

Monthly Financial Report

Fiscal Year to Date as
of March 31, 2019



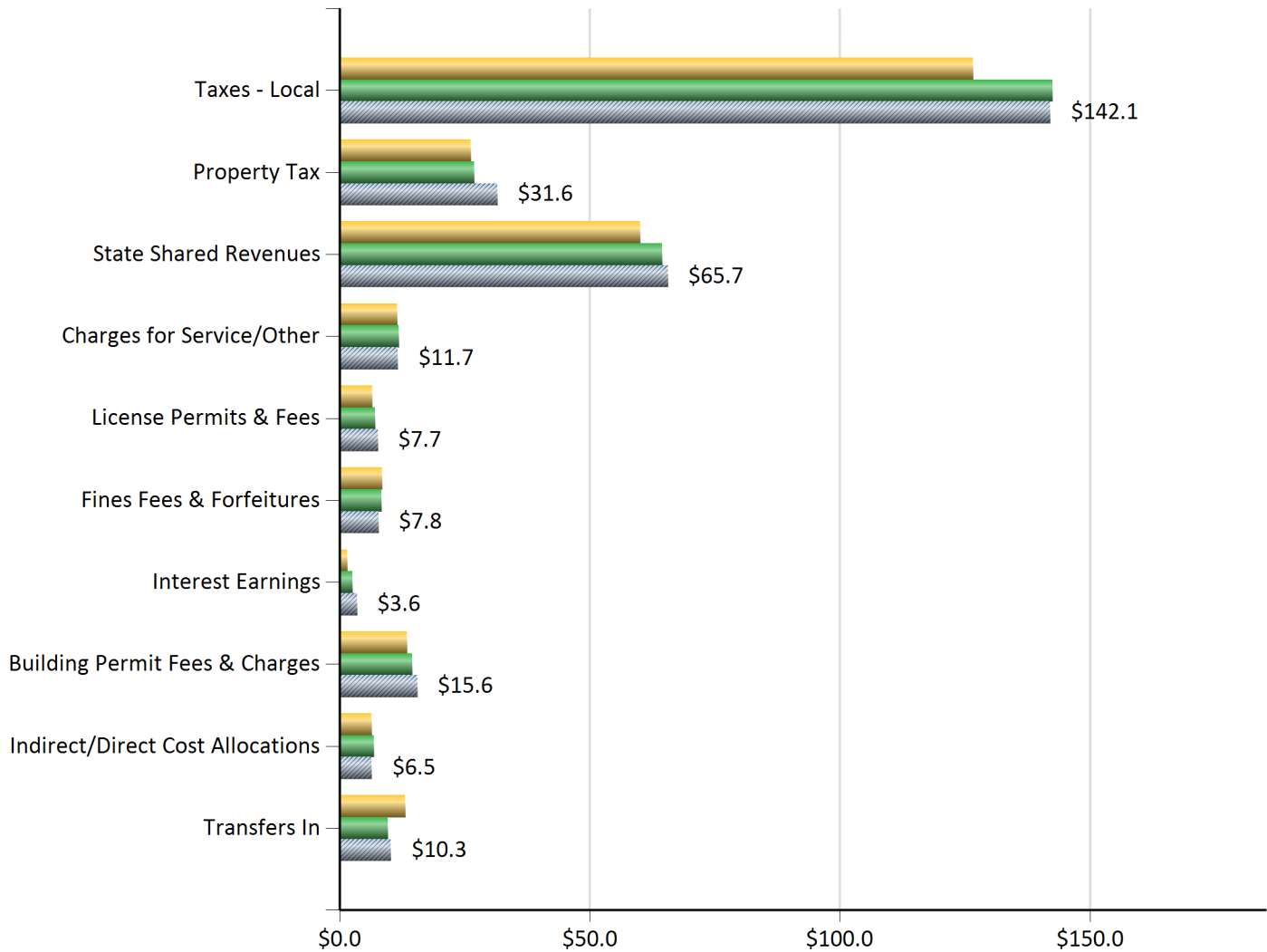
Report to the City Council
Prepared by the City Treasurer
May 1, 2019



Sources

General Fund

Twelve Months: Fiscal Year

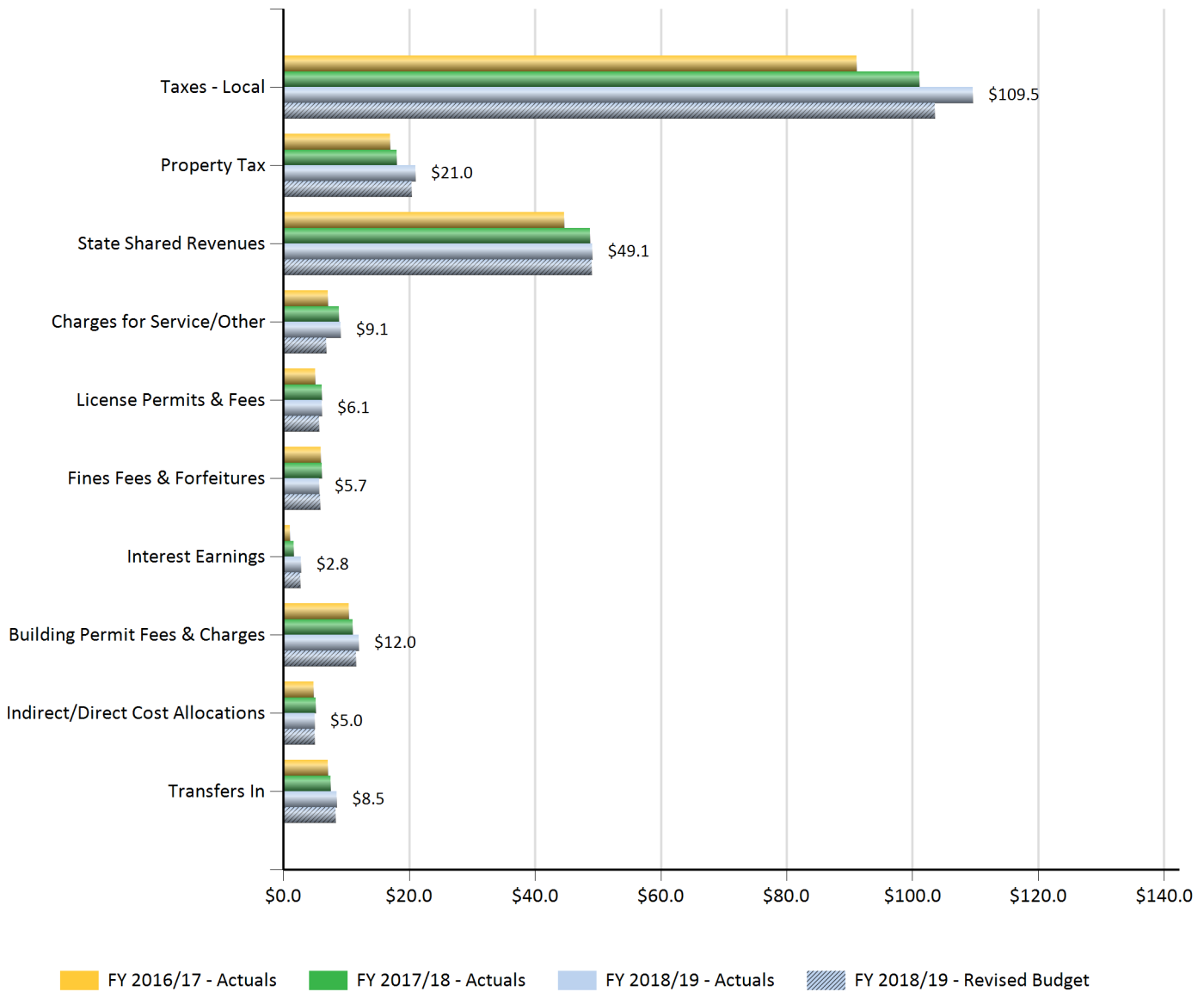


■ FY 2016/17 - Actuals
 ■ FY 2017/18 - Actuals
 FY 2018/19 - Revised Budget

	FY 2016/17 <u>Actuals</u>	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Revised Budget</u>
Taxes - Local	\$126.7	\$142.5	\$142.1
Property Tax	26.2	26.9	31.6
State Shared Revenues	60.1	64.5	65.7
Charges for Service/Other	11.6	11.8	11.7
License Permits & Fees	6.6	7.1	7.7
Fines Fees & Forfeitures	8.5	8.4	7.8
Interest Earnings	1.6	2.6	3.6
Building Permit Fees & Charges	13.5	14.6	15.6
Indirect/Direct Cost Allocations	6.4	6.9	6.5
Transfers In	13.1	9.7	10.3
Total Sources	\$274.3	\$295.1	\$302.4



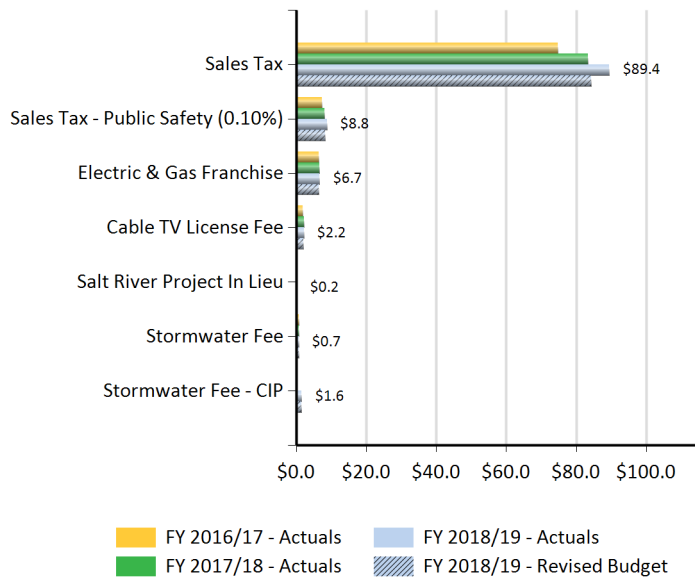
Sources (Fiscal Year to Date: March 2019)



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$91.1	\$101.1	\$109.5	\$103.6	\$6.0	6%
Property Tax	17.0	18.1	21.0	20.4	0.5	3%
State Shared Revenues	44.7	48.8	49.1	49.0	0.1	0%
Charges for Service/Other	7.0	8.9	9.1	6.8	2.3	34%
License Permits & Fees	5.1	6.1	6.1	5.7	0.4	7%
Fines Fees & Forfeitures	5.9	6.1	5.7	5.8	(0.2)	(3%)
Interest Earnings	1.0	1.6	2.8	2.7	0.1	5%
Building Permit Fees & Charges	10.4	11.1	12.0	11.6	0.4	3%
Indirect/Direct Cost Allocations	4.8	5.2	5.0	5.0	-	-
Transfers In	7.1	7.6	8.5	8.3	0.1	2%
Total Sources	\$194.1	\$214.4	\$228.7	\$218.9	\$9.8	4%



Taxes - Local (Fiscal Year to Date: March 2019)



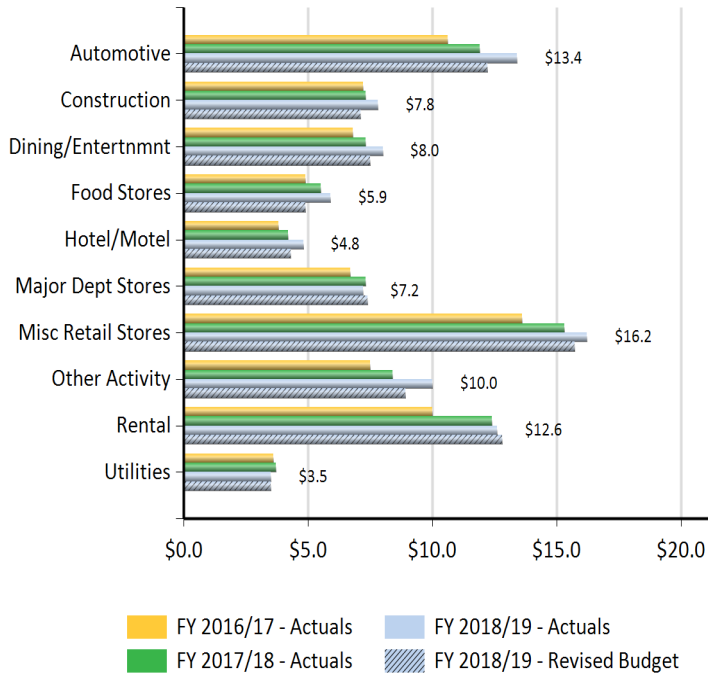
Actual to Revised Budget variance of \$6.0 million or 6%:

See detailed Sales Tax information on page 5. Electric & Gas Franchise is favorable due to a higher than anticipated quarterly APS franchise payment. Cable TV License Fee is favorable due to more people maintaining subscriptions to cable packages than anticipated despite the continued increase in customers using streaming services.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Sales Tax	\$74.7	\$83.3	\$89.4	\$84.3	\$5.1	6%
Sales Tax - Public Safety (0.10%)	7.3	8.2	8.8	8.3	0.5	6%
Electric & Gas Franchise	6.4	6.6	6.7	6.5	0.2	3%
Cable TV License Fee	1.9	2.2	2.2	2.0	0.2	10%
Salt River Project In Lieu	0.1	0.1	0.2	0.2	-	-
Stormwater Fee	0.7	0.7	0.7	0.7	-	-
Stormwater Fee - CIP	-	-	1.6	1.6	-	-
Taxes - Local Total	\$91.1	\$101.1	\$109.5	\$103.6	\$6.0	6%



Sales Tax (Fiscal Year to Date: March 2019)



Actual to Revised Budget variance of \$5.1 million or 6%:

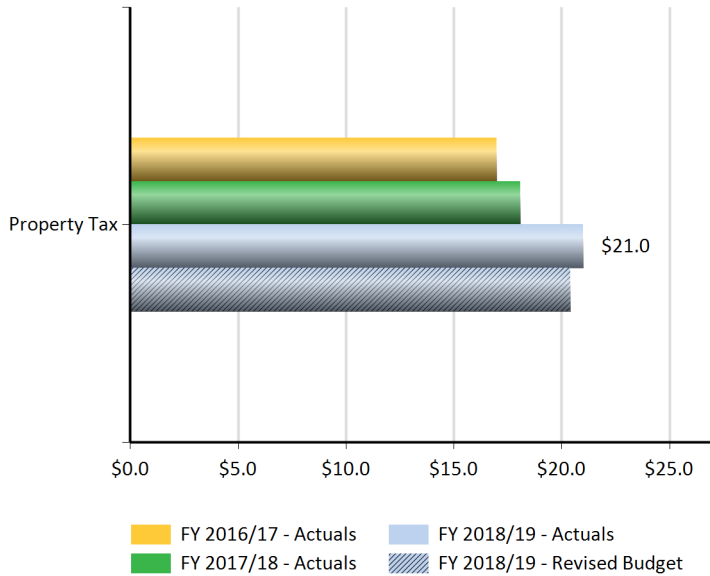
While variances are now more often derived from revenue fluctuations within individual Sales Tax categories, Sales Tax can still be influenced by the unpredictability of the timing in collection by Arizona Department of Revenue. That said, the favorable variance in: 1) Automotive – due mainly to a car dealer starting to report sales tax related to services and sales that had not been reported before; as well as to an overall increase in automotive sales; 2) Construction - due to an upward trend in residential sales; 3) Dining/Entertainment - due to a new restaurant opening and normal business fluctuations; 4) Food Stores - due to the opening of a new grocery store and to a grocery store chain that didn't report food for home consumption last year reporting correctly this year; 5) Hotel/Motel – due to normal business fluctuations; 6) Misc Retail Stores – due to normal business fluctuations; and 7) Other Activity – due in part to increase in taxable sales from other miscellaneous product manufacturing category and a large one-time audit payment. The favorable variance is partially offset by an unfavorable variance in: 1) Misc Dept Stores – due to normal business fluctuations and delinquent tax returns; 2) Rental – due to delinquent tax returns, a one-time transfer of tax to another jurisdiction for taxes that were paid to Scottsdale in error and to normal business fluctuations; and 3) Utilities - due to delinquent tax returns.

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Automotive	\$10.6	\$11.9	\$13.4	\$12.2	\$1.1	9%
Construction	7.2	7.3	7.8	7.1	0.7	10%
Dining/Entertainment	6.8	7.3	8.0	7.5	0.5	7%
Food Stores	4.9	5.5	5.9	4.9	0.9	19%
Hotel/Motel	3.8	4.2	4.8	4.3	0.5	11%
Major Dept Stores	6.7	7.3	7.2	7.4	(0.1)	(2%)
Misc Retail Stores	13.6	15.3	16.2	15.7	0.5	3%
Other Activity	7.5	8.4	10.0	8.9	1.2	13%
Rental	10.0	12.4	12.6	12.8	(0.2)	(2%)
Utilities	3.6	3.7	3.5	3.5	(0.1)	(2%)
Sales Tax Total	\$74.7	\$83.3	\$89.4	\$84.3	\$5.1	6%



Property Tax (Fiscal Year to Date: March 2019)

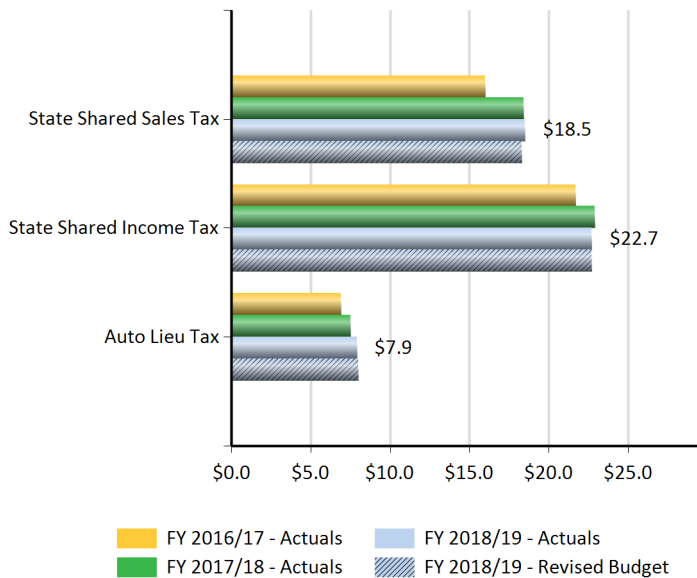
Actual to Revised Budget variance of \$0.5 million or 3%:
Favorable variance is due to the budget spread, which is based on the way people paid last year and may vary year over year.



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$17.0	\$18.1	\$21.0	\$20.4	\$0.5	3%
Property Tax Total	\$17.0	\$18.1	\$21.0	\$20.4	\$0.5	3%

State Shared Revenues (Fiscal Year to Date: March 2019)

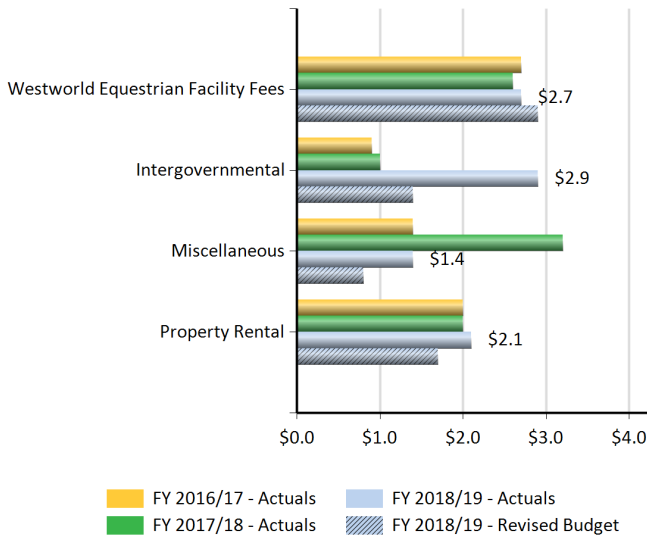
Actual to Revised Budget variance of \$0.1 million or 0%:
No explanation necessary.



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$16.0	\$18.4	\$18.5	\$18.3	\$0.2	1%
State Shared Income Tax	21.7	22.9	22.7	22.7	-	-
Auto Lieu Tax	6.9	7.5	7.9	8.0	(0.1)	(1%)
State Shared Revenues Total	\$44.7	\$48.8	\$49.1	\$49.0	\$0.1	0%



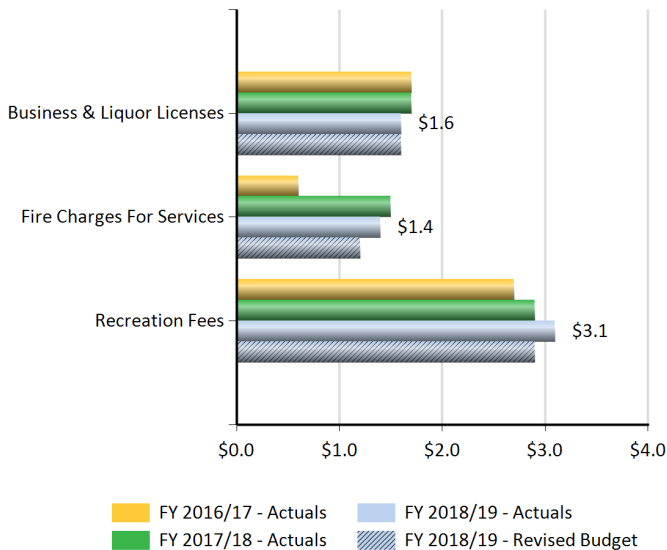
Charges for Service/Other (Fiscal Year to Date: March 2019)



Actual to Revised Budget variance of \$2.3 million or 34%: Westworld Equestrian Facility Fees is unfavorable due to the timing of the Equidome use fee from the Arabian Horse Show Association. Intergovernmental is favorable due to a change in an accounting reporting requirement by the Governmental Accounting Standards Board (GASB) to recognize the Fire Insurance Premium credit as an expense and revenue for the Public Safety Personnel Retirement System (PSPRS) where previously just the net was recorded as an expense. Miscellaneous is favorable due to a reimbursement of HVAC costs from the El Dorado Community Center, FY 2017/18 revenue being recorded in FY 2018/19 and higher than expected late fees and interest payments related to past due development fees. Property Rental is favorable due to the timing of cell tower lease, outdoor dining license and Tournament Player's Club rental payments.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Westworld Equestrian Facility Fees	\$2.7	\$2.6	\$2.7	\$2.9	(\$0.2)	(7%)
Intergovernmental	0.9	1.0	2.9	1.4	1.5	nm
Miscellaneous	1.4	3.2	1.4	0.8	0.6	76%
Property Rental	2.0	2.0	2.1	1.7	0.4	23%
Charges for Service/Other Total	\$7.0	\$8.9	\$9.1	\$6.8	\$2.3	34%

License Permits & Fees (Fiscal Year to Date: March 2019)

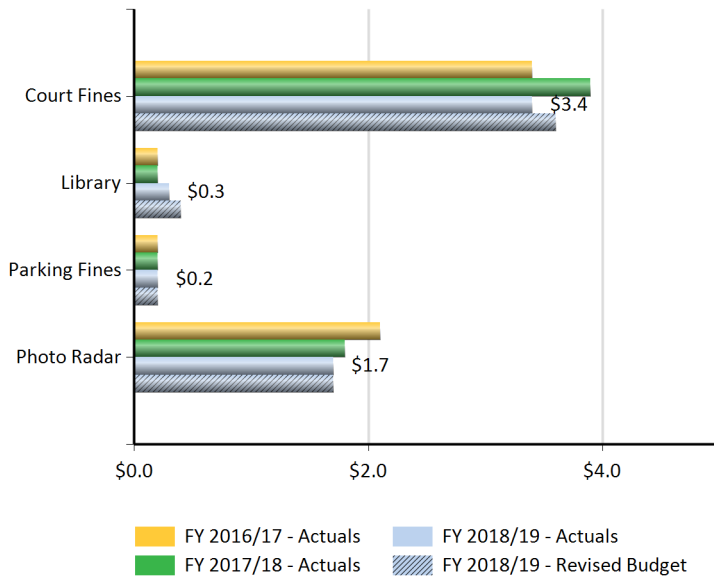


Actual to Revised Budget variance of \$0.4 million or 7%: Fire Charges For Services is favorable due to revenue from FY 2017/18 received from Public Safety - Fire's ambulance contract in FY 2018/19. Recreation Fees is favorable due to higher than anticipated 'After School Programs' revenue resulting from a restructuring of Community Services' rate schedule.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Business & Liquor Licenses	\$1.7	\$1.7	\$1.6	\$1.6	\$ -	-
Fire Charges For Services	0.6	1.5	1.4	1.2	0.3	23%
Recreation Fees	2.7	2.9	3.1	2.9	0.1	5%
License Permits & Fees Total	\$5.1	\$6.1	\$6.1	\$5.7	\$0.4	7%



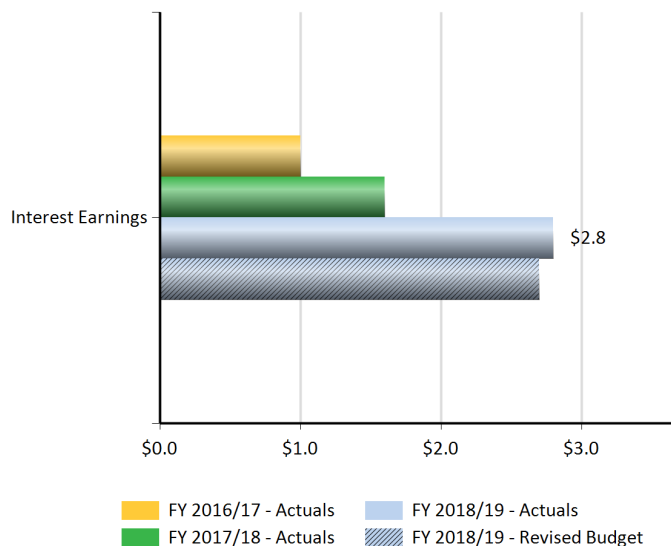
Fines Fees & Forfeitures (Fiscal Year to Date: March 2019)



Actual to Revised Budget variance of (\$0.2) million or (3%): Court Fines is unfavorable due to a decrease in defensive driving attendance, the Court Compliance Program assisting non-compliant defendants to become compliant by satisfying an initial down payment instead of the full amount, and the new Justice for All Program resulting in the court issuing less defaults and reducing the number of bonds being posted and forfeited.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$3.4	\$3.9	\$3.4	\$3.6	(\$0.2)	(5%)
Library	0.2	0.2	0.3	0.4	-	-
Parking Fines	0.2	0.2	0.2	0.2	-	-
Photo Radar	2.1	1.8	1.7	1.7	-	-
Fines Fees & Forfeitures Total	\$5.9	\$6.1	\$5.7	\$5.8	(\$0.2)	(3%)

Interest Earnings (Fiscal Year to Date: March 2019)

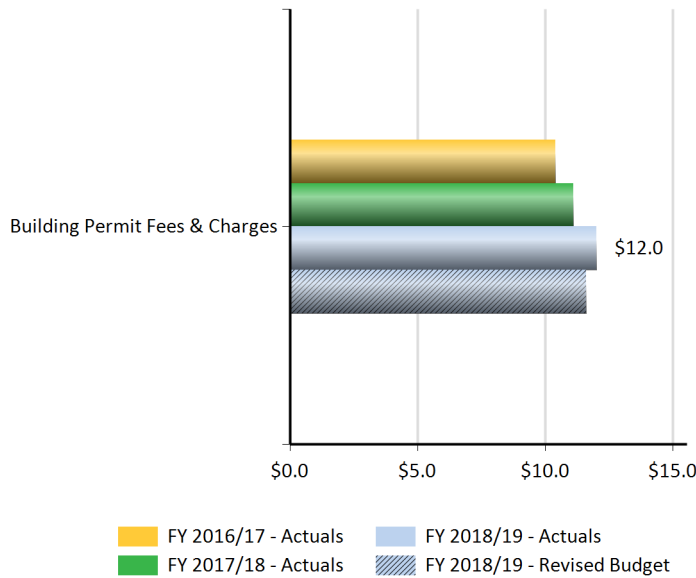


Actual to Revised Budget variance of \$0.1 million or 5%: No explanation necessary.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$1.0	\$1.6	\$2.8	\$2.7	\$0.1	5%
Interest Earnings Total	\$1.0	\$1.6	\$2.8	\$2.7	\$0.1	5%



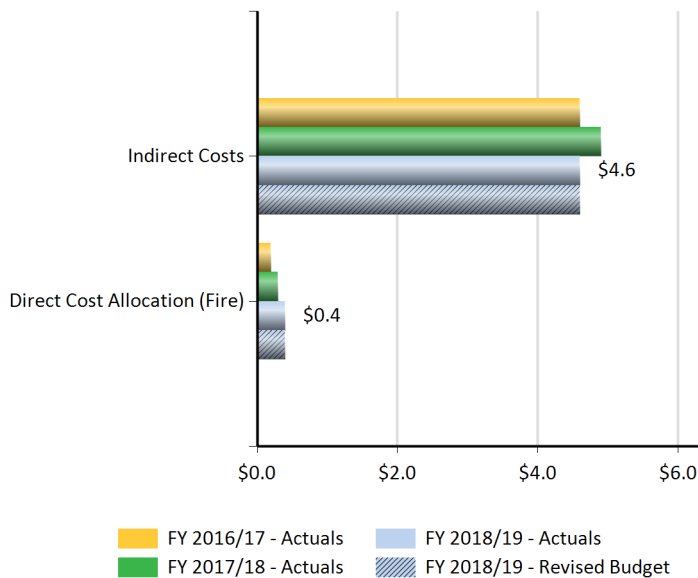
Building Permit Fees & Charges (Fiscal Year to Date: March 2019)



Actual to Revised Budget variance of \$0.4 million or 3%:
 Favorable variance due to the unbudgeted sale of city property that resulted in payment of a development abandonment fee, as well as to higher than anticipated plan review and development application activity, which are the result of the demand for real estate outpacing the supply.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$10.4	\$11.1	\$12.0	\$11.6	\$0.4	3%
Building Permit Fees & Charges Total	\$10.4	\$11.1	\$12.0	\$11.6	\$0.4	3%

Indirect/Direct Cost Allocations (Fiscal Year to Date: March 2019)



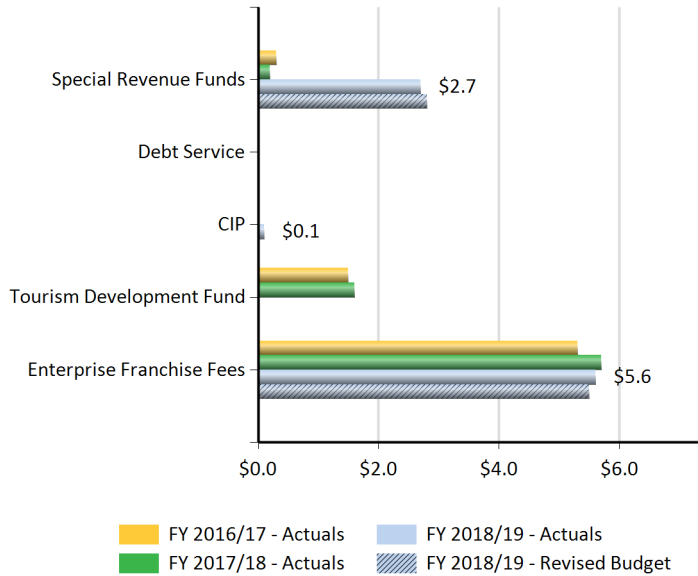
Actual to Revised Budget variance of \$0.0 million or 0%:
 No explanation necessary.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$4.6	\$4.9	\$4.6	\$4.6	\$ -	-
Direct Cost Allocation (Fire)	0.2	0.3	0.4	0.4	-	-
Indirect/Direct Cost Allocations Total	\$4.8	\$5.2	\$5.0	\$5.0	\$ -	-



Transfers In (Fiscal Year to Date: March 2019)

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



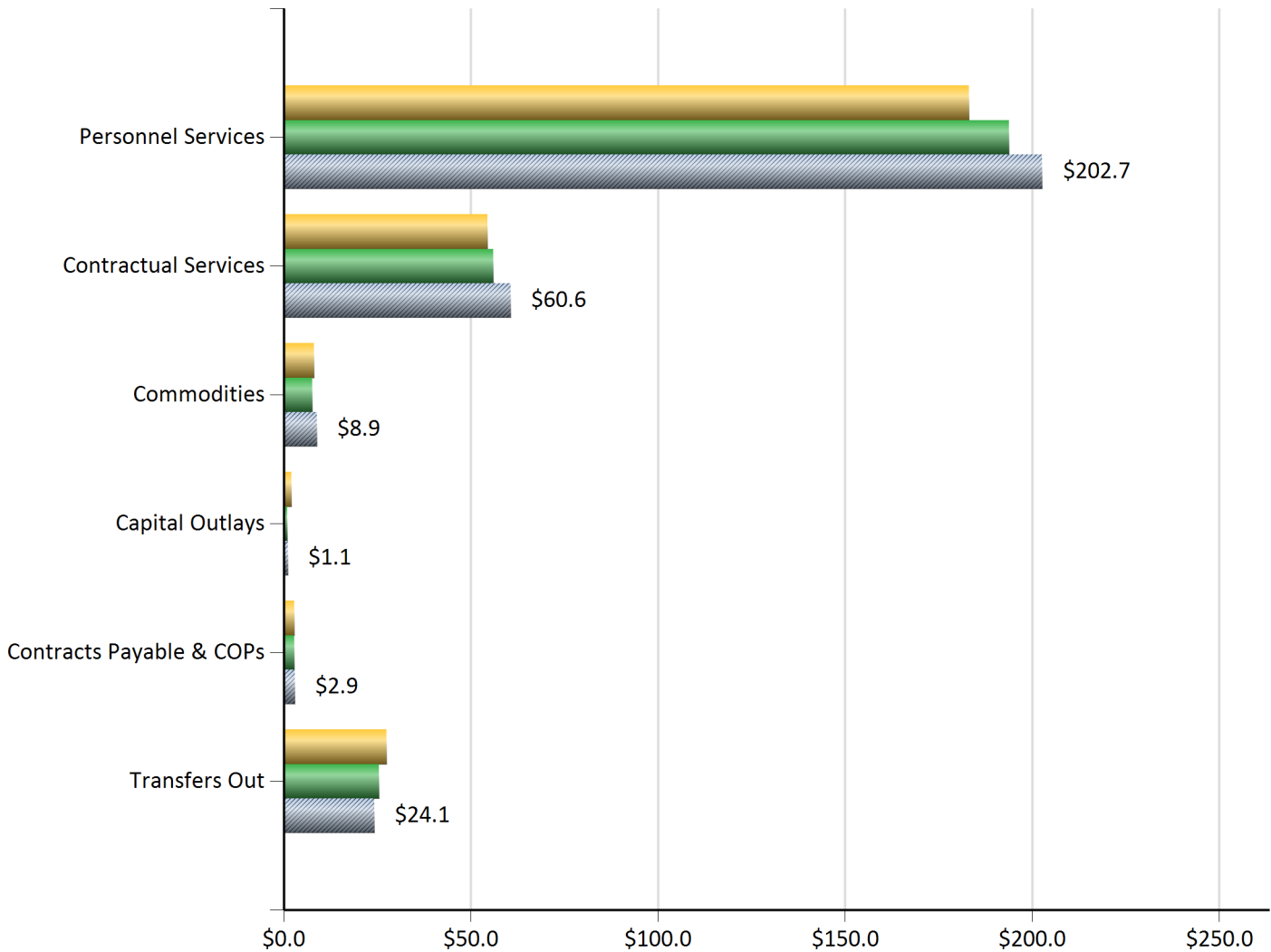
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Special Revenue Funds	\$0.3	\$0.2	\$2.7	\$2.8	(\$0.1)	(2%)
Debt Service	-	-	-	-	-	-
CIP	-	-	0.1	-	0.1	n/a
Tourism Development Fund	1.5	1.6	-	-	-	-
Enterprise Franchise Fees	5.3	5.7	5.6	5.5	0.1	2%
Transfers In Total	\$7.1	\$7.6	\$8.5	\$8.3	\$0.1	2%



Uses

General Fund

Twelve Months: Fiscal Year



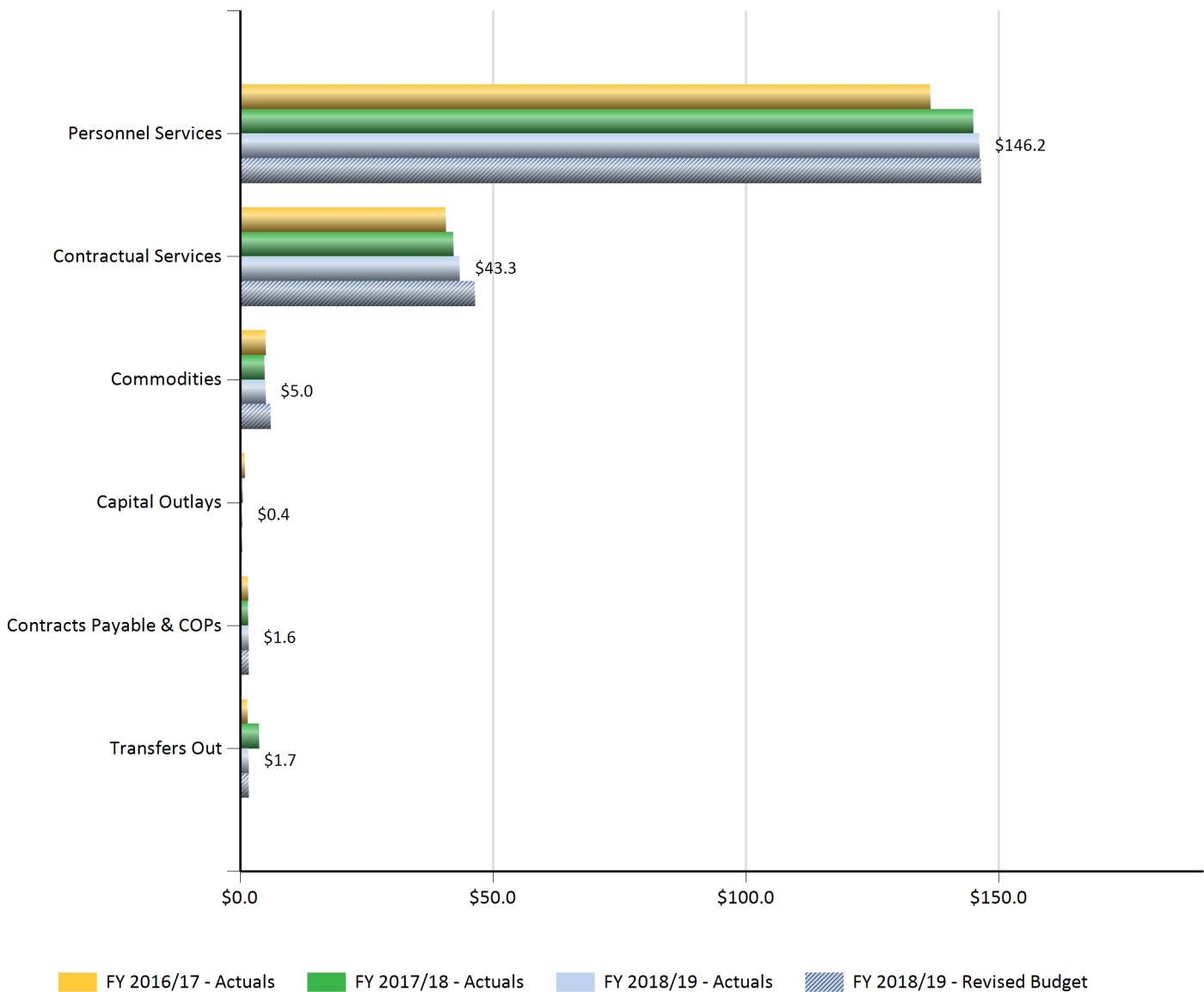
■ FY 2016/17 - Actuals
 ■ FY 2017/18 - Actuals
 ■ *FY 2018/19 - Revised Budget

	FY 2016/17 <u>Actuals</u>	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Revised Budget</u>
Personnel Services	\$183.1	\$193.7	\$202.7
Contractual Services	54.4	56.0	60.6
Commodities	8.1	7.6	8.9
Capital Outlays	2.1	1.0	1.1
Contracts Payable & COPs	2.9	2.9	2.9
Transfers Out	27.4	25.4	24.1
Total Uses	\$277.8	\$286.6	\$300.3

*Includes budgeted vacancy savings net of leave accrual payouts, Pay Program, compensation adjustments and utilities.



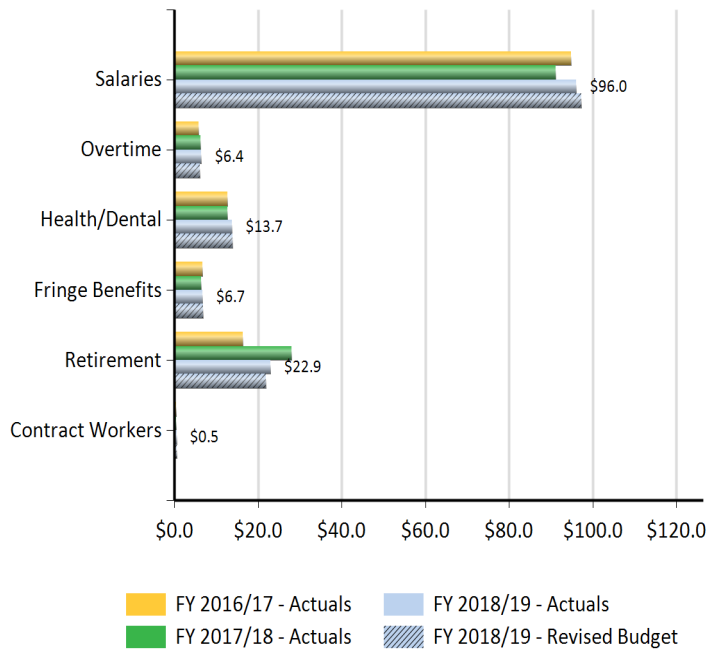
Uses (Fiscal Year to Date: March 2019)



	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Personnel Services	\$136.5	\$145.0	\$146.2	\$146.6	\$0.4	0%
Contractual Services	40.7	42.2	43.3	46.4	3.1	7%
Commodities	5.1	4.8	5.0	6.0	1.0	17%
Capital Outlays	0.9	0.5	0.4	0.4	-	-
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	1.4	3.8	1.7	1.6	-	-
Total Uses	\$186.2	\$197.9	\$198.2	\$202.7	\$4.5	2%



Personnel Services (Fiscal Year to Date: March 2019)



Actual to Revised Budget variance of \$0.4 million or 0%:

The favorable variance in Salaries is due mainly to rank promotions in the Police Department with replacement employees coming in at a lower rate than the person who was promoted and vacant positions in the City Attorney's office (vacancy savings is not swept for the City Attorney). Overtime is unfavorable due to higher than expected Police and Fire staffing needs at the Waste Management Open. In addition, firefighters were deployed to a wildfire and to a natural disaster in Saipan, both of which are expected to be reimbursed by the state. The unfavorable variance in Retirement is primarily related to a change in an accounting reporting requirement by the Governmental Accounting Standards Board (GASB) to recognize the Fire Insurance Premium credit as an expense and revenue for the Public Safety Personnel Retirement System (PSPRS) where previously just the net was recorded as an expense. This variance is partially offset by not having to pay retirement on the salaries savings and due to more Police sworn employees entering the Deferred Retirement Option Plan (DROP) program than anticipated. The city does not pay retirement for those in the DROP program resulting in a favorable variance. Contract Workers is favorable due to lower than anticipated expenses for the new Customized Expedited Program in the Planning and Development Department as fewer people are utilizing the program than expected.

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Salaries	\$94.8	\$91.2	\$96.0	\$97.2	\$1.2	1%
Overtime	5.7	6.2	6.4	6.1	(0.3)	(4%)
Health/Dental	12.6	12.7	13.7	13.9	0.2	1%
Fringe Benefits	6.7	6.4	6.7	6.8	0.1	1%
Retirement	16.3	28.0	22.9	21.9	(0.9)	(4%)
Contract Workers	0.4	0.4	0.5	0.6	0.2	26%
Personnel Services Total	\$136.5	\$145.0	\$146.2	\$146.6	\$0.4	0%

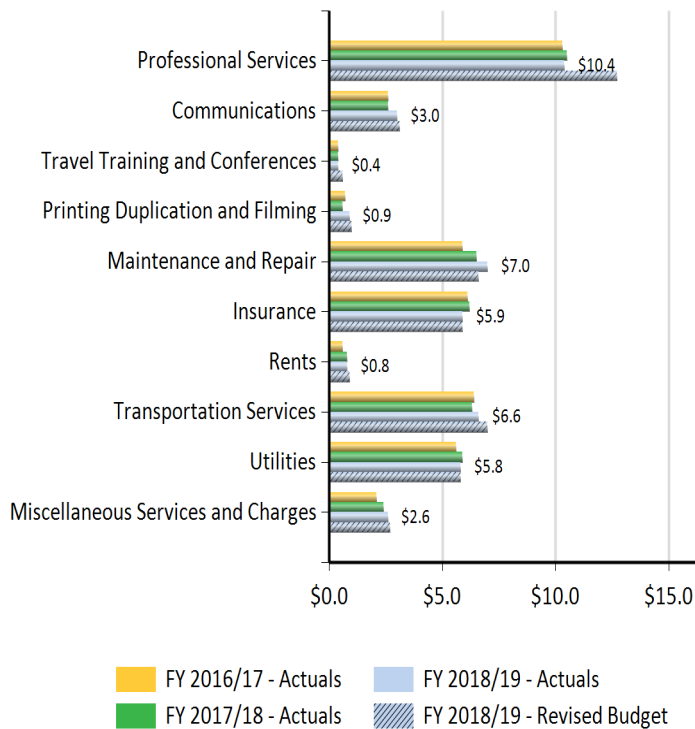
Personnel Services Macro Adjustments

	FY 2018/19	FY 2018/19	
	Adopted Budget	Year-To-Date Saved/(Used)	Remaining
Pay Program - Citywide	\$2.5	(\$2.4)	\$ -
Pay Program - Fire	0.5	(0.5)	-
Pay Program - Police Officer	0.8	(0.8)	-
Pay Program - Police Sergeant	0.2	(0.2)	-
Compensation Adjustments	-	0.3	0.3
Vacancy Savings	(4.8)	5.1	-
Medical Leave Payouts	1.3	(0.8)	0.5
Vacation Leave Payouts	0.7	(0.4)	0.3
Vacation Trade Payouts	0.8	(0.7)	0.2
Compensation Other	5.7	(5.7)	-
Personnel Services Macro Adjustments Total	\$7.6	(\$6.0)	\$1.3

Total Saved/(Used) YTD of (\$6.0) million: The city has achieved \$5.1 million in vacancy savings year-to-date offset by (\$1.2) million in vacation and medical leave payouts. In July, the Pay Programs and the implementation of the recent Classification and Compensation Study (Compensation Other) were funded. Compensation Adjustments includes part-time salary savings in Community Services.



Contractual Services (Fiscal Year to Date: March 2019)



Actual to Revised Budget variance of \$3.1 million or 7%:

Professional Services is favorable due to the timing of contract payments including those associated with the Cultural Council, Scottsdale Stadium, adult sports, leisure education, custodial services, security and Maricopa County Animal Control. It is also related to a change in the Photo Enforcement contract that reduced the number of cameras while a contract issue was being resolved, to fewer people being sentenced to jail in Scottsdale Court than expected, to lower than anticipated armored car and banking service fees and to a delay in starting the Fall Protection Mitigation project. Communications is favorable mainly due to lower than expected postage and shipping costs in the City Treasurer's Division. Travel Training and Conferences is favorable due to fewer trainings and conferences being attended through this point in the fiscal year than expected. Printing Duplication and Filming is favorable due to the timing of invoices. The unfavorable variance in Maintenance and Repair is due to the City Hall and Civic Center Library preparation for the Celebrate '68 events being budgeted in Commodities, while the expenses were incurred in Contractual Services. It is also due to unplanned large maintenance project expenses. Rents is favorable due to lower than expected vehicle leasing costs. Transportation Services is favorable due to lower than expected vehicle maintenance and fuel costs. Finally, Miscellaneous Services and Charges is favorable mainly due to lower than expected spending on election related costs, legal services and expenses related to grants and subsidies.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Professional Services	\$10.3	\$10.5	\$10.4	\$12.7	\$2.3	18%
Communications	2.6	2.6	3.0	3.1	0.2	6%
Travel Training and Conferences	0.4	0.4	0.4	0.6	0.2	40%
Printing Duplication and Filming	0.7	0.6	0.9	1.0	0.1	10%
Maintenance and Repair	5.9	6.5	7.0	6.6	(0.4)	(6%)
Insurance	6.1	6.2	5.9	5.9	-	-
Rents	0.6	0.8	0.8	0.9	0.1	10%
Transportation Services	6.4	6.3	6.6	7.0	0.4	6%
Utilities	5.6	5.9	5.8	5.8	-	-
Miscellaneous Services and Charges	2.1	2.4	2.6	2.7	0.2	6%
Contractual Services Total	\$40.7	\$42.2	\$43.3	\$46.4	\$3.1	7%

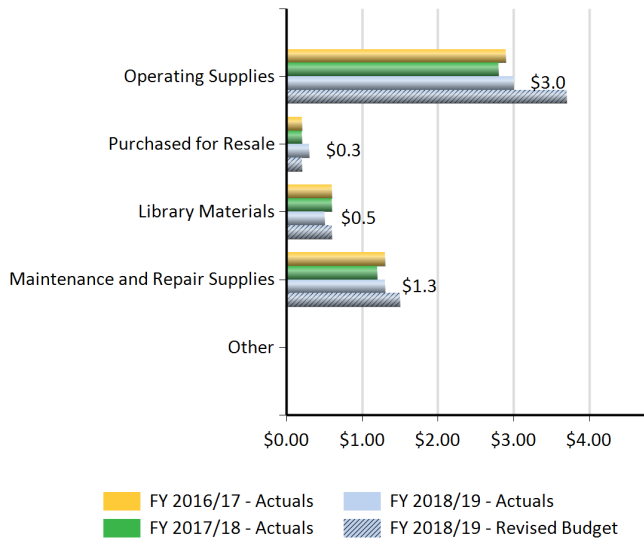
Contractual Services Macro Adjustments

	FY 2018/19 Adopted Budget	FY 2018/19 Year-To-Date Saved/(Used)	FY 2018/19 Remaining
Utilities	\$8.4	(\$5.8)	\$2.6
Contractual Services Macro Adjustments Total	\$8.4	(\$5.8)	\$2.6

Total Saved/(Used) YTD of (\$5.8) million: Electricity and Gas utilities expenditures are paid the month after the expenses actually occurred, therefore February's utilities are being reported in March. All other utilities are paid the month they occur.



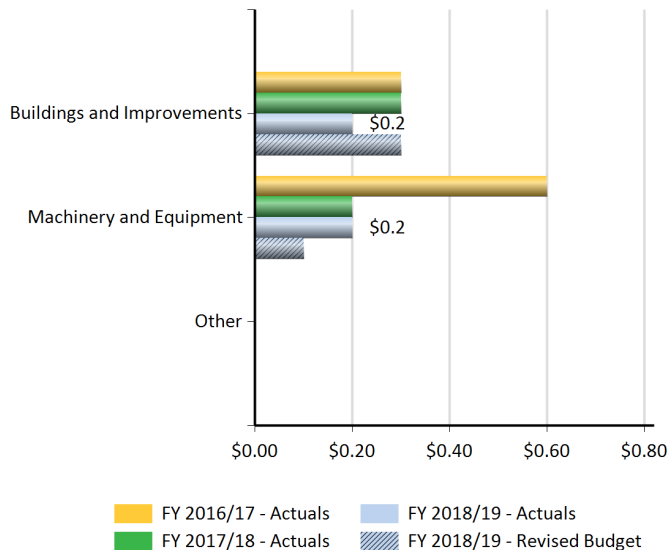
Commodities (Fiscal Year to Date: March 2019)



Actual to Revised Budget variance of \$1.0 million or 17%: Operating Supplies is favorable due to the timing of invoices and delays in purchases including furniture, investigative equipment, lab supplies, outer vest carriers and materials for the Preservation of Historical Documents project. Library Materials is favorable due to the timing of invoices for library materials and e-materials. Maintenance and Repair Supplies is favorable due primarily to the City Hall and Civic Center Library preparation for the Celebrate '68 events being budgeted in Commodities, while the expenses were incurred in Contractual Services. It is also due to delays in purchasing materials for sports field maintenance, ballistic vests and thermal imagers.

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$2.9	\$2.8	\$3.0	\$3.7	\$0.7	20%
Purchased for Resale	0.2	0.2	0.3	0.2	-	-
Library Materials	0.6	0.6	0.5	0.6	0.1	10%
Maintenance and Repair Supplies	1.3	1.2	1.3	1.5	0.3	19%
Other	-	-	-	-	-	-
Commodities Total	\$5.1	\$4.8	\$5.0	\$6.0	\$1.0	17%

Capital Outlays (Fiscal Year to Date: March 2019)



Actual to Revised Budget variance of \$0.0 million or 0%: While the category overall has no variance, Buildings and Improvements is favorable due to the timing of roof re-coating invoices and unbudgeted pickle ball court conversion costs at Horizon Park. The favorable variance is offset by Machinery and Equipment being unfavorable due to the timing of the purchase of playground equipment at Agua Linda Park. The unfavorable variance in Machinery and Equipment would have been greater but is partially offset by the timing of the purchase of accident investigation equipment by Public Safety – Police.

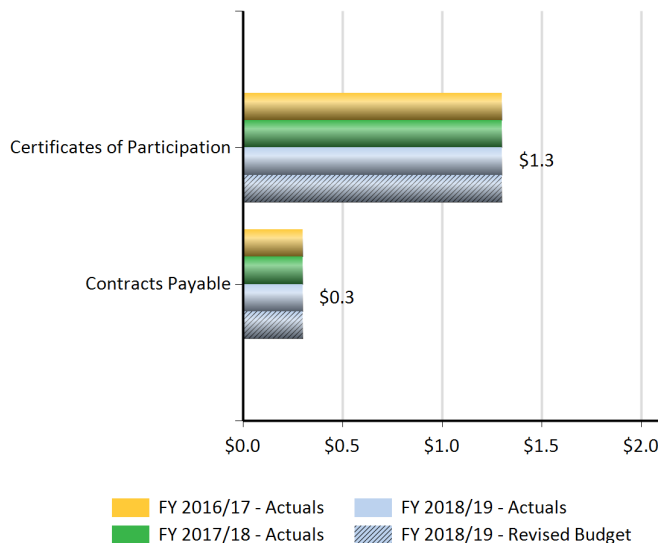
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$0.3	\$0.3	\$0.2	\$0.3	\$0.1	31%
Machinery and Equipment	0.6	0.2	0.2	0.1	(0.1)	(62%)
Other	-	-	-	-	-	-
Capital Outlays Total	\$0.9	\$0.5	\$0.4	\$0.4	\$ -	-

\$ in millions / rounding differences may occur



Contracts Payable & COPs (Fiscal Year to Date: March 2019)

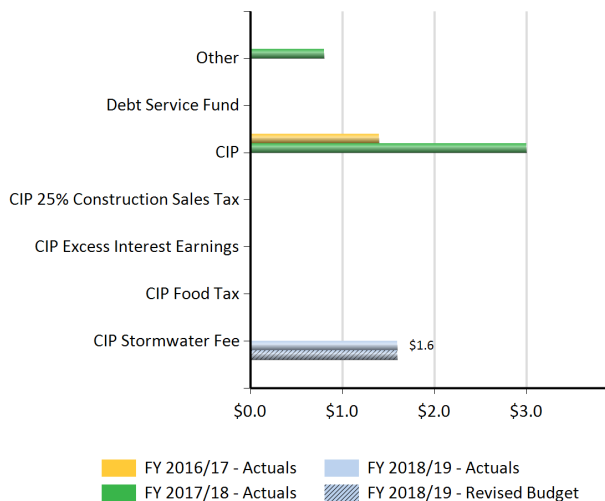
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$1.3	\$1.3	\$1.3	\$1.3	\$ -	-
Contracts Payable	\$0.3	\$0.3	\$0.3	\$0.3	\$ -	-
Contracts Payable & COPs Total	\$1.6	\$1.6	\$1.6	\$1.6	\$ -	-

Transfers Out (Fiscal Year to Date: March 2019)

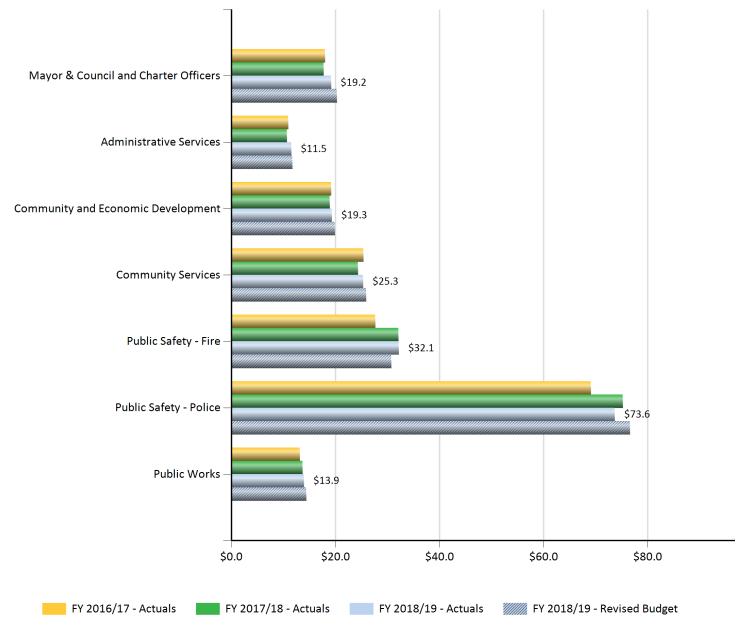
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Other	\$ -	\$0.8	\$ -	\$ -	\$ -	-
Debt Service Fund	-	-	-	-	-	-
CIP	1.4	3.0	-	-	-	-
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
CIP Stormwater Fee	-	-	1.6	1.6	-	-
Transfers Out Total	\$1.4	\$3.8	\$1.7	\$1.6	\$ -	-



Division Expenditures (Fiscal Year to Date: March 2019)



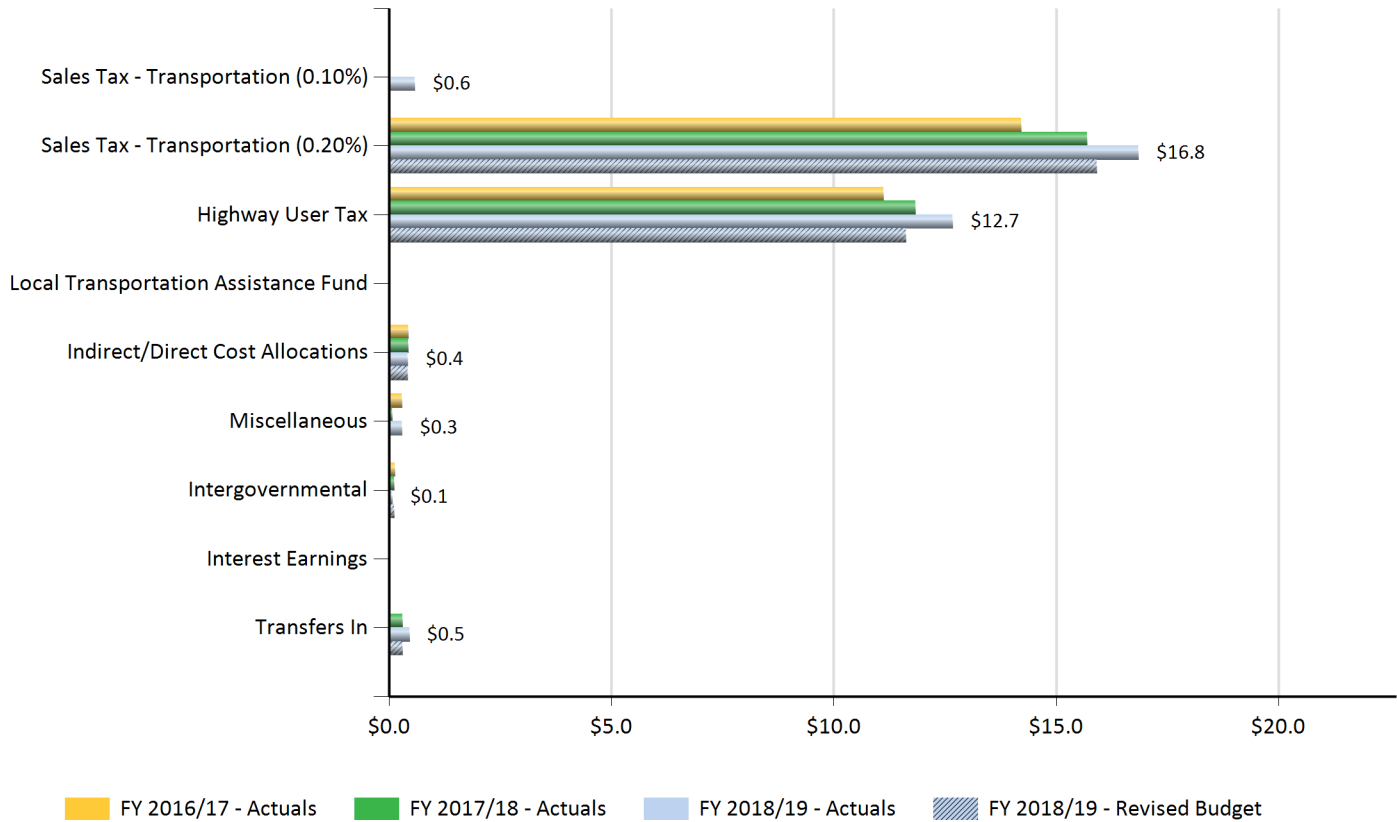
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$17.9	\$17.7	\$19.2	\$20.3	\$1.1	5%
Administrative Services	10.9	10.7	11.5	11.7	0.2	2%
Community and Economic Development	19.1	18.9	19.3	19.9	0.6	3%
Community Services	25.4	24.3	25.3	25.9	0.6	2%
Public Safety - Fire	27.6	32.1	32.1	30.7	(1.4)	(5%)
Public Safety - Police	69.1	75.2	73.6	76.6	2.9	4%
Public Works	13.1	13.6	13.9	14.4	0.5	4%
Total	\$183.2	\$192.5	\$194.9	\$199.4	\$4.5	2%

Actual to Revised Budget variance of \$4.5 million or 2%: Mayor & Council and Charter Officers is favorable mainly due to lower than expected postage and shipping, armored car and banking service fees in City Treasurer, lower than expected legal services and vacant positions in City Attorney, lower than expected election costs in City Clerk and the timing of travel, training and conference expenses in City Manager. Administrative Services is favorable due to timing in the payment of software maintenance fees and medical services invoices, and to savings in sponsored training since most of the training has been done in-house. Community and Economic Development is favorable mostly due to a delay in technology purchases and lower than anticipated expenses for the new Customized Expedited Program in the Planning and Development Department as fewer people are utilizing the program than expected. It is also related to lower printing and graphics costs and microfilming costs in the Planning and Development Department. Community Services is favorable due to lower registration for professional services related to adult sports and leisure education, lower vehicle maintenance costs than expected, the timing of invoices and delays in starting projects. The favorable variance is partially offset by the timing of the purchase of playground equipment at Agua Linda Park and unbudgeted conversion costs for a pickle ball court at Horizon Park. Public Safety – Fire is unfavorable mainly due to a change in an accounting reporting requirement by the Governmental Accounting Standards Board (GASB) to recognize the Fire Insurance Premium credit as an expense and revenue for the Public Safety Personnel Retirement System (PSPRS) where previously just the net was recorded as an expense. The unfavorable variance is also due to higher than expected overtime costs related to staffing needs at the Waste Management Open and firefighters being deployed to a wildfire and to a natural disaster in Saipan, both of which are expected to be reimbursed by the state. This unfavorable variance is being partially offset by lower than expected fleet maintenance costs and the timing of invoices and uniform, ballistic vest and thermal imager purchases. Public Safety – Police is favorable due to rank promotions with replacement employees coming in at a lower rate, more Public Safety-Police sworn employees entering the Deferred Retirement Option Plan (DROP) program than anticipated, the timing of invoices, a change in the Photo Enforcement contract that reduced the number of cameras while a contract issue was being resolved, the timing of the payments for the Maricopa County Animal Control and Security contracts, lower fuel costs and maintenance, fewer people being sentenced to jail in Scottsdale Court than expected, delays in purchasing furniture, outer vest carriers, and accident investigation equipment and in the equipping of process servers with body cameras. Public Works is favorable due to there being delays in the start of some scheduled projects, the timing of the new Custodial Services contract and the timing of invoices. The favorable variance is partially offset by unexpected large maintenance projects.

\$ in millions / rounding differences may occur



Sources (Fiscal Year to Date: March 2019)



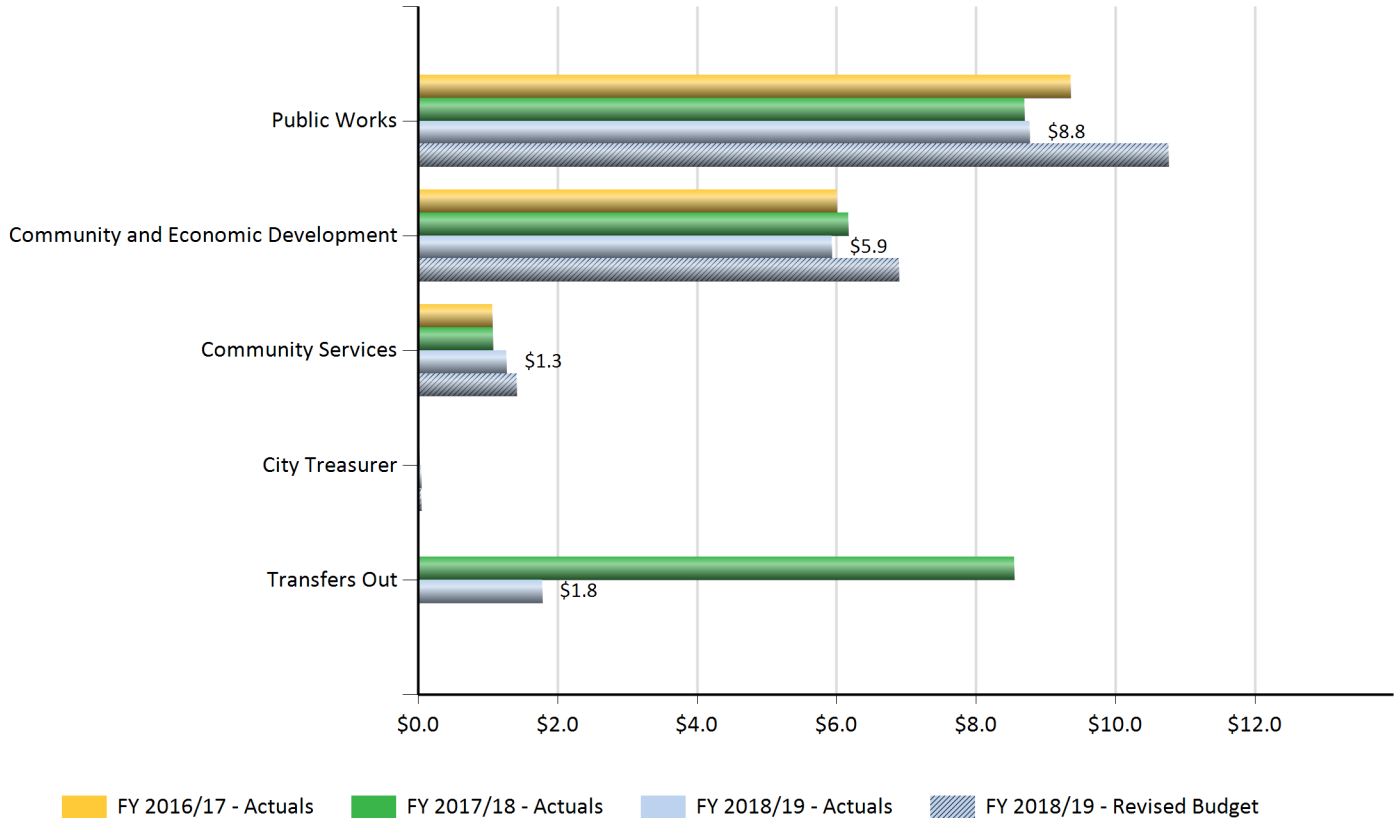
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax - Transportation (0.10%)	\$ -	\$ -	\$0.6	\$ -	\$0.6	n/a
Sales Tax - Transportation (0.20%)	\$14.2	\$15.7	\$16.8	\$15.9	\$0.9	6%
Highway User Tax	11.1	11.8	12.7	11.6	1.0	9%
Local Transportation Assistance Fund	-	-	-	-	-	-
Indirect/Direct Cost Allocations	0.4	0.4	0.4	0.4	-	-
Miscellaneous	0.3	0.1	0.3	-	0.3	nm
Intergovernmental	0.1	0.1	0.1	0.1	-	-
Interest Earnings	-	-	-	-	-	-
Transfers In	-	0.3	0.5	0.3	0.2	53%
Total Sources	\$26.2	\$28.5	\$31.3	\$28.4	\$3.0	10%

Actual to Revised Budget variance of \$3.0 million or 10%:

The favorable variance in Sales Tax – Transportation (0.10%) is due to a new Sales Tax that was approved by voters in November 2018 with collections beginning in February 2019 for Arterial Life Cycle Program (ALCP) transportation related projects. The favorable variance in Sales Tax – Transportation (0.20%) is due to favorable revenue fluctuations within individual Sales Tax categories. See page 5 for explanations by category. The favorable variance in Highway User Tax is due to greater than anticipated Vehicle License Tax and higher fuel revenues than what was anticipated by the League of Arizona Cities and Towns. The favorable variance in Miscellaneous is due to Recovery of Expenses for FY 2017/18 transit operations from the City of Phoenix that were received in FY 2018/19. The favorable variance in Transfers In is due to the reimbursement of the Sky Harbor Connection Program which was approved by the City Council in FY 2017/18 but did not occur until FY 2018/19.



Uses (Fiscal Year to Date: March 2019)



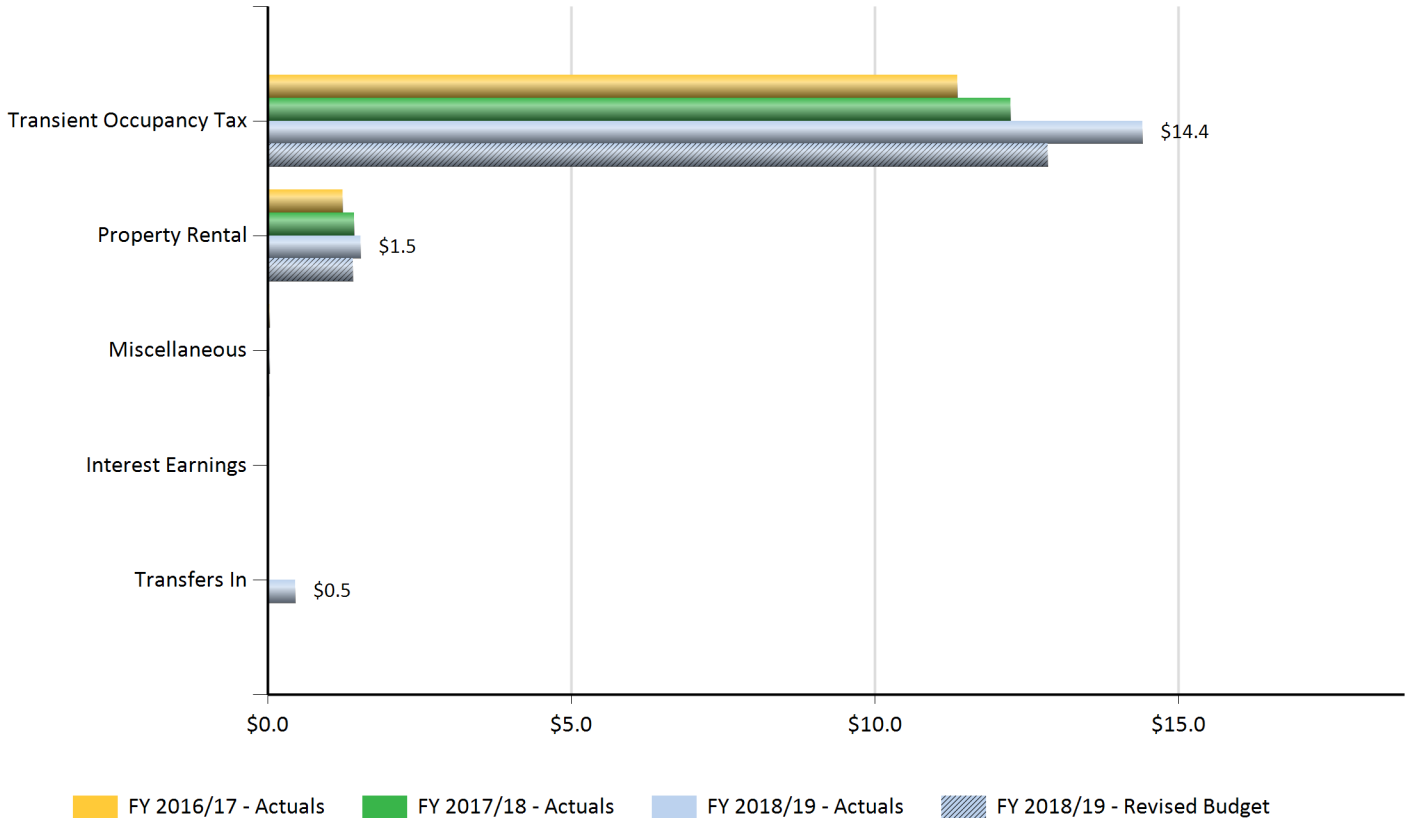
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Public Works	\$9.4	\$8.7	\$8.8	\$10.8	\$2.0	18%
Community and Economic Development	6.0	6.2	5.9	6.9	1.0	14%
Community Services	1.1	1.1	1.3	1.4	0.1	10%
City Treasurer	-	-	-	-	-	-
Transfers Out	-	8.5	1.8	-	(1.8)	n/a
Total Uses	\$16.4	\$24.5	\$17.8	\$19.1	\$1.3	7%

Actual to Revised Budget variance of \$1.3 million or 7%:

The favorable variance in Public Works primarily is related to timing of invoices for street overlay and fiberseal projects. It is also due to concrete repair and fiberseal projects which have been postponed due to limited contractor availability. The favorable variance in Community and Economic Development is due to the revised transit services contract with the City of Phoenix. The revision will result in savings that will be applied to expanded trolley routes. Adding to the favorable variance includes less than forecasted maintenance and repair costs for trolleys as well as fuel savings. The favorable variance in Community Services is due to a lack of contracted staff for right-of-way, median landscaping, and storm drain clean-up throughout Scottsdale. The unfavorable variance in Transfers Out is related to using \$1.2 million of the Transportation Undesignated, Unreserved Fund Balance in the CIP to fund the Drinkwater Interim Structural Repairs project. The Transportation Fund will be reimbursed the \$1.2 million in FY 2019/20. Also contributing to the unfavorable variance is the transfer of the new voter approved Sales Tax – Transportation (0.10%) to the CIP for ALCP transportation capital projects.



Sources (Fiscal Year to Date: March 2019)



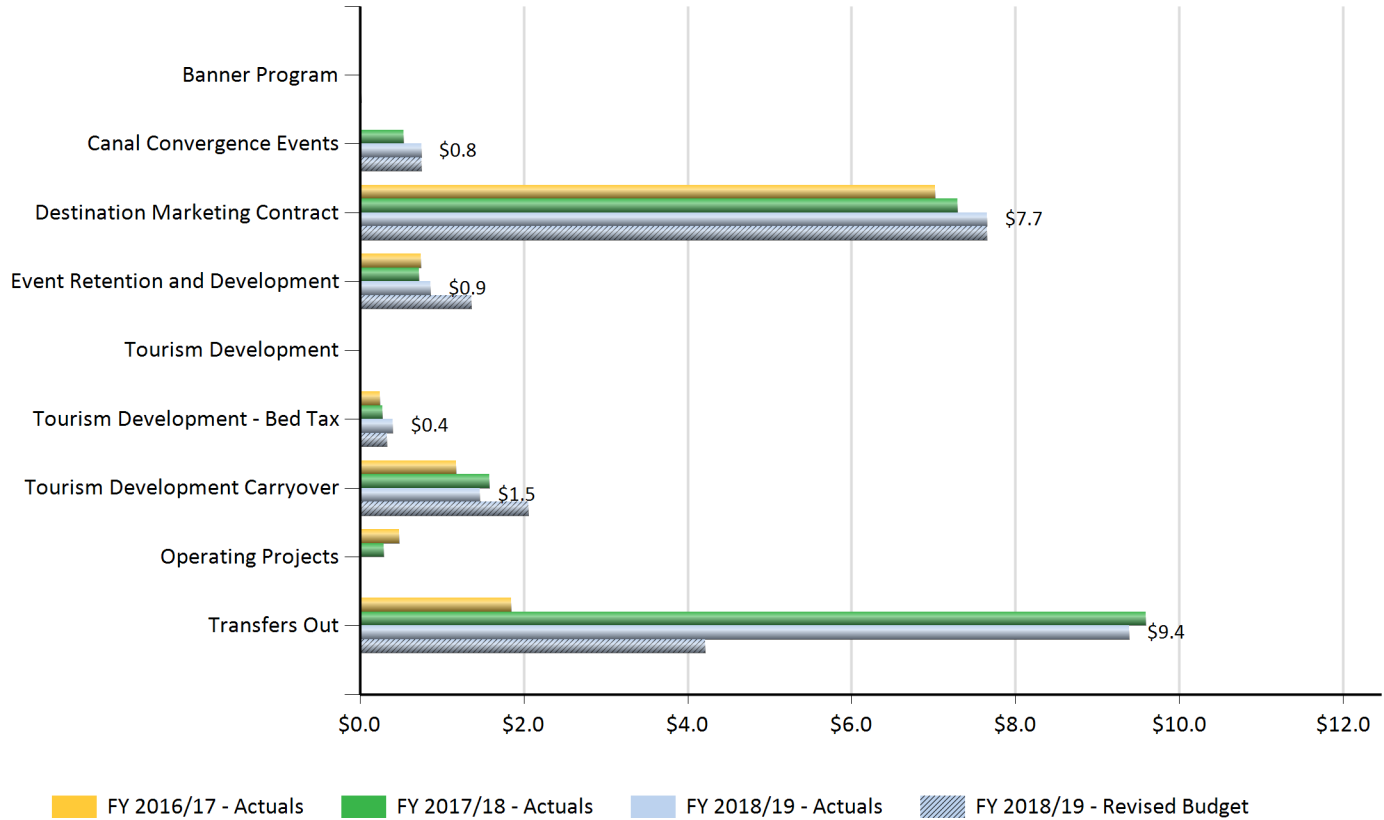
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Transient Occupancy Tax	\$11.4	\$12.2	\$14.4	\$12.8	\$1.6	12%
Property Rental	1.2	1.4	1.5	1.4	0.1	9%
Miscellaneous	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-
Transfers In	-	-	0.5	-	0.5	n/a
Total Sources	\$12.6	\$13.7	\$16.4	\$14.3	\$2.1	15%

Actual to Revised Budget variance of \$2.1 million or 15%:

The favorable variance in Transient Occupancy Tax and in Property Rental is due in part to the growing economy that resulted in higher Bed Tax collections and higher than estimated lease payments from the Fairmont Scottsdale Princess Hotel. The favorable variance in Transfers In is related to budget savings in two completed capital projects that was transferred back to the Tourism Development Fund operating budget.



Uses (Fiscal Year to Date: March 2019)



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Banner Program	\$ -	\$ -	\$ -	\$ -	\$ -	-
Canal Convergence Events	-	0.5	0.8	0.8	-	-
Destination Marketing Contract	7.0	7.3	7.7	7.7	-	-
Event Retention and Development	0.7	0.7	0.9	1.4	0.5	37%
Tourism Development	-	-	-	-	-	-
Tourism Development - Bed Tax	0.2	0.3	0.4	0.3	(0.1)	(23%)
Tourism Development Carryover	1.2	1.6	1.5	2.1	0.6	29%
Operating Projects	0.5	0.3	-	-	-	-
Transfers Out	1.8	9.6	9.4	4.2	(5.2)	nm
Total Uses	\$11.5	\$20.3	\$20.5	\$16.4	(\$4.1)	(25%)

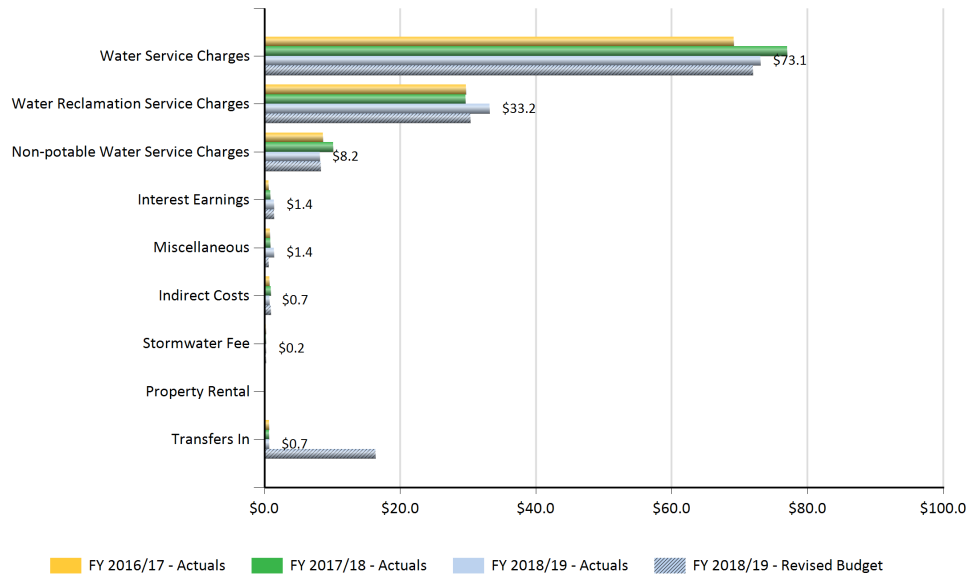
Actual to Revised Budget variance of (\$4.1) million or (25%):

The favorable variance in Event Retention and Development is due to timing in event funding requests. The unfavorable variance in Tourism Development - Bed Tax is due to timing of expenses related to the Celebrate '68 event. The favorable variance in Tourism Development Carryover is mostly due to the pedestrian signs project for Old Town not moving forward. The unfavorable variance in Transfers Out is due to a Council approved transfer to the CIP to support the Scottsdale Stadium Renovations capital project, and to the reimbursement of the Sky Harbor Connection Program which was approved by the City Council in FY 2017/18 but did not occur until FY 2018/19.



Water and Water Reclamation Funds

Sources (Fiscal Year to Date: March 2019)



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Water Service Charges	\$69.2	\$77.0	\$73.1	\$72.0	\$1.1	2%
Water Reclamation Service Charges	29.7	29.6	33.2	30.4	2.8	9%
Non-potable Water Service Charges	8.6	10.1	8.2	8.3	(0.1)	(1%)
Interest Earnings	0.6	0.9	1.4	1.4	-	-
Miscellaneous	0.8	0.9	1.4	0.6	0.8	nm
Indirect Costs	0.8	0.9	0.7	0.9	(0.2)	(21%)
Stormwater Fee	0.2	0.2	0.2	0.2	-	-
Property Rental	-	-	-	-	-	n/a
Transfers In	0.7	0.7	0.7	16.4	(15.7)	(96%)
Total Sources	\$110.6	\$120.4	\$118.9	\$130.3	(\$11.4)	(9%)

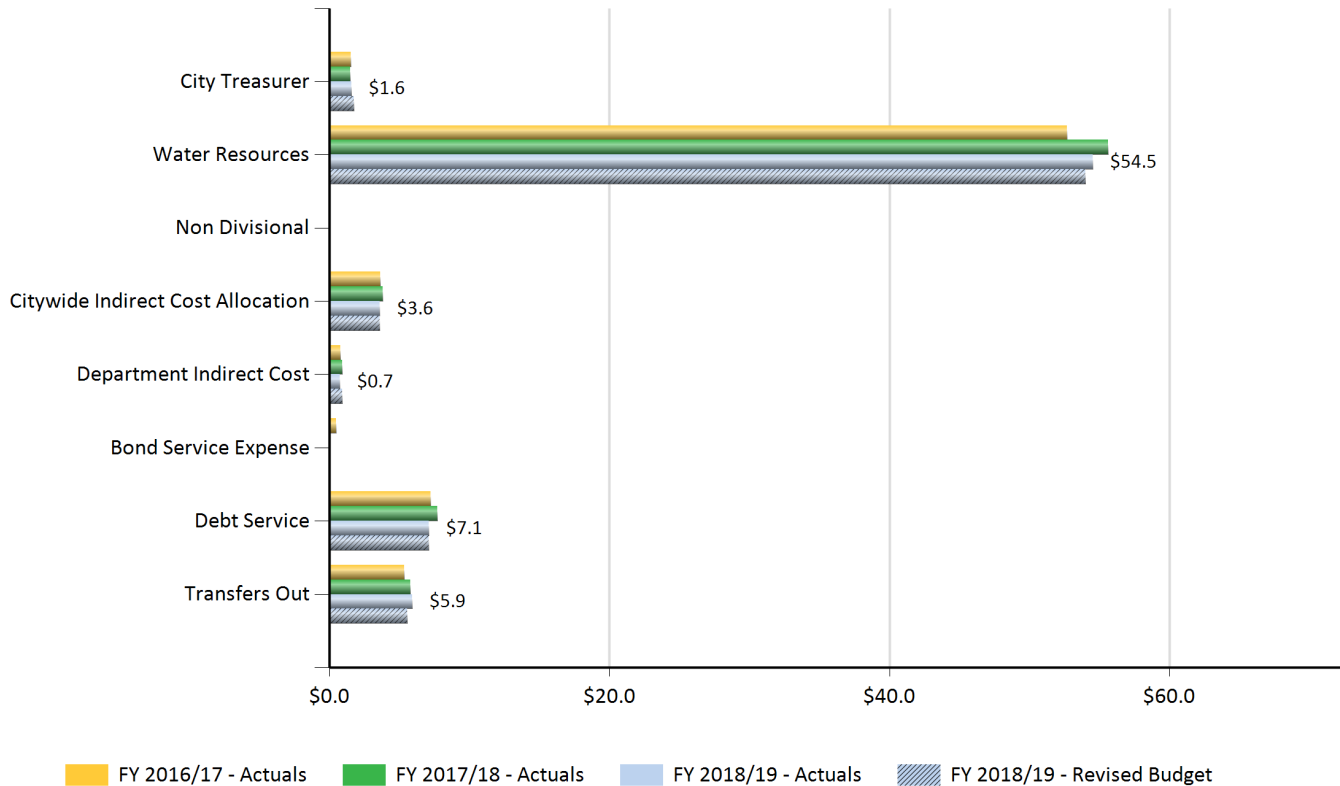
Actual to Revised Budget variance of (\$11.4) million or (9%):

The favorable variance in Water Service Charges is driven by water deliveries which are coming in higher than the three-year running average in Scottsdale as well as the other cities Scottsdale provides water to (especially Carefree and Tonto Hills). This is due to higher than expected temperatures in the first three months of the fiscal year (this favorable variance was not as high as it would have been if not for the elevated volume of rain which occurred this winter), as well as unexpected increases in utility billing accounts, first time connections and fees per meter size. Water Reclamation Service Charges is favorable due to a higher than expected number of new sewer customer billings and higher deliveries than budgeted. The budget was based on previous winter deliveries. Non-potable Water Service Charges is unfavorable mainly due to the lower sale of Reclaimed Water Distribution System (RWDS) irrigation water to golf courses due to the higher than expected rain levels this past winter. In addition, there was less RWDS revenue generated than planned from sales of the new lower cost reverse osmosis (R/O) chemical formulation to golf courses. The unfavorable variance is partially offset by the resale of indirect treated effluent mistakenly not being included in the FY 2018/19 revenue projections, a greater level of recharge being performed at WestWorld than planned and the receipt of contractual settlements with the superfund sites not being budgeted. Miscellaneous is favorable due to the unbudgeted sale of Booster Site 36, an increase in participation agreements, contractual revenue and Ground Water Savings Facility payments not anticipated but received. Indirect Costs is unfavorable due to an adjustment that was made for water conservation, the actuals include an offset for conservation related programs which do not benefit contractual users. Transfers In is unfavorable due to a transfer associated with the payment of development fees not occurring as budgeted due to the changing of an accounting policy.



Water and Water Reclamation Funds

Uses (Fiscal Year to Date: March 2019)



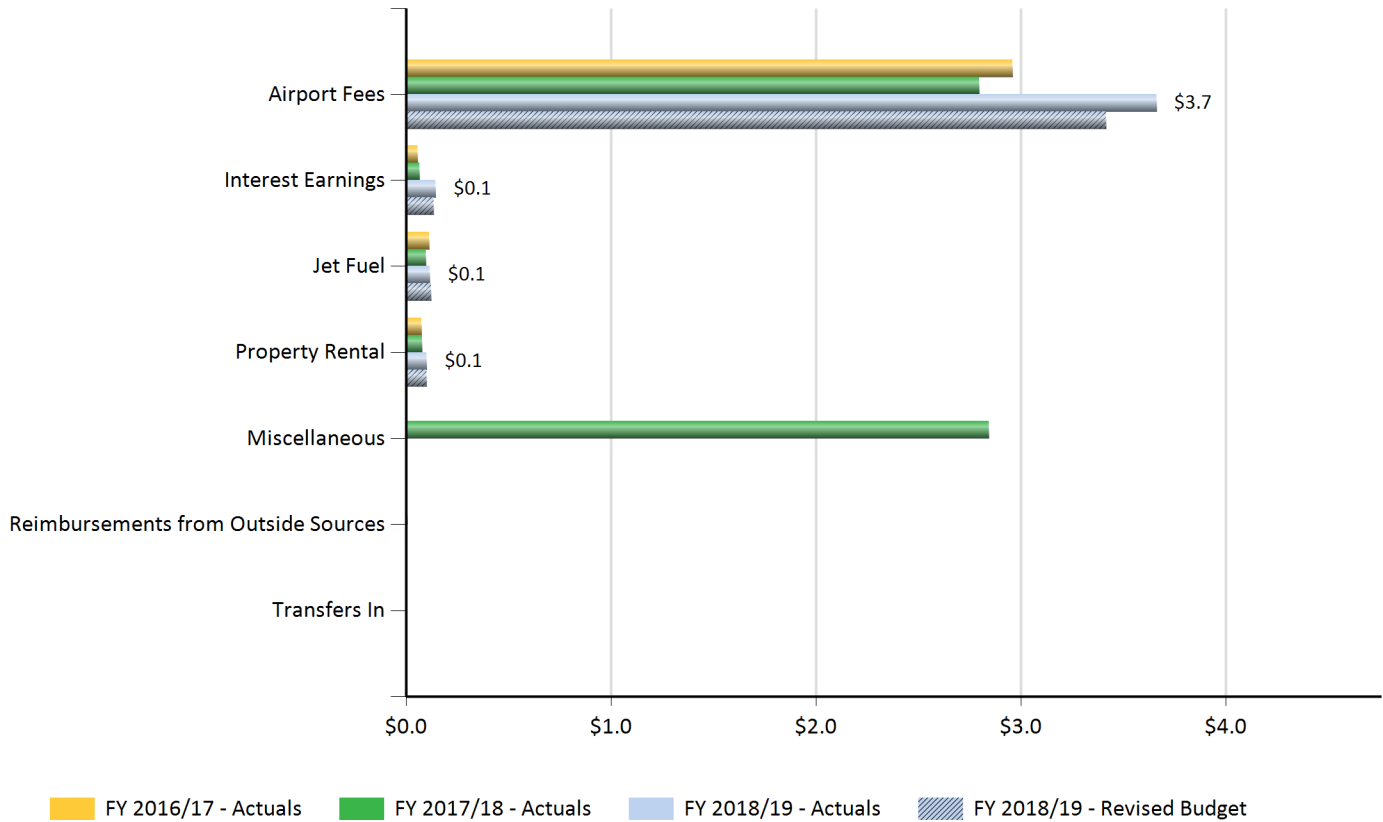
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
City Treasurer	\$1.5	\$1.5	\$1.6	\$1.7	\$0.2	11%
Water Resources	52.7	55.6	54.5	54.0	(0.5)	(1%)
Non Divisional	-	-	-	-	-	-
Citywide Indirect Cost Allocation	3.6	3.8	3.6	3.6	-	-
Department Indirect Cost	0.8	0.9	0.7	0.9	0.2	21%
Bond Service Expense	0.5	-	-	-	-	-
Debt Service	7.2	7.7	7.1	7.1	-	-
Transfers Out	5.3	5.8	5.9	5.5	(0.4)	(7%)
Total Uses	\$71.7	\$75.3	\$73.4	\$72.9	(\$0.5)	(1%)

Actual to Revised Budget variance of (\$0.5) million or (1%):

There is a favorable variance in City Treasurer mainly due to software maintenance and postage expenses being less than expected. The unfavorable variance in Water Resources is mainly due to there being more failures of pumps, motors and other large equipment than anticipated. In addition it is due to there being a greater than expected need to purchase water, a higher than budgeted requirement for mechanical equipment repair supplies, the timing of treatment chemical purchases, higher than expected sludge hauling costs and greater than anticipated outside labor mechanical and electric contractor costs. The unfavorable variance is partially offset by the receipt of higher levels of Arizona Power Authority energy credits than expected, lower fuel and vehicle maintenance costs and a lower than planned need to purchase miscellaneous operating supplies. Department Indirect Cost is favorable due to an adjustment that was made for water conservation, the actuals include an offset for conservation related programs which do not benefit contractual users. The unfavorable variance in Transfers Out is primarily due to the timing of the transfer to the replacement/construction reserve for WestWorld irrigation. The transfer is budgeted to occur later in the fiscal year.



Sources (Fiscal Year to Date: March 2019)



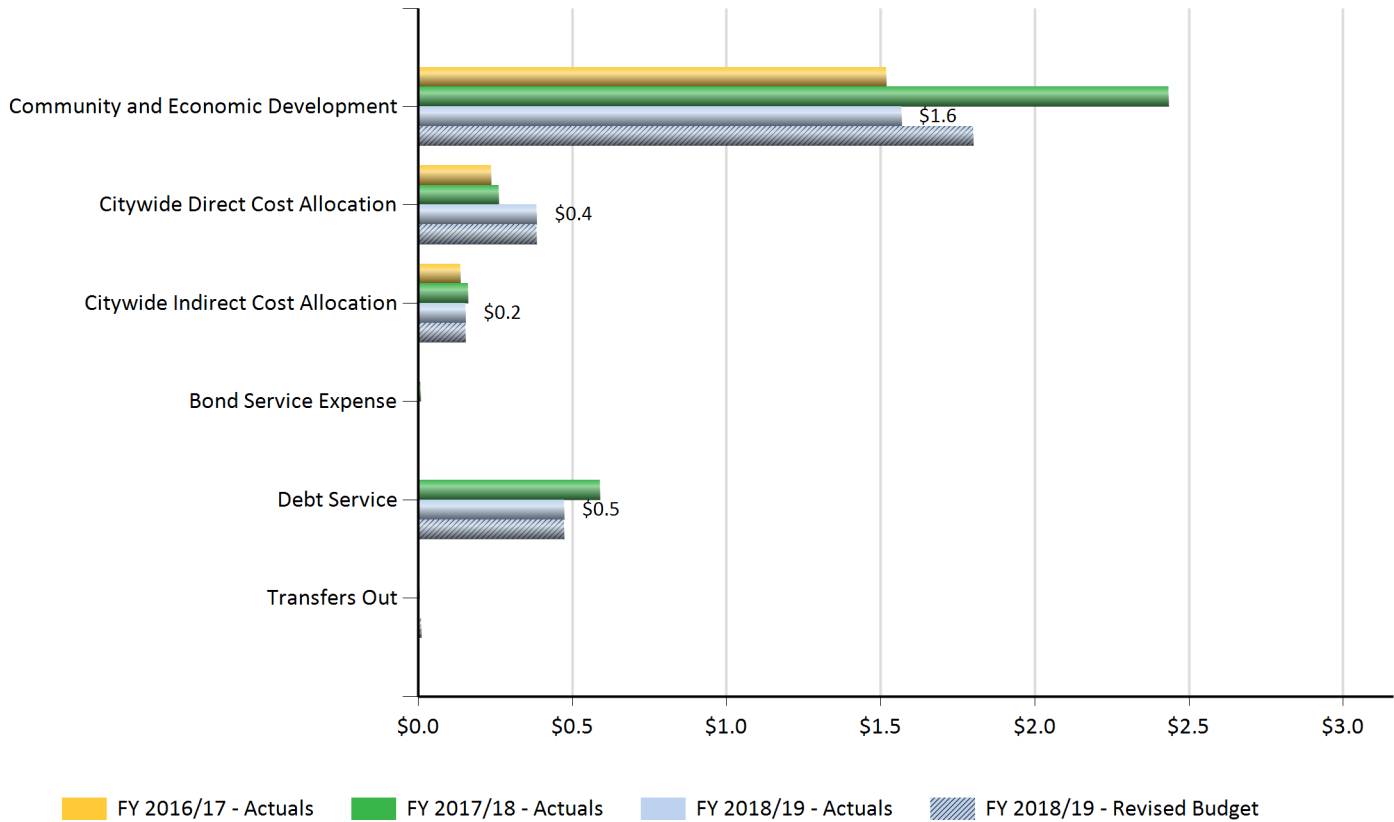
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Airport Fees	\$3.0	\$2.8	\$3.7	\$3.4	\$0.2	7%
Interest Earnings	0.1	0.1	0.1	0.1	-	-
Jet Fuel	0.1	0.1	0.1	0.1	-	-
Property Rental	0.1	0.1	0.1	0.1	-	-
Miscellaneous	-	2.8	-	-	-	-
Reimbursements from Outside Sources	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$3.2	\$5.9	\$4.0	\$3.8	\$0.3	7%

Actual to Revised Budget variance of \$0.3 million or 7%:

The favorable variance in Airport Fees is mainly due to higher than anticipated landing and customs activity and car rental revenue, and to payments from three fixed tenant rent sites that had not been budgeted. The variance is partly offset, by the late opening of the restaurant in the newly constructed Administration Building at the Airport.



Uses (Fiscal Year to Date: March 2019)



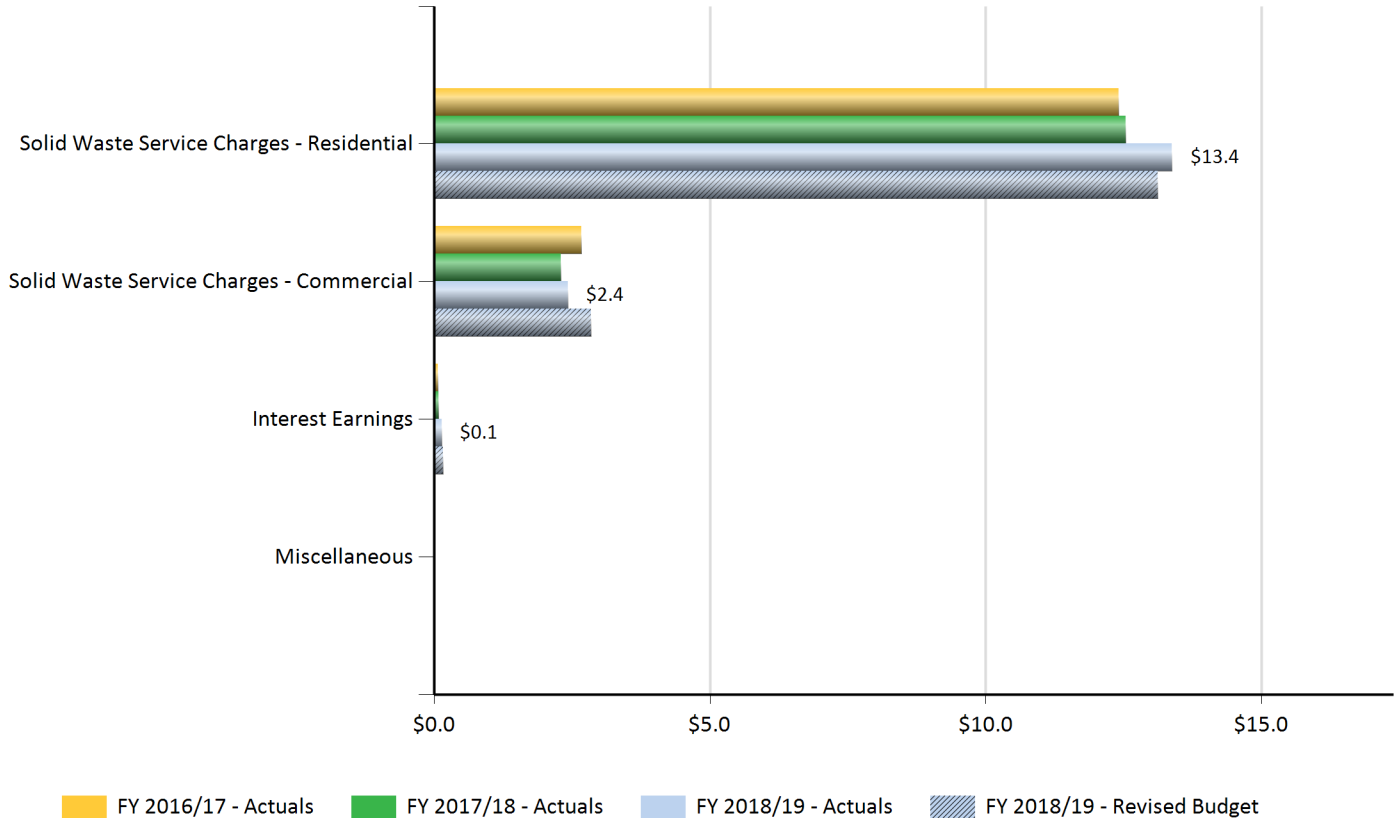
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Community and Economic Development	\$1.5	\$2.4	\$1.6	\$1.8	\$0.2	13%
Citywide Direct Cost Allocation	0.2	0.3	0.4	0.4	-	-
Citywide Indirect Cost Allocation	0.1	0.2	0.2	0.2	-	-
Bond Service Expense	-	-	-	-	-	-
Debt Service	-	0.6	0.5	0.5	-	-
Transfers Out	-	-	-	-	-	-
Total Uses	\$1.9	\$3.5	\$2.6	\$2.8	\$0.2	9%

Actual to Revised Budget variance of \$0.2 million or 9%:

The favorable variance in Community and Economic Development is mainly due to the timing of invoices for on-call engineering, real estate and planning contract services, and for the contract with US Customs for two full time officers. Also contributing to the favorable variance is custodial services savings due to the delayed move into the newly constructed Administration Building.



Sources (Fiscal Year to Date: March 2019)



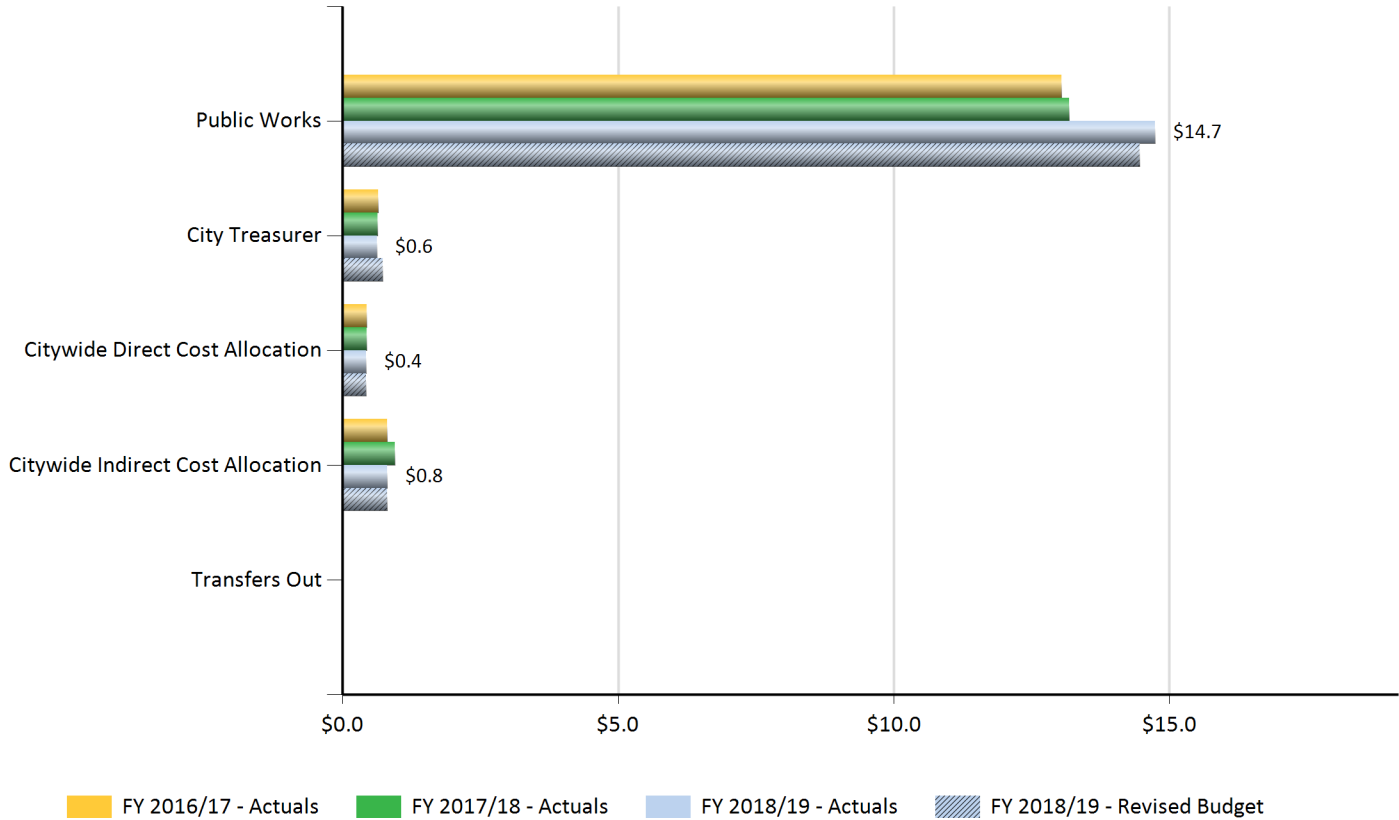
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Solid Waste Service Charges - Residential	\$12.4	\$12.5	\$13.4	\$13.1	\$0.3	2%
Solid Waste Service Charges - Commercial	2.7	2.3	2.4	2.8	(0.4)	(15%)
Interest Earnings	0.1	0.1	0.1	0.2	-	-
Miscellaneous	-	-	-	-	-	-
Total Sources	\$15.2	\$14.9	\$15.9	\$16.1	(\$0.2)	(1%)

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

The favorable variance in Solid Waste Service Charges – Residential is due to more residential accounts active than projected. The unfavorable variance in Solid Waste Service Charges – Commercial is due to the fee for the Commercial Cart Program, which was adopted at a lower rate than what was assumed in the budget. This shortfall is expected to remain for the remainder of the fiscal year.



Uses (Fiscal Year to Date: March 2019)



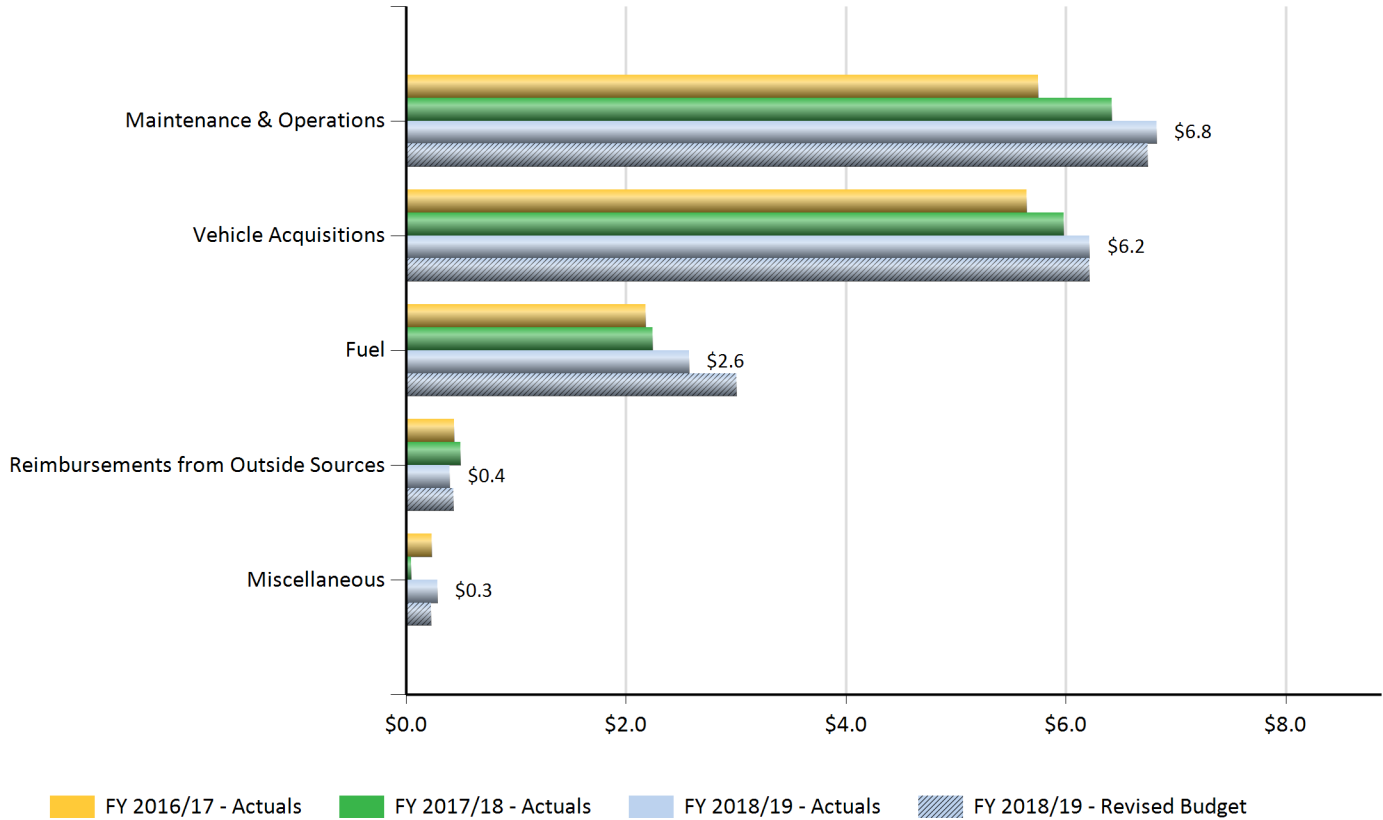
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Public Works	\$13.0	\$13.2	\$14.7	\$14.5	(\$0.3)	(2%)
City Treasurer	0.6	0.6	0.6	0.7	0.1	13%
Citywide Direct Cost Allocation	0.4	0.4	0.4	0.4	-	-
Citywide Indirect Cost Allocation	0.8	0.9	0.8	0.8	-	-
Transfers Out	-	-	-	-	-	-
Total Uses	\$14.9	\$15.2	\$16.6	\$16.4	(\$0.2)	(1%)

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

The unfavorable variance in Public Works is related to repair costs associated with greater than expected engine failures on solid waste refuse trucks, higher than anticipated maintenance costs of the newly installed heavy truck emission reduction systems and hydraulic systems and overall higher than expected vehicle repair costs. Contributing to the unfavorable variance is the use of overtime used to fill vacant positions, medical leaves, and staff assigned to light duty. Offsetting the Public Works unfavorable variance is the delay in invoicing for two brush truck chassis. The favorable variance in City Treasurer is due to lower than expected postage and shipping costs.



Sources (Fiscal Year to Date: March 2019)



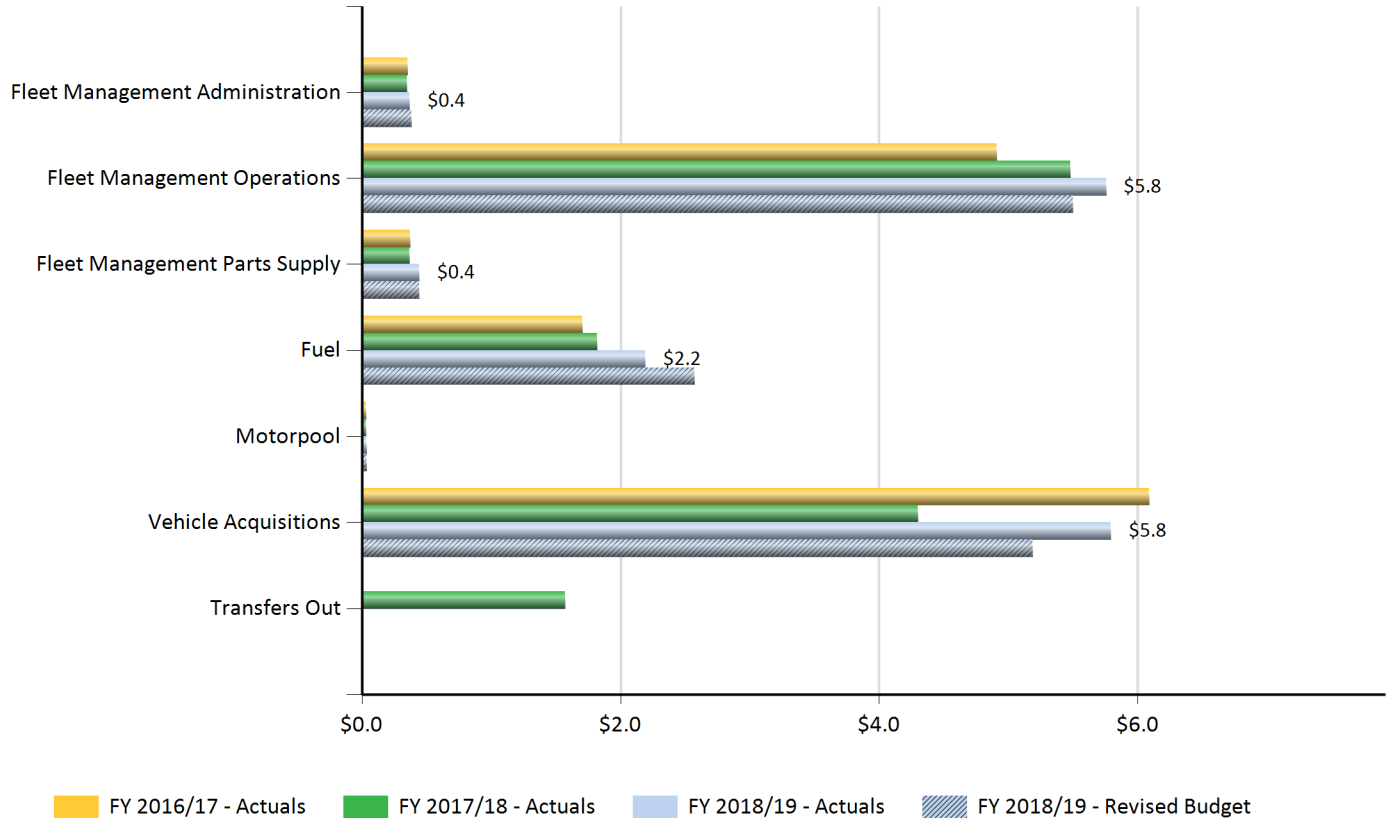
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Maintenance & Operations	\$5.7	\$6.4	\$6.8	\$6.7	\$0.1	1%
Vehicle Acquisitions	5.6	6.0	6.2	6.2	-	-
Fuel	2.2	2.2	2.6	3.0	(0.4)	(14%)
Reimbursements from Outside Sources	0.4	0.5	0.4	0.4	-	-
Miscellaneous	0.2	-	0.3	0.2	0.1	24%
Total Sources	\$14.2	\$15.2	\$16.3	\$16.6	(\$0.3)	(2%)

Actual to Revised Budget variance of (\$0.3) million or (2%):

The favorable variance in Maintenance & Operations is related to greater than anticipated charges to divisions for providing fleet services. The unfavorable variance in Fuel is due to a lower charge to divisions for unleaded and diesel fuel as prices have declined. The favorable variance in Miscellaneous is from higher than anticipated revenue from government auctions.



Uses (Fiscal Year to Date: March 2019)



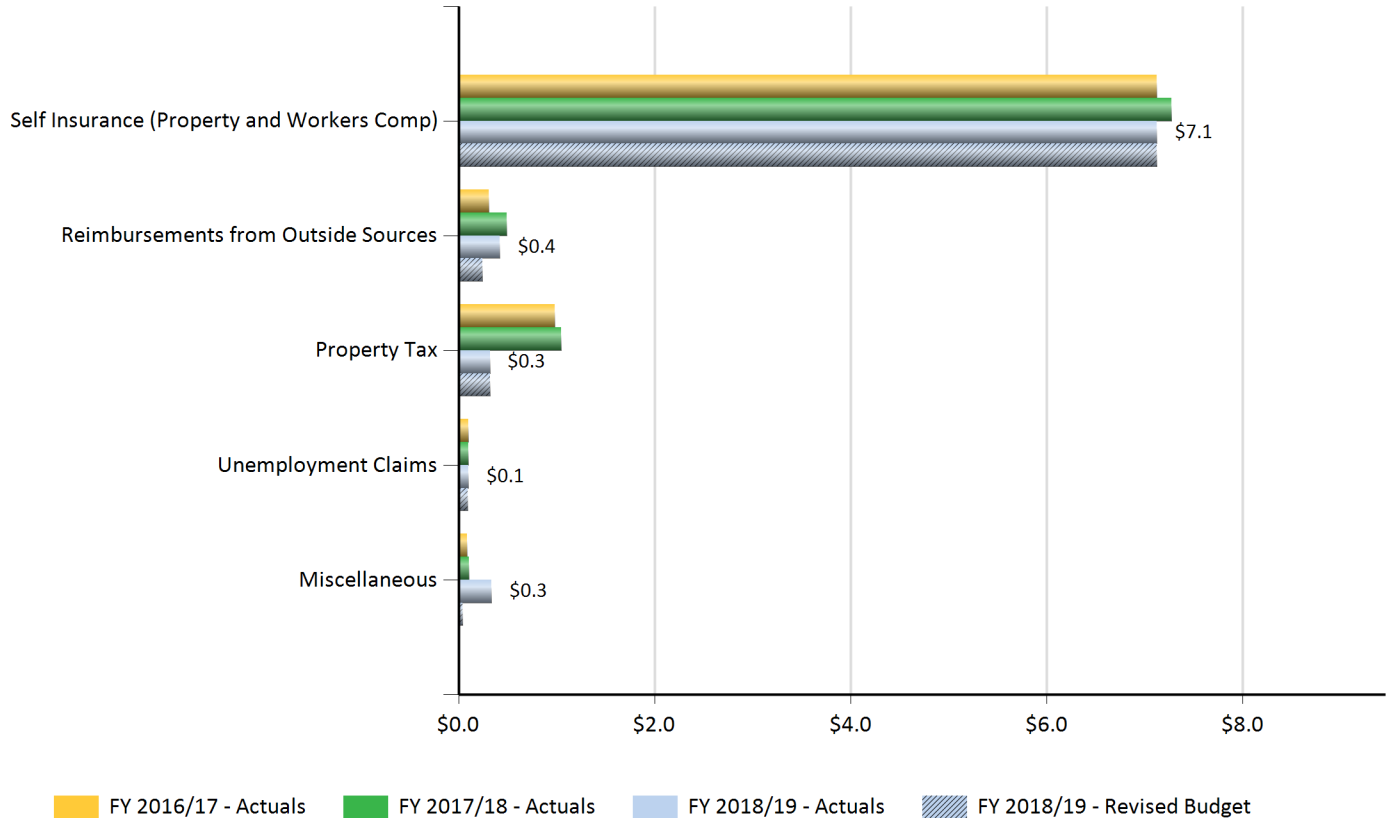
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Fleet Management Administration	\$0.4	\$0.3	\$0.4	\$0.4	\$ -	-
Fleet Management Operations	4.9	5.5	5.8	5.5	(0.3)	(5%)
Fleet Management Parts Supply	0.4	0.4	0.4	0.4	-	-
Fuel	1.7	1.8	2.2	2.6	0.4	15%
Motorpool	-	-	-	-	-	-
Vehicle Acquisitions	6.1	4.3	5.8	5.2	(0.6)	(12%)
Transfers Out	-	1.6	-	-	-	-
Total Uses	\$13.5	\$13.9	\$14.6	\$14.1	(\$0.5)	(3%)

Actual to Revised Budget variance of (\$0.5) million or (3%):

The unfavorable variance in Fleet Management Operations is primarily related to unanticipated Solid Waste vehicle hydraulic and body repairs, a bus hybrid system repair, as well as repairs to a street sweeper's main water tank. The favorable variance in Fuel is due to the decrease in unleaded and diesel fuel prices. The unfavorable variance in Vehicle Acquisitions is related to the prepayment of two fire apparatus vehicles in order to lock in savings.



Sources (Fiscal Year to Date: March 2019)



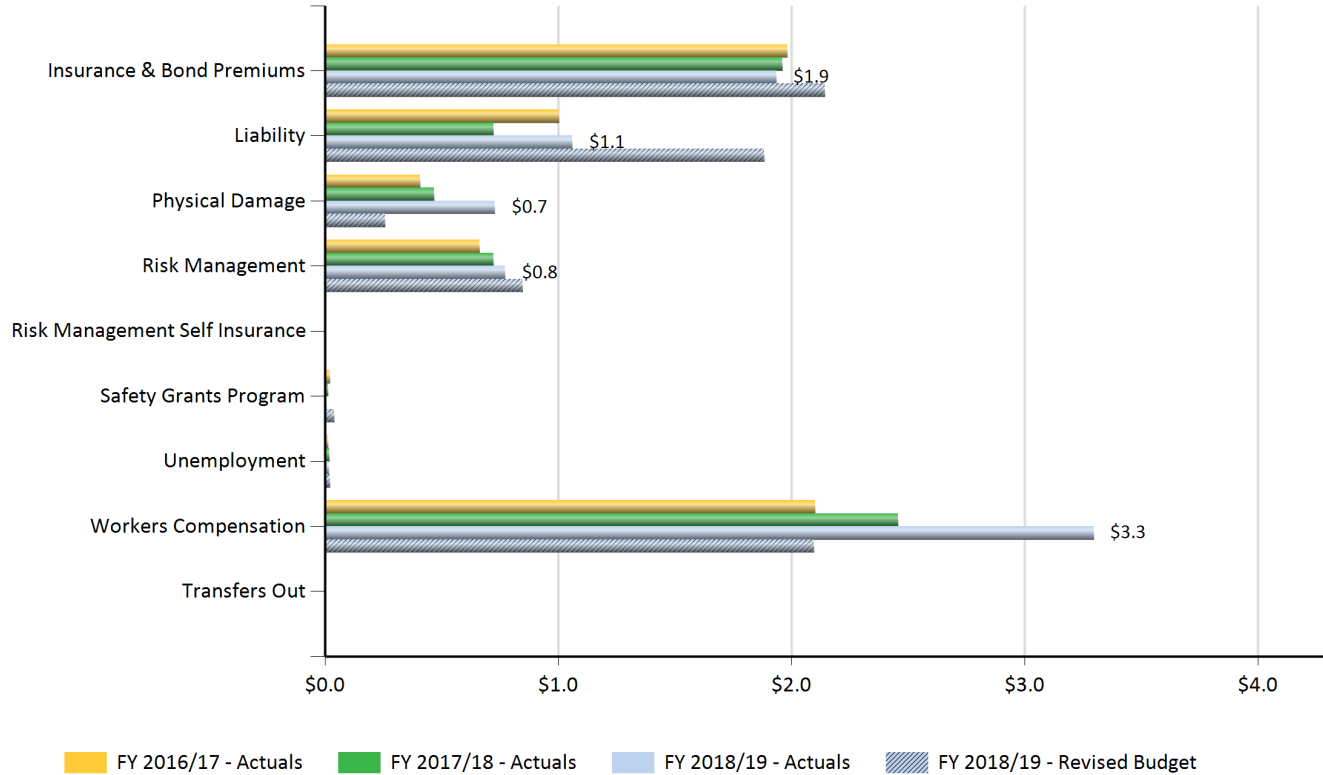
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Self Insurance (Property and Workers Comp)	\$7.1	\$7.3	\$7.1	\$7.1	\$ -	-
Reimbursements from Outside Sources	0.3	0.5	0.4	0.2	0.2	74%
Property Tax	1.0	1.0	0.3	0.3	-	-
Unemployment Claims	0.1	0.1	0.1	0.1	-	-
Miscellaneous	0.1	0.1	0.3	-	0.3	nm
Total Sources	\$8.6	\$9.0	\$8.3	\$7.8	\$0.5	6%

Actual to Revised Budget variance of \$0.5 million or 6%:

The favorable variance in Reimbursements from Outside Sources is due to the insurance recoveries for two totaled Solid Waste refuse trucks. The favorable variance in Miscellaneous is due to the excess funds paid on a self-insured retention case.



Uses (Fiscal Year to Date: March 2019)



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Insurance & Bond Premiums	\$2.0	\$2.0	\$1.9	\$2.1	\$0.2	10%
Liability	1.0	0.7	1.1	1.9	0.8	44%
Physical Damage	0.4	0.5	0.7	0.3	(0.5)	nm
Risk Management	0.7	0.7	0.8	0.8	0.1	9%
Risk Management Self Insurance	-	-	-	-	-	-
Safety Grants Program	-	-	-	-	-	-
Unemployment	-	-	-	-	-	-
Workers Compensation	2.1	2.5	3.3	2.1	(1.2)	(57%)
Transfers Out	-	-	-	-	-	-
Total Uses	\$6.2	\$6.4	\$7.8	\$7.3	(\$0.5)	(7%)

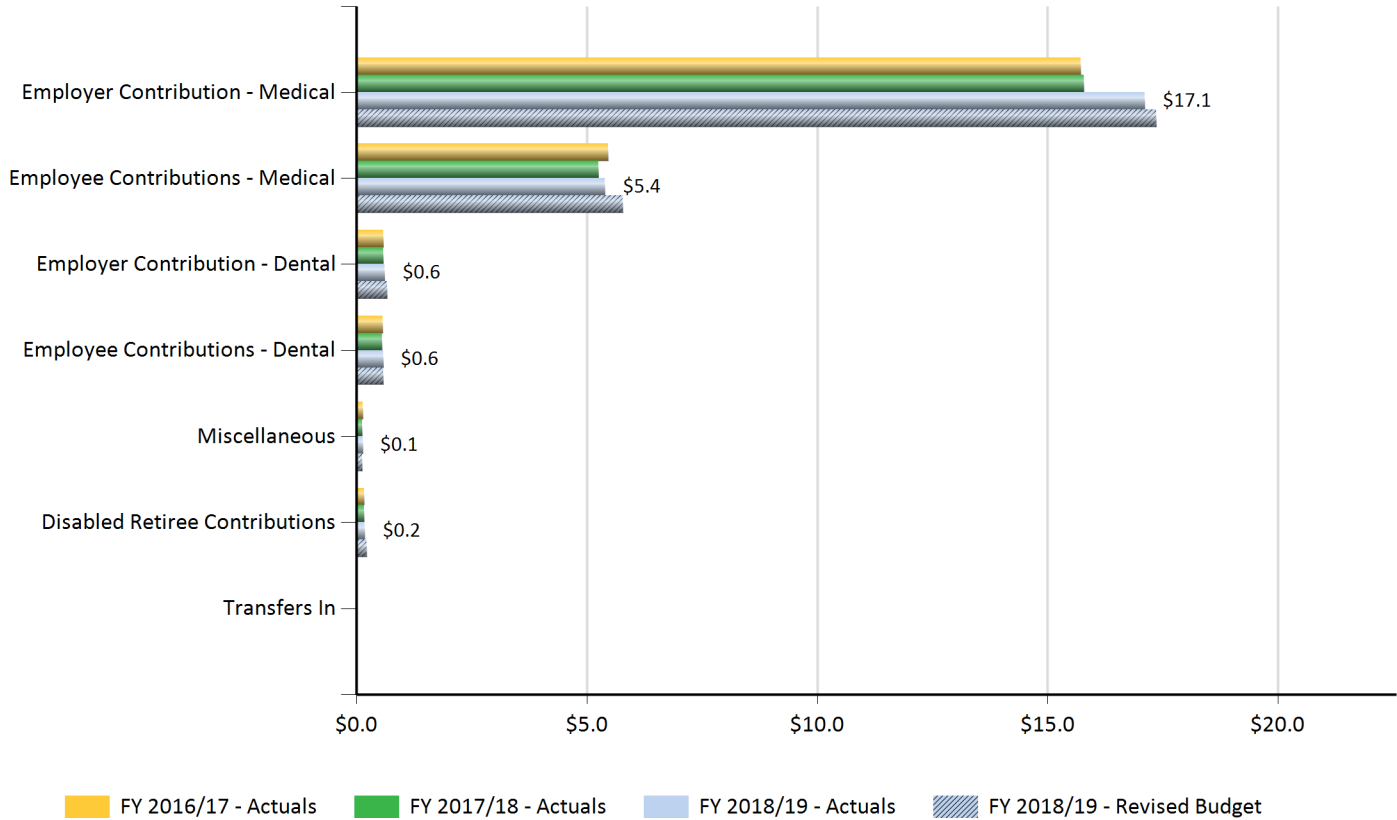
Actual to Revised Budget variance of (\$0.5) million or (7%):

The favorable variance in Insurance & Bond Premiums is due to General Liability expenses being less than anticipated. The favorable variance in Liability is due to the unpredictability of claim amounts for damage to city property, attorney fees, or miscellaneous expenses during trial. The unfavorable variance in Physical Damage is due to a higher level of property damage claims than expected. Examples of these include possible environmental property impairment at the crime lab that needed expert investigation and testing; tent and shade repairs due to storm damage; and fire suppression control panel repairs. The favorable variance in Risk Management is due to lower than expected Software Maintenance and Travel, Training and Conferences expenses. The unfavorable variance in Workers Compensation is due to higher than expected statutory wages being paid due to multiple people on worker compensation leave as well as surgical complications resulting in a higher expense than anticipated. The city's policy on Transitional Duty has changed. Subsequently, there will be more people staying home and collecting income benefits.

\$ in millions / rounding differences may occur



Sources (Fiscal Year to Date: March 2019)



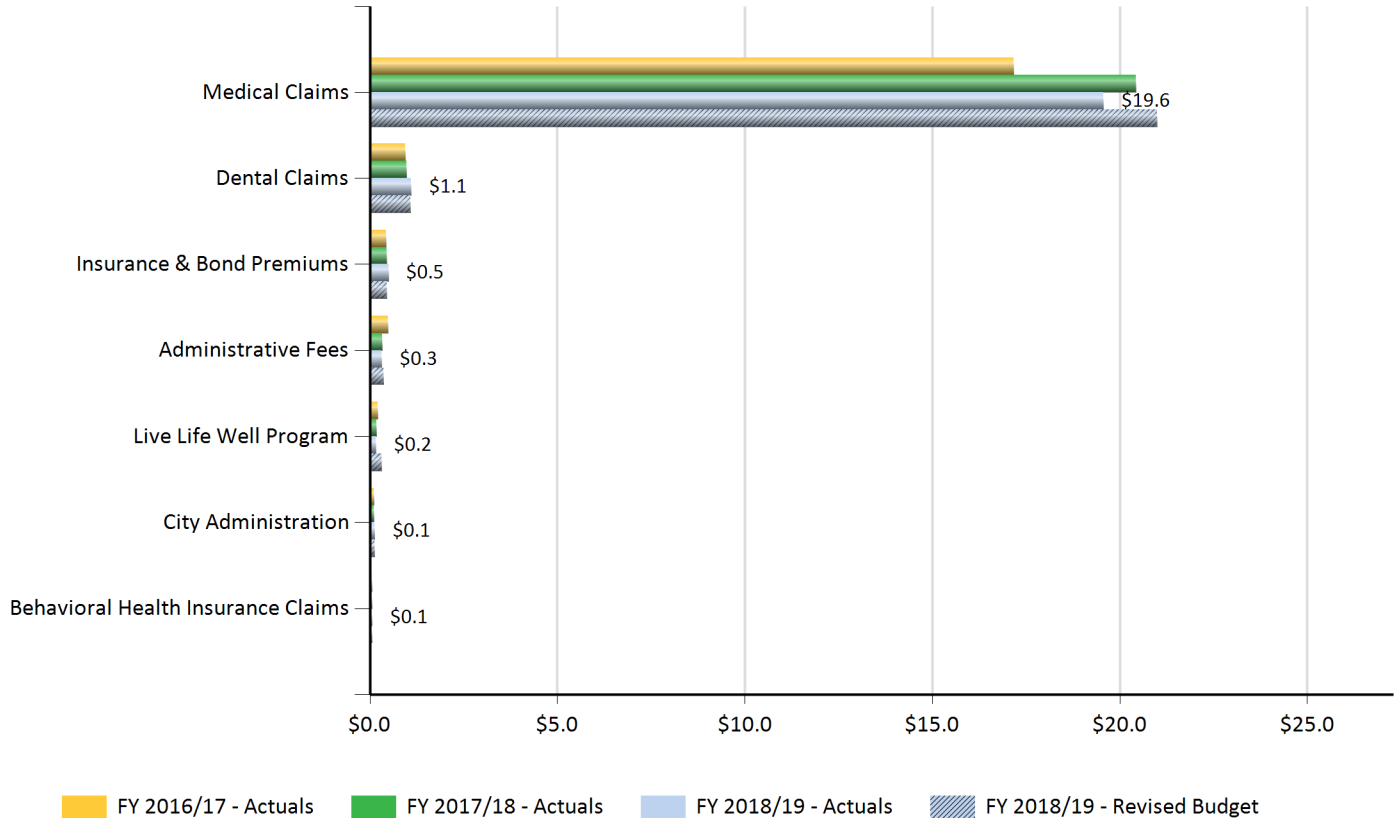
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Employer Contribution - Medical	\$15.7	\$15.8	\$17.1	\$17.4	(\$0.3)	(1%)
Employee Contributions - Medical	5.5	5.3	5.4	5.8	(0.4)	(7%)
Employer Contribution - Dental	0.6	0.6	0.6	0.7	(0.1)	(8%)
Employee Contributions - Dental	0.6	0.6	0.6	0.6	-	-
Miscellaneous	0.1	0.1	0.1	0.1	-	-
Disabled Retiree Contributions	0.2	0.2	0.2	0.2	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$22.6	\$22.4	\$24.0	\$24.7	(\$0.7)	(3%)

Actual to Revised Budget variance of (\$0.7) million or (3%):

The unfavorable variances in Employer Contribution - Medical, Employee Contributions - Medical and Employer Contribution - Dental are due to plan selection, which occurs after the budget is prepared.



Uses (Fiscal Year to Date: March 2019)



	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Medical Claims	\$17.2	\$20.4	\$19.6	\$21.0	\$1.4	7%
Dental Claims	0.9	1.0	1.1	1.1	-	-
Insurance & Bond Premiums	0.4	0.4	0.5	0.5	-	-
Administrative Fees	0.5	0.3	0.3	0.4	0.1	15%
Live Life Well Program	0.2	0.2	0.2	0.3	0.1	48%
City Administration	0.1	0.1	0.1	0.1	-	-
Behavioral Health Insurance Claims	0.1	0.1	0.1	0.1	-	-
Total Uses	\$19.4	\$22.5	\$21.8	\$23.4	\$1.6	7%

Actual to Revised Budget variance of \$1.6 million or 7%:

The favorable variance in Medical Claims is due to the difficulty in predicting claims and the timing of claims. The favorable variance in Administrative Fees is due to lower than anticipated charges for administering the city's healthcare plans. The favorable variance in Live Life Well Program is due to the vacancy of the Wellness Coordinator position that was filled in October, which resulted in the delay of some Live Life Well programs planned for the year.



WestWorld Statement of Operations

	Twelve Months: Fiscal Year					
	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Adopted Budget	2018/19 Revised Budget
Operating Revenue						
Rental Facilities	\$2,134,970	\$2,205,750	\$2,604,680	\$2,542,842	\$2,651,683	\$2,651,683
RV Rental	270,661	251,685	297,593	355,601	301,400	301,400
Feed/Bedding Sales	499,691	566,127	463,286	523,261	525,000	525,000
Labor Fees	240,173	301,429	352,088	404,957	375,958	375,958
Concession Fees	354,902	487,513	392,106	472,875	535,500	535,500
Parking	110,931	96,927	88,280	108,994	117,300	117,300
Other Income	135,786	198,068	155,990	130,453	70,830	70,830
Equidome Project Use Fee	555,000	315,000	360,000	360,000	360,000	360,000
Operating Transfer In ^a	-	-	-	100,000	100,000	100,000
Operating Revenue	\$4,302,114	\$4,422,499	\$4,714,023	\$4,998,983	\$5,037,671	\$5,037,671
Operating Expenses						
Personnel Services						
Wages/Salaries/Benefits	\$1,616,913	\$1,768,655	\$1,954,437	\$1,934,800	\$2,082,443	\$2,170,321
Overtime	25,558	32,594	36,574	31,817	39,551	42,055
Contractual Services						
Contractual Workers	92,292	81,775	114,025	139,522	100,000	100,000
Telephone	30,650	21,015	28,381	34,182	40,354	40,354
Utilities ^b	1,219,326	1,174,779	1,247,702	1,354,976	-	1,435,163
Maintenance & Equipment Rental & Fleet	652,492	751,856	724,550	710,237	682,315	682,315
License and Permits	73,356	76,684	158,548	160,727	128,204	128,204
Property, Liability & Workers' Comp	37,376	51,525	62,401	76,025	69,772	69,772
Advertising/Marketing Contract	208,815	252,328	194,294	327,544	350,000	350,000
Other	268,443	234,449	343,819	308,750	326,203	326,203
Commodities and Capital Outlays						
Agriculture & Horticulture & Other Supply	71,411	103,461	137,506	114,194	143,545	143,545
Maintenance & Repairs Supply, Equipment	84,344	116,413	125,083	83,417	175,985	175,985
Inventory Purchased for Resale	304,481	294,103	273,513	259,279	325,410	325,410
Construction - Other	-	21,428	-	21,126	-	-
Other Expenses	45,959	64,193	76,182	39,036	78,058	78,058
BOR Admin						
BOR Admin/WestWorld	140,710	147,746	155,133	162,889	171,034	171,034
Allocated Expenses ^c						
Facilities Maintenance ^d	713,808	670,566	1,470,031	1,266,796	2,413,809	2,413,809
COS Indirect Costs	276,504	338,575	370,385	430,425	378,803	378,803
Operating Expenses	\$5,862,440	\$6,202,145	\$7,472,564	\$7,455,742	\$7,505,486	\$7,815,018
Operating Income	(\$1,560,325)	(\$1,779,646)	(\$2,758,542)	(\$2,456,760)	(\$2,467,815)	(\$2,777,347)
Debt Service (Less contributions)						
Debt Service - (52 & 17 acres)	\$2,250,353	\$2,273,677	\$2,304,207	\$2,314,216	\$2,334,637	\$2,334,637
Debt Service - TNEC (\$41.935M)	1,543,925	1,524,125	1,506,875	1,479,375	1,461,375	1,461,375
Debt Service - TNEC Tourism Funded	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Bed Tax Contributions - TNEC	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Net Debt Service	\$3,794,278	\$3,797,802	\$3,811,082	\$3,793,591	\$3,796,012	\$3,796,012
Operating Income After Debt Service	(\$5,354,603)	(\$5,577,448)	(\$6,569,623)	(\$6,250,350)	(\$6,263,827)	(\$6,573,359)

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

^b The adopted budget is zero because beginning in FY 2017/18 utilities charges are budgeted at a citywide macro level. Monthly, as expenditures occur, a budget transfer will be completed to move the needed budget from the macro level holding account to the department. The revised budget is an estimate of expected utilities costs at fiscal year-end.

^c Allocated expenses are not budgeted for in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations.

^d Beginning in FY2016/17 the methodology to allocate Facilities Maintenance expenses was modified to better reflect the maintenance costs associated with WestWorld. The methodology was further enhanced and now uses the proportion of WestWorld's square footage to that of the entire city's square footage and then applies that proportionate percentage to the Facilities Management Department's budget/actuals.



WestWorld Statement of Operations

Statement of Operations for March 2019 / 9 Months YTD

	FY 2014/15 YTD Actual	FY 2015/16 YTD Actual	FY 2016/17 YTD Actual	FY 2017/18 YTD Actual	FY 2018/19 YTD Actual	FY 2018/19 Approved YTD Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Revenue								
Rental Facilities	\$1,224,615	\$1,169,401	\$1,502,615	\$1,422,102	\$1,391,794	\$1,458,189	(\$66,395)	(5%)
RV Rental	174,727	148,624	154,655	183,962	191,560	183,355	8,205	4%
Feed/Bedding Sales	456,367	482,807	387,523	444,621	509,650	451,701	57,949	13%
Labor Fees	97,959	113,150	119,440	142,560	165,414	143,060	22,354	16%
Concession Fees	224,601	300,458	192,332	278,011	275,450	302,942	(27,492)	(9%)
Parking	62,843	30,653	49,002	78,362	72,389	63,450	8,939	14%
Other Income	12,863	26,065	25,381	21,916	32,294	28,725	3,569	12%
Equidome Project Use Fee	525,000	90,000	285,000	45,000	45,000	240,000	(195,000)	(81%)
Council Approved Authorized Carryover	-	-	-	-	-	-	-	-
Operating Transfer In ^a	-	-	-	100,000	100,000	100,000	-	-
Operating Revenue	\$2,778,975	\$2,361,157	\$2,715,948	\$2,716,535	\$2,783,553	\$2,971,422	(\$187,869)	(6%)
Operating Expenses								
Personnel Services								
Wages/Salaries/Benefits	\$1,255,967	\$1,333,238	\$1,436,327	\$1,416,195	\$1,493,412	\$1,591,997	\$98,585	6%
Overtime	23,949	23,368	28,489	25,934	28,088	35,236	7,148	20%
Contractual Services								
Contractual Workers	73,170	59,558	79,435	90,031	99,294	76,750	(22,544)	(29%)
Telephone	24,745	14,149	22,354	25,684	31,672	33,771	2,099	6%
Utilities ^b	908,999	851,959	866,177	922,768	890,599	890,599	-	-
Maintenance & Equipment Rental & Fleet	475,302	521,915	534,592	489,301	548,375	499,191	(49,184)	(10%)
License and Permits	73,549	76,650	152,635	161,361	142,502	125,899	(16,603)	(13%)
Property, Liability & Workers' Comp	28,035	38,646	46,800	57,015	52,326	52,326	-	-
Advertising/Marketing Contract	207,504	252,328	191,262	323,461	308,905	307,563	(1,342)	-
Other	193,105	178,284	185,125	227,437	155,402	192,779	37,377	19%
Commodities and Capital Outlays								
Agriculture & Horticulture & Other Supply	69,317	90,978	101,287	88,473	109,657	93,545	(16,112)	(17%)
Maintenance & Repairs Supply, Equipment	72,866	73,448	79,102	61,305	124,371	93,385	(30,986)	(33%)
Inventory Purchased for Resale	237,145	261,370	232,410	206,162	268,181	210,000	(58,181)	(28%)
Construction - Other	-	21,466	-	18,385	18,339	-	(18,339)	n/a
Other Expenses	38,032	51,418	29,274	28,330	27,699	25,615	(2,084)	(8%)
BOR Admin								
BOR Admin/WestWorld	140,710	147,746	155,133	162,889	171,034	171,034	-	-
Allocated Expenses ^c								
Facilities Maintenance ^d	535,356	502,929	1,102,523	950,097	1,076,373	1,076,373	-	-
COS Indirect Costs	207,378	253,935	277,785	322,819	284,102	284,102	-	-
Operating Expenses	\$4,565,129	\$4,753,383	\$5,520,711	\$5,577,649	\$5,830,332	\$5,760,165	(\$70,166)	(1%)
Operating Income	(\$1,786,154)	(\$2,392,225)	(\$2,804,762)	(\$2,861,114)	(\$3,046,779)	(\$2,788,743)	(\$258,036)	(9%)
Debt Service (Less contributions)								
Debt Service - (52 & 17 acres)	\$280,279	\$55,154	\$32,169	\$ -	\$ -	\$ -	\$ -	-
Debt Service - TNEC (\$41.935M)	-	-	-	-	-	-	-	-
Debt Service - TNEC Tourism Funded	-	-	-	-	-	-	-	-
Bed Tax Contributions - TNEC	-	-	-	-	-	-	-	-
Net Debt Service	\$280,279	\$55,154	\$32,169	\$ -	\$ -	\$ -	\$ -	-
Operating Income After Debt Service	(\$2,066,433)	(\$2,447,380)	(\$2,836,931)	(\$2,861,114)	(\$3,046,779)	(\$2,788,743)	(\$258,036)	(9%)

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

^b Beginning in FY 2017/18 utilities charges are budgeted at a citywide macro level. Monthly, as expenditures occur, a budget transfer will be completed to move the needed budget from the macro level holding account to the department.

^c Allocated expenses are not budgeted for in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations.

^d Beginning in FY2016/17 the methodology to allocate Facilities Maintenance expenses was modified to better reflect the maintenance costs associated with WestWorld. The methodology was further enhanced in FY 2018/19 and now uses the proportion of WestWorld's square footage to that of the entire city's square footage and then applies that proportionate percentage to the Facilities Management Department's budget/actuals.



Privilege (Sales) & Use Tax Collections For March 2019 (For Business Activity in February 2019)

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, 0.1 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 6 percent compared to the Budget, and increased 8 percent compared to the same period a year ago.

Privilege (Sales) & Use Tax by Category and Fund

Fiscal Year-to-Date: March 2019						
	2016/17	2017/18	2018/19	2018/19	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Favorable/(Unfavorable) Amount	Percent
1.00% General Purpose						
Automotive	\$10.6	\$11.9	\$13.4	\$12.2	\$1.1	9%
Construction	7.2	7.3	7.8	7.1	0.7	10%
Dining/ Entertainment	6.8	7.3	8.0	7.5	0.5	7%
Food Stores	4.9	5.5	5.9	4.9	0.9	19%
Hotel/Motel	3.8	4.2	4.8	4.3	0.5	11%
Major Dept. Stores	6.7	7.3	7.2	7.4	(0.1)	-2%
Misc. Retail Stores	13.6	15.3	16.2	15.7	0.5	3%
Other Activity	7.5	8.4	10.0	8.9	1.2	13%
Rentals	10.0	12.4	12.6	12.8	(0.2)	-2%
Utilities	3.6	3.7	3.5	3.5	(0.1)	-2%
Subtotal	\$74.7	\$83.3	\$89.4	\$84.3	\$5.1	6%
0.10% Public Safety	\$7.3	\$8.2	\$8.8	\$8.3	\$0.5	6%
0.20% Transportation 1990	14.2	15.7	16.8	15.9	0.9	6%
0.10% Transportation 2019	n/a	n/a	0.6	-	0.6	nm
0.20% McDowell Preserve 1995	14.7	16.3	17.5	16.5	1.0	6%
0.15% McDowell Preserve 2004	11.0	12.3	13.1	12.4	0.7	6%
Total	\$121.9	\$135.8	\$146.3	\$137.4	\$8.8	6%
% Change vs. Prior Year	-3%	11%	8%	1%		

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 \$1.1 million or 9%: The variance is due in part to an increase in automotive sales and a car dealer starting to report sales tax related to services and sales that had not been reported before

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 \$0.7 million or 10%: This is due in part to increased residential sales.

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 7%: This is due in part to a new restaurant opening and normal business fluctuations.

Food Stores Sales Taxes

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

Actual to Revised Budget variance of \$0.9 million or 19%: This is due in part to a new grocery store and to a grocery store chain that didn't report food for home consumption last year reporting correctly this 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 \$0.5 million or 11%: Normal business fluctuations.

Major Department Stores Sales Taxes

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

Actual to Revised Budget variance of (\$0.1) million or (2%): This is due in part to normal business fluctuations and delinquent tax returns.

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 \$0.5 million or 3%: Normal business fluctuations

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 \$1.2 million or 13%: This is due in part to increase in taxable sales from other miscellaneous product manufacturing and a large one-time audit payment.

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 (\$0.2) million or (2%): This is due in part to delinquent tax returns, normal business fluctuations, and a one-time transfer of tax to another jurisdiction for taxes that were paid to Scottsdale in error.

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 (2%): This is due in part to delinquent tax returns and normal business fluctuations.



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 1.1 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 in the Appendix. 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.

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.

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.

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

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 and Police Department.

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.

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.

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

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 of \$10,000 or more; 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 and the 2019 voter approved Transportation Privilege (Sales) Tax of 0.10 percent for the Arterial Life Cycle Program (ALCP). 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 transferred to the CIP.

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

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

Water & Water Reclamation Funds

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

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



Aviation Fund

This fund accounts for the transactions related to the city's aviation business activity at the Scottsdale Airport.

- Aviation Fees are charges for a variety of services provided to airport customers including Landing Fees, Airport/Airpark Fuel Fees, Transient Parking Fees, Fixed Tenant Rents, Percentage Fees for Aeronautical Business Permits (ABPs), Custom Fees and miscellaneous other charges.
- Privilege and Use Tax-Jet Fuel are charges earned from jet fuel sales by Fixed Based Operators (FBOs) in accordance with the Scottsdale Revised Code, Article IV, Section 422.

Solid Waste Fund

This fund accounts for the transactions related to the city's solid waste and recycling business activities.

- Solid Waste Fees include residential charges which are a flat fee per month and commercial charges which are based on the size of the container and the number of pickups per month. Additionally Solid Waste Rates include roll-off charges, uncontained service charges, recycling program charges, and household hazardous waste collection charges.

Internal Service Funds are used to account for the financing, on a cost-reimbursement basis, of commodities or services provided by one program for the benefit of other programs within the city. The report includes three Internal Service Funds to account for Fleet, Risk, and Benefits activities.

Fleet Fund

This fund is used to account for the expenditures associated with purchasing and maintaining the city's vehicles. Replacement and operation of vehicles are charged to the city departments as internal operating costs to each program based on the quantity and type of vehicle used. The department charges become revenue to the Fleet Fund.

Risk Fund

This fund is used to account for the city's self-insurance, safety and risk management functions. Revenue to this fund is derived from internal charges to division programs and is captured as internal rates. Payments for unemployment, workers' compensation, and property and liability claims are made from this fund.

Healthcare Self Insurance Fund

This fund is used to account for the city's self-insured medical and dental benefits. Revenue to this fund is derived from premiums collected through charges to divisions, which consists of both city and employee components. Revenue is also collected through pharmacy rebates and stop loss insurance recoveries. This fund provides payment of actual healthcare expenses (medical, prescription and dental claims) as well as claims administration and other benefit plan expenses.