



Financial Report Fiscal Year End FY 2010/11

Report to the City Council

Prepared by City Treasurer – Finance and Accounting Division

October 21, 2011



FINANCIAL REPORT FOR YEAR END 2010/11

The following is the YTD June 2011 financial summary of the City's General Fund, Transportation Fund, Fleet Fund and Enterprise Funds. The focus of the report is on the General Fund, which is the primary operating fund of the City.

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

Operating Results - General Fund and Transportation Fund				
YTD June 2011				
(\$ in millions: Rounding differences may occur)				
	Revised Budget	2010/11 Actual	Change	%Change
Sources	\$276.9	\$279.0	\$2.1	1%
Uses	281.3	271.0	10.3	4%
Change in Fund Balance	(\$4.4)	\$8.0	\$12.4	

Operating Results - General Fund and Transportation Fund				
June 2011				
(\$ in millions: Rounding differences may occur)				
	Revised Budget	2010/11 Actual	Change	%Change
Sources	\$25.5	\$23.2	(\$2.2)	-9%
Uses	23.9	23.0	0.9	4%
Change in Fund Balance	\$1.6	\$0.2	(\$1.3)	

GENERAL FUND

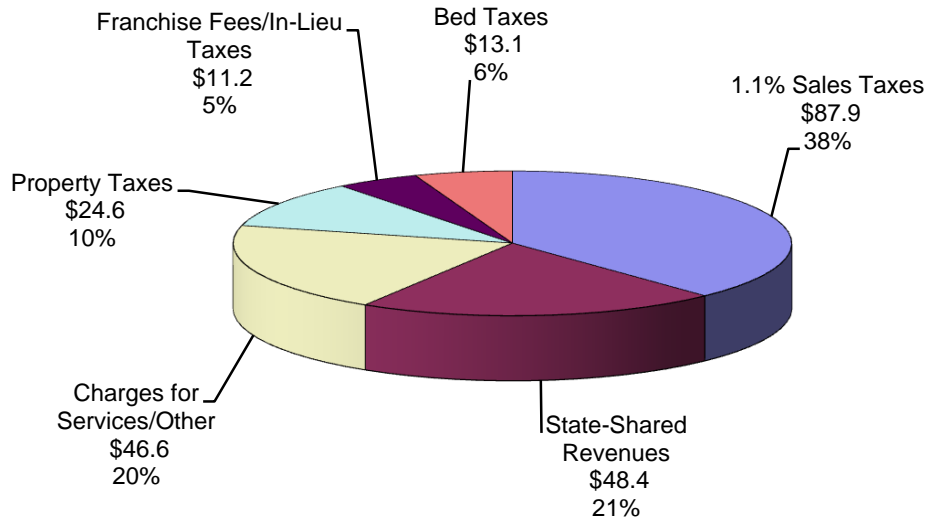
FY 2010/11					
(\$ in millions: Rounding differences may occur)					
	Adopted Budget	Revised Budget	Actual	Change	%Change
Sources	\$243.2	\$242.7	\$243.9	\$1.2	1%
Uses	251.6	246.2	238.2	8.0	3%
Change in Fund Balance	(\$8.4)	(\$3.5)	\$5.7	\$9.2	
Beginning Fund Balance	\$37.2	\$39.0	\$39.0	\$0.0	
Ending Fund Balance	\$28.7	\$35.3	\$44.7	\$9.4	
Reserved*	\$26.2	\$25.4	\$24.5	(\$0.9)	
Contingency	\$2.5	\$2.4	\$2.4	\$0.0	
Unreserved	\$0.0	\$7.5	\$17.8	\$10.3	

*General Fund Reserved is 10% General Fund Operating Expenses plus 10% Transportation Fund Operating Expenses.

Sources

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

General Fund Revenues \$231.7 Million Fiscal Year Ending June 2011



	Fiscal Year (Twelve Months)			
	2008/09	2009/10	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget
1.1% Sales Taxes	\$95.7	\$85.8	\$88.3	\$85.9
State-Shared Revenues	62.2	55.5	48.6	48.6
Charges for Services/Other	50.1	49.1	46.7	46.7
Property Taxes	22.6	23.3	24.7	24.7
Franchise Fees/In-Lieu Taxes	11.5	11.5	11.6	11.6
Bed Taxes	1.5	7.1	10.6	12.5
Total Revenue	\$243.6	\$232.3	\$230.5	\$230.0
Transfers In	28.5	19.2	12.7	12.7
Total Sources	\$272.1	\$251.5	\$243.2	\$242.7
% Change vs. Prior Year	-4%	-8%	-3%	-3%

	Fiscal Year Ending June 2011				Actual vs. Budget	
	2008/09	2009/10	2010/11	2010/11	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
1.1% Sales Taxes	\$95.7	\$85.8	\$87.9	\$85.9	\$2.0	2%
State-Shared Revenues	62.2	55.5	48.4	48.6	(0.3)	-1%
Charges for Services/Other	50.1	49.1	46.6	46.7	(0.2)	0%
Property Taxes	22.6	23.3	24.6	24.7	(0.2)	-1%
Franchise Fees/In-Lieu Taxes	11.5	11.5	11.2	11.6	(0.5)	-4%
Bed Taxes	1.5	7.1	13.1	12.5	0.6	5%
Total Revenue	\$243.6	\$232.3	\$231.7	\$230.0	\$1.6	1%
Transfers In	28.5	19.2	12.2	12.7	(0.4)	-3%
Total Sources	\$272.1	\$251.5	\$243.9	\$242.7	\$1.2	1%
% Change vs. Prior Year	-4%	-8%	-3%	-3%		

Sales Taxes

Scottsdale's total City sales tax rate is 1.65 percent. Of that amount 0.10 percent is dedicated to public safety (accounted for in the General Fund) and 1.0 percent (accounted for in the General Fund) 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 detailed results can be found in Appendix 1.

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

	Fiscal Year Ending June 2011				Actual vs. Budget	
	2008/09	2009/10	2010/11	2010/11	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
1.00% General Purpose Sales Tax	\$87.3	\$78.3	\$80.1	\$78.3	\$1.8	2%
0.10% Public Safety Sales Tax	8.4	7.5	7.8	7.6	0.2	2%
Total General Fund Sales Taxes	\$95.7	\$85.8	\$87.9	\$85.9	\$2.0	2%
% Change vs. Prior Year		-10%	2%	0%		

Actual to Revised Budget variance of \$2.0 million or 2%:

Automotive sales were up accounting for a \$0.8 million increase in General Purpose sales taxes. The Miscellaneous Retail Store sales tax category was also up by \$0.6 million as a result of increased sales for electronics and clothing (large audit payments accounted for \$0.2 million of that increase). The Dining/Entertainment sales tax category showed a \$0.3 million favorable result.

State-Shared Revenues

These revenues are derived from state shared sales taxes, income taxes (revenue sharing), and vehicle license taxes (auto lieu) based on a statutorily determined formulae, primarily driven by population. On a per capita basis, per capita sales taxes generated in Scottsdale tend to be higher than most other cities/towns due to higher consumer spending and larger amounts of visitor/tourist spending. Similarly, per capita income taxes generated by Scottsdale citizens tend to exceed state averages.

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

	Fiscal Year Ending June 2011				Actual vs. Budget	
	2008/09	2009/10	2010/11	2010/11	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
State Revenue Sharing	\$35.1	\$30.3	\$22.8	\$22.8	\$0.0	0%
State Shared Sales Tax	18.9	17.3	17.8	17.6	0.2	1%
Auto Lieu Tax	8.2	7.9	7.7	8.2	(0.5)	-6%
Total State Shared Revenues	\$62.2	\$55.5	\$48.4	\$48.6	(\$0.3)	-1%
% Change vs. Prior Year		-11%	-13%	-12%		

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

Auto lieu taxes generated less than budget as fewer people bought new vehicles; continuing to drive their older, depreciated vehicles. State sales taxes saw positive growth and was up by \$0.2 million for the year.

Charges for Services/Other

Charges for Services include building permits, recreation fees, fire department fees, WestWorld fees, interest income, and property rentals. Also included are cost recovery allocations to the General Fund from enterprise funds.

	Fiscal Year (Twelve Months)			
	2008/09	2009/10	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget
<i>Taxes - Local</i>				
Stormwater Water Quality Charge	\$0.7	\$0.8	\$0.9	\$0.9
<i>Licenses, Permits & Fees</i>				
Building Permit Fees & Charges	6.9	6.9	8.2	8.2
Recreation Fees	3.2	3.3	3.4	3.4
WestWorld	2.7	2.5	2.6	2.6
Fire Service Charges	1.8	1.8	0.6	0.6
Business Licenses & Fees	1.7	1.8	1.7	1.7
<i>Fines & Forfeitures</i>				
Court Fines	6.7	7.5	4.8	4.8
Photo Enforcement Revenue	2.5	1.8	1.8	1.8
Parking Fines	0.4	0.3	0.4	0.4
Library Fines & Fees	0.3	0.4	0.3	0.3
<i>Interest Earnings/Property Rental</i>				
Interest Earnings	3.7	2.1	1.0	1.0
Property Rental	3.2	2.9	2.8	2.8
<i>Other Revenue</i>				
Indirect/Direct Cost Allocation	14.0	13.3	14.0	14.0
Intergovernmental Revenue	1.2	1.1	0.9	0.9
Miscellaneous	0.6	0.5	0.5	0.5
Reimbursements	0.5	2.1	2.9	2.9
Total Charges for Services/Other	\$50.1	\$49.1	\$46.7	\$46.7
% Change vs. Prior Year		-2%	-5%	-5%

	Fiscal Year Ending June 2011					
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable/(Unfavorable)	
					Amount	Percent
<i>Taxes - Local</i>						
Stormwater Water Quality Charge	\$0.7	\$0.8	\$0.8	\$0.9	(\$0.1)	-6%
<i>Licenses, Permits & Fees</i>						
Building Permit Fees & Charges	6.9	6.9	6.9	8.2	(1.3)	-16%
Recreation Fees	3.2	3.3	3.6	3.4	0.3	8%
WestWorld	2.7	2.5	2.6	2.6	-	-
Fire Service Charges	1.8	1.8	0.8	0.6	0.1	22%
Business Licenses & Fees	1.7	1.8	1.7	1.7	-	-
<i>Fines & Forfeitures</i>						
Court Fines	6.7	7.5	4.3	4.8	(0.5)	-11%
Photo Enforcement Revenue	2.5	1.8	2.0	1.8	0.2	13%
Parking Fines	0.4	0.3	0.3	0.4	(0.1)	-32%
Library Fines & Fees	0.3	0.4	0.4	0.3	0.1	32%
<i>Interest Earnings/Property Rental</i>						
Interest Earnings	3.7	2.1	1.2	1.0	0.3	27%
Property Rental	3.2	2.9	3.2	2.8	0.4	14%
<i>Other Revenue</i>						
Indirect/Direct Cost Allocation	14.0	13.3	13.9	14.0	(0.1)	-1%
Intergovernmental Revenue	1.2	1.1	0.9	0.9	-	-
Miscellaneous	0.6	0.5	0.5	0.5	-	-
Reimbursements	0.5	2.1	3.4	2.9	0.5	18%
Total Charges for Services/Other	\$50.1	\$49.1	\$46.6	\$46.7	(\$0.2)	0%
% Change vs. Prior Year		-2%	-5%	-5%		

Charges for Services/Other

Actual to Revised Budget variance of (\$0.2) million or 0%

Interest earnings were more favorable than budget due to better than anticipated investment results. Public Defender and Jail Reimbursements originally budgeted in Court Fines, were actually reported in Reimbursements and, therefore, create offsetting variances in each account. Building Permit Fees & Charges showed a decline attributable to larger than expected small valuation type projects being submitted for review. Property Rental revenues (from the Scottsdale Princess and the Tournament Players Club) experienced favorable results for the year.

Property Taxes

In the General Fund, property taxes are comprised only of the "Primary" property taxes levied on the assessed value of all property within the City to help pay for basic operations of the City. "Secondary" property taxes are not included in the General Fund as they must be used solely for General Obligation bond debt service payments. Increases in revenue reflect new property additions to the tax roll and Council action to increase the tax levy as legally allowed.

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

An unfavorable variance is related to a class action lawsuit against the County Assessor that has been in process since 1995 and was settled in June 2010 and resulted in a year-end variance of (\$0.2) million.

Franchise Fees and In-Lieu Taxes

This category represents revenues from public utility and cable providers.

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

	Fiscal Year Ending June 2011				Actual vs. Budget	
	2008/09	2009/10	2010/11	2010/11	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
Electric and Gas Franchise	\$7.8	\$8.0	\$7.8	\$8.2	(\$0.4)	-4%
Cable TV Franchise	3.6	3.4	3.2	3.3	(0.1)	-4%
Salt River Project In-Lieu Tax	0.1	0.1	0.2	0.1	-	-
Total Franchise Fees/In-Lieu Taxes	\$11.5	\$11.5	\$11.2	\$11.6	(\$0.5)	-4%
% Change vs. Prior Year		0%	-2%	2%		

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

The unfavorable variance in Electric and Gas Franchise was driven by a budget assumption that franchise revenue would increase by 4.6 percent year over year. The Electric and Gas Franchise revenue activity was 2% less than prior year results, possibly due to conservation of energy costs.

Bed Taxes

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

Actual to Revised Budget variance of \$0.6 million or 5%:

Bed Tax receipts showed higher than anticipated recovery in last 6 months of fiscal year, reflecting improvements in both occupancy and room rates.

Transfers In

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

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

	Fiscal Year Ending June 2011				Actual vs. Budget	
	2008/09	2009/10	2010/11	2010/11	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
CIP	\$14.0	\$9.0	\$3.6	\$3.6	-	-
Self Insurance Fund	5.0	-	-	-	-	-
Cultural Council	-	0.3	-	-	-	-
Community Services/Human Services	0.1	0.3	-	-	-	-
Enterprise Franchise Fees	6.4	6.5	6.4	6.8	(\$0.4)	-6%
Enterprise In Lieu Property Tax	2.5	2.7	1.8	1.8	-	-
Water Campus Security	0.5	0.4	0.5	0.5	-	-
Total Transfers In	\$28.5	\$19.2	\$12.2	\$12.7	(\$0.4)	-3%
% Change vs. Prior Year		-33%	-36%	-34%		

Actual to Revised Budget variance of (\$0.4) million or (3%):

Water revenues were down which resulted in the corresponding decrease in Enterprise Franchise Fees. See Water and Water Reclamation Funds section for further information.

GENERAL FUND USES

(\$ in millions: Rounding differences may occur)

	Fiscal Year (Twelve Months)				
	2008/09	2009/10	2010/11	2010/11	2010/11
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
Expenses:					
Personnel Services	n/a	\$168.0	\$162.5 *	\$160.1	(\$2.4)
Contractual	n/a	48.8	54.9	50.0	(4.9)
Commodities	n/a	7.7	8.9	7.8	(1.1)
Capital Outlays	n/a	0.5	4.1	4.2	0.1
Total Operating Expenses	n/a	\$225.0	\$230.4	\$222.1	(\$8.3)
Debt Service & Contracts Payable	n/a	9.0	11.9	11.9	-
Transfers Out	n/a	20.1	9.3	12.2	3.0
Total Uses	n/a	\$254.1	\$251.6 *	\$246.2	(\$5.4)
% Change vs. Prior Year		n/a	-1%	-3%	

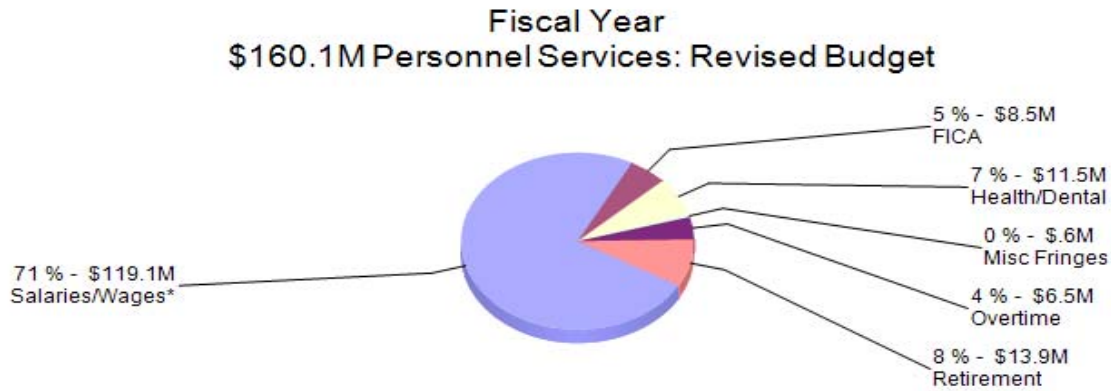
	Fiscal Year Ending June 2011					
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Expenses:						
Personnel Services	n/a	\$168.0	\$158.0	\$160.1	\$2.1	1%
Contractual	n/a	48.8	48.6	50.0	1.4	3%
Commodities	n/a	7.7	7.4	7.8	0.4	5%
Capital Outlays	n/a	0.5	0.5	4.2	3.7	88%
Total Operating Expenses	n/a	\$225.0	\$214.5	\$222.1	\$7.6	3%
Debt Service & Contracts Payable	n/a	9.0	12.2	11.9	(0.3)	-3%
Transfers Out	n/a	20.1	11.5	12.2	0.7	6%
Total Uses	n/a	\$254.1	\$238.2	\$246.2	\$8.0	3%
% Change vs. Prior Year		n/a	-6%	-3%		

	Fiscal Year Ending June 2011					
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Expenses:						
MAYOR AND CITY COUNCIL	n/a	\$0.7	\$0.6	\$0.6	\$0.0	-
CITY CLERK	n/a	1.1	1.0	1.1	0.1	9%
CITY ATTORNEY	n/a	6.2	5.5	5.8	0.3	5%
CITY AUDITOR	n/a	0.8	0.7	0.8	0.1	13%
CITY COURT	n/a	4.7	4.3	4.6	0.3	7%
CITY MANAGER	n/a	2.2	1.4	1.4	-	-
PUBLIC WORKS	n/a	16.9	15.9	16.4	0.5	3%
COMMUNITY & ECONOMIC DEV	n/a	25.0	25.2	27.4	2.2	8%
PUBLIC SAFETY - FIRE	n/a	27.0	26.7	26.9	0.2	1%
PUBLIC SAFETY - POLICE	n/a	82.5	78.9	80.9	2.0	2%
CITY TREASURER - FIN & ACCT	n/a	6.2	4.8	4.8	-	-
HUMAN RESOURCES	n/a	3.7	3.0	3.3	0.3	9%
COMMUNITY SERVICES	n/a	36.7	34.5	35.8	1.3	4%
INFORMATION TECHNOLOGY	n/a	9.5	9.0	9.3	0.3	3%
ADMINISTRATIVE SERVICES	n/a	1.8	3.0	3.0	-	-
Total Operating Expenses	n/a	\$225.0	\$214.5	\$222.1	\$7.6	3%

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

Personnel Services

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



	Fiscal Year (Twelve Months)				
	2008/2009 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Salaries and Wages	n/a	\$122.6	\$119.9 *	\$119.1	(\$0.8)
Overtime	n/a	6.1	7.3	6.5	(0.8)
Retirement	n/a	15.2	14.2	13.9	(0.3)
Health/Dental	n/a	15.1	11.8	11.5	(0.3)
FICA	n/a	8.4	8.7	8.5	(0.2)
Miscellaneous Fringes	n/a	0.6	0.6	0.6	-
Total Personnel Services	n/a	\$168.0	\$162.5 *	\$160.1	(\$2.4)
% Change vs. Prior Year		n/a	-3%	-5%	

	Fiscal Year Ending June 2011					Actual vs. Budget	
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual Favorable / Amount	Budget (Unfavorable) Percent	
Salaries and Wages	n/a	\$122.6	\$118.4	\$119.1	\$0.7	1%	
Overtime	n/a	6.1	5.7	6.5	0.8	12%	
Retirement	n/a	15.2	13.2	13.9	0.7	5%	
Health/Dental	n/a	15.1	12.0	11.5	(0.5)	-4%	
FICA	n/a	8.4	8.1	8.5	0.4	5%	
Miscellaneous Fringes	n/a	0.6	0.6	0.6	-	-	
Total Personnel Services	n/a	\$168.0	\$158.0	\$160.1	\$2.1	1%	
% Change vs. Prior Year		n/a	-6%	-5%			

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

Actual to Revised Budget variance of \$2.1million or 1%: The year-end savings was primarily the result of budgeted Community and Economic Development, Community Service and Police overtime usage which did not occur. The part-time wages budget in Community Services has also contributed to the favorable year-end variance due to the division's year long efforts of re-evaluating work schedules and coverage. Additionally, the overtime and wages variance created a favorable year-end variance in the Federal Insurance Contributions Act (FICA) and retirement accounts. The unfavorable variance in Health/Dental was the result of a year-end adjustment that charged administrative costs and the Live Life Well Program costs to the divisions.

Vacancy Savings/Payouts/Reclassifications

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

	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Adopted Budget	Actual vs Budget Favorable/(Unfavorable) Amount
Vacancy Savings	n/a	(\$5.1)	(\$4.0)	(\$3.0)	\$1.0
Vacation Leave Payouts	n/a	0.7	0.7	0.6	(0.1)
Medical Leave Payouts	n/a	1.0	1.0	0.8	(0.2)
Reclassifications	n/a	0.2	-	0.3	0.3
Total Vacancy Sav/Payouts/Reclass	n/a	(\$3.2)	(\$2.3)	(\$1.3)	\$1.0

Total (Achieved)/Used YTD of (\$2.3) million The City achieved \$4.0 million in vacancy savings. Due to attrition, retirements and eliminated positions the Vacation Leave Payouts and Medical Leave Payouts were more than expected; however, these were offset by position Reclassifications savings.

Contractual Services

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

Actual to Revised Budget variance of \$1.4 million or 3%: The positive year-end variance was attributable to budget reduction initiatives such as the renegotiation of the custodial services contract and pager and specialty lines contract, a reduction in outside printing and graphics services, and limiting expenses in professional and consultant services. The favorable variance was also the result of savings in various maintenance and repair services that were budgeted for but not expended. The favorable variance would have been greater except for the charges made that were budgeted as Capital Outlays (see discussion below).

Commodities

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

Actual to Revised Budget variance of \$0.4 million or 5%: The favorable year-end variance was a result of various accounts, such as maintenance services and repair materials. In addition, the favorable variance was also a result of Citywide efforts to reduce supplies costs. The favorable variance would have been greater except for the charges made that were budgeted as Capital Outlays (see discussion below).

Capital Outlays

Capital outlays include the purchase of land, the purchase or construction of buildings, structures, and facilities, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as capital outlay the expenditure must meet all of the following requirements: (1) have an estimated useful life of more than two years; (2) have a unit cost of \$5,000 or more; and (3) be betterment or improvement.

Actual to Revised Budget variance of \$3.7 million or 88%: The favorable variance was the result of some operating projects' expenditures being charged to the Contractual Services and Commodities accounts instead of the Capital Outlays accounts where the funding for those projects was budgeted. The favorable year-end variance was also the result of the planned capital operating projects that were not implemented in the current fiscal year due to budget constraints and the Citywide initiative to limit expenses to FY 2009/10.

Debt Service & Contracts Payable

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

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

	Fiscal Year Ending June 2011					
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
MPC Excise Debt Fund	n/a	\$6.7	\$6.7	\$6.7	-	-
MPC Excise Debt Fund - Bed Tax	n/a	-	0.6	0.7	0.1	14%
Certificates of Participation (COP)	n/a	0.9	0.9	0.9	-	-
Contracts Payable	n/a	1.4	3.5	3.1	(0.4)	-13%
COP - Radio Financing	n/a	-	0.5	0.5	-	-
Debt Service & Contracts Payable	<u>n/a</u>	<u>\$9.0</u>	<u>\$12.2</u>	<u>\$11.9</u>	<u>(\$0.3)</u>	<u>-3%</u>
% Change vs. Prior Year		n/a	36%	32%		

Actual to Revised Budget variance of (\$0.3) million or (3)%: The unfavorable year-end variance was primarily attributable to the development agreements (Contracts Payable) based on the amount of privilege (sales) tax collections at each development site. Mall performance showed an increase in sales that was higher than budgeted; the higher sales resulted in higher tax rebates thus creating a negative variance.

Transfers-Out

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

	Fiscal Year (Twelve Months)				
	2008/09	209/10	2010/11	2010/11	FY 2010/11
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
CIP - General Fund Maintenance	n/a	\$10.4	\$2.2	\$2.2	-
Transportation Fund	n/a	3.2	1.8	1.8	-
Bed Tax Fund	n/a	6.4	5.0	8.0	3.0
Special Pgms Fund - Comm Srvs	n/a	-	0.2	0.2	-
Special Pgms Fund - Planning & Dev	n/a	0.1	0.1	0.1	-
Total Transfers Out	n/a	\$20.1	\$9.3	\$12.2	\$3.0
Change vs. Prior Year		n/a	-54%	-39%	

	Fiscal Year Ending June 2011					
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
CIP - General Fund Maintenance	n/a	\$10.4	\$2.0	\$2.2	\$0.2	9%
Transportation Fund	n/a	3.2	-	1.8	1.8	100%
Bed Tax Fund	n/a	6.4	9.5	8.0	(1.5)	-19%
Spec Pgms Fund - Comm Srvs	n/a	-	-	0.2	0.2	100%
Spec Pgms Fund - Planning & Dev	n/a	0.1	0.1	0.1	-	-
Total Transfers Out	n/a	\$20.1	\$11.5	\$12.2	\$0.7	6%
% Change vs. Prior Year		n/a	-43%	-39%		

Actual to Revised Budget variance of \$0.7 million or 6%: The year-end favorable variance was primarily the result of the budgeted subsidy transfer from the General Fund to the Transportation Fund which was not needed and therefore, did not occur. The unfavorable variance in the Bed Tax Fund was partially related to the actual revenue being greater than budgeted, resulting in increased Transfers Out to the Special Programs Fund for the Convention and Visitor's Bureau (CVB) contract. The Bed Tax Fund's unfavorable variance was also the result of the City Council authorized Bed Tax transfers to the Capital Improvement Program for the new WestWorld Americans with Disabilities Act (ADA) parking lot capital project, Desert Discovery Phase III, and Tony Nelssen Equestrian Center expansion. Finally, the positive year-end variance in Special Programs Fund - Comm Srvs was the result of eliminating the Partnership Funding and the Human Services' Affordable Housing program both of which were budget reductions initiatives.

TRANSPORTATION FUND

FY 2010/11				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Change	%
				Change
Total Sources	\$34.6	\$34.2	(\$0.4)	-1%
Total Uses	34.6	35.1	(0.5)	-1%
Change in Fund Balance	\$0.0	(\$0.9)	(\$0.9)	
Beginning Fund Balance	\$0.0	\$0.0	\$0.0	
Ending Fund Balance	<u>\$0.0</u>	<u>(\$0.9)</u>	<u>(\$0.9)</u>	

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

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Expenses:					
Personnel Services	n/a	\$6.5	\$6.1 *	\$6.2	(\$0.1)
Contractual	n/a	18.7	19.7	20.1	0.4
Commodities	n/a	0.6	0.8	0.8	-
Capital Outlays	n/a	1.4	0.3	0.3	-
Total Operating Expenses	n/a	<u>\$27.2</u>	<u>\$26.9</u>	<u>\$27.4</u>	<u>\$0.4</u>
Transfers Out	n/a	\$7.5	\$7.7	\$7.7	-
Total Uses	n/a	<u>\$34.7</u>	<u>\$34.6 *</u>	<u>\$35.1</u>	<u>\$0.5</u>
% Change vs. Prior Year		n/a	-1%	1%	

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

TRANSPORTATION FUND

FYTD JUNE 2011 (\$ in millions: Rounding differences may occur)

	2010/11 Actual	Revised Budget	Change	% Change
Total Sources	\$35.1	\$34.2	\$0.9	3%
Total Uses	32.8	35.1	\$2.3	7%
Change in Fund Balance	\$2.3	(\$0.9)	\$3.2	

Fiscal Year Ending June 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable/(Unfavorable)	
					Amount	Percent
Revenues:						
HURF Taxes	\$14.1	\$13.4	\$13.4	\$13.8	(\$0.4)	-3%
0.20% City Sales Tax	16.5	14.6	15.0	14.8	0.2	2%
Other	3.0	3.0	6.1	3.2	2.9	93%
Total Revenues	\$33.6	\$31.0	\$34.5	\$31.8	\$2.7	9%
Transfers In	8.9	3.6	0.6	2.4	(1.8)	-74%
Total Sources	\$42.5	\$34.6	\$35.1	\$34.2	\$0.9	3%
% Change vs. Prior Year		-19%	2%	-1%		

Fiscal Year Ending June 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable/(Unfavorable)	
					Amount	Percent
Expenses:						
Personnel Services	n/a	\$6.5	\$6.3	\$6.2	(\$0.1)	-2%
Contractual	n/a	18.7	15.4	20.1	4.7	23%
Commodities	n/a	0.6	0.6	0.8	0.2	25%
Capital Outlays	n/a	1.4	3.0	0.3	(2.7)	-900%
Total Operating Expenses	n/a	\$27.2	\$25.2	\$27.4	\$2.2	8%
Transfers Out	n/a	7.5	7.6	7.7	0.1	1%
Total Uses	n/a	\$34.7	\$32.8	\$35.1	\$2.3	7%
% Change from Prior Year		n/a	-5%	1%		

Sources: Actual to Revised Budget variance of \$0.9 million or 3%:

The "Other" revenue variance is primarily related to American Recovery and Reinvestment Act (ARRA) award for street overlay projects. The grant funding was anticipated to be split between FY 2009/10 and FY2010/11; however, based on project completion/reimbursement timing, nothing was received in FY 2009/10 and all \$4.2 million was received in FY 2010/11 which resulted in a \$2.2 million positive variance for the year. Additionally, in the "Other" revenue, transit agreements for local bus service experienced favorable results of \$0.3 million for the year.

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

Uses: Actual to Revised Budget variance of \$2.3 million or 7%:

The favorable year-end variance in Contractual Services was primarily the result of American Recovery and Reinvestment Act (ARRA) paving projects expenditures being applied to Capital Outlays and not in the Contractual Services accounts where the funding for those projects was budgeted. This recording of ARRA expenditures created an unfavorable variance in Capital Outlays. In addition, the variance in Contractual Services was attributable to the City Council approved contract modifications for Transportation's transit contracts with the Regional Public Transportation Authority (RPTA) and the Trolley, which resulted in a favorable outcome for the City. Finally, the variance in Commodities was a result of those expenditures that are difficult to budget for because of their unpredictable timing and nature of maintenance repairs and emergencies (e.g. materials to maintain and repair machinery, equipment, buildings etc), which are expended only as needed.

WATER AND WATER RECLAMATION FUNDS

FY 2010/11

(\$ in millions)

	Adopted Budget	Revised Budget	Change	% Change
Total Sources	\$165.4	\$165.4	\$0.0	0%
Total Uses	160.5	141.3	19.2	12%
Change in Fund Balance	\$4.9	\$24.1	\$19.2	
Beginning Fund Balance	\$52.3	\$73.0	\$20.7	
Ending Fund Balance	\$57.2	\$97.1	\$39.9	
60 to 90 Day Operating Reserve	\$19.5	\$14.6	(\$4.9)	
Repair/Replacement Reserve	29.0	28.0	(1.0)	
Revenue Bond Debt Reserve	5.4	5.4	-	
Special Contractual Funds	3.3	3.1	(0.2)	
Unreserved Fund Balance	-	46.0	46.0	
Ending Fund Balance	\$57.2	\$97.1	\$39.9	

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Revenues:					
Water Service Fees	\$92.0	\$94.8	\$90.5	\$91.3	\$0.8
Water Reclamation Fees	34.1	35.4	33.7	34.1	0.4
Non-Potable Water Fees	0.7	0.6	10.3	10.3	-
Interest Earnings	3.4	2.9	0.8	0.8	-
Miscellaneous Revenue	1.3	2.6	14.4	13.2	(1.2)
Total Revenues	\$131.5	\$136.3	\$149.7	\$149.7	\$0.0
Transfers In	14.0	15.2	15.7	15.7	-
Bond Proceeds	-	78.5	-	-	-
Total Sources	\$145.5	\$230.0	\$165.4	\$165.4	\$0.0
% Change vs. Prior Year		58%	-28%	-28%	

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Expenses:					
Personnel Services	n/a	\$15.7	\$16.5	\$15.6	(\$0.9)
Contractual	n/a	23.5	26.1	27.4	1.3
Commodities	n/a	20.5	24.0	24.0	-
Capital Outlays	n/a	0.1	0.1	0.1	-
Total Operating Expenses	n/a	\$59.8	\$66.7	\$67.1	\$0.4
Debt Service	n/a	25.7	28.1	29.8	1.7
Transfers Out					
In Lieu Property Tax Fees	n/a	2.6	1.7	1.7	-
Franchise Fees	n/a	6.5	6.8	6.7	(0.1)
Direct/Indirect Charges	n/a	9.6	10.4	10.4	-
CIP Fund	n/a	72.5	46.8	25.6	(21.2)
Bond Proceeds	n/a	35.6	-	-	-
Total Uses	n/a	\$212.3	\$160.5	\$141.3	(\$19.2)
% Change vs. Prior Year		n/a	-24%	-33%	

WATER AND WATER RECLAMATION FUNDS

FYTD June 2011

(\$ in millions)

	Actual	Revised Budget	Change	% Change
Total Sources	\$150.3	\$165.4	(\$15.1)	-9%
Total Uses	142.9	141.3	(1.6)	-1%
Change in Fund Balance	\$7.4	\$24.1	(\$16.7)	

Fiscal Year-to-Date June 2011						
	2008/09	2009/10	2010/11	2010/11 Revised Budget	Actual vs. Budget	
	Actual	Actual	Actual		Favorable /(Unfavorable) Amount	Percent
Revenues:						
Water Service Fees	\$92.0	\$94.8	\$86.7	\$91.3	(\$4.6)	-5%
Water Reclamation Fees	34.1	35.4	34.5	34.1	0.4	1%
Non-Potable Water Fees	0.7	0.6	9.2	10.3	(1.1)	-11%
Interest Earnings	3.4	2.9	1.3	0.8	0.5	63%
Miscellaneous Revenue	1.3	2.6	1.3	13.2	(11.9)	-90%
Total Revenues	<u>\$131.5</u>	<u>\$136.3</u>	<u>\$133.0</u>	<u>\$149.7</u>	<u>(\$16.7)</u>	<u>-11%</u>
Transfers In	14.0	15.2	17.3	15.7	1.6	10%
Bond Proceeds	-	78.5	-	-	-	n/a
Total Sources	<u>\$145.5</u>	<u>\$230.0</u>	<u>\$150.3</u>	<u>\$165.4</u>	<u>(\$15.1)</u>	<u>-9%</u>
% Change vs. Prior Year		58%	-35%	-28%		

Fiscal Year-to-Date June 2011						
	2008/09	2009/10	2010/11	2010/11 Revised Budget	Actual vs. Budget	
	Actual	Actual	Actual		Favorable /(Unfavorable) Amount	Percent
Expenses:						
Personnel Services	n/a	\$15.7	\$15.5	\$15.6	\$0.1	1%
Contractual	n/a	23.5	22.2	27.4	5.2	19%
Commodities	n/a	20.5	22.1	24.0	1.9	8%
Capital Outlays	n/a	0.1	0.2	0.1	(0.1)	-100%
Total Operating Expenses	n/a	<u>\$59.8</u>	<u>\$60.0</u>	<u>\$67.1</u>	<u>\$7.1</u>	<u>11%</u>
Debt Service	n/a	25.7	29.7	29.8	0.1	0%
Transfers Out						
In Lieu Property Tax Fees	n/a	2.6	1.7	1.7	-	0%
Franchise Fees	n/a	6.5	6.4	6.7	0.3	4%
Direct/Indirect Charges	n/a	9.6	9.5	10.4	0.9	9%
CIP Fund	n/a	72.5	11.4	25.6	14.2	55%
Bond Proceeds	n/a	35.6	24.2	-	(24.2)	n/a
Total Uses	<u>n/a</u>	<u>\$212.3</u>	<u>\$142.9</u>	<u>\$141.3</u>	<u>(\$1.6)</u>	<u>-1%</u>
% Change vs. Prior Year		n/a	-33%	-33%		

Sources: Actual to Revised Budget variance of (\$15.1) million or (9%):

Water Service Fees are charges for water deliveries which were 3.5 percent lower than forecasted. Non-Potable Water Fees' unfavorable variance is due to reduced water deliveries largely affected by weather conditions. The unfavorable variance for Miscellaneous Revenue is related to the non-sale of Planet Ranch; the property was forecast to sell in FY 2010/11 and has been subsequently delayed until FY 2011/12. The favorable variance for Transfers In is due to debt service payments received from the Development Fee funds.

Uses: Actual to Revised Budget variance of (\$1.6) million or (1%):

Expenditure savings are related to lower than anticipated electricity, operating costs at the Sub Regional Operating Group (SROG), treatment chemicals and purchased water. The favorable variance for Transfers Out to the CIP Fund is primarily due to the pending sale of Planet Ranch, which was forecasted in FY 2010/11 but has yet to occur. The unfavorable variance for Transfers Out of bond proceeds is the result of moving unspent proceeds to the capital improvement fund where the expenses occur.

AVIATION FUND

FY 2010/11
(\$ in millions)

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

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

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Revised Budget	2010/11 Approved Adjustments
Expenses:					
Personnel Services	n/a	\$0.9	\$1.0	\$0.9	(\$0.1)
Contractual	n/a	0.5	0.7	0.7	-
Total Operating Expense	n/a	\$1.4	\$1.7	\$1.6	(\$0.1)
Transfers Out					
In Lieu Property Tax Fees	n/a	0.1	0.0	0.0	-
Direct/Indirect Charges	n/a	0.5	0.6	0.6	-
CIP Fund	n/a	0.2	1.6	1.6	-
Total Uses	n/a	\$2.2	\$3.9	\$3.8	(\$0.1)
% Change vs. Prior Year		n/a	77%	73%	

AVIATION FUND

Fiscal Year End 2010/2011

(\$ in millions)

	2010/11 Actual	Revised Budget	Change	% Change
Total Sources	\$3.0	\$3.2	(\$0.2)	-6%
Total Uses	3.9	3.8	(0.1)	-3%
Change in Fund Balance	(\$0.9)	(\$0.6)	(\$0.3)	

Fiscal Year-to-Date June 2011							
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget		
	Actual	Actual	Actual	Revised Budget	Favorable /(Unfavorable) Amount	Percent	
Revenues:							
Aviation Fees	\$2.8	\$2.9	\$2.8	\$3.0	(\$0.2)	-7%	
Privilege and Use Tax - Jet Fuel	0.1	0.1	0.1	0.1	0.0	0%	
Interest Earnings	0.1	0.1	0.1	0.1	0.0	0%	
Total Revenues	\$3.0	\$3.1	\$3.0	\$3.2	(\$0.2)	-6%	
Transfers In	1.6	0.0	0.0	0.0	0.0	0%	
Total Sources	\$4.6	\$3.1	\$3.0	\$3.2	(\$0.2)	-6%	
% Change vs. Prior Year		-33%	-3%	7%			

Fiscal Year-to-Date June 2011							
	2008/09	2009/10	2010/11	2010/11	Actual vs. Budget		
	Actual	Actual	Actual	Revised Budget	Favorable /(Unfavorable) Amount	Percent	
Expenses:							
Personnel Services	n/a	\$0.9	\$1.0	\$0.9	(0.1)	-11%	
Contractual	n/a	0.5	0.6	0.7	0.1	14%	
Total Operating Expenses	n/a	\$1.4	\$1.6	\$1.6	\$0.0	0%	
Transfers Out							
In Lieu Property Tax Fees	n/a	0.1	0.0	0.0	-	0%	
Direct/Indirect Charges	n/a	0.5	0.7	0.6	(0.1)	-17%	
CIP Fund	n/a	0.2	1.6	1.6	-	0%	
Total Uses	n/a	\$2.2	\$3.9	\$3.8	(\$0.1)	-3%	
% Change vs. Prior Year		n/a	77%	73%			

Sources: Actual to Revised Budget variance of (\$0.2) million or (6%):

A runway overlay project shut down airport operations for 11 days in July 2010. As a result airport operations (landings/departures) for July decreased by 48.6% year over year. The unfavorable variance reflects lost revenues as a result of the runway overlay project and an overall slight decrease in airport activity.

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

The personnel services unfavorable variance is driven by unbudgeted overtime expenses. The favorable variance in contractual services is a result of a pending software purchase. The unfavorable variance in direct/indirect charges resulted from a prior year reconciliation of direct fire support charges.

SOLID WASTE FUND

FY 2010/11
(\$ in millions)

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

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

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

SOLID WASTE FUND

Fiscal Year End 2010/11

(\$ in millions)

	2010/11 Actual	Revised Budget	Change	% Change
Total Sources	\$21.0	\$20.2	\$0.8	4%
Total Uses	20.6	20.8	0.2	1%
Change in Fund Balance	\$0.4	(\$0.6)	\$1.0	

Fiscal Year-to-Date June 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable /(Unfavorable)	
					Amount	Percent
Revenues:						
Solid Waste Fees	\$20.0	\$20.4	\$20.9	\$20.1	\$0.8	4%
Interest Earnings	0.2	0.2	0.1	0.1	-	0%
Total Revenues	\$20.2	\$20.6	\$21.0	\$20.2	\$0.8	4%
Transfers In	0.1	-	-	-	-	n/a
Total Sources	<u>\$20.3</u>	<u>\$20.6</u>	<u>\$21.0</u>	<u>\$20.2</u>	<u>\$0.8</u>	<u>4%</u>
% Change vs. Prior Year		1%	2%	-2%		

Fiscal Year-to-Date June 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable /(Unfavorable)	
					Amount	Percent
Expenses:						
Personnel Services	n/a	\$5.7	\$5.9	\$5.8	(\$0.1)	-2%
Contractual	n/a	9.7	9.7	10.2	0.5	5%
Commodities	n/a	0.4	0.3	0.4	0.1	25%
Total Operating Expenses	n/a	\$15.8	\$15.9	\$16.4	\$0.5	3%
Transfers Out						
Direct/Indirect Charges	n/a	2.9	2.9	3.0	0.1	3%
CIP Fund	n/a	1.1	1.8	1.4	(0.4)	-29%
Total Uses	<u>n/a</u>	<u>\$19.8</u>	<u>\$20.6</u>	<u>\$20.8</u>	<u>\$0.2</u>	<u>1%</u>
% Change vs. Prior Year		n/a	4%	5%		

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

The solid waste fees favorable variance is driven by residential and commercial recycling revenues. The market rate for recyclables as well as the amount of recyclable material collected have been higher than forecasted. Additionally, residential service charges and account initiation fees are higher than budget; although new homes fees are low these revenues have been driven by higher than forecasted existing home fees, possibly due to relocations and residential rental activity. These additional revenues are being offset by commercial and roll-off revenues, which are lower than budget due to a slow construction market they serve.

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

The unfavorable personnel service variance is driven by overtime expense. The Solid Waste Management service area has experienced an average vacancy rate of 7 full time equivalents. Existing staff must use overtime to cover all the normal routes. The positive variance in Contractual is due to reduced volume and rates related to landfill fees. The unfavorable variance in CIP resulted from unbudgeted capital improvement transfers.

FLEET MANAGEMENT FUND

FY 2010/11
(\$ in millions)

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

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

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

FLEET MANAGEMENT FUND

FYTD June 2011

(\$ in millions)

	2010/11 Actual	Revised Budget	Change	% Change
Total Sources	\$14.4	\$14.4	\$0.0	0%
Total Uses	12.6	15.1	2.6	17%
Change in Fund Balance	\$1.8	(\$0.7)	\$2.5	

Fiscal Year-to-Date June 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable/(Unfavorable)	
					Amount	Percent
Revenues:						
Maintenance/Operation Rates	\$12.9	\$11.5	\$11.2	\$11.2	(\$0.0)	0%
Replacement Rates	5.4	1.7	2.9	2.9	-	0%
Interest Earnings	0.4	0.3	0.1	0.1	0.1	62%
Other Revenue	0.3	0.4	0.1	0.2	(0.1)	-29%
Total Revenues	\$19.0	\$13.9	\$14.4	\$14.4	\$0.0	0%
Transfers In	-	-	-	-	-	-
Total Sources	\$19.0	\$13.9	\$14.4	\$14.4	\$0.0	0%
% Change vs. Prior Year		-27%	3%	3%		

Fiscal Year-to-Date June 2011						
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Revised Budget	Actual vs. Budget Favorable/(Unfavorable)	
					Amount	Percent
Expenses:						
Personnel Services	n/a	\$3.2	\$3.2	\$3.1	\$0.0	0%
Contractual	n/a	1.2	1.3	1.5	0.2	11%
Commodities	n/a	5.6	6.4	6.8	0.4	5%
Capital Outlays	n/a	2.9	1.6	3.7	2.1	57%
Total Operating Expenses	n/a	\$12.9	\$12.6	\$15.1	\$2.6	17%
Transfers Out	n/a	0.7	-	-	-	-
Total Uses	n/a	\$13.6	\$12.6	\$15.1	\$2.6	17%
% Change vs. Prior Year		n/a	-8%	11%		

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

Interest earnings showed a favorable variance since performance on investments was more better than was conservatively budgeted. Other revenue showed an unfavorable variance based on less sale of property than budgeted.

Uses: Actual to Revised Budget variance of \$2.6 million or 17%:

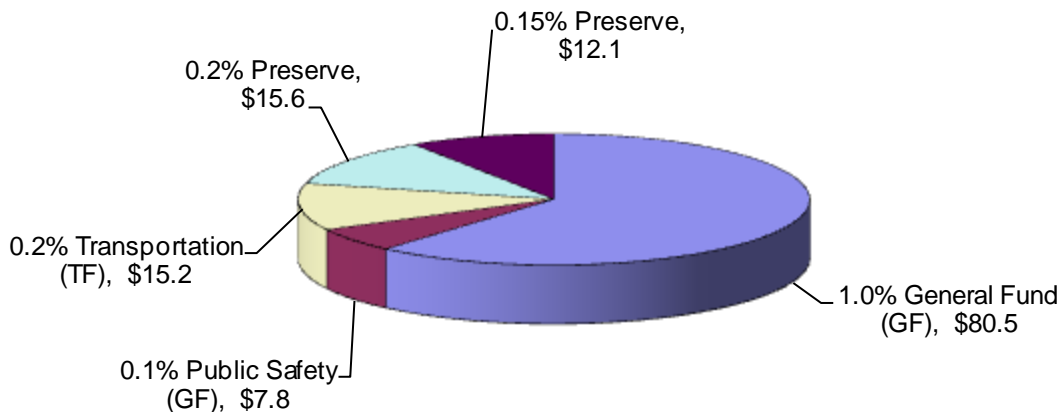
The favorable variance in Contractual is primarily the result of a delay in expenditure processing. The Commodities favorable variance is related to fuel; the amount budgeted for fuel assumed a standard rate higher than the actual rate recorded year to date. Finally, the Capital Outlays favorable variance is attributable to the difficulty of forecasting the timing of vehicle acquisitions, and delaying expenditures until vehicles achieve all required miles and age replacement criteria.



Privilege (Sales) & Use Tax Collections For June 2011 (For Business Activity in June 2011)

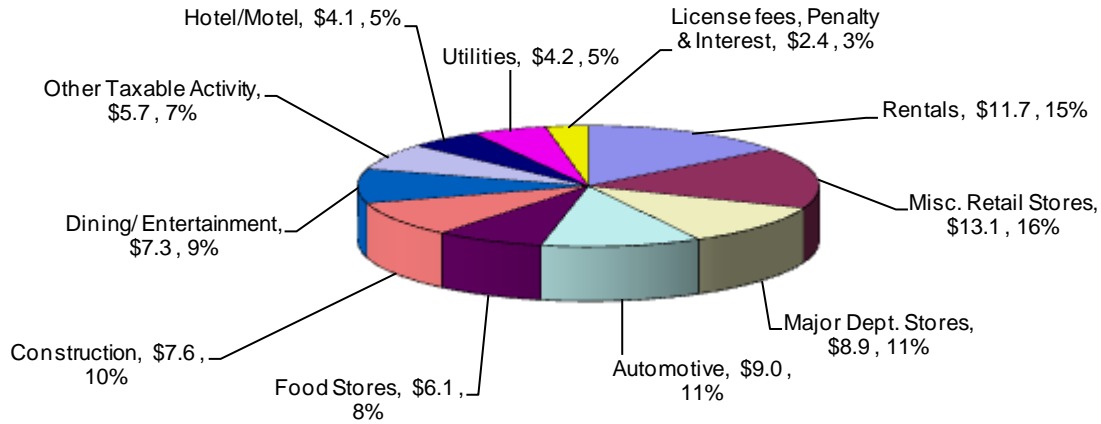
Appendix 1 contains information regarding the “actual” revenue collections from the 1.0 percent Privilege and Use Tax reflected in the General Fund, 0.2 percent dedicated Transportation Privilege Tax, 0.2 percent dedicated Preserve Privilege and Use Taxes, 0.15 percent additional dedicated Preserve Privilege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

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



The report shows a fiscal year Privilege and Use Tax (1.00% General Purpose) collection increase of 2 percent compared to the revised Budget, and an increase of 2 percent compared to the same period a year ago.

**Privilege (Sales) & Use Tax
1.0% General Purpose Portion
\$80.1M Revenue - Actual YTD**

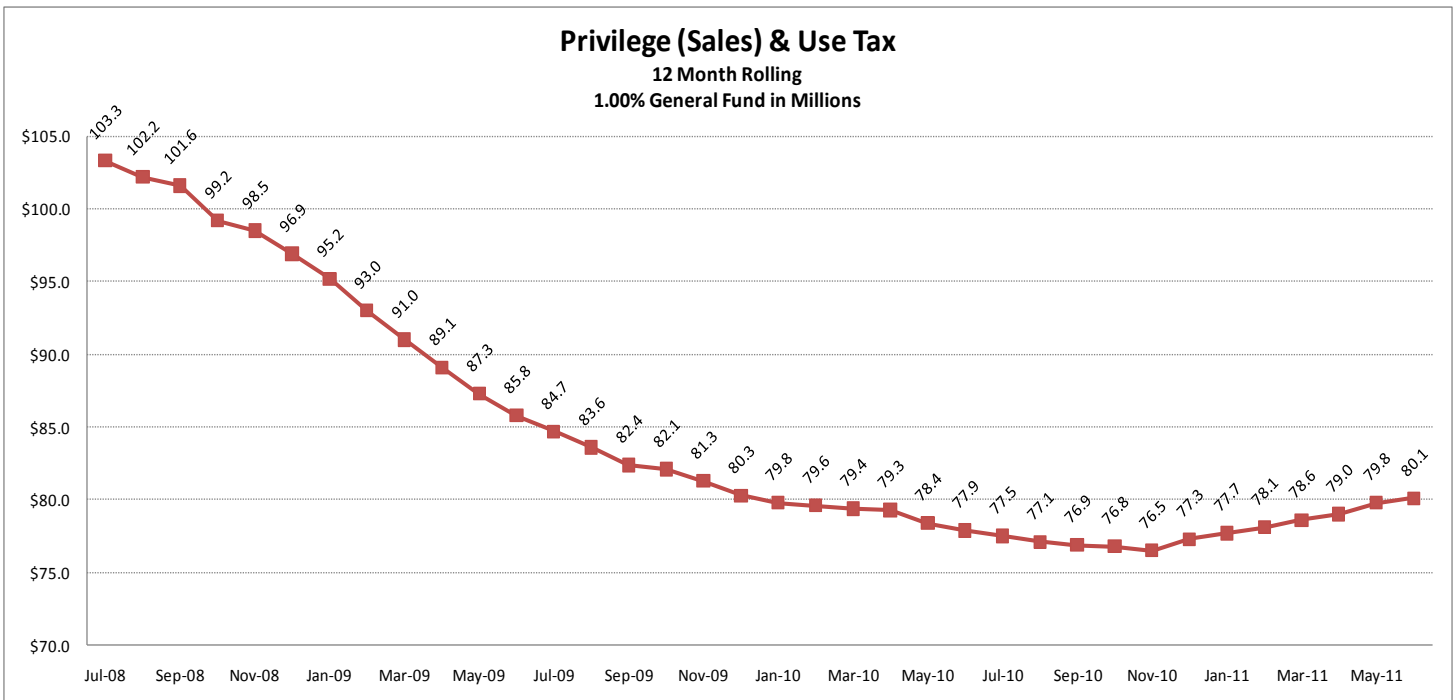


Privilege (Sales) & Use Tax by Category and Fund

	Fiscal Year (Twelve Months)				
	2008/09 Actual	2009/10 Actual	2010/11 Adopted Budget	2010/11 Approved Adjustments	2010/11 Revised Budget
1.00% General Purpose					
Rentals	\$12.5	11.1	\$11.5	\$0.3	\$11.8
Misc. Retail Stores	12.1	12.1	12.7	(0.2)	12.5
Major Dept Stores	8.8	9.0	9.1	(0.3)	8.8
Automotive	9.6	8.4	8.7	(0.5)	8.2
Food Stores	6.3	6.0	6.4	(0.2)	6.2
Construction	13.5	8.2	8.5	(0.7)	7.8
Dining/Entertainment	6.9	6.8	7.0	-	7.0
Other Taxable Activity	6.2	5.5	5.4	(0.2)	5.2
Hotel/Motel	4.4	4.0	4.3	(0.2)	4.1
Utilities	4.4	4.8	4.7	(0.2)	4.5
License, Penalty & Interest	2.6	2.4	2.3	(0.1)	2.2
Subtotal	\$87.3	78.3	\$80.5	(\$2.2)	\$78.3
0.10% Public Safety	\$8.4	7.5	\$7.8	(\$0.2)	\$7.6
0.20% Transportation	16.5	14.6	15.2	(0.4)	14.8
0.20% McDowell Preserve 1995	17.0	15.2	15.6	(0.3)	15.3
0.15% McDowell Preserve 2004	12.6	11.3	12.1	(0.7)	11.4
Total	\$141.8	127.0	\$131.2	(\$3.8)	\$127.4
% Change vs. Prior Year		-10%	3%		0%

Fiscal Year-to-Date June

1.00% General Purpose	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Budget	Actual vs. Budget	
					Favorable/(Unfavorable) Amount	Percent
Rentals	\$12.5	\$11.1	\$11.7	\$11.8	(\$0.1)	-1%
Misc. Retail Stores	12.1	12.1	13.1	12.5	0.6	5%
Major Dept Stores	8.8	9.0	8.9	8.8	0.1	1%
Automotive	9.6	8.4	9.0	8.2	0.8	10%
Food Stores	6.3	6.0	6.1	6.2	(0.1)	-2%
Construction	13.5	8.2	7.6	7.8	(0.2)	-3%
Dining/Entertainment	6.9	6.8	7.3	7.0	0.3	4%
Other Taxable Activity	6.2	5.5	5.7	5.2	0.5	10%
Hotel/Motel	4.4	4.0	4.1	4.1	-	0%
Utilities	4.4	4.8	4.2	4.5	(0.3)	-7%
License, Penalty & Interest	2.6	2.4	2.4	2.2	0.2	9%
Subtotal	\$87.3	\$78.3	\$80.1	\$78.3	\$1.8	2%
0.10% Public Safety	\$8.4	\$7.5	\$7.8	\$7.6	\$0.2	2%
0.20% Transportation	16.5	14.6	15.0	14.8	0.2	1%
0.20% McDowell Preserve 1995	17.0	15.2	15.5	15.3	0.2	1%
0.15% McDowell Preserve 2004	12.6	11.3	11.7	11.4	0.3	3%
Total	\$141.8	\$127.0	\$130.1	\$127.4	\$2.7	2%
% Change vs. Prior Year		-10%	2%	0%		



Rental Sales Taxes

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

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

Miscellaneous Retail Stores Sales Taxes

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

Actual to Revised Budget variance of \$0.6 million or 5%: The favorable variance is due to retail sales increasing for electronics and clothing. There also have been some larger audit payments.

Major Department Stores Sales Taxes

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

Actual to Revised Budget variance of \$0.1 million or 1%: There has recently been a modest increase in consumer spending, particularly among higher income individuals.

Automotive Sales Taxes

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

Actual to Revised Budget variance of \$0.8 million or 10%: The favorable variance is a result of an increase in automotive sales and mirrors the nation-wide trend.

Food Stores Sales Taxes

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

Actual to Revised Budget variance of (\$0.1) million or (2%): The unfavorable variance is due to a late payment at the end of the fiscal 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 (\$0.2) million or (3%): The unfavorable variance is mostly a result of a decrease in commercial building projects. Several substantial audit payments were received in May and these helped to minimize the continuing effect of the recession.

Dining/Entertainment Sales Taxes

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

Actual to Revised Budget variance of \$0.3 million or 4%: The favorable variance is due to increased sales at restaurants and bars as well as the receipt of a large audit payment in March.

Other Taxable Activity Sales Taxes

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

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

Hotel/Motel Sales Taxes

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

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

Utilities Sales Taxes

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

Actual to Revised Budget variance of (\$0.3 million) or (7%): This was mostly due to a large refund.

License Fees, Penalty & Interest

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

Actual to Revised Budget variance of \$0.2 million or 9%: The favorable variance is due in part to interest and penalties paid on a large audit payment.