

# **Monthly Financial Report**

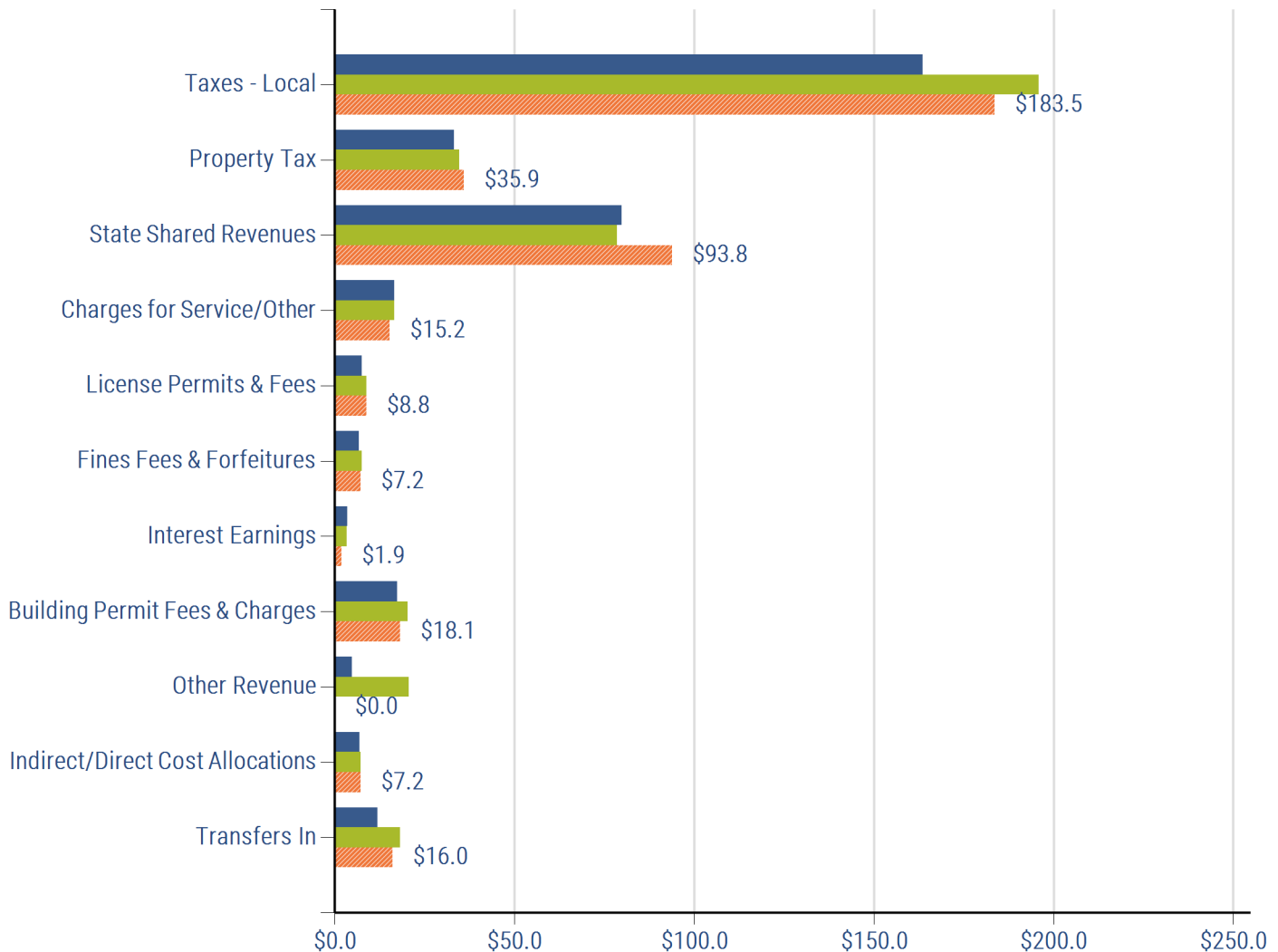
**Fiscal Year to Date as of  
March 31, 2023**

Report to the City Council  
Prepared by the City Treasurer  
May 16, 2023

# Sources

## General Fund

### Twelve Months: Fiscal Year

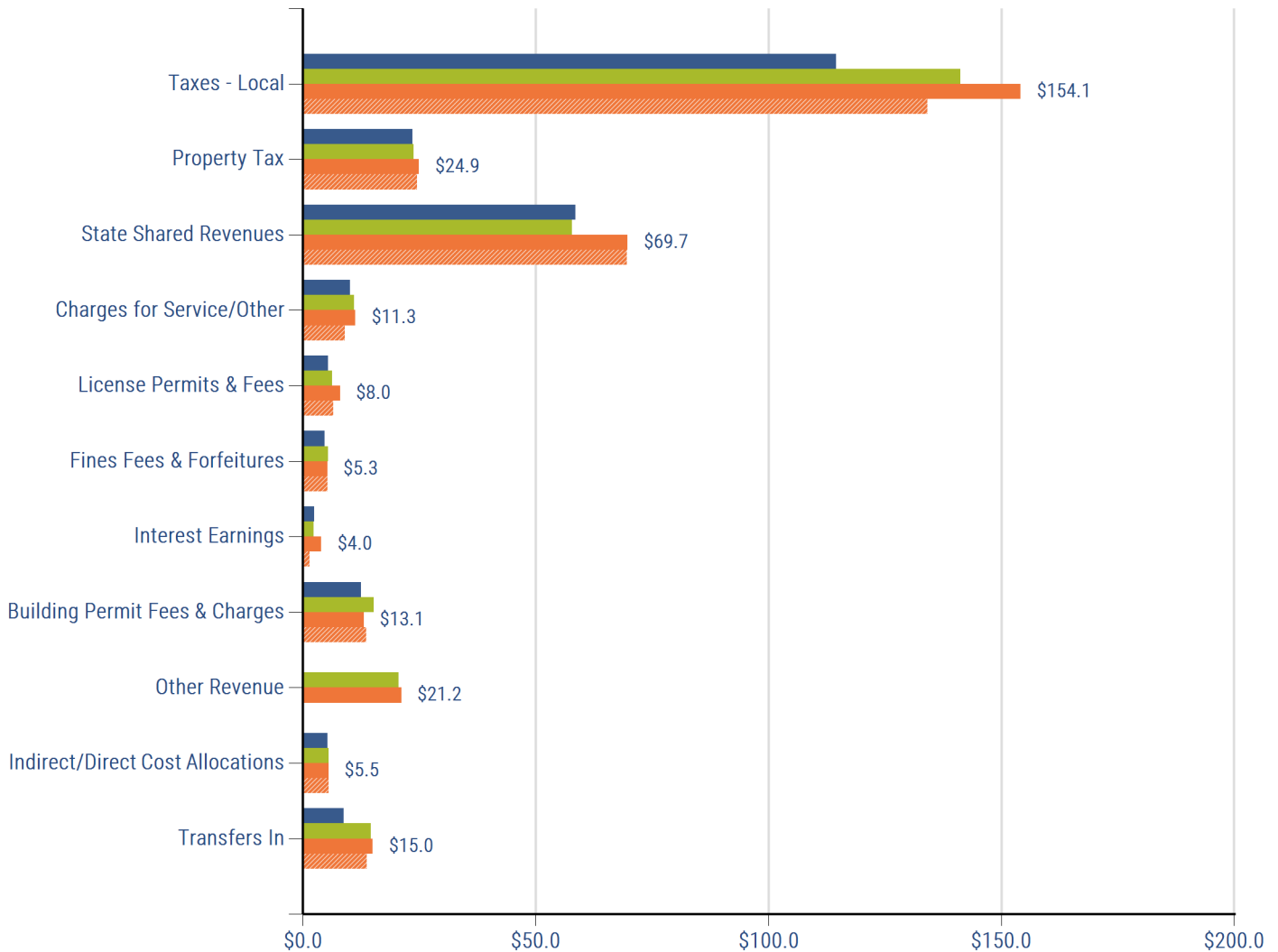


■ FY 2020/21 - Actuals  
 ■ FY 2021/22 - Actuals  
 ■ FY 2022/23 - Revised Budget

	FY 2020/21 <u>Actuals</u>	FY 2021/22 <u>Actuals</u>	FY 2022/23 <u>Revised Budget</u>
Taxes - Local	\$163.5	\$195.9	\$183.5
Property Tax	33.1	34.6	35.9
State Shared Revenues	79.7	78.5	93.8
Charges for Service/Other	16.5	16.6	15.2
License Permits & Fees	7.6	8.8	8.8
Fines Fees & Forfeitures	6.6	7.5	7.2
Interest Earnings	3.4	3.3	1.9
Building Permit Fees & Charges	17.4	20.3	18.1
Other Revenue	4.7	20.5	-
Indirect/Direct Cost Allocations	6.9	7.2	7.2
Transfers In	11.9	18.2	16.0
<b>Total Sources</b>	<b>\$351.5</b>	<b>\$411.3*</b>	<b>\$387.7</b>

\*Does not include \$0.3 million General Accepted Accounting Principles (GAAP) adjustment. The GAAP adjustment was made to a change in methodology related to inventory.  
 \$ in millions / rounding differences may occur

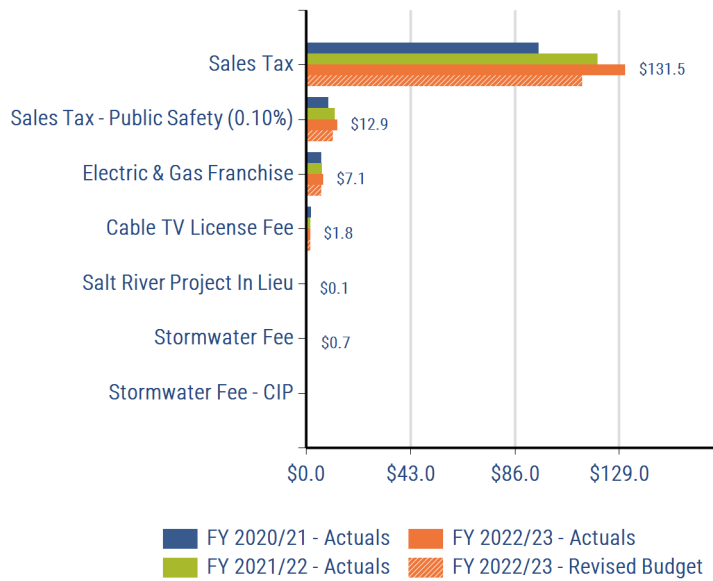
Sources (Fiscal Year to Date: March 2023)



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

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Taxes - Local	\$114.5	\$141.2	\$154.1	\$134.2	\$19.9	15%
Property Tax	23.6	23.8	24.9	24.5	0.4	2%
State Shared Revenues	58.6	57.8	69.7	69.6	0.1	0%
Charges for Service/Other	10.2	11.0	11.3	9.1	2.2	25%
License Permits & Fees	5.5	6.3	8.0	6.6	1.5	22%
Fines Fees & Forfeitures	4.7	5.5	5.3	5.4	(0.1)	(2%)
Interest Earnings	2.5	2.4	4.0	1.5	2.5	nm
Building Permit Fees & Charges	12.5	15.3	13.1	13.7	(0.6)	(4%)
Other Revenue	-	20.6	21.2	-	21.2	n/a
Indirect/Direct Cost Allocations	5.4	5.5	5.5	5.5	-	-
Transfers In	8.8	14.6	15.0	13.7	1.3	9%
<b>Total Sources</b>	<b>\$246.2</b>	<b>\$304.1</b>	<b>\$332.1</b>	<b>\$283.7</b>	<b>\$48.4</b>	<b>17%</b>

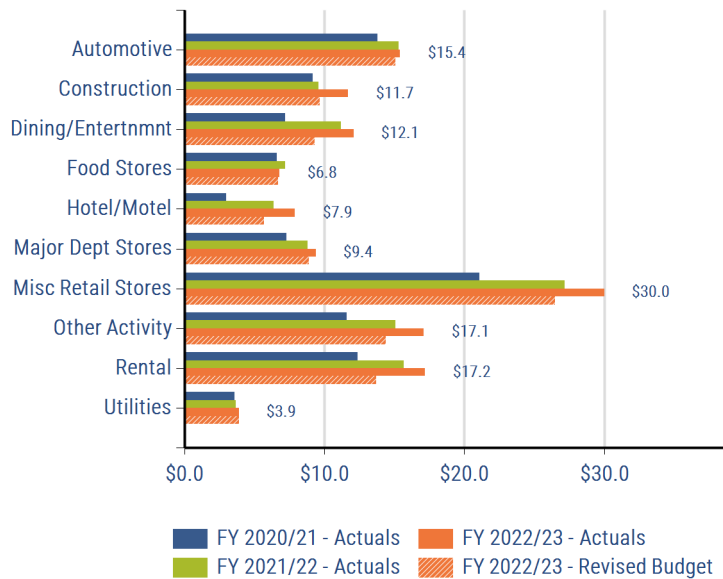
Taxes - Local (Fiscal Year to Date: March 2023)



Actual to Revised Budget variance of \$19.9 million or 15%:  
The favorable variance is primarily due to Sales Tax. See detailed Sales Tax information on page 5.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$95.9	\$120.1	\$131.5	\$113.9	\$17.6	15%
Sales Tax - Public Safety (0.10%)	9.4	11.8	12.9	11.2	1.7	16%
Electric & Gas Franchise	6.3	6.7	7.1	6.4	0.7	10%
Cable TV License Fee	2.1	1.9	1.8	1.9	(0.1)	(6%)
Salt River Project In Lieu	0.1	0.1	0.1	0.1	-	-
Stormwater Fee	0.7	0.7	0.7	0.7	-	-
Stormwater Fee - CIP	-	-	-	-	-	-
<b>Taxes - Local Total</b>	<b>\$114.5</b>	<b>\$141.2</b>	<b>\$154.1</b>	<b>\$134.2</b>	<b>\$19.9</b>	<b>15%</b>

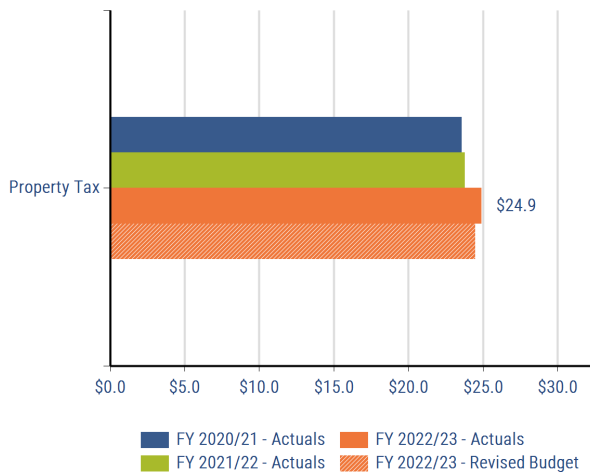
Sales Tax (Fiscal Year to Date: March 2023)



**Actual to Revised Budget variance of \$17.6 million or 15%:**  
 The favorable variance is due to: 1) Construction - increases from specialty contractors, some new projects, and some one-time audit payments; 2) Dining/ Entertainment - restaurants are doing better than anticipated, and the impact of inflation on food prices; 3) Hotel/Motel - a one-time audit payment, and hotels are doing better than anticipated as a result of continued increases in room rates and less vacancies per night; 4) Misc Retail Stores - a retailer reporting an infrequent large taxable transaction, one-time audit payment, and some new retailers; 5) Other Activity - a one-time audit payment and revenue increases from manufacturers/wholesalers and software developers; 6) Rental - a few one-time taxable speculative sales of apartment complexes and an increase in rental rates.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Automotive	\$13.8	\$15.3	\$15.4	\$15.1	\$0.3	2%
Construction	9.2	9.6	11.7	9.7	2.0	21%
Dining/Entertainment	7.2	11.2	12.1	9.3	2.7	29%
Food Stores	6.6	7.2	6.8	6.7	-	-
Hotel/Motel	3.0	6.4	7.9	5.7	2.3	40%
Major Dept Stores	7.3	8.8	9.4	8.9	0.5	6%
Misc Retail Stores	21.1	27.2	30.0	26.5	3.5	13%
Other Activity	11.6	15.1	17.1	14.4	2.7	19%
Rental	12.4	15.7	17.2	13.7	3.5	26%
Utilities	3.6	3.7	3.9	3.9	0.1	1%
<b>Sales Tax Total</b>	<b>\$95.9</b>	<b>\$120.1</b>	<b>\$131.5</b>	<b>\$113.9</b>	<b>\$17.6</b>	<b>15%</b>

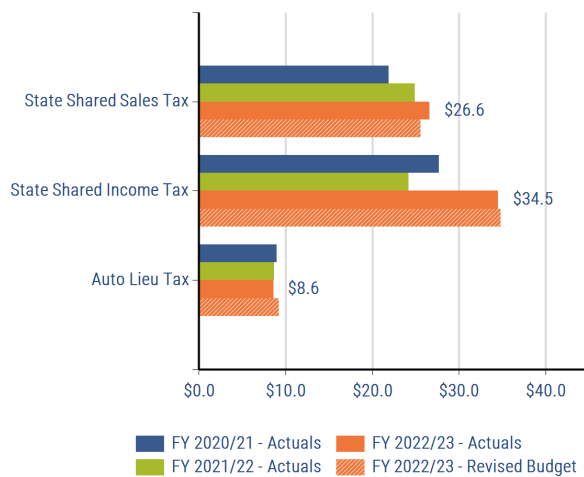
Property Tax (Fiscal Year to Date: March 2023)



Actual to Revised Budget variance of \$0.4 million or 2%:  
No explanation necessary.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$23.6	\$23.8	\$24.9	\$24.5	\$0.4	2%
Property Tax Total	\$23.6	\$23.8	\$24.9	\$24.5	\$0.4	2%

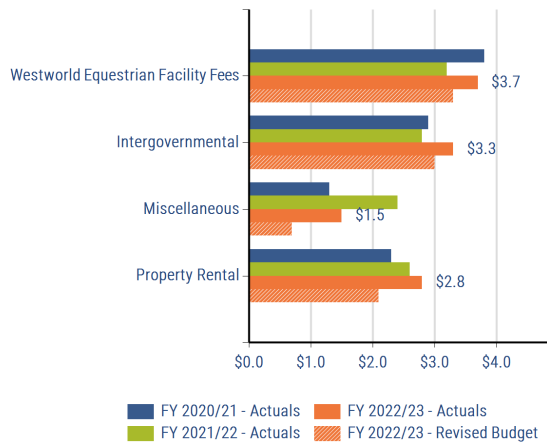
State Shared Revenues (Fiscal Year to Date: March 2023)



Actual to Revised Budget variance of \$0.1 million or 0%:  
State Shared Sales Tax is favorable due to strong consumer demand and inflation causing higher prices. The unfavorable variance in Auto Lieu Tax is due to revised population counts and less vehicle license tax taken in by the State.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$21.9	\$24.9	\$26.6	\$25.6	\$0.9	4%
State Shared Income Tax	27.7	24.2	34.5	34.8	( 0.3)	(1%)
Auto Lieu Tax	9.0	8.7	8.6	9.2	( 0.6)	(6%)
State Shared Revenues Total	\$58.6	\$57.8	\$69.7	\$69.6	\$0.1	0%

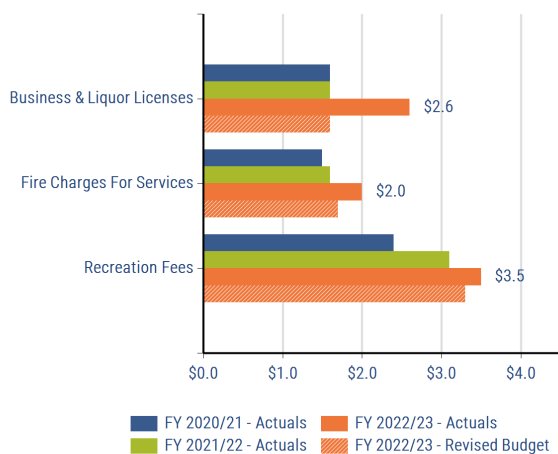
Charges for Service/Other (Fiscal Year to Date: March 2023)



Actual to Revised Budget variance of \$2.2 million or 25%: WestWorld Equestrian Facility Fees is favorable due to higher than expected RV rental and Feed/Bedding sales at WestWorld. Intergovernmental is favorable due to increased revenue from the Fire Insurance Premium Tax and traffic control at the West Management Open. Miscellaneous is favorable primarily due to real estate late fees and event traffic control fees. Property Rental is favorable due to higher than expected revenue from the Tournament Players Club (TPC).

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2022/23	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$3.8	\$3.2	\$3.7	\$3.3	\$0.4	13%
Intergovernmental	2.9	2.8	3.3	3.0	0.3	10%
Miscellaneous	1.3	2.4	1.5	0.7	0.8	nm
Property Rental	2.3	2.6	2.8	2.1	0.7	33%
<b>Charges for Service/Other Total</b>	<b>\$10.2</b>	<b>\$11.0</b>	<b>\$11.3</b>	<b>\$9.1</b>	<b>\$2.2</b>	<b>25%</b>

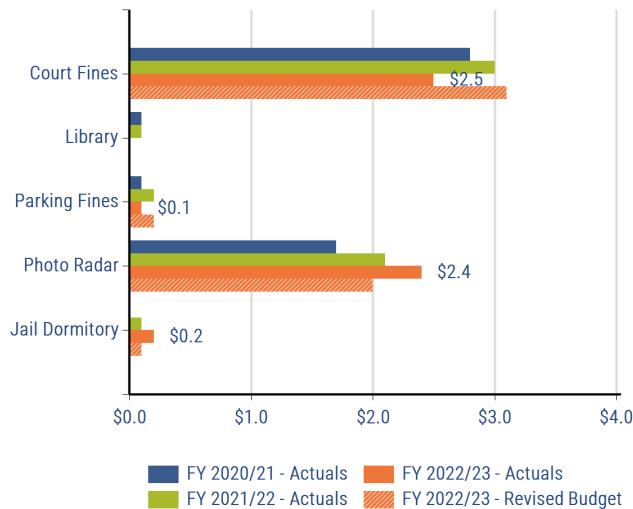
License Permits & Fees (Fiscal Year to Date: March 2023)



Actual to Revised Budget variance of \$1.5 million or 22%: Business & Liquor Licenses is favorable primarily due to the implementation of a Short-Term Rental program requiring operators to maintain specific local licenses. Business & Liquor License revenues are also higher due to additional licenses issued during the Super Bowl season. Fire Charges for Services is favorable due to higher call volume and added fees for extended calls. Recreation Fees is favorable due to higher than expected demand for city facility rentals and recreation activities.

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2022/23	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Business & Liquor Licenses	\$1.6	\$1.6	\$2.6	\$1.6	\$1.0	64%
Fire Charges For Services	1.5	1.6	2.0	1.7	0.3	16%
Recreation Fees	2.4	3.1	3.5	3.3	0.2	6%
<b>License Permits &amp; Fees Total</b>	<b>\$5.5</b>	<b>\$6.3</b>	<b>\$8.0</b>	<b>\$6.6</b>	<b>\$1.5</b>	<b>22%</b>

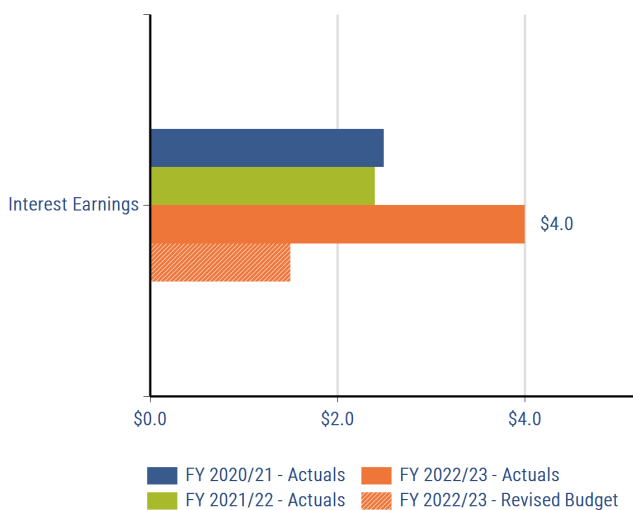
**Fines Fees & Forfeitures (Fiscal Year to Date: March 2023)**



**Actual to Revised Budget variance of (\$0.1) million or (2%):** Court Fines is unfavorable due to civil traffic (non-photo enforcement) filings, civil non-enforcement adjudications, and the number of civil traffic case filings being less than anticipated. The parking fines is unfavorable due to less parking citations issued. Photo Radar is favorable due to an increased number of photo radar citations.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$2.8	\$3.0	\$2.5	\$3.1	(\$0.6)	(18%)
Library	0.1	0.1	-	-	-	-
Parking Fines	0.1	0.2	0.1	0.2	(0.1)	(37%)
Photo Radar	1.7	2.1	2.4	2.0	0.4	22%
Jail Dormitory	-	0.1	0.2	0.1	0.1	nm
<b>Fines Fees &amp; Forfeitures Total</b>	<b>\$4.7</b>	<b>\$5.5</b>	<b>\$5.3</b>	<b>\$5.4</b>	<b>(\$0.1)</b>	<b>(2%)</b>

**Interest Earnings (Fiscal Year to Date: March 2023)**



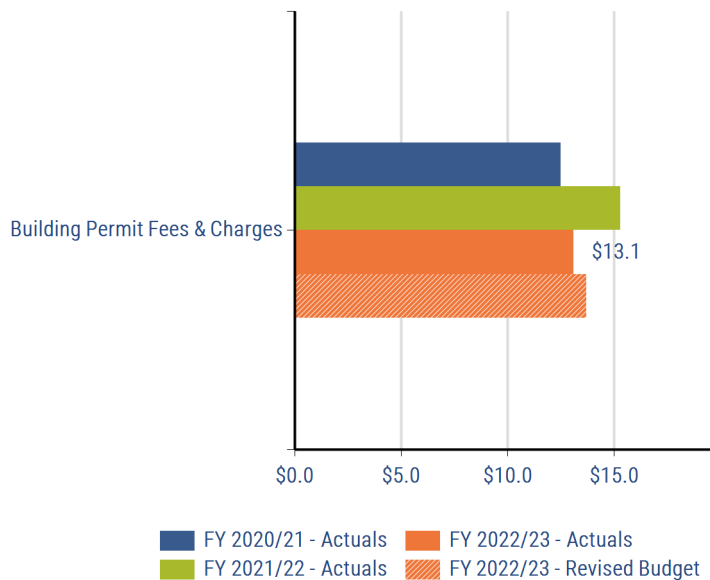
**Actual to Revised Budget variance of \$2.5 million or nm:** Interest Earnings is favorable due to the rate of return being higher than expected.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$2.5	\$2.4	\$4.0	\$1.5	\$2.5	nm
<b>Interest Earnings Total</b>	<b>\$2.5</b>	<b>\$2.4</b>	<b>\$4.0</b>	<b>\$1.5</b>	<b>\$2.5</b>	<b>nm</b>



**Building Permit Fees & Charges (Fiscal Year to Date: March 2023)**

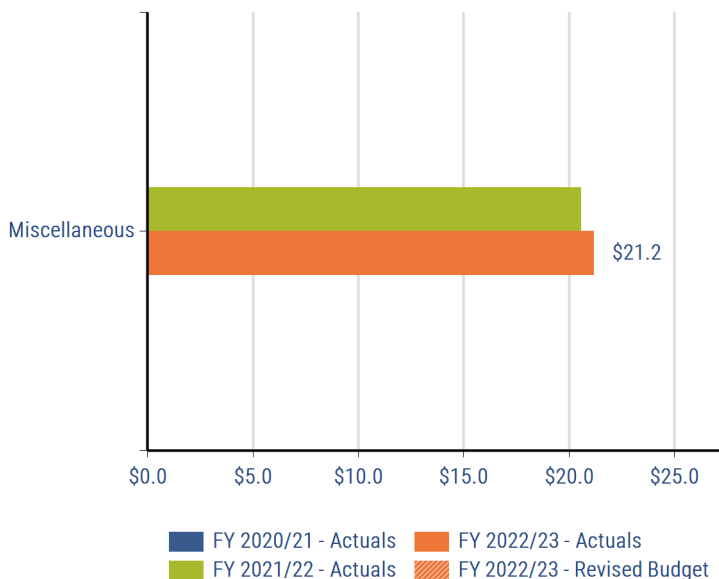
Actual to Revised Budget variance of (\$0.6) million or (4%): Building Permit Fees & Charges is unfavorable primarily due to a decrease in plan review fees for March.



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$12.5	\$15.3	\$13.1	\$13.7	(\$0.6)	(4%)
<b>Building Permit Fees &amp; Charges Total</b>	<b>\$12.5</b>	<b>\$15.3</b>	<b>\$13.1</b>	<b>\$13.7</b>	<b>(\$0.6)</b>	<b>(4%)</b>

**Other Revenue (Fiscal Year to Date: March 2023)**

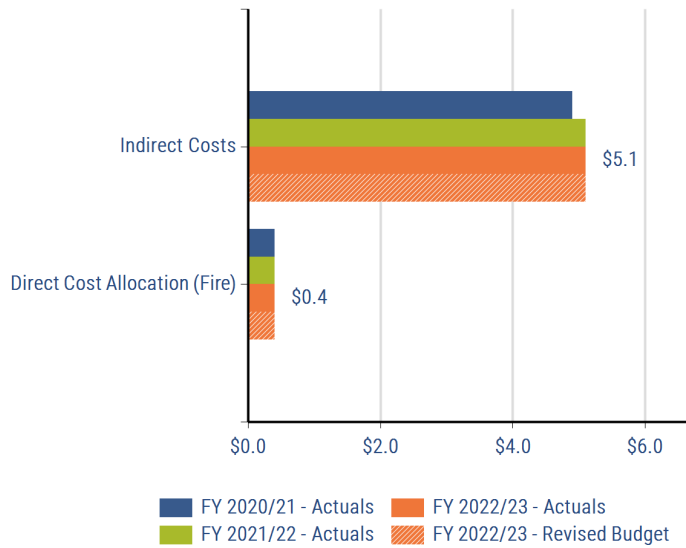
Actual to Revised Budget variance of \$21.2 million or n/a: Favorable variance for Miscellaneous is due to unrestricted proceeds from the sale of land near 94th Street and Bell Road.



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Miscellaneous	\$ -	\$20.6	\$21.2	\$ -	\$21.2	n/a
<b>Other Revenue Total</b>	<b>\$0.0</b>	<b>\$20.6</b>	<b>\$21.2</b>	<b>\$0.0</b>	<b>\$21.2</b>	<b>n/a</b>

## Indirect/Direct Cost Allocations (Fiscal Year to Date: March 2023)

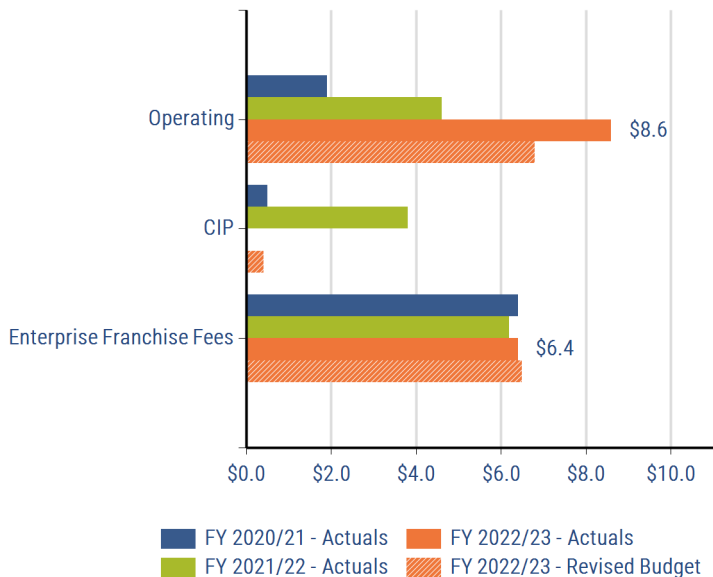
## General Fund



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

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Indirect Costs	\$4.9	\$5.1	\$5.1	\$5.1	\$ -	-
Direct Cost Allocation (Fire)	0.4	0.4	0.4	0.4	-	-
<b>Indirect/Direct Cost Allocations Total</b>	<b>\$5.4</b>	<b>\$5.5</b>	<b>\$5.5</b>	<b>\$5.5</b>	<b>\$ -</b>	<b>-</b>

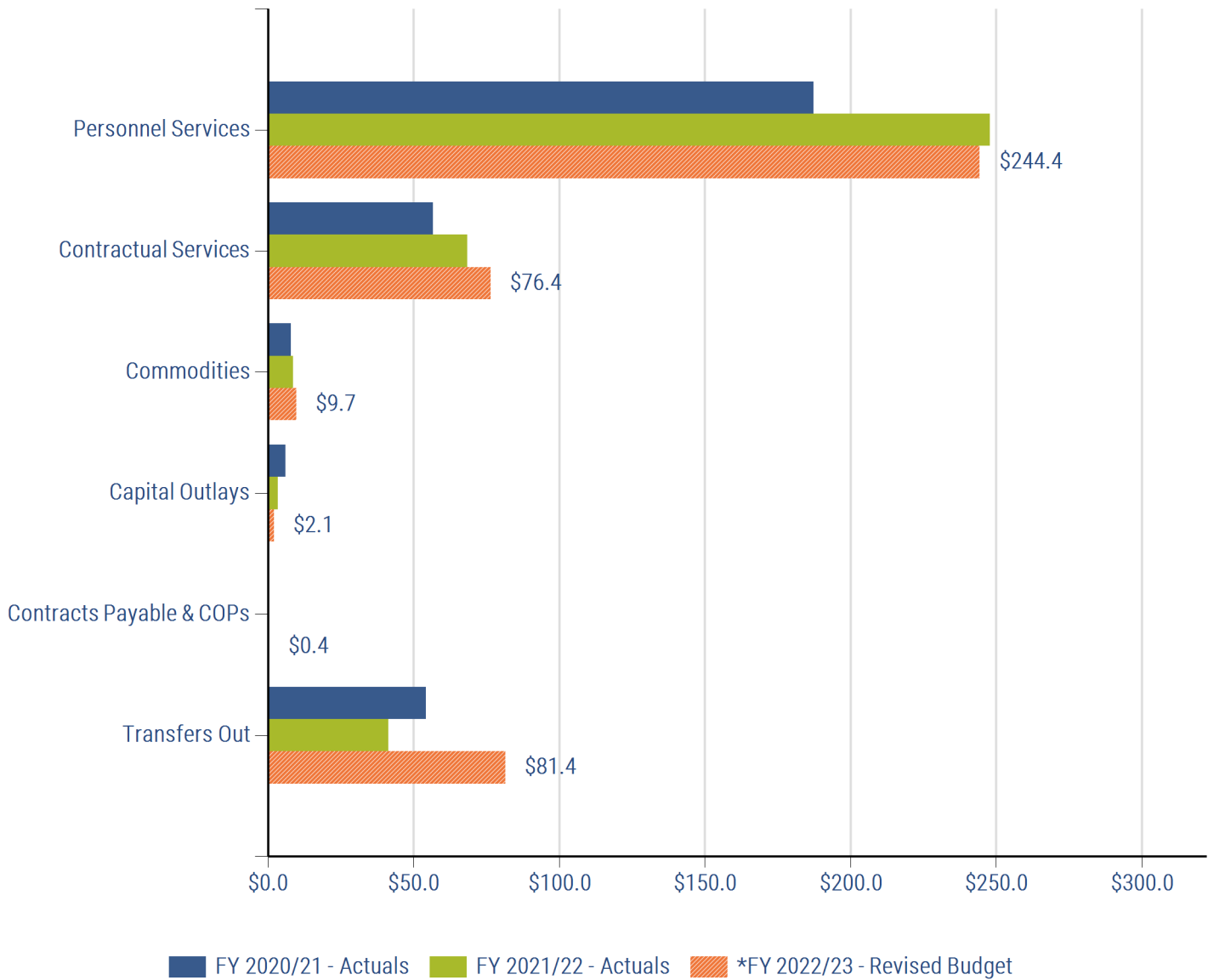
## Transfers In (Fiscal Year to Date: March 2023)



Actual to Revised Budget variance of \$1.3 million or 9%:  
Transfers In Operating is favorable due to a transfer from the remaining Scottsdale AZ Cares funding as projects are being completed. The unfavorable variance in CIP is due to the storm water master plan no longer being recorded in the General Fund.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Operating	\$1.9	\$4.6	\$8.6	\$6.8	\$1.8	26%
CIP	0.5	3.8	-	0.4	(0.4)	(100%)
Enterprise Franchise Fees	6.4	6.2	6.4	6.5	(0.1)	(2%)
<b>Transfers In Total</b>	<b>\$8.8</b>	<b>\$14.6</b>	<b>\$15.0</b>	<b>\$13.7</b>	<b>\$1.3</b>	<b>9%</b>

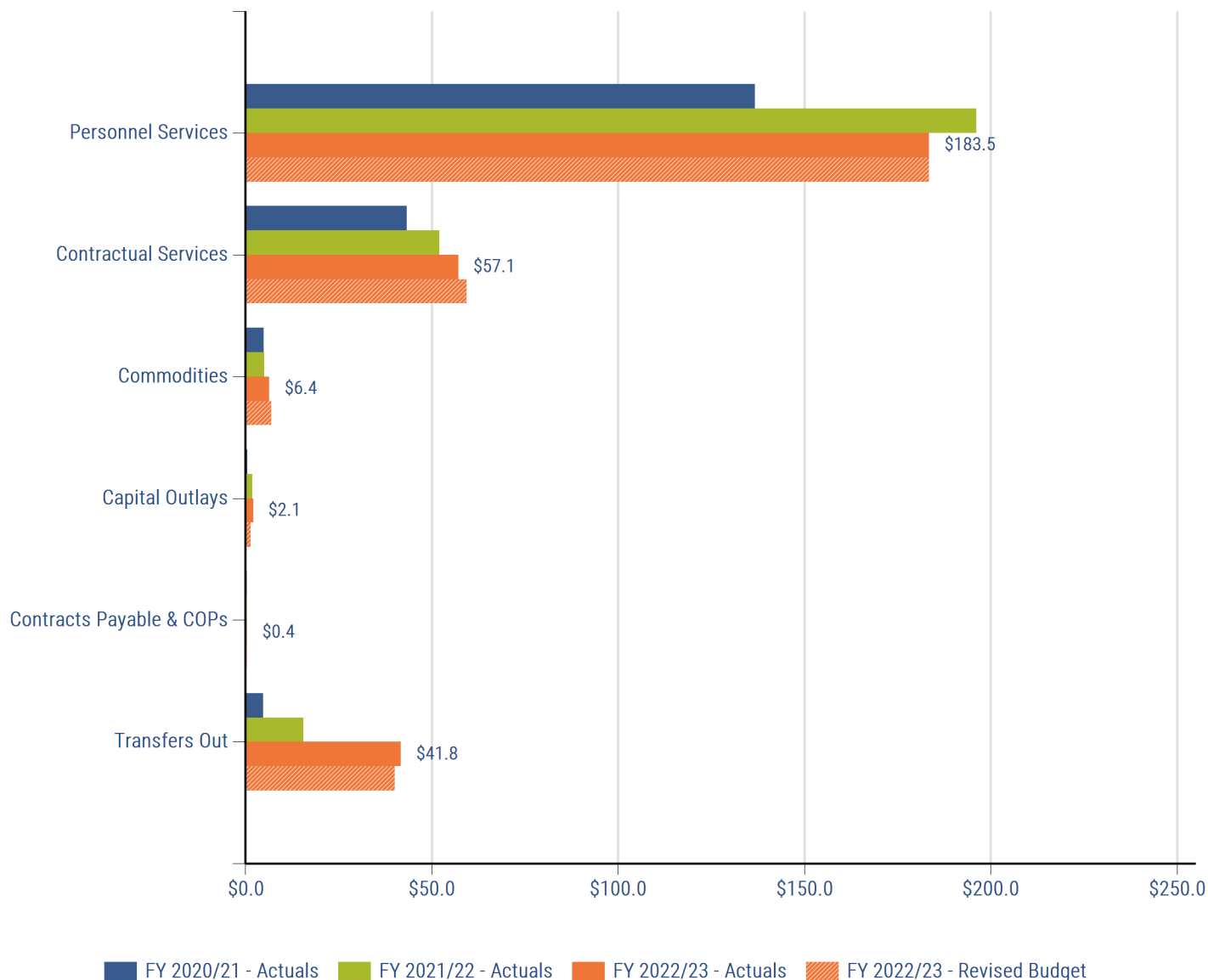
### Twelve Months: Fiscal Year



	FY 2020/21 <u>Actuals</u>	FY 2021/22 <u>Actuals</u>	FY 2022/23 <u>Revised Budget</u>
Personnel Services	\$187.3	\$247.9	\$244.4
Contractual Services	56.6	68.4	76.4
Commodities	7.8	8.7	9.7
Capital Outlays	6.0	3.4	2.1
Contracts Payable & COPs	0.4	0.4	0.4
Transfers Out	54.3	41.4	81.4
<b>Total Uses</b>	<b>\$312.5</b>	<b>\$370.2</b>	<b>\$414.5</b>

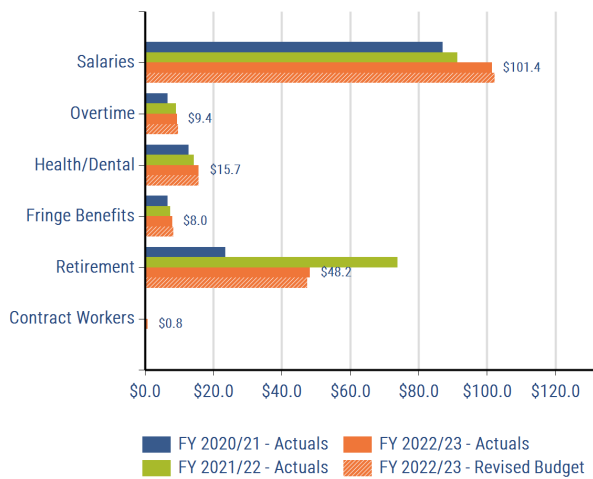
\*Includes budgeted vacancy savings net of Leave Accrual Payouts, Utilities, Fleet Maintenance and Fuel costs.  
\$ in millions / rounding differences may occur

Uses (Fiscal Year to Date: March 2023)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Personnel Services	\$136.7	\$196.1	\$183.5	\$183.5	\$ -	-
Contractual Services	43.3	52.1	57.1	59.3	2.2	4%
Commodities	5.0	5.0	6.4	6.9	0.6	8%
Capital Outlays	0.6	1.8	2.1	1.4	(0.7)	(47%)
Contracts Payable & COPs	0.4	0.4	0.4	0.4	-	-
Transfers Out	4.8	15.5	41.8	40.1	(1.6)	(4%)
<b>Total Uses</b>	<b>\$190.7</b>	<b>\$271.0</b>	<b>\$291.2</b>	<b>\$291.7</b>	<b>\$0.4</b>	<b>0%</b>

Personnel Services (Fiscal Year to Date: March 2023)



Actual to Revised Budget variance of \$0.0 million or 0%: Salaries is favorable primarily due to newer employees having a lower salary than the employees they replaced and also from savings in part-time wages from the vacancies caused by the current job market.

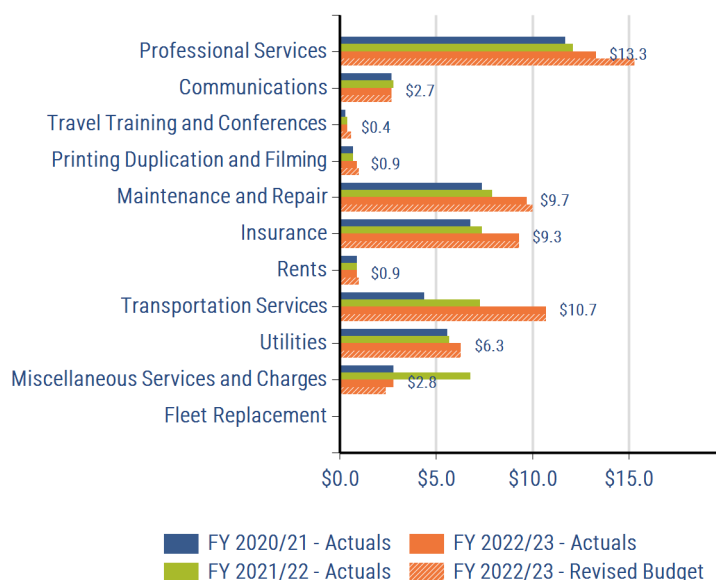
	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Salaries	\$87.0	\$91.3	\$101.4	\$102.2	\$0.8	1%
Overtime	6.6	9.1	9.4	9.7	0.3	3%
Health/Dental	12.8	14.3	15.7	15.7	-	-
Fringe Benefits	6.7	7.4	8.0	8.3	0.3	4%
Retirement	23.5	73.9	48.2	47.4	(0.8)	(2%)
Contract Workers	0.1	0.2	0.8	0.3	(0.5)	nm
<b>Personnel Services Total</b>	<b>\$136.7</b>	<b>\$196.1</b>	<b>\$183.5</b>	<b>\$183.5</b>	<b>\$ -</b>	<b>-</b>

Personnel Services Citywide Adjustments

	FY 2022/23 Adopted Budget	FY 2022/23 Year-To-Date	
		Saved/(Used)	Remaining
Citywide Pay Program	\$5.4	(\$3.1)	\$2.3
Vacancy Savings	(7.4)	10.1	-
Medical Leave Payouts	1.3	(1.0)	0.3
Vacation Leave Payouts	1.0	(1.0)	-
Vacation Trade Payouts	1.3	(1.1)	0.2
Compensation Other	10.4	(10.4)	-
<b>Personnel Services Citywide Adjustments Total</b>	<b>\$11.9</b>	<b>(\$6.3)</b>	<b>-</b>

**Total Saved/(Used) YTD of (\$6.3) million:** Expenses in Citywide Pay Program and Compensation Other were used to support employees salaries when evaluated against inflation impacts and to provide merit based pay increases to employees meeting or exceeding performance expectations. In addition, the city has achieved \$10.1 million in vacancy savings. This is partially offset by (\$3.1 million) in vacation leave payouts, medical leave payouts and vacation trade payouts.

Contractual Services (Fiscal Year to Date: March 2023)



**Actual to Revised Budget variance of \$2.2 million or 4%:** Professional Services is favorable primarily due to delays in spending for large city projects. Maintenance and Repair is favorable due to projects that were delayed in receiving supplies. Rents is favorable due to IT billing delays. Miscellaneous Services and Charges is unfavorable due to expenses related to Scottsdale AZ Cares, which will be adjusted at year-end, and higher than expected credit card fees.

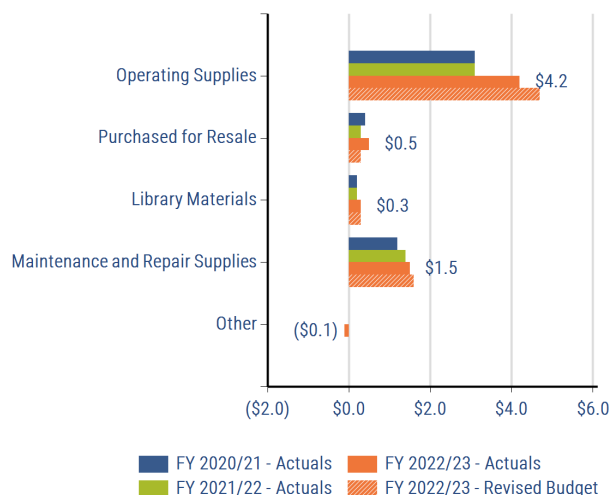
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2022/23	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Professional Services	\$11.7	\$12.1	\$13.3	\$15.3	\$1.9	13%
Communications	2.7	2.8	2.7	2.7	(0.1)	(3%)
Travel Training and Conferences	0.3	0.4	0.4	0.6	0.2	31%
Printing Duplication and Filming	0.7	0.7	0.9	1.0	0.1	10%
Maintenance and Repair	7.4	7.9	9.7	10.0	0.3	3%
Insurance	6.8	7.4	9.3	9.3	-	-
Rents	0.9	0.9	0.9	1.0	0.1	14%
Transportation Services	4.4	7.3	10.7	10.7	-	-
Utilities	5.6	5.7	6.3	6.3	-	-
Miscellaneous Services and Charges	2.8	6.8	2.8	2.4	(0.4)	(16%)
Fleet Replacement	-	-	-	-	-	-
<b>Contractual Services Total</b>	<b>\$43.3</b>	<b>\$52.1</b>	<b>\$57.1</b>	<b>\$59.3</b>	<b>\$2.2</b>	<b>4%</b>

Contractual Services Citywide Adjustments

	FY 2022/23	FY 2022/23	
	Adopted Budget	Year-To-Date Used	Remaining
Fleet Replacement	\$8.1	(\$8.1)	\$ -
Fuel and Maint and Repair	6.0	(4.6)	1.4
Utilities	8.4	(6.3)	2.1
<b>Contractual Services Citywide Adjustments Total</b>	<b>\$22.5</b>	<b>(\$19.1)</b>	<b>\$3.4</b>

**Total Saved/(Used) YTD of (\$19.1) million:** Through March, utilities are trending higher due to increased water usage and higher than anticipated market rates for electric caused by inflation.

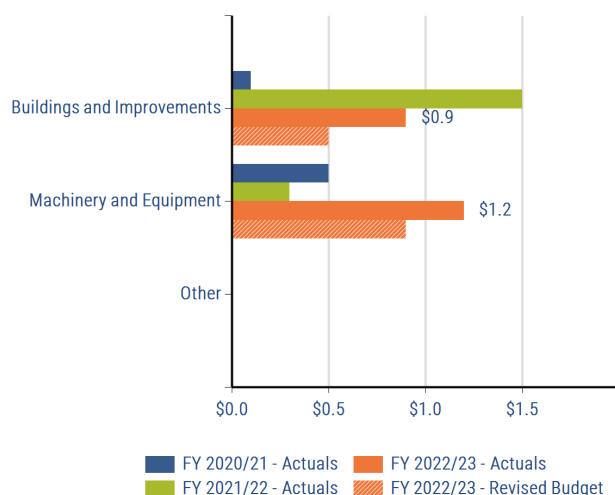
Commodities (Fiscal Year to Date: March 2023)



Actual to Revised Budget variance of \$0.6 million or 8%: Operating Supplies is favorable due to timing in purchasing of furniture & equipment purchases and ammunition for Police. Purchased for Resale is unfavorable due to higher than expected demand for product for resale, as well as timing of purchases needed earlier than expected for events at WestWorld. Library Materials is favorable due to timing of purchases.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$3.1	\$3.1	\$4.2	\$4.7	\$0.5	11%
Purchased for Resale	0.4	0.3	0.5	0.3	(0.1)	(34%)
Library Materials	0.2	0.2	0.3	0.3	0.1	18%
Maintenance and Repair Supplies	1.2	1.4	1.5	1.6	0.1	6%
Other	-	-	(0.1)	-	-	-
<b>Commodities Total</b>	<b>\$5.0</b>	<b>\$5.0</b>	<b>\$6.4</b>	<b>\$6.9</b>	<b>\$0.6</b>	<b>8%</b>

Capital Outlays (Fiscal Year to Date: March 2023)

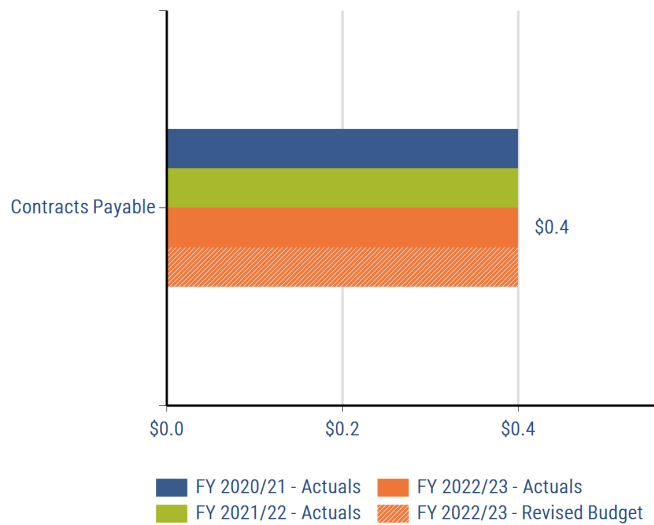


Actual to Revised Budget variance of (\$0.7) million or (47%): Buildings and Improvements is unfavorable due to Audio Visual (AV) Stadium project expenses related to Scottsdale AZ Cares, where the budget will be trued-up at year-end. Machinery and Equipment is unfavorable due to AV equipment purchases for the Stadium project and also due to items ordered and budgeted in FY 2021/22, and arriving in FY 2022/23.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$0.1	\$1.5	\$0.9	\$0.5	(\$0.4)	(75%)
Machinery and Equipment	0.5	0.3	1.2	0.9	(0.3)	(30%)
Other	-	-	-	-	-	n/a
<b>Capital Outlays Total</b>	<b>\$0.6</b>	<b>\$1.8</b>	<b>\$2.1</b>	<b>\$1.4</b>	<b>(\$0.7)</b>	<b>(47%)</b>

**Contracts Payable & COPs (Fiscal Year to Date: March 2023)**

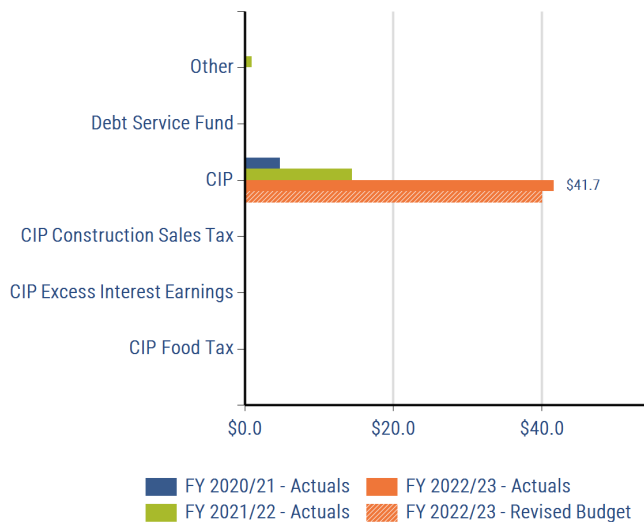
Actual to Revised Budget variance of \$0.0 million or 0%:  
No explanation necessary.



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Contracts Payable	\$0.4	\$0.4	\$0.4	\$0.4	\$ -	-
<b>Contracts Payable &amp; COPs Total</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$ -</b>	<b>-</b>

**Transfers Out (Fiscal Year to Date: March 2023)**

Actual to Revised Budget variance of (\$1.6) million or (4%):  
Transfers Out - CIP is unfavorable due to an unbudgeted transfer that was approved by City Council at the November 21st City Council Meeting to authorize the purchase of four ambulances for Phase 1 of the Certificate of Necessity (CON), (Resolution No. 12660). Budget and Actuals for Transfers Out - CIP are significantly higher in FY 2022/23 than previous years due to planned budget transfers from the General Fund to CIP to be allocated towards various CIP and Bond 2019 projects that were recognized to have shortfalls during the construction process.

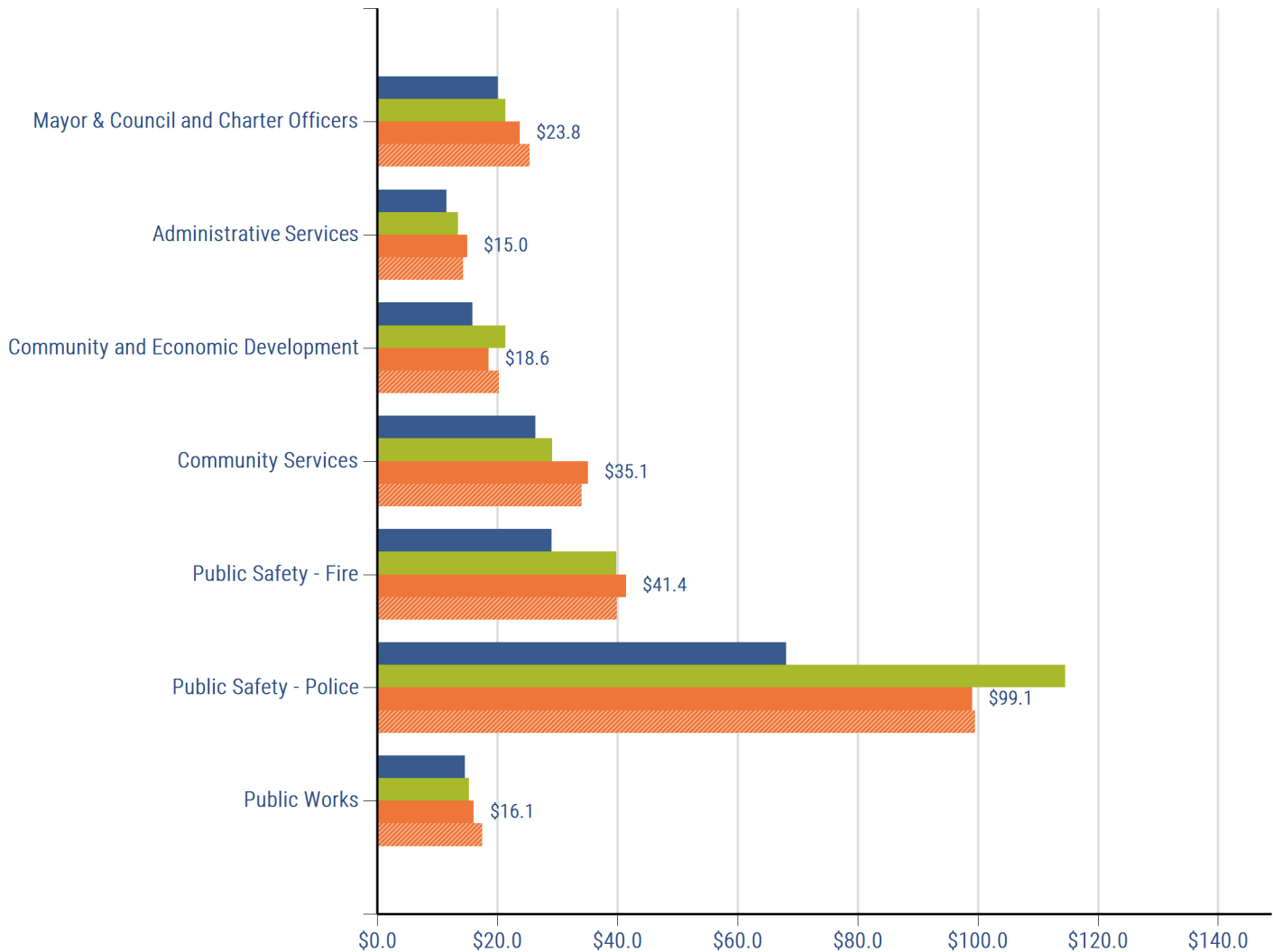


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Other	\$ -	\$1.0	\$ -	\$ -	\$ -	n/a
Debt Service Fund	-	-	-	-	-	-
CIP	4.8	14.5	41.7	40.1	( 1.6)	(4%)
CIP Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
<b>Transfers Out Total</b>	<b>\$4.8</b>	<b>\$15.5</b>	<b>\$41.8</b>	<b>\$40.1</b>	<b>(\$1.6)</b>	<b>(4%)</b>

\$ in millions / rounding differences may occur



Division Expenditures (Fiscal Year to Date: March 2023)



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

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$20.1	\$21.3	\$23.8	\$25.4	\$1.6	6%
Administrative Services	11.5	13.5	15.0	14.4	( 0.6)	(4%)
Community and Economic Development	15.8	21.4	18.6	20.3	1.7	9%
Community Services	26.3	29.2	35.1	34.1	( 1.0)	(3%)
Public Safety - Fire	29.1	39.8	41.4	39.9	( 1.5)	(4%)
Public Safety - Police	68.1	114.5	99.1	99.6	0.5	1%
Public Works	14.6	15.3	16.1	17.5	1.4	8%
<b>Total</b>	<b>\$185.6</b>	<b>\$255.1</b>	<b>\$249.1</b>	<b>\$251.1</b>	<b>\$2.1</b>	<b>1%</b>

**Actual to Revised Budget variance of \$2.1 million or 1%:**

**Mayor & Council and Charter Officers** is favorable due to: 1) a delay in replacing the outdated Enterprise Resource Planning (ERP) system; 2) timing on citizen focused projects; and 3) vacancy savings and lower salary rates for newer employees than those they replaced.

**Administrative Services** is unfavorable due to: 1) a Audio Visual (AV) Stadium project expense; 2) IT timing issue with the Active Network maintenance; 3) charges for City Memberships in IT services are higher than expected; and 4) storage maintenance related to firewall security.

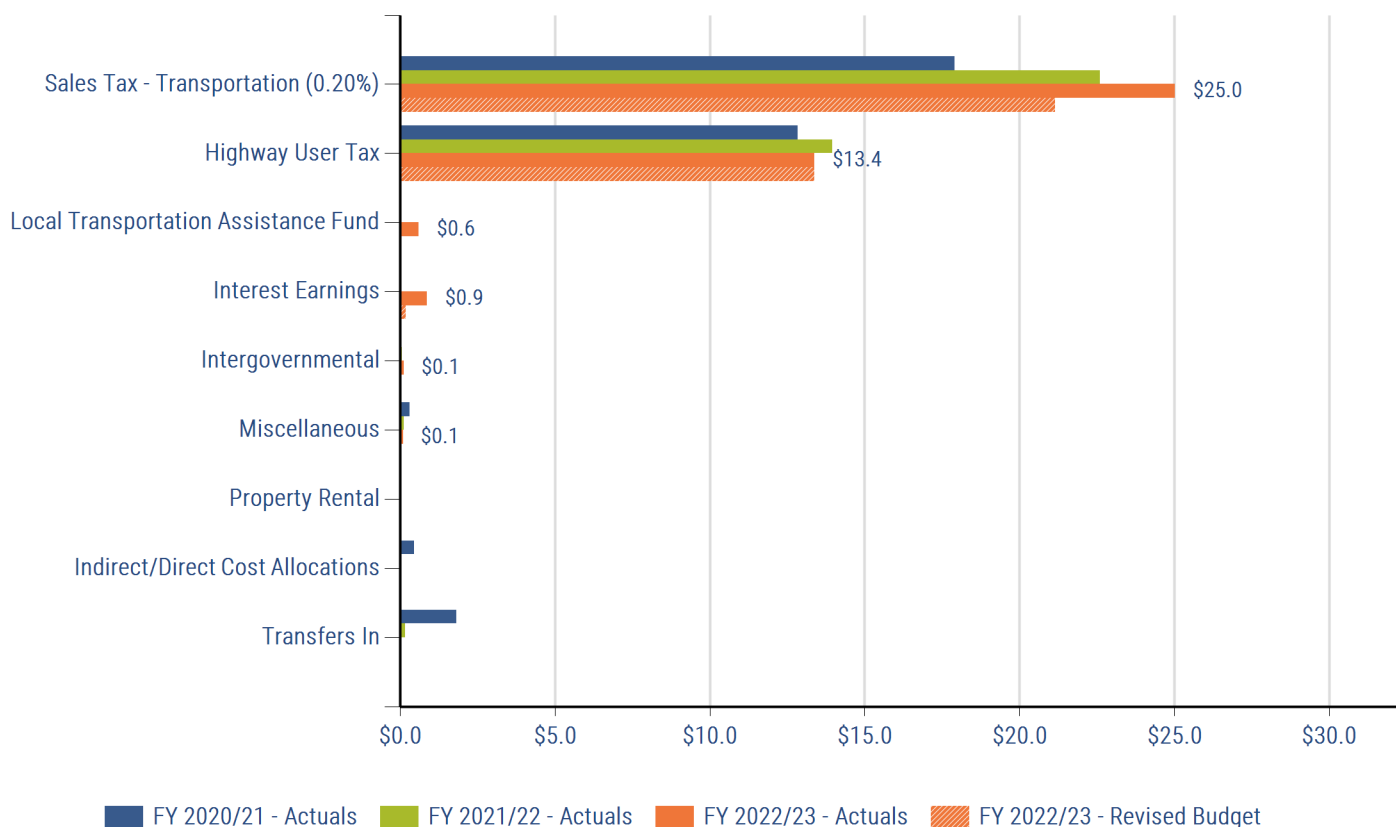
**Community and Economic Development** is favorable due to: 1) savings from contractual services 2) delays in spending in the development of a storm water master plan; 3) delays in painting city-owned building structures; and 4) the timing of Super-Bowl-related expenses.

**Community Services** is unfavorable due primarily to the timing of: 1) tree pruning and removal services; 2) maintenance and mowing services; 3) housing and emergency assistance; and 4) expenses for landscaping and materials.

**Public Safety-Fire** is unfavorable due to: 1) refunds made on behalf of PSPRS to members due to a change in the member contribution rate; and 2) increased overtime costs caused by short staffing levels.

**Public Works** is favorable due to: 1) savings in vendor scheduling and overtime pay; 2) timing of required ADA and OSHA fall protection services; 3) a modification of routine services and day porter assignments; 4) postponement of a software upgrade; and 5) a change in the budgeted project schedule that arose from unplanned projects which require replacement of two life safety systems. The favorable variance was partially offset by several repairs required based upon five year sprinkler inspections at various locations throughout the city and repairs on fire alarm and fire suppression systems at WestWorld.

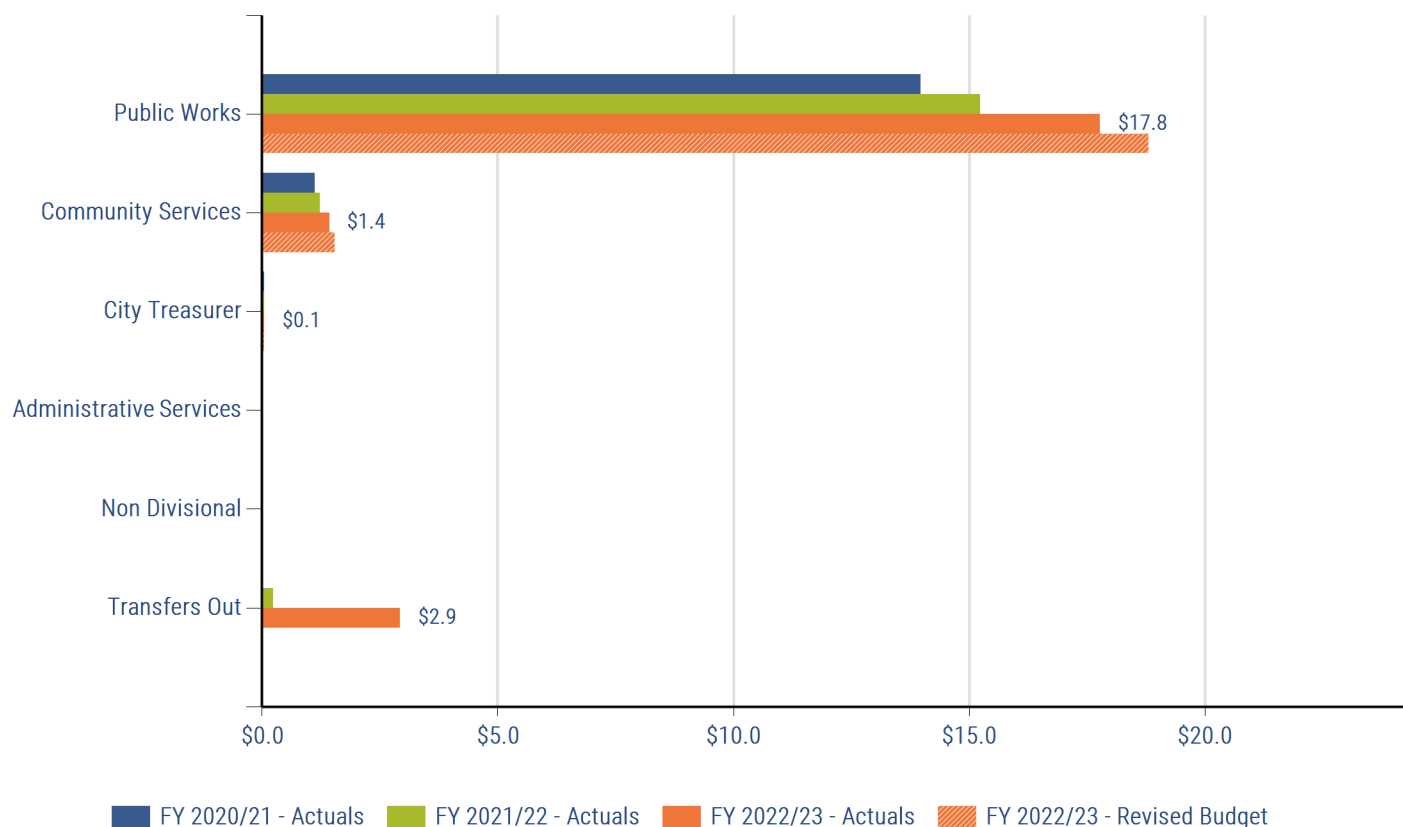
Sources (Fiscal Year to Date: March 2023)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax - Transportation (0.20%)	\$17.9	\$22.6	\$25.0	\$21.2	\$3.9	18%
Highway User Tax	12.8	14.0	13.4	13.4	-	-
Local Transportation Assistance Fund	-	-	0.6	-	0.6	n/a
Interest Earnings	-	-	0.9	0.2	0.7	nm
Intergovernmental	0.1	0.1	0.1	-	0.1	nm
Miscellaneous	0.3	0.1	0.1	-	0.1	nm
Property Rental	-	-	-	-	-	-
Indirect/Direct Cost Allocations	0.5	-	-	-	-	-
Transfers In	1.8	0.2	-	-	-	-
<b>Total Sources</b>	<b>\$33.4</b>	<b>\$36.9</b>	<b>\$40.1</b>	<b>\$34.8</b>	<b>\$5.4</b>	<b>15%</b>

**Actual to Revised Budget variance of \$5.4 million or 15%:** Sales Tax - Transportation (0.20%) is favorable due to Sales Tax, see page 5 for explanations by category. Local Transportation Assistance Fund is Favorable due to higher than expected state shared revenue from the Arizona State Lottery. Interest earnings is favorable due to the rate of return being higher than expected.

Uses (Fiscal Year to Date: March 2023)

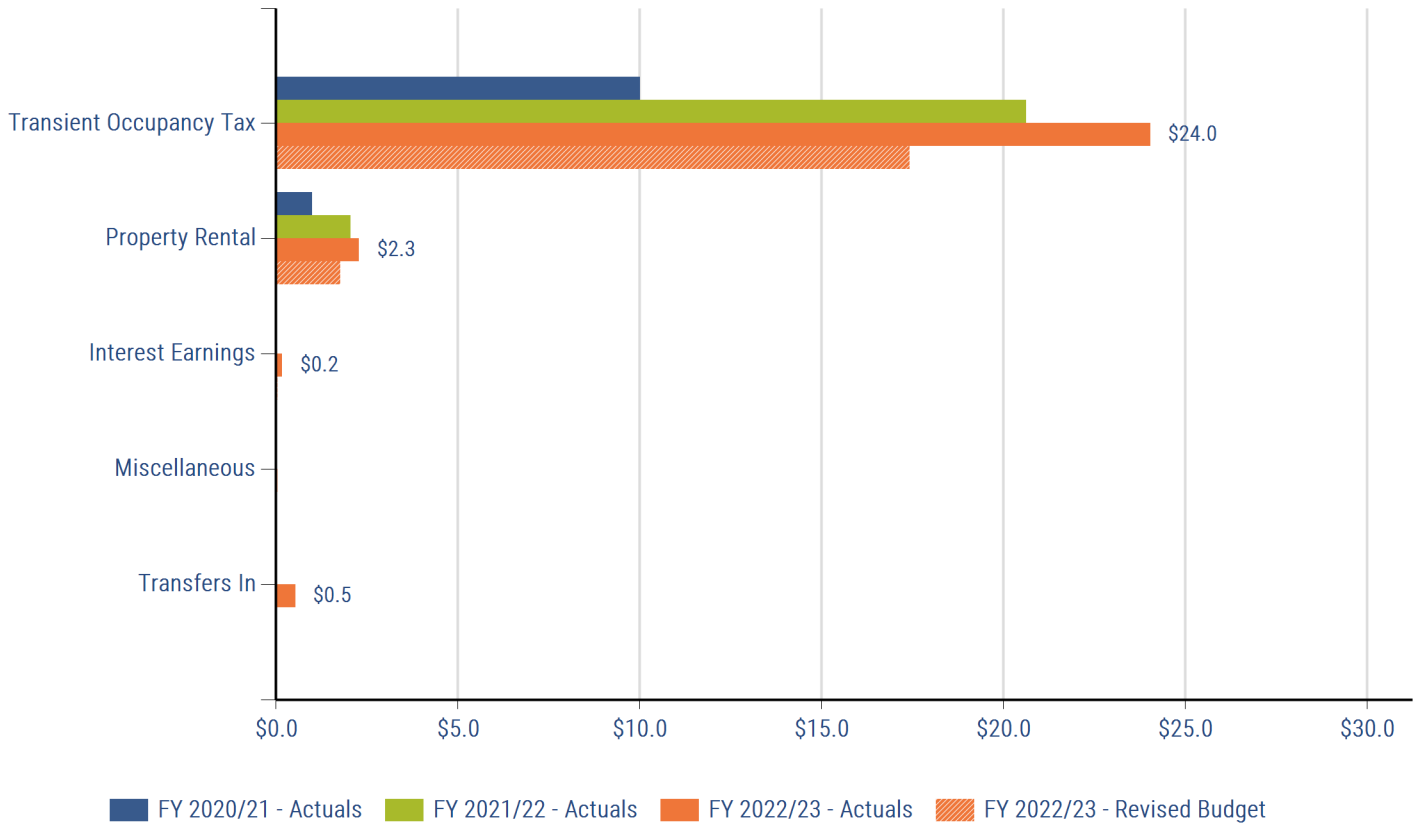


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Public Works	\$14.0	\$15.2	\$17.8	\$18.8	\$1.0	5%
Community Services	1.1	1.2	1.4	1.5	0.1	7%
City Treasurer	-	-	0.1	0.1	-	-
Administrative Services	-	-	-	-	-	-
Non Divisional	-	-	-	-	-	-
Transfers Out	-	0.2	2.9	-	( 2.9)	n/a
<b>Total Uses</b>	<b>\$15.2</b>	<b>\$16.8</b>	<b>\$22.2</b>	<b>\$20.4</b>	<b>(\$1.8)</b>	<b>(9%)</b>

**Actual to Revised Budget variance of (\$1.8) million or (9%):** The favorable variance in Public Works is primarily due to the decision to delay reactivating weekend trolley service as well as a delay in alley maintenance due to inclement weather. The unfavorable variance for Transfers Out is due to timing of when the transfer to CIP occurred.

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: March 2023)

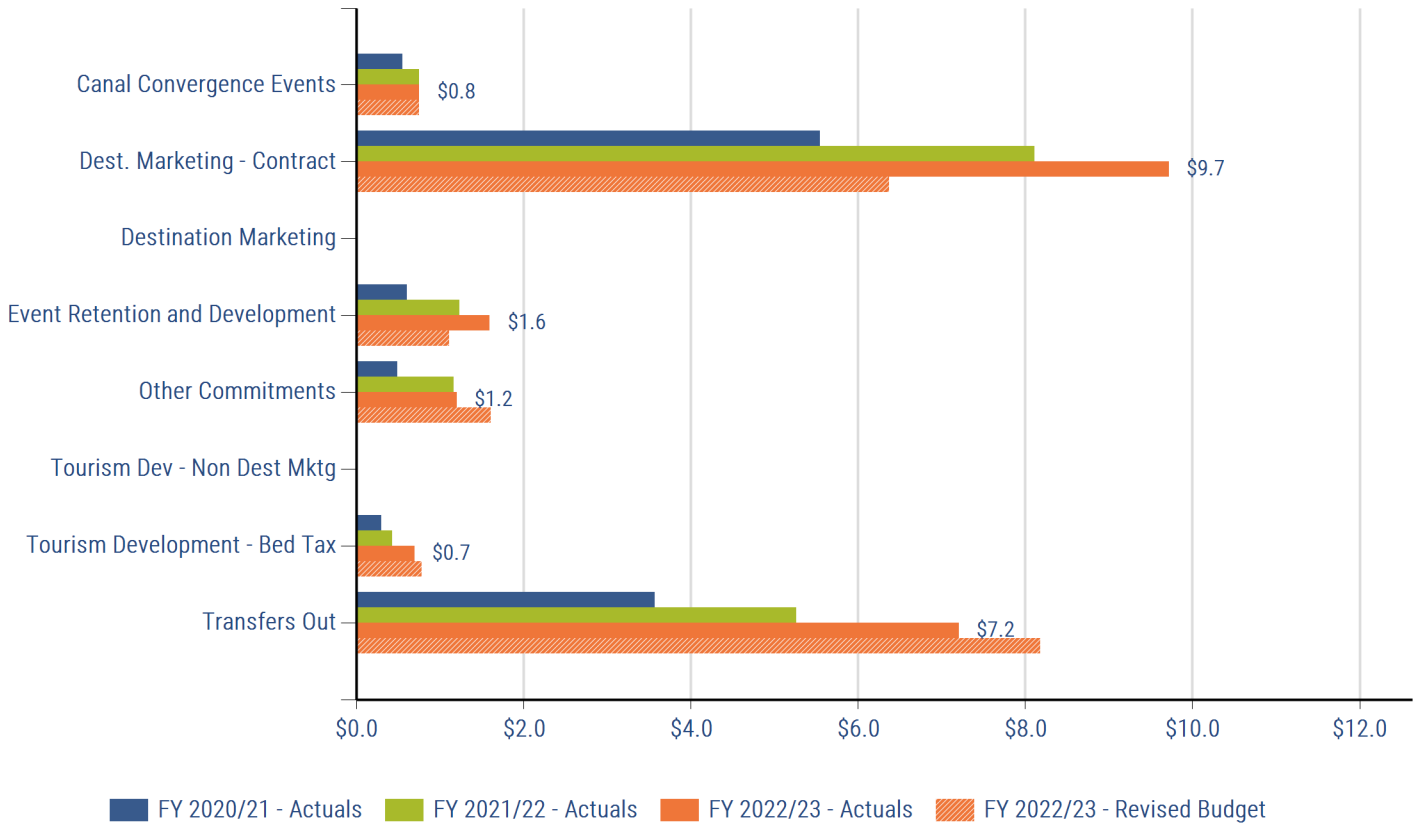


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Transient Occupancy Tax	\$10.0	\$20.6	\$24.0	\$17.4	\$6.6	38%
Property Rental	1.0	2.1	2.3	1.8	0.5	29%
Interest Earnings	-	-	0.2	-	0.1	nm
Miscellaneous	-	-	-	-	-	-
Transfers In	-	-	0.5	-	0.5	n/a
<b>Total Sources</b>	<b>\$11.0</b>	<b>\$22.7</b>	<b>\$27.1</b>	<b>\$19.3</b>	<b>\$7.8</b>	<b>40%</b>

**Actual to Revised Budget variance of \$7.8 million or 40%:** The favorable variance for Transient Occupancy Tax is due to higher than anticipated collections driven by the continuously high tourism activity in the city. The favorable variance in Property Rental is due to the revenue collection from Fairmont Scottsdale Princess Resort being higher than anticipated.

\$ in millions/rounding differences may occur

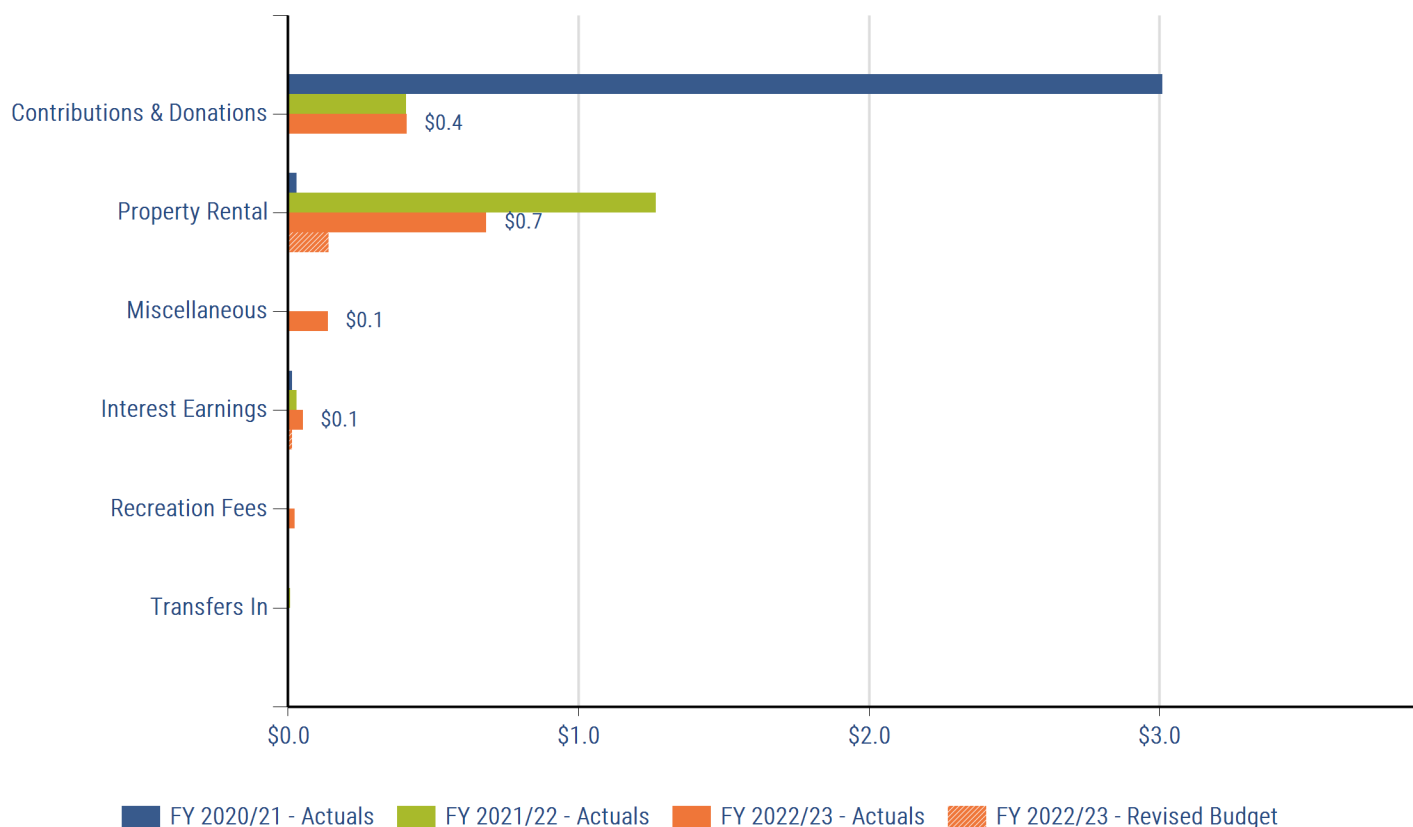
Uses (Fiscal Year to Date: March 2023)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Canal Convergence Events	\$0.6	\$0.8	\$0.8	\$0.8	\$ -	-
Dest. Marketing - Contract	5.5	8.1	9.7	6.4	(3.3)	(52%)
Destination Marketing	-	-	-	-	-	-
Event Retention and Development	0.6	1.2	1.6	1.1	(0.5)	(44%)
Other Commitments	0.5	1.2	1.2	1.6	0.4	25%
Tourism Dev - Non Dest Mktg	-	-	-	-	-	-
Tourism Development - Bed Tax	0.3	0.4	0.7	0.8	0.1	11%
Transfers Out	3.6	5.3	7.2	8.2	1.0	12%
<b>Total Uses</b>	<b>\$11.1</b>	<b>\$17.0</b>	<b>\$21.2</b>	<b>\$18.8</b>	<b>(\$2.4)</b>	<b>(13%)</b>

**Actual to Revised Budget variance of (\$2.4) million or (13%):** The unfavorable variance for Destination Marketing - Contract is due to higher than anticipated bed tax collections. The unfavorable variance for Event Development and Retention is due to budget timing. The favorable variance in Other Commitments is due to a delay in placing an order for planters for Civic Center Park. The favorable variance for Transfers Out is due to a delay on budget transfer to the General Fund for Super Bowl expenses.

### Sources (Fiscal Year to Date: March 2023)

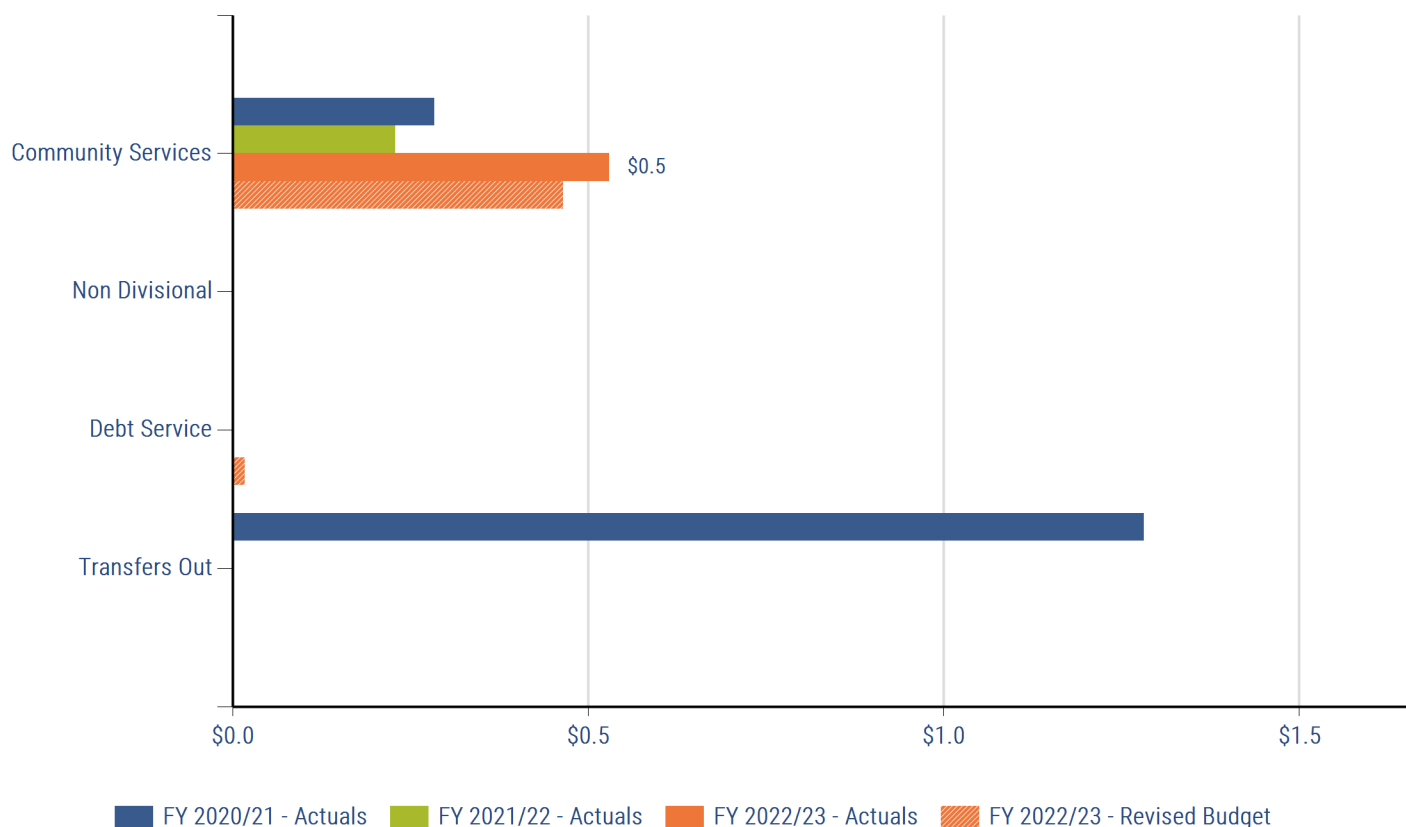


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Contributions & Donations	\$3.0	\$0.4	\$0.4	\$ -	\$0.4	n/a
Property Rental	-	1.3	0.7	0.1	0.5	nm
Miscellaneous	-	-	0.1	-	0.1	n/a
Interest Earnings	-	-	0.1	-	-	-
Recreation Fees	-	-	-	-	-	n/a
Transfers In	-	-	-	-	-	-
<b>Total Sources</b>	<b>\$3.1</b>	<b>\$1.7</b>	<b>\$1.3</b>	<b>\$0.2</b>	<b>\$1.1</b>	<b>nm</b>

**Actual to Revised Budget variance of \$1.1 million or nm:** The favorable variance for Contributions and Donations is due to the timing of the annual San Francisco Giants capital contribution. The contribution was received sooner than expected. The favorable variance for Property Rental is due to more events usage fees than expected.

\$ in millions/rounding differences may occur

### Uses (Fiscal Year to Date: March 2023)



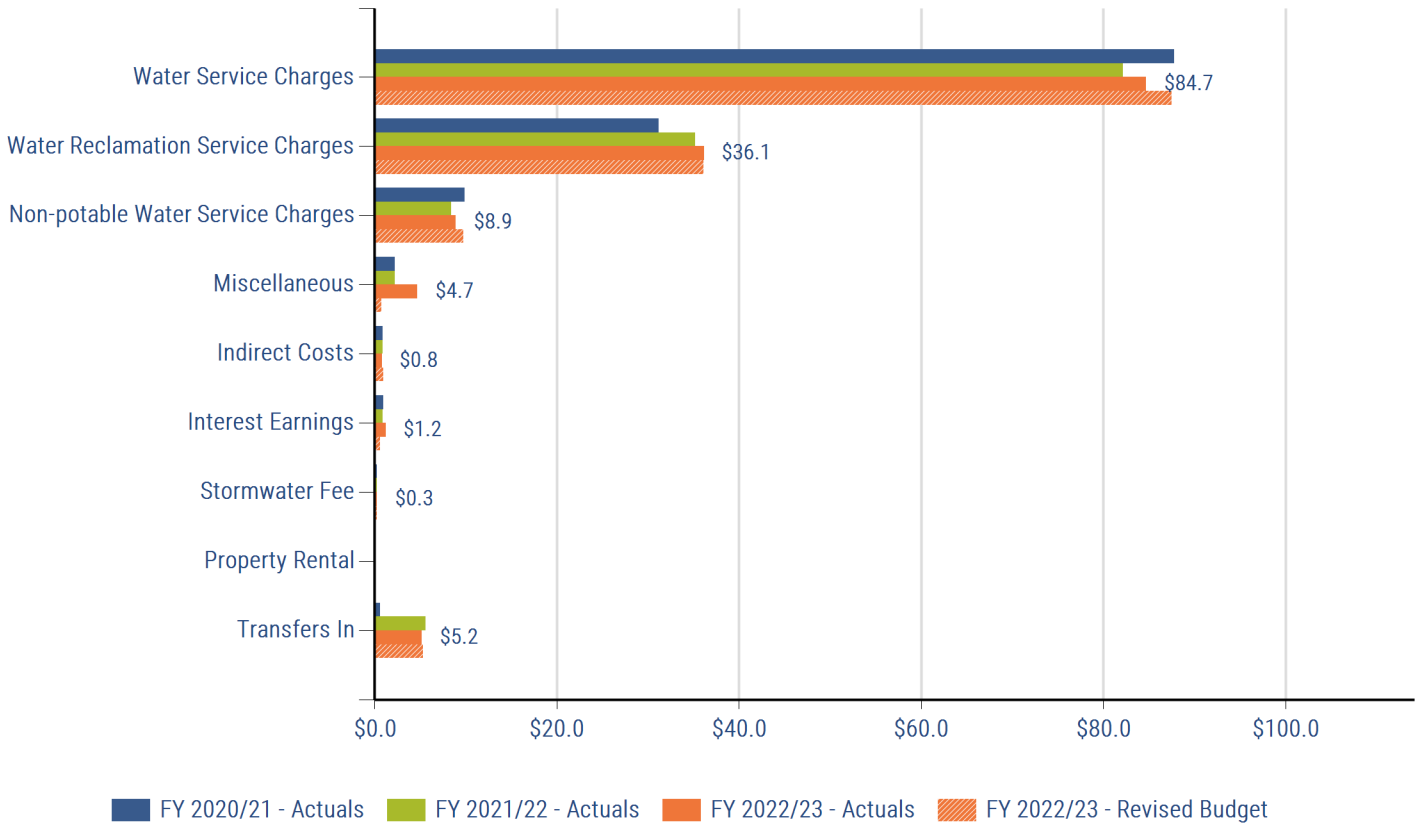
	<u>FY 2020/21 Actuals</u>	<u>FY 2021/22 Actuals</u>	<u>FY 2022/23 Actuals</u>	<u>FY 2022/23 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Budget Percent</u>
Community Services	\$0.3	\$0.2	\$0.5	\$0.5	(\$0.1)	(14%)
Non Divisional	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Transfers Out	1.3	-	-	-	-	-
<b>Total Uses</b>	<b>\$1.6</b>	<b>\$0.2</b>	<b>\$0.5</b>	<b>\$0.5</b>	<b>\$ -</b>	<b>-</b>

**Actual to Revised Budget variance of \$0.0 million or 0%:** The unfavorable variance for Community Services is due to higher charges for custodial services than expected.

\$ in millions/rounding differences may occur



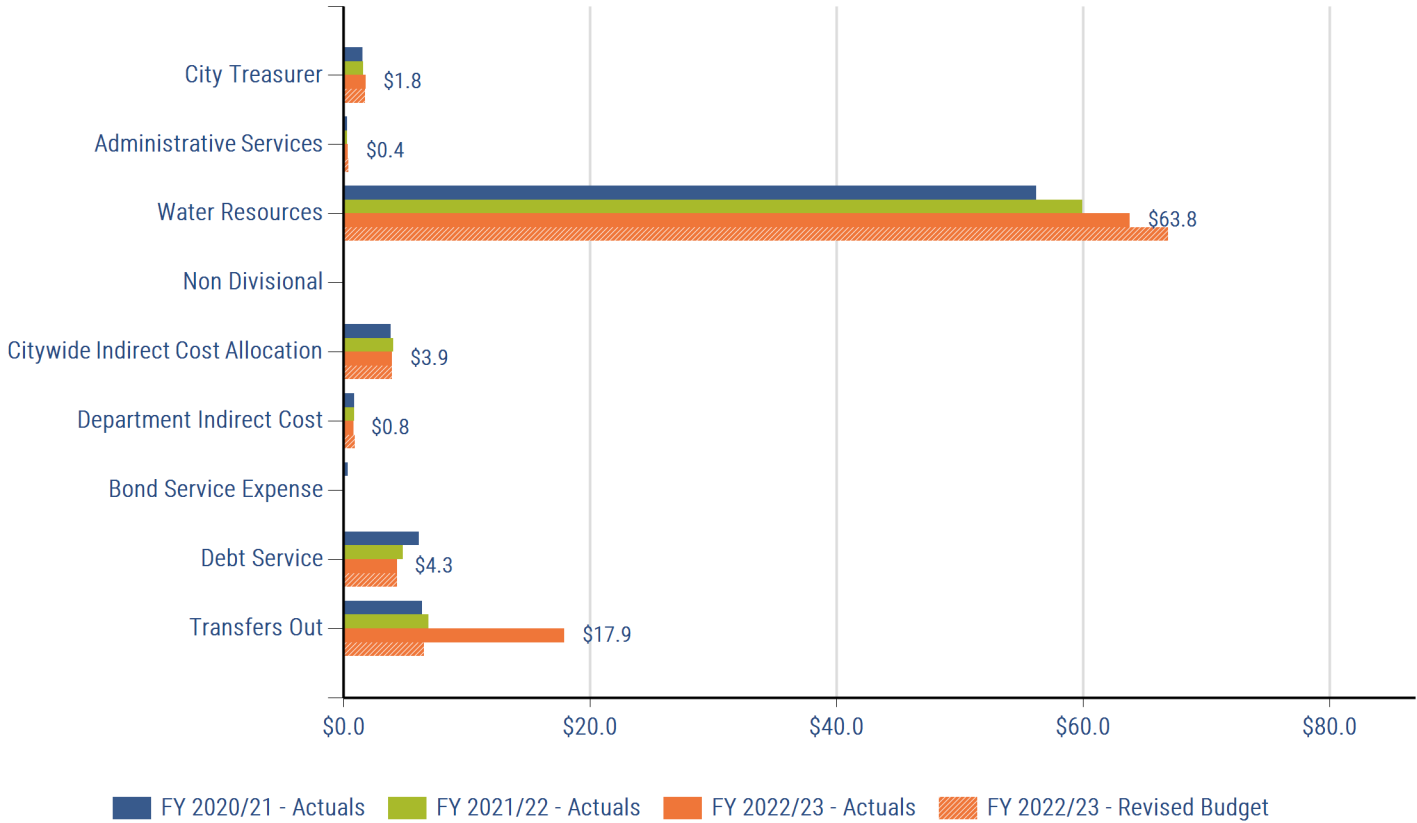
Sources (Fiscal Year to Date: March 2023)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Water Service Charges	\$87.8	\$82.2	\$84.7	\$87.5	(\$2.8)	(3%)
Water Reclamation Service Charges	31.2	35.2	36.1	36.1	-	-
Non-potable Water Service Charges	9.9	8.4	8.9	9.7	(0.8)	(8%)
Miscellaneous	2.2	2.2	4.7	0.8	3.9	nm
Indirect Costs	0.9	0.9	0.8	0.9	(0.1)	(13%)
Interest Earnings	1.0	0.8	1.2	0.6	0.6	nm
Stormwater Fee	0.2	0.3	0.3	0.3	-	-
Property Rental	-	-	-	-	-	-
Transfers In	0.6	5.6	5.2	5.3	(0.1)	(2%)
<b>Total Sources</b>	<b>\$133.8</b>	<b>\$135.6</b>	<b>\$141.9</b>	<b>\$141.1</b>	<b>\$0.8</b>	<b>1%</b>

**Actual to Revised Budget variance of \$0.8 million or 1%:** Water Service Charges and Non-potable Water Service Charges are unfavorable primarily due to less demand resulting from more rainfall compared to historical trends. The unfavorable variance would have been greater but is being partially offset by a 17 percent increase in treated effluent deliveries. Miscellaneous is favorable primarily due to revenue received from the Central Arizona Project and the Arizona Department of Water Resources for reducing usage from Lake Mead due to the drought. It is also due to less-than-expected sewer treatment charges from the Sub-Regional Operating Group (SROG). Interest Earnings is favorable due to the approximate rate of return being higher than expected.

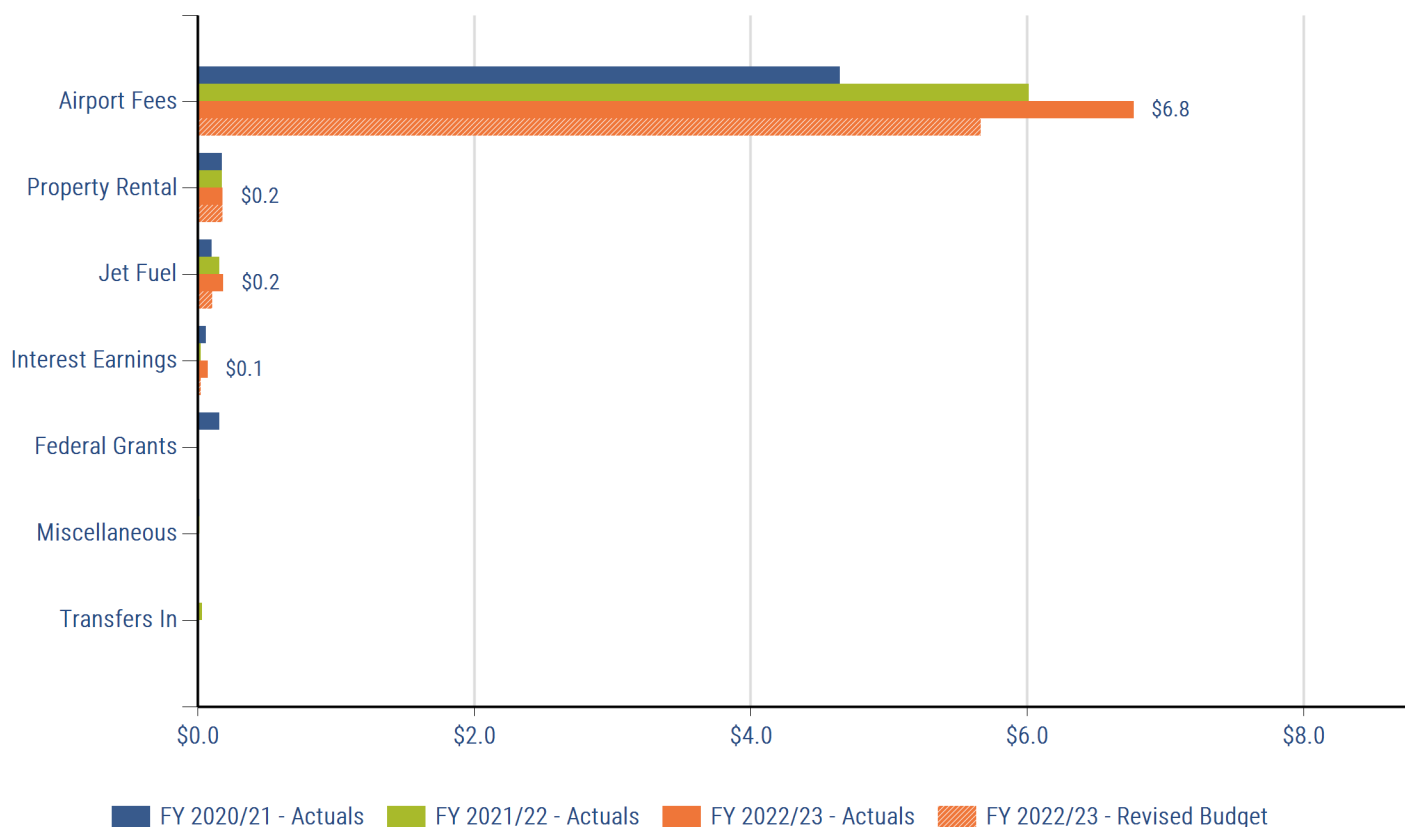
Uses (Fiscal Year to Date: March 2023)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
City Treasurer	\$1.5	\$1.6	\$1.8	\$1.8	\$ -	-
Administrative Services	0.3	0.3	0.4	0.4	-	-
Water Resources	56.2	60.0	63.8	66.9	3.1	5%
Non Divisional	-	-	-	-	-	-
Citywide Indirect Cost Allocation	3.9	4.0	3.9	3.9	-	-
Department Indirect Cost	0.9	0.9	0.8	0.9	0.1	13%
Bond Service Expense	0.4	-	-	-	-	-
Debt Service	6.1	4.8	4.3	4.3	-	-
Transfers Out	6.4	6.9	17.9	6.5	( 11.4)	nm
<b>Total Uses</b>	<b>\$75.7</b>	<b>\$78.5</b>	<b>\$93.0</b>	<b>\$84.8</b>	<b>(\$8.2)</b>	<b>(10%)</b>

**Actual to Revised Budget variance of (\$8.2) million or (10%):** The Water & Water Reclamation fund is unfavorable primarily due to the timing of Transfers Out to the CIP. The unfavorable variance would have been greater but is being partially offset by Water Resources. Water Resources is experiencing the decreased production in the CAP Water Treatment Plant and lower than expected sewer treatment charges from Sub-Regional Operating Group (SROG). It is also due to high turnover with replacement employees coming in at a lower rate, lower than expected overtime expenses, and savings from operation improvement. The favorable variance in Water Resources would have been greater but is being partially offset by the higher-than-expected cost of the conservation rebates program due to increasing participation.

Sources (Fiscal Year to Date: March 2023)

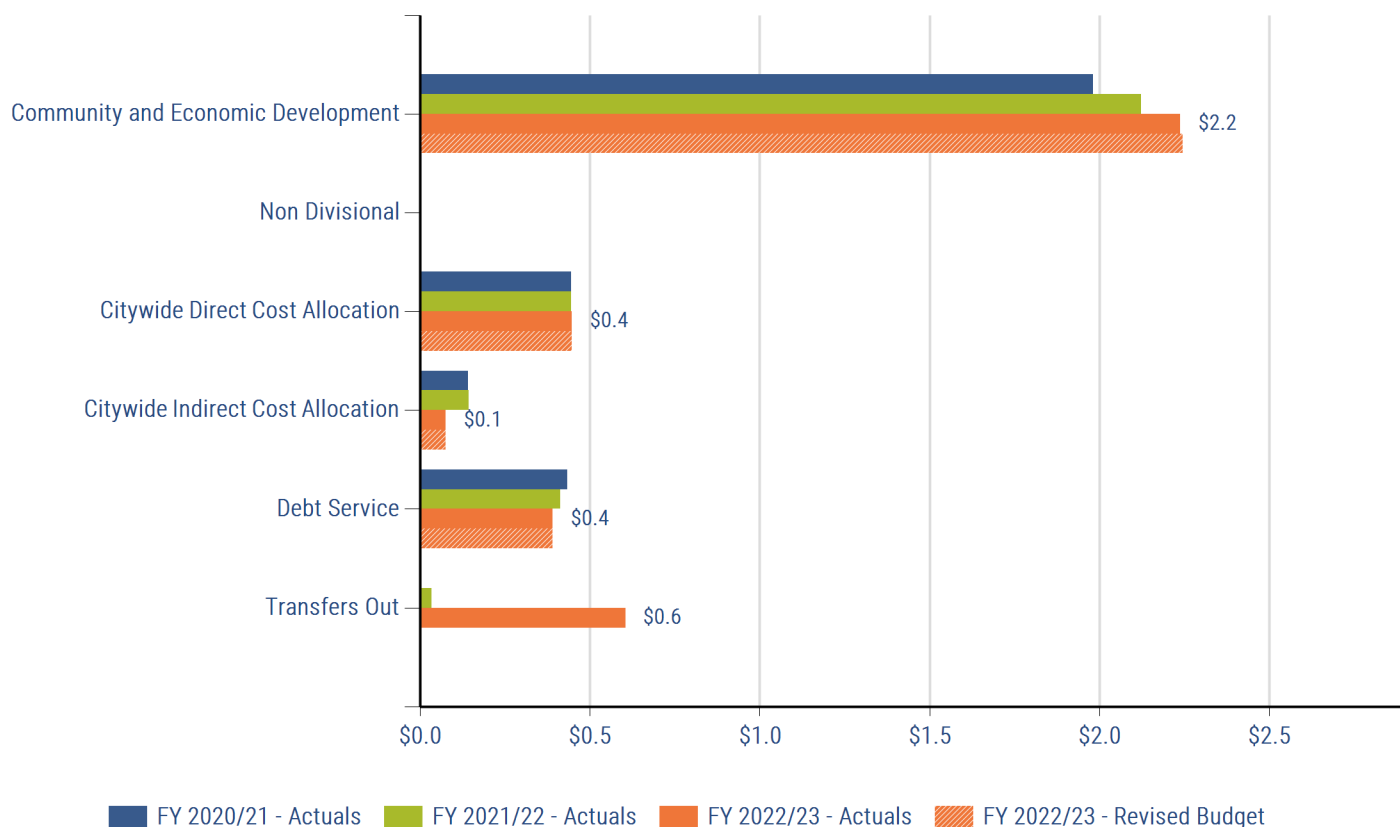


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Airport Fees	\$4.6	\$6.0	\$6.8	\$5.7	\$1.1	20%
Property Rental	0.2	0.2	0.2	0.2	-	-
Jet Fuel	0.1	0.2	0.2	0.1	0.1	73%
Interest Earnings	0.1	-	0.1	-	0.1	nm
Federal Grants	0.2	-	-	-	-	-
Miscellaneous	-	-	-	-	-	n/a
Transfers In	-	-	-	-	-	n/a
<b>Total Sources</b>	<b>\$5.2</b>	<b>\$6.4</b>	<b>\$7.2</b>	<b>\$6.0</b>	<b>\$1.2</b>	<b>21%</b>

**Actual to Revised Budget variance of \$1.2 million or 21%:** Airport Fees is favorable due to lease increases and more activity than anticipated. Jet Fuel is favorable due to increases in jet fuel prices.

\$ in millions/rounding differences may occur

### Uses (Fiscal Year to Date: March 2023)

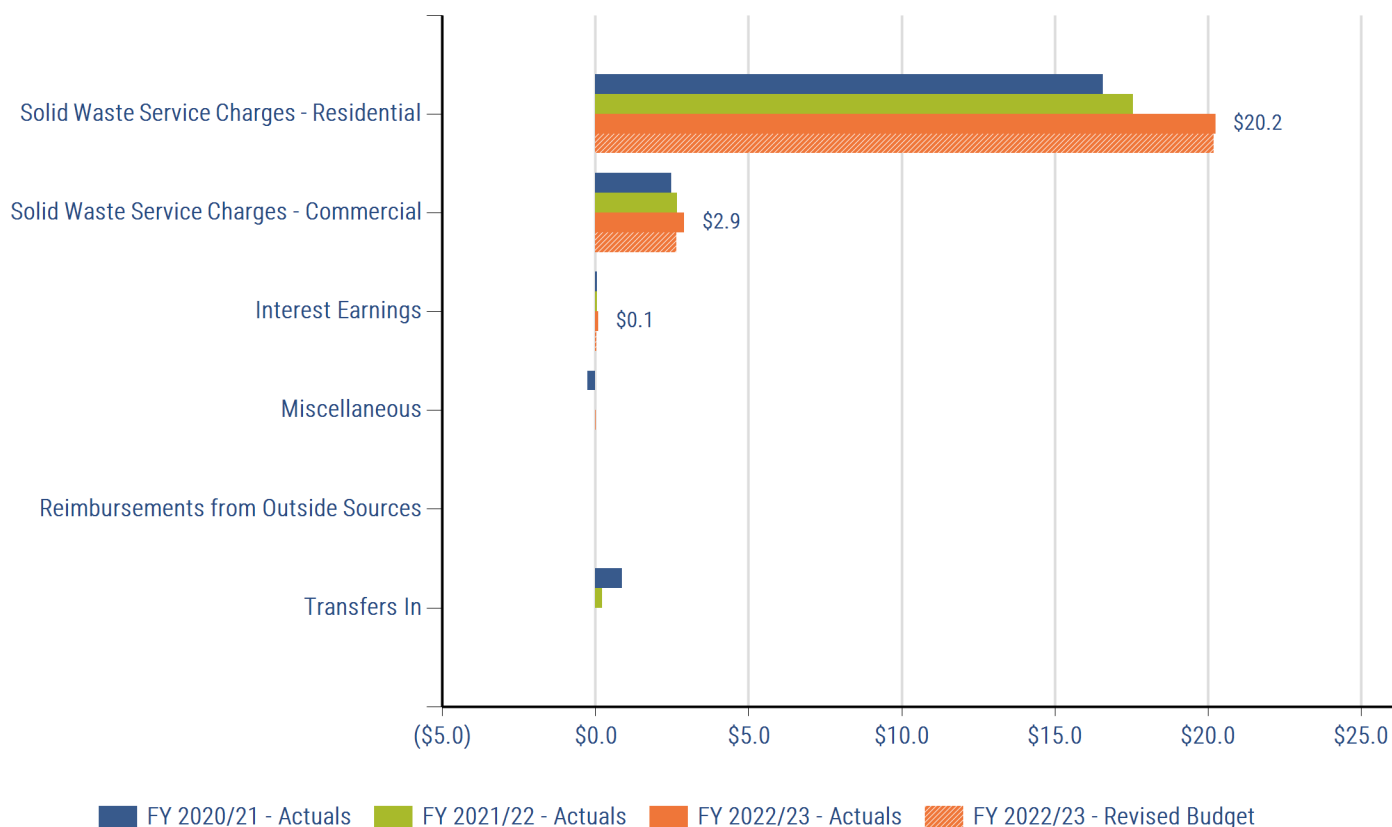


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget (Unfavorable) Percent
Community and Economic Development	\$2.0	\$2.1	\$2.2	\$2.2	\$ -	-
Non Divisional	-	-	-	-	-	-
Citywide Direct Cost Allocation	0.4	0.4	0.4	0.4	-	-
Citywide Indirect Cost Allocation	0.1	0.1	0.1	0.1	-	-
Debt Service	0.4	0.4	0.4	0.4	-	-
Transfers Out	-	-	0.6	-	( 0.6)	n/a
<b>Total Uses</b>	<b>\$3.0</b>	<b>\$3.2</b>	<b>\$3.8</b>	<b>\$3.2</b>	<b>(\$0.6)</b>	<b>(19%)</b>

**Actual to Revised Budget variance of (\$0.6) million or (19%)** Transfers Out is unfavorable due to the timing of the transfer to CIP.

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: March 2023)

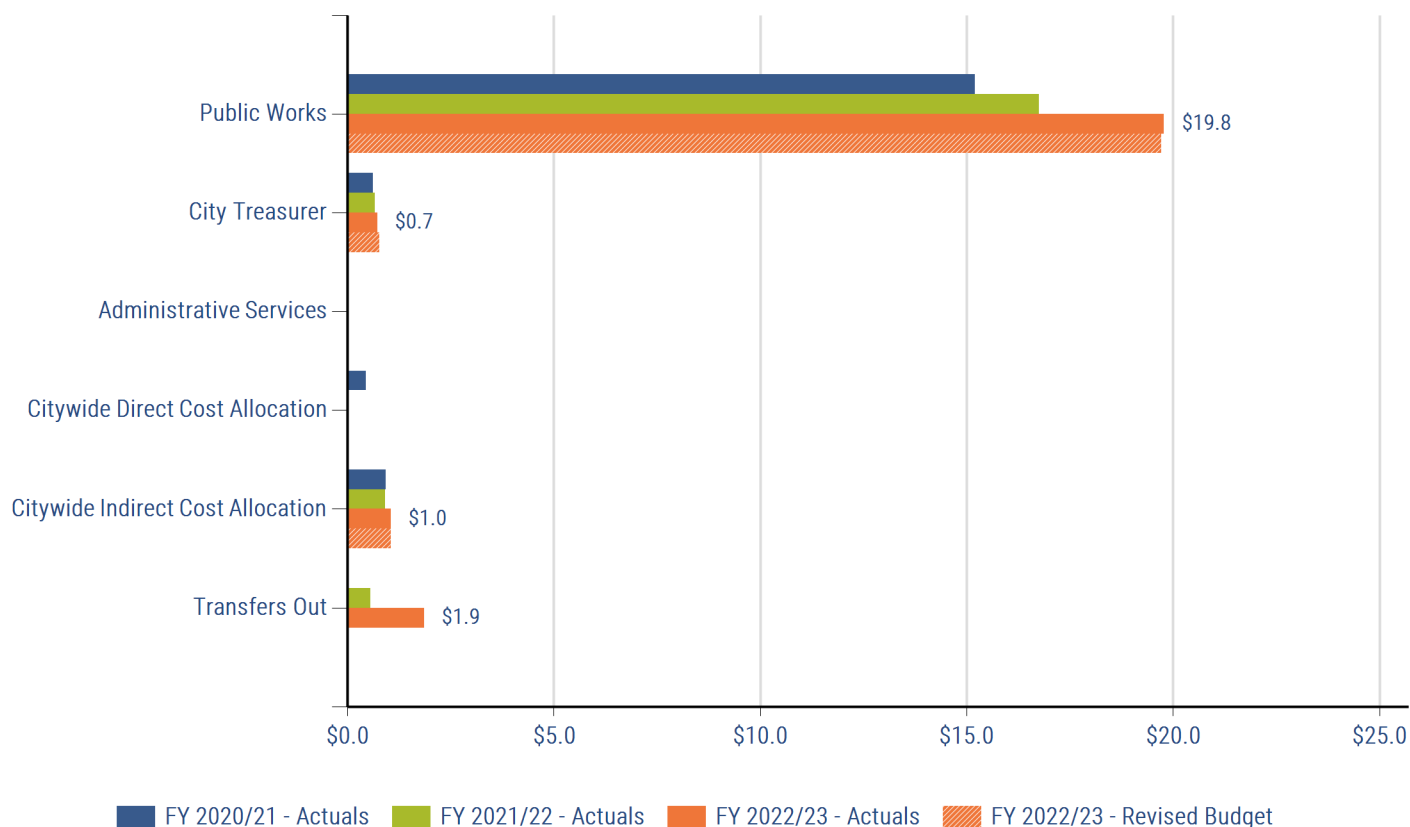


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Solid Waste Service Charges - Residential	\$16.6	\$17.6	\$20.2	\$20.2	\$0.1	0%
Solid Waste Service Charges - Commercial	2.5	2.7	2.9	2.6	0.3	10%
Interest Earnings	0.1	0.1	0.1	-	0.1	nm
Miscellaneous	(0.3)	-	-	-	-	n/a
Reimbursements from Outside Sources	-	-	-	-	-	-
Transfers In	0.9	0.2	-	-	-	-
<b>Total Sources</b>	<b>\$19.7</b>	<b>\$20.5</b>	<b>\$23.2</b>	<b>\$22.9</b>	<b>\$0.4</b>	<b>2%</b>

**Actual to Revised Budget variance of \$0.4 million or 2%:** The favorable variance in Solid Waste Service Charges - Commercial is due to increased demand for roll-off services during summer months because of storms, annual landscape maintenance, and increased business activity.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: March 2023)

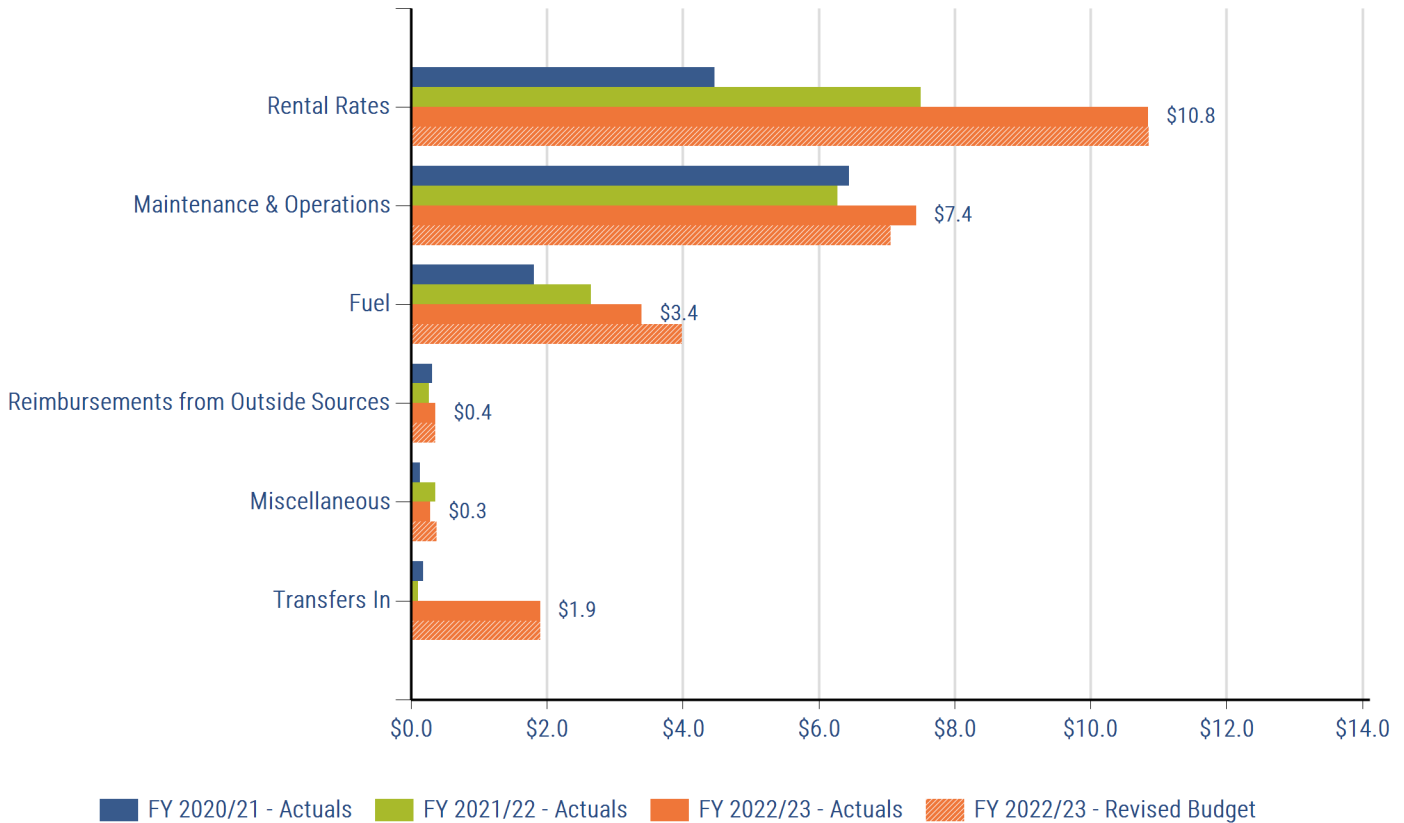


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$15.2	\$16.8	\$19.8	\$19.7	(\$0.1)	0%
City Treasurer	0.6	0.7	0.7	0.8	0.1	7%
Administrative Services	-	-	-	-	-	-
Citywide Direct Cost Allocation	0.5	-	-	-	-	-
Citywide Indirect Cost Allocation	0.9	0.9	1.0	1.0	-	-
Transfers Out	-	0.6	1.9	-	(1.9)	n/a
<b>Total Uses</b>	<b>\$17.2</b>	<b>\$18.9</b>	<b>\$23.4</b>	<b>\$21.6</b>	<b>(\$1.9)</b>	<b>(9%)</b>

**Actual to Revised Budget variance of (\$1.9) million or (9%):** The unfavorable variance for Solid Waste - Transfers Out is due to the timing of the transfer to CIP.

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: March 2023)

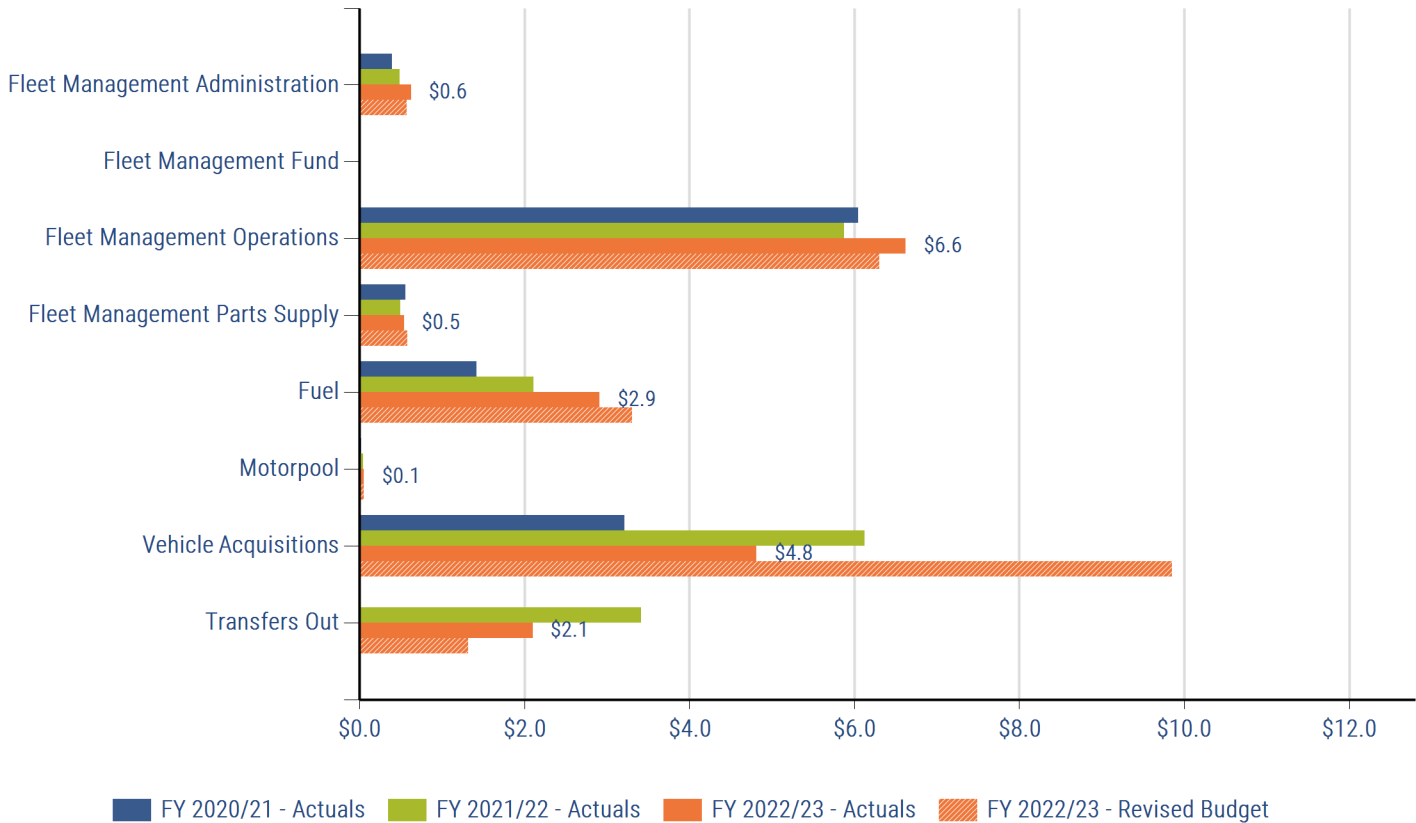


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Rental Rates	\$4.5	\$7.5	\$10.8	\$10.9	\$ -	-
Maintenance & Operations	6.4	6.3	7.4	7.1	0.4	5%
Fuel	1.8	2.6	3.4	4.0	(0.6)	(15%)
Reimbursements from Outside Sources	0.3	0.3	0.4	0.4	-	-
Miscellaneous	0.1	0.4	0.3	0.4	(0.1)	(25%)
Transfers In	0.2	0.1	1.9	1.9	-	-
<b>Total Sources</b>	<b>\$13.3</b>	<b>\$17.2</b>	<b>\$24.2</b>	<b>\$24.5</b>	<b>(\$0.3)</b>	<b>(1%)</b>

**Actual to Revised Budget variance of (\$0.3) million or (1%):** The unfavorable variance for Fuel is due to lower than anticipated revenue from fleet fuel fees. The favorable variance for Maintenance & Operations is due to higher than anticipated revenue from equipment maintenance charges.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: March 2023)

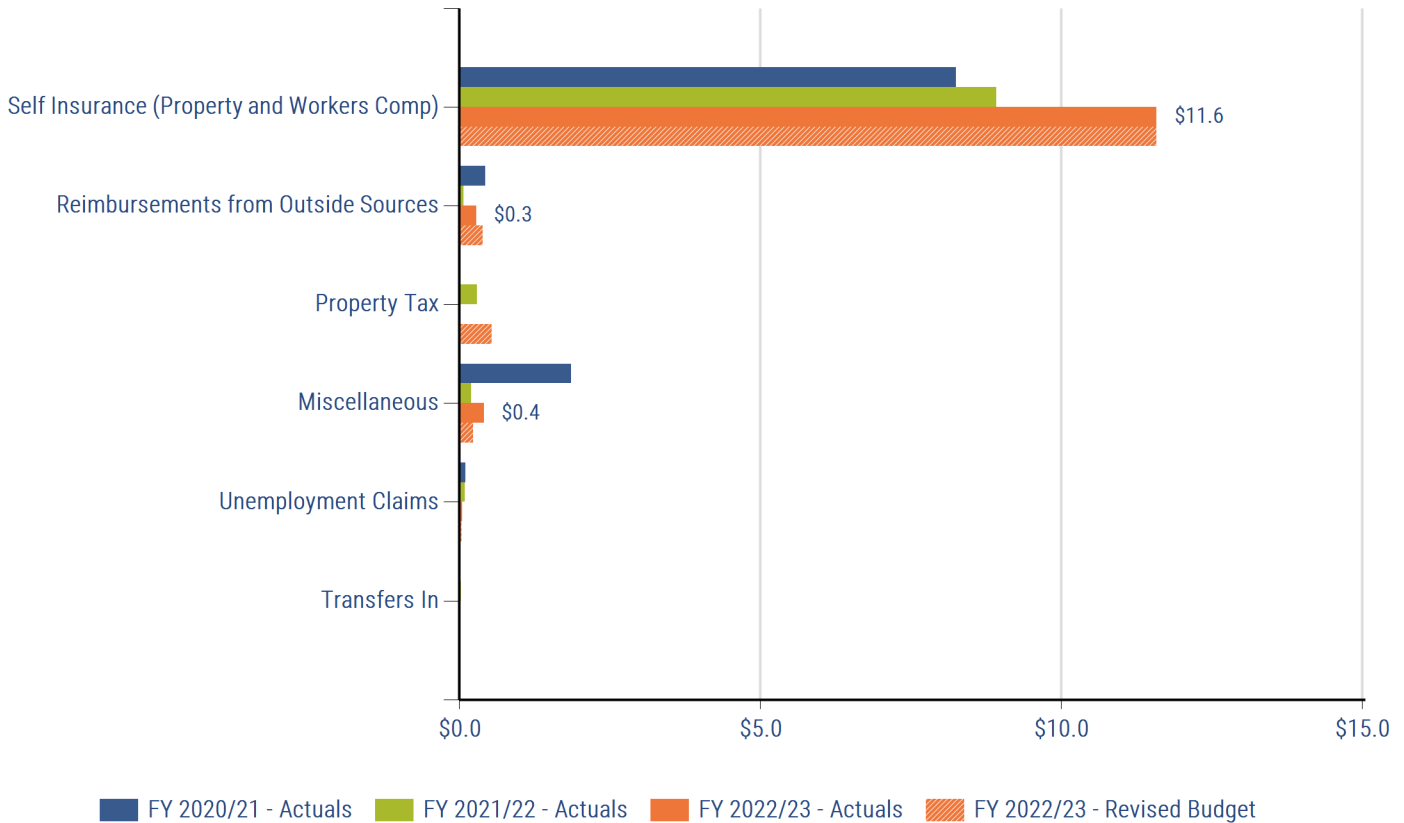


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Fleet Management Administration	\$0.4	\$0.5	\$0.6	\$0.6	\$ -	-
Fleet Management Fund	-	-	-	-	-	-
Fleet Management Operations	6.0	5.9	6.6	6.3	( 0.3)	(5%)
Fleet Management Parts Supply	0.6	0.5	0.5	0.6	-	-
Fuel	1.4	2.1	2.9	3.3	0.4	12%
Motorpool	-	-	0.1	0.1	-	-
Vehicle Acquisitions	3.2	6.1	4.8	9.8	5.0	51%
Transfers Out	-	3.4	2.1	1.3	( 0.8)	(59%)
<b>Total Uses</b>	<b>\$11.6</b>	<b>\$18.6</b>	<b>\$17.7</b>	<b>\$22.0</b>	<b>\$4.3</b>	<b>20%</b>

**Actual to Revised Budget variance of \$4.3 million or 20%:** The favorable variance in Vehicle Acquisitions is due to delays in purchasing new motor vehicles, which occurred earlier in the fiscal year. The favorable variance would have been greater but is being partially offset by the timing of transfers out to the CIP and due to a transfer that was approved by City Council at the October 25th City Council meeting to fund the North Corporation Yard CIP project (Resolution No. 12620).



Sources (Fiscal Year to Date: March 2023)

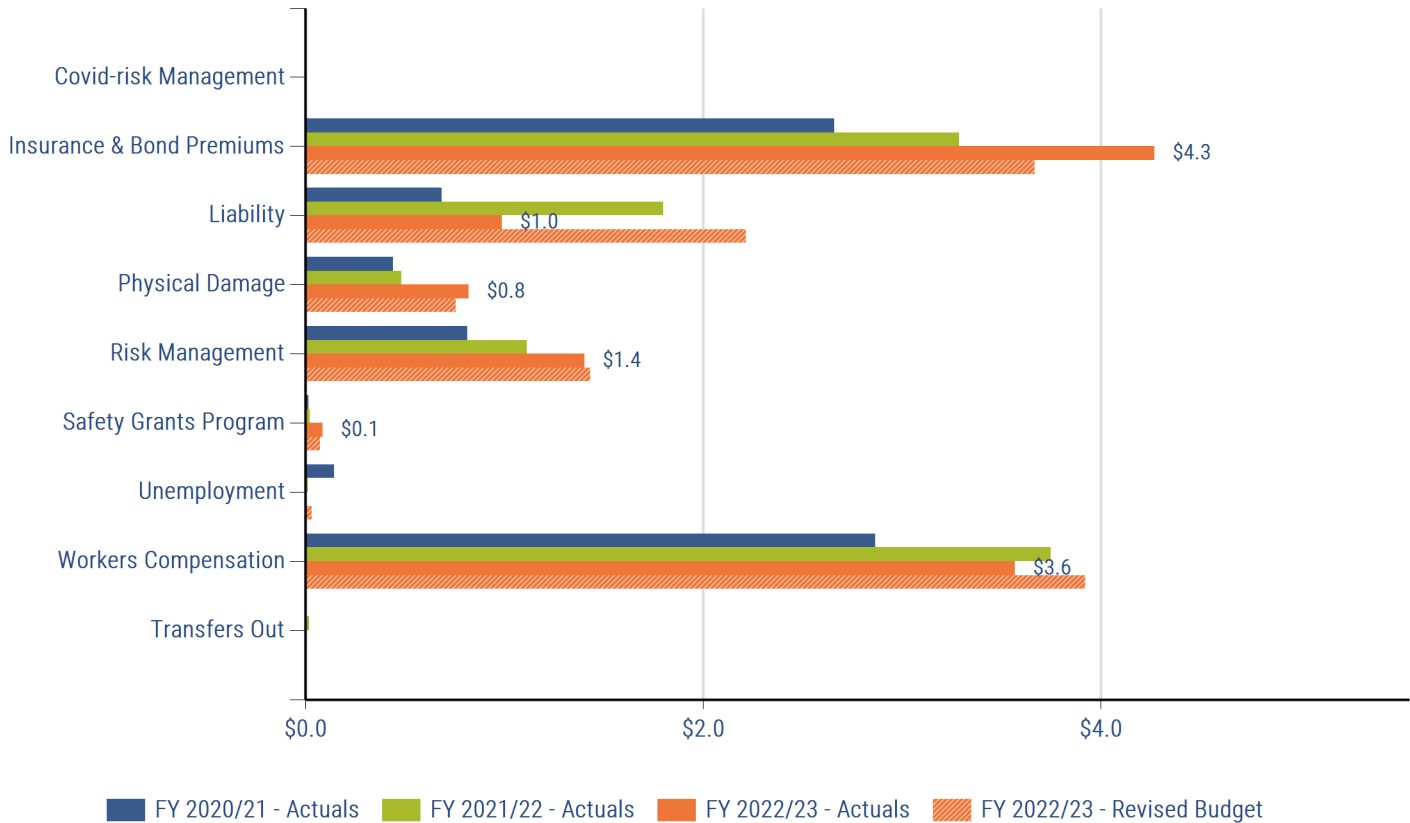


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Self Insurance (Property and Workers Comp)	\$8.2	\$8.9	\$11.6	\$11.6	\$ -	-
Reimbursements from Outside Sources	0.4	0.1	0.3	0.4	(0.1)	(28%)
Property Tax	-	0.3	-	0.5	(0.5)	(100%)
Miscellaneous	1.9	0.2	0.4	0.2	0.2	77%
Unemployment Claims	0.1	0.1	-	-	-	-
Transfers In	-	-	-	-	-	-
<b>Total Sources</b>	<b>\$10.6</b>	<b>\$9.6</b>	<b>\$12.3</b>	<b>\$12.8</b>	<b>(\$0.5)</b>	<b>(4%)</b>

**Actual to Revised Budget variance of (\$0.5) million or (4%):** The unfavorable variance in Reimbursements from Outside Sources is due to the timing of receiving claim invoices. The unfavorable variance in Property Tax is due to timing. The favorable variance for Miscellaneous is due to cost recoveries from insurance providers.

\$ in millions/rounding differences may occur

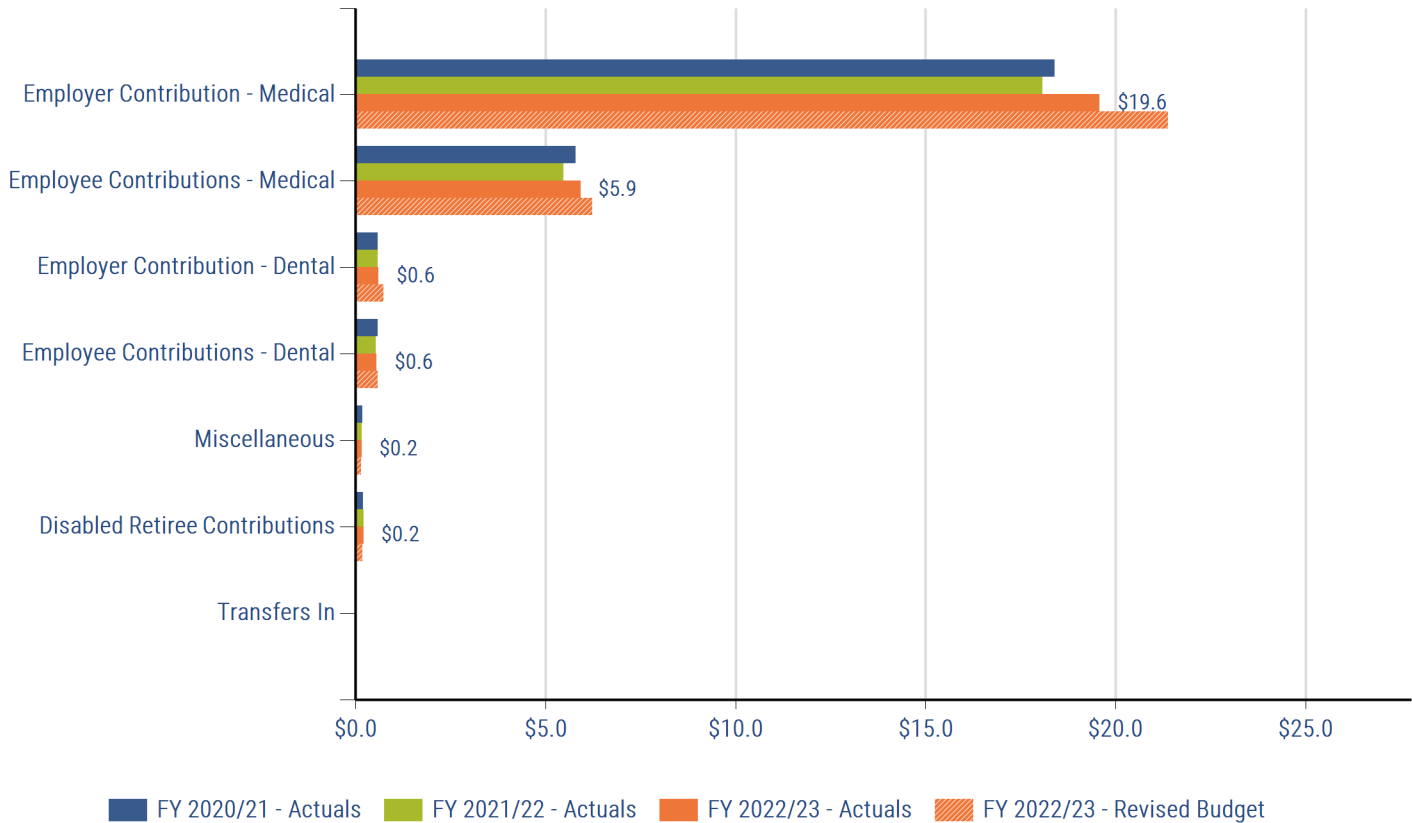
Uses (Fiscal Year to Date: March 2023)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Covid-risk Management	\$ -	\$ -	\$ -	\$ -	\$ -	-
Insurance & Bond Premiums	2.7	3.3	4.3	3.7	(0.6)	(16%)
Liability	0.7	1.8	1.0	2.2	1.2	55%
Physical Damage	0.4	0.5	0.8	0.8	(0.1)	(9%)
Risk Management	0.8	1.1	1.4	1.4	-	-
Safety Grants Program	-	-	0.1	0.1	-	-
Unemployment	0.1	-	-	-	-	-
Workers Compensation	2.9	3.7	3.6	3.9	0.4	9%
Transfers Out	-	-	-	-	-	n/a
<b>Total Uses</b>	<b>\$7.6</b>	<b>\$10.5</b>	<b>\$11.2</b>	<b>\$12.1</b>	<b>\$0.9</b>	<b>8%</b>

**Actual to Revised Budget variance of \$0.9 million or 8%:** The favorable variance in Liability primarily due to the timing of claim invoices. The unfavorable variance in Insurance & Bond Premiums is due to higher-than-expected insurance premiums as a result of market hardening and government liability payments and lawsuits. The unfavorable variance in Physical Damage is due to higher-than-expected claims due to heavy storms during monsoon season causing flooding damages. Workers Compensation is favorable due to the timing of invoices and claims.

Sources (Fiscal Year to Date: March 2023)

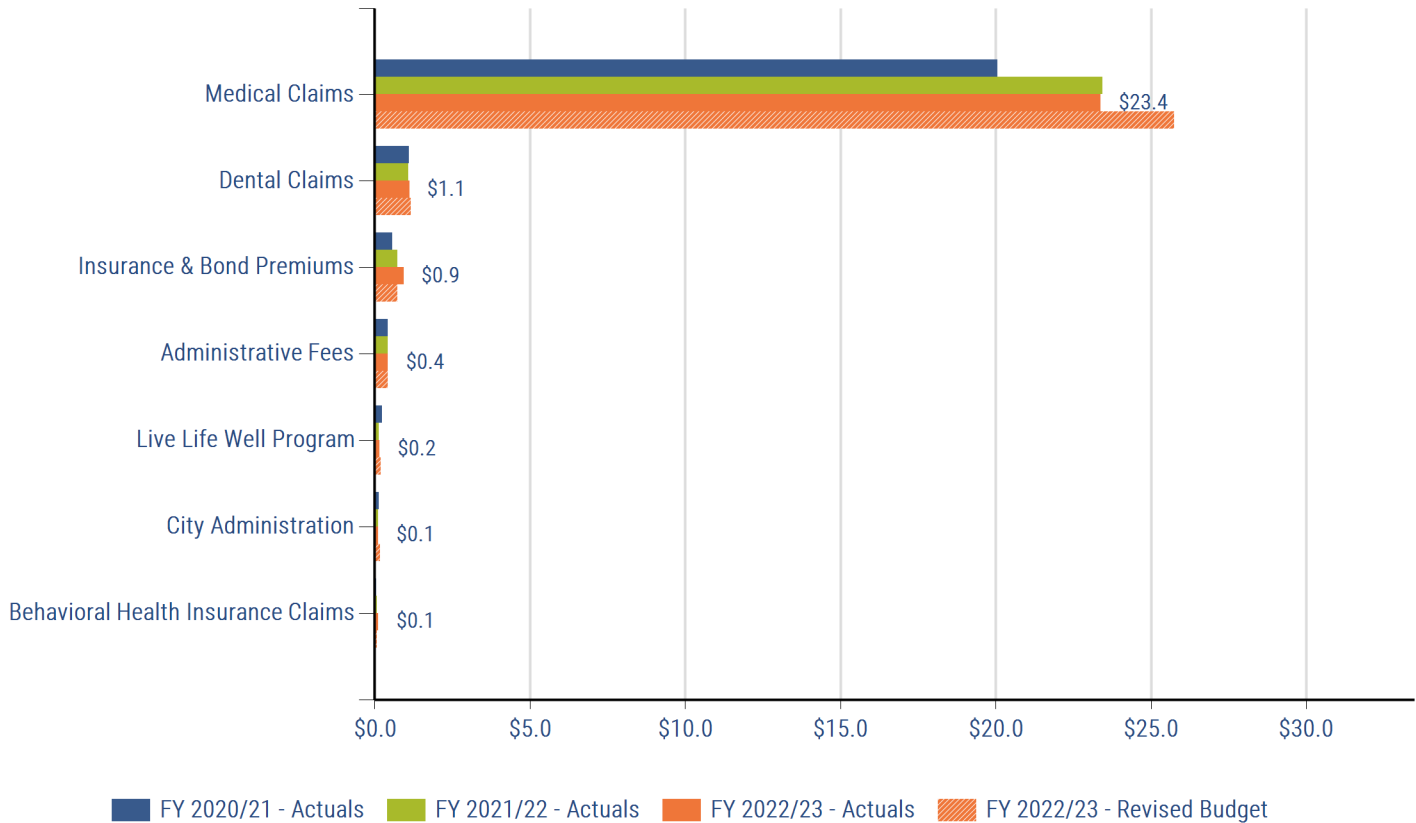


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Employer Contribution - Medical	\$18.4	\$18.1	\$19.6	\$21.4	(\$1.8)	(8%)
Employee Contributions - Medical	5.8	5.5	5.9	6.2	(0.3)	(5%)
Employer Contribution - Dental	0.6	0.6	0.6	0.7	(0.1)	(18%)
Employee Contributions - Dental	0.6	0.5	0.6	0.6	-	-
Miscellaneous	0.2	0.2	0.2	0.2	-	-
Disabled Retiree Contributions	0.2	0.2	0.2	0.2	-	-
Transfers In	-	-	-	-	-	-
<b>Total Sources</b>	<b>\$25.7</b>	<b>\$25.1</b>	<b>\$27.0</b>	<b>\$29.3</b>	<b>(\$2.2)</b>	<b>(8%)</b>

**Actual to Revised Budget variance of (\$2.2) million or (8%):** The unfavorable variance in Employer Contribution - Medical, Employee Contributions - Medical, and Employer Contributions - Dental is due to employee turnover and plan selection, which occurs after the budget has been prepared.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: March 2023)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Medical Claims	\$20.0	\$23.4	\$23.4	\$25.8	\$2.4	9%
Dental Claims	1.1	1.1	1.1	1.2	-	-
Insurance & Bond Premiums	0.6	0.7	0.9	0.7	( 0.2)	(29%)
Administrative Fees	0.4	0.4	0.4	0.4	-	-
Live Life Well Program	0.2	0.1	0.2	0.2	-	-
City Administration	0.1	0.1	0.1	0.2	-	-
Behavioral Health Insurance Claims	0.1	0.1	0.1	0.1	-	-
<b>Total Uses</b>	<b>\$22.6</b>	<b>\$26.0</b>	<b>\$26.3</b>	<b>\$28.5</b>	<b>\$2.3</b>	<b>8%</b>

**Actual to Revised Budget variance of \$2.3 million or 8%:** The favorable variance in Medical Claims is due to timing and the difficulty in predicting claims. The unfavorable variance in Insurance & Bond Premiums is due to higher monthly premiums than anticipated, rate increases occur in September so the unfavorable variance is expected to continue throughout the fiscal year.

\$ in millions/rounding differences may occur

**City of Scottsdale  
WestWorld**

Twelve Months: Fiscal Year

	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Adopted Budget	2022/23 Approved Budget	2022/23 Forecast Budget
<b>Operating Revenue</b>							
Rental Facilities	\$2,329,364	\$2,261,538	\$3,601,497	\$3,675,360	\$3,454,610	\$3,454,610	\$3,454,610
RV Rental	375,447	365,834	496,017	544,481	430,072	430,072	430,072
Feed/Bedding Sales	557,581	524,759	919,338	898,455	700,000	700,000	850,000
Labor Fees	394,745	377,019	473,148	543,222	402,800	402,800	402,800
Concession Fees <sup>(a)</sup>	717,558	362,494	2,942	2,780	2,000	2,000	2,000
Parking	90,583	78,846	177,065	987,581	200,000	200,000	1,000,000
Other Income	134,511	169,289	132,338	302,018	124,500	124,500	124,500
Equidome Project Use Fee	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Operating Transfer In	100,000	100,000	100,000	121,734	100,000	100,000	100,000
<b>Operating Revenue</b>	<b>\$5,059,788</b>	<b>\$4,599,778</b>	<b>\$6,262,345</b>	<b>\$7,435,631</b>	<b>\$5,773,982</b>	<b>\$5,773,982</b>	<b>\$6,723,982</b>
<b>Operating Expenses</b>							
<b>Personnel Services</b>							
Wages/Salaries/Benefits	\$2,005,230	\$2,024,104	\$1,903,738	\$2,262,683	\$3,011,692	\$2,444,250	\$2,561,441
Overtime	33,067	52,024	43,649	55,758	51,738	55,460	55,460
<b>Contractual Services</b>							
Contractual Workers	133,369	115,819	157,624	290,978	318,696	318,696	318,696
Telephone	36,989	41,817	13,169	12,514	14,476	14,476	14,476
Utilities <sup>(b)</sup>	1,271,518	1,103,652	1,208,499	1,319,139	-	1,032,111	1,476,028
Maintenance & Equipment Rental & Fleet	719,019	742,575	551,765	741,930	292,775	760,295	716,471
License and Permits	142,826	250,941	220,259	133,340	365	365	365
Property, Liability & Workers' Comp	73,984	77,449	110,087	145,776	220,880	220,880	220,880
Advertising/Marketing Contract	365,148	340,907	194,981	234,459	260,000	260,000	260,000
Other	261,188	285,712	211,735	389,423	335,590	335,590	535,590
<b>Commodities and Capital Outlays</b>							
Agriculture & Horticulture & Other Supply	163,735	78,949	122,494	81,132	115,500	115,500	190,500
Maintenance & Repairs Supply, Equipment	144,340	117,840	138,694	104,716	127,065	127,065	127,065
Inventory Purchased for Resale	326,497	321,449	488,953	633,988	425,000	425,000	575,000
Construction - Other	20,483	26,314	11,679	35,648	514,840	514,840	514,840
Other Expenses	36,372	32,657	34,270	29,468	45,620	45,620	45,620
<b>BOR Admin</b>							
BOR Admin/WestWorld	171,034	179,586	188,565	197,993	207,893	207,893	207,893
<b>Allocated Expenses<sup>(c)</sup></b>							
COS Indirect Costs	378,803	398,702	371,073	384,276	422,524	422,524	422,524
<b>Operating Transfer Out</b>							
Operating Transfer Out	-	-	-	21,734	-	-	-
<b>Operating Expenses</b>	<b>\$6,283,602</b>	<b>\$6,190,497</b>	<b>\$5,971,234</b>	<b>\$7,074,955</b>	<b>\$6,364,654</b>	<b>\$7,300,565</b>	<b>\$8,242,849</b>
<b>Operating Income</b>	<b>(\$1,223,814)</b>	<b>(\$1,590,720)</b>	<b>\$291,111</b>	<b>\$360,676</b>	<b>(\$590,672)</b>	<b>(\$1,526,583)</b>	<b>(\$1,518,867)</b>
<b>Debt Service (Less contributions)</b>							
Debt Service - (52 & 17 acres)	\$2,334,637	\$2,317,059	\$2,238,918	\$2,570,986	\$2,280,700	\$2,280,700	\$2,280,700
Debt Service - TNEC (\$41.935M)	1,461,375	2,046,314	1,255,864	1,999,476	1,380,230	1,380,230	1,380,230
Debt Service - TNEC Tourism Funded	1,200,000	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)	(1,200,000)
<b>Net Debt Service</b>	<b>\$3,796,012</b>	<b>\$4,363,373</b>	<b>\$3,494,782</b>	<b>\$4,570,462</b>	<b>\$3,660,930</b>	<b>\$3,660,930</b>	<b>\$3,660,930</b>
<b>Operating Income After Debt Service</b>	<b>(\$5,019,826)</b>	<b>(\$5,954,093)</b>	<b>(\$3,203,671)</b>	<b>(\$4,209,786)</b>	<b>(\$4,251,602)</b>	<b>(\$5,187,513)</b>	<b>(\$5,179,797)</b>

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

<sup>(b)</sup> The adopted budget is zero because utilities charges are budgeted at a citywide macro level. Monthly, as expenditures occur, a budget transfer will be completed to move the needed budget from the macro level holding account to the department. The forecast budget is an estimate of expected utilities costs at fiscal year-end.

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

**City of Scottsdale**  
**WestWorld**  
**Statement of Operations for March 2023 / 9 Months YTD**

	FY 2018/19 YTD Actual	FY 2019/20 YTD Actual	FY 2020/21 YTD Actual	FY 2021/22 YTD Actual	FY 2022/23 YTD Actual	FY 2022/23 Approved YTD Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
<b>Operating Revenue</b>								
Rental Facilities	\$1,391,794	\$1,792,707	\$2,039,961	\$1,707,877	\$2,041,998	\$2,094,146	(\$52,148)	(2%)
RV Rental	191,560	236,488	372,780	348,710	421,952	235,807	186,145	79%
Feed/Bedding Sales	509,650	457,582	756,154	596,458	657,704	444,768	212,936	48%
Labor Fees	165,414	184,521	215,570	220,610	230,041	222,326	7,715	3%
Concession Fees <sup>(a)</sup>	275,450	275,958	1,787	1,636	1,127	1,494	( 367)	(25%)
Parking	72,389	69,096	42,872	314,801	223,372	153,000	70,372	46%
Other Income	32,294	59,007	62,172	185,424	82,928	34,744	48,184	nm
Equidome Project Use Fee	45,000	45,000	285,000	285,000	285,000	240,000	45,000	19%
Operating Transfer In	100,000	100,000	100,000	121,734	100,000	100,000	-	-
<b>Operating Revenue</b>	<b>\$2,783,553</b>	<b>\$3,220,358</b>	<b>\$3,876,296</b>	<b>\$3,782,250</b>	<b>\$4,044,121</b>	<b>\$3,526,285</b>	<b>\$517,836</b>	<b>15%</b>
<b>Operating Expenses</b>								
<b>Personnel Services</b>								
Wages/Salaries/Benefits	\$1,493,412	\$1,491,182	\$1,498,780	\$1,633,028	\$1,722,348	\$1,750,765	\$28,417	2%
Overtime	28,088	44,642	34,688	35,339	104,476	50,051	( 54,425)	nm
<b>Contractual Services</b>								
Contractual Workers	99,294	95,541	99,319	137,502	213,292	218,202	4,911	2%
Telephone	31,672	36,522	14,853	14,738	14,479	13,747	( 732)	(5%)
Utilities <sup>(b)</sup>	890,599	718,818	646,185	824,374	1,032,111	1,032,111	0	(0%)
Maintenance & Equipment Rental & Fleet	546,164	554,137	365,921	484,685	703,856	577,365	( 126,491)	(22%)
License and Permits	142,502	249,773	221,411	133,140	-	60	60	100%
Property, Liability & Workers' Comp	54,538	58,462	82,566	109,332	165,663	165,663	-	-
Advertising/Marketing Contract	308,905	324,256	194,724	196,959	197,996	182,500	( 15,496)	(8%)
Other	155,402	194,266	150,188	162,952	278,613	170,748	( 107,865)	(63%)
<b>Commodities and Capital Outlays</b>								
Agriculture & Horticulture & Other Supply	109,657	48,435	79,849	64,676	187,211	86,868	( 100,343)	nm
Maintenance & Repairs Supply, Equipment	124,371	88,234	73,401	72,332	193,073	38,949	( 154,124)	nm
Inventory Purchased for Resale	268,181	291,795	436,310	313,419	434,740	324,313	( 110,427)	(34%)
Construction - Other	18,339	26,171	10,050	436	385,046	438,840	53,794	12%
Other Expenses	27,699	24,189	26,237	22,091	12,246	18,024	5,778	32%
<b>BOR Admin</b>								
BOR Admin/WestWorld	171,034	179,586	188,565	197,993	207,893	207,893	0	0%
<b>Allocated Expenses<sup>(c)</sup></b>								
COS Indirect Costs	284,102	299,025	278,298	288,207	316,890	316,890	-	-
<b>Operating Transfer Out</b>								
Operating Transfer Out	-	-	-	21,734	-	-	-	-
<b>Operating Expenses</b>	<b>\$4,753,959</b>	<b>\$4,725,034</b>	<b>\$4,401,345</b>	<b>\$4,712,937</b>	<b>\$6,169,932</b>	<b>\$5,592,989</b>	<b>(\$576,943)</b>	<b>(10%)</b>
<b>Operating Income</b>	<b>(\$1,970,406)</b>	<b>(\$1,504,676)</b>	<b>(\$525,049)</b>	<b>(\$930,687)</b>	<b>(\$2,125,811)</b>	<b>(\$2,066,704)</b>	<b>(\$59,107)</b>	<b>nm</b>
<b>Debt Service (Less contributions)</b>								
Debt Service - (52 & 17 acres)	\$488,747	\$476,872	\$648,118	\$355,978	\$250,748	\$250,748	\$ -	-
Debt Service - TNEC (\$41.935M)	625,688	590,438	553,563	232,238	190,115	190,115	-	-
Debt Service - TNEC Tourism Funded	-	-	-	-	-	-	-	-
Bed Tax Contributions - TNEC	-	-	-	-	-	-	-	-
<b>Net Debt Service</b>	<b>\$1,114,435</b>	<b>\$1,067,310</b>	<b>\$1,201,681</b>	<b>\$588,216</b>	<b>\$440,863</b>	<b>\$440,863</b>	<b>\$ -</b>	<b>-</b>
<b>Operating Income After Debt Service</b>	<b>(\$3,084,841)</b>	<b>(\$2,571,986)</b>	<b>(\$1,726,730)</b>	<b>(\$1,518,903)</b>	<b>(\$2,566,674)</b>	<b>(\$2,507,567)</b>	<b>(\$59,107)</b>	<b>nm</b>

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

<sup>(b)</sup> Utilities are budgeted at a citywide non-divisional level. Monthly, as expenditures occur, a budget transfer will be completed to move the needed budget to the department.

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



## Privilege (Sales) & Use Tax Collections For March 2023 (For Business Activity in February 2023)

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

The fiscal year to date Privilege and Use Tax (1.0 percent General Purpose) collections increased 15 percent compared to the Budget, and increased 10 percent compared to the same period a year ago.

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

Fiscal Year-to-Date: March 2023						
	2020/21	2021/22	2022/23	2022/23	Actual vs. Budget	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable/(Unfavorable)</u>	<u>Amount</u>
<u>1.00% General Purpose</u>						
Automotive	\$13.8	\$15.3	\$15.4	\$15.1	\$0.3	2%
Construction	9.2	9.6	11.7	9.7	2.0	21%
Dining/ Entertainment	7.2	11.2	12.1	9.3	2.7	29%
Food Stores	6.6	7.2	6.8	6.7	0.0	0%
Hotel/Motel	3.0	6.4	7.9	5.7	2.3	40%
Major Dept. Stores	7.3	8.8	9.4	8.9	0.5	6%
Misc. Retail Stores	21.1	27.2	30.0	26.5	3.5	13%
Other Activity	11.6	15.1	17.1	14.4	2.7	19%
Rentals	12.4	15.7	17.2	13.7	3.5	26%
Utilities	3.6	3.7	3.9	3.9	0.1	1%
Subtotal	<u>\$95.9</u>	<u>\$120.1</u>	<u>\$131.5</u>	<u>\$113.9</u>	<u>\$17.6</u>	<u>15%</u>
0.10% Public Safety	\$9.4	\$11.8	\$12.9	\$11.2	\$1.7	16%
0.20% Transportation 1990	17.9	22.6	25.0	21.2	3.9	18%
0.10% Transportation 2019	9.4	11.8	12.8	11.2	1.6	15%
0.20% McDowell Preserve 1995	18.8	23.6	25.9	22.4	3.5	16%
0.15% McDowell Preserve 2004	14.1	17.7	19.4	16.8	2.6	16%
Total	<u>\$165.4</u>	<u>\$207.5</u>	<u>\$227.5</u>	<u>\$196.6</u>	<u>\$31.0</u>	<u>16%</u>
% Change vs. Prior Year	-3%	25%	10%	-5%		
Top 20 Taxpayers	\$38.6	\$42.8	\$43.9			
% of Total	23%	21%	19%			
% Change vs. Prior Year	6%	11%	3%			

Rounding differences may occur.

### **Automotive Sales Taxes**

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

**Actual to Revised Budget variance of \$0.3 million or 2%:** The variance is due in part to increased sales from motor vehicle dealers and some timing differences between when taxpayers filed last year compared to this year.

### **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 \$2.0 million or 21%:** This is due in part to increases from specialty contractors, some new projects, and some one time audit payments.

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

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

**Actual to Revised Budget variance of \$2.7 million or 29%:** This is due in part to restaurants doing better than anticipated and inflation.

### **Food Stores Sales Taxes**

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

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

### **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 \$2.3 million or 40%:** This is due in part to a one-time audit payment and increases in revenue.

### **Major Department Stores Sales Taxes**

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

**Actual to Revised Budget variance of \$0.5 million or 6%:** This is due in part to timing differences between when taxpayers filed last year compared to this year.

### **Miscellaneous Retail Stores Sales Taxes**

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

**Actual to Revised Budget variance of \$3.5 million or 13%:** This is due in part to some new retailers, a retailer reporting an infrequent large taxable transaction, one-time audit payment, and inflation.



### **Other Activity Sales Taxes**

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

**Actual to Revised Budget variance of \$2.7 million or 19%:** The variance is due in part to a one time audit payment and some increases from manufacturers/wholesalers and software developers.

### **Rental Sales Taxes**

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

**Actual to Revised Budget variance of \$3.5 million or 26%:** This is due in part to a few one-time taxable speculative sales of apartment complexes and an increase in rental rates.

### **Utilities Sales Taxes**

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

**Actual to Revised Budget variance of \$0.1 million or 1%:** This is due to better than anticipated revenue.

To ensure legal compliance and financial management for the various restricted revenues and expenditures, the city's accounting and budget structure is segregated into various funds. This approach is unique to the government sector. Fund accounting segregates functions and activities into separate self-balancing funds that are created and maintained for specific purposes.

A **fund** is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The General Fund is the city's chief operating fund and is used to account for all financial resources, except those that are legally required to be accounted for in another fund.

## **GENERAL FUND SOURCES**

**Taxes - Local** - Encompasses a series of local taxes. The largest component of this source includes a 1.10 percent sales tax, of which 0.10 percent is dedicated to public safety. The remaining 1.0 percent of the sales tax is available to fund basic municipal services such as police, fire, libraries, and parks. Sales tax receipts received in the current month are based on prior month activity. This general-purpose sales tax is the city's single largest revenue source. The sales tax category results can be found earlier in the report. Other revenue sources that make up this category include electric and gas franchise fees and cable TV license fees, which are revenues from utility and cable providers for their permitted use of the city's rights-of-way; a stormwater quality charge, which is a fee to help pay a portion of the city's stormwater management program and the Salt River Project (SRP) in lieu tax.

**Property Taxes** - Property taxes are comprised only of the "Primary" property taxes levied on the assessed value of all property within the city to help pay for basic operations of the city. Secondary property taxes are not included in the General Fund as they must be used solely for General Obligation bond debt service payments. Increases in revenue from year to year reflect new property additions to the tax roll and Council actions to increase total revenue as legally allowed.

**State Shared Revenues** - These revenues are derived from state shared sales taxes, income taxes, and vehicle license taxes (auto lieu). On a per capita basis, state sales taxes generated in Scottsdale tend to be higher than most other cities/towns due to higher wealth, consumer spending habits, and larger amounts of visitor/tourist spending. As directed by statute, the State distributes the shared portion of State sales taxes back to local governments based on population, not by the amount of sales taxes collected within the local jurisdiction.

**Charges for Services/Other** - Charges for Services include miscellaneous charges that do not fall into any other category such as property rentals, cell tower leases and stadium usage fees.

**License Permits & Fees** - These charges include those for fees and licenses associated with specific services and programs offered by the city.

**Fines Fees & Forfeitures** - These are charges penalizing individuals for violating a law or policy of the city or paying for services and facilities designed to support this punishment, such as the Court, Library and Public Safety - Police.

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

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

**Indirect/Direct Cost Allocations** - Indirect cost allocations charged to the Enterprise Funds for specific central administrative functions which benefit the Enterprise operations (e.g. Information Technology, Payroll and Human Resources). Direct cost allocations represent Aviation Fund charges for the direct cost of fire service at the airport performed by General Fund personnel.

**Transfers In** - Transfers in reflects funds received from the Enterprise Funds (Franchise Fees), Special Programs Fund (30 Day Tow) and Tourism Development Fund (comply with financial policy #21A).

## GENERAL FUND USES

**Personnel Services** includes the salaries and wages plus the city's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. It is reduced by vacancy savings, but increased for medical and vacation leave accrual payouts that are made at the time of separation from the city. Personnel Services also include pay-for-performance and compensation adjustments.

**Contractual Services** includes expenditures for services performed by firms, individuals, or other city divisions.

**Commodities** includes supplies, repair and replacement parts, small tools, and maintenance and repairs.

**Capital Outlays** includes the purchase of land, the purchase or construction of buildings, structures, and facilities, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increases the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as capital outlay the expenditure must meet all of the following requirements: (1) have an estimated useful life of more than two years; (2) have a unit cost higher than \$10,000; and (3) be betterment or improvement.

**Contracts Payable & COPs** includes contractual obligations related to development agreements (funded by sales tax rebates) which vary based on the actual sales tax collections and certificates of participation which are a funding mechanism similar to bonds utilized for the purchase of capital items.

**Transfers Out** represents the authorized transfer of cash to other funds and/or capital projects.

## OTHER FUNDS

**Transportation Fund** is considered a Special Revenue Fund, which is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Transportation Fund receives and expends the city's allocation of the Arizona Highway User Revenue Tax (HURF) as well as other transportation related revenues. The amount of HURF available to each city is allocated based on population. These monies must be used for street construction, reconstruction, maintenance, or transit. The State of Arizona requires the city to establish and maintain an accounting for Highway User Revenue Funds. The fund also accounts for the 1989 voter approved Transportation Privilege (Sales) Tax of 0.20 percent which is dedicated to funding transportation improvements and operations. Fifty percent of the Sales Tax - Transportation (0.20%) is transferred to the Capital Improvement Plan (CIP) for transportation related capital improvement projects, while 100 percent of the Sales Tax - Transportation (0.10%) is collected and reported in the CIP.

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

**Stadium Fund** is a special revenue fund created to account for activity at the Scottsdale Stadium. In June 2019, the city entered into a 25-year baseball facilities agreement with the Scottsdale Charros and the San Francisco Giants Baseball Club for the use and maintenance of the Scottsdale Stadium. This fund accounts for the contributions and uses as per the agreement.

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

### Water & Water Reclamation Funds

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

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

**Aviation Fund**

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, Custom Fees and miscellaneous other charges.
- Privilege and Use Tax-Jet Fuel are charges earned from jet fuel sales by Fixed Based Operators 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 Management 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 Management Fund.

**Risk Management 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.