CITY OF SCOTTSDALE

Monthly Financial Report

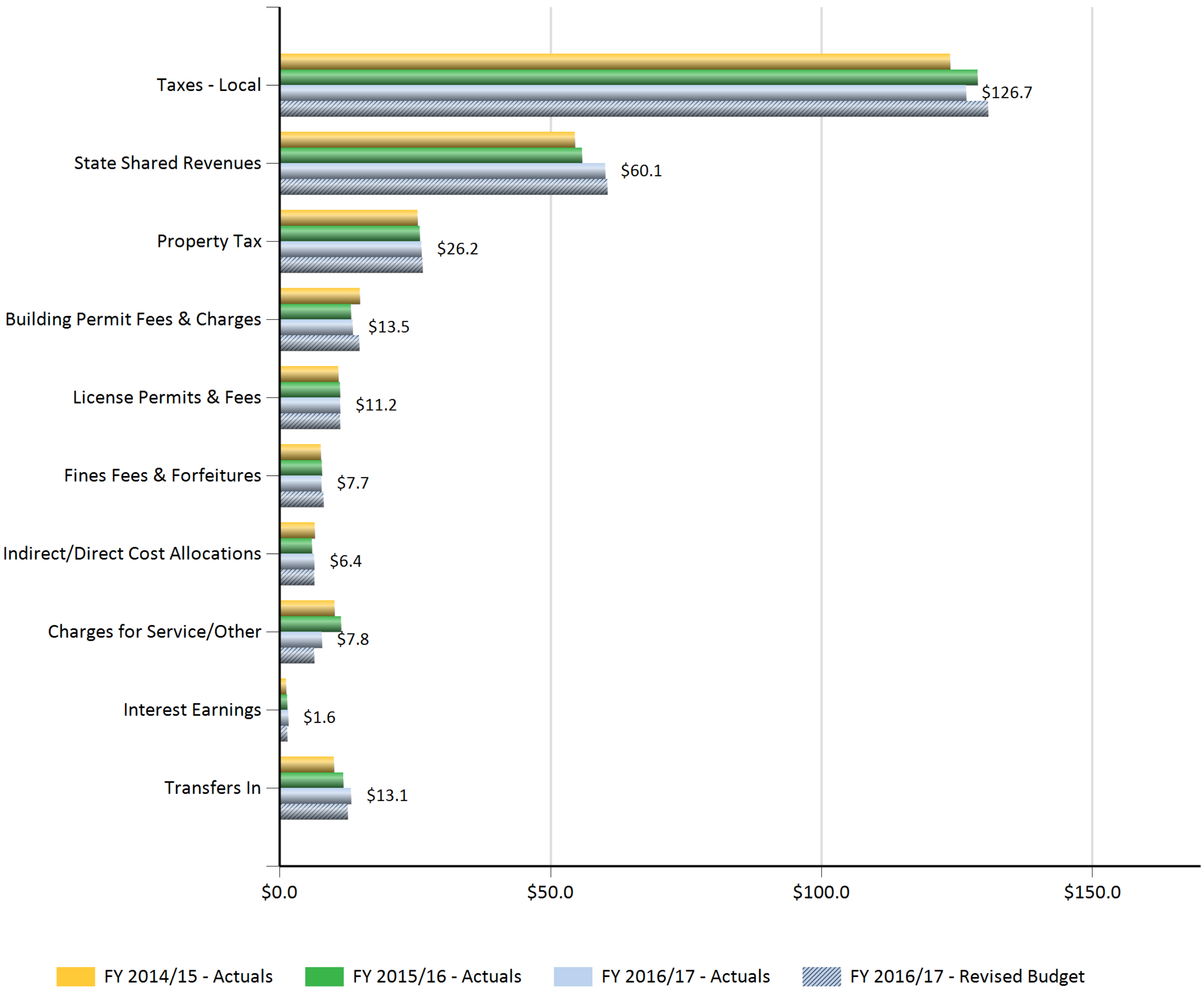
Fiscal Year to Date
as of June 30, 2017

Report to the City Council

Prepared by the City Treasurer

January 8, 2018

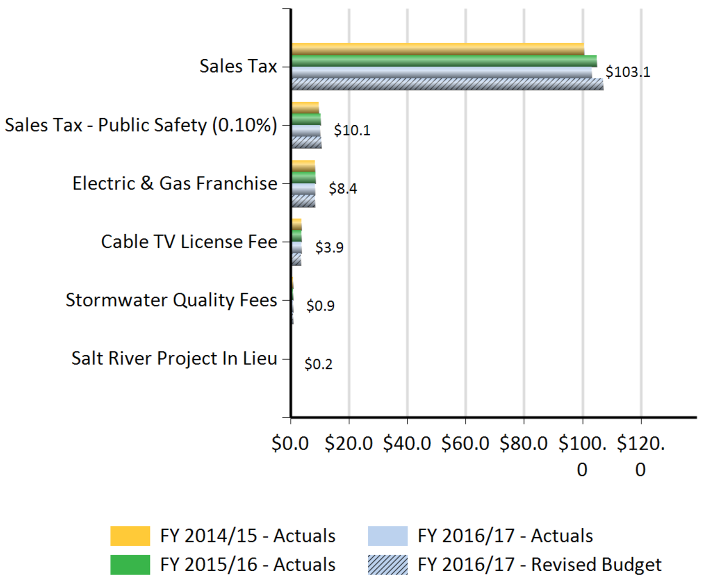
Sources (Fiscal Year to Date: June 2017)



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	$123.7	$128.8	$126.7	$130.7	($4.1)	(3%)
State Shared Revenues	54.5	55.8	60.1	60.5	(0.5)	(1%)
Property Tax	25.5	25.9	26.2	26.4	(0.2)	(1%)
Building Permit Fees & Charges	14.8	13.2	13.5	14.7	(1.2)	(8%)
License Permits & Fees	10.8	11.1	11.2	11.2	-	-
Fines Fees & Forfeitures	7.6	7.8	7.7	8.1	(0.4)	(5%)
Indirect/Direct Cost Allocations	6.5	6.0	6.4	6.4	-	-
Charges for Service/Other	10.1	11.4	7.8	6.3	1.4	22%
Interest Earnings	1.2	1.4	1.6	1.4	0.2	12%
Transfers In	10.0	11.8	13.1	12.5	0.6	5%
Total Sources	$264.7	$273.1	$274.3	$278.3	($4.1)	(1%)

$ in millions / rounding differences may occur

Taxes - Local (Fiscal Year to Date: June 2017)

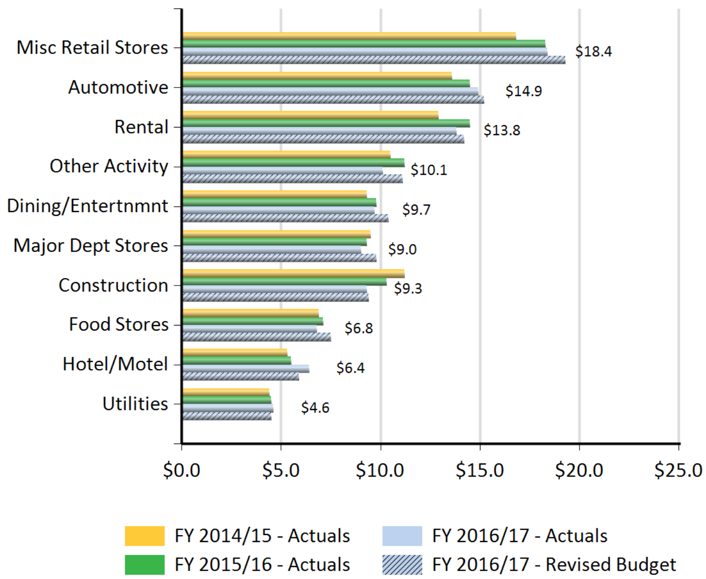


Actual to Revised Budget variance of ($4.1) million or (3%): The unfavorable variance is primarily a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of sales tax as of January 1, 2017. See page 4 for more detailed sales tax information. The favorable variance in Cable TV License Fee is due to higher than anticipated revenue coming in from Cox Communications franchise fee payments.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax	$100.6	$105.0	$103.1	$107.1	($4.0)	(4%)
Sales Tax - Public Safety (0.10%)	9.8	10.3	10.1	10.5	(0.4)	(3%)
Electric & Gas Franchise	8.4	8.6	8.4	8.4	-	-
Cable TV License Fee	3.7	3.8	3.9	3.6	0.3	8%
Stormwater Quality Fees	0.9	0.9	0.9	0.9	-	-
Salt River Project In Lieu	0.3	0.2	0.2	0.2	-	-
Taxes - Local Total	$123.7	$128.8	$126.7	$130.7	($4.1)	(3%)

$ in millions / rounding differences may occur

Sales Tax (Fiscal Year to Date: June 2017)

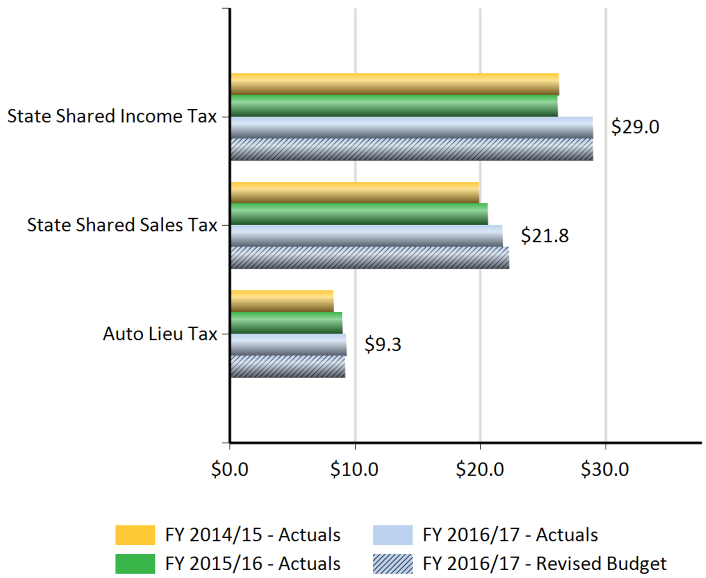


Actual to Revised Budget variance of ($4.0) million or (4%): The unfavorable variance is primarily a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily. Other Activity is also unfavorable due to license fees not being collected by ADOR for a portion of the year. The unfavorable variance in Construction is mostly offset by several one-time speculative sale payments that have lessened the impact from the change in administration of taxes. The favorable variance in Hotel/Motel is due to a taxpayer (hotel) that has been paying taxes to the city in error for part of the year, which will be corrected in FY 2017/18.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	$16.8	$18.3	$18.4	$19.3	($0.9)	(5%)
Automotive	13.6	14.5	14.9	15.2	(0.2)	(1%)
Rental	12.9	14.5	13.8	14.2	(0.4)	(3%)
Other Activity	10.5	11.2	10.1	11.1	(1.0)	(9%)
Dining/Entertnmnt	9.3	9.8	9.7	10.4	(0.7)	(7%)
Major Dept Stores	9.5	9.3	9.0	9.8	(0.8)	(8%)
Construction	11.2	10.3	9.3	9.4	(0.1)	(1%)
Food Stores	6.9	7.1	6.8	7.5	(0.6)	(8%)
Hotel/Motel	5.3	5.5	6.4	5.9	0.6	10%
Utilities	4.4	4.5	4.6	4.5	-	-
Sales Tax Total	$100.6	$105.1	$103.1	$107.3	($4.1)	(4%)

$ in millions / rounding differences may occur

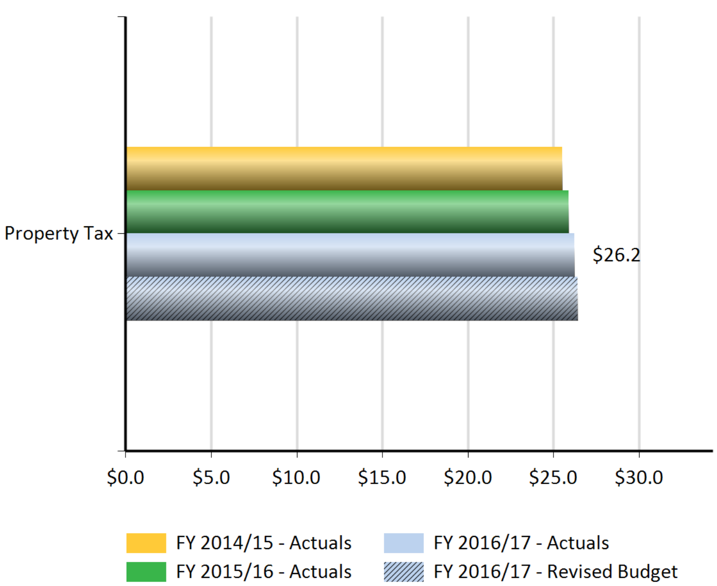
State Shared Revenues (Fiscal Year to Date: June 2017)



Actual to Revised Budget variance of ($0.5) million or (1%): State Shared Revenues is unfavorable due to State Shared Sales Tax. While August, September and June saw increases when compared to the other months throughout the year, the total fiscal year revenue did not meet the expected budget determined by the Arizona League of Cities and Towns.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Income Tax	$26.3	$26.2	$29.0	$29.0	$ -	-
State Shared Sales Tax	19.9	20.6	21.8	22.3	(0.6)	(3%)
Auto Lieu Tax	8.3	9.0	9.3	9.2	0.1	1%
State Shared Revenues Total	$54.5	$55.8	$60.1	$60.5	($0.5)	(1%)

Property Tax (Fiscal Year to Date: June 2017)

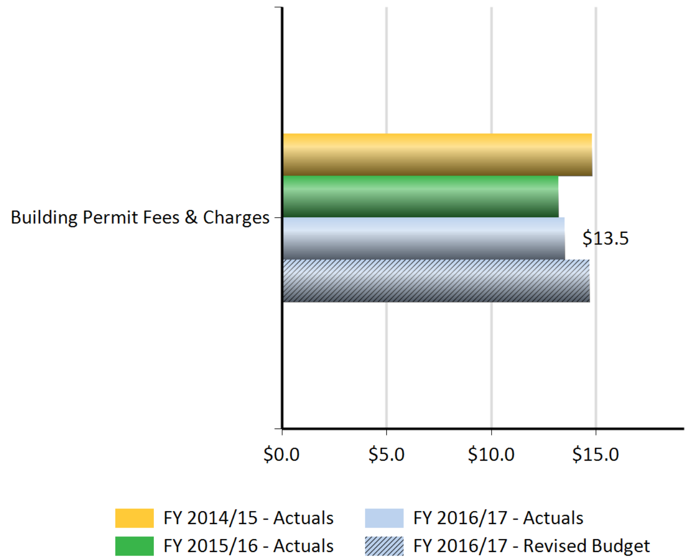


Actual to Revised Budget variance of ($0.2) million or (1%): Unfavorable variance is due to the budget spread, which is based on the way people have paid in previous years and may vary year over year. Property owners have the option to pay in one or two installments (October or October & April/May).

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	$25.5	$25.9	$26.2	$26.4	($0.2)	(1%)
Property Tax Total	$25.5	$25.9	$26.2	$26.4	($0.2)	(1%)

$ in millions / rounding differences may occur

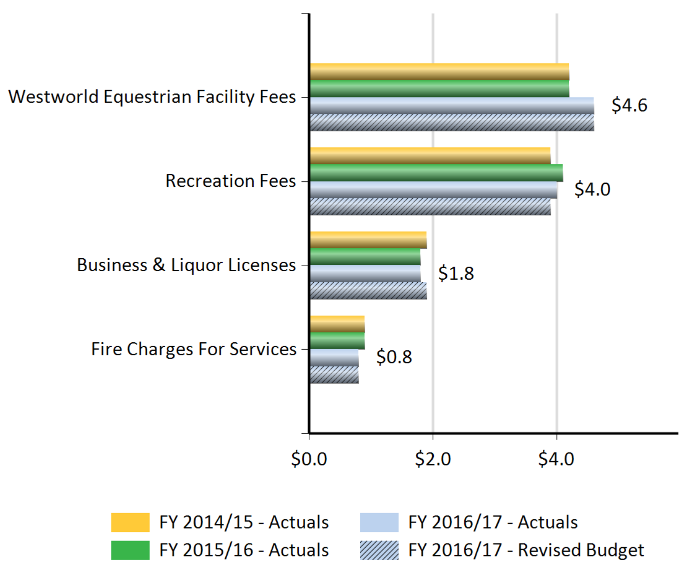
Building Permit Fees & Charges (Fiscal Year to Date: June 2017)



Actual to Revised Budget variance of ($1.2) million or (8%): Unfavorable variance due to the lower than estimated multi-family residential valuations and an optimistic estimate for right of way fees and development application fees which actually came in lower than anticipated. The upward trend for single family construction offsets in part the decrease in multi-family valuations.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	$14.8	$13.2	$13.5	$14.7	($1.2)	(8%)
Building Permit Fees & Charges Total	$14.8	$13.2	$13.5	$14.7	($1.2)	(8%)

License Permits & Fees (Fiscal Year to Date: June 2017)

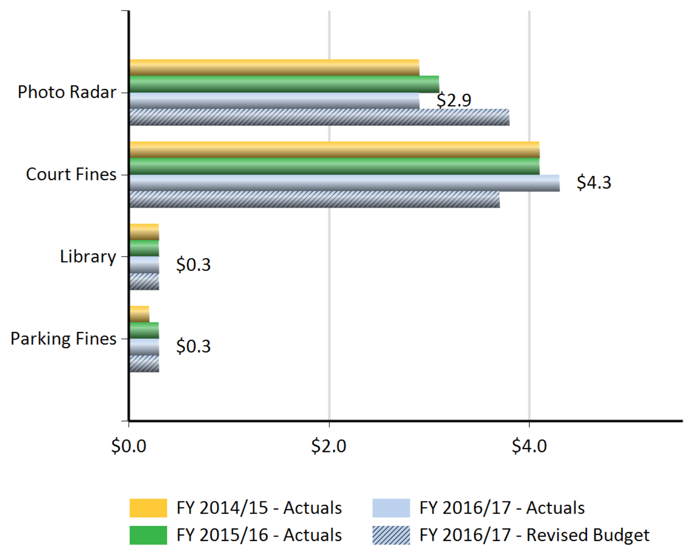


Actual to Revised Budget variance of $0.0 million or 0%: Business & Liquor Licenses is unfavorable due to fewer restaurants opening and applying for liquor licenses than expected. It is also due to to less false alarm fees being paid as compared to the amount seen in previous years.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	$4.2	$4.2	$4.6	$4.6	$ -	-
Recreation Fees	3.9	4.1	4.0	3.9	0.1	3%
Business & Liquor Licenses	1.9	1.8	1.8	1.9	(0.1)	(8%)
Fire Charges For Services	0.9	0.9	0.8	0.8	-	-
License Permits & Fees Total	$10.8	$11.1	$11.2	$11.2	$ -	-

$ in millions / rounding differences may occur

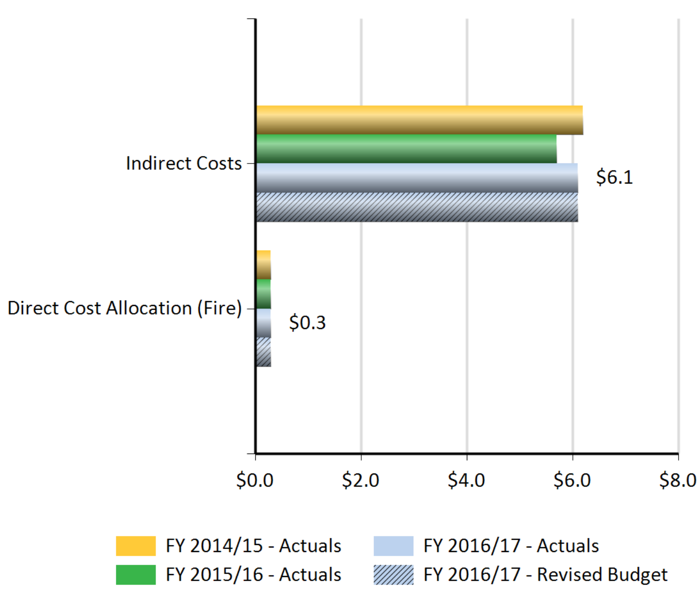
Fines Fees & Forfeitures (Fiscal Year to Date: June 2017)



Actual to Revised Budget variance of ($0.4) million or (5%):
The unfavorable variance in Photo Radar is due to the two month period where all cameras were turned off and the issuance of citations was suspended. While the cameras went back into use after this period, this unfavorable balance carried for the remainder of the fiscal year. Court Fines is favorable due to the garnishment of tax returns for individuals who have unpaid court fees/fines.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Photo Radar	$2.9	$3.1	$2.9	$3.8	($0.9)	(23%)
Court Fines	4.1	4.1	4.3	3.7	0.5	15%
Library	0.3	0.3	0.3	0.3	-	-
Parking Fines	0.2	0.3	0.3	0.3	-	-
Fines Fees & Forfeitures Total	$7.6	$7.8	$7.7	$8.1	($0.4)	(5%)

Indirect/Direct Cost Allocations (Fiscal Year to Date: June 2017)

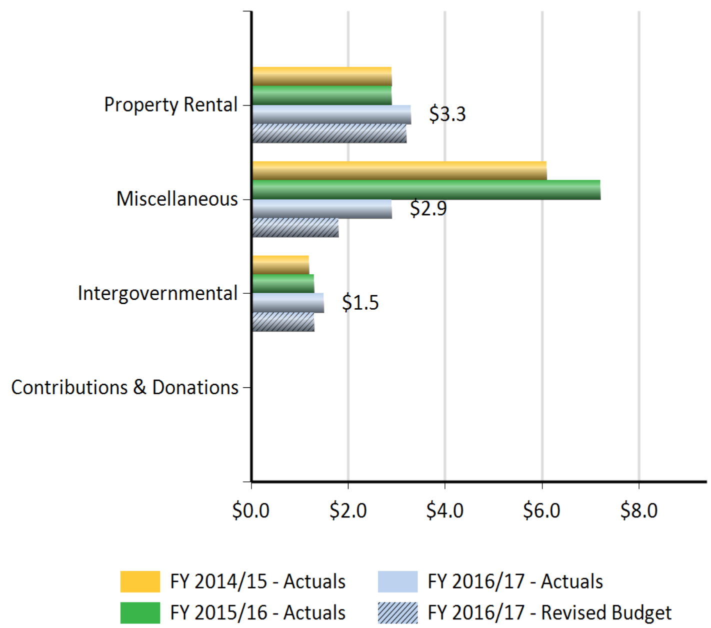


Actual to Revised Budget variance of $0.0 million or 0%:
No explanation necessary.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	$6.2	$5.7	$6.1	$6.1	$ -	-
Direct Cost Allocation (Fire)	0.3	0.3	0.3	0.3	-	-
Indirect/Direct Cost Allocations Total	$6.5	$6.0	$6.4	$6.4	$ -	-

$ in millions / rounding differences may occur

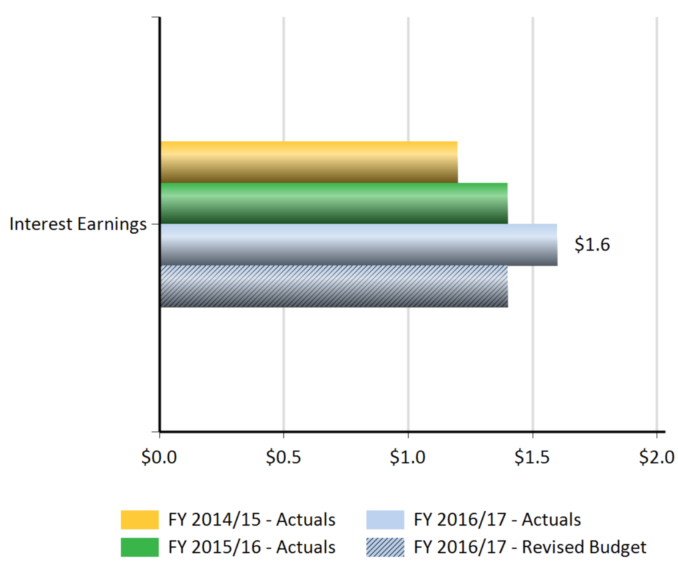
Charges for Service/Other (Fiscal Year to Date: June 2017)



Actual to Revised Budget variance of $1.4 million or 22%: Miscellaneous is favorable mainly due to unbudgeted revenue coming in from City divisions. This revenue fluctuates drastically each year and is therefore very challenging to predict and budget for. In Community Services this includes a recovery of expense for stadium usage in FY 2015/16 that was posted in FY 2016/17 and the recovery of expenses for building usage and utilities being higher than anticipated. In Administrative Services this includes the sale of surplus City property. In Community & Economic Development this includes the reimbursement to Planning & Development from Water Resources for development fee work performed by a Planning employee and the recovery of expense for building usage in Westworld. In Fire this is related to the Mobile Integrated Health program which was funded by Honor Health. In Public Works this is related to rental and other payments from FY 2015/16 that were ultimately paid in FY 2016/17. In addition, other divisions are seeing a variety of small unbudgeted revenues that are adding to the total. Miscellaneous is also favorable due to higher than expected passport and copier usage fees. Intergovernmental is favorable mainly due to unbudgeted revenue from Maricopa County Library District to cover the cost of the library book allocation program.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Rental	$2.9	$2.9	$3.3	$3.2	$0.1	2%
Miscellaneous	6.1	7.2	2.9	1.8	1.1	59%
Intergovernmental	1.2	1.3	1.5	1.3	0.3	21%
Contributions & Donations	-	-	-	-	-	-
Charges for Service/Other Total	$10.1	$11.4	$7.8	$6.3	$1.4	22%

Interest Earnings (Fiscal Year to Date: June 2017)

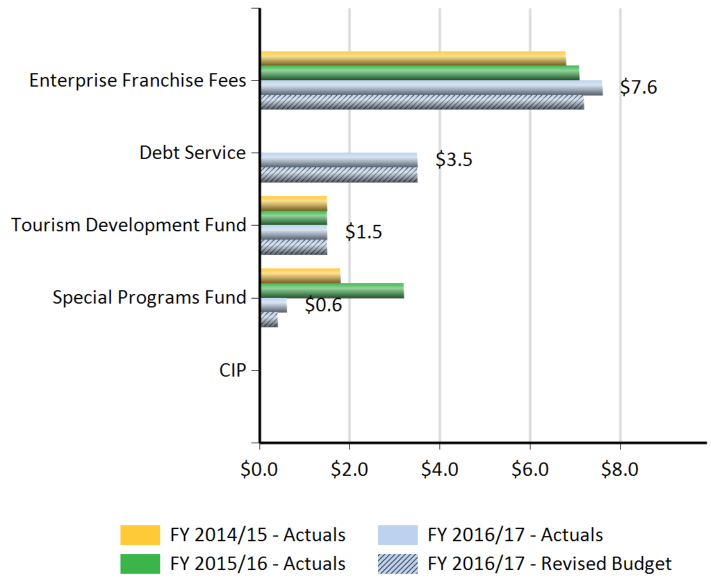


Actual to Revised Budget variance of $0.2 million or 12%: Favorable variance is based on higher return on investment than expected due to strong market conditions.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	$1.2	$1.4	$1.6	$1.4	$0.2	12%
Interest Earnings Total	$1.2	$1.4	$1.6	$1.4	$0.2	12%

$ in millions / rounding differences may occur

Transfers In (Fiscal Year to Date: June 2017)

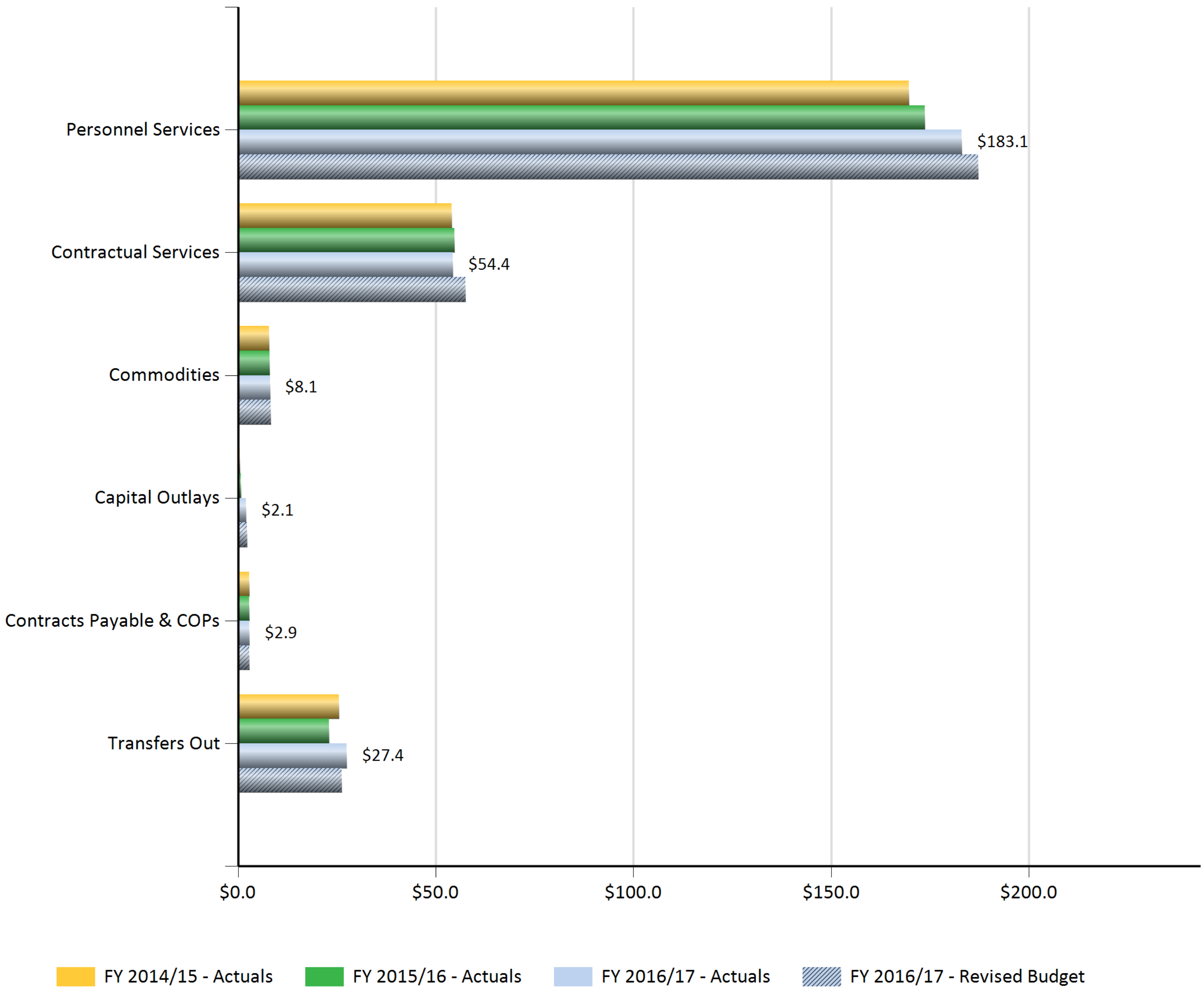


Actual to Revised Budget variance of $0.6 million or 5%: Favorable variance in Enterprise Franchise Fees is due to more revenue being collected in the Water & Water Reclamation Fund than forecasted which consequently affects the transfers into the General Fund. Increase is the result of greater water deliveries when compared to the three year running average. Special Programs Fund is favorable due to a transfer of excess Southwest Gas franchise fee revenue in Special Programs Fund.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Enterprise Franchise Fees	$6.8	$7.1	$7.6	$7.2	$0.4	6%
Debt Service	-	-	3.5	3.5	-	-
Tourism Development Fund	1.5	1.5	1.5	1.5	-	-
Special Programs Fund	1.8	3.2	0.6	0.4	0.2	50%
CIP	-	-	-	-	-	-
Transfers In Total	$10.0	$11.8	$13.1	$12.5	$0.6	5%

$ in millions / rounding differences may occur

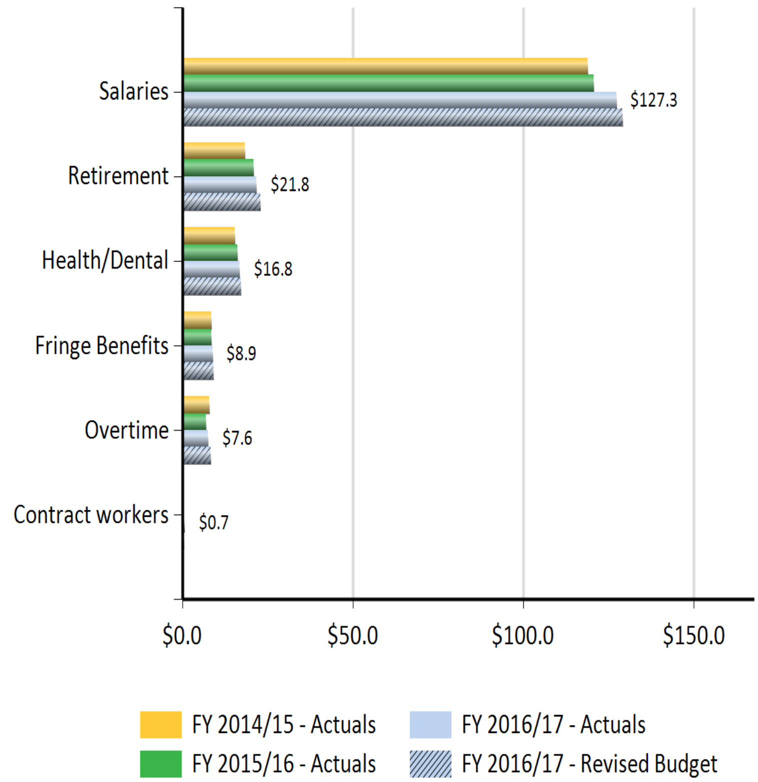
Uses (Fiscal Year to Date: June 2017)



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	$169.6	$173.7	$183.1	$187.3	$4.2	2%
Contractual Services	54.1	54.7	54.4	57.6	3.2	6%
Commodities	7.8	8.0	8.1	8.3	0.2	3%
Capital Outlays	0.5	0.8	2.1	2.3	0.2	9%
Contracts Payable & COPs	2.8	2.8	2.9	2.9	-	-
Transfers Out	25.5	23.1	27.4	26.2	(1.2)	(5%)
Total Uses	$260.3	$263.1	$277.8	$284.5	$6.6	2%

$ in millions / rounding differences may occur

Personnel Services (Fiscal Year to Date: June 2017)



Actual to Revised Budget variance of $4.2 million or 2%: The favorable variance is due primarily to savings in Salaries and Retirement. Salaries are favorable due to Police, Fire and City Attorney retirements/promotions and Community Services having higher than expected turnover, all of which brought in new staff earning less than previous incumbents. Additionally, Fire did not use their entire budget set aside for paramedics due to staff not being certified until January when specialty pay became required. The favorable variance in Retirement is related to salary and overtime savings by Police and the Fire Insurance Premium Tax Credit. The amount received in the tax credit was more than expected which means the city's Fire retirement costs were lower than anticipated. There is a citywide favorable impact in Health/Dental due to differing plan selections occurring after each position had been budgeted and adopted. Fringe Benefits is favorable as it is tied to Salaries and savings from new staff earning less than previous incumbents will show a savings in Fringe Benefits as well. Overtime is favorable due to dynamic staffing and deployment efficiencies in Police. This is partially offset by an unfavorable variance in Fire due to 14 sworn employees out on leaves due to injuries/FMLA and 3 vacancies due to resignations all of which negatively impact constant staffing requirements. Finally, Contract Workers is unfavorable because the City Treasurer was contracting with two retired, director level employees for ongoing services and Administrative Services was contracting with a Graphic Designer who had formerly worked for the city until a replacement could be found. None of these Contract Worker expenses were budgeted for.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries	$119.0	$120.7	$127.3	$129.1	$1.8	1%
Retirement	18.4	20.9	21.8	22.9	1.1	5%
Health/Dental	15.4	16.3	16.8	17.3	0.5	3%
Fringe Benefits	8.5	8.6	8.9	9.1	0.2	2%
Overtime	8.0	6.9	7.6	8.4	0.8	9%
Contract workers	0.3	0.3	0.7	0.5	(0.1)	(19%)
Personnel Services Total	$169.6	$173.7	$183.1	$187.3	$4.2	2%

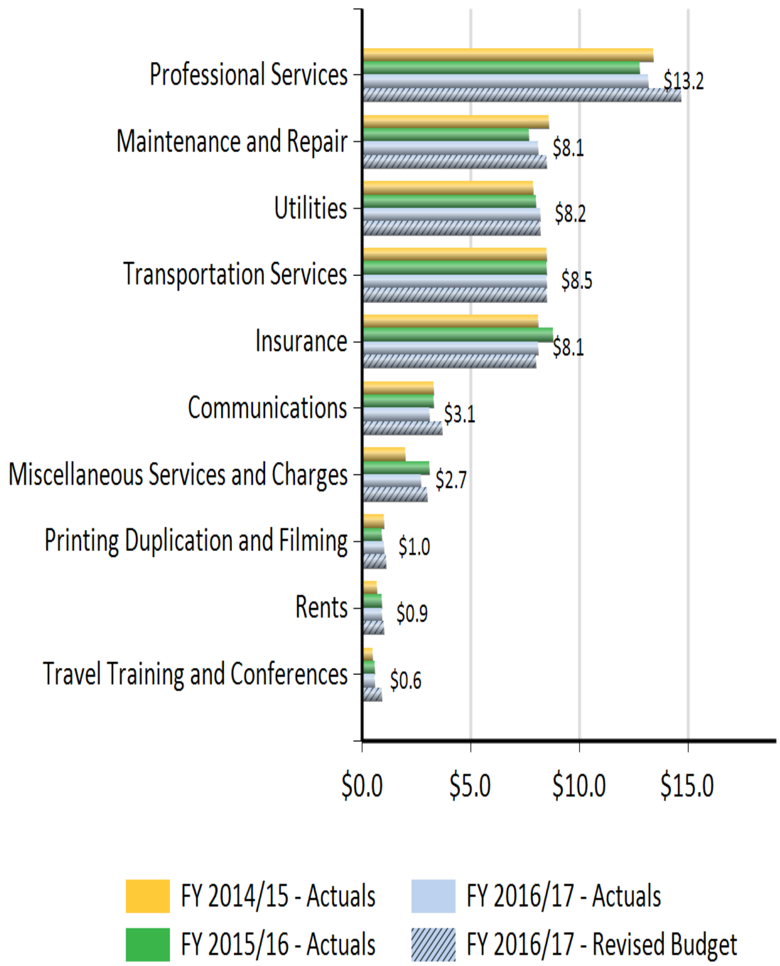
Macro Personnel Adjustments

	2014/15 Actual	2015/16 Actual	2016/17 Actual	2016/17 Year-To-Date Saved/(Used)	Remaining
3% Pay for Performance	$3.2	$3.0	$2.6	($2.6)	$ -
5% Step - Fire	-	-	0.9	(0.9)	-
5% Step - Police	1.4	1.6	1.3	(1.3)	-
Retirement Savings	-	(0.8)	(0.5)	0.5	-
Vacancy Savings	(3.8)	(4.8)	(5.3)	5.3	-
Medical Leave Payouts	1.6	1.0	1.0	(1.0)	-
Vacation Leave Payouts	0.7	0.9	0.6	(0.6)	-
Total Vacancy Savings/Payouts	$3.1	($0.6)	$0.6	($0.6)	$ -

Total Saved/(Used) YTD of ($0.6) million: At fiscal year end, the city has achieved $5.3 million in vacancy savings year-to-date offset by ($1.6) million in vacation and medical leave payouts. In July, the Citywide Pay for Performance Program was funded and implemented initiating the use of ongoing dollars for compensation increases. These increases include a 3 percent pay program based on performance; a 5 percent step program for Firefighters, Fire Engineers and Fire Captains; and a 5 percent step program for Police Officers.

$ in millions / rounding differences may occur

Contractual Services (Fiscal Year to Date: June 2017)

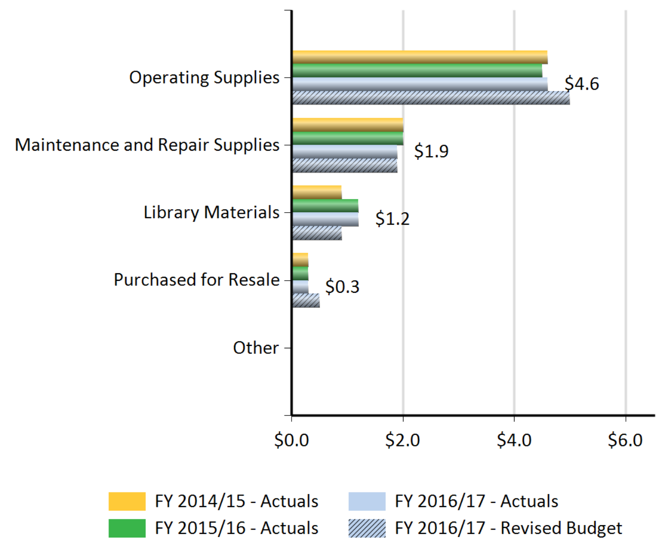


Actual to Revised Budget variance of $3.2 million or 6%: The favorable variance in Contractual Services is due largely to Professional Services, Maintenance and Repair, Communications, Miscellaneous Services and Charges, and Travel Training and Conferences. Professional Services is favorable due to the jail services contract in Police being less costly than anticipated and the photo radar program, which was suspended in FY 2015/16 for two months, had impacts that continued into FY 2016/17. The cost of administering this program was lower in July and August due to fewer tickets issued. It is also favorable due to moving work related to the Cultural Council Contract from FY 2016/17 to FY 2017/18 and consultant and banking services expenses being less than anticipated. Maintenance and Repair is favorable in: 1) Public Works due to one-time operating projects budgeted for but not completed in FY 2016/17, and the budgeting of funding for on-demand services that were not needed; 2) Police mostly due to maintenance agreements not needed or which came in less than quoted; 3) Administrative Services due to savings in the maintenance of office equipment and furniture. The favorable variance is partially offset by charges in Tourism & Events budgeted as Capital Outlays but recorded appropriately as Contractual Services. Communications is favorable due to specialty and cellular line expenditures being less than anticipated. Miscellaneous Services and Charges is favorable in City Attorney because the work order credit to Risk has been larger than anticipated due to generally higher litigation defense expenses. It is also favorable in City Treasurer because Arizona Department of Revenue expenses have been less than expected and in City Clerk due to General and Special Election ballots being less than anticipated. The favorable variance is partially offset by an unfavorable variance in Community Services due to higher than expected ActiveNet administrative fees. Travel Training and Conferences is favorable due primarily to sponsored training in Administrative Services being pushed to next fiscal year.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Professional Services	$13.4	$12.8	$13.2	$14.7	$1.5	10%
Maintenance and Repair	8.6	7.7	8.1	8.5	0.4	5%
Utilities	7.9	8.0	8.2	8.2	-	-
Transportation Services	8.5	8.5	8.5	8.5	-	-
Insurance	8.1	8.8	8.1	8.0	(0.1)	(1%)
Communications	3.3	3.3	3.1	3.7	0.6	16%
Miscellaneous Services and Charges	2.1	3.1	2.7	3.0	0.3	11%
Printing Duplication and Filming	1.0	0.9	1.0	1.1	0.1	13%
Rents	0.7	0.9	0.9	1.0	0.1	6%
Travel Training and Conferences	0.5	0.6	0.6	0.9	0.3	34%
Contractual Services Total	$54.1	$54.7	$54.4	$57.6	$3.2	6%

$ in millions / rounding differences may occur

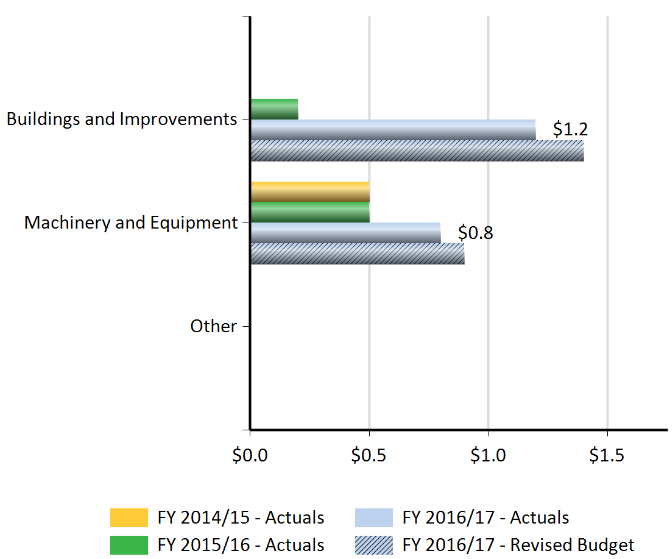
Commodities (Fiscal Year to Date: June 2017)



Actual to Revised Budget variance of $0.2 million or 3%: Operating Supplies are favorable due to savings in printing and photographic supplies as a result of outsourcing printing services in Purchasing, a lower than expected need to replace furniture at the City Attorney's Office, and the pushing back of the purchase of emergency medial supplies and other related equipment into FY 2017/18 in Fire. Library Materials is unfavorable due to the unbudgeted cost of the Maricopa County Library District book allocation program. However, there is no financial impact to the city as revenue is received from Maricopa County to cover the cost of the books. Purchased For Resale is favorable due to the cancellation of two events at Westworld where items such as hay were expected to be purchased by the City to be sold to participants.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Actual vs. Budget Favorable / (Unfavorable) Percent
Operating Supplies	$4.6	$4.5	$4.6	$5.0	$0.4	8%
Maintenance and Repair Supplies	2.0	2.0	1.9	1.9	-	-
Library Materials	0.9	1.2	1.2	0.9	(0.3)	(33%)
Purchased for Resale	0.3	0.3	0.3	0.5	0.2	43%
Other	-	-	-	-	-	-
Commodities Total	$7.8	$8.0	$8.1	$8.3	$0.2	3%

Capital Outlays (Fiscal Year to Date: June 2017)

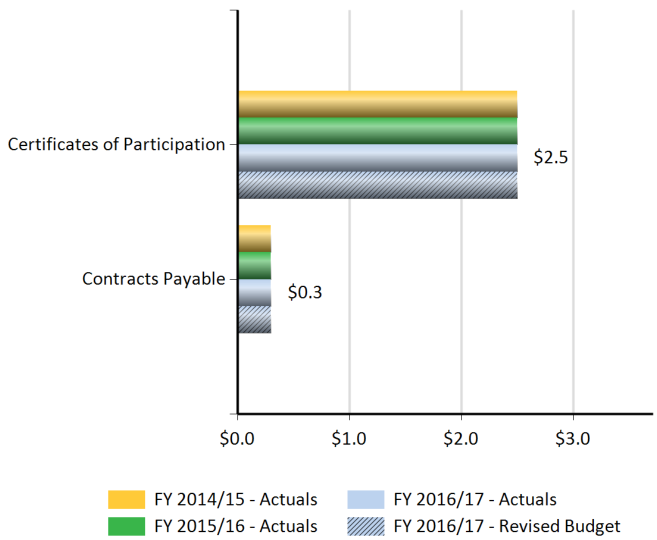


Actual to Revised Budget variance of $0.2 million or 9%: Buildings and Improvements is favorable due to one time projects in Public Works not being completed in FY 2016/17 as expected. Machinery and Equipment is favorable mainly due to charges in Tourism & Events budgeted as Capital Outlays but recorded appropriately as Contractual Services.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Actual vs. Budget Favorable / (Unfavorable) Percent
Buildings and Improvements	$ -	$0.2	$1.2	$1.4	$0.1	8%
Machinery and Equipment	0.5	0.5	0.8	0.9	0.1	9%
Other	-	-	-	-	-	n/a
Capital Outlays Total	$0.5	$0.8	$2.1	$2.3	$0.2	9%

$ in millions / rounding differences may occur

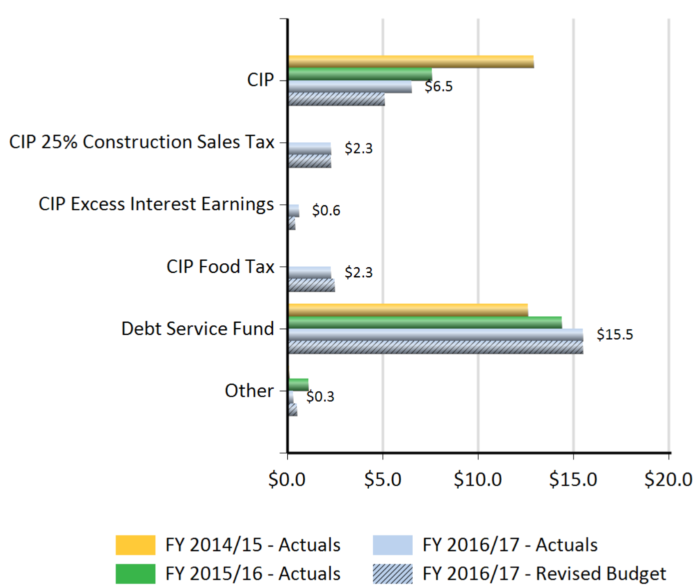
Contracts Payable & COPs (Fiscal Year to Date: June 2017)



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

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	$2.5	$2.5	$2.5	$2.5	$ -	-
Contracts Payable	0.3	0.3	0.3	0.3	-	-
Contracts Payable & COPs Total	$2.8	$2.8	$2.9	$2.9	$ -	-

Transfers Out (Fiscal Year to Date: June 2017)

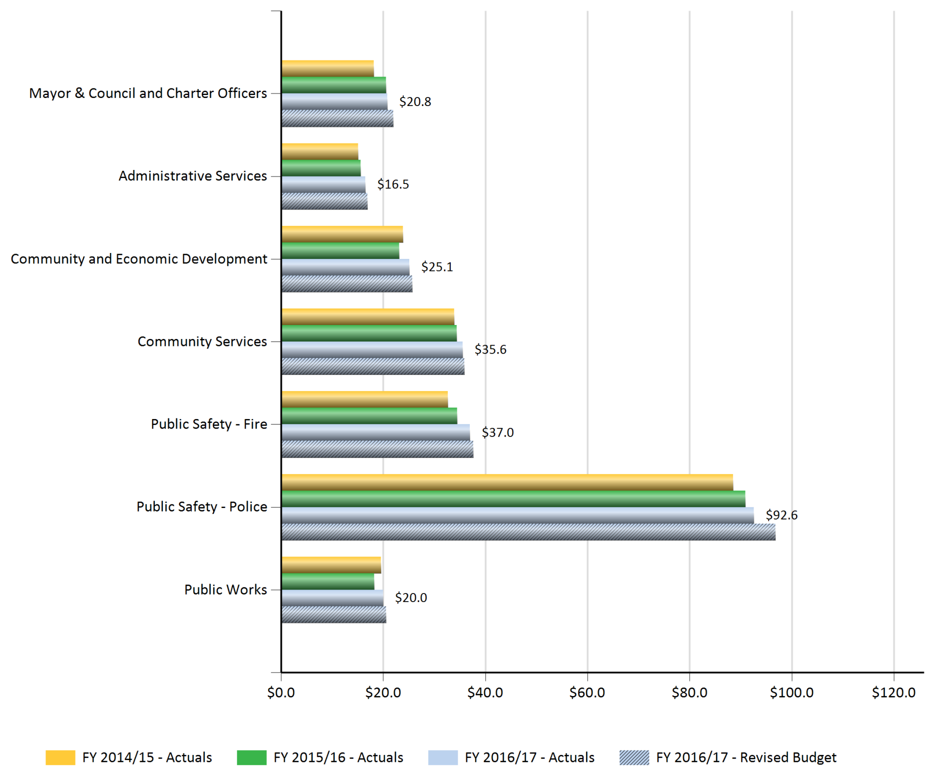


Actual to Revised Budget variance of ($1.2) million or (5%):
The unfavorable variance in CIP is mainly due to a contingency transfer from the General Fund operating budget undesignated, unreserved fund balance to the newly created Fire Self Contained Breathing (SCBA) Replacement capital project, per Council approval. As per Financial Policy #17, all net interest income in excess of $1.0 million is transferred to the General Fund Capital Improvement Program at fiscal year-end. The unfavorable variance in CIP Excess Interest Earnings is due to the need to transfer more than expected because of a higher return on investment due to strong market conditions. As per Council guidance, 33.33 percent of Food Sales Tax is to be transferred to the General Fund Capital Improvement Program at fiscal year-end. CIP Food Tax is favorable as there was lower than expected food sales tax revenue brought in, thus less was transferred than expected. Other is favorable due to the overestimation of the expected amount to be transferred for the healthcare disabled retiree subsidy.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
CIP	$12.9	$7.6	$6.5	$5.1	($1.4)	(28%)
CIP 25% Construction Sales Tax	-	-	2.3	2.3	-	-
CIP Excess Interest Earnings	-	-	0.6	0.4	(0.2)	(41%)
CIP Food Tax	-	-	2.3	2.5	0.2	8%
Debt Service Fund	12.6	14.4	15.5	15.5	-	-
Other	0.1	1.1	0.3	0.5	0.2	36%
Transfers Out Total	$25.5	$23.1	$27.4	$26.2	($1.2)	(5%)

$ in millions / rounding differences may occur

Division Expenditures (Fiscal Year to Date: June 2017)

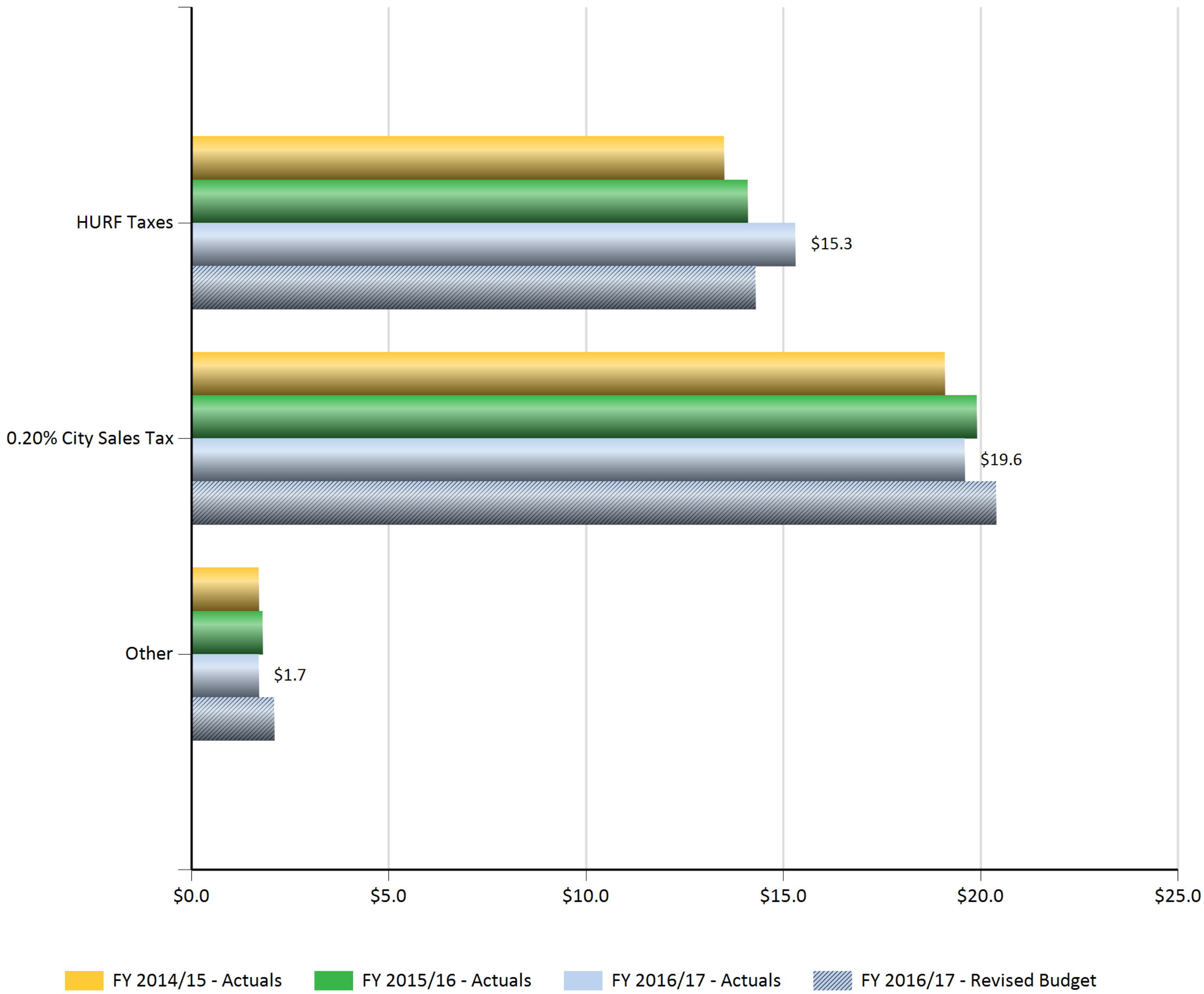


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	$18.1	$20.5	$20.8	$21.9	$1.1	5%
Administrative Services	15.1	15.5	16.5	16.9	0.4	2%
Community and Economic Development	23.8	23.1	25.1	25.7	0.6	2%
Community Services	33.9	34.4	35.6	35.9	0.3	1%
Public Safety - Fire	33.0	34.5	37.0	37.6	0.6	2%
Public Safety - Police	88.5	90.9	92.6	96.8	4.2	4%
Public Works	19.5	18.2	20.0	20.6	0.6	3%
Total	$232.0	$237.2	$247.5	$255.4	$7.8	3%

Actual to Revised Budget variance of $7.8 million or 3%: Mayor & Council and Charter Officer is favorable mainly due to City Attorney having positions vacant throughout most of the fiscal year, a larger work order credit to Risk due to higher litigation defense expenses, and lower than expected costs for furniture and office equipment; Arizona Department of Revenue and banking services expenses being less than anticipated in City Treasurer; and in City Clerk due to General and Special Election ballots being less than expected. Administrative Services is favorable due to savings in maintenance of office furniture and equipment, sponsored training being pushed to next year and the outsourcing of printing services. This was partially offset by the costs associated with contracting out a graphic designer. Community and Economic Development is favorable due to savings in consultant expenses and office equipment, expenses associated with the Scottsdale Arts contract being pushed to next fiscal year, and because two WestWorld events were cancelled, eliminating the need to buy items for resale. Community Services is favorable due to newly hired staff brought on at a lower salary than those who they replaced and vacant part time positions. It is partially offset by costs associated with unbudgeted ActiveNet reservation fees and the Maricopa County Library District book allocation program. Public Safety – Fire is favorable due to retirements/promotions bringing in new staff earning less than previous incumbents, a higher than expected Fire Insurance Premium Tax Credit, unused compensation for paramedics and the pushing back of emergency supply purchases to FY 2017/18. This is partially offset by higher than budgeted overtime costs related to coverage for vacant positions and staff out on injury/FMLA leave. Public Safety – Police is favorable mainly due to retirements/promotions bringing in new staff earning less than previous incumbents, savings in overtime due to dynamic staffing and deployment efficiencies, the jail services contract being less costly than anticipated and the photo radar program, which was suspended in FY 2015/16 had impacts that continued into FY 2016/17, maintenance agreements not needed or which came in less than quoted and cellular and specialty lines being less than anticipated. Finally, Public Works is favorable due to one-time operating projects budgeted for but not completed in FY 2016/17, and the budgeting of funding for on-demand services that were not needed.

$ in millions / rounding differences may occur

Sources (Fiscal Year to Date: June 2017)

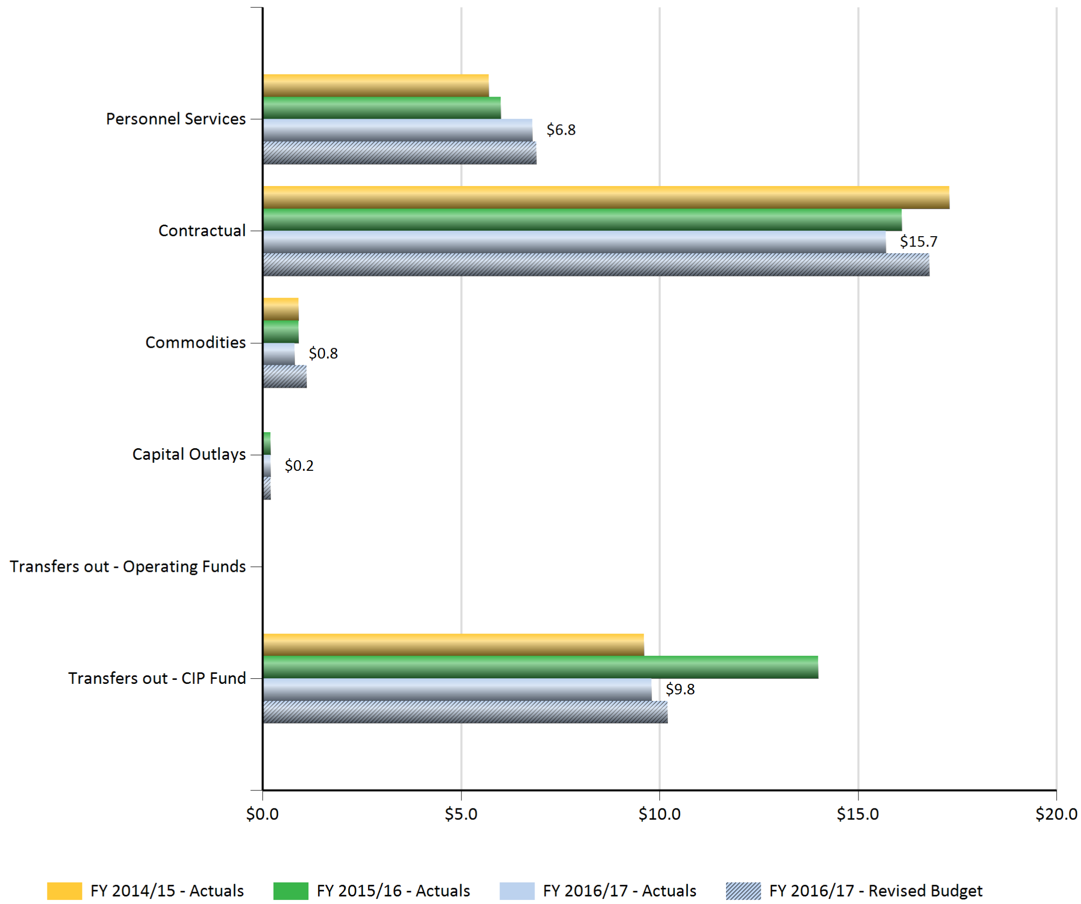


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
HURF Taxes	$13.5	$14.1	$15.3	$14.3	$0.9	7%
0.20% City Sales Tax	19.1	19.9	19.6	20.4	(0.7)	(4%)
Other	1.7	1.8	1.7	2.1	(0.4)	(19%)
Total Sources	$34.3	$35.8	$36.6	$36.7	($0.2)	(1%)

Actual to Revised Budget variance of ($0.2) million or (1%):
The favorable variance in HURF Taxes is due to higher revenues coming in than what was anticipated by the League of Arizona Cities and Towns. The unfavorable variance in 0.20% City Sales Tax is primarily a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily. Other is unfavorable due to grants being budgeted under the Transportation Fund, but the activity (sources and uses) happening within the Grants Funds. This was corrected in FY 2017/18.

$ in millions / rounding differences may occur

Uses (Fiscal Year to Date: June 2017)



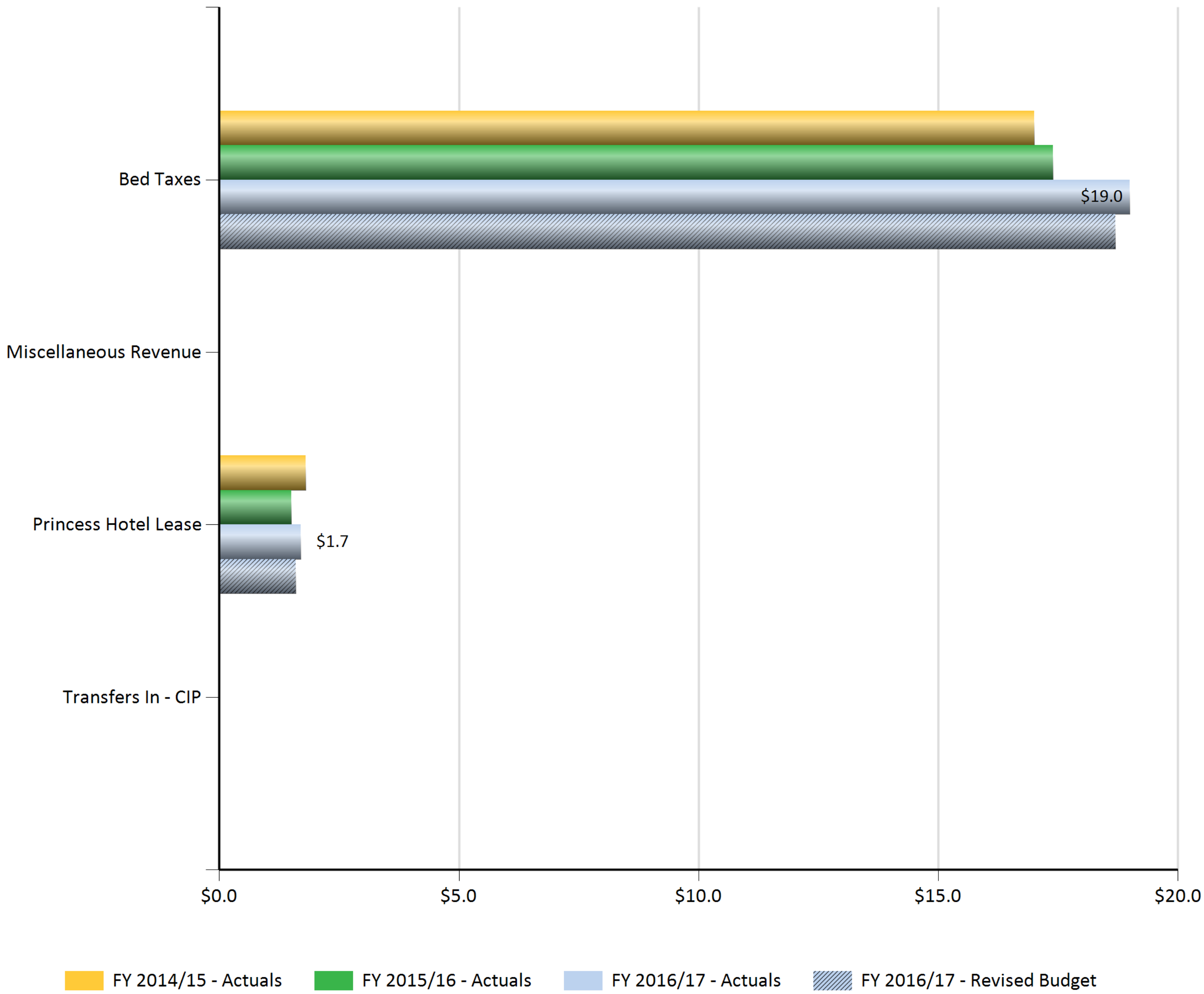
	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	$5.7	$6.0	$6.8	$6.9	$0.1	1%
Contractual	17.3	16.1	15.7	16.8	1.1	6%
Commodities	0.9	0.9	0.8	1.1	0.2	21%
Capital Outlays	-	0.2	0.2	0.2	0.1	31%
Transfers out - Operating Funds	-	-	-	-	-	-
Transfers out - CIP Fund	9.6	14.0	9.8	10.2	0.4	4%
Total Uses	$33.5	$37.3	$33.3	$35.1	$1.8	5%

Actual to Revised Budget variance of $1.8 million or 5%:

The favorable variance in Contractual is the result of rescheduling a paving project to a future fiscal year, the delaying of the dust palliative program in FY 2017/18 due to limited staff availability, less drain vactoring needed than expected due to improved methods and materials and to changes to the bus and trolley operation contracts. The favorable variance in Commodities is mostly due to the cost of traffic cabinets being recorded as Capital Outlays while the budget resided in Commodities, as well as lower than anticipated supplies expenses for traffic signal repairs. The favorable variance in Capital Outlays is mostly due to savings in advance planning for capital improvement initiatives, which is a budget for expenses related to possible future capital projects, such as studies, that cannot be assigned to a specific project since one has not been approved yet. The savings were partially offset by the traffic cabinets expense that was budgeted in Commodities. The favorable variance in Transfers out - CIP Fund is due to lower than estimated 0.20% City Sales Tax due to ADOR taking over administrative, collection and reporting of sales tax as of January 1, 2017. According to Financial Policy No.28, 50 percent of the 0.20% City Sales Tax revenue will be allocated to transportation operating expenses. The other 50 percent is allocated and transferred to the transportation capital improvement plan.

$ in millions / rounding differences may occur

Sources (Fiscal Year to Date: June 2017)

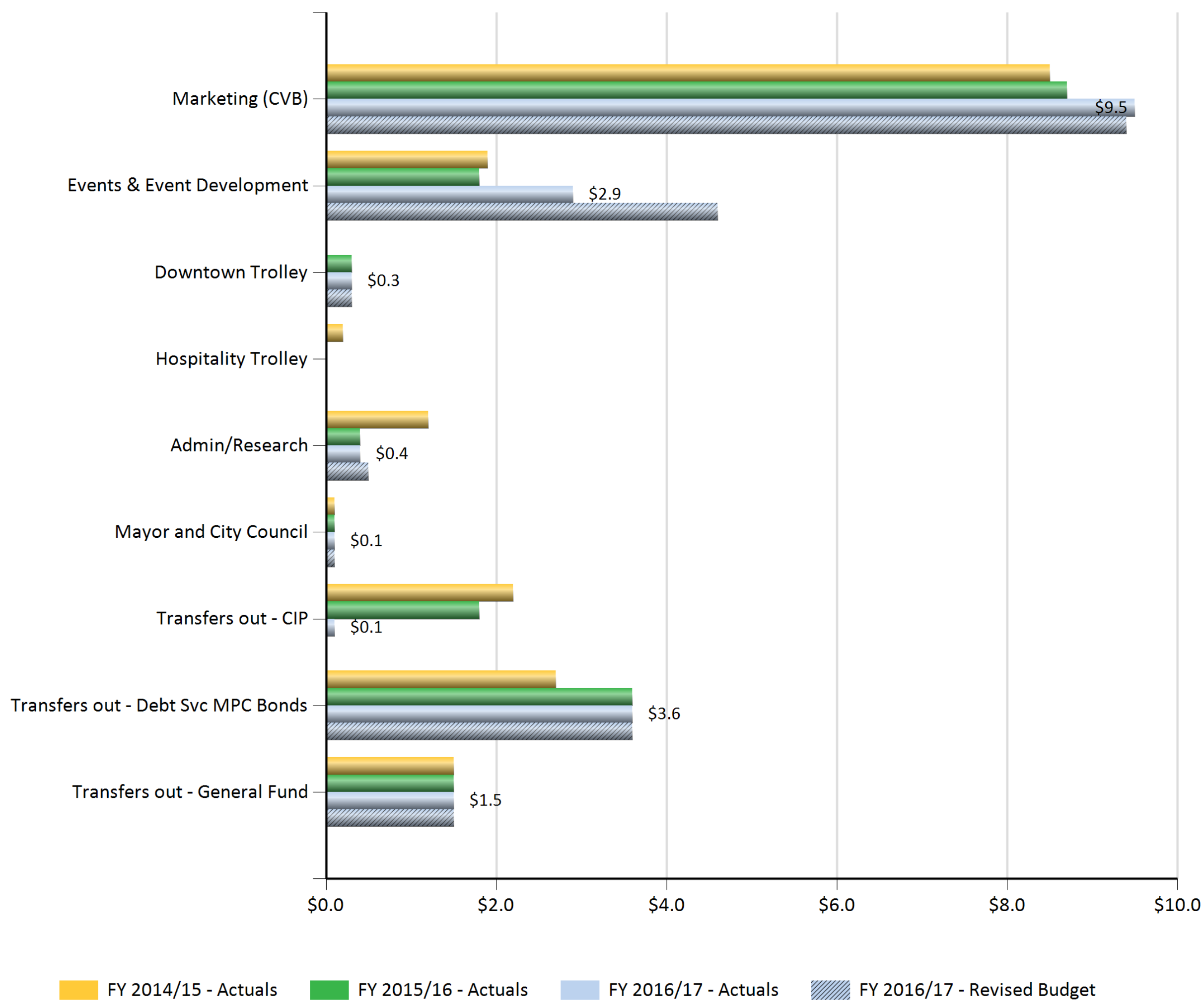


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Bed Taxes	$17.0	$17.4	$19.0	$18.7	$0.2	1%
Miscellaneous Revenue	-	-	-	-	-	-
Princess Hotel Lease	1.8	1.5	1.7	1.6	0.1	7%
Transfers In - CIP	-	-	-	-	-	-
Total Sources	$18.9	$18.9	$20.7	$20.4	$0.3	2%

Actual to Revised Budget variance of $0.3 million or 2%:
The favorable variance in Bed Taxes is due to a conservative estimate of Transient Occupancy Tax revenue for the year. The favorable variance in Princess Hotel Lease is due to higher than estimated hotel revenues. The calculation of the payment is a minimum monthly rent of $0.1 million plus a 1.5% of adjusted gross revenue above $100.0 million.

$ in millions / rounding differences may occur

Uses (Fiscal Year to Date: June 2017)

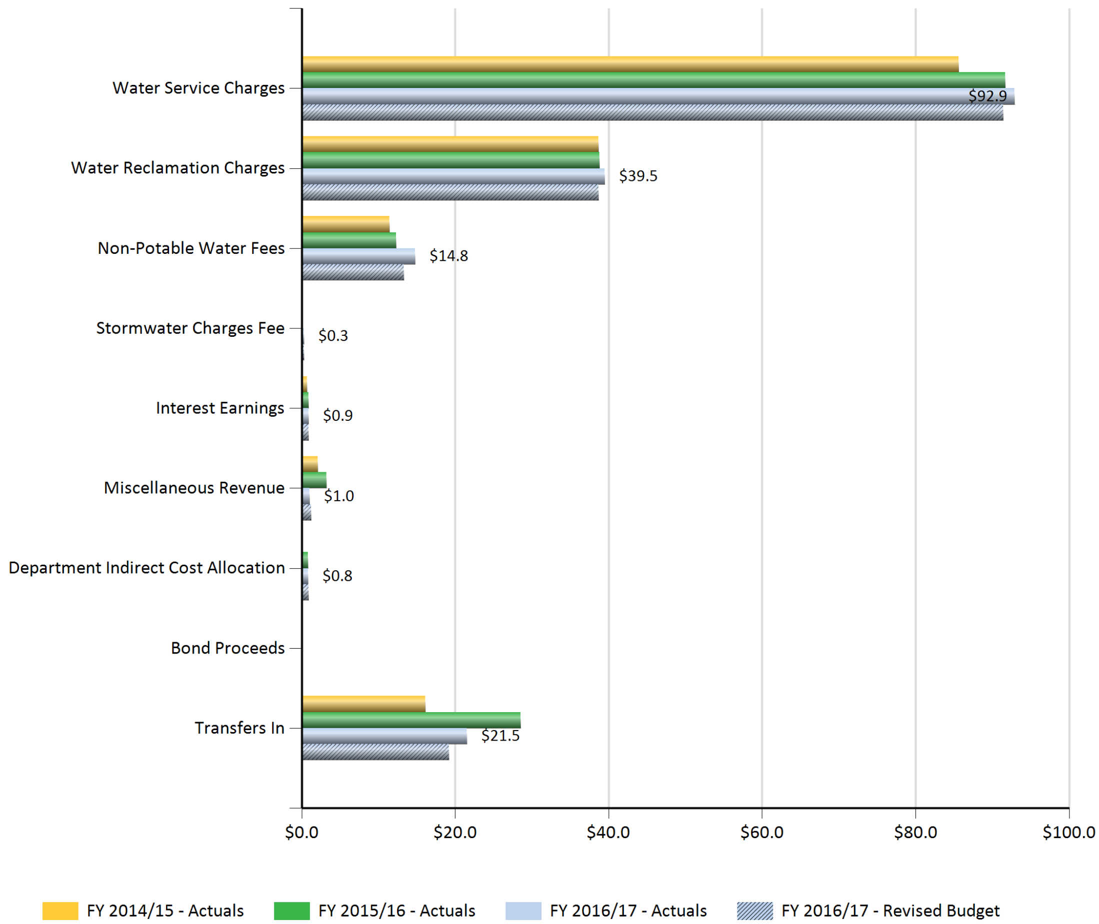


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Marketing (CVB)	$8.5	$8.7	$9.5	$9.4	($0.1)	(1%)
Events & Event Development	1.9	1.8	2.9	4.6	1.8	38%
Downtown Trolley	-	0.3	0.3	0.3	-	-
Hospitality Trolley	0.2	-	-	-	-	-
Admin/Research	1.2	0.4	0.4	0.5	0.2	30%
Mayor and City Council	0.1	0.1	0.1	0.1	-	-
Transfers out - CIP	2.2	1.8	0.1	-	(0.1)	n/a
Transfers out - Debt Svc MPC Bonds	2.7	3.6	3.6	3.6	-	-
Transfers out - General Fund	1.5	1.5	1.5	1.5	-	-
Total Uses	$18.3	$18.3	$18.3	$20.0	$1.7	8%

Actual to Revised Budget variance of $1.7 million or 8%:
The favorable variance in Events & Event Development is due to delays in the Downtown ambiance lighting project as a result of code challenges that were later resolved as well as timing of expenses for the implementation of year four of the Tourism Strategic Plan. The favorable variance in Admin/Research is due to savings related to consultant expenses. The unfavorable variance in Transfers out - CIP is related to the Council approved Museum of the West Hopi Exhibit project. Some of the funding was transferred to the CIP for exhibit building expenses.

$ in millions / rounding differences may occur

Sources (Fiscal Year to Date: June 2017)

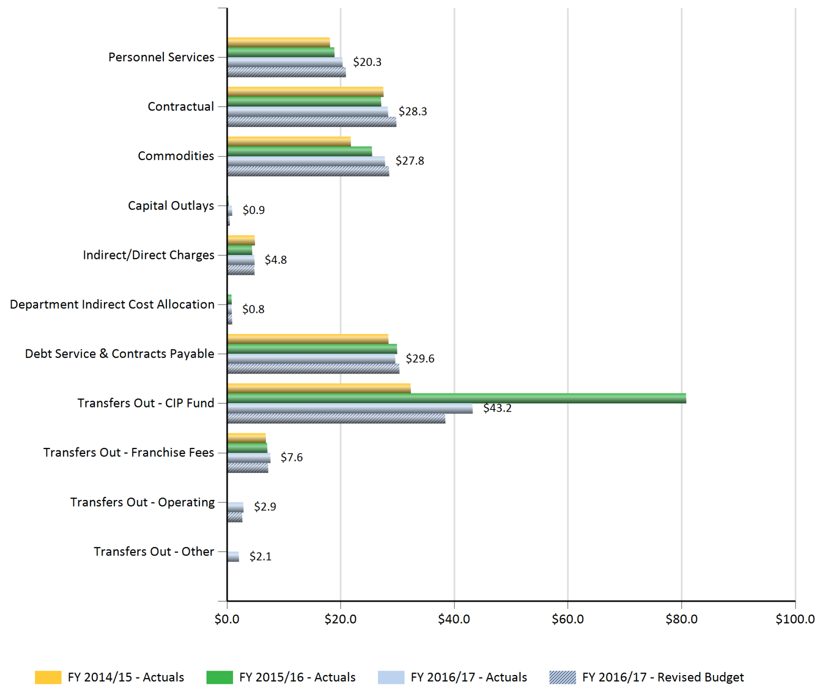


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Water Service Charges	$85.6	$91.7	$92.9	$91.4	$1.5	2%
Water Reclamation Charges	38.7	38.8	39.5	38.7	0.8	2%
Non-Potable Water Fees	11.4	12.3	14.8	13.3	1.5	12%
Stormwater Charges Fee	-	0.1	0.3	0.3	-	-
Interest Earnings	0.7	0.9	0.9	0.9	-	-
Miscellaneous Revenue	2.1	3.2	1.0	1.2	(0.2)	(17%)
Department Indirect Cost Allocation	-	0.8	0.8	0.9	(0.1)	(10%)
Bond Proceeds	-	-	-	-	-	-
Transfers In	16.1	28.5	21.5	19.2	2.3	12%
Total Sources	$154.6	$176.3	$171.7	$165.8	$5.8	4%

Actual to Revised Budget variance of $5.8 million or 4%:
The favorable variance in Water Service Charges is driven by water deliveries which came in higher than the three-year running average as well as an increase in new utility accounts due to the higher than expected rate of construction of new homes. The favorable variance in Water Reclamation Charges is related to higher deliveries in the prior winter period than budgeted. Non-Potable Water Fees' favorable variance is due primarily to higher sales of reclaimed water to golf courses than expected, a golf course being charged for overuse and settlement revenue that wasn't budgeted for. Miscellaneous Revenue is unfavorable due to less reimbursement of expenditures than expected, less late payment penalties for cell phone towers and fewer used water meters sold than anticipated. Transfers In is favorable because of a debt service reporting change. Transfers Out is unfavorable by an equal amount.

$ in millions / rounding differences may occur

Uses (Fiscal Year to Date: June 2017)



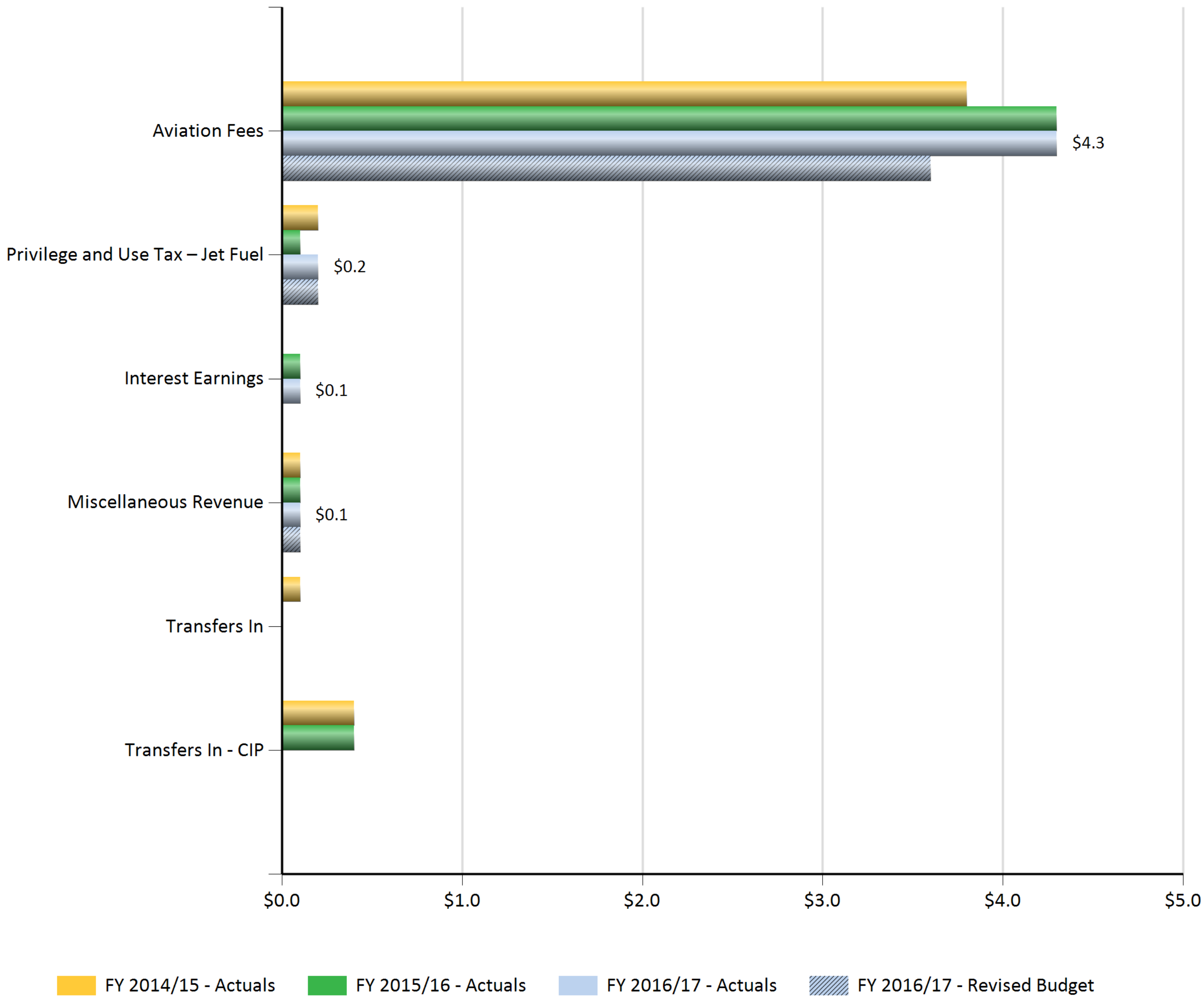
	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	$18.1	$18.9	$20.3	$20.9	$0.6	3%
Contractual	27.5	27.1	28.3	29.8	1.5	5%
Commodities	21.8	25.5	27.8	28.5	0.7	3%
Capital Outlays	-	0.3	0.9	0.5	(0.3)	(62%)
Indirect/Direct Charges	4.9	4.4	4.8	4.8	-	-
Department Indirect Cost Allocation	-	0.8	0.8	0.9	0.1	10%
Debt Service & Contracts Payable	28.4	29.9	29.6	30.3	0.7	2%
Transfers Out - CIP Fund	27.3	80.8	43.2	38.4	(4.8)	(12%)
Transfers Out - Franchise Fees	6.8	7.1	7.6	7.2	(0.4)	(6%)
Transfers Out - Operating	-	0.1	2.9	2.7	(0.1)	(5%)
Transfers Out - Other	-	-	2.1	-	(2.1)	n/a
Total Uses	$134.7	$194.9	$168.2	$164.1	($4.0)	(2%)

Actual to Revised Budget variance of ($4.0) million or (2%):

Personnel Services is favorable due to employee turnover. New employees are coming in at a lower rate than those they are replacing. Contractual is favorable mainly due to lower than expected Utilities which were expected to be higher due to the potential of an APS rate increase that never occurred. It is also favorable due to a recovery of expense from the Sub Regional Operating Group (SROG). This is partially countered by outside labor costs being higher than budgeted. Commodities is favorable mainly due to filter media and treatment chemicals purchases being lower than expected due to lower production levels and higher raw water quality. It is also favorable due to lower than expected purchased water levels due to a colder winter than anticipated. This is partially offset by a greater than expected need for parts and materials to maintain mechanical equipment and to repair water meters. Capital Outlays is unfavorable due to the unexpected purchase of new equipment required to replace equipment that has failed and the additional outfitting of a newly purchased vactor truck. Debt Service & Contracts Payable is favorable due to a refunding of bonds which reduced required interest payments. Transfer Out – CIP is unfavorable because additional operating funds above Water's required reserves were transferred to CIP. In addition, transfers were made for the first time from Water's contract funds to their respective contract CIP funds. Previously they were kept in their operating funds under a reserve amount. Transfers Out – Franchise Fees is unfavorable because of more Enterprise Franchise Fees being transferred due to higher revenue collected in the Water & Water Reclamation Fund than forecasted which consequently affects the transfers into the General Fund. The increased revenue is the result of greater water deliveries as compared to the three-year running average. Transfers Out – Other is unfavorable because of a change in debt service reporting. Transfers In is favorable by an equal amount.

$ in millions / rounding differences may occur

Sources (Fiscal Year to Date: June 2017)

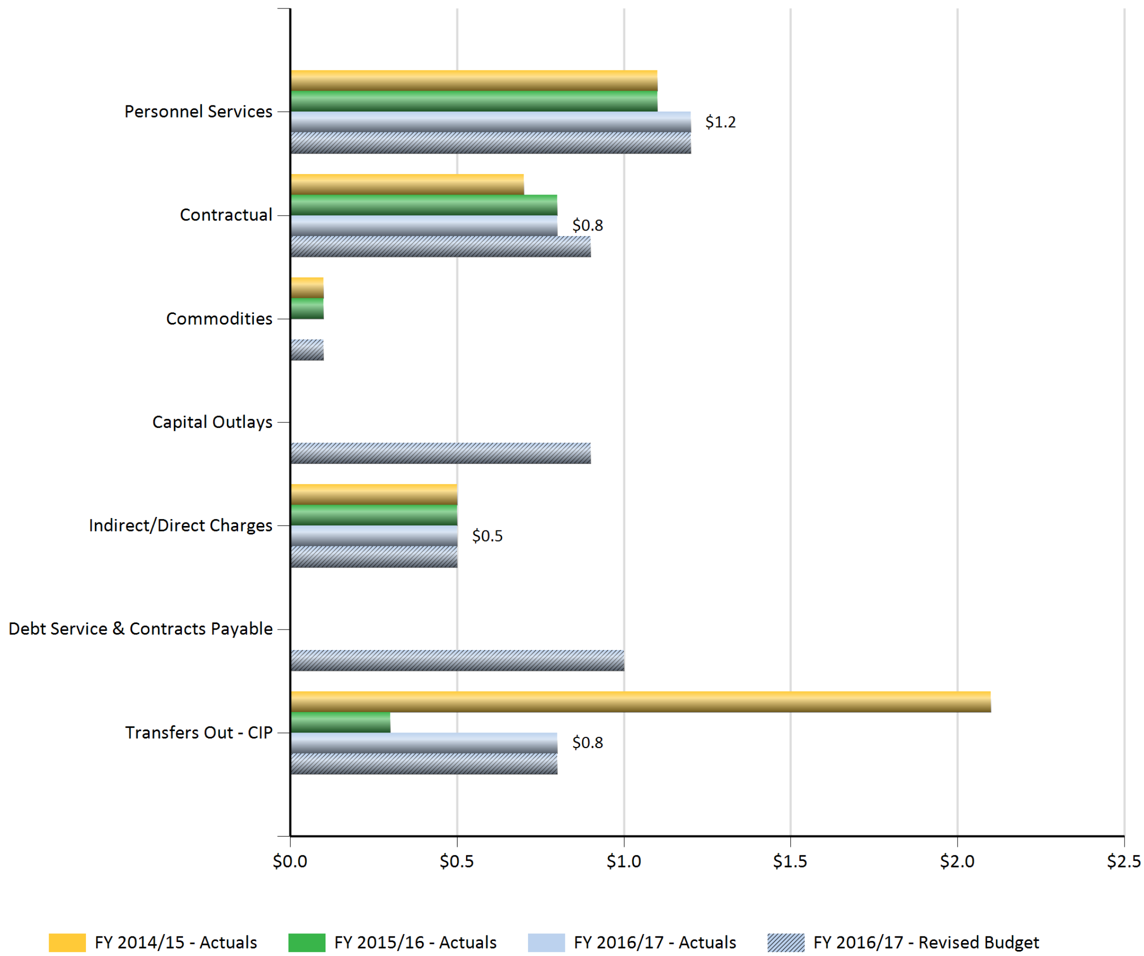


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Aviation Fees	$3.8	$4.3	$4.3	$3.6	$0.7	19%
Privilege and Use Tax – Jet Fuel	0.2	0.1	0.2	0.2	-	-
Interest Earnings	-	0.1	0.1	-	-	-
Miscellaneous Revenue	0.1	0.1	0.1	0.1	-	-
Transfers In	0.1	-	-	-	-	n/a
Transfers In - CIP	0.4	0.4	-	-	-	-
Total Sources	$4.7	$5.0	$4.6	$3.9	$0.7	18%

Actual to Revised Budget variance of $0.7 million or 18%:
The favorable variance in Airport Fees is due to higher than anticipated flight activity partly as a result of the NCAA Final Four Basketball Tournament, as well as to delays in the demolition of the two airport buildings that resulted in additional tenant rent revenue.

$ in millions / rounding differences may occur

Uses (Fiscal Year to Date: June 2017)

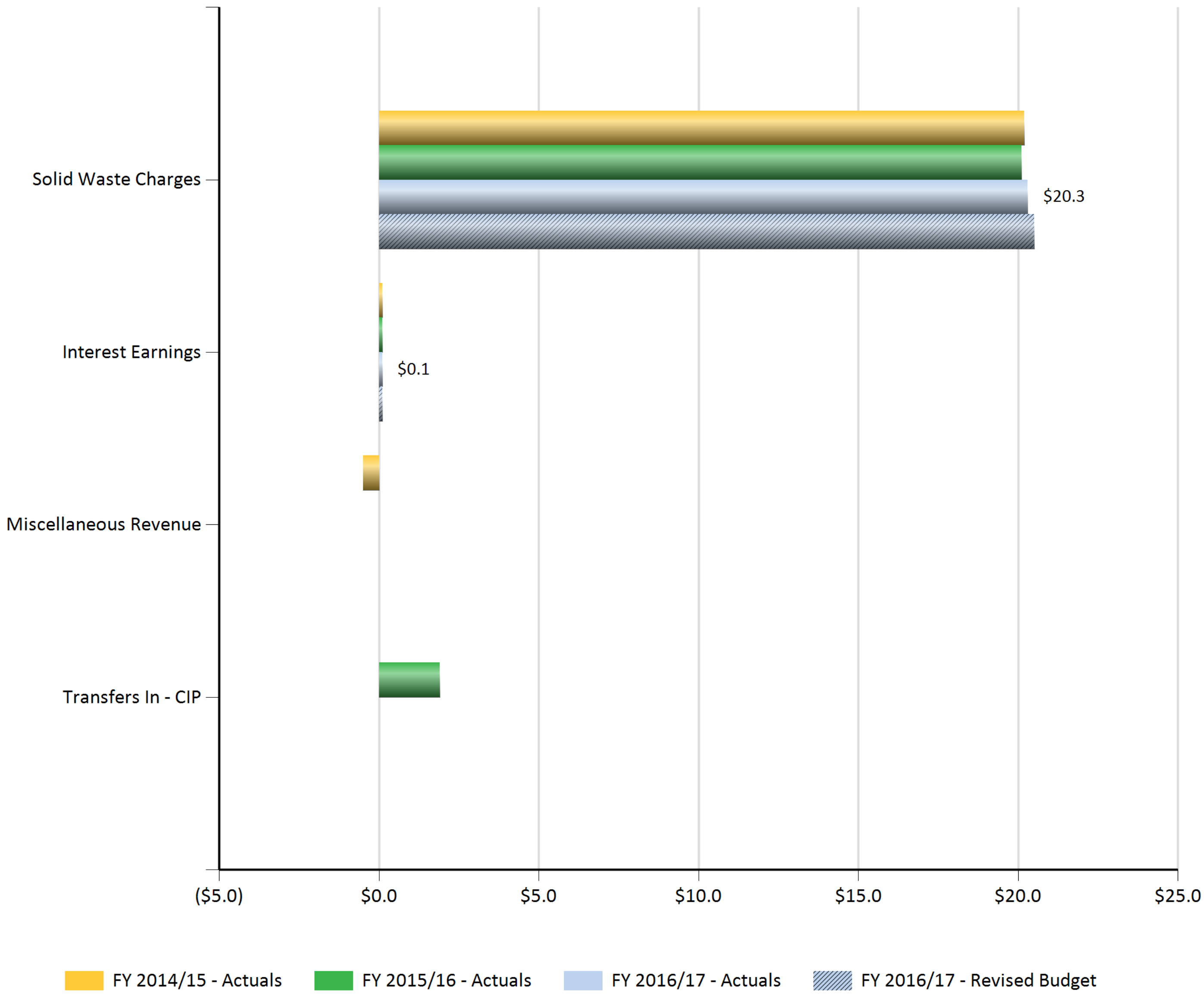


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	$1.1	$1.1	$1.2	$1.2	$ -	-
Contractual	0.7	0.8	0.8	0.9	0.1	15%
Commodities	0.1	0.1	-	0.1	-	-
Capital Outlays	-	-	-	0.9	0.9	100%
Indirect/Direct Charges	0.5	0.5	0.5	0.5	-	-
Debt Service & Contracts Payable	-	-	-	1.0	1.0	100%
Transfers Out - CIP	2.1	0.3	0.8	0.8	-	-
Total Uses	$4.5	$2.6	$3.3	$5.5	$2.1	39%

Actual to Revised Budget variance of $2.1 million or 39%:
The favorable variance in Contractual is due to a lower than anticipated cost for a Customs and Border Patrol agent to inspect and clear aircrafts coming from abroad. The favorable variance in Capital Outlays is due to the delay in the purchase of the replacement of an airport dedicated fire truck that will happen in FY 2017/18. The favorable variance in Debt Service & Contracts Payable is due to a bond issuance related to the Airport Terminal construction project being budgeted in FY 2016/17 but occurring in FY 2017/18.

$ in millions / rounding differences may occur

Sources (Fiscal Year to Date: June 2017)

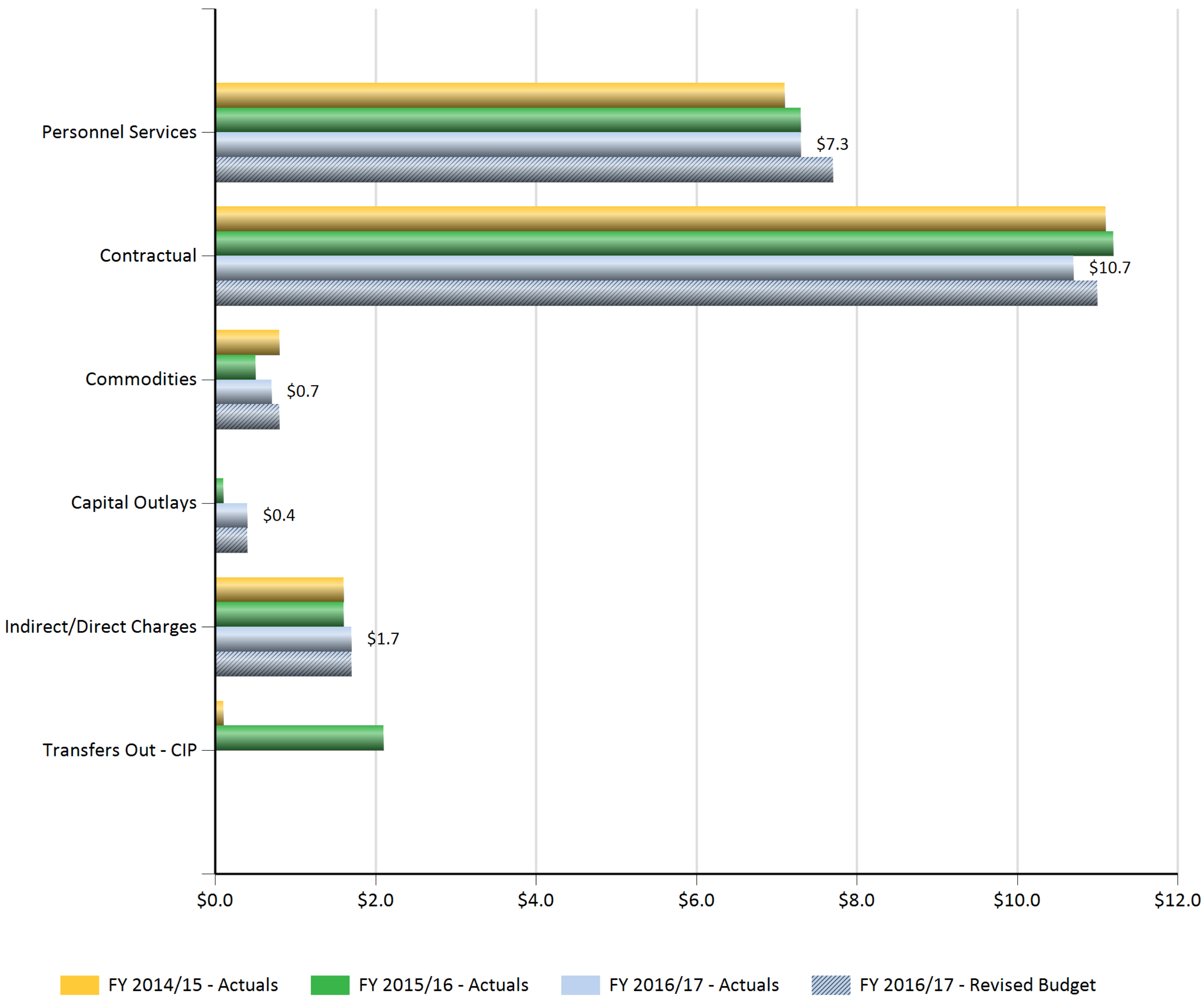


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Solid Waste Charges	$20.2	$20.1	$20.3	$20.5	($0.3)	(1%)
Interest Earnings	0.1	0.1	0.1	0.1	-	-
Miscellaneous Revenue	(0.5)	-	-	-	-	n/a
Transfers In - CIP	-	1.9	-	-	-	-
Total Sources	$19.8	$22.1	$20.4	$20.6	($0.3)	(1%)

Actual to Revised Budget variance of ($0.3) million or (1%):
The unfavorable variance in Solid Waste Charges is related to the loss of commercial customers as a result of rate increases in roll off and front load refuse charges.

$ in millions / rounding differences may occur

Uses (Fiscal Year to Date: June 2017)



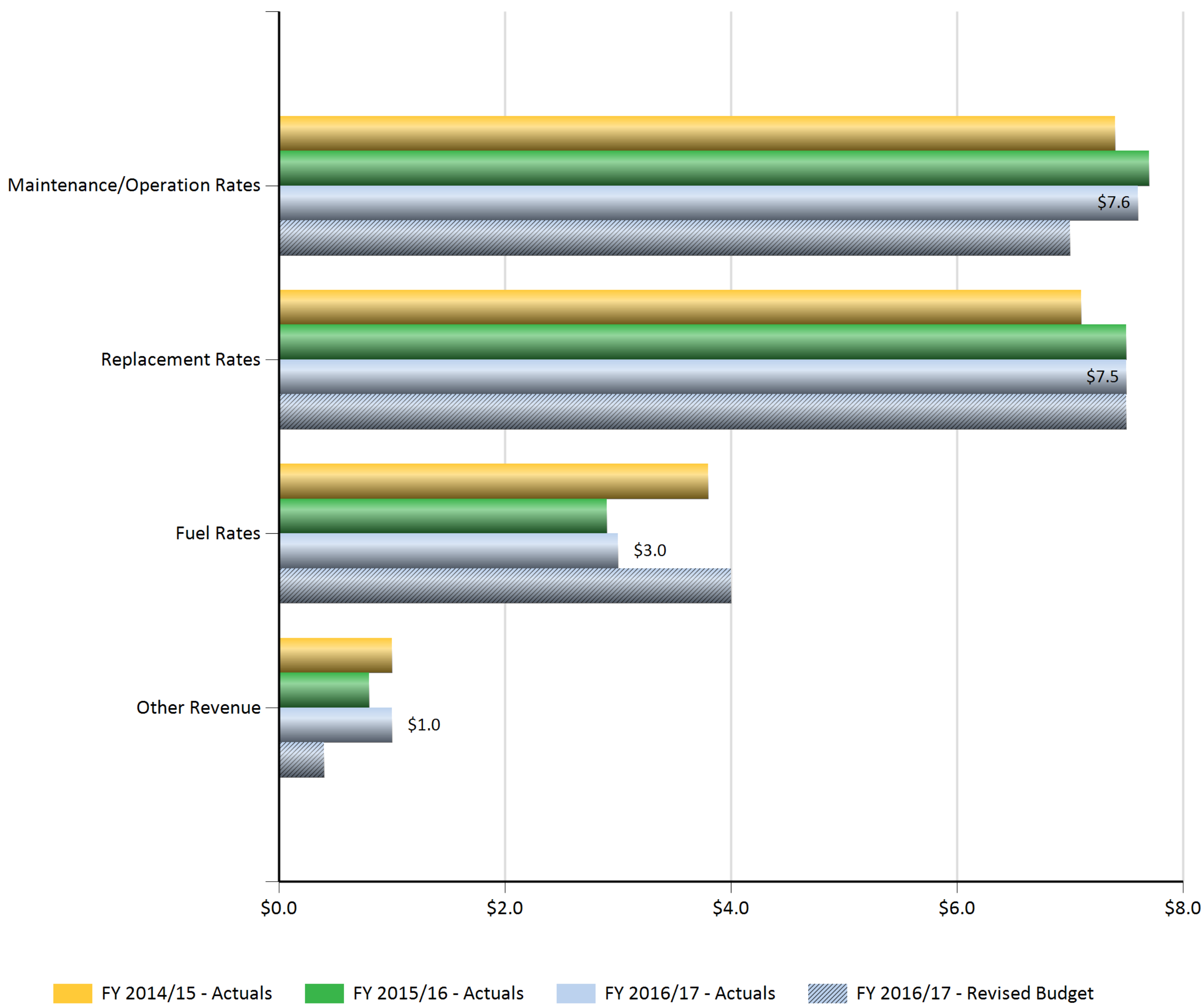
	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Actual vs. Budget Favorable / (Unfavorable) Percent
Personnel Services	$7.1	$7.3	$7.3	$7.7	$0.4	6%
Contractual	11.1	11.2	10.7	11.0	0.3	2%
Commodities	0.8	0.5	0.7	0.8	0.1	13%
Capital Outlays	-	0.1	0.4	0.4	0.1	14%
Indirect/Direct Charges	1.6	1.6	1.7	1.7	-	-
Transfers Out - CIP	0.1	2.1	-	-	-	-
Total Uses	$20.8	$22.8	$20.7	$21.6	$0.8	4%

Actual to Revised Budget variance of $0.8 million or 4%:

The favorable variance in Personnel Services is due to employee turnover. New employees are coming in at a lower rate than those they are replacing. The favorable variance in Contractual is due to savings from reduced demand for waste transfer and disposal services after losing commercial customers due to rate increases. The favorable variance in Commodities is related to delayed billing and overall reduction in demand of replacement containers due to loss of commercial customers that experienced rate increases. Finally, the favorable variance in Capital Outlays is due to the pushing of a vehicle purchase into FY 2017/18.

$ in millions / rounding differences may occur

Sources (Fiscal Year to Date: June 2017)



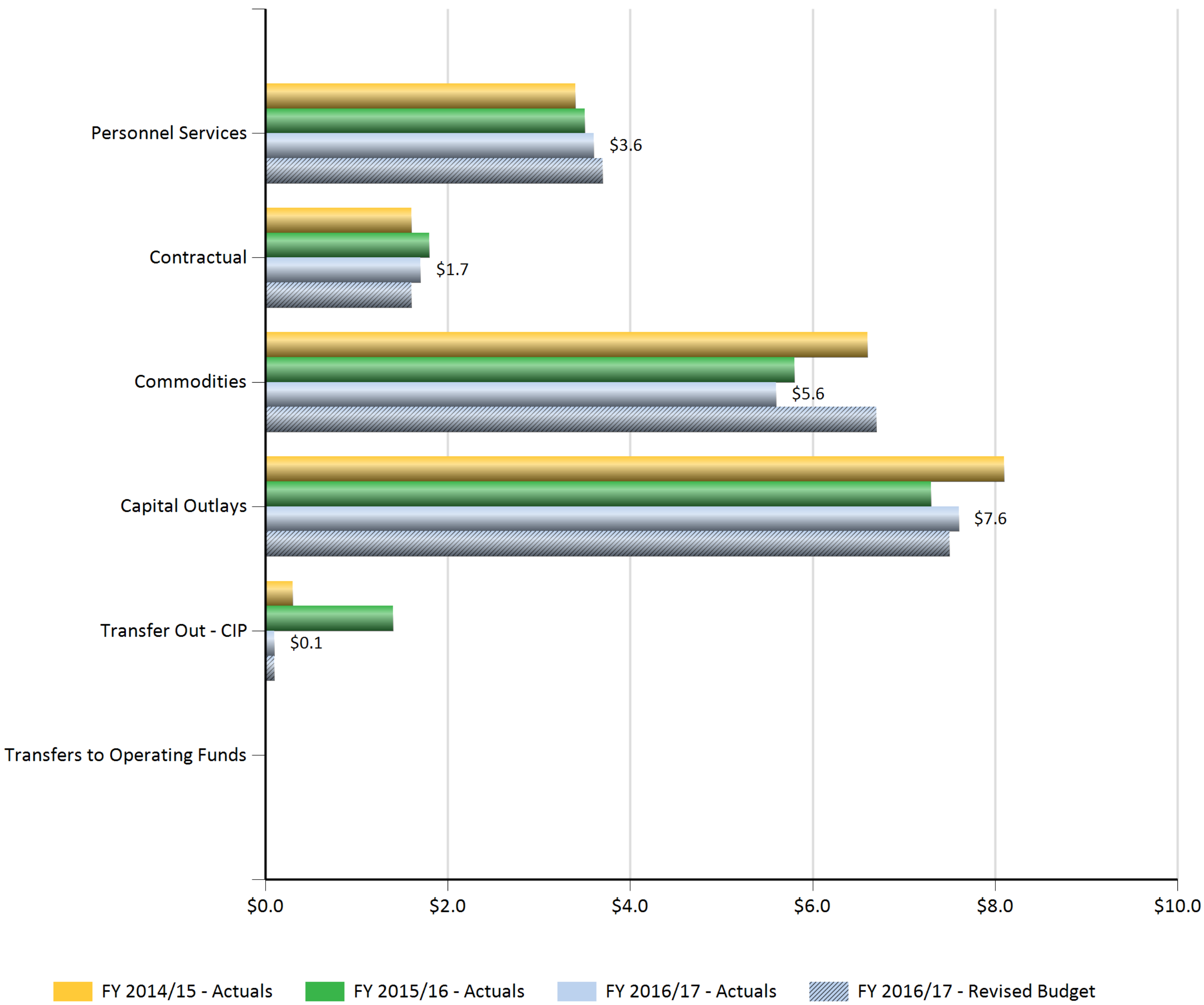
	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Maintenance/Operation Rates	$7.4	$7.7	$7.6	$7.0	$0.6	9%
Replacement Rates	7.1	7.5	7.5	7.5	-	-
Fuel Rates	3.8	2.9	3.0	4.0	(1.0)	(25%)
Other Revenue	1.0	0.8	1.0	0.4	0.6	nm
Total Sources	$19.3	$18.9	$19.1	$18.9	$0.2	1%

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

The favorable variance in Maintenance/Operations Rates is related to higher than expected equipment repair costs primarily associated with Public Safety's (Police and Fire) and Solid Waste's fleet. The unfavorable variance in Fuel Rates is related to lower fuel costs. The favorable variance in Other Revenue is due to a new practice of recording risk management chargebacks in this revenue line to recognize accident repair costs incurred by Fleet. This revenue was not budgeted this fiscal year.

$ in millions / rounding differences may occur

Uses (Fiscal Year to Date: June 2017)

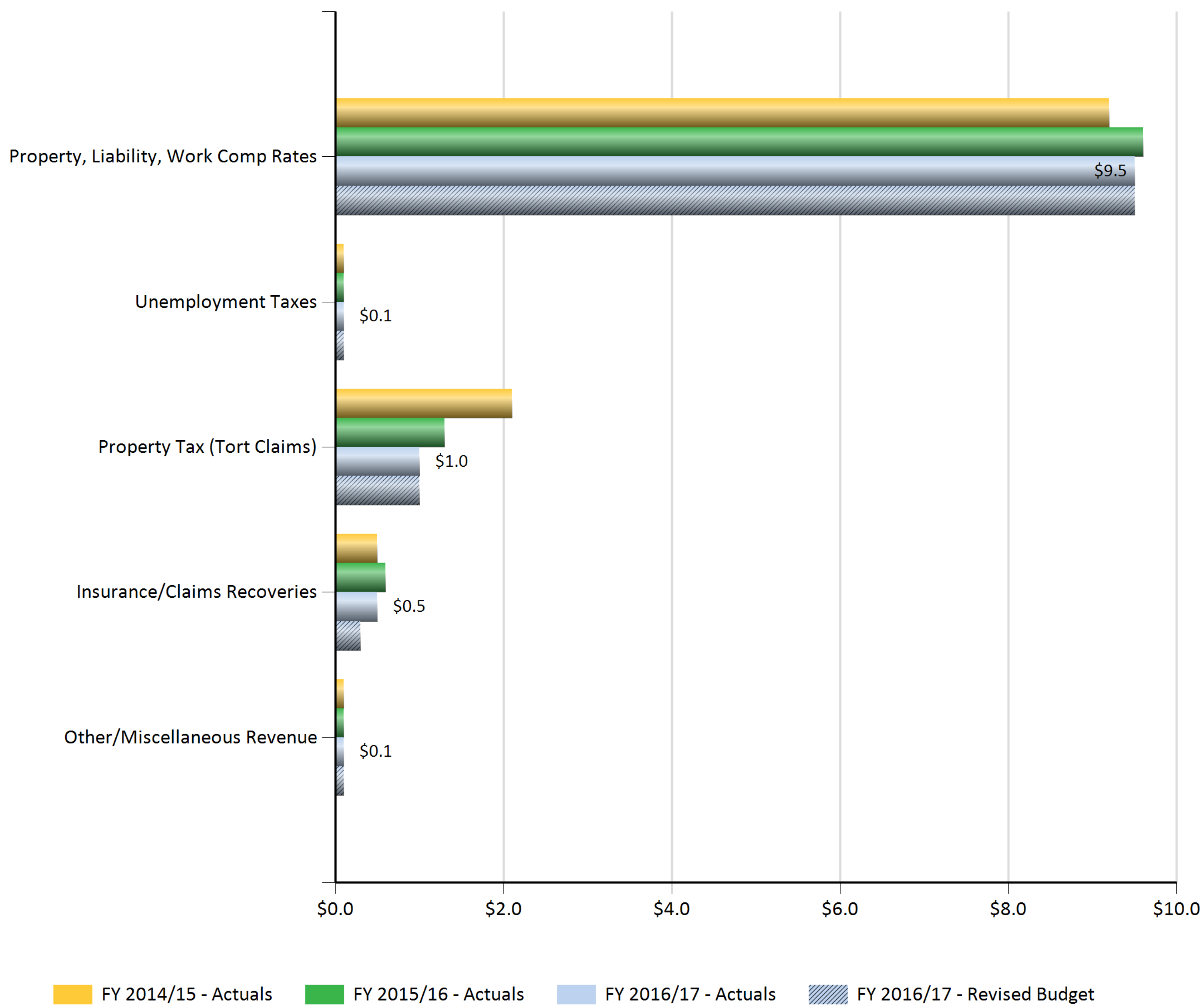


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	$3.4	$3.5	$3.6	$3.7	$ -	-
Contractual	1.6	1.8	1.7	1.6	(0.1)	(5%)
Commodities	6.6	5.8	5.6	6.7	1.1	17%
Capital Outlays	8.1	7.3	7.6	7.5	-	-
Transfer Out - CIP	0.3	1.4	0.1	0.1	-	-
Transfers to Operating Funds	-	-	-	-	-	-
Total Uses	$19.9	$19.8	$18.6	$19.6	$1.0	5%

Actual to Revised Budget variance of $1.0 million or 5%:
The favorable variance in Commodities is related to lower costs in fuel due to reduced prices per gallon than originally budgeted.

$ in millions / rounding differences may occur

Sources (Fiscal Year to Date: June 2017)

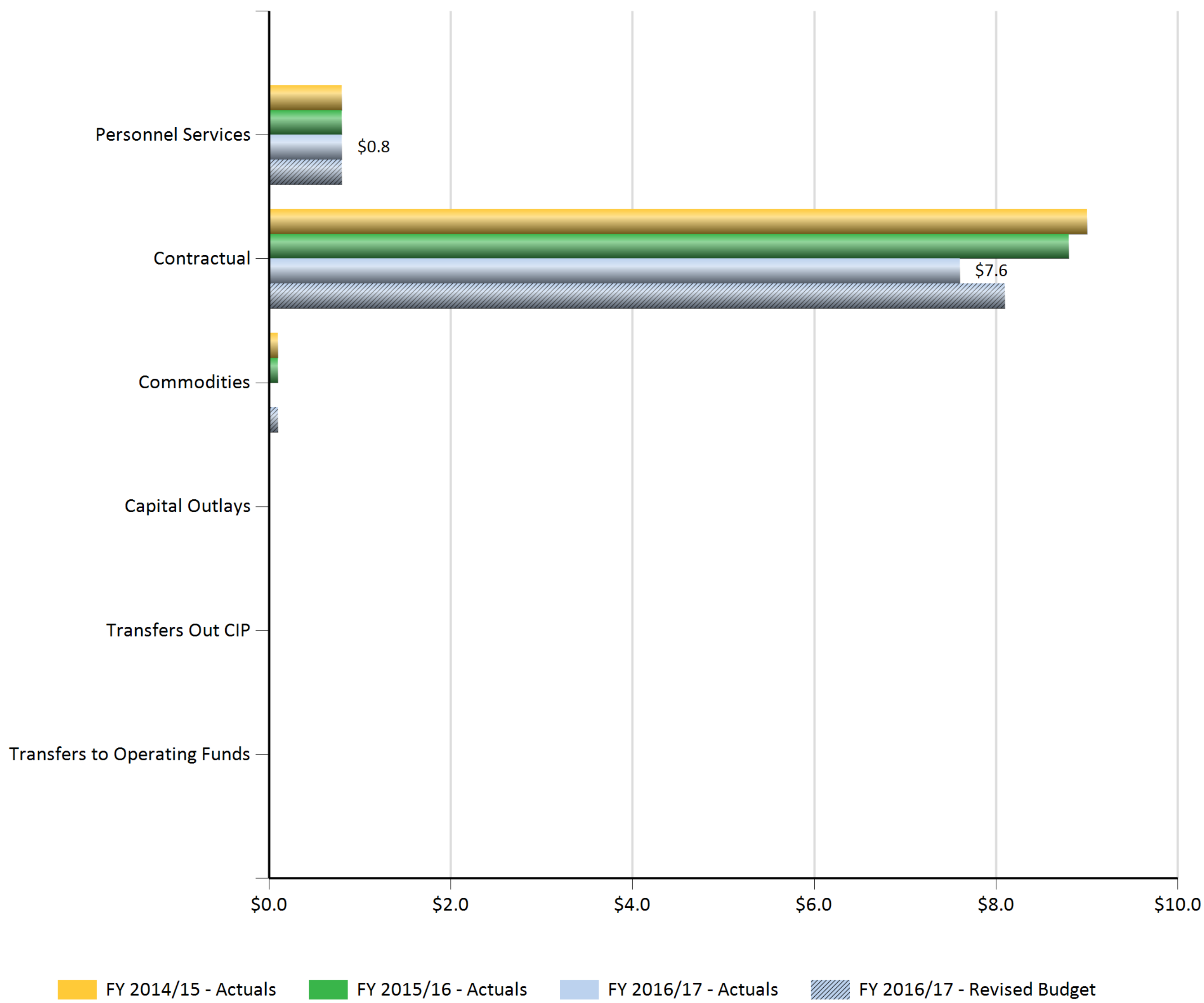


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property, Liability, Work Comp Rates	$9.2	$9.6	$9.5	$9.5	$ -	-
Unemployment Taxes	0.1	0.1	0.1	0.1	-	-
Property Tax (Tort Claims)	2.1	1.3	1.0	1.0	-	-
Insurance/Claims Recoveries	0.5	0.6	0.5	0.3	0.1	39%
Other/Miscellaneous Revenue	0.1	0.1	0.1	0.1	-	-
Total Sources	$12.0	$11.7	$11.1	$11.0	$0.1	1%

Actual to Revised Budget variance of $0.1 million or 1%:
The favorable variance in Insurance/Claims Recoveries is due to the unpredictability of reimbursements from third party insurance companies for damage occurring on or to City property.

$ in millions / rounding differences may occur

Uses (Fiscal Year to Date: June 2017)

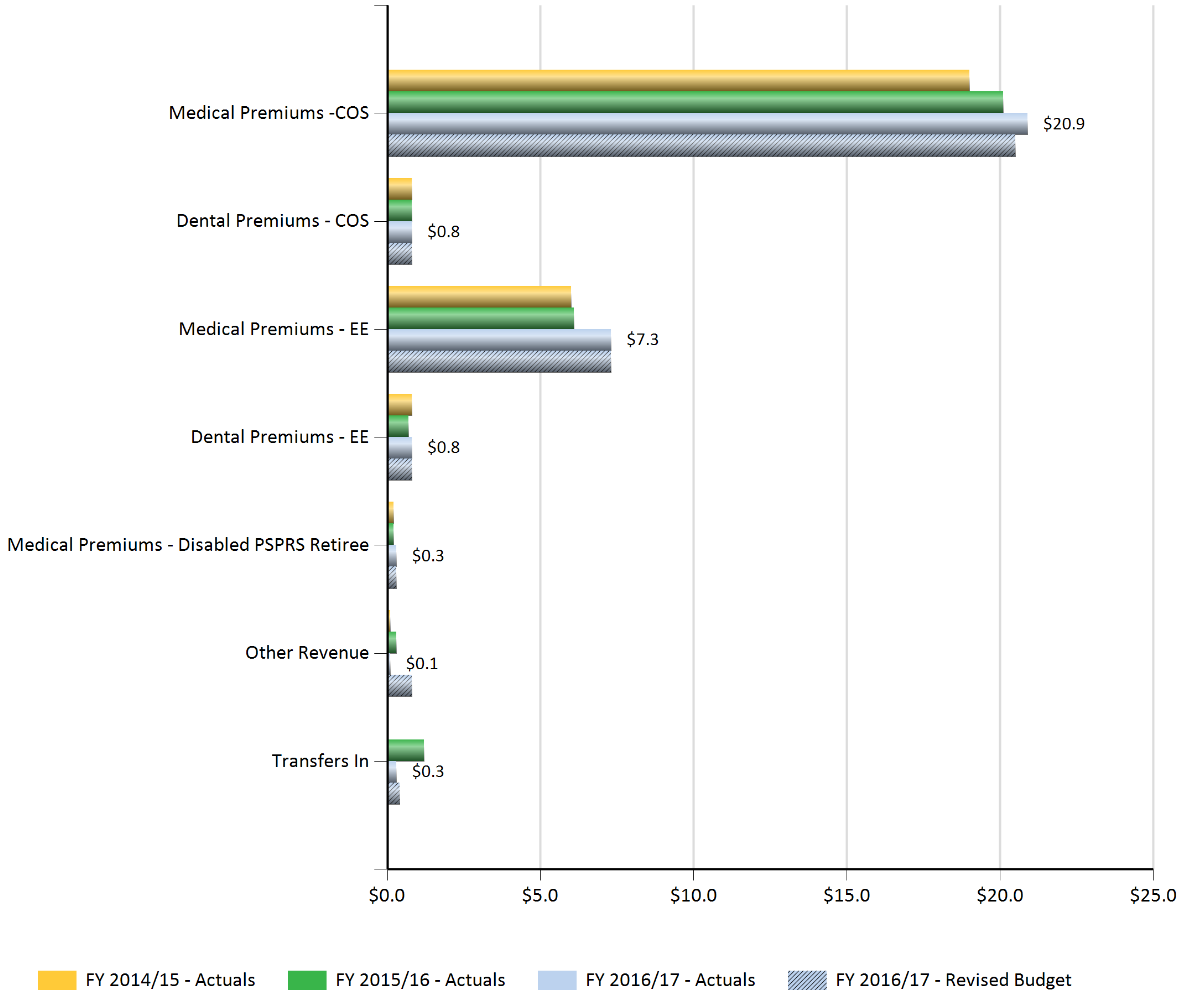


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	$0.8	$0.8	$0.8	$0.8	$ -	-
Contractual	9.0	8.8	7.6	8.1	0.6	7%
Commodities	0.1	0.1	-	0.1	-	-
Capital Outlays	-	-	-	-	-	-
Transfers Out CIP	-	-	-	-	-	-
Transfers to Operating Funds	-	-	-	-	-	-
Total Uses	$9.8	$9.7	$8.4	$9.0	$0.6	7%

Actual to Revised Budget variance of $0.6 million or 7%:
The favorable variance in Contractual is due to Insurance & Bond Premiums savings from the repackaging of insurance premiums. The city has not had any recent large claims to drive up the cost of premiums. It is also due to the unpredictability of General Liability claim amounts for damage to city property, attorney fees, or miscellaneous expenses during trial. This is offset by an unfavorable variance in Workers' Compensation due to the unpredictably of claims paid to current city employees in the event there is an injury, illness, or disease that occurred on the job.

$ in millions / rounding differences may occur

Sources (Fiscal Year to Date: June 2017)



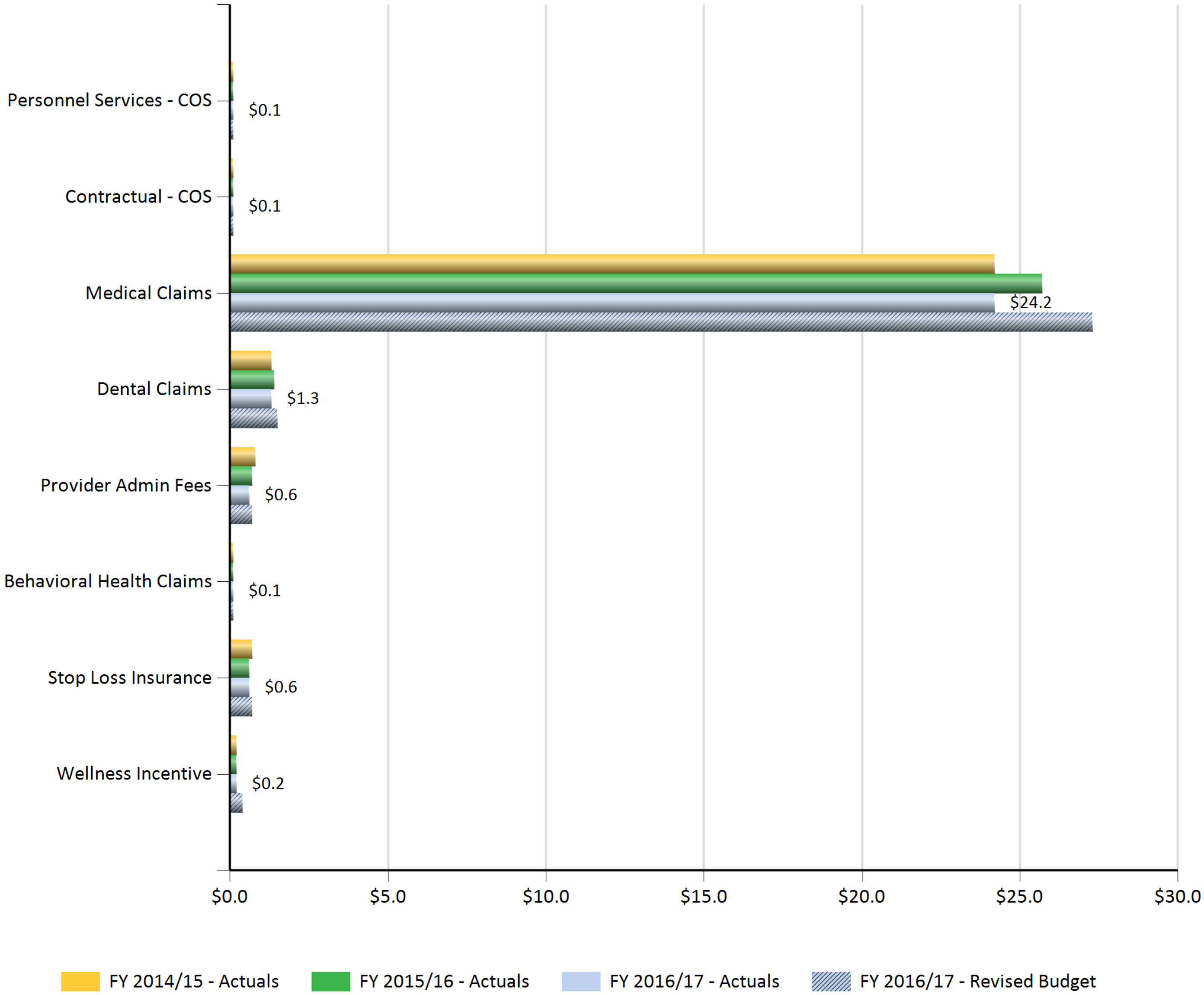
	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Medical Premiums -COS	$19.0	$20.1	$20.9	$20.5	$0.4	2%
Dental Premiums - COS	0.8	0.8	0.8	0.8	-	-
Medical Premiums - EE	6.0	6.1	7.3	7.3	-	-
Dental Premiums - EE	0.8	0.7	0.8	0.8	-	-
Medical Premiums - Disabled PSPRS Retiree	0.2	0.2	0.3	0.3	-	-
Other Revenue	0.1	0.3	0.1	0.8	(0.7)	(89%)
Transfers In	-	1.2	0.3	0.4	(0.1)	(29%)
Total Sources	$26.9	$29.5	$30.4	$30.8	($0.5)	(2%)

Actual to Revised Budget variance of ($0.5) million or (2%):

The favorable variance in Medical Premiums - COS is due to plan participation and migration. Plans are budgeted and adopted before participant plan selection for the fiscal year, which causes differences between employees' actual selection and the assumption of what plans they would choose. The unfavorable variance in Other Revenue is mostly due to pharmacy rebates being received as credits instead as of actual payments. The unfavorable variance in Transfers In is due to the lower than anticipated need from the General Fund to offset the annual costs of PSPRS Medical Retirees.

$ in millions / rounding differences may occur

Uses (Fiscal Year to Date: June 2017)



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services - COS	$0.1	$0.1	$0.1	$0.1	$ -	-
Contractual - COS	0.1	0.1	0.1	0.1	-	-
Medical Claims	24.2	25.7	24.2	27.3	3.1	11%
Dental Claims	1.3	1.4	1.3	1.5	0.2	14%
Provider Admin Fees	0.8	0.7	0.6	0.7	0.1	9%
Behavioral Health Claims	0.1	0.1	0.1	0.1	-	-
Stop Loss Insurance	0.7	0.6	0.6	0.7	0.1	16%
Wellness Incentive	0.2	0.2	0.2	0.4	0.2	42%
Total Uses	$27.3	$28.8	$27.2	$30.8	$3.6	12%

Actual to Revised Budget variance of $3.6 million or 12%:
Lower than expected claims costs have driven the favorable variances in Medical Claims, Dental Claims, Provider Admin Fees and Stop Loss Insurance. The favorable variance in Wellness Incentive is due to the lower than anticipated participation in wellness exams.

	Twelve Months: Fiscal Year					
Operating Revenue	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Adopted Budget	2016/17 Revised Budget
Rental Facilities	$1,617,444	$2,050,602	$2,134,970	$2,205,750	$2,583,649	$2,583,649
RV Rental	257,509	232,802	270,661	251,685	235,249	235,249
Feed/Bedding Sales	499,264	548,330	499,691	566,127	531,000	531,000
Labor Fees	233,486	266,860	240,173	301,429	260,000	260,000
Concession Fees	223,836	191,380	354,902	487,513	443,000	443,000
Parking	48,834	58,591	110,931	96,927	170,200	170,200
Other Income	105,121	142,732	135,786	198,068	37,200	37,200
Equidome Project Use Fee	-	75,000	555,000	315,000	360,000	360,000
Council Approved Authorized Carryover [a]	-	2,048,000	-	-	-	-
Operating Revenue	**$2,985,494**	**$5,614,297**	**$4,302,114**	**$4,422,499**	**$4,620,298**	**$4,620,298**
Operating Expenses						
Personnel Services						
Wages/Salaries/Benefits	$1,527,275	$1,564,608	$1,616,913	$1,768,655	$1,896,328	$1,947,489
Overtime	28,259	21,195	25,558	32,594	22,333	23,002
Contractual Services						
Contractual Workers	74,914	84,004	92,292	81,775	100,000	100,000
Telephone	25,637	32,164	30,650	21,015	41,531	41,531
Utilities	558,010	1,016,731	1,219,326	1,174,779	1,208,320	1,247,702
Maintenance & Equipment Rental & Fleet	591,505	601,739	652,492	751,856	689,220	679,220
License and Permits	124,251	73,018	73,356	76,684	126,168	126,168
Property, Liability & Workers' Comp	18,114	30,724	37,376	51,525	62,401	62,401
Advertising/Marketing Contract	11,492	212,869	208,815	252,328	350,000	350,000
Other	212,162	232,224	268,443	234,449	322,592	322,592
Commodities and Capital Outlays						
Agriculture & Horticulture & Other Supply	125,040	128,597	71,411	103,461	131,545	131,545
Maintenance & Repairs Supply, Equipment	68,781	74,067	84,344	116,413	152,035	152,035
Inventory Purchased for Resale	258,927	260,507	304,481	294,103	482,500	482,500
Construction - Other	94,323	10,695	-	21,428	-	-
Other Expenses	39,526	35,951	45,959	64,193	33,690	33,690
BOR Admin						
BOR Admin/WestWorld	127,628	134,010	140,710	147,746	155,133	155,133
Allocated Expenses [b]						
Facilities Maintenance	402,988	402,988	713,808	670,566	776,954	776,954
COS Indirect Costs	241,136	255,887	276,504	338,575	370,385	370,385
Operating Expenses	**$4,529,966**	**$5,171,979**	**$5,862,440**	**$6,202,145**	**$6,921,135**	**$7,002,347**
Operating Income	**($1,544,472)**	**$442,317**	**($1,560,325)**	**($1,779,646)**	**($2,300,837)**	**($2,382,049)**
Debt Service (Less contributions)						
Debt Service - (52 & 17 acres)	$2,364,123	$2,012,576	$2,250,353	$2,273,677	$2,304,207	$2,304,207
Debt Service - TNEC ($41.935M)	-	1,546,675	1,543,925	1,524,125	1,506,875	1,506,875
Debt Service - TNEC Tourism Funded	588,503	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Bed Tax Contributions - TNEC	(588,503)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Net Debt Service	**$2,364,123**	**$3,559,251**	**$3,794,278**	**$3,797,802**	**$3,811,082**	**$3,811,082**
Operating Income After Debt Service	**($3,908,595)**	**($3,116,933)**	**($5,354,603)**	**($5,577,448)**	**($6,111,919)**	**($6,193,131)**

[a] One-time Council Authorized transfer from Tourism Development Fund using available carryover to offset lost revenue during TNEC construction.

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

$ in millions / rounding differences may occur

WestWorld
Statement of Operations

Statement of Operations for June 2017 / 12 Months YTD

	FY 2012/13 YTD Actual	FY 2013/14 YTD Actual	FY 2014/15 YTD Actual	FY 2015/16 YTD Actual	FY 2016/17 YTD Actual	FY 2016/17 Approved YTD Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Revenue								
Rental Facilities	$1,617,444	$2,050,602	$2,134,970	$2,205,750	$2,604,680	$2,583,649	$21,031	1%
RV Rental	257,509	232,802	270,661	251,685	297,593	235,249	62,344	27%
Feed/Bedding Sales	499,264	548,330	499,691	566,127	463,286	531,000	(67,714)	(13%)
Labor Fees	233,486	266,860	240,173	301,429	352,088	260,000	92,088	35%
Concession Fees	223,836	191,380	354,902	487,513	392,106	443,000	(50,894)	(11%)
Parking	48,834	58,591	110,931	96,927	88,280	170,200	(81,920)	(48%)
Other Income	105,121	142,732	135,786	198,068	155,990	37,200	118,790	nm
Equidome Project Use Fee	-	75,000	555,000	315,000	360,000	360,000	-	-
Council Approved Authorized Carryover [a]	-	2,048,000	-	-	-	-	-	-
Operating Revenue	**$2,985,494**	**$5,614,297**	**$4,302,114**	**$4,422,499**	**$ 4,714,023**	**$4,620,298**	**$93,725**	**2%**
Operating Expenses								
Personnel Services								
Wages/Salaries/Benefits	$1,527,275	$1,564,608	$1,616,913	$1,768,655	$1,954,437	$1,947,489	($6,948)	(0%)
Overtime	28,259	21,195	25,558	32,594	36,574	23,002	(13,572)	(59%)
Contractual Services								
Contractual Workers	74,914	84,004	92,292	81,775	114,025	100,000	(14,025)	(14%)
Telephone	25,637	32,164	30,650	21,015	28,381	41,531	13,150	32%
Utilities	558,010	1,016,731	1,219,326	1,174,779	1,247,702	1,247,702	-	-
Maintenance & Equipment Rental & Fleet	591,505	601,739	652,492	751,856	724,550	679,220	(45,330)	(7%)
License and Permits	124,251	73,018	73,356	76,684	158,548	126,168	(32,380)	(26%)
Property, Liability & Workers' Comp	18,114	30,724	37,376	51,525	62,401	62,401	-	-
Advertising/Marketing Contract	11,492	212,869	208,815	252,328	194,294	350,000	155,706	44%
Other	212,162	232,224	268,443	234,449	343,819	322,592	(21,227)	(7%)
Commodities and Capital Outlays								
Agriculture & Horticulture & Other Supply	125,040	128,597	71,411	103,461	137,506	131,545	(5,961)	(5%)
Maintenance & Repairs Supply, Equipment	68,781	74,067	84,344	116,413	125,083	152,035	26,952	18%
Inventory Purchased for Resale	258,927	260,507	304,481	294,103	273,513	482,500	208,987	43%
Construction - Other	94,323	10,695	-	21,428	-	-	-	-
Other Expenses	39,526	35,951	45,959	64,193	76,182	33,690	(42,492)	nm
BOR Admin								
BOR Admin/WestWorld	127,628	134,010	140,710	147,746	155,133	155,133	-	-
Allocated Expenses [b]								
Facilities Maintenance[c]	402,988	402,988	713,808	670,566	1,470,031	776,954	(693,077)	nm
COS Indirect Costs	241,136	255,887	276,504	338,575	370,385	370,385	-	-
Operating Expenses	**$4,529,966**	**$5,171,979**	**$5,862,440**	**$6,202,145**	**$7,472,564**	**$7,002,347**	**($470,217)**	**(7%)**
Operating Income	**($1,544,472)**	**$442,317**	**($1,560,325)**	**($1,779,646)**	**($2,758,541)**	**($2,382,049)**	**$376,492**	**(16%)**
Debt Service (Less contributions)								
Debt Service - (52 & 17 acres)	$2,364,123	$2,012,576	$2,250,353	$2,273,677	$2,304,207	$2,304,207	-	-
Debt Service - TNEC ($41.935M)	-	1,546,675	1,543,925	1,524,125	1,506,875	1,506,875	-	-
Debt Service - TNEC Tourism Funded	588,503	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	-	-
Bed Tax Contributions - TNEC	(588,503)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	-	-
Net Debt Service	**$2,364,123**	**$3,559,251**	**$3,794,278**	**$3,797,802**	**$3,811,082**	**$3,811,082**	**-**	**-**
Operating Income After Debt Service	**($3,908,596)**	**($3,116,933)**	**($5,354,603)**	**($5,577,448)**	**($6,569,623)**	**($6,193,131)**	**$376,492**	**(6%)**

[a] One-time Council Authorized transfer from Tourism Development Fund using available carryover to offset lost revenue during TNEC construction.

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

[c] Beginning in FY2016/17 the methodology to allocate Facilities Maintenance expenses was modified to better reflect the maintenance costs associated with WestWorld. The methodology 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.

$ in millions / rounding differences may occur

Privilege (Sales) & Use Tax Collections For June 2017

(For Business Activity in June 2017)

Appendix 1 contains information regarding the "actual" revenue collections from the 1.0 percent Privilege and Use Tax reflected in the General Fund, 0.2 percent dedicated Transportation Privilege Tax, 0.2 percent dedicated Preserve Privilege and Use Taxes, 0.15 percent additional dedicated Preserve Privilege and Use Taxes, and 0.1 percent dedicated Public Safety Privilege and Use Taxes, including adjustments for related license revenues, late collections and audits. While the report includes the actual year-to-date tax collections for the funds previously noted, only the General Fund portion (1.0 percent) of the tax is unrestricted and available for general government purposes.

The fiscal year to date Privilege and Use Tax (1.0 percent General Purpose) collections decreased (55) percent compared to the Budget, and decreased (54) percent compared to the same period a year ago.

Privilege (Sales) & Use Tax by Category and Fund

	Fiscal Year-to-Date: June 2017					
	2014/15 Actual	2015/16 Actual	2016/17 Actual	2016/17 Budget	Actual vs. Budget Favorable/(Unfavorable) Amount	Percent
1.00% General Purpose						
Rentals	$12.9	$14.5	$13.8	$14.2	($0.4)	-3%
Misc. Retail Stores	16.8	18.3	18.4	19.3	(0.9)	-5%
Major Dept. Stores	9.5	9.3	9.0	9.8	(0.8)	-8%
Automotive	13.6	14.5	14.9	15.2	(0.2)	-1%
Food Stores	6.9	7.1	6.8	7.5	(0.6)	-8%
Construction	11.2	10.3	9.3	9.4	(0.1)	-1%
Dining/ Entertainment	9.3	9.8	9.7	10.4	(0.7)	-7%
Other Taxable Activity	10.5	11.2	10.1	11.1	(1.0)	-9%
Hotel/Motel	5.3	5.5	6.4	5.9	0.6	10%
Utilities	4.4	4.5	4.6	4.5	0.0	0%
Subtotal	$100.6	$105.0	$103.1	$107.1	($4.0)	-4%
0.10% Public Safety	$9.8	$10.3	$10.1	$10.5	($0.4)	-3%
0.20% Transportation	19.1	19.9	19.6	20.4	(0.8)	-4%
0.20% McDowell Preserve 1995	19.7	20.6	20.3	21.0	(0.7)	-3%
0.15% McDowell Preserve 2004	14.7	15.4	15.2	15.7	(0.5)	-3%
Total	$163.7	$171.3	$168.2	$174.9	($6.5)	-4%
% Change vs. Prior Year		5%	-2%	2%		

Rounding differences may occur.

$ in millions / rounding differences may occur

Rental Sales Taxes

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

Actual to Revised Budget variance of ($0.4) million or (3%): The variance is a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily.

Miscellaneous Retail Stores Sales Taxes

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

Actual to Revised Budget variance of ($0.9) million or (5%): The variance is a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily.

Major Department Stores Sales Taxes

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

Actual to Revised Budget variance of ($0.8) million or (8%): The variance is a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily.

Automotive Sales Taxes

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

Actual to Revised Budget variance of ($0.2) million or (1%): The variance is a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily.

Food Stores Sales Taxes

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

Actual to Revised Budget variance of ($0.6) million or (8%): The variance is a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily.

Construction Sales Taxes

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

Actual to Revised Budget variance of ($0.1) million or (1%): The variance is a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily. There have been several one-time speculative sale payments that have lessened the impact from the change in administration of taxes.

Dining/Entertainment Sales Taxes

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

Actual to Revised Budget variance of ($0.7) million or (7%): The variance is a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily.

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 ($1.0) million or (9%): The variance is a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily. Additionally, license fees were not collected by ADOR for a portion of the year.

Hotel/Motel Sales Taxes

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

Actual to Revised Budget variance of $0.6 million or 10%: This was mainly due to a hotel reporting taxes to the incorrect jurisdiction. Some of the variance was the result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017.

Utilities Sales Taxes

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

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

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 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 changes 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).

$ in millions / rounding differences may occur

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. Fifty percent of the Transportation Sales Tax is transferred to the Capital Improvement Fund for transportation related capital improvement projects.

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.