

# **Monthly Financial Report**

**Fiscal Year to Date as  
of March 31, 2020**

Report to the City Council  
Prepared by the City Treasurer

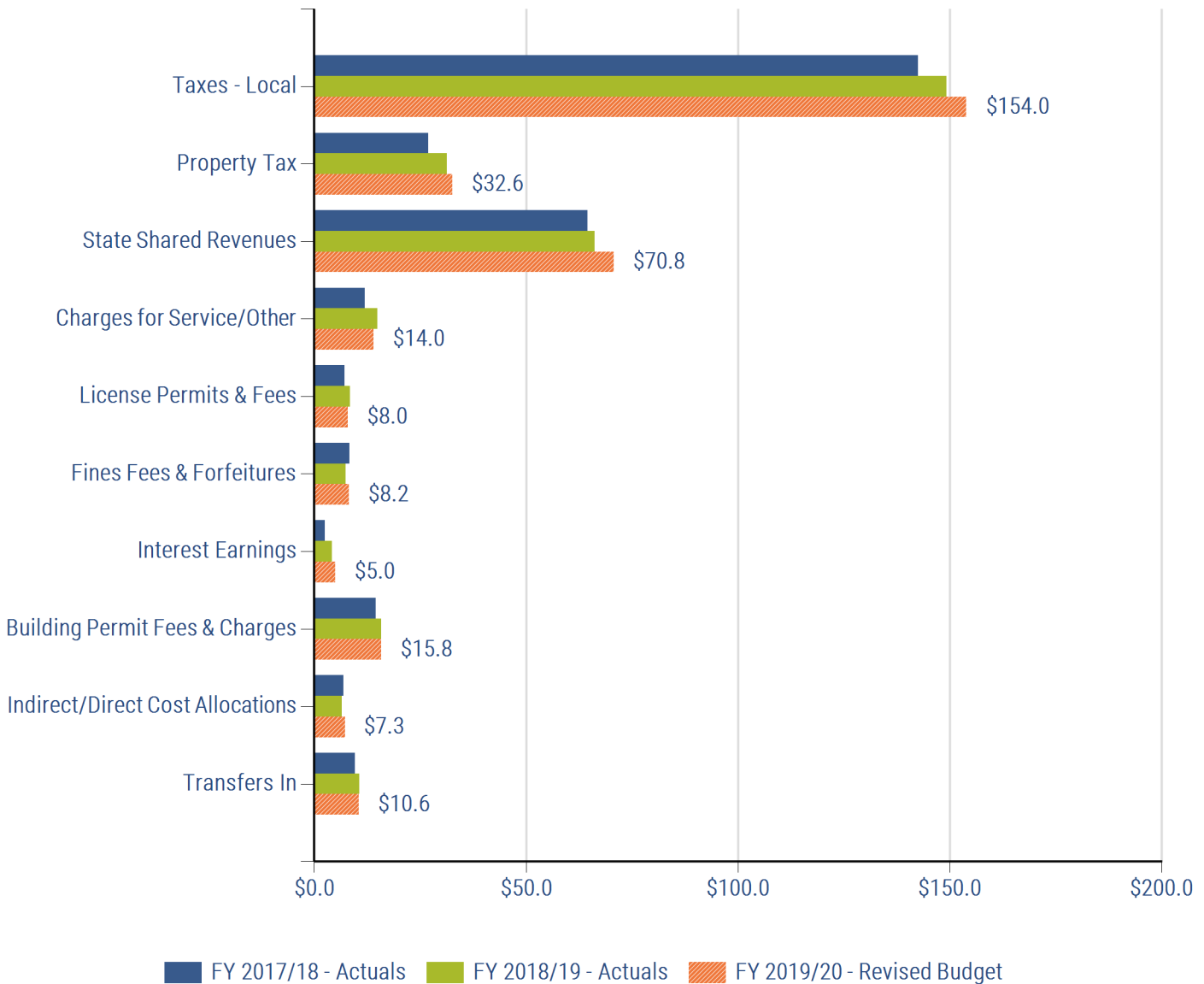
May 19, 2020



# Sources

## General Fund

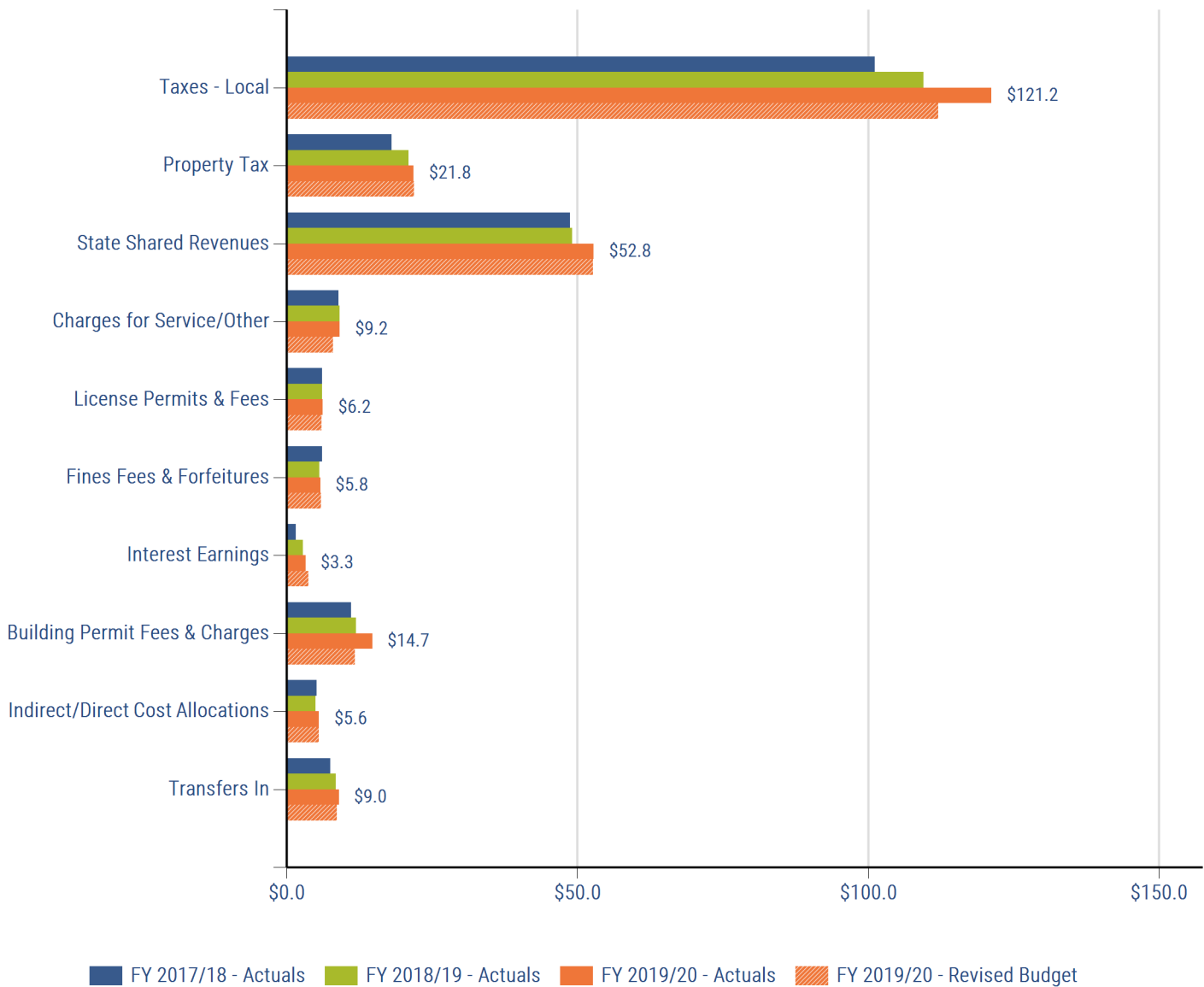
### Twelve Months: Fiscal Year



	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Revised Budget</u>
Taxes - Local	\$142.5	\$149.3	\$154.0
Property Tax	26.9	31.4	32.6
State Shared Revenues	64.5	66.2	70.8
Charges for Service/Other	11.9	14.9	14.0
License Permits & Fees	7.1	8.5	8.0
Fines Fees & Forfeitures	8.4	7.5	8.2
Interest Earnings	2.6	4.3	5.0
Building Permit Fees & Charges	14.6	15.9	15.8
Indirect/Direct Cost Allocations	6.9	6.5	7.3
Transfers In	9.7	10.7	10.6
<b>Total Sources</b>	<b>\$295.1</b>	<b>\$315.2</b>	<b>\$326.2</b>



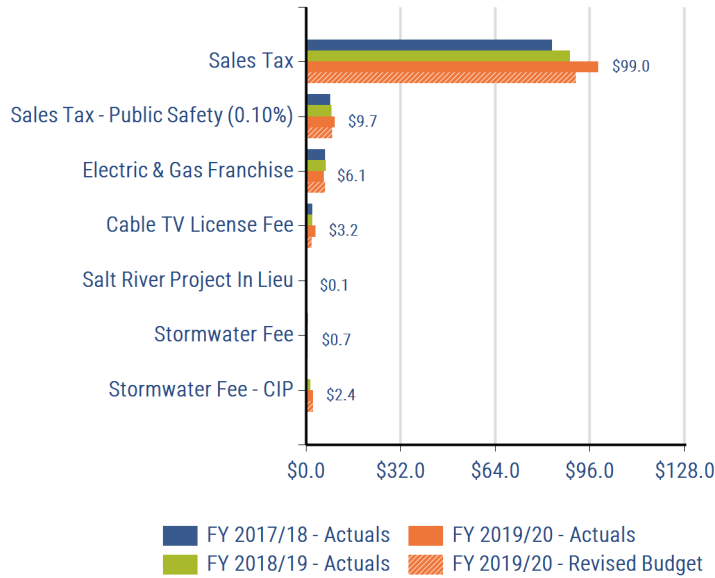
Sources (Fiscal Year to Date: March 2020)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$101.1	\$109.5	\$121.2	\$112.1	\$9.1	8%
Property Tax	18.1	21.0	21.8	21.9	-	-
State Shared Revenues	48.8	49.1	52.8	52.6	0.2	0%
Charges for Service/Other	8.9	9.2	9.2	8.0	1.1	14%
License Permits & Fees	6.1	6.1	6.2	6.0	0.3	4%
Fines Fees & Forfeitures	6.1	5.7	5.8	5.9	(0.1)	(2%)
Interest Earnings	1.6	2.8	3.3	3.7	(0.5)	(12%)
Building Permit Fees & Charges	11.1	12.0	14.7	11.8	3.0	25%
Indirect/Direct Cost Allocations	5.2	5.0	5.6	5.6	-	-
Transfers In	7.6	8.5	9.0	8.6	0.4	5%
<b>Total Sources</b>	<b>\$214.4</b>	<b>\$228.7</b>	<b>\$249.5</b>	<b>\$236.2</b>	<b>\$13.4</b>	<b>6%</b>



Taxes - Local (Fiscal Year to Date: March 2020)

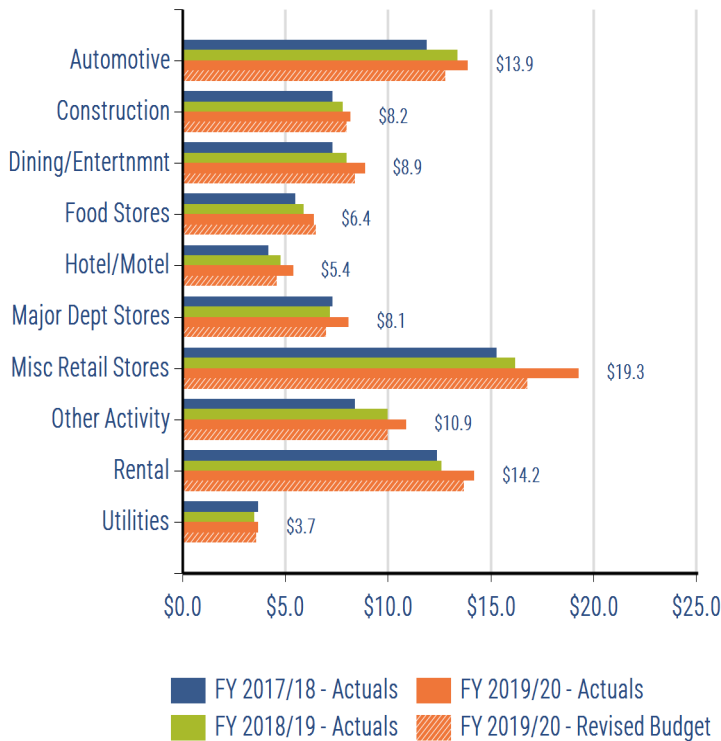


**Actual to Revised Budget variance of \$9.1 million or 8%:**  
 The favorable variance is primarily due to Sales Tax. See detailed Sales Tax information on page 5. Electric & Gas Franchise is unfavorable due to an APS quarterly franchise payment coming in lower than expected. Cable TV License Fee is favorable due to the timing of the FY 2018/19 Cox Cable TV franchise fee payment which was received and recorded in FY 2019/20.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$83.3	\$89.4	\$99.0	\$91.4	\$7.6	8%
Sales Tax - Public Safety (0.10%)	8.2	8.8	9.7	9.0	0.8	8%
Electric & Gas Franchise	6.6	6.7	6.1	6.5	(0.5)	(7%)
Cable TV License Fee	2.2	2.2	3.2	2.0	1.2	62%
Salt River Project In Lieu	0.1	0.2	0.1	0.1	-	-
Stormwater Fee	0.7	0.7	0.7	0.7	-	-
Stormwater Fee - CIP	-	1.6	2.4	2.4	-	-
<b>Taxes - Local Total</b>	<b>\$101.1</b>	<b>\$109.5</b>	<b>\$121.2</b>	<b>\$112.1</b>	<b>\$9.1</b>	<b>8%</b>



Sales Tax (Fiscal Year to Date: March 2020)



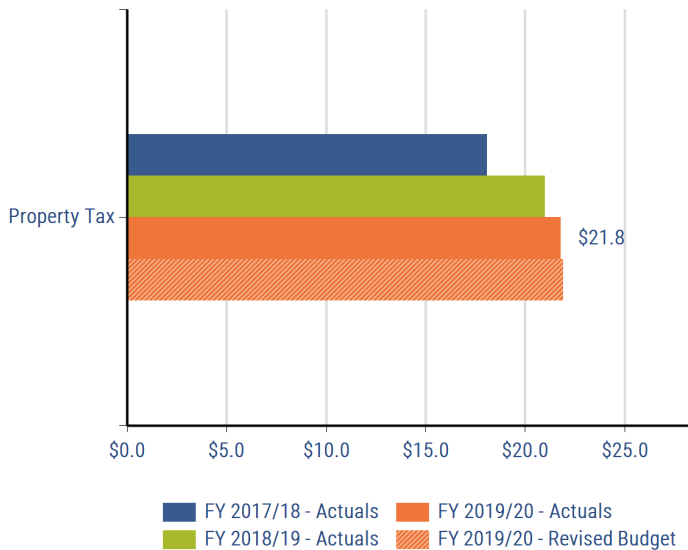
**Actual to Revised Budget variance of \$7.6 million or 8%:** While variances are now more often derived from revenue fluctuations within individual Sales Tax categories, Sales Tax can still be influenced by the unpredictability of the timing in collection by Arizona Department of Revenue. The favorable variance is also due in part to receiving a fifth payment in March as opposed to an anticipated four payments. The favorable variance is primarily the result of the following: 1) Automotive – higher than anticipated sales; 2) Construction – an increase in commercial building; 3) Dining/Entertainment - new restaurants opening; 4) Hotel/Motel - better than anticipated revenue from several resort hotels and the establishment of new legislation requiring online lodging marketplaces to report their short-term rentals; 5) Major Department Stores – higher than anticipated sales; 6) Misc Retail Stores – higher than expected software sales, online marketplace facilitators and remote sellers; 7) Other Activity – higher than expected sales; 8) Rental - due to two large one-time spec sales this year. The variance could have been greater, but it was offset by a large intercity transfer of tax that was paid to Scottsdale in error; and; 9) Utilities – due to normal business fluctuations.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Automotive	\$11.9	\$13.4	\$13.9	\$12.8	\$1.0	8%
Construction	7.3	7.8	8.2	8.0	0.2	3%
Dining/Entertainment	7.3	8.0	8.9	8.4	0.6	7%
Food Stores	5.5	5.9	6.4	6.5	(0.1)	(2%)
Hotel/Motel	4.2	4.8	5.4	4.6	0.8	18%
Major Dept Stores	7.3	7.2	8.1	7.0	1.1	16%
Misc Retail Stores	15.3	16.2	19.3	16.8	2.5	15%
Other Activity	8.4	10.0	10.9	10.0	0.9	9%
Rental	12.4	12.6	14.2	13.7	0.5	4%
Utilities	3.7	3.5	3.7	3.6	0.2	5%
<b>Sales Tax Total</b>	<b>\$83.3</b>	<b>\$89.4</b>	<b>\$99.0</b>	<b>\$91.4</b>	<b>\$7.6</b>	<b>8%</b>



Property Tax (Fiscal Year to Date: March 2020)

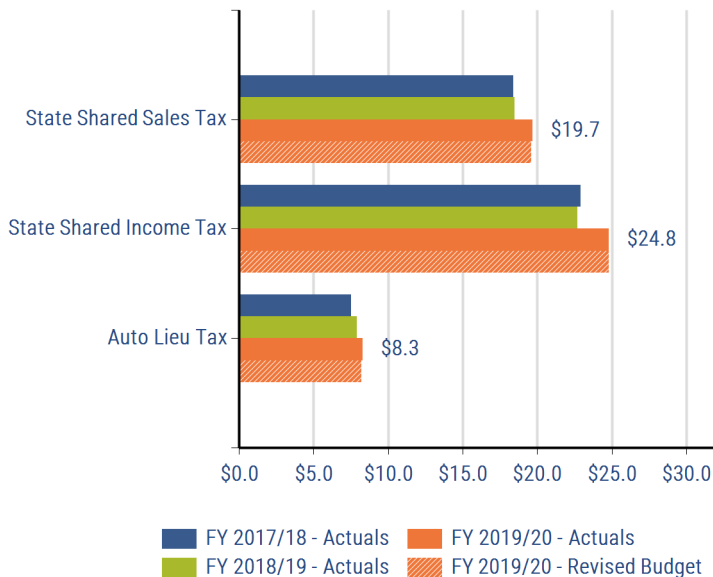
Actual to Revised Budget variance of \$0.0 million or 0%:  
No explanation necessary.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$18.1	\$21.0	\$21.8	\$21.9	\$ -	-
Property Tax Total	\$18.1	\$21.0	\$21.8	\$21.9	\$ -	-

State Shared Revenues (Fiscal Year to Date: March 2020)

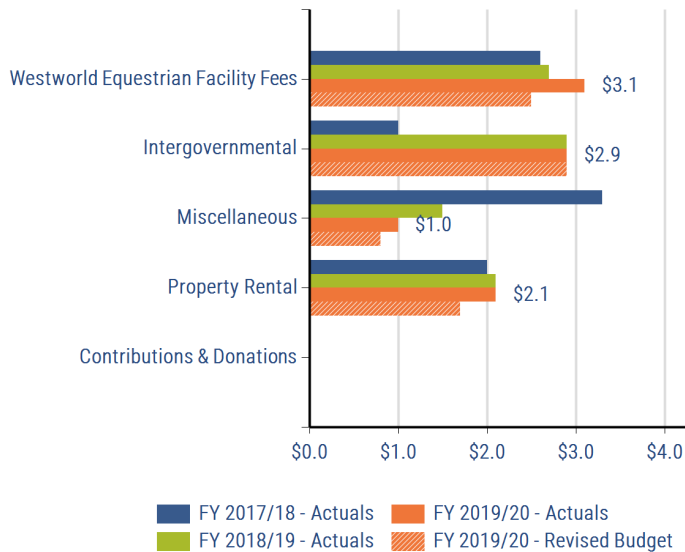
Actual to Revised Budget variance of \$0.2 million or 0%:  
No explanation necessary.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$18.4	\$18.5	\$19.7	\$19.6	\$0.1	1%
State Shared Income Tax	22.9	22.7	24.8	24.8	(0.1)	0%
Auto Lieu Tax	7.5	7.9	8.3	8.2	0.1	1%
State Shared Revenues Total	\$48.8	\$49.1	\$52.8	\$52.6	\$0.2	0%



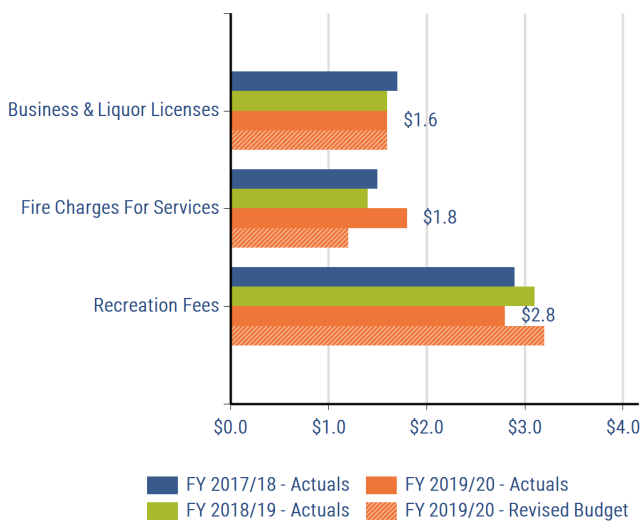
Charges for Service/Other (Fiscal Year to Date: March 2020)



**Actual to Revised Budget variance of \$1.1 million or 14%:** WestWorld Equestrian Facility Fees is favorable due to earlier than anticipated collections for facility rentals, labor fees and higher than anticipated concession sales at WestWorld. Additionally, WestWorld received one of the agreed contributions for the construction of the Tony Nelsson Equestrian Center earlier than budgeted. Miscellaneous is favorable due to unbudgeted revenue from copies of materials and other documents, late charges and higher than anticipated requests to view on body camera video. Property Rental is favorable due to advanced billings for cell tower leases and outdoor dining leases.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$2.6	\$2.7	\$3.1	\$2.5	\$0.6	22%
Intergovernmental	1.0	2.9	2.9	2.9	-	-
Miscellaneous	3.3	1.5	1.0	0.8	0.1	16%
Property Rental	2.0	2.1	2.1	1.7	0.5	27%
Contributions & Donations	-	-	-	-	-	n/a
<b>Charges for Service/Other Total</b>	<b>\$8.9</b>	<b>\$9.2</b>	<b>\$9.2</b>	<b>\$8.0</b>	<b>\$1.1</b>	<b>14%</b>

License Permits & Fees (Fiscal Year to Date: March 2020)



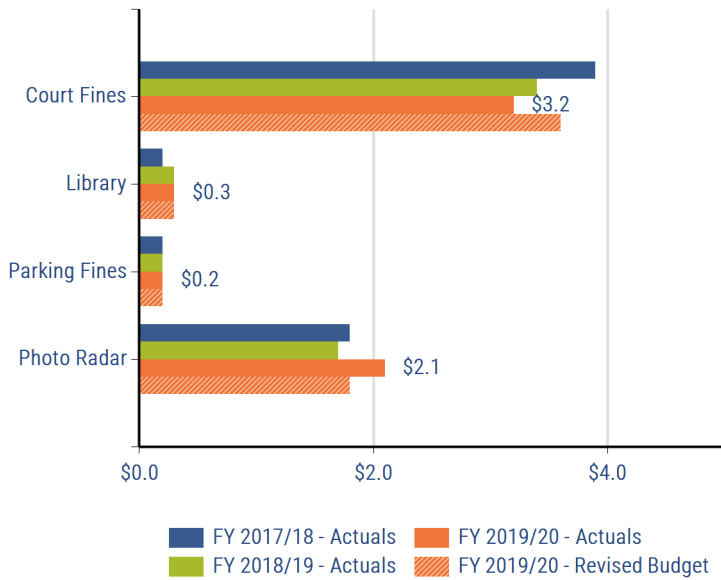
**Actual to Revised Budget variance of \$0.3 million or 4%:** Business and & Liquor Licenses is favorable due to higher than expected business and liquor license revenue. Fire Charges For Services is favorable due to higher call volumes with Maricopa ambulance contract and a Waste Management Open related payment which was entered twice in error. Recreation Fees is unfavorable due to the cancelation of events, activities, aquatic lessons, pool drop-in fees and facility closures related to the COVID-19 pandemic.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Business & Liquor Licenses	\$1.7	\$1.6	\$1.6	\$1.6	\$0.1	5%
Fire Charges For Services	1.5	1.4	1.8	1.2	0.6	48%
Recreation Fees	2.9	3.1	2.8	3.2	(0.4)	(12%)
<b>License Permits &amp; Fees Total</b>	<b>\$6.1</b>	<b>\$6.1</b>	<b>\$6.2</b>	<b>\$6.0</b>	<b>\$0.3</b>	<b>4%</b>

\$ in millions / rounding differences may occur



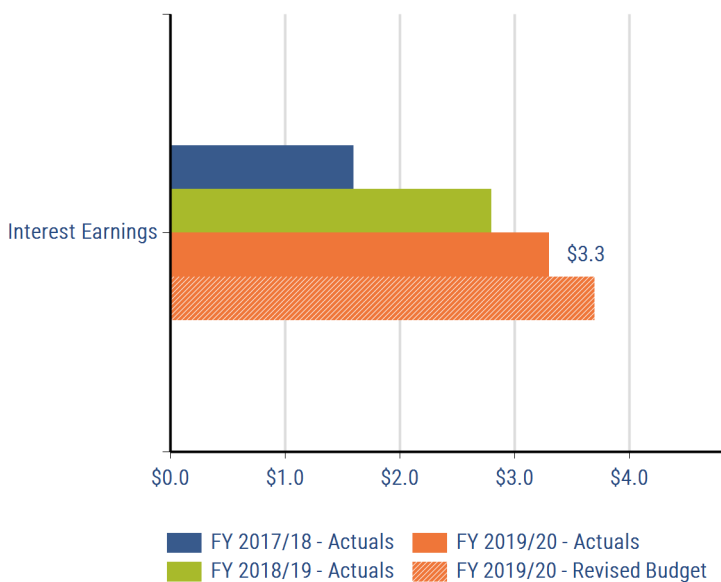
**Fines Fees & Forfeitures (Fiscal Year to Date: March 2020)**



**Actual to Revised Budget variance of (\$0.1) million or (2%):** Court Fines is unfavorable due to decreased criminal filings and officer issued civil traffic citations and related fees. Photo Radar is favorable due to the continued increase in photo enforcement filings.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$3.9	\$3.4	\$3.2	\$3.6	(\$0.4)	(11%)
Library	0.2	0.3	0.3	0.3	-	-
Parking Fines	0.2	0.2	0.2	0.2	-	-
Photo Radar	1.8	1.7	2.1	1.8	0.3	15%
<b>Fines Fees &amp; Forfeitures Total</b>	<b>\$6.1</b>	<b>\$5.7</b>	<b>\$5.8</b>	<b>\$5.9</b>	<b>(\$0.1)</b>	<b>(2%)</b>

**Interest Earnings (Fiscal Year to Date: March 2020)**



**Actual to Revised Budget variance of (\$0.5) million or (12%):** Unfavorable due to yields coming in below what was budgeted at this point in the fiscal year due to lower than anticipated interest rates in the fixed income market.

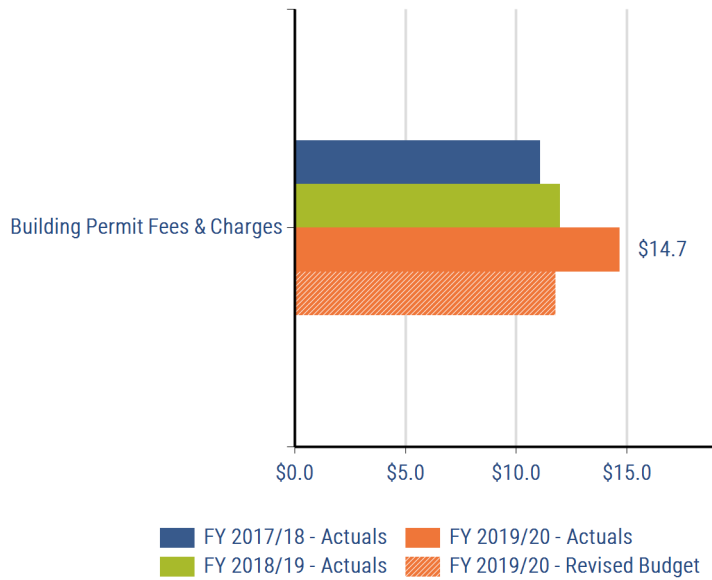
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$1.6	\$2.8	\$3.3	\$3.7	(\$0.5)	(12%)
<b>Interest Earnings Total</b>	<b>\$1.6</b>	<b>\$2.8</b>	<b>\$3.3</b>	<b>\$3.7</b>	<b>(\$0.5)</b>	<b>(12%)</b>

\$ in millions / rounding differences may occur





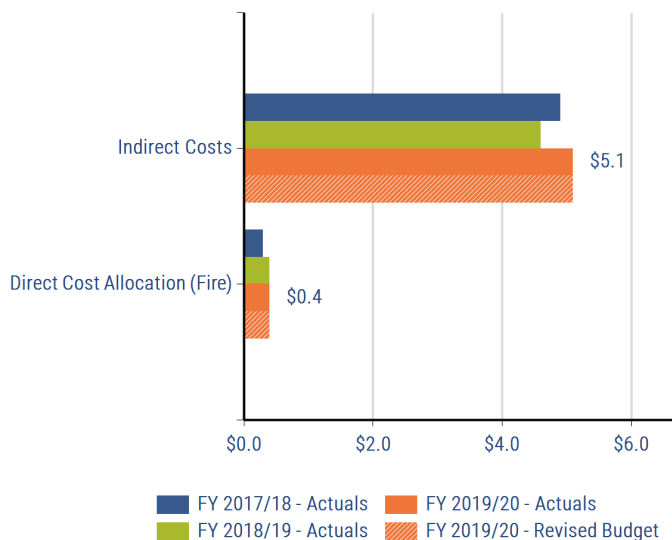
**Building Permit Fees & Charges (Fiscal Year to Date: March 2020)**



**Actual to Revised Budget variance of \$3.0 million or 25%:**  
 The favorable variance is due to higher than anticipated construction activity, mostly due to the Nationwide, DC Hotel and the Hyatt at the Crossroads II development projects. The demand for real estate continues to outpace the supply especially impacting single family residential building permit valuations which are trending higher than the previous year.

	<u>FY 2017/18 Actuals</u>	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2019/20 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Building Permit Fees & Charges	\$11.1	\$12.0	\$14.7	\$11.8	\$3.0	25%
<b>Building Permit Fees &amp; Charges Total</b>	<b>\$11.1</b>	<b>\$12.0</b>	<b>\$14.7</b>	<b>\$11.8</b>	<b>\$3.0</b>	<b>25%</b>

**Indirect/Direct Cost Allocations (Fiscal Year to Date: March 2020)**

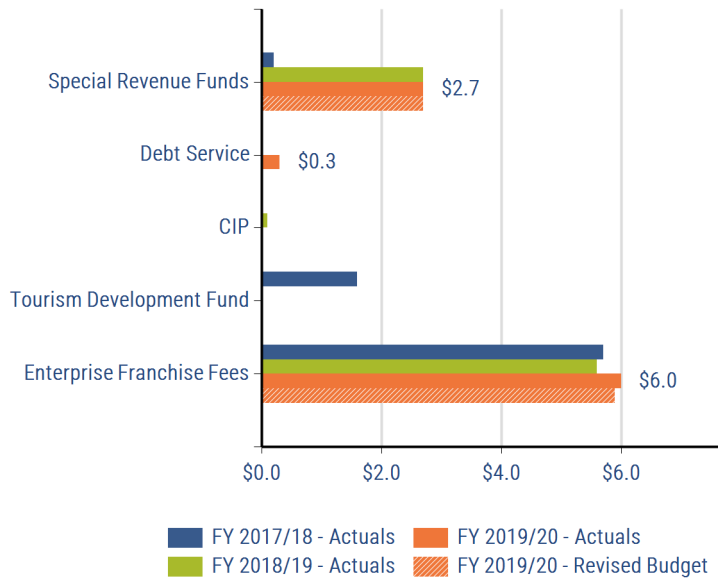


**Actual to Revised Budget variance of \$0.0 million or 0%:**  
 No explanation necessary.

	<u>FY 2017/18 Actuals</u>	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2019/20 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Indirect Costs	\$4.9	\$4.6	\$5.1	\$5.1	\$ -	-
Direct Cost Allocation (Fire)	0.3	0.4	0.4	0.4	-	-
<b>Indirect/Direct Cost Allocations Total</b>	<b>\$5.2</b>	<b>\$5.0</b>	<b>\$5.6</b>	<b>\$5.6</b>	<b>\$ -</b>	<b>-</b>



Transfers In (Fiscal Year to Date: March 2020)



**Actual to Revised Budget variance of \$0.4 million or 5%:**  
 The favorable variance in Debt Service is due to the transfer of standby commitment money related to the Scottsdale Waterfront Community Facilities District (CFD) from the Debt Service Stabilization Fund which was no longer required when the Waterfront CFD bonds were refunded.

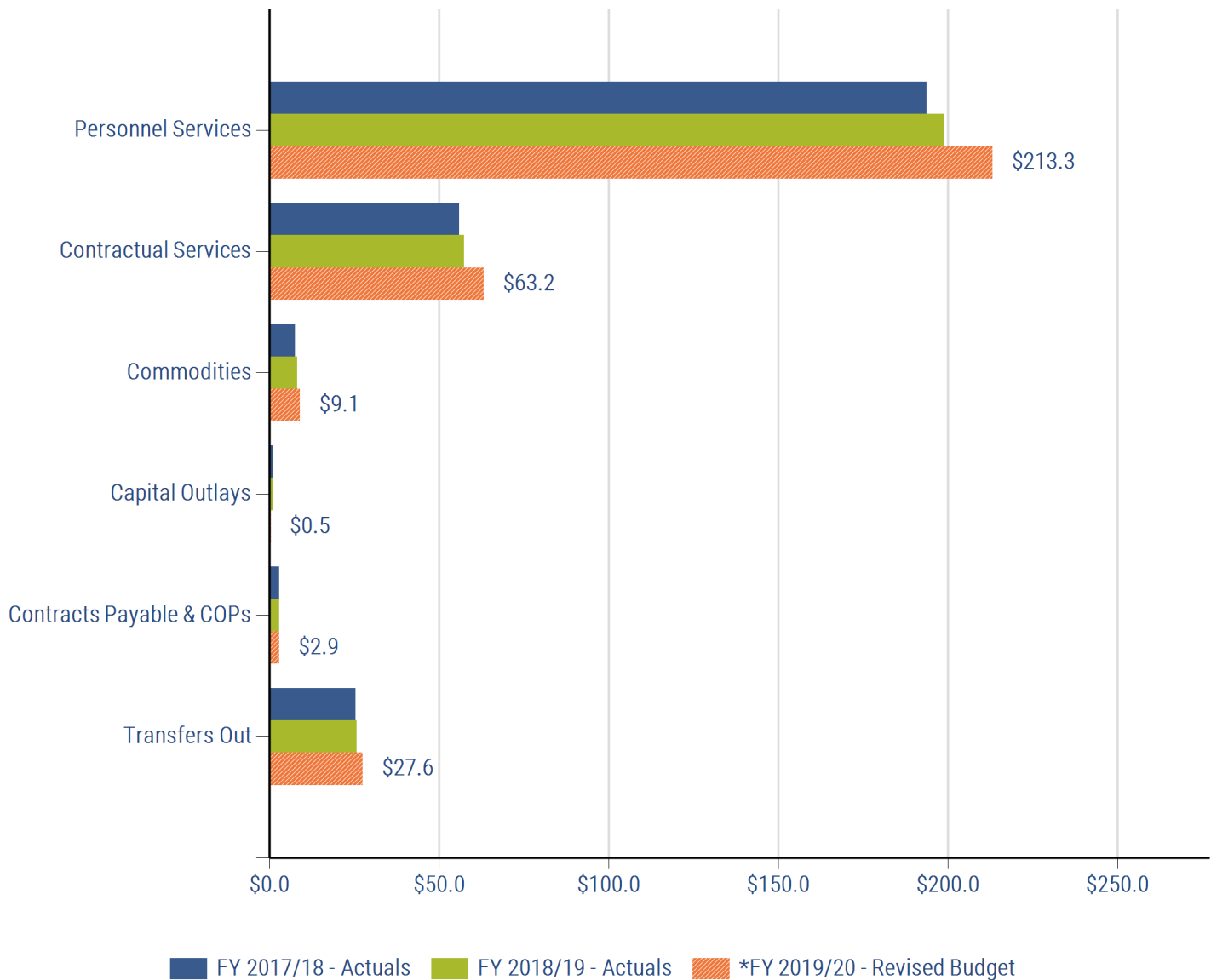
	<u>FY 2017/18 Actuals</u>	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2019/20 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount      Percent</u>	
Special Revenue Funds	\$0.2	\$2.7	\$2.7	\$2.7	\$ -	-
Debt Service	-	-	0.3	-	0.3	n/a
CIP	-	0.1	-	-	-	-
Tourism Development Fund	1.6	-	-	-	-	-
Enterprise Franchise Fees	5.7	5.6	6.0	5.9	0.1	1%
<b>Transfers In Total</b>	<b>\$7.6</b>	<b>\$8.5</b>	<b>\$9.0</b>	<b>\$8.6</b>	<b>\$0.4</b>	<b>5%</b>



# Uses

## General Fund

### Twelve Months: Fiscal Year

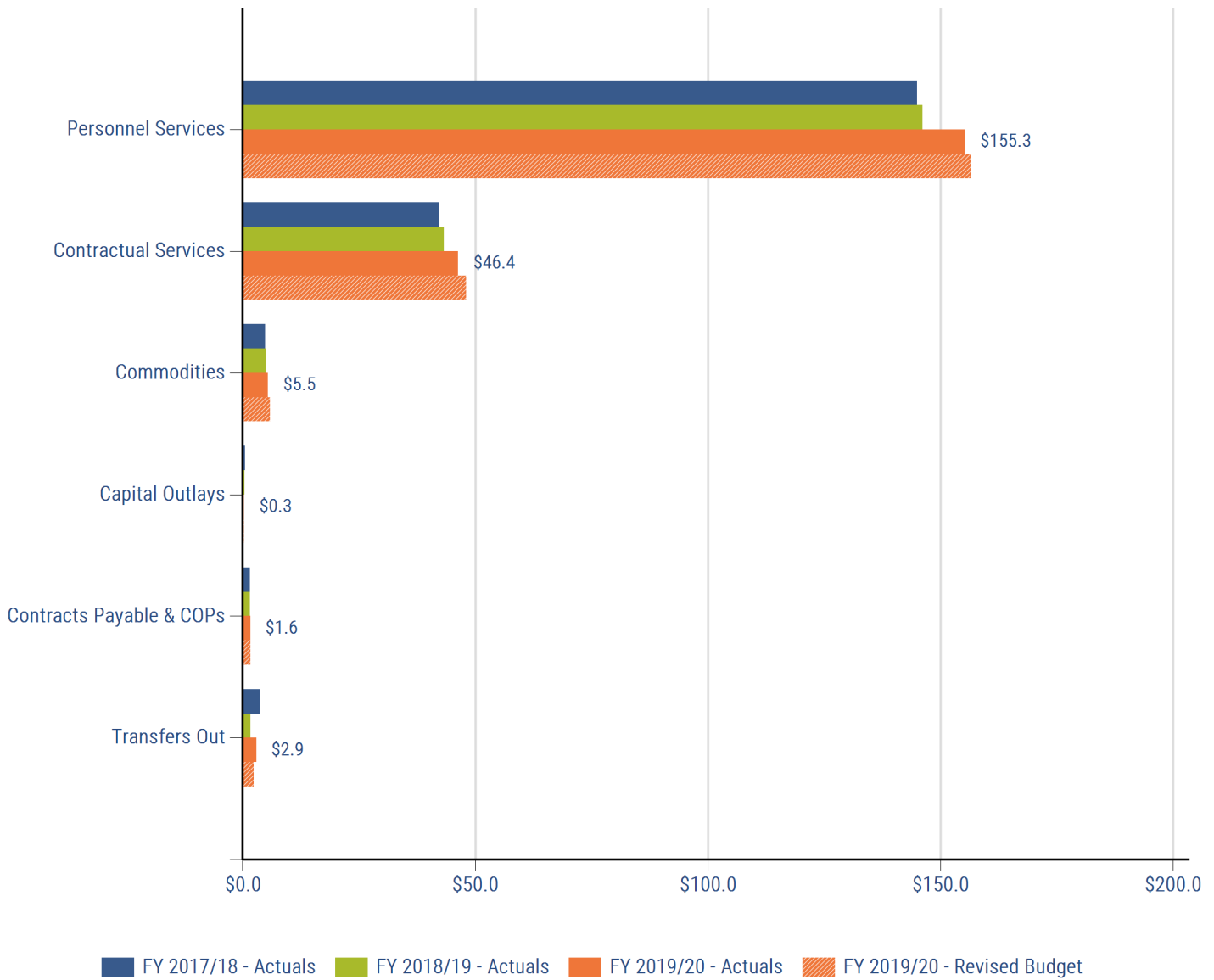


	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Revised Budget</u>
Personnel Services	\$193.7	\$198.9	\$213.3
Contractual Services	56.0	57.4	63.2
Commodities	7.6	8.3	9.1
Capital Outlays	1.0	1.0	0.5
Contracts Payable & COPs	2.9	2.9	2.9
Transfers Out	25.4	25.8	27.6
<b>Total Uses</b>	<b>\$286.6</b>	<b>\$294.3</b>	<b>\$316.5</b>

\*Includes budgeted vacancy savings net of Leave Accrual Payouts, Pay Program, Compensation Adjustments, Utilities, Fleet Maintenance and Fuel costs.



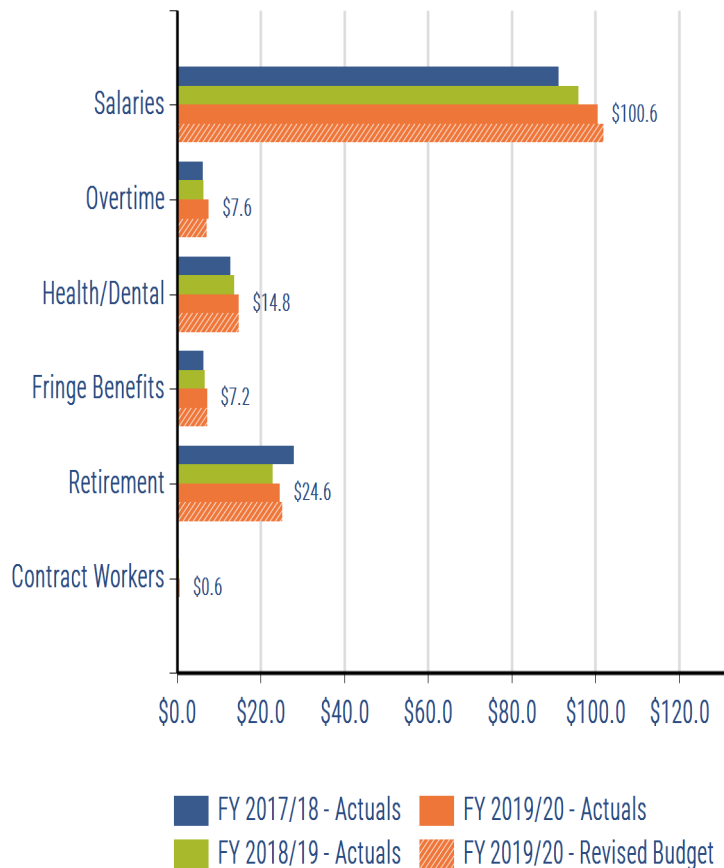
Uses (Fiscal Year to Date: March 2020)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$145.0	\$146.2	\$155.3	\$156.6	\$1.3	1%
Contractual Services	42.2	43.3	46.4	48.0	1.7	3%
Commodities	4.8	5.0	5.5	5.8	0.4	7%
Capital Outlays	0.5	0.4	0.3	0.3	0.1	15%
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	3.8	1.7	2.9	2.4	(0.5)	(20%)
<b>Total Uses</b>	<b>\$197.9</b>	<b>\$198.2</b>	<b>\$212.0</b>	<b>\$214.9</b>	<b>\$2.9</b>	<b>1%</b>



Personnel Services (Fiscal Year to Date: March 2020)



**Actual to Revised Budget variance of \$1.3 million or 1%:** Salaries is favorable mainly due to rank promotions in Public Safety – Police with replacement employees coming in at a lower rate than the person who was promoted, Community Services employees being promoted or retiring with replacement employees coming in at a lower rate, vacant positions in the City Attorney’s Division (vacancy savings is not swept for the City Attorney) and vacant part time positions in Community Services. Overtime is unfavorable due to higher than expected special event and holiday overtime needs in Public Safety – Police and Public Safety – Fire, paramedics leaving and needing to be replaced by someone else with paramedic status and firefighters on leave for injuries and FMLA resulting in other firefighters needing to come in to fully staff apparatuses. Retirement is favorable primarily due to overall PSPRS expenses being lower than estimated as a result of less experienced employees replacing retirees who were more of a burden on the retirement system. It is also related to the actual payment being lower than estimated for one-time Public Safety Retirement refund, including interest, to those sworn personnel who contributed to retirement unnecessarily while participating in the Deferred Retirement Option Plan (DROP). Contract Workers is unfavorable mainly due to an IT employee with a specific skillset retiring then coming back as a contract worker and the need for Planning & Development Services to hire consultants to cover an increase in permit and review activity.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Salaries	\$91.2	\$96.0	\$100.6	\$102.0	\$1.4	1%
Overtime	6.2	6.4	7.6	7.1	(0.5)	(7%)
Health/Dental	12.7	13.7	14.8	14.7	(0.1)	0%
Fringe Benefits	6.4	6.7	7.2	7.3	0.1	1%
Retirement	28.0	22.9	24.6	25.1	0.5	2%
Contract Workers	0.4	0.5	0.6	0.4	(0.2)	(45%)
<b>Personnel Services Total</b>	<b>\$145.0</b>	<b>\$146.2</b>	<b>\$155.3</b>	<b>\$156.6</b>	<b>\$1.3</b>	<b>1%</b>

Personnel Services Macro Adjustments

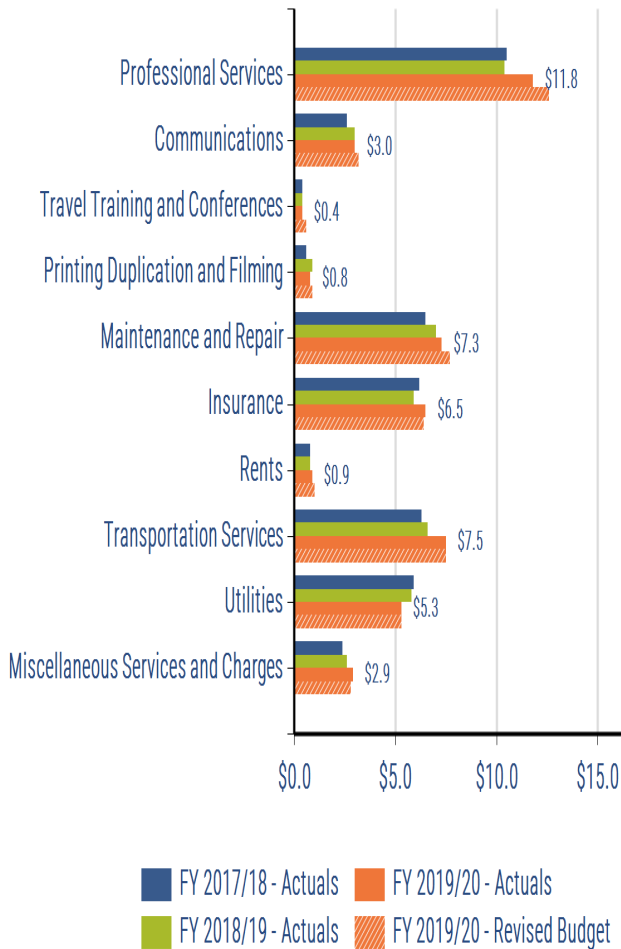
	FY 2019/20 Adopted Budget	FY 2019/20 Year-To-Date	
		Saved/(Used)	Remaining
Citywide Pay Program	\$3.7	(\$3.7)	\$ -
Vacancy Savings	(5.8)	4.7	(1.1)
Medical Leave Payouts	1.4	(0.9)	0.5
Vacation Leave Payouts	0.7	(0.6)	0.1
Vacation Trade Payouts	0.7	(0.7)	-
Compensation Other	5.2	(5.2)	0.1
PSPRS DROP Savings	-	0.4	0.4
<b>Personnel Services Macro Adjustments Total</b>	<b>\$6.0</b>	<b>(\$5.9)</b>	<b>\$0.1</b>

**Total Saved/(Used) YTD of (\$5.9) million:** The city has achieved \$4.7 million in vacancy savings year-to-date offset by (\$1.5) million in vacation and medical leave payouts. In July, the Pay Programs and the implementation of the second year of Classification and Compensation Study (Compensation Other) were funded.

\$ in millions / rounding differences may occur



**Contractual Services (Fiscal Year to Date: March 2020)**



**Actual to Revised Budget variance of \$1.7 million or 3%:**

Professional Services is favorable mainly due to the timing of invoices and payments of city related membership dues and fees, lower than expected expenses related to armored car services in the City Treasurer, the Expedited Review Program in the Planning & Development Department and the Photo Enforcement contract in Public Safety – Police. It is also due to less than anticipated jail occupancy. The favorable variance would have been greater but is being offset by higher than expected custodial services contract costs and greater than anticipated costs related to workforce transition and strategic planning. Communications is favorable due to lower postage & shipping costs in the City Treasurer. Travel Training and Conferences is favorable due to fewer trainings and conferences being attended through this point in the fiscal year than expected. The favorable variance in Printing Duplication and Filming is mostly due to lower than planned printing and graphics services needed in the City Treasurer Division. Rents is favorable due to lower than expected machinery and equipment rentals in Community Services and Administrative Services. The favorable variance in Maintenance and Repair is primarily due to the deferment of Public Works Division projects to FY 2020/21 due to COVID-19, the timing of the purchase of a new learning management software and a delay in the implementation of a radio project in Administrative Services, the timing of invoices, lower software maintenance fees and delays in facilities and baseball related projects. The favorable variance would have been greater but is partially offset by unbudgeted software purchased in Public Safety– Fire to assist with the anticipated large retirement in the next five years and higher than expected costs associated with access control repair and replacement of security doors throughout the city. Miscellaneous Services and Charges is showing a slight unfavorable variance but there is really a large unfavorable variance primarily due to Maricopa County administration fees associated with the 2019 Bond Election being almost completely offset by a favorable variance due to a larger than expected chargeback to the Risk Management Fund for fees collected from other departments and lower than expected legal fees in City Attorney.

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Professional Services	\$10.5	\$10.4	\$11.8	\$12.6	\$0.7	6%
Communications	2.6	3.0	3.0	3.2	0.2	5%
Travel Training and Conferences	0.4	0.4	0.4	0.6	0.2	32%
Printing Duplication and Filming	0.6	0.9	0.8	0.9	0.1	11%
Maintenance and Repair	6.5	7.0	7.3	7.7	0.5	6%
Insurance	6.2	5.9	6.5	6.4	-	-
Rents	0.8	0.8	0.9	1.0	0.1	8%
Transportation Services	6.3	6.6	7.5	7.5	-	-
Utilities	5.9	5.8	5.3	5.3	-	-
Miscellaneous Services and Charges	2.4	2.6	2.9	2.8	(0.1)	(2%)
<b>Contractual Services Total</b>	<b>\$42.2</b>	<b>\$43.3</b>	<b>\$46.4</b>	<b>\$48.0</b>	<b>\$1.7</b>	<b>3%</b>

**Contractual Services Macro Adjustments**

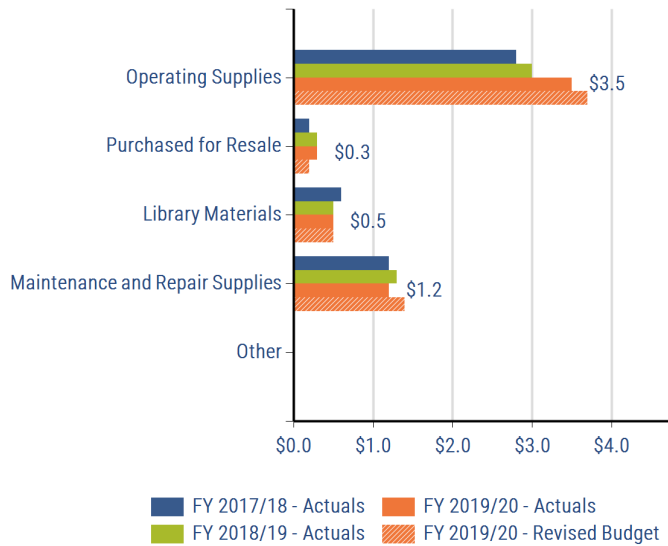
	FY 2019/20	FY 2019/20	
	Adopted Budget	Year-To-Date Used	Remaining
Fuel and Maint and Repair	\$5.2	(\$3.7)	\$1.4
Utilities	8.5	(5.3)	3.2
<b>Contractual Services Macro Adjustments Total</b>	<b>\$13.7</b>	<b>(\$9.1)</b>	<b>\$4.6</b>

**Total Saved/(Used) YTD of (\$9.1) million:** Utilities and new in FY 2019/20, Fuel and Maint and Repair are budgeted on a macro level. Budgeting on a macro level is a tool used by the Budget Department to more accurately track how expenses are occurring by each Division.

\$ in millions / rounding differences may occur



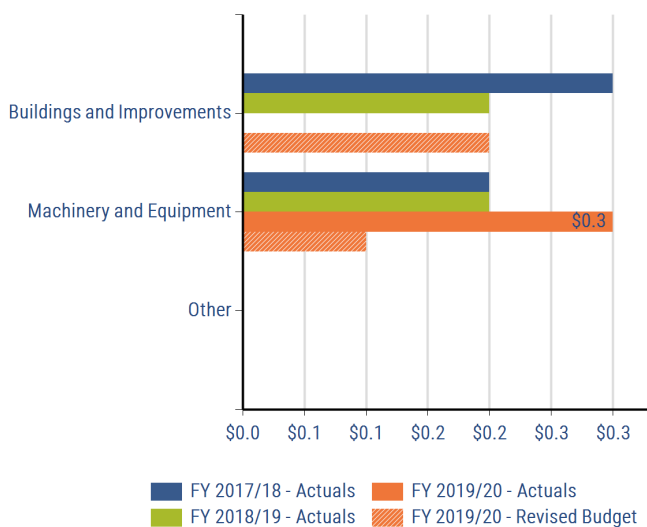
Commodities (Fiscal Year to Date: March 2020)



**Actual to Revised Budget variance of \$0.4 million or 7%:** Operating Supplies is favorable primarily due to the lower need to purchase office supplies, furniture & equipment, and education & recreation supplies in Community Services. These areas are expected to have year end savings due to COVID-19 and the current economic state. Purchased for Resale is unfavorable due to WestWorld supplies for resale being purchased ahead of schedule. Maintenance and Repair Supplies is favorable due to the timing of the purchase of Public Safety – Fire equipment, and cost savings on materials for Facilities projects.

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$2.8	\$3.0	\$3.5	\$3.7	\$0.2	6%
Purchased for Resale	0.2	0.3	0.3	0.2	(0.1)	(27%)
Library Materials	0.6	0.5	0.5	0.5	-	-
Maintenance and Repair Supplies	1.2	1.3	1.2	1.4	0.2	14%
Other	-	-	-	-	-	-
<b>Commodities Total</b>	<b>\$4.8</b>	<b>\$5.0</b>	<b>\$5.5</b>	<b>\$5.8</b>	<b>\$0.4</b>	<b>7%</b>

Capital Outlays (Fiscal Year to Date: March 2020)



**Actual to Revised Budget variance of \$0.1 million or 15%:** Buildings and Improvements is favorable due to cost savings on equipment for Facilities projects. Machinery and Equipment is unfavorable primarily due to the unexpected need to purchase IT equipment.

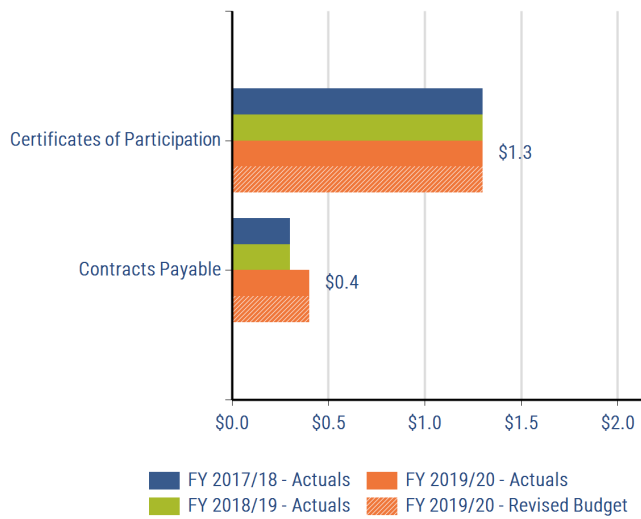
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$0.3	\$0.2	\$ -	\$0.2	\$0.2	78%
Machinery and Equipment	0.2	0.2	0.3	0.1	(0.1)	(74%)
Other	-	-	-	-	-	-
<b>Capital Outlays Total</b>	<b>\$0.5</b>	<b>\$0.4</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$0.1</b>	<b>15%</b>

\$ in millions / rounding differences may occur



**Contracts Payable & COPs (Fiscal Year to Date: March 2020)**

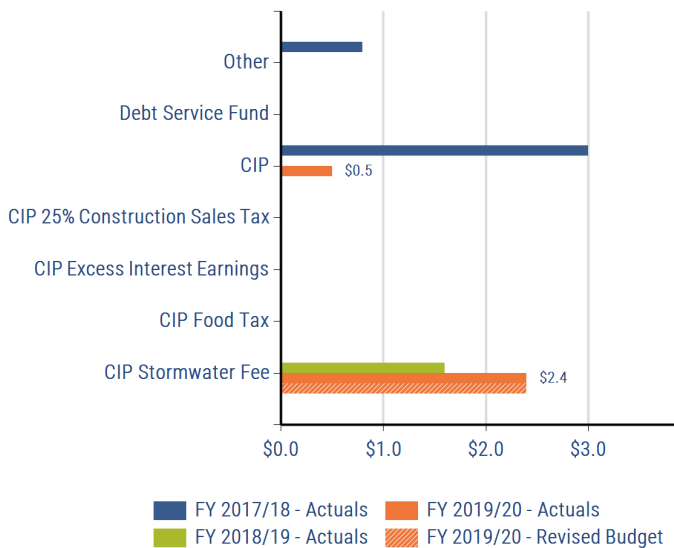
Actual to Revised Budget variance of \$0.0 million or 0%:  
No explanation necessary.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 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	\$0.4	\$0.4	\$ -	-
<b>Contracts Payable &amp; COPs Total</b>	<b>\$1.6</b>	<b>\$1.6</b>	<b>\$1.6</b>	<b>\$1.6</b>	<b>\$ -</b>	<b>-</b>

**Transfers Out (Fiscal Year to Date: March 2020)**

Actual to Revised Budget variance of (\$0.5) million or (20%):  
The unfavorable variance in CIP is due to operating budget monies being transferred to the CIP for: 1) the reclassification of the McCormick-Stillman Railroad Park Restroom project from an Operating Project to a capital project as the costs were carried over from FY 2018/19 into FY 2019/20; and 2) unforeseen costs related to the Jail Dormitory project construction.



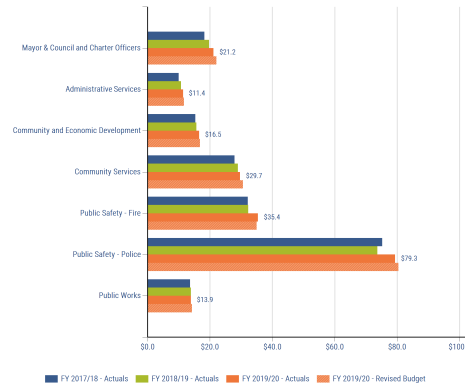
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Other	\$0.8	\$ -	\$ -	\$ -	\$ -	-
Debt Service Fund	-	-	-	-	-	-
CIP	3.0	-	0.5	-	(0.5)	n/a
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
CIP Stormwater Fee	-	1.6	2.4	2.4	-	-
<b>Transfers Out Total</b>	<b>\$3.8</b>	<b>\$1.7</b>	<b>\$2.9</b>	<b>\$2.4</b>	<b>(\$0.5)</b>	<b>(20%)</b>

\$ in millions / rounding differences may occur





Division Expenditures (Fiscal Year to Date: March 2020)



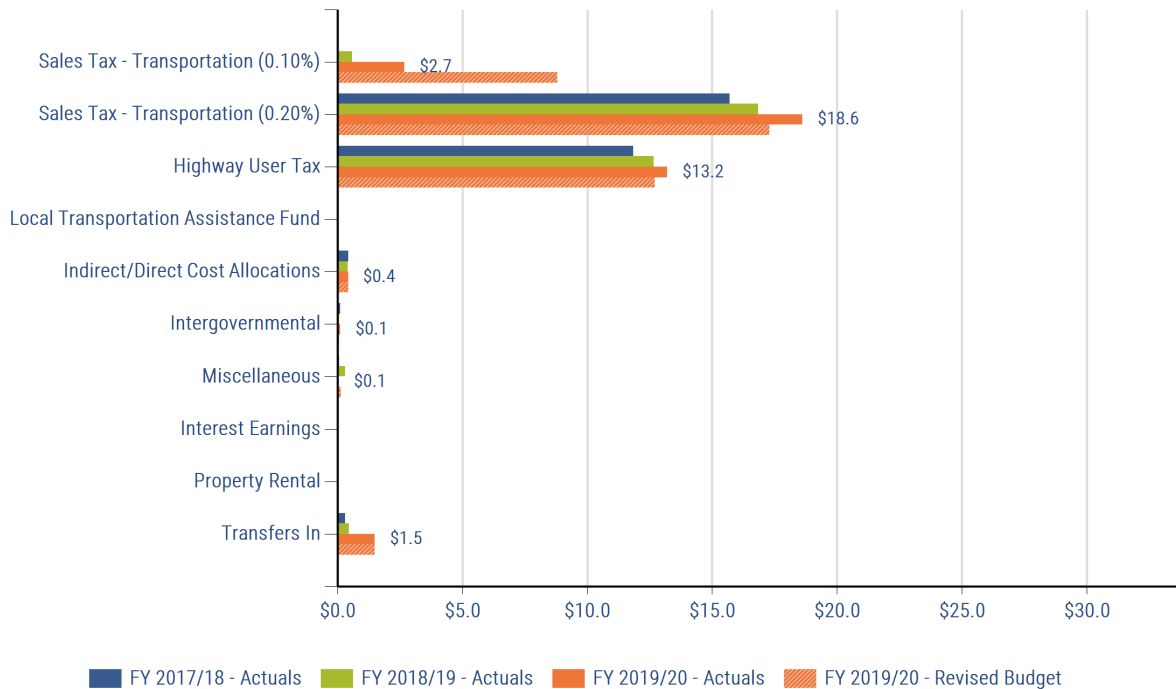
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$18.3	\$19.7	\$21.2	\$22.1	\$0.9	4%
Administrative Services	10.0	10.8	11.4	11.7	0.3	3%
Community and Economic Development	15.3	15.7	16.5	16.8	0.2	1%
Community Services	27.9	28.9	29.7	30.6	0.9	3%
Public Safety - Fire	32.2	32.3	35.4	35.0	( 0.4)	(1%)
Public Safety - Police	75.2	73.6	79.3	80.4	1.1	1%
Public Works	13.6	13.9	13.9	14.2	0.3	2%
<b>Total</b>	<b>\$192.5</b>	<b>\$194.9</b>	<b>\$207.4</b>	<b>\$210.8</b>	<b>\$3.4</b>	<b>2%</b>

**Actual to Revised Budget variance of \$3.4 million or 2%:** Mayor & Council and Charter Officers is favorable mainly due to lower than expected armored car, postage, shipping and printing costs and the timing of software expenses in the City Treasurer Division. It is also related to the timing of invoices and payments of city related membership dues and fees in the City Manager Division and vacant positions and lower than expected legal fees, travel training conference fees and larger than expected chargebacks to the Risk Management Fund in the City Attorney's Division. The favorable variance would have been greater but is being partially offset by unbudgeted printing, postage and Maricopa County administration fees associated with the 2019 Bond Election. Administrative Services is favorable primarily due to the timing of the purchase of a new learning management software and a delay in the implementation of a radio project. The variance is partly offset by higher than anticipated costs for security software and an IT employee with a specific skillset retiring then coming back as a contract worker. Community and Economic Development is favorable due to lower than expected expenses related to the Expedited Review Program in the Planning and Development Department. The favorable variance would have been greater but is being partially offset by the need to hire consultants to cover the increase in permit and review activity in the Planning and Development Department. Community Services is favorable due to the timing of invoices, including those for professional services, field maintenance, professional baseball, software and license maintenance and the delay of projects. It is also related to more than anticipated vacant part time positions, positions that were vacated and then filled by a replacement at a lower salary and a lower than expected need to purchase office supplies, furniture, educational supplies and equipment. Public Safety – Fire is unfavorable due primarily to higher than expected special event staffing needs, unbudgeted overtime costs associated with paramedics leaving and needing to be replaced by someone else with paramedic status, firefighters on leave for injuries and FMLA resulting in other firefighters needing to come in to fully staff apparatuses. It is also due to unbudgeted purchases of software and consulting services to assist with the anticipated large retirement in the next five years and higher than expected workforce transition and strategic planning costs. The unfavorable variance would have been greater but is being partially offset by the timing of small equipment purchases. Public Safety – Police is favorable due to rank promotions with replacement employees coming in at a lower rate than the person who was promoted, the timing of invoices, overall PSPRS costs being less than anticipated, lower than planned costs related to the photo radar contract, and less than forecasted jail occupancy. It is also related to the actual payment being lower than estimated for one-time Public Safety Retirement refund, including interest, to those sworn personnel who contributed to retirement unnecessarily while participating in the Deferred Retirement Option Plan (DROP). The favorable variance is being partially offset by the timing of invoices and software maintenance and higher than expected maintenance costs related to access control and citywide building security upgrades. Public Works is favorable due to savings in the cost of materials being purchased for Facilities projects and projects deferred to FY 2020/21 due to COVID-19 response and restrictions at this time. The variance would have been larger but is being offset by the timing of invoices and increased contract costs related to Custodial Services.

\$ in millions / rounding differences may occur



Sources (Fiscal Year to Date: March 2020)



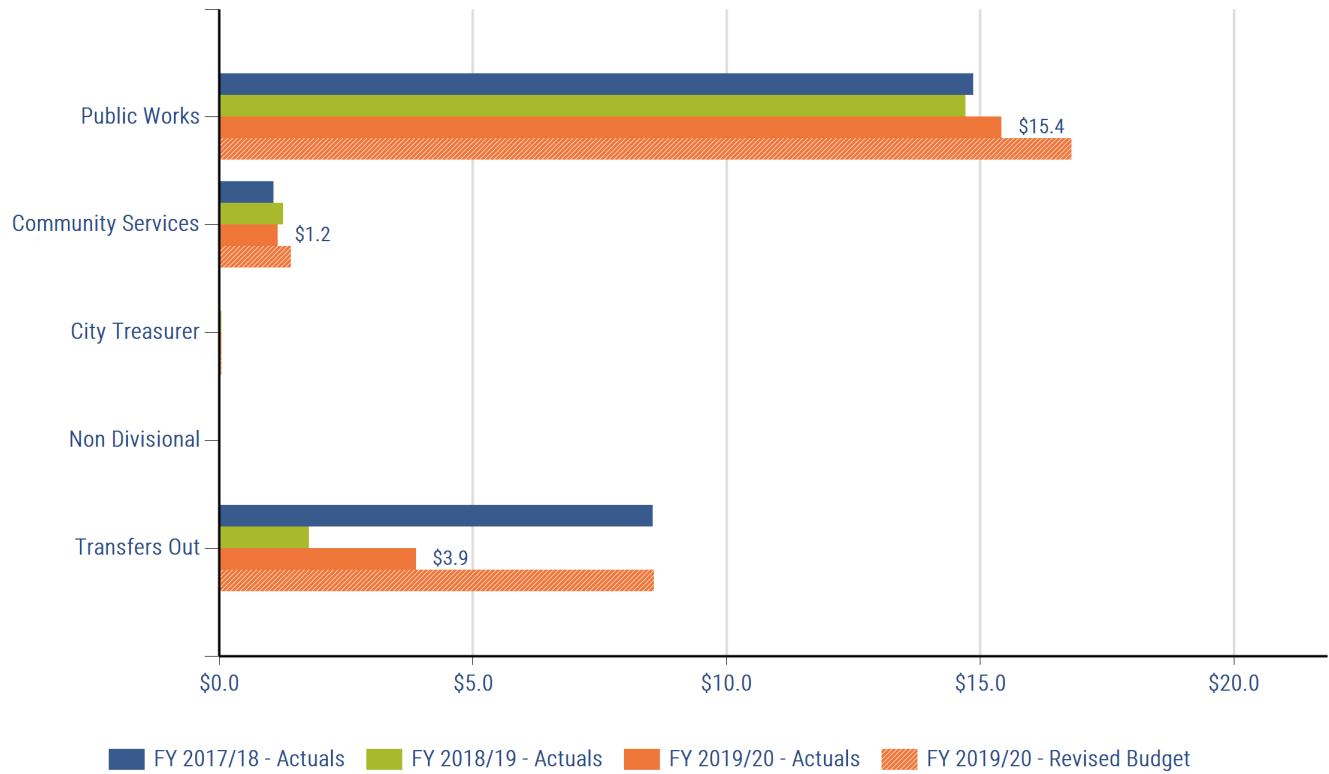
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax - Transportation (0.10%)	\$ -	\$0.6	\$2.7	\$8.8	(\$6.1)	(70%)
Sales Tax - Transportation (0.20%)	\$15.7	\$16.8	\$18.6	\$17.3	\$1.3	8%
Highway User Tax	11.8	12.7	13.2	12.7	0.5	4%
Local Transportation Assistance Fund	-	-	-	-	-	-
Indirect/Direct Cost Allocations	0.4	0.4	0.4	0.4	-	-
Intergovernmental	0.1	0.1	0.1	0.1	-	-
Miscellaneous	0.1	0.3	0.1	0.1	(0.1)	(60%)
Interest Earnings	-	-	-	-	-	-
Property Rental	-	-	-	-	-	-
Transfers In	0.3	0.5	1.5	1.5	-	-
<b>Total Sources</b>	<b>\$28.5</b>	<b>\$31.3</b>	<b>\$36.6</b>	<b>\$40.9</b>	<b>(\$4.3)</b>	<b>(11%)</b>

**Actual to Revised Budget variance of (\$4.3) million or (11%):**

The unfavorable variance in Sales Tax – Transportation (0.10%) is due to an accounting change on how the revenue is booked. Starting in October 2019, revenue began being posted directly within the CIP Sales Tax - Transportation (0.10%) Fund rather than Operating Sales Tax - Transportation (0.10%) Fund and then transferred to CIP. While Sales Tax - Transportation (0.20%) variances are now more often derived from revenue fluctuations within individual Sales Tax categories, Sales Tax can still be influenced by the unpredictability of the timing in collection by Arizona Department of Revenue. The favorable variance is also due in part to receiving a fifth payment in March as opposed to an anticipated four payments. See page 5 for explanations by category. Highway User Tax is favorable due to an unbudgeted, one-time payment from the State of Arizona for a Streets & Highways Allocation surplus that was distributed to cities and towns throughout the state. Also contributing to the favorable variance is greater than anticipated Vehicle License Tax and higher fuel revenues received than what was anticipated by the League of Arizona Cities and Towns. Miscellaneous is unfavorable due to the timing of the City of Phoenix reconciliation for missed or late routes, and fuel adjustment.



Uses (Fiscal Year to Date: March 2020)



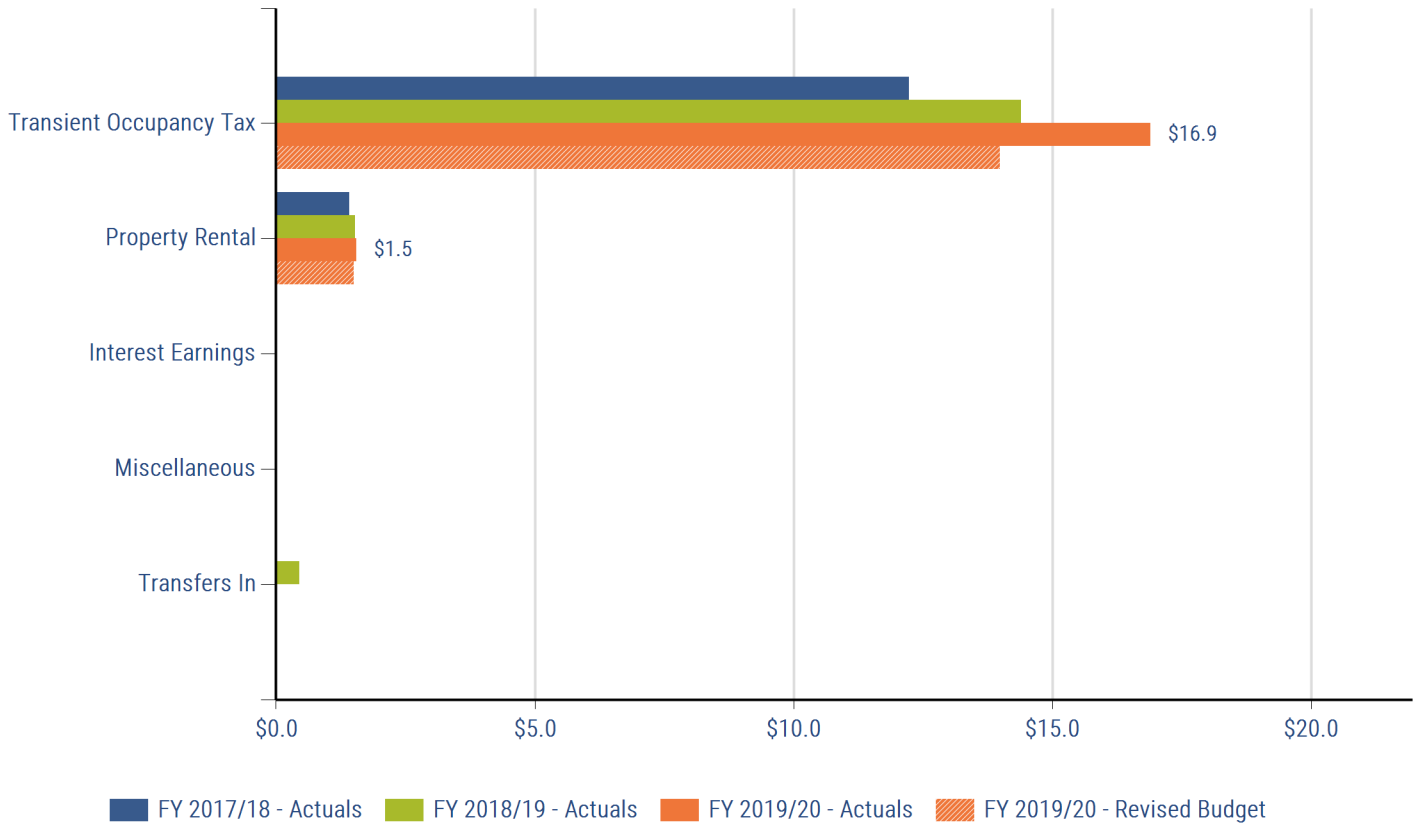
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$14.9	\$14.7	\$15.4	\$16.8	\$1.4	8%
Community Services	1.1	1.3	1.2	1.4	0.3	19%
City Treasurer	-	-	-	-	-	-
Non Divisional	-	-	-	-	-	-
Transfers Out	8.5	1.8	3.9	8.6	4.7	55%
<b>Total Uses</b>	<b>\$24.5</b>	<b>\$17.8</b>	<b>\$20.5</b>	<b>\$26.8</b>	<b>\$6.3</b>	<b>24%</b>

**Actual to Revised Budget variance of \$6.3 million or 24%:**

The favorable variance in Public Works is primarily related to a reconciliation awarded by the City of Phoenix for transit contracts and a reduction in service from Valley Metro as the city's trolley system has expanded. Contributing to the favorable variance is the savings in materials for maintenance and repairs as well as dust palliative cycle and lighting projects not yet invoiced. The favorable variance would have been greater but is being offset by the completion of additional unbudgeted Street Overlay fiberseal projects. The favorable variance in Community Services is due to a shortage of contracted staff to perform right-of-way maintenance, median landscaping, and storm drain clean-up. Transfers Out is favorable due to an accounting change on how Sales Tax - Transportation (0.10%) is booked. Starting in October 2019, revenue began being posted directly within the CIP Sales Tax - Transportation (0.10%) Fund rather than being placed in Operating Sales Tax - Transportation (0.10%) Fund and then transferred to CIP.



Sources (Fiscal Year to Date: March 2020)



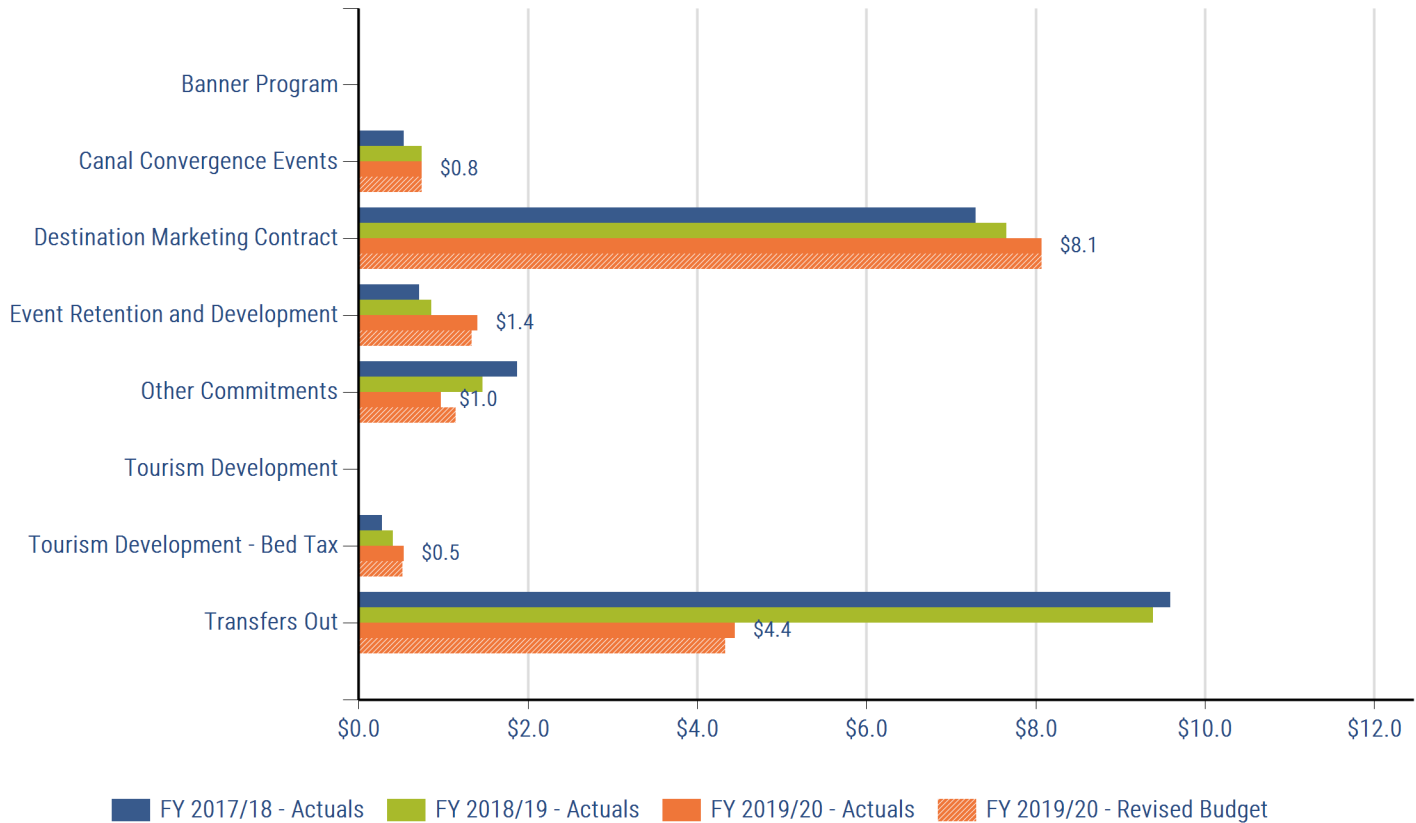
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Transient Occupancy Tax	\$12.2	\$14.4	\$16.9	\$14.0	\$2.9	21%
Property Rental	1.4	1.5	1.5	1.5	-	-
Interest Earnings	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Transfers In	-	0.5	-	-	-	-
<b>Total Sources</b>	<b>\$13.7</b>	<b>\$16.4</b>	<b>\$18.4</b>	<b>\$15.5</b>	<b>\$2.9</b>	<b>19%</b>

**Actual to Revised Budget variance of \$2.9 million or 19%:**

Favorable variance in Transient Occupancy Tax is due to higher than anticipated Transient Occupancy Tax (Bed Tax) collections mostly driven by non-hotel collections (i.e. on-line lodging, hotel alternatives) and the upward trend in the average daily rate.



Uses (Fiscal Year to Date: March 2020)



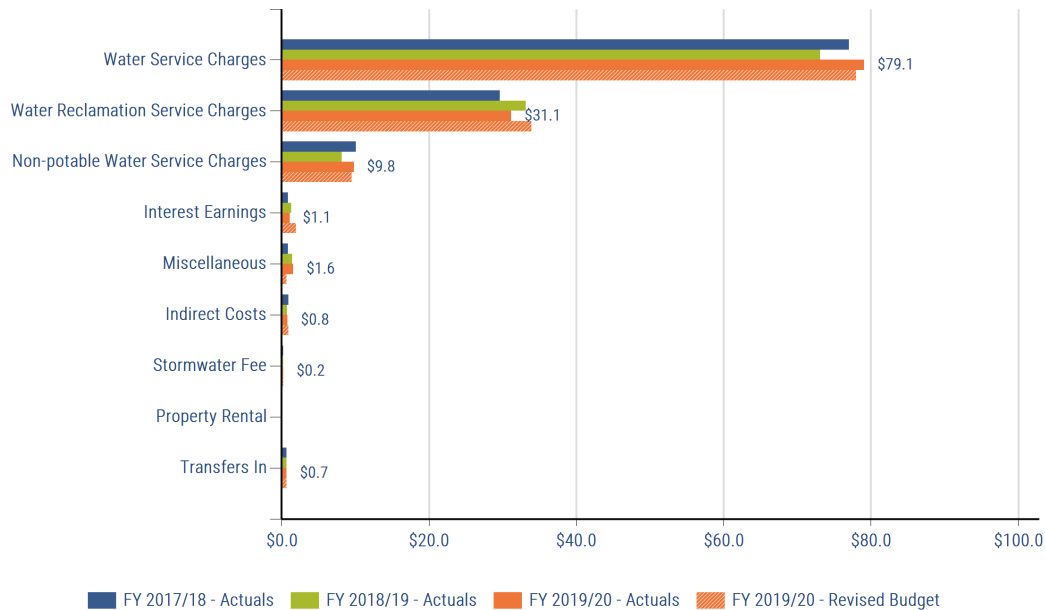
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Banner Program	\$ -	\$ -	\$ -	\$ -	\$ -	-
Canal Convergence Events	0.5	0.8	0.8	0.8	-	-
Destination Marketing Contract	7.3	7.7	8.1	8.1	-	-
Event Retention and Development	0.7	0.9	1.4	1.3	(0.1)	(5%)
Other Commitments	1.9	1.5	1.0	1.1	0.2	15%
Tourism Development	-	-	-	-	-	-
Tourism Development - Bed Tax	0.3	0.4	0.5	0.5	-	-
Transfers Out	9.6	9.4	4.4	4.3	(0.1)	(3%)
<b>Total Uses</b>	<b>\$20.3</b>	<b>\$20.5</b>	<b>\$16.2</b>	<b>\$16.2</b>	<b>\$ -</b>	<b>-</b>

**Actual to Revised Budget variance of \$0.0 million or 0%:**

The unfavorable variance in Event Retention and Development is due to the unpredictability of timing of reimbursement requests from event producers. The favorable variance in Other Commitments is mostly due to timing of events invoices as well as postponing advertising campaigns due to COVID-19.



Sources (Fiscal Year to Date: March 2020)



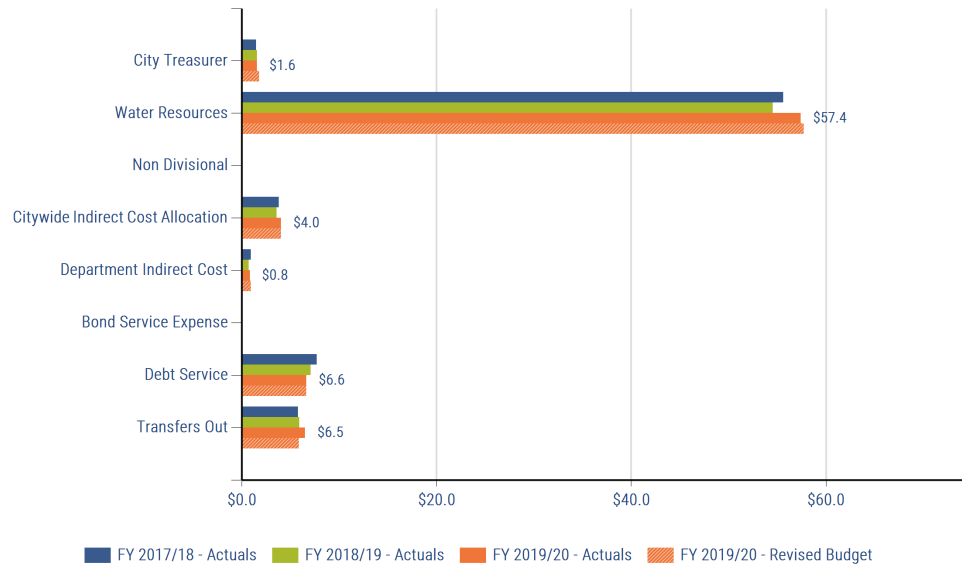
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Water Service Charges	\$77.0	\$73.1	\$79.1	\$78.0	\$1.1	1%
Water Reclamation Service Charges	29.6	33.2	31.1	33.9	( 2.8)	(8%)
Non-potable Water Service Charges	10.1	8.2	9.8	9.5	0.3	4%
Interest Earnings	0.8	1.3	1.1	1.9	( 0.8)	(43%)
Miscellaneous	0.9	1.5	1.6	0.6	0.9	nm
Indirect Costs	0.9	0.7	0.8	0.9	( 0.1)	(12%)
Stormwater Fee	0.2	0.2	0.2	0.2	-	-
Property Rental	-	-	-	-	-	-
Transfers In	0.7	0.7	0.7	0.7	-	-
<b>Total Sources</b>	<b>\$120.4</b>	<b>\$118.9</b>	<b>\$124.5</b>	<b>\$125.9</b>	<b>(\$1.3)</b>	<b>(1%)</b>

Actual to Revised Budget variance of (\$1.3) million or (1%):

The favorable variance in Water Service Charges is driven by higher than expected customer growth and usage, meter sales and water deliveries which are coming in above the four-year running average in Scottsdale. It is also related to higher than expected sales of water to Carefree Water Utility Company and a higher than projected cost to install water meter service lines, resulting in additional revenue. Additionally, the budget did not account for disconnect fees which are trending higher than the four-year average. Finally, the budget was determined using an incorrect forecast that did not take into account an out of city surcharge rate increase which took effect in FY 2017/18. Water Reclamation Service Charges is unfavorable due to a lower than expected number of new sewer customer billings and lower deliveries than budgeted. The budget was based on previous winter deliveries. This unfavorable variance is expected to continue through the fiscal year, so a forecast adjustment has been performed to reflect this. Non-potable Water Service Charges is favorable primarily due to unbudgeted contractual settlements for the Reclaimed Water Distribution System (RWDS) and the Irrigation Water Distribution System (IWDS). The favorable variance would have been greater but is being offset by reductions in treated water deliveries when compared to the same period in FY 2019/20 due to the wet winter. Interest Earnings is unfavorable due to yields coming in below what was budgeted at this point in the fiscal year due to lower than anticipated interest rates in the fixed income market. Miscellaneous is favorable due to the reimbursement of the rehabilitation of the Central Groundwater Treatment Facility (CGTF) driven by unforeseen degradation of equipment and structures and contractual savings related to the amount of recharged water in the Salt River Project's Groundwater Savings Facility. Indirect Costs is unfavorable due to lower than forecasted indirect charges.



**Uses (Fiscal Year to Date: March 2020)**



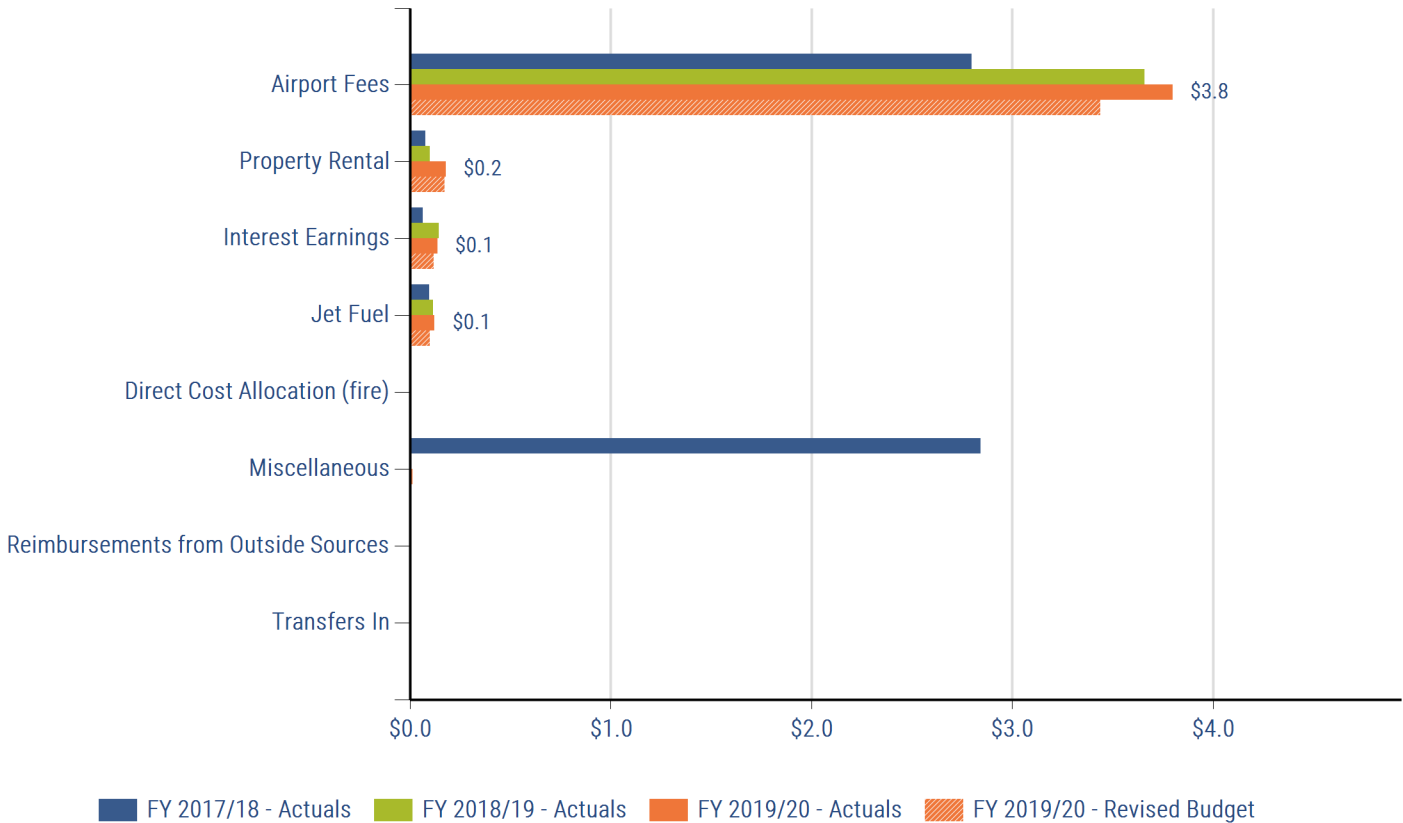
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
City Treasurer	\$1.5	\$1.6	\$1.6	\$1.8	\$0.2	13%
Water Resources	55.6	54.5	57.4	57.7	0.3	1%
Non Divisional	-	-	-	-	-	-
Citywide Indirect Cost Allocation	3.8	3.6	4.0	4.0	-	-
Department Indirect Cost	0.9	0.7	0.8	0.9	0.1	12%
Bond Service Expense	-	-	-	-	-	-
Debt Service	7.7	7.1	6.6	6.6	-	-
Transfers Out	5.8	5.9	6.5	5.9	(0.6)	(11%)
<b>Total Uses</b>	<b>\$75.3</b>	<b>\$73.4</b>	<b>\$77.0</b>	<b>\$77.0</b>	<b>\$ -</b>	<b>-</b>

**Actual to Revised Budget variance of \$0.0 million or 0%:**

City Treasurer is favorable primarily due to lower than expected Business Services Department costs than budgeted. Water Resources is favorable primarily due to the Multi-City Water Reclamation Plant FY 2018/19 Settlement of Sewer User Charges being greater than expected. The settlement varies each year and is hard to predict. The favorable variance is also due to lower than planned electric costs, a delay in bringing on contract workers to complete special projects, lower than expected need to purchase treatment filter media, less of need to utilize outside labor costs for the maintenance of machinery and equipment, less use of overtime than planned, and higher than expected energy credits from the Arizona Power Authority agreement. The favorable variance would have been greater, but is being offset by the higher than budgeted need to replace pumps, motors and other equipment, unplanned rehabilitation work performed at the Central Groundwater Treatment Facility (CGTF) due to the quicker than expected degradation of equipment and structures, faster than planned need to purchase mater plan related software, higher than expected outside labor costs related to water and sewer system maintenance, a greater than expected need for treatment chemical purchases, and a billing issue related to a fire hydrant meter at the water campus. Department Indirect Cost is favorable due to lower than forecasted indirect charges. The unfavorable variance in Transfers Out is primarily due to the timing of the McDowell Mountain Golf Recharge Reserve transfers for FY 2019/20 and FY 2018/19, which did not occur as budgeted.



Sources (Fiscal Year to Date: March 2020)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Airport Fees	\$2.8	\$3.7	\$3.8	\$3.4	\$0.4	10%
Property Rental	0.1	0.1	0.2	0.2	-	-
Interest Earnings	0.1	0.1	0.1	0.1	-	-
Jet Fuel	0.1	0.1	0.1	0.1	-	-
Direct Cost Allocation (fire)	-	-	-	-	-	-
Miscellaneous	2.8	-	-	-	-	-
Reimbursements from Outside Sources	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
<b>Total Sources</b>	<b>\$5.9</b>	<b>\$4.0</b>	<b>\$4.2</b>	<b>\$3.8</b>	<b>\$0.4</b>	<b>11%</b>

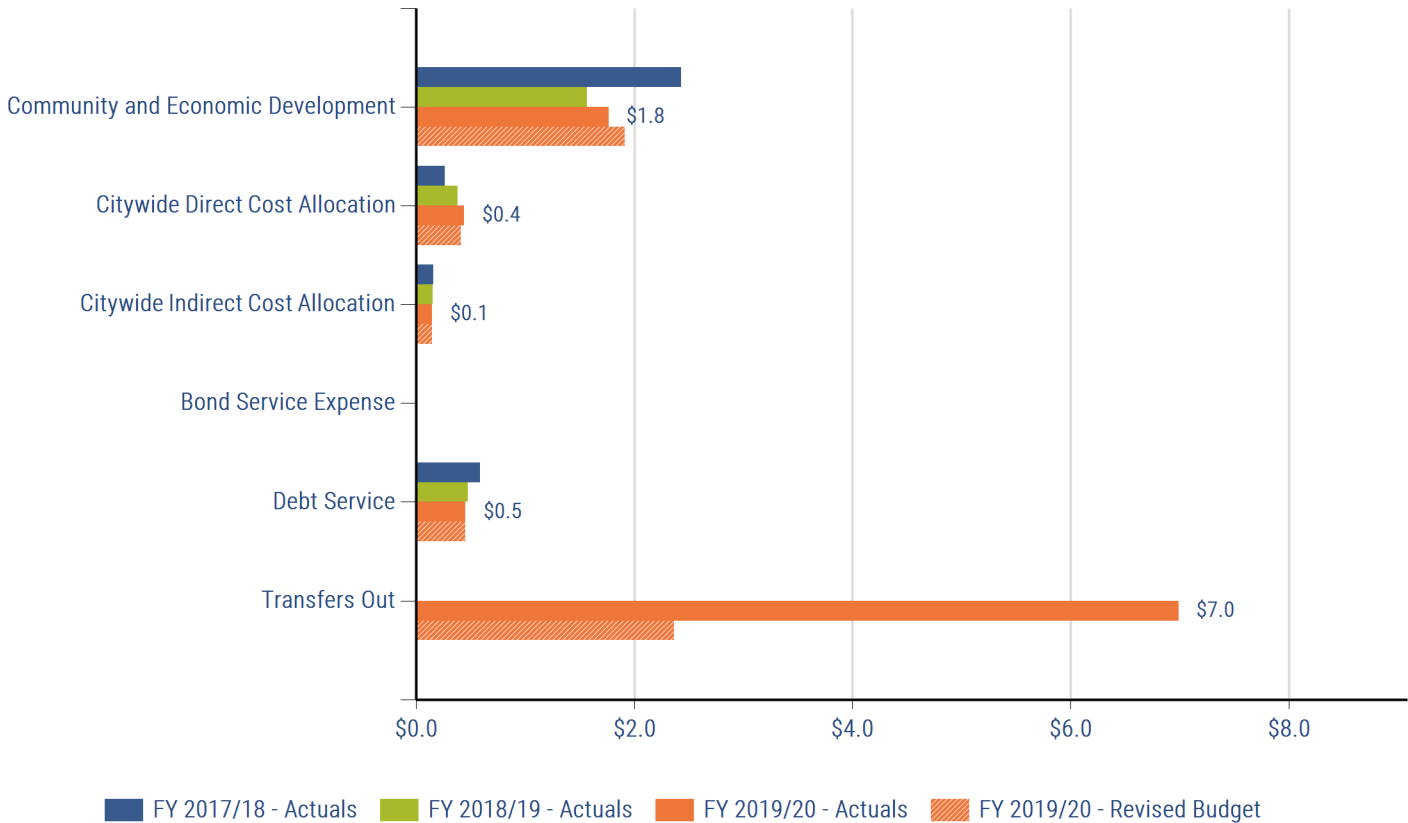
**Actual to Revised Budget variance of \$0.4 million or 11%:**

Favorable variance in Airport Fees is due to more activity at the airport than anticipated reflected mostly in higher than estimated collections for Custom Fees, Transient Landing Fees, and meeting room rental. The increase is partly offset by the airport restaurant not having to pay rent as it not meet the required revenue threshold.





**Uses (Fiscal Year to Date: March 2020)**



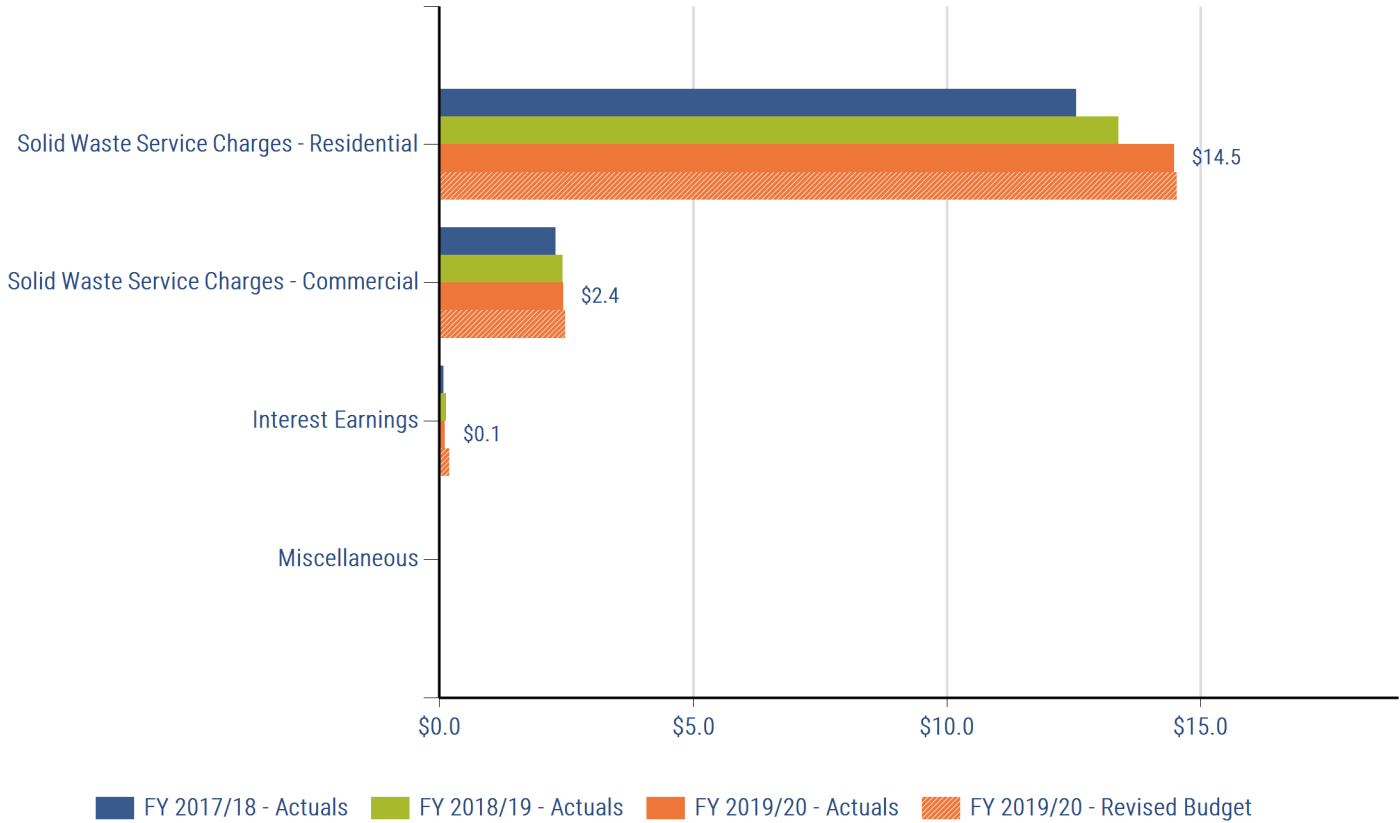
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Community and Economic Development	\$2.4	\$1.6	\$1.8	\$1.9	\$0.2	8%
Citywide Direct Cost Allocation	0.3	0.4	0.4	0.4	-	-
Citywide Indirect Cost Allocation	0.2	0.2	0.1	0.1	-	-
Bond Service Expense	-	-	-	-	-	-
Debt Service	0.6	0.5	0.5	0.5	-	-
Transfers Out	-	-	7.0	2.4	( 4.6)	nm
<b>Total Uses</b>	<b>\$3.5</b>	<b>\$2.6</b>	<b>\$9.8</b>	<b>\$5.3</b>	<b>(\$4.5)</b>	<b>(85%)</b>

**Actual to Revised Budget variance of (\$4.5) million or (85%):**

Favorable variance in Community and Economic Development is mostly due to a delay in the receipt of the quarterly invoice from Customs and Border Protection for two full-time officers. The unfavorable variance in Transfers Out is due to a transfer to the CIP for capital projects related to the Airport that had been budgeted in FY 2018/19, but processed in FY 2019/20.



Sources (Fiscal Year to Date: March 2020)



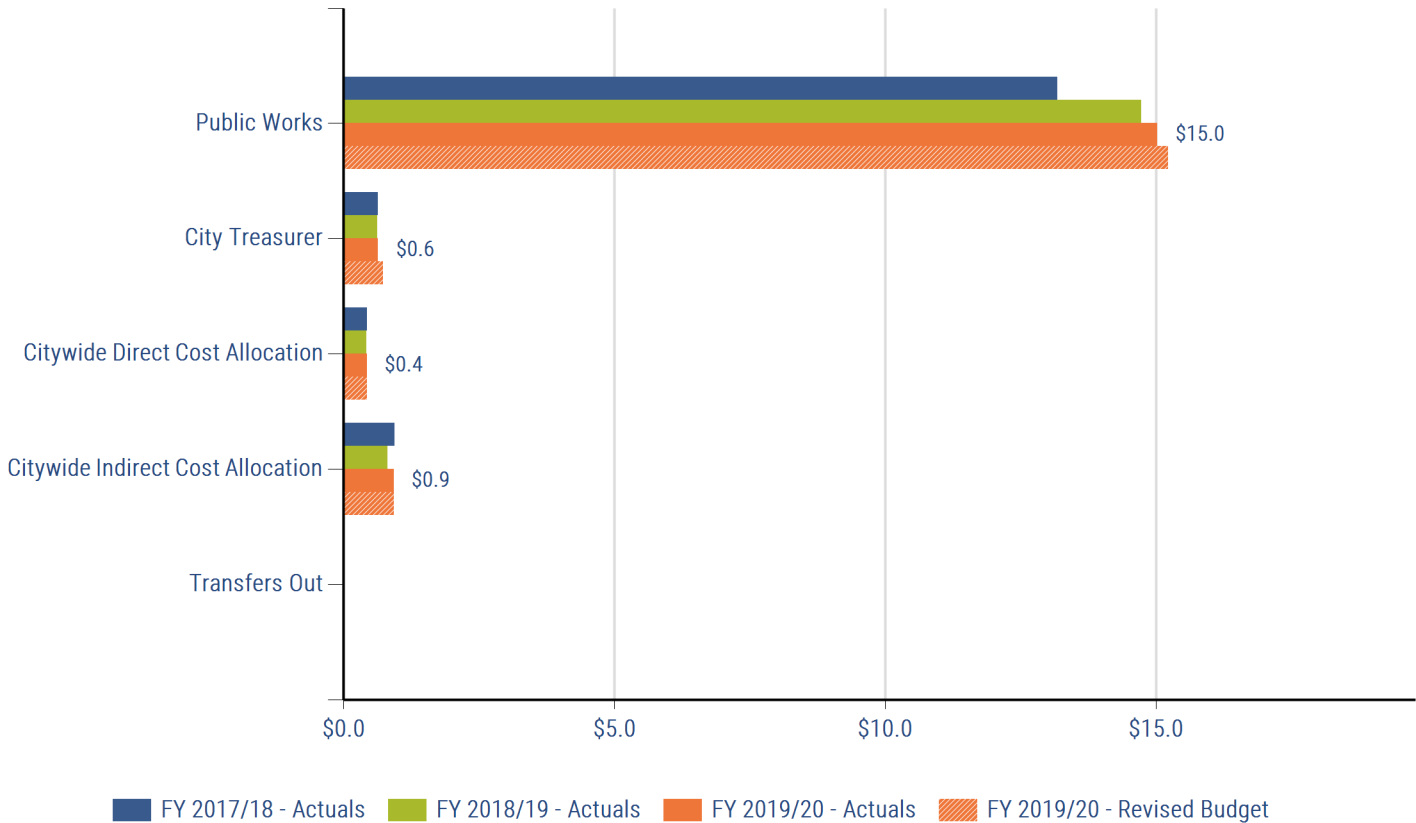
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Solid Waste Service Charges - Residential	\$12.5	\$13.4	\$14.5	\$14.5	(\$0.1)	0%
Solid Waste Service Charges - Commercial	2.3	2.4	2.4	2.5	-	-
Interest Earnings	0.1	0.1	0.1	0.2	(0.1)	(44%)
Miscellaneous	-	-	-	-	-	-
<b>Total Sources</b>	<b>\$14.9</b>	<b>\$15.9</b>	<b>\$17.0</b>	<b>\$17.2</b>	<b>(\$0.2)</b>	<b>(1%)</b>

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

Interest Earnings is unfavorable due to yields coming in below what was budgeted at this point in the fiscal year due to lower than anticipated interest rates in the fixed income market.



Uses (Fiscal Year to Date: March 2020)



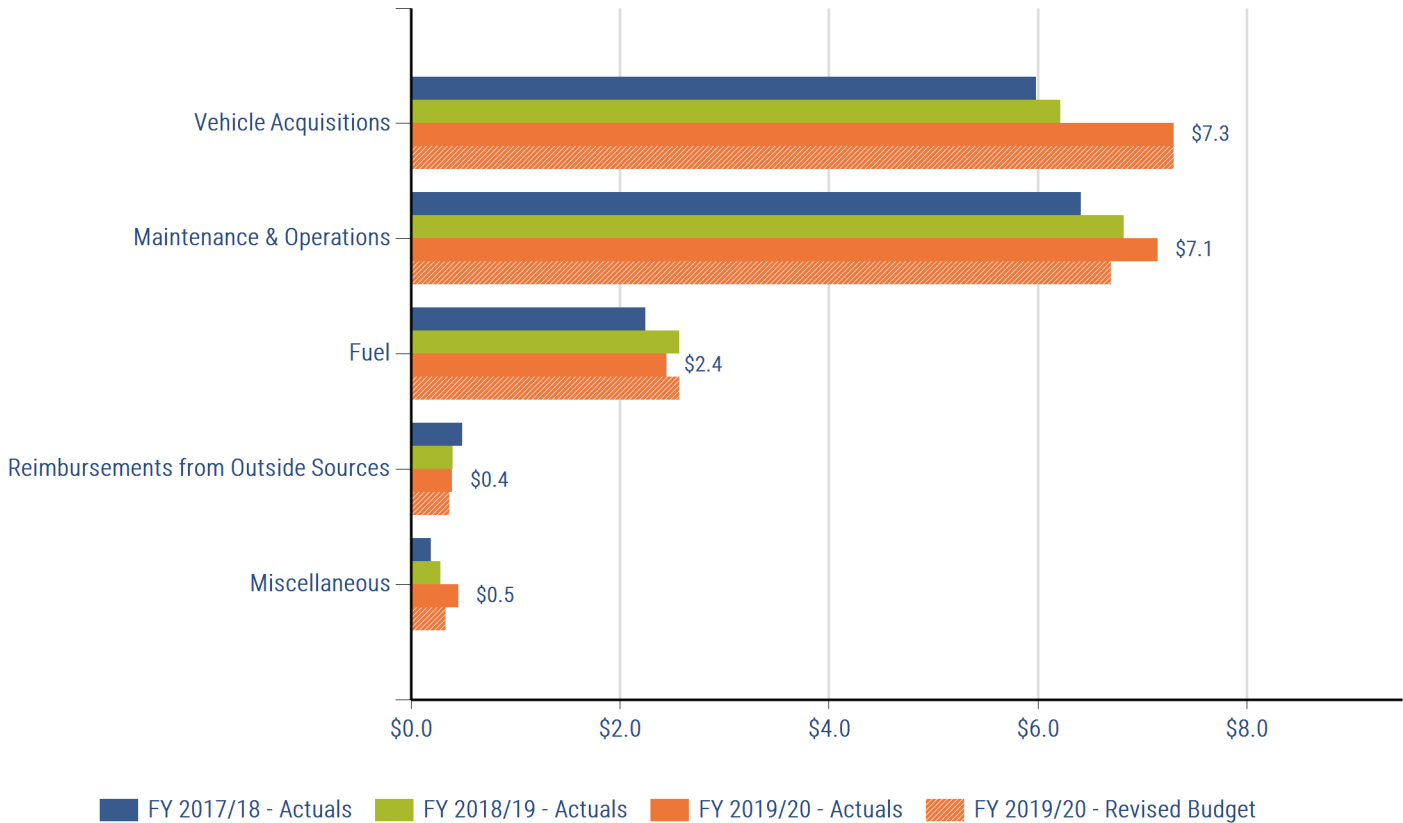
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$13.2	\$14.7	\$15.0	\$15.2	\$0.2	1%
City Treasurer	0.6	0.6	0.6	0.7	0.1	13%
Citywide Direct Cost Allocation	0.4	0.4	0.4	0.4	-	-
Citywide Indirect Cost Allocation	0.9	0.8	0.9	0.9	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Uses</b>	<b>\$15.2</b>	<b>\$16.6</b>	<b>\$17.0</b>	<b>\$17.3</b>	<b>\$0.3</b>	<b>2%</b>

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

The favorable variance in Public Works is related to the timing of invoices for a refuse container purchase. The favorable variance would have been greater but is being offset by the unanticipated cost of sending recycling material to the landfill. The favorable variance in City Treasurer is due to lower than expected Business Services Department costs than budget.



Sources (Fiscal Year to Date: March 2020)



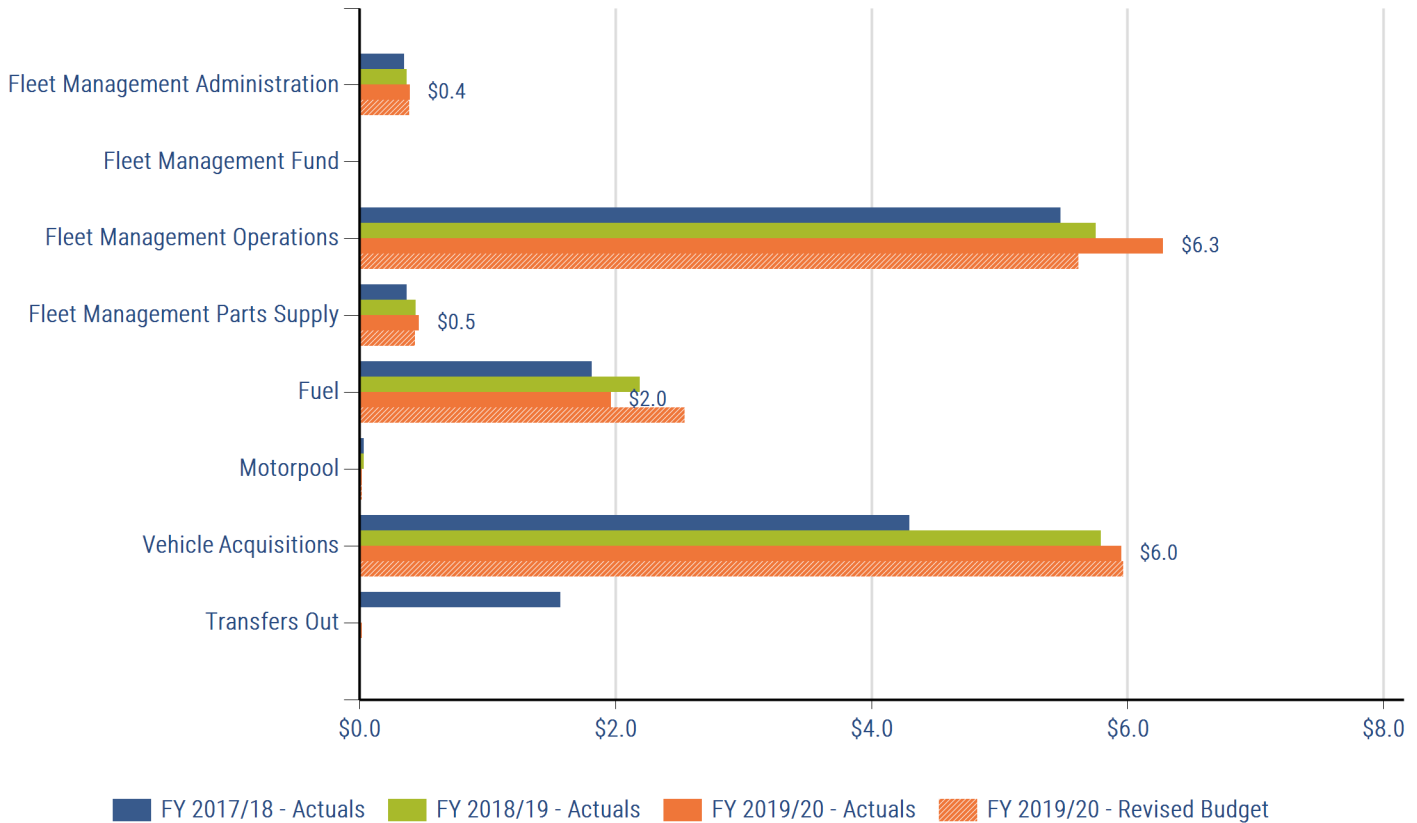
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Vehicle Acquisitions	\$6.0	\$6.2	\$7.3	\$7.3	\$ -	-
Maintenance & Operations	6.4	6.8	7.1	6.7	0.4	7%
Fuel	2.2	2.6	2.4	2.6	(0.1)	(5%)
Reimbursements from Outside Sources	0.5	0.4	0.4	0.4	-	-
Miscellaneous	0.2	0.3	0.5	0.3	0.1	35%
<b>Total Sources</b>	<b>\$15.3</b>	<b>\$16.3</b>	<b>\$17.7</b>	<b>\$17.3</b>	<b>\$0.5</b>	<b>3%</b>

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

The favorable variance in Maintenance & Operations is due to higher charges being passed to divisions as a result of the outsourcing of repairs due to employees on leave for military service, medical issues, and because of positions that are currently unfilled. The favorable variance would have been greater but is being offset by unanticipated major diesel engine and Solid Waste equipment repairs. The unfavorable variance in fuel is due to the price for unleaded and diesel fuel being below projections. The favorable variance in Miscellaneous is due to higher insurance revenue brought in for damaged vehicles than anticipated.



Uses (Fiscal Year to Date: March 2020)



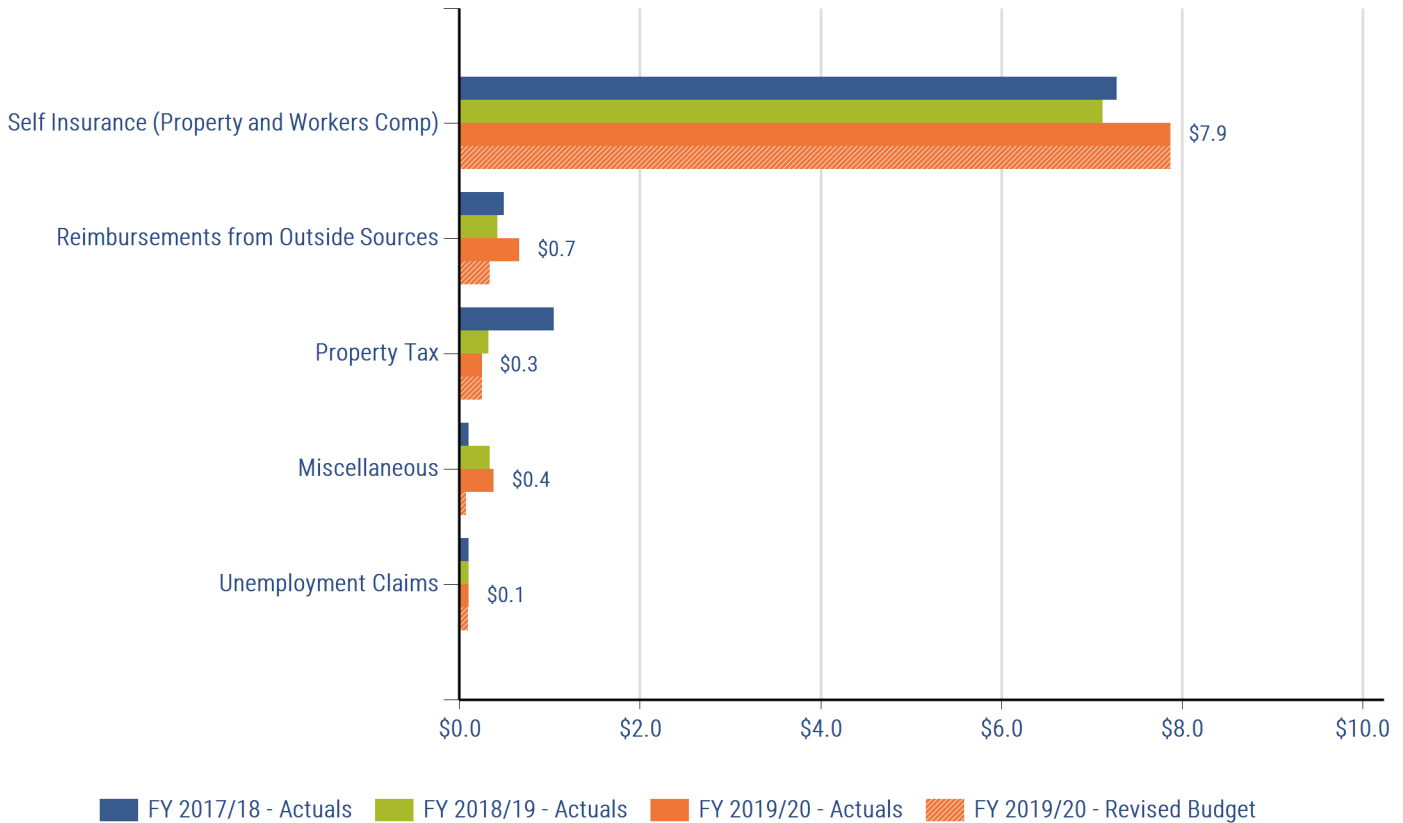
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Fleet Management Administration	\$0.3	\$0.4	\$0.4	\$0.4	\$ -	-
Fleet Management Fund	-	-	-	-	-	-
Fleet Management Operations	5.5	5.8	6.3	5.6	( 0.7)	(12%)
Fleet Management Parts Supply	0.4	0.4	0.5	0.4	-	-
Fuel	1.8	2.2	2.0	2.5	0.6	23%
Motorpool	-	-	-	-	-	-
Vehicle Acquisitions	4.3	5.8	6.0	6.0	-	-
Transfers Out	1.6	-	-	-	-	-
<b>Total Uses</b>	<b>\$13.9</b>	<b>\$14.6</b>	<b>\$15.1</b>	<b>\$15.0</b>	<b>(\$0.1)</b>	<b>(1%)</b>

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

Fleet Management Operations is unfavorable due to an increase in outsourced repairs associated with vacant positions and staff on military and medical leave. The favorable variance in Fuel is due to unleaded and diesel fuel coming in less than budgeted.



Sources (Fiscal Year to Date: March 2020)



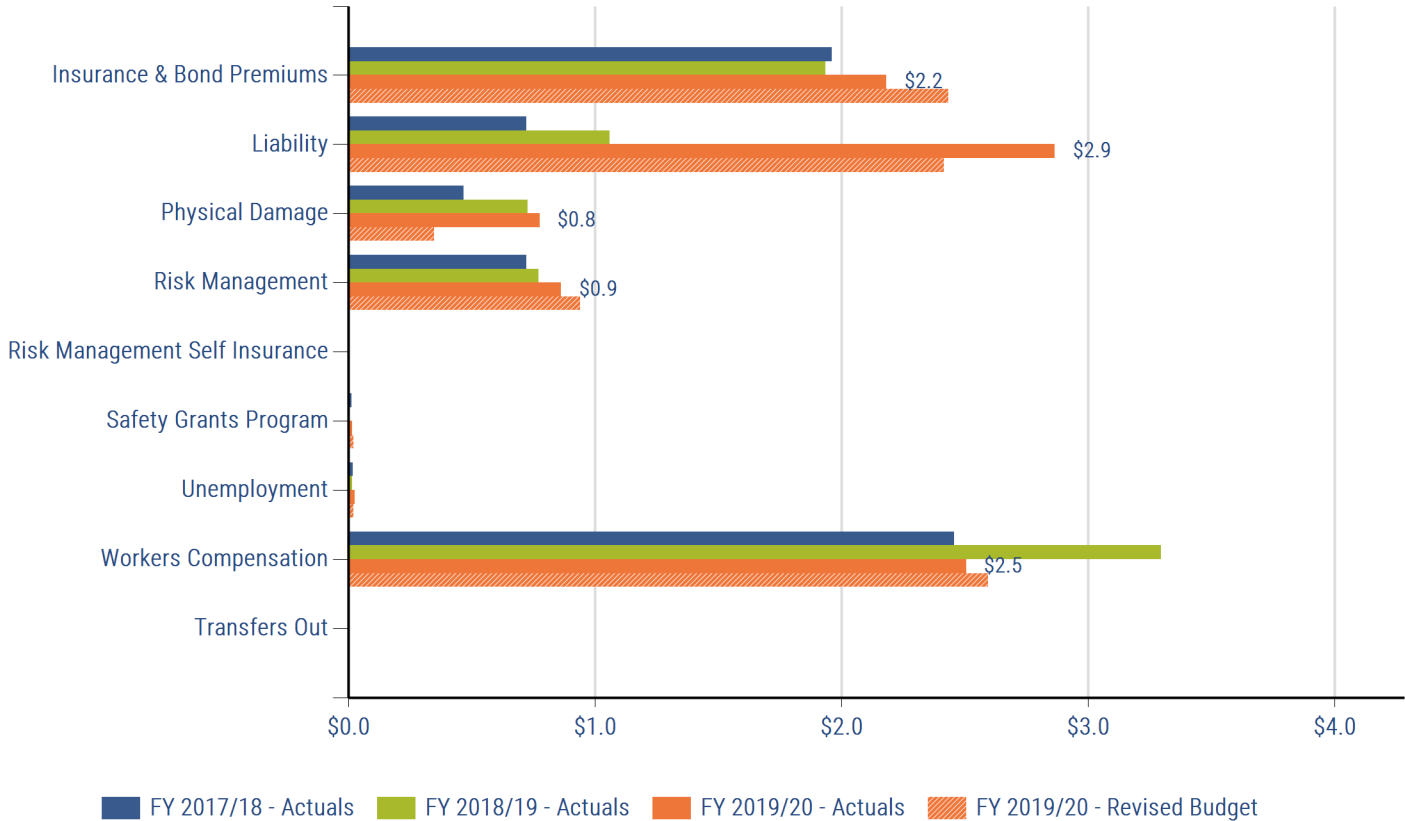
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Self Insurance (Property and Workers Comp)	\$7.3	\$7.1	\$7.9	\$7.9	\$ -	-
Reimbursements from Outside Sources	0.5	0.4	0.7	0.3	0.3	98%
Property Tax	1.0	0.3	0.3	0.3	-	-
Miscellaneous	0.1	0.3	0.4	0.1	0.3	nm
Unemployment Claims	0.1	0.1	0.1	0.1	-	-
<b>Total Sources</b>	<b>\$9.0</b>	<b>\$8.3</b>	<b>\$9.3</b>	<b>\$8.6</b>	<b>\$0.6</b>	<b>7%</b>

**Actual to Revised Budget variance of \$0.6 million or 7%:**

The favorable variance for Reimbursements from Outside Sources is due to higher than expected insurance recoveries related to Workers Compensation claims. The favorable variance for Miscellaneous is due to unplanned recoveries collected for property damage of street lights and signs.



Uses (Fiscal Year to Date: March 2020)



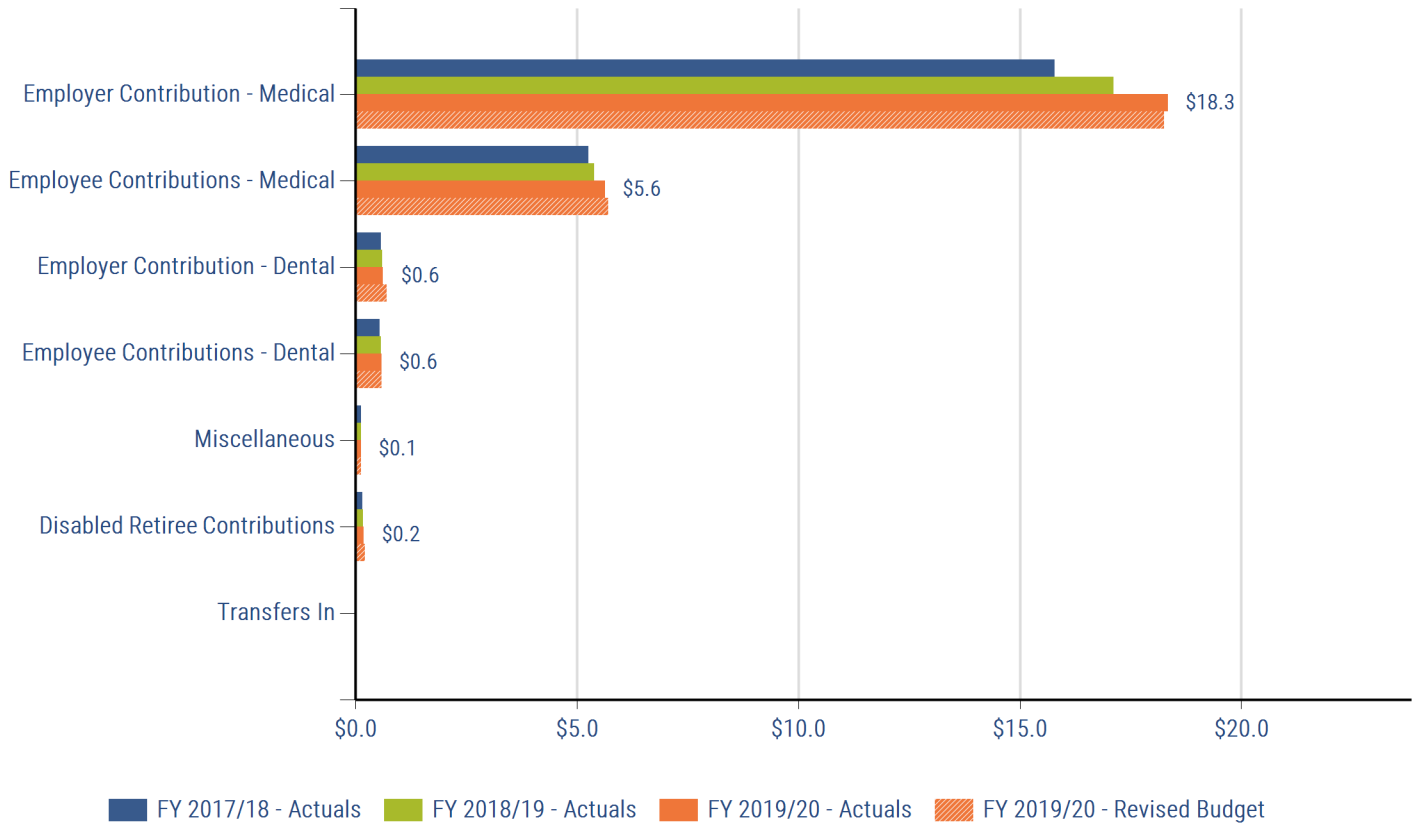
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Insurance & Bond Premiums	\$2.0	\$1.9	\$2.2	\$2.4	\$0.3	10%
Liability	0.7	1.1	2.9	2.4	(0.5)	(19%)
Physical Damage	0.5	0.7	0.8	0.3	(0.4)	nm
Risk Management	0.7	0.8	0.9	0.9	0.1	8%
Risk Management Self Insurance	-	-	-	-	-	-
Safety Grants Program	-	-	-	-	-	-
Unemployment	-	-	-	-	-	-
Workers Compensation	2.5	3.3	2.5	2.6	0.1	3%
Transfers Out	-	-	-	-	-	-
<b>Total Uses</b>	<b>\$6.4</b>	<b>\$7.8</b>	<b>\$9.2</b>	<b>\$8.8</b>	<b>(\$0.5)</b>	<b>(5%)</b>

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

The favorable variance for Insurance & Bond Premiums is due to the timing of insurance claims. The unfavorable variance for Liability is due to higher than anticipated personal injury claims paid by the city as these are often difficult to predict. The unfavorable variance for Physical Damage is due to claims for fabric repair and duct repair work at Westworld, multiple totaled city vehicles, and a claim paid for resident property damage. The favorable variance for Risk Management is due lower than expected operating costs including outside professional services, travel and training conference costs and software maintenance costs.



Sources (Fiscal Year to Date: March 2020)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Employer Contribution - Medical	\$15.8	\$17.1	\$18.3	\$18.3	\$0.1	0%
Employee Contributions - Medical	5.3	5.4	5.6	5.7	(0.1)	(1%)
Employer Contribution - Dental	0.6	0.6	0.6	0.7	(0.1)	(12%)
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	-	-	-	-	-	-
<b>Total Sources</b>	<b>\$22.4</b>	<b>\$24.0</b>	<b>\$25.5</b>	<b>\$25.6</b>	<b>(\$0.1)</b>	<b>0%</b>

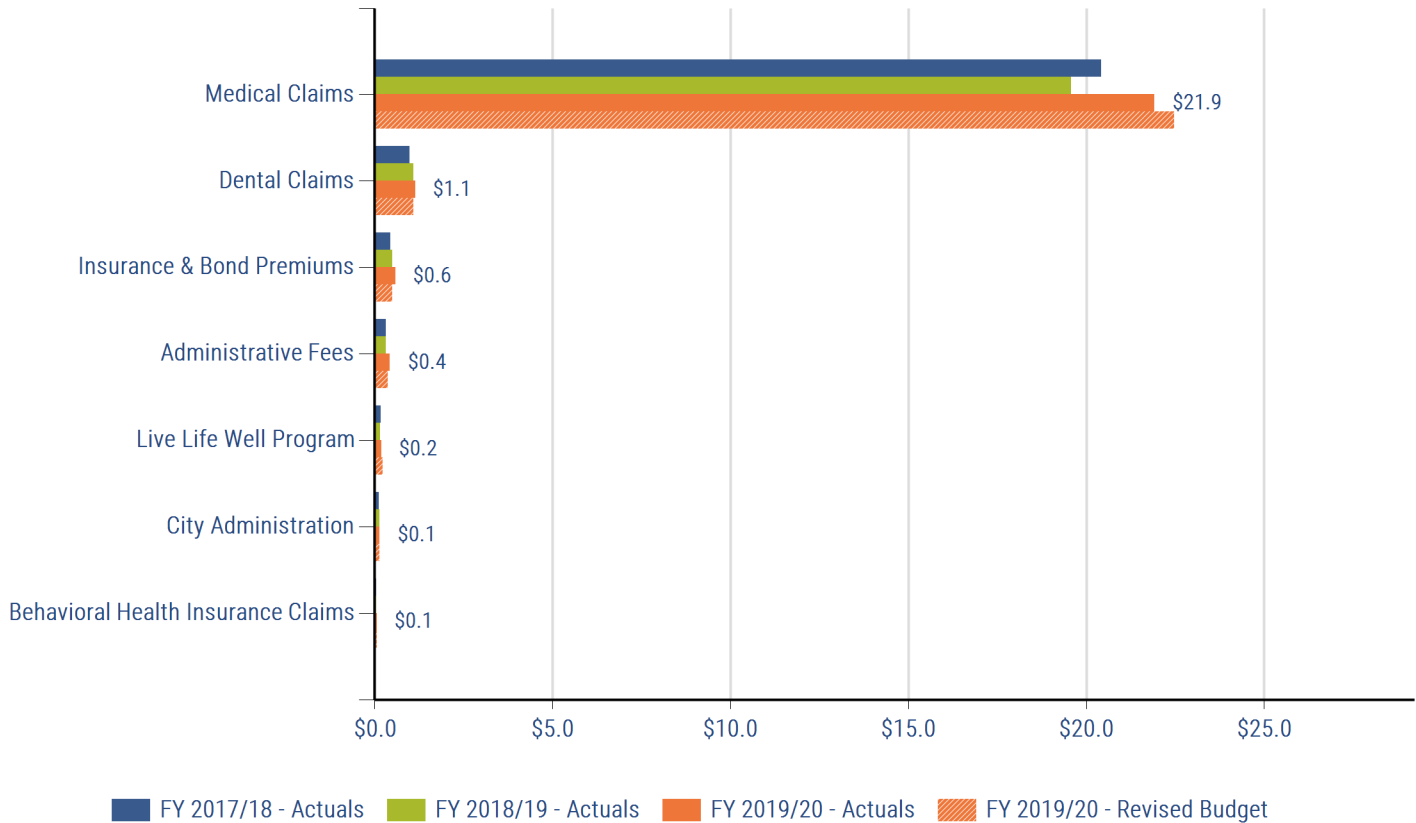
**Actual to Revised Budget variance of (\$0.1) million or 0%:**

The unfavorable variance in Employer Contribution - Dental is mostly due to plan selection, which occurs after the budget is prepared.





Uses (Fiscal Year to Date: March 2020)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Medical Claims	\$20.4	\$19.6	\$21.9	\$22.5	\$0.6	2%
Dental Claims	1.0	1.1	1.1	1.1	-	-
Insurance & Bond Premiums	0.4	0.5	0.6	0.5	(0.1)	(16%)
Administrative Fees	0.3	0.3	0.4	0.4	(0.1)	(14%)
Live Life Well Program	0.2	0.2	0.2	0.2	-	-
City Administration	0.1	0.1	0.1	0.1	-	-
Behavioral Health Insurance Claims	0.1	0.1	0.1	0.1	-	-
<b>Total Uses</b>	<b>\$22.5</b>	<b>\$21.8</b>	<b>\$24.4</b>	<b>\$24.9</b>	<b>\$0.4</b>	<b>2%</b>

**Actual to Revised Budget variance of \$0.4 million or 2%:**

The favorable variance in Medical Claims is due to the difficulty in the forecasting and timing of claims. Insurance & Bond Premiums is unfavorable due to higher than expected stop loss premiums. The unfavorable variance in Administrative Fees is due to the increase in the cost of the plan administration.



# WestWorld Statement of Operations

	Twelve Months: Fiscal Year					
	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Adopted Budget	2019/20 Revised Budget
<b>Operating Revenue</b>						
Rental Facilities	\$2,205,750	\$2,604,680	\$2,542,842	\$2,329,364	\$2,743,017	\$2,743,017
RV Rental	251,685	297,593	355,601	375,447	330,200	330,200
Feed/Bedding Sales	566,127	463,286	523,261	557,581	525,000	525,000
Labor Fees	301,429	352,088	404,957	394,745	402,908	402,908
Concession Fees	487,513	392,106	472,875	717,558	500,000	500,000
Parking	96,927	88,280	108,994	90,583	117,300	117,300
Other Income	198,068	155,990	130,453	134,511	71,751	71,751
Equidome Project Use Fee	315,000	360,000	360,000	360,000	360,000	360,000
Operating Transfer In <sup>(a)</sup>	-	-	100,000	100,000	100,000	100,000
<b>Operating Revenue</b>	<b>\$4,422,499</b>	<b>\$4,714,023</b>	<b>\$4,998,983</b>	<b>\$5,059,788</b>	<b>\$5,150,176</b>	<b>\$5,150,176</b>
<b>Operating Expenses</b>						
<b>Personnel Services</b>						
Wages/Salaries/Benefits	\$1,768,655	\$1,954,437	\$1,934,800	\$2,005,230	\$2,200,975	\$2,274,662
Overtime	32,594	36,574	31,817	33,067	42,024	44,052
<b>Contractual Services</b>						
Contractual Workers	81,775	114,025	139,522	133,369	152,837	152,837
Telephone	21,015	28,381	34,182	36,989	39,562	39,562
Utilities <sup>(b)</sup>	1,174,779	1,247,702	1,354,976	1,271,518	-	1,299,491
Maintenance & Equipment Rental & Fleet	751,856	724,550	710,237	723,231	728,558	468,890
License and Permits	76,684	158,548	160,727	142,826	159,598	159,598
Property, Liability & Workers' Comp	51,525	62,401	76,025	69,772	75,948	75,948
Advertising/Marketing Contract	252,328	194,294	327,544	365,148	410,129	410,129
Other	234,449	343,819	308,750	261,188	326,307	326,307
<b>Commodities and Capital Outlays</b>						
Agriculture & Horticulture & Other Supply	103,461	137,506	114,194	163,735	143,545	143,545
Maintenance & Repairs Supply, Equipment	116,413	125,083	83,417	144,340	175,985	175,985
Inventory Purchased for Resale	294,103	273,513	259,279	326,497	325,410	325,410
Construction - Other	21,428	-	21,126	20,483	21,645	21,645
Other Expenses	64,193	76,182	39,036	36,372	78,058	78,058
<b>BOR Admin</b>						
BOR Admin/WestWorld	147,746	155,133	162,889	171,034	179,585	179,585
<b>Allocated Expenses <sup>(c)</sup></b>						
COS Indirect Costs	338,575	370,385	430,425	378,803	398,702	398,702
<b>Operating Expenses</b>	<b>\$5,531,579</b>	<b>\$6,002,533</b>	<b>\$6,188,946</b>	<b>\$6,283,602</b>	<b>\$5,458,868</b>	<b>\$6,574,406</b>
<b>Operating Income</b>	<b>(\$1,109,080)</b>	<b>(\$1,288,511)</b>	<b>(\$1,189,963)</b>	<b>(\$1,223,814)</b>	<b>(\$308,692)</b>	<b>(\$142,4230)</b>
<b>Debt Service (Less contributions)</b>						
Debt Service - (52 & 17 acres)	\$2,273,677	\$2,304,207	\$2,314,216	\$2,334,637	\$2,317,059	\$2,317,059
Debt Service - TNEC (\$41.935M)	1,524,125	1,506,875	1,479,375	1,461,375	1,455,875	1,455,875
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)
<b>Net Debt Service</b>	<b>\$3,797,802</b>	<b>\$3,811,082</b>	<b>\$3,793,591</b>	<b>\$3,796,012</b>	<b>\$3,772,934</b>	<b>\$3,772,934</b>
<b>Operating Income After Debt Service</b>	<b>(\$4,906,882)</b>	<b>(\$5,099,593)</b>	<b>(\$4,983,554)</b>	<b>(\$5,019,826)</b>	<b>(\$4,081,626)</b>	<b>(\$5,197,164)</b>

(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 in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations. This report does not include Facilities Maintenance expenses.



# WestWorld Statement of Operations

## Statement of Operations for March 2020 / 9 Months YTD

	FY 2015/16 YTD Actual	FY 2016/17 YTD Actual	FY 2017/18 YTD Actual	FY 2018/19 YTD Actual	FY 2019/20 YTD Actual	FY 2019/20 Approved YTD Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
<b>Operating Revenue</b>								
Rental Facilities	\$1,169,401	\$1,502,615	\$1,422,102	\$1,391,794	\$1,792,707	\$1,432,300	\$360,407	25%
RV Rental	148,624	154,655	183,962	191,560	236,488	248,541	( 12,053)	(5%)
Feed/Bedding Sales	482,807	387,523	444,621	509,650	457,582	450,235	7,347	2%
Labor Fees	113,150	119,440	142,560	165,414	184,521	157,931	26,590	17%
Concession Fees	300,458	192,332	278,011	275,450	275,958	175,000	100,958	58%
Parking	30,653	49,002	78,362	72,389	69,096	71,660	( 2,564)	(4%)
Other Income	26,065	25,381	21,916	32,294	59,007	19,222	39,785	nm
Equidome Project Use Fee	90,000	285,000	45,000	45,000	45,000	-	45,000	n/a
Operating Transfer In <sup>(a)</sup>	-	-	100,000	100,000	100,000	100,000	-	-
<b>Operating Revenue</b>	<b>\$2,361,157</b>	<b>\$2,715,948</b>	<b>\$2,716,535</b>	<b>\$2,783,553</b>	<b>\$3,220,358</b>	<b>\$2,654,889</b>	<b>\$565,469</b>	<b>21%</b>
<b>Operating Expenses</b>								
<b>Personnel Services</b>								
Wages/Salaries/Benefits	\$1,333,238	\$1,436,327	\$1,416,195	\$1,493,412	\$1,491,182	\$1,576,536	\$85,354	5%
Overtime	23,368	28,489	25,934	28,088	44,642	36,909	( 7,733)	(21%)
<b>Contractual Services</b>								
Contractual Workers	59,558	79,435	90,031	99,294	95,541	119,546	24,005	20%
Telephone	14,149	22,354	25,684	31,672	36,522	32,979	( 3,543)	(11%)
Utilities	851,959	866,177	922,768	890,599	718,818	718,819	1	0%
Maintenance & Equipment Rental & Fleet	521,915	534,592	489,301	548,375	555,638	488,843	( 66,795)	(14%)
License and Permits	76,650	152,635	161,361	142,502	249,773	157,293	( 92,480)	(59%)
Property, Liability & Workers' Comp	38,646	46,800	57,015	52,326	56,961	56,961	-	-
Advertising/Marketing Contract	252,328	191,262	323,461	308,905	324,256	323,136	( 1,120)	(0%)
Other	178,284	185,125	227,437	155,402	194,266	212,883	18,617	9%
<b>Commodities and Capital Outlays</b>								
Agriculture & Horticulture & Other Supply	90,978	101,287	88,473	109,657	48,435	95,545	47,110	49%
Maintenance & Repairs Supply, Equipment	73,448	79,102	61,305	124,371	88,234	96,385	8,151	8%
Inventory Purchased for Resale	261,370	232,410	206,162	268,181	291,795	220,000	( 71,795)	(33%)
Construction - Other	21,466	-	18,385	18,339	26,171	21,645	( 4,526)	(21%)
Other Expenses	51,418	29,274	28,330	27,699	24,189	25,615	1,426	6%
<b>BOR Admin</b>								
BOR Admin/WestWorld	147,746	155,133	162,889	171,034	179,586	179,585	( 1)	(0%)
<b>Allocated Expenses<sup>(b)</sup></b>								
COS Indirect Costs	253,935	277,785	322,819	284,102	299,025	299,025	-	-
<b>Operating Expenses</b>	<b>\$4,250,454</b>	<b>\$4,418,187</b>	<b>\$4,627,552</b>	<b>\$4,753,959</b>	<b>\$4,725,033</b>	<b>\$4,661,705</b>	<b>(\$63,328)</b>	<b>(1%)</b>
<b>Operating Income</b>	<b>(\$1,889,296)</b>	<b>(\$1,702,239)</b>	<b>(\$1,911,017)</b>	<b>(\$1,970,406)</b>	<b>(\$1,504,674)</b>	<b>(\$2,006,816)</b>	<b>\$502,142</b>	<b>25%</b>
<b>Debt Service (Less contributions)</b>								
Debt Service - (52 & 17 acres)	\$55,154	\$32,169	\$ -	\$ -	\$ -	\$285,176	\$285,176	100%
Debt Service - TNEC (\$41.935M)	-	-	-	-	-	-	-	-
Debt Service - TNEC Tourism Funded	-	-	-	-	-	-	-	-
Bed Tax Contributions - TNEC	-	-	-	-	-	-	-	-
<b>Net Debt Service</b>	<b>\$55,154</b>	<b>\$32,169</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$285,176</b>	<b>\$285,176</b>	<b>100%</b>
<b>Operating Income After Debt Service</b>	<b>(\$1,944,450)</b>	<b>(\$1,734,408)</b>	<b>(\$1,911,017)</b>	<b>(\$1,970,406)</b>	<b>(\$1,504,674)</b>	<b>(\$2,291,992)</b>	<b>\$787,318</b>	<b>34%</b>

<sup>(a)</sup> 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.

<sup>(b)</sup> Allocated expenses are not budgeted in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations. This report does not include Facilities Maintenance expenses.



## Privilege (Sales) & Use Tax Collections For March 2020 (For Business Activity in February 2020)

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 8 percent compared to the Budget, and increased 18 percent compared to the same period a year ago.

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

Appendix 1

Fiscal Year-to-Date: March 2020						
	2017/18 Actual	2018/19 Actual	2019/20 Actual	2019/20 Budget	Actual vs. Budget	
					Favorable/(Unfavorable) Amount	Percent
<b>1.00% General Purpose</b>						
Automotive	\$11.9	\$13.4	\$13.9	\$12.8	\$1.0	8%
Construction	7.3	7.8	8.2	8.0	0.2	3%
Dining/ Entertainment	7.3	8.0	8.9	8.4	0.6	7%
Food Stores	5.5	5.9	6.4	6.5	(0.1)	-2%
Hotel/Motel	4.2	4.8	5.4	4.6	0.8	18%
Major Dept. Stores	7.3	7.2	8.1	7.0	1.1	16%
Misc. Retail Stores	15.3	16.2	19.3	16.8	2.5	15%
Other Activity	8.4	10.0	10.9	10.0	0.9	9%
Rentals	12.4	12.6	14.2	13.7	0.5	4%
Utilities	3.7	3.5	3.7	3.6	0.2	5%
<b>Subtotal</b>	<b>\$83.3</b>	<b>\$89.4</b>	<b>\$99.0</b>	<b>\$91.4</b>	<b>\$7.6</b>	<b>8%</b>
0.10% Public Safety	\$8.2	\$8.8	\$9.7	\$9.0	\$0.8	8%
0.20% Transportation 1990	15.7	16.8	18.6	17.3	1.3	8%
0.10% Transportation 2019	n/a	n/a	9.6	8.8	0.8	9%
0.20% McDowell Preserve 1995	16.3	17.5	19.4	17.9	1.5	8%
0.15% McDowell Preserve 2004	12.3	13.1	14.6	13.4	1.1	8%
<b>Total</b>	<b>\$135.8</b>	<b>\$146.2</b>	<b>\$172.8</b>	<b>\$157.8</b>	<b>\$13.1</b>	<b>8%</b>
<b>% Change vs. Prior Year</b>	<b>11%</b>	<b>8%</b>	<b>18%</b>	<b>8%</b>		

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 \$1.0 million or 8%:** The variance is due in part to better than anticipated automotive sales. This is also due to receiving a higher amount than anticipated for the fifth payment in March (last year March only had four payments).

### **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 \$0.2 million or 3%:** This is due in part to an increase in commercial building.

### **Dining/Entertainment Sales Taxes**

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

**Actual to Revised Budget variance of \$0.6 million or 7%:** This is due in part to a couple of new restaurants 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 (\$0.1) million or (2%):** This is due to normal business fluctuations.

### **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 \$0.8 million or 18%:** This is due in part from better than anticipated revenue from several resort hotels and the requirement of online lodging marketplaces reporting their short-term rentals. This is also due to receiving a higher amount than anticipated for the fifth payment in March (last year March only had four 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 \$1.1 million or 16%:** This is due in part to better than anticipated sales and normal business fluctuations. This is also due to receiving a higher amount than anticipated for the fifth payment in March (last year March only had four payments).

### **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 \$2.5 million or 15%:** This is due in part to increased software sales and additional revenue from online marketplace facilitators and remote sellers. This is also due to receiving a higher amount than anticipated for the fifth payment in March (last year March only had four payments).

### **Other Activity Sales Taxes**

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

**Actual to Revised Budget variance of \$0.9 million or 9%:** The variance is due in part to an increase in sales. This is also due to receiving a higher amount than anticipated for the fifth payment in March (last year March only had four payments).

### **Rental Sales Taxes**

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

**Actual to Revised Budget variance of \$0.5 million or 4%:** There was a one-time speculative sale reported last year, which has been offset by two large one-time spec sales this year. Additionally, there was a large intercity transfer of tax that was originally 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 \$0.2 million or 5%:** This is due to 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 1.10 percent sales tax, of which 0.10 percent is dedicated to public safety. The remaining 1.0 percent of the sales tax is available to fund basic municipal services such as police, fire, libraries, and parks. Sales tax receipts received in the current month are based on prior month activity. This general-purpose sales tax is the city's single largest revenue source. The sales tax category results can be found 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 received directly in the CIP Fund.

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

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

#### Water & Water Reclamation Funds

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

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





**Aviation Fund**

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**Solid Waste Fund**

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**Internal Service Funds**

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**Fleet Fund**

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**Risk Fund**

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**Healthcare Self Insurance Fund**

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