3 million or 5%:**

Fiscal year-to-date operating expenditures are 10 percent lower than forecasted. Expenditure savings are related to lower than anticipated electricity, gas and operating costs at the Sub Regional Operating Group (SROG). Budgeted direct/indirect transfers-out include Citywide indirect charges and direct charges for security. The unfavorable variance related to transfers-out is related to timing of budgeted transfers. Transfers-out do not include transfers of spent bond proceeds to capital.

## AVIATION FUND

**FY 2010/11**  
(\$ in millions)

	Adopted Budget	Revised Budget	Change	% Change
Total Sources	\$3.2	\$3.2	\$0.0	0%
Total Uses	3.9	3.8	0.1	3%
Change in Fund Balance	(\$0.7)	(\$0.6)	\$0.1	
Beginning Fund Balance	\$4.7	\$4.7	\$0.0	
Ending Fund Balance	\$4.0	\$4.1	\$0.1	
60 to 90 Day Operating Reserve	\$0.5	\$0.5	\$0.0	
Repair/Replacement Reserve	3.4	3.4	0.0	
Unreserved Fund Balance	0.1	0.2	0.1	
Ending Fund Balance	\$4.0	\$4.1	\$0.1	

	Fiscal Year (Twelve Months)				
	2008/09	2009/10	2010/11	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
Revenues:					
Aviation Fees	\$2.8	\$2.9	\$3.0	\$3.0	\$0.0
Privilege and Use Tax - Jet Fuel	0.1	0.1	0.1	0.1	-
Interest Earnings	0.1	0.1	0.1	0.1	-
Total Revenues	\$3.0	\$3.1	\$3.2	\$3.2	\$0.0
Transfers In	1.6	0.0	0.0	0.0	-
Total Sources	\$4.6	\$3.1	\$3.2	\$3.2	\$0.0
% Change vs. Prior Year		-33%	3%	3%	

	Fiscal Year (Twelve Months)				
	2008/09	2009/10	2010/11	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
Expenses:					
Personnel Services	n/a	\$0.9	\$1.0	\$0.9	(\$0.1)
Contractual	n/a	0.5	0.7	0.7	-
Total Operating Expense	n/a	\$1.4	\$1.7	\$1.6	(\$0.1)
Transfers Out					
In Lieu Property Tax Fees	n/a	0.1	0.0	0.0	-
Direct/Indirect Charges	n/a	0.7	0.6	0.6	-
CIP Fund	n/a	0.2	1.6	1.6	-
Total Uses	n/a	\$2.4	\$3.9	\$3.8	(\$0.1)
% Change vs. Prior Year		n/a	63%	58%	

## AVIATION FUND

FYTD May 2011

(\$ in millions)

	2010/11 Actual	Revised Budget	Change	% Change
Total Sources	\$2.9	\$2.9	\$0.0	0%
Total Uses	3.6	3.7	0.1	3%
Change in Fund Balance	(\$0.7)	(\$0.8)	\$0.1	

Fiscal Year-to-Date May 2011							
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget		
					Favorable /(Unfavorable) Amount	Percent	
Revenues:							
Aviation Fees	\$2.8	\$2.7	\$2.7	\$2.7	\$0.0	0%	
Privilege and Use Tax - Jet Fuel	0.1	0.1	0.1	0.1	0.0	0%	
Interest Earnings	0.1	0.1	0.1	0.1	0.0	0%	
Total Revenues	\$3.0	\$2.9	\$2.9	\$2.9	\$0.0	0%	
Transfers In	0.0	0.0	0.0	0.0	0.0	0%	
Total Sources	\$3.0	\$2.9	\$2.9	\$2.9	\$0.0	0%	
% Change vs. Prior Year		-3%	0%	0%			

Fiscal Year-to-Date May 2011							
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget		
					Favorable /(Unfavorable) Amount	Percent	
Expenses:							
Personnel Services	n/a	\$0.8	\$0.9	\$0.9	\$0.0	0%	
Contractual	n/a	0.5	0.5	0.6	0.1	17%	
Total Operating Expenses	n/a	\$1.3	\$1.4	\$1.5	\$0.1	7%	
Transfers Out							
In Lieu Property Tax Fees	n/a	0.1	0.0	0.0	-	0%	
Direct/Indirect Charges	n/a	0.2	0.6	0.6	-	0%	
CIP Fund	n/a	0.6	1.6	1.6	-	0%	
Total Uses	n/a	\$2.2	\$3.6	\$3.7	\$0.1	3%	
% Change vs. Prior Year		n/a	64%	68%			

**Sources: Actual to Revised Budget variance of \$0 million or 0%:**

Despite a runway overlay project that essentially shut down airport operations for 11 days in July, fiscal year to date revenues are equal to the adopted budget. The airport's busiest season began in November and continued through May.

**Uses: Actual to Revised Budget variance of \$0.1 million or 3%:**

The positive variance is reflective of minimal expenditure needs from the 11 day airport closure due to the runway overlay project. Expenses are expected to reach budget levels by year end.

# SOLID WASTE FUND

**FY 2010/11**  
**(\$ in millions)**

	Adopted Budget	Revised Budget	Change	% Change
Total Sources	\$20.2	\$20.2	\$0.0	0%
Total Uses	20.8	20.8	0.0	0%
Change in Fund Balance	(\$0.6)	(\$0.6)	\$0.0	
Beginning Fund Balance	\$5.7	\$5.7	\$0.0	0%
Ending Fund Balance	\$5.1	\$5.1	\$0.0	0%
60 to 90 Day Operating Reserve	\$4.6	\$4.6	\$0.0	0%
Unreserved Fund Balance	0.5	0.5	0.0	0%
Ending Fund Balance	\$5.1	\$5.1	\$0.0	0%

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Revenues:					
Solid Waste Fees	\$20.0	\$20.4	\$20.1	\$20.1	\$0.0
Interest Earnings	0.2	0.2	0.1	0.1	-
Total Revenues	20.2	20.6	20.2	20.2	-
Transfers In	0.1	-	-	-	-
Total Sources	\$20.3	\$20.6	\$20.2	\$20.2	\$0.0
% Change vs. Prior Year		1%	-2%	-2%	

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Expenses:					
Personnel Services	n/a	\$5.7	\$5.8	\$5.8	\$0.0
Contractual	n/a	9.7	10.2	10.2	-
Commodities	n/a	0.4	0.4	0.4	-
Total Operating Expense	n/a	\$15.8	\$16.4	\$16.4	\$0.0
Transfers Out					
Direct/Indirect Charges	n/a	2.9	3.0	3.0	-
CIP Fund	n/a	1.1	1.4	1.4	-
Total Uses	n/a	\$19.8	\$20.8	\$20.8	\$0.0
% Change vs. Prior Year		n/a	5%	5%	

## SOLID WASTE FUND

FYTD May 2011

(\$ in millions)

	2010/11 Actual	Revised Budget	Change	% Change
Total Sources	\$19.2	\$18.5	\$0.7	4%
Total Uses	18.4	18.2	(0.2)	-1%
Change in Fund Balance	\$0.8	\$0.3	\$0.5	

Fiscal Year-to-Date May 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable /(Unfavorable)	
					Amount	Percent
Revenues:						
Solid Waste Fees	\$18.4	\$18.6	\$19.1	\$18.4	\$0.7	4%
Interest Earnings	0.2	0.1	0.1	0.1	-	0%
Total Revenues	\$18.6	\$18.7	\$19.2	\$18.5	\$0.7	4%
Transfers In	-	-	-	-	-	n/a
Total Sources	\$18.6	\$18.7	\$19.2	\$18.5	\$0.7	4%
% Change vs. Prior Year		1%	3%	-1%		

Fiscal Year-to-Date May 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable /(Unfavorable)	
					Amount	Percent
Expenses:						
Personnel Services	n/a	\$5.4	\$5.4	\$5.3	(\$0.1)	-2%
Contractual	n/a	8.6	8.6	8.9	0.3	3%
Commodities	n/a	0.3	0.3	0.3	-	0%
Total Operating Expenses	n/a	\$14.3	\$14.3	\$14.5	\$0.2	1%
Transfers Out						
Direct/Indirect Charges	n/a	3.2	2.7	2.3	(0.4)	-17%
CIP Fund	n/a	1.1	1.4	1.4	-	0%
Total Uses	n/a	\$18.6	\$18.4	\$18.2	(\$0.2)	-1%
% Change vs. Prior Year		n/a	-1%	-2%		

**Sources: Actual to Revised Budget variance of \$0.7 million or 4%:**

Within the Solid Waste Fees residential and commercial recycling revenues are higher than budget by \$0.6 million, the market rate for recyclables as well as the amount of recyclable material collected have been higher than forecasted. The residential service charges and account initiation fees are higher than budget by \$0.2 million; although new homes fees are low these revenues have been driven by higher than forecasted existing home fees, possibly due to relocations and residential rental activity. Commercial and roll-off revenues are \$0.1 lower than budget due to a slow construction market they serve.

**Uses: Actual to Revised Budget variance of (\$0.2) million or (1%):**

Personnel Service expense is over budget due to overtime. The Solid Waste Department has experienced an average vacancy rate of 7 full time equivalents. Existing staff must use overtime to cover all the normal routes. The positive variance in Contractual Savings is due to reduced volume and rates related to landfill fees.

## FLEET MANAGEMENT FUND

FY 2010/11

(\$ in millions)

	Adopted Budget	Revised Budget	Change	%Change
Total Sources	\$14.4	\$14.4	\$0.0	0%
Total Uses	15.1	15.1	0.0	0%
Change in Fund Balance	(\$0.7)	(\$0.7)	\$0.0	
Beginning Fund Balance	\$9.1	\$9.1	\$0.0	
Ending Fund Balance	<u>\$8.3</u>	<u>\$8.3</u>	<u>\$0.0</u>	
Designated for Future Acquisition	\$7.9	\$7.9	\$0.0	
Unreserved/Undesignated	0.4	0.4	0.0	
Ending Fund Balance	<u>\$8.3</u>	<u>\$8.3</u>	<u>\$0.0</u>	

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Revenues:					
Maintenance/Operation Rates	\$12.9	\$11.5	\$11.2	\$11.2	\$0.0
Replacement Rates	5.4	1.7	2.9	2.9	-
Interest Earnings	0.4	0.3	0.1	0.1	-
Other Revenue	0.3	0.4	0.2	0.2	-
Total Revenues	<u>\$19.0</u>	<u>\$13.9</u>	<u>\$14.4</u>	<u>\$14.4</u>	<u>\$0.0</u>
Transfers In	-	-	-	-	-
Total Sources	<u>\$19.0</u>	<u>\$13.9</u>	<u>\$14.4</u>	<u>\$14.4</u>	<u>\$0.0</u>
% Change vs. Prior Year		-27%	4%	4%	

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Expenses:					
Personnel Services	n/a	\$3.2	\$3.1	\$3.1	\$0.0
Contractual	n/a	1.2	1.5	1.5	-
Commodities	n/a	5.6	6.8	6.8	-
Capital Outlays	n/a	2.9	3.7	3.7	-
Total Operating Expenses	n/a	\$12.9	\$15.1	\$15.1	-
Transfers Out	n/a	0.7	-	-	-
Total Uses	<u>n/a</u>	<u>\$13.6</u>	<u>\$15.1</u>	<u>\$15.1</u>	<u>-</u>
% Change vs. Prior Year		n/a	11%	11%	

## FLEET MANAGEMENT FUND

FYTD May 2011

(\$ in millions)

	2010/11 Actual	Revised Budget	Change	%
Total Sources	\$13.3	\$13.2	\$0.1	1%
Total Uses	10.5	13.4	2.9	22%
Change in Fund Balance	\$2.8	(\$0.2)	\$3.0	

Fiscal Year-to-Date May 2011						
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable/(Unfavorable) Amount	Percent
<b>Revenues:</b>						
Maintenance/Operation Rates	\$11.8	\$10.6	\$10.3	\$10.3	\$0.0	0%
Replacement Rates	5.0	1.5	2.6	2.6	-	0%
Interest Earnings	0.5	0.2	0.2	0.1	0.1	100%
Other Revenue	1.0	0.3	(0.1)	0.2	(0.3)	-150%
<b>Total Revenues</b>	<b>\$18.3</b>	<b>\$12.6</b>	<b>\$13.0</b>	<b>\$13.2</b>	<b>(\$0.2)</b>	<b>-2%</b>
Transfers In	-	-	0.3	-	0.3	
<b>Total Sources</b>	<b>\$18.3</b>	<b>\$12.6</b>	<b>\$13.3</b>	<b>\$13.2</b>	<b>\$0.1</b>	<b>1%</b>
% Change vs. Prior Year		-31%	6%	5%		

Fiscal Year-to-Date May 2011						
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable/(Unfavorable) Amount	Percent
<b>Expenses:</b>						
Personnel Services	n/a	\$3.0	\$2.9	\$2.9	\$0.0	0%
Contractual	n/a	1.0	1.2	1.4	0.2	14%
Commodities	n/a	4.3	5.2	5.7	0.5	9%
Capital Outlays	n/a	3.4	1.2	3.4	2.2	65%
<b>Total Operating Expenses</b>	<b>n/a</b>	<b>\$11.7</b>	<b>\$10.5</b>	<b>\$13.4</b>	<b>\$2.9</b>	<b>22%</b>
Transfers Out	n/a	-	-	-	-	-
<b>Total Uses</b>	<b>n/a</b>	<b>\$11.7</b>	<b>\$10.5</b>	<b>\$13.4</b>	<b>\$2.9</b>	<b>22%</b>
% Change vs. Prior Year		n/a	-10%	15%		

**Sources: Actual to Revised Budget variance of \$0.1 million or 1%:**

Interest earnings are currently showing a favorable result since performance on investments is more favorable than was conservatively budgeted. Other revenue is showing a loss based on the sale of four message boards prior to their values being completely depreciated.

**Uses: Actual to Revised Budget variance of \$2.9 million or 22%:**

The favorable variance in Contractual is primarily the result of a delay in expenditure processing. The Commodities favorable variance is related to fuel. The amount budgeted for fuel assumed a standard rate higher than the actual rate recorded year to date. The City expects a portion of this variance will be used due to the rise in fuel costs. Finally, the Capital Outlays favorable variance is attributable to the difficulty of forecasting the timing of vehicle acquisitions, and delaying expenditures until vehicle achieves all required miles and age replacement criteria.

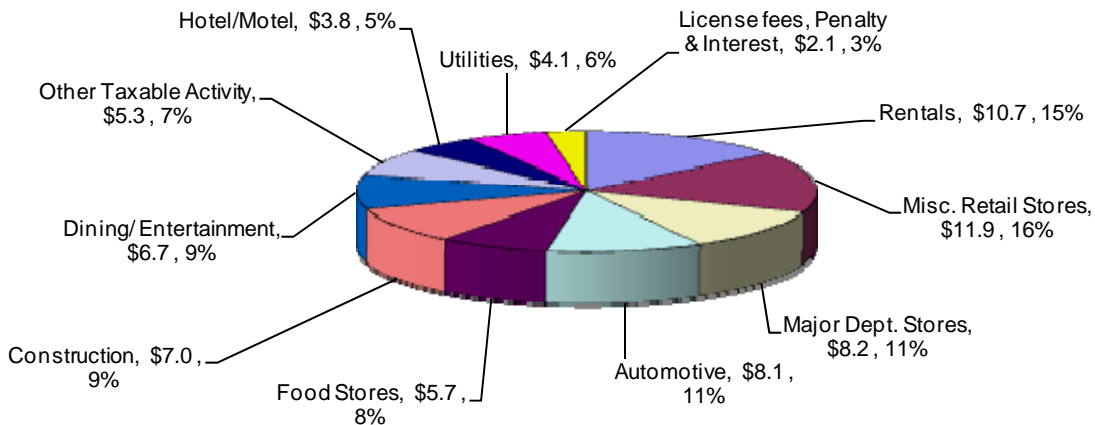


## Privilege (Sales) & Use Tax Collections For May 2011 (For Business Activity in April 2011)

Appendix 1 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, 0.2 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 report shows a fiscal year Privilege and Use Tax (1.00% General Purpose) collection increase of 3 percent compared to the revised Budget, and an increase of 1 percent compared to the same period a year ago.

**Privilege (Sales) & Use Tax  
1.0% General Purpose Portion  
\$73.6M Revenue - Actual YTD**



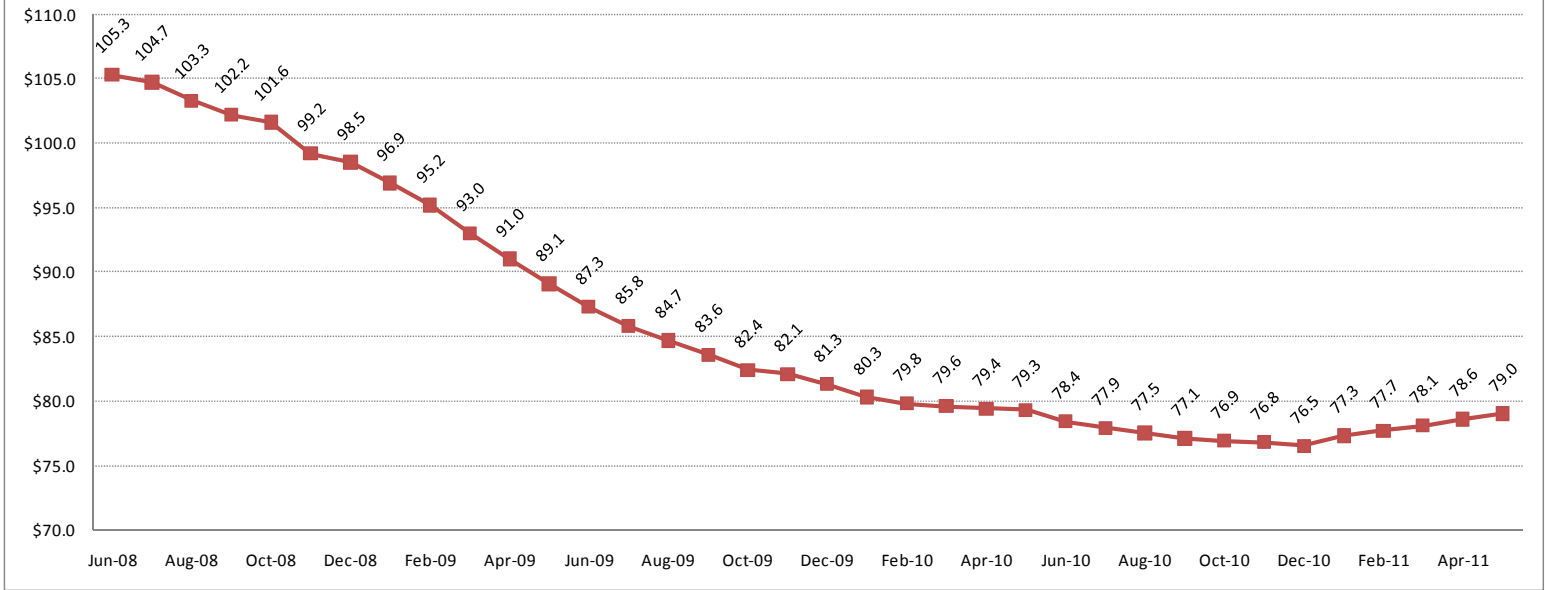


## Privilege (Sales) &amp; Use Tax by Category and Fund

	Fiscal Year (Twelve Months)				
	2008/09	2009/10	2010/11	2010/11	2010/11
	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>
<u>1.00% General Purpose</u>					
Rentals	\$12.5	\$11.2	\$11.5	0.3	\$11.8
Misc. Retail Stores	12.1	12.1	12.7	(0.2)	12.5
Major Dept. Stores	8.8	9.0	9.1	(0.3)	8.8
Automotive	9.6	8.4	8.7	(0.5)	8.2
Food Stores	6.3	6.0	6.4	(0.2)	6.2
Construction	13.5	8.2	8.5	(0.7)	7.8
Dining/ Entertainment	6.9	6.8	7.0	-	7.0
Other Taxable Activity	6.2	5.5	5.4	(0.2)	5.2
Hotel/Motel	4.4	4.0	4.3	(0.2)	4.1
Utilities	4.4	4.8	4.7	(0.2)	4.5
License fees, Penalty & Interest	2.6	2.4	2.3	(0.1)	2.2
Subtotal	<u>\$87.3</u>	<u>\$78.3</u>	<u>\$80.5</u>	<u>(2.2)</u>	<u>\$78.3</u>
0.10% Public Safety	\$8.4	\$7.5	\$7.8	(0.2)	\$7.6
0.20% Transportation	16.5	14.6	15.2	(0.4)	14.8
0.20% McDowell Preserve 1995	17.0	15.2	15.6	(0.3)	15.3
0.15% McDowell Preserve 2004	12.6	11.3	12.1	(0.7)	11.4
Total	<u>\$141.8</u>	<u>\$126.9</u>	<u>\$131.2</u>	<u>(3.8)</u>	<u>\$127.4</u>
% Change vs. Prior Year		-11%	3%		0%

	Fiscal Year-to-Date May					Actual vs. Budget	
	2008/09	2009/10	2010/11	2010/11	Favorable/(Unfavorable)		
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>	
<u>1.00% General Purpose</u>							
Rentals	\$11.5	\$11.1	\$10.7	\$10.8	(0.1)	-1%	
Misc. Retail Stores	11.2	11.2	11.9	11.5	0.4	3%	
Major Dept. Stores	8.1	8.3	8.2	8.1	0.1	1%	
Automotive	8.9	7.6	8.1	7.4	0.7	9%	
Food Stores	5.8	5.5	5.7	5.7	-	0%	
Construction	12.6	7.5	7.0	7.1	(0.1)	-1%	
Dining/ Entertainment	6.3	6.2	6.7	6.4	0.3	5%	
Other Taxable Activity	5.8	5.1	5.3	4.8	0.5	10%	
Hotel/Motel	4.1	3.7	3.8	3.7	0.1	3%	
Utilities	4.1	4.4	4.1	4.1	-	0%	
License fees, Penalty & Interest	2.4	2.3	2.1	2.1	-	0%	
Subtotal	<u>\$80.8</u>	<u>\$72.8</u>	<u>\$73.6</u>	<u>\$71.7</u>	<u>\$1.9</u>	<u>3%</u>	
0.10% Public Safety	\$7.8	\$7.0	\$7.1	\$7.0	0.1	1%	
0.20% Transportation	15.2	13.6	13.8	13.6	0.2	1%	
0.20% McDowell Preserve 1995	15.7	14.1	14.2	14.0	0.2	1%	
0.15% McDowell Preserve 2004	11.7	10.5	10.7	10.4	0.3	3%	
Total	<u>\$131.2</u>	<u>\$118.0</u>	<u>\$119.4</u>	<u>\$116.7</u>	<u>\$2.7</u>	<u>2%</u>	
% Change vs. Prior Year		-10%	1%	-1%			

**Privilege (Sales) & Use Tax**  
 12 Month Rolling  
 1.00% General Fund in Millions



**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 (\$0.1) million or (1%):** The unfavorable variance is the result of commercial building rental rates continuing to be lower and the vacancy rate remaining relatively steady.

**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, and pet supply stores.

**Actual to Revised Budget variance of \$0.4 million or 3%:** The favorable variance is due to retail sales increasing for electronics and clothing. There also have been some larger audit payments.

**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 1%:** There has recently been a modest increase in consumer spending, particularly among higher income individuals.

**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 \$0.7 million or 9%:** The favorable variance is a result of an increase in automotive sales and mirrors the nation-wide trend.

**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.

**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 (\$0.1) million or (1%):** The unfavorable variance is mostly a result of a decrease in commercial building projects. Several substantial audit payments were received in May and these helped to minimize the continuing effects of the recession.

**Dining/Entertainment Sales Taxes**

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

**Actual to Revised Budget variance of \$0.3 million or 5%:** The favorable variance is due to increased sales at restaurants and bars as well as the receipt of a large audit payment in March.

**Other Taxable 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.

**Actual to Revised Budget variance of \$0.5 million or 10%:** The computer wholesalers have reported several large taxable sales in recent months. Additionally, there is a new movie theatre that opened.

**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 \$0.1 million or 3%:** The hospitality industry is seeing modest increases as consumer spending eases.

**Utilities Sales Taxes**

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

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

**License Fees, Penalty & Interest**

This category consists of application and license fees for Transaction Privilege (sales) tax licenses, interest, and penalties.

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