



# Financial Report Fiscal Year-to-Date As of January 2016

Report to the City Council  
Prepared by City Treasurer  
February 23, 2016



## FINANCIAL REPORT YEAR-TO-DATE JANUARY 2016

The following report is a summary of financial results for the City's General Fund (which is the primary operating fund of the City), Transportation Fund, Tourism Development Fund, major Enterprise Funds, Fleet Fund, Risk Fund and Benefits Self-Insurance Fund. The report also includes detailed information on the City's privilege (sales) tax by major category. Financial statements summarize sources and uses by major categories. Significant budget to actual variances are highlighted and explained. Additionally, the report includes a Statement of Operations for WestWorld. The statement summarizes operating revenue and expenses (before and after debt service).

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**General Fund- Summary****FY 2015/16 - GENERAL FUND**

(\$ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted vs. Revised Favorable/(Unfavorable)	
			Amount	Percent
Sources	\$263.9	\$263.9	\$0.0	0%
Uses	263.8	264.3	(0.5)	(0%)
Change in Fund Balance	\$0.1	(\$0.4)	(\$0.5)	
Beginning Fund Balance	\$46.2	\$50.3	\$4.1	
Ending Fund Balance	\$46.3	\$49.9	\$3.6	
Reserved*	\$24.6	\$24.6	\$0.0	
Contingency	\$3.0	\$2.5	(\$0.5)	
Unreserved	\$18.7	\$22.8	\$4.1	

\*General Fund Reserved equals 10% of operating expenses for the General Fund per Financial Policy No. 36.

**January 2016: Current Month and YTD**

(\$ in millions: Rounding differences may occur)

	January Actual	January Revised Budget	YTD Actuals	YTD Revised Budget	Actual vs. Budget Favorable/(Unfavorable)	
					Amount	Percent
Sources	\$26.1	\$24.1	\$156.9	\$151.1	\$5.8	4%
Uses	19.6	18.9	148.7	149.9	1.2	1%
Change in Fund Balance	\$6.5	\$5.2	\$8.2	\$1.2	\$7.0	

## Sources

(\$ in millions: Rounding differences may occur)

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
1.1% Sales Taxes	\$104.9	\$110.4	\$110.0	\$110.0
State-Shared Revenues	50.9	54.5	55.5	55.5
Property Taxes	25.3	25.5	26.0	26.0
Franchise Fees/In-Lieu Taxes	12.2	12.4	12.0	12.0
Charges for Services/Other	24.3	29.5	30.1	30.1
Building Permit Fees & Charges	14.4	14.8	14.3	14.3
Interest Earnings *	0.8	0.9	0.9	0.9
Indirect/Direct Cost Allocation	6.6	6.5	6.0	6.0
Total Revenue	\$239.4	\$254.3	\$254.8	\$254.8
Transfers In	12.5	10.0	9.1	9.1
Total Sources	\$251.9	\$264.4	\$263.9	\$263.9
% Change vs. Prior Year	-5%	5%	0%	0%

	One Month: January 2016				Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
1.1% Sales Taxes	\$10.5	\$11.1	\$11.7	\$11.2	\$0.5	4%
State-Shared Revenues	4.5	4.2	5.0	4.5	0.5	11%
Property Taxes	2.2	1.5	1.3	1.2	0.1	9%
Franchise Fees/In-Lieu Taxes	2.8	1.9	2.9	2.7	0.2	8%
Charges for Services/Other	2.9	3.3	2.4	2.3	0.1	5%
Building Permit Fees & Charges	1.2	1.1	1.2	1.1	0.1	4%
Interest Earnings *	0.1	0.4	0.6	0.1	0.5	nm
Indirect/Direct Cost Allocation	0.5	0.5	0.5	0.5	-	-
Total Revenue	\$24.9	\$24.0	\$25.6	\$23.6	\$2.0	9%
Transfers In	0.5	0.5	0.5	0.5	-	-
Total Sources	\$25.4	\$24.5	\$26.1	\$24.1	\$2.0	8%
% Change vs. Prior Year	-51%	-3%	7%	-2%		

	Fiscal Year-to-Date: January 2016				Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
1.1% Sales Taxes	\$58.4	\$61.8	\$65.2	\$62.0	\$3.2	5%
State-Shared Revenues	29.1	30.7	32.0	31.2	0.7	2%
Property Taxes	15.9	14.4	14.9	15.2	(0.4)	-2%
Franchise Fees/In-Lieu Taxes	8.4	7.3	8.4	8.1	0.3	4%
Charges for Services/Other	12.6	14.3	18.4	16.9	1.5	9%
Building Permit Fees & Charges	9.1	9.0	7.8	7.6	0.2	3%
Interest Earnings *	1.0	0.6	0.8	0.5	0.2	47%
Indirect/Direct Cost Allocation	3.8	3.8	3.5	3.5	-	-
Total Revenue	\$138.5	\$142.0	\$150.9	\$145.0	\$5.9	4%
Transfers In	4.4	5.8	6.0	6.1	-	-
Total Sources	\$142.8	\$147.8	\$156.9	\$151.1	\$5.8	4%
% Change vs. Prior Year	-12%	3%	6%	2%		

\* Beginning in September 2014, the timing when gains/losses on investments were recognized was retrospectively changed.

### Sales Taxes

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
1.00% General Purpose Sales Tax	\$95.6	\$100.6	\$100.2	\$100.2
0.10% Public Safety Sales Tax	9.3	9.8	9.8	9.8
Total General Fund Sales Taxes	\$104.9	\$110.4	\$110.0	\$110.0
% Change vs. Prior Year	7%	5%	0%	0%

	Fiscal Year-to-Date: January 2016				Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
1.00% General Purpose Sales Tax	\$53.3	\$56.3	\$59.4	\$56.5	\$2.9	5%
0.10% Public Safety Sales Tax	5.2	5.5	5.8	5.5	0.3	5%
Total General Fund Sales Taxes	\$58.4	\$61.8	\$65.2	\$62.0	\$3.2	5%
% Change vs. Prior Year	8%	6%	5%	0%		

**Actual to Revised Budget variance of \$3.2 million or 5%:**

The favorable variance is due to increases in miscellaneous retail, automotive sales, computer hardware/software wholesalers, sales from websites, as well as a large audit payment, the sale of a commercial building and the sale of two apartment complexes.

### State-Shared Revenues

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
State Shared Sales Tax	\$18.9	\$19.9	\$20.8	\$20.8
State Shared Income Tax	24.2	26.3	26.2	26.2
Auto Lieu Tax	7.8	8.3	8.6	8.6
Total State Shared Revenues	\$50.9	\$54.5	\$55.5	\$55.5
% Change vs. Prior Year	8%	7%	2%	2%

	Fiscal Year-to-Date: January 2016				Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
State Shared Sales Tax	\$10.5	\$11.0	\$11.6	\$11.5	\$0.1	1%
State Shared Income Tax	14.1	15.4	15.3	15.3	-	-
Auto Lieu Tax	4.5	4.3	5.1	4.4	0.6	14%
Total State Shared Revenues	\$29.1	\$30.7	\$32.0	\$31.2	\$0.7	2%
% Change vs. Prior Year	9%	5%	4%	2%		

**Actual to Revised Budget variance of \$0.7 million or 2%:**

The favorable variance is due to timing of receipts, which should come in as expected at year end.

**Property Taxes**

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

The unfavorable variance is due to timing of receipts, which should come in as expected at year end.

**Franchise Fees and In-Lieu Taxes**

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
Electric and Gas Franchise	\$8.2	\$8.4	\$8.3	\$8.3
Cable TV License Fee	3.7	3.7	3.4	3.4
Salt River Project Lieu Tax	0.3	0.3	0.2	0.2
<b>Total Franchise Fees/In-Lieu Taxes</b>	<b>\$12.2</b>	<b>\$12.4</b>	<b>\$12.0</b>	<b>\$12.0</b>
% Change vs. Prior Year	1%	2%	-3%	-3%

	Fiscal Year-to-Date: January 2016					Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)		
	Actual	Actual	Actual	Revised Budget	Amount	Percent	
Electric and Gas Franchise	\$6.5	\$6.3	\$6.5	\$6.3	\$0.2	3%	
Cable TV License Fee	1.8	0.9	1.8	1.7	0.2	10%	
Salt River Project Lieu Tax	0.1	0.1	0.1	0.1	-	-	
<b>Total Franchise Fees/In-Lieu Taxes</b>	<b>\$8.4</b>	<b>\$7.3</b>	<b>\$8.4</b>	<b>\$8.1</b>	<b>\$0.3</b>	<b>4%</b>	
% Change vs. Prior Year	3%	-13%	15%	10%			

**Actual to Revised Budget variance of \$0.3 million or 4%:**

The favorable variance is primarily due to aggressive cable TV campaigns to maintain or to grow market share while facing a strong competition from online TV providers.

### Charges for Services/Other

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
<i>Licenses, Permits &amp; Fees</i>				
Recreation Fees	\$3.7	\$3.9	\$3.6	\$3.6
WestWorld	3.4	4.2	5.1	5.1
Fire Service Charges	0.7	0.9	0.8	0.8
Business Licenses & Fees	1.8	1.9	1.8	1.8
<i>Fines &amp; Forfeitures</i>				
Court Fines	4.2	4.1	4.2	4.2
Photo Enforcement Revenue	1.9	2.9	2.9	2.9
Parking Fines	0.2	0.2	0.2	0.2
Library Fines & Fees	0.3	0.3	0.3	0.3
<i>Miscellaneous</i>				
Stormwater Water Quality Charge	0.9	0.9	0.9	0.9
Property Rental	2.2	2.9	3.0	3.0
Intergovernmental Revenue	1.2	1.2	1.2	1.2
Contributions/Donations	0.1	0.0	-	-
Miscellaneous	1.9	4.3	4.9	4.9
Reimbursements	1.8	1.8	1.1	1.1
<b>Total Charges for Services/Other</b>	<b>\$24.3</b>	<b>\$29.5</b>	<b>\$30.1</b>	<b>\$30.1</b>
% Change vs. Prior Year	-4%	21%	2%	2%

	Fiscal Year-to-Date: January 2016					Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)		
	Actual	Actual	Actual	Revised Budget	Amount	Percent	
<i>Licenses, Permits &amp; Fees</i>							
Recreation Fees	\$1.9	\$1.9	\$2.1	\$1.9	\$0.2	11%	
WestWorld	1.4	2.2	1.9	1.5	0.4	24%	
Fire Service Charges	0.3	0.5	0.5	0.4	-	-	
Business Licenses & Fees	1.3	1.4	1.4	1.3	-	-	
<i>Fines &amp; Forfeitures</i>							
Court Fines	2.4	2.2	2.1	2.2	(0.2)	-7%	
Photo Enforcement Revenue	0.9	1.7	2.1	1.7	0.4	24%	
Parking Fines	0.1	0.1	0.1	0.1	-	-	
Library Fines & Fees	0.2	0.2	0.2	0.2	-	-	
<i>Miscellaneous</i>							
Stormwater Water Quality Charge	0.6	0.5	0.5	0.5	-	-	
Property Rental	1.0	1.2	1.1	1.1	-	-	
Intergovernmental Revenue	0.7	0.9	0.7	0.7	-	-	
Contributions/Donations	0.0	-	-	-	-	-	
Miscellaneous	0.9	0.8	5.3	4.6	0.7	14%	
Reimbursements	0.9	0.8	0.6	0.7	(0.1)	-14%	
<b>Total Charges for Services/Other</b>	<b>\$12.6</b>	<b>\$14.3</b>	<b>\$18.4</b>	<b>\$16.9</b>	<b>\$1.5</b>	<b>9%</b>	
% Change vs. Prior Year	-6%	14%	29%	18%			

**Actual to Revised Budget variance of \$1.5 million or 9%:**

Recreation fees are trending ahead thanks to strong revenues in July, November and December. The favorable variance in WestWorld is due to rental facilities and concession fee payments received earlier than budgeted. The decline in court filings is offset by the continuing growth in Photo Enforcement. The favorable variance in Miscellaneous is primarily due to the unbudgeted sale of a DC Ranch property. The unfavorable variance in Reimbursements is mostly due to lower than anticipated jail fees collections.

### Building Permit Fees and Charges

**Actual to Revised Budget variance of \$0.2 million or 3%:**

The favorable variance is driven mainly by single family residential valuations that are higher than last year's. This is offset by a decrease in multi-family development valuations.

### Interest Earnings

**Actual to Revised Budget variance of \$0.2 million or 47%:**

The favorable variance is due mainly to higher than expected rates as well as having \$40 million more in investment funds than budgeted. The city is required to record potential gains/losses that result from changes in fair value of investments; however these may or may not materialize as it will depend on the activity in the portfolio.

### Indirect/Direct Cost Allocations

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

No explanation is necessary.

### Transfers In

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
Enterprise In Lieu Franchise Fees	\$7.0	\$6.8	\$7.2	\$7.2
Debt Stabilization	-	1.1	-	-
Tourism Development - Bed Tax	3.1	1.5	1.5	1.5
Tourism Development - WW	2.1	-	-	-
SW Gas Agreement (Excess Rev)	-	0.2	-	-
Transfers-In - CIP	-	-	-	-
Miscellaneous	-	0.1	-	-
30 Day Tow	0.3	0.4	0.4	0.4
Total Transfers In	\$12.5	\$10.0	\$9.1	\$9.1
% Change vs. Prior Year	18%	-20%	-9%	-9%

	Fiscal Year-to-Date: January 2016					Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)		
	Actual	Actual	Actual	Revised Budget	Amount	Percent	
Enterprise In Lieu Franchise Fees	\$4.2	\$4.1	\$4.3	\$4.4	(\$0.1)	-2%	
Tourism Development - Bed Tax	-	1.5	1.5	1.5	-	-	
Tourism Development - WW	0.0	-	-	-	-	-	
Transfers-In - CIP	-	-	0.0	-	-	-	
30 Day Tow	0.2	0.2	0.2	0.2	-	-	
Fire	-	-	-	-	-	-	
Total Transfers In	\$4.4	\$5.8	\$6.0	\$6.1	-	-	
% Change vs. Prior Year	-21%	33%	4%	5%			

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

No explanation is necessary.



**Uses**

(\$ in millions: Rounding differences may occur)

	Twelve Months: Fiscal Year				
	2013/14	2014/15	2015/16	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
Expenses:					
Personnel Services	\$163.6	\$169.6	\$177.8 *	\$177.8 *	\$ -
Contractual	53.3	54.1	56.6	56.6	-
Commodities	7.6	7.8	7.9	8.4	0.5
Capital Outlays	0.6	0.5	0.5	0.5	-
Total Operating Expenses	\$225.0	\$232.0	\$242.8	\$243.3	\$0.5
Debt Service & Contracts Payable	15.7	15.4	14.8	14.8	-
Transfers Out	6.3	13.0	6.2	6.2	-
Total Uses	\$247.0	\$260.3	\$263.8 *	\$264.3 *	\$0.5
% Change vs. Prior Year	-8%	5%	1%	1%	

	One Month: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget		
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	Percent	
Expenses:							
Personnel Services	\$19.1	\$19.3	\$13.6	\$13.9	\$0.3	2%	
Contractual	4.6	3.9	3.7	4.3	0.6	14%	
Commodities	0.6	0.6	0.6	0.7	0.1	17%	
Capital Outlays	-	-	-	-	-	-	
Total Operating Expenses	\$24.3	\$23.8	\$17.9	\$18.9	\$1.0	5%	
Debt Service & Contracts Payable	-	-	-	-	-	-	
Transfers Out	-	-	1.7	-	(1.7)	n/a	
Total Uses	\$24.3	\$23.8	\$19.6	\$18.9	(\$0.7)	(4%)	
% Change vs. Prior Year	-49%	-2%	-18%	-21%			

	Fiscal Year-to-Date: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget		
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	Percent	
Expenses:							
Personnel Services	\$100.5	\$103.4	\$106.7	\$107.6	\$0.9	1%	
Contractual	30.8	32.5	32.9	34.2	1.2	4%	
Commodities	3.6	4.0	3.6	4.3	0.7	17%	
Capital Outlays	0.1	0.2	0.1	0.1	-	-	
Total Operating Expenses	\$135.0	\$140.1	\$143.3	\$146.3	\$2.9	2%	
Debt Service & Contracts Payable	1.6	1.6	1.6	1.6	-	-	
Transfers Out	-	-	3.7	2.0	(1.7)	(85%)	
Total Uses	\$136.6	\$141.7	\$148.7	\$149.9	\$1.2	1%	
% Change vs. Prior Year	-15%	4%	5%	6%			

	Fiscal Year-to-Date: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget		
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	Percent	
Expenses:							
Mayor & Council and Charter Officers	\$11.0	\$11.3	\$12.6	\$12.5	(\$0.1)	(1%)	
Administrative Services	9.1	9.5	9.8	9.9	-	-	
Community & Economic Dev	14.7	14.9	14.8	15.1	0.4	2%	
Community Services	19.8	20.1	20.1	20.8	0.7	3%	
Public Safety - Fire	18.7	19.7	20.7	20.8	0.1	0%	
Public Safety - Police	51.1	54.3	55.6	56.9	1.3	2%	
Public Works	10.6	10.3	9.7	10.3	0.6	6%	
Total Operating Expenses	\$135.0	\$140.1	\$143.3	\$146.3	\$2.9	2%	

\*Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance and compensation adjustments.

<b>Personnel Services</b>					
Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Salaries and Wages	\$115.6	\$119.3	\$122.3 *	\$122.8 *	\$0.5
Overtime	7.2	8.0	7.1	7.1	-
FICA	7.9	8.1	8.5	8.4	-
Retirement	17.2	18.4	22.3	22.2	( 0.1)
Health/Dental/Miscellaneous	15.6	15.8	17.7	17.3	( 0.4)
<b>Total Personnel Services</b>	<b>\$163.6</b>	<b>\$169.6</b>	<b>\$177.8 *</b>	<b>\$177.8 *</b>	<b>\$ -</b>
% Change vs. Prior Year	4%	4%	5%	5%	

Fiscal Year-to-Date: January 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries and Wages	\$71.1	\$73.5	\$74.7	\$75.4	\$0.6	1%
Overtime	4.7	4.5	4.2	4.2	-	-
FICA	4.9	5.0	5.0	5.1	-	-
Retirement	10.6	11.3	13.0	13.0	0.1	1%
Health/Dental/Miscellaneous	9.1	9.2	9.8	9.9	0.2	2%
<b>Total Personnel Services</b>	<b>\$100.5</b>	<b>\$103.4</b>	<b>\$106.7</b>	<b>\$107.6</b>	<b>\$0.9</b>	<b>1%</b>
% Change vs. Prior Year	10%	3%	3%	4%		
Pay Periods	16	16	16			

\*Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance and compensation adjustments.

**Actual to Revised Budget variance of \$0.9 million or 1%:**

The favorable variance in Personnel Services is due primarily to savings in Full and Part-Time Wages in Community Services. The division has hired a number of new incumbents at rates less than the existing budget and has also maximized the hours worked and scheduling of part-time staff to allow for greater coverage with existing staff. There is also significant savings in both Fire and City Attorney due to retirements and existing employees promoting into positions with budget amounts that exceed their current earnings. Additionally, while Overtime has no notable variance the Fire Division is unfavorable by \$348K due to increased leave usage for staff trained in Advanced Life Support (ALS - paramedics) and during January there were 3 firefighters on light duty and another firefighter out on injured leave. This is currently being offset by the Police Division favorable by \$224K in their various Overtime lines and other smaller divisions contributing with favorable variances. Finally, the favorable variance in Retirement is related to the Police Division DROP (Deferred Retirement Option Program) Program. The City does not pay retirement for those sworn employees in the DROP program and, therefore, a retirement budget is not programmed for DROP employees. However, there was a larger number of employees than originally anticipated who entered the DROP program after the budget was adopted, so for those DROP employees their retirement budget will go unspent and a favorable variance will result.

<b>Macro Personnel Adjustments</b>					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Year-To-Date	
				Saved/(Used)	Remaining
Pay for Performance	\$2.8	\$4.6	\$3.1	(\$3.0)	\$0.1
Retirement Savings	-	-	-	0.4	0.4
Compensation Adjustments	0.6	-	-	-	-
Vacancy Savings	( 3.8)	( 3.8)	( 3.8)	2.9	( 0.9)
Vacation Leave Payouts	0.5	0.7	0.9	( 0.4)	0.5
Medical Leave Payouts	0.8	1.6	1.0	( 0.7)	0.3
<b>Total Vacancy Savings/Payouts</b>	<b>\$0.9</b>	<b>\$3.1</b>	<b>\$1.2</b>	<b>(0.8)</b>	<b>0.4</b>

**Total Saved/(Used) YTD of (\$0.8) million:**

The City has achieved \$2.9 million in vacancy savings year-to-date offset by (\$1.1) million in vacation and medical leave payouts. In July, the Citywide Pay Program was funded and implemented initiating the use of ongoing dollars for compensation. Additionally, Arizona State Retirement System (ASRS) rates were budgeted higher than the actual rates. Therefore, the ASRS budget within divisions was reduced to the actual need and the savings was placed in a macro holding account and will go unused for FY 2015/16. Similarly, for Public Safety Personnel Retirement System (PSPRS), all 3 pay periods in July were budgeted at the new year rate of 35.53% when the first pay period should have been budgeted at 28.38% so a budget transfer occurred to modify the month of July and to reduce division budgets.

**Contractual Services****Actual to Revised Budget variance of \$1.2 million or 4%:**

The favorable variance is attributable to fewer callouts for building maintenance in city buildings than was anticipated based on previous activity levels. This variance also relates to contracts that did not receive the expected invoices during this period including invoices for Public Safety and various other invoices such as computer hardware and software related updates. Although the budget for these items is in the period where staff believed the payment would exist there have been delays in the timely receipt of these and other invoices.

**Commodities****Actual to Revised Budget variance of \$0.7 million or 17%:**

The favorable variance is primarily the result of the timing and receipt of pending invoices. In certain instances budget adjustments have occurred to minimize this variance moving forward. In addition, the favorable variance is a result of various accounts, such as operating supplies, maintenance services and repair materials, education and recreation supplies, and office supplies which are difficult to budget in the appropriate period as they do not have a predictable spending pattern across all periods throughout the year.

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

No explanation is necessary.

**Debt Service & Contracts Payable**

	Twelve Months: Fiscal Year				
	2013/14	2014/15	2015/16	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
MPC Excise Debt Fund	\$12.8	\$12.6	\$11.9	\$11.9	\$ -
Contracts Payable	0.3	0.3	0.3	0.3	-
COP - Radio Financing	2.5	2.5	2.5	2.5	-
Debt Service & Contracts Payable	\$15.7	\$15.4	\$14.8	\$14.8	\$ -
% Change vs. Prior Year	4%	-2%	-4%	-4%	

	Fiscal Year-to-Date: January 2016					
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	Percent
MPC Excise Debt Fund	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contracts Payable	0.3	0.3	0.3	0.3	-	-
COP - Radio Financing	1.3	1.3	1.3	1.3	-	-
Debt Service & Contracts Payable	\$1.6	\$1.6	\$1.6	\$1.6	\$ -	-
% Change vs. Prior Year	-95%	0%	0%	0%		

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

No explanation is necessary.

**Transfers-Out**

	Twelve Months: Fiscal Year				
	2013/14	2014/15	2015/16	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget	Approved Adjustments
CIP - Stadium	\$0.1	\$0.1	\$0.1	\$0.1	\$ -
CIP - PAYGO	5.8	12.8	6.1	6.1	-
Healthcare - Disabled and Retiree	-	-	-	-	-
Spec Pgms Fund - Planning & Dev	0.1	0.1	0.1	0.1	-
Grants Fund - CDBG	0.4	-	-	-	-
Total Transfers Out	\$6.3	\$13.0	\$6.2	\$6.2	\$ -
% Change vs. Prior Year	-28%	nm	-52%	-52%	

	Fiscal Year-to-Date: January 2016					
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	Percent
CIP - Stadium	\$ -	\$ -	\$ -	\$ -	\$ -	-
CIP - PAYGO	-	-	2.7	2.0	( 0.7)	(35%)
Healthcare - Disabled and Retiree	-	-	1.0	-	( 1.0)	nm
Spec Pgms Fund - Planning & Dev	-	-	-	-	-	-
Grants Fund - CDBG	-	-	-	-	-	-
Total Transfers Out	\$ -	\$ -	\$3.7	\$2.0	(\$1.7)	(85%)
% Change vs. Prior Year	-100%	0%	0%	0%		

**Actual to Revised Budget variance of (\$1.7) million or (85%):**

The City Council approved Resolution 10336 on January 23, 2016 authorizing the transfer of approximately \$1.0 million from the General Fund to the Benefits Self Insurance Fund. This is to reimburse the Fund for health related expenditures which accumulated due to offering coverage to retirees in previous years. A portion is also related to offering ongoing health benefits to disabled public safety retirees. The amounts above are the General Fund's proportional share and the approximately \$300K related to disabled retirees is approved to be ongoing into future years. Additionally, there was a sale of City Property per Council Resolution 10271 on December 2, 2015. These proceeds while collected in the General Fund were transferred to the Capital Improvement Program (CIP).

<b>FY 2015/16 - TRANSPORTATION FUND</b>				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$35.1	\$35.1	\$ -	-
Uses	39.1	39.1	-	-
Change in Fund Balance	(\$4.0)	(\$4.0)	\$ -	
Beginning Fund Balance	\$9.2	\$10.5	\$1.3	
Ending Fund Balance	<u>\$5.1</u>	<u>\$6.4</u>	<u>\$1.3</u>	
Reserved*	\$2.6	\$2.6	\$ -	
Unreserved Fund Balance	2.1	3.4	1.3	
Contingency	0.5	0.5	-	
Ending Fund Balance	<u>\$5.1</u>	<u>\$6.4</u>	<u>\$1.3</u>	

\* Transportation Fund Stabilization Reserve equals 10% of operating expenses per Financial Policy No. 35.

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
HURF Taxes	\$12.3	\$13.5	\$13.6	\$13.6	\$ -
0.20% City Sales Tax	18.1	19.1	19.0	19.0	-
Other	2.3	1.7	2.5	2.5	-
Total Revenues	<u>\$32.7</u>	<u>\$34.3</u>	<u>\$35.1</u>	<u>\$35.1</u>	<u>\$ -</u>
Transfers In	-	-	-	-	-
Total Sources	<u>\$32.7</u>	<u>\$34.3</u>	<u>\$35.1</u>	<u>\$35.1</u>	<u>\$ -</u>
% Change vs. Prior Year	1%	5%	2%	2%	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	\$5.4	\$5.7	\$6.0 **	\$6.0 **	\$ -
Contractual	15.7	17.3	18.4	18.4	-
Commodities	0.8	0.9	0.9	0.9	-
Capital Outlays	-	-	0.3	0.3	-
Total Operating Expenses	<u>\$21.9</u>	<u>\$23.9</u>	<u>\$25.6</u>	<u>\$25.6</u>	<u>\$ -</u>
Transfers Out					
CIP Fund	9.1	9.6	13.6	13.6	-
Total Uses	<u>\$31.0</u>	<u>\$33.5</u>	<u>\$39.1</u> **	<u>\$39.1</u> **	<u>\$ -</u>
% Change vs. Prior Year	6%	8%	17%	17%	

\*\*Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance and compensation adjustments.

**January 2016: Current Month and YTD**  
 (\$ in millions: Rounding differences may occur)

	January <u>Actual</u>	January Revised <u>Budget</u>	YTD <u>Actual</u>	YTD Revised <u>Budget</u>	Actual Favorable / <u>Amount</u>	vs. Budget (Unfavorable) <u>Percent</u>
Sources	\$3.2	\$3.8	\$19.8	\$19.8	\$0.1	0%
Uses	1.7	2.2	13.1	13.9	0.9	6%
Change in Fund Balance	<u>\$1.5</u>	<u>\$1.6</u>	<u>\$6.7</u>	<u>\$5.8</u>	<u>\$0.9</u>	

One Month: January 2016

	2013/14 <u>Actual</u>	2014/15 <u>Actual</u>	2015/16 <u>Actual</u>	2015/16 Revised <u>Budget</u>	Actual Favorable / <u>Amount</u>	vs. Budget (Unfavorable) <u>Percent</u>
Revenues:						
HURF Taxes	\$1.0	\$1.1	\$1.1	\$1.1	\$ -	-
0.20% City Sales Tax	1.8	1.9	2.0	1.9	0.1	3%
Other	-	-	0.1	0.7	( 0.6)	-91%
Total Revenues	<u>\$2.8</u>	<u>\$3.0</u>	<u>\$3.2</u>	<u>\$3.8</u>	<u>(\$0.6)</u>	<u>-15%</u>
Transfers In	-	-	-	-	-	-
Total Sources	<u>\$2.8</u>	<u>\$3.0</u>	<u>\$3.2</u>	<u>\$3.8</u>	<u>(\$0.6)</u>	<u>-15%</u>
% Change vs. Prior Year	<u>-7%</u>	<u>7%</u>	<u>6%</u>	<u>25%</u>		

Fiscal Year-to-Date: January 2016

	2013/14 <u>Actual</u>	2014/15 <u>Actual</u>	2015/16 <u>Actual</u>	2015/16 Revised <u>Budget</u>	Actual Favorable / <u>Amount</u>	vs. Budget (Unfavorable) <u>Percent</u>
Revenues:						
HURF Taxes	\$6.8	\$7.4	\$7.8	\$7.9	(\$0.1)	-1%
0.20% City Sales Tax	10.0	10.7	11.2	10.7	0.5	5%
Other	0.8	0.8	0.8	1.2	( 0.4)	-31%
Total Revenues	<u>\$17.6</u>	<u>\$18.8</u>	<u>\$19.8</u>	<u>\$19.8</u>	<u>\$0.1</u>	<u>0%</u>
Transfers In	-	-	-	-	-	-
Total Sources	<u>\$17.6</u>	<u>\$18.8</u>	<u>\$19.8</u>	<u>\$19.8</u>	<u>\$0.1</u>	<u>0%</u>
% Change vs. Prior Year	<u>0%</u>	<u>7%</u>	<u>5%</u>	<u>5%</u>		

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

The unfavorable variance in HURF Taxes is due to lower than expected gas prices. The favorable variance in 0.20% City Sales Tax is driven by higher than expected collections. See Appendix 1 for a detailed breakdown of Sales Tax by category. The unfavorable variance in Other is due to the timing of receipts of Arizona Lottery funds thru Valley Metro.

One Month: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual	vs. Budget
	Actual	Actual	Actual	Revised	Favorable /	(Unfavorable)
				Budget	Amount	Percent
Expenses:						
Personnel Services	\$0.7	\$0.7	\$0.5	\$0.5	\$ -	-
Contractual	1.1	1.3	1.0	1.6	0.6	36%
Commodities	0.1	-	0.1	0.1	-	-
Capital Outlays	-	-	-	-	-	-
Total Operating Expenses	\$2.0	\$2.1	\$1.6	\$2.2	\$0.6	26%
Transfers Out						
CIP Fund	-	-	-	-	-	-
Total Uses	\$2.0	\$2.1	\$1.7	\$2.2	\$0.5	24%
% Change vs. Prior Year	0%	7%	(19%)	6%		

Fiscal Year-to-Date: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual	vs. Budget
	Actual	Actual	Actual	Revised	Favorable /	(Unfavorable)
				Budget	Amount	Percent
Expenses:						
Personnel Services	\$3.4	\$3.6	\$3.8	\$3.8	\$ -	-
Contractual	8.2	8.5	8.7	9.4	0.8	8%
Commodities	0.4	0.5	0.4	0.5	0.1	15%
Capital Outlays	-	-	0.2	0.2	-	-
Total Operating Expenses	\$12.1	\$12.7	\$13.0	\$13.9	\$0.9	7%
Transfers Out						
CIP Fund	-	-	0.1	-	( 0.1)	n/a
Total Uses	\$12.1	\$12.7	\$13.1	\$13.9	\$0.9	6%
% Change vs. Prior Year	14%	5%	3%	10%		

**Actual to Revised Budget variance of \$0.9 million or 6%:**

The favorable variance in Contractual is being driven largely by timing with the various transportation contracts and receipt of invoices for these services. The favorable variance in Commodities is due to savings in operating supplies and maintenance of equipment.

<b>FY 2015/16 - TOURISM DEVELOPMENT FUND</b>				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$18.5	\$18.5	\$ -	-
Uses	17.3	17.3	-	-
Change in Fund Balance	<u>\$1.3</u>	<u>\$1.3</u>	<u>\$ -</u>	
Beginning Fund Balance	\$6.9	\$9.5	\$2.6	
Ending Fund Balance	<u><u>\$8.1</u></u>	<u><u>\$10.8</u></u>	<u><u>\$2.6</u></u>	
Operating Contingency	\$2.5	\$2.5	\$ -	
Unreserved Fund Balance	5.6	8.3	2.6	
Ending Fund Balance	<u><u>\$8.1</u></u>	<u><u>\$10.8</u></u>	<u><u>\$2.6</u></u>	

Twelve Months: Fiscal Year					
	2013/14 <u>Actual</u>	2014/15 <u>Actual</u>	2015/16 <u>Adopted Budget</u>	2015/16 <u>Revised Budget</u>	2015/16 <u>Approved Adjustments</u>
Revenues:					
Bed Taxes	\$15.3	\$16.9	\$16.9	\$16.9	\$ -
Miscellaneous Revenue	-	0.2	-	-	-
Princess Hotel Lease	1.7	1.8	1.6	1.6	-
Total Revenues	<u>\$17.0</u>	<u>\$18.9</u>	<u>\$18.5</u>	<u>\$18.5</u>	<u>\$ -</u>
Transfers In	0.1	-	-	-	-
Transfers In - CIP	-	0.1	-	-	-
Total Sources	<u>\$17.1</u>	<u>\$18.9</u>	<u>\$18.5</u>	<u>\$18.5</u>	<u>\$ -</u>
% Change vs. Prior Year	-7%	10%	-2%	-2%	

Twelve Months: Fiscal Year					
	2013/14 <u>Actual</u>	2014/15 <u>Actual</u>	2015/16 <u>Adopted Budget</u>	2015/16 <u>Revised Budget</u>	2015/16 <u>Approved Adjustments</u>
Expenses:					
Marketing (CVB)	\$7.7	\$8.5	\$8.5	\$8.5	\$ -
Events & Event Development	1.1	1.9	2.2	2.2	-
Downtown Trolley	-	-	0.3	0.3	-
Hospitality Trolley	0.1	0.2	-	-	-
Admin/Research	0.4	1.2	0.5	0.5	-
Mayor and City Council	-	0.1	0.1	0.1	-
Capital Outlays	-	-	0.5	0.5	-
Total Operating Expenses	<u>\$9.3</u>	<u>\$11.9</u>	<u>\$12.0</u>	<u>\$12.0</u>	<u>\$ -</u>
Transfers Out					
CIP	0.2	2.2	0.2	0.2	-
Debt Service	1.8	2.7	3.6	3.6	-
General Fund	3.7	1.5	1.5	1.5	-
Total Uses	<u>\$15.1</u>	<u>\$18.3</u>	<u>\$17.3</u>	<u>\$17.3</u>	<u>\$ -</u>
% Change vs. Prior Year	34%	22%	-6%	-6%	

**January 2016: Current Month and YTD**  
 (\$ in millions: Rounding differences may occur)

	January Actual	January Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sources	\$1.3	\$1.3	\$7.7	\$7.7	\$0.1	1%
Uses	2.8	0.9	9.5	7.3	( 2.2)	-31%
Change in Fund Balance	(\$1.5)	\$0.5	(\$1.8)	\$0.4	(\$2.2)	

One Month: January 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Revenues:						
Bed Taxes	\$1.0	\$1.0	\$1.1	\$1.1	\$ -	-
Miscellaneous Revenue	-	-	-	-	-	-
Princess Hotel Lease	0.3	0.4	0.2	0.2	-	-
Total Revenues	\$1.3	\$1.5	\$1.3	\$1.3	\$ -	-
Transfers In	-	-	-	-	-	-
Transfers In - CIP	-	-	-	-	-	-
Total Sources	\$1.3	\$1.5	\$1.3	\$1.3	\$ -	-
% Change vs. Prior Year	20%	15%	-10%	-10%		

Fiscal Year-to-Date: January 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Revenues:						
Bed Taxes	\$6.2	\$6.7	\$6.9	\$6.8	\$0.1	2%
Miscellaneous Revenue	-	-	-	-	-	-
Princess Hotel Lease	0.9	1.1	0.8	0.9	( 0.1)	-6%
Total Revenues	\$7.1	\$7.8	\$7.7	\$7.7	\$0.1	1%
Transfers In	-	-	-	-	-	-
Transfers In - CIP	-	0.1	-	-	-	-
Total Sources	\$7.1	\$7.8	\$7.7	\$7.7	\$0.1	1%
% Change vs. Prior Year	-23%	11%	-1%	-2%		

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

The favorable variance in Bed Taxes revenue is due to normal business fluctuations. The unfavorable variance in the Princess Hotel Lease is due to timing.



One Month: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable)	(Unfavorable)
Expenses:					Amount	Percent
Marketing (CVB)	\$0.6	\$0.7	\$0.7	\$0.7	\$ -	-
Events & Event Development	-	0.1	0.1	0.1	-	-
Downtown Trolley	-	-	-	-	-	-
Hospitality Trolley	-	-	-	-	-	-
Admin/Research	-	0.1	-	-	-	-
Mayor and City Council	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$0.6</b>	<b>\$0.8</b>	<b>\$0.9</b>	<b>\$0.9</b>	<b>\$ -</b>	<b>-</b>
Transfers Out						
CIP	-	( 1.9)	1.7	-	( 1.7)	n/a
Debt Service	-	-	0.2	-	( 0.2)	n/a
General Fund	-	-	-	-	-	-
<b>Total Uses</b>	<b>\$0.6</b>	<b>(\$1.1)</b>	<b>\$2.8</b>	<b>\$0.9</b>	<b>(\$1.9)</b>	<b>nm</b>
<b>% Change vs. Prior Year</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>		

Fiscal Year-to-Date: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable)	(Unfavorable)
Expenses:					Amount	Percent
Marketing (CVB)	\$4.1	\$4.6	\$4.9	\$4.9	\$ -	-
Events & Event Development	0.7	0.7	0.8	0.4	( 0.4)	-89%
Downtown Trolley	-	-	0.1	0.2	0.1	38%
Hospitality Trolley	-	-	-	-	-	-
Admin/Research	0.2	0.2	0.2	0.2	-	-
Mayor and City Council	-	0.1	0.1	0.1	-	-
Capital Outlays	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$5.0</b>	<b>\$5.6</b>	<b>\$6.1</b>	<b>\$5.8</b>	<b>(\$0.3)</b>	<b>-5%</b>
Transfers Out						
CIP	0.2	2.2	1.7	-	( 1.7)	n/a
Debt Service	-	-	0.2	-	( 0.2)	n/a
General Fund	-	1.5	1.5	1.5	-	-
<b>Total Uses</b>	<b>\$5.2</b>	<b>\$9.3</b>	<b>\$9.5</b>	<b>\$7.3</b>	<b>(\$2.2)</b>	<b>-31%</b>
<b>% Change vs. Prior Year</b>	<b>-2%</b>	<b>80%</b>	<b>2%</b>	<b>-22%</b>		

**Actual to Revised Budget variance of (\$2.2) million or (31%):**

Both variances for Events & Event Development and Downtown Trolley are due to timing. The unfavorable variance in Transfers Out CIP is due to the unbudgeted transfer for the Desert Discovery Center business plan and feasibility analysis approved by Council per Resolution 10261. The unfavorable variance in Transfers Out Debt Service is due to timing for the MPC 2015 Debt service related to the Museum of the West that was budgeted for a later period.

<b>FY 2015/16 - WATER AND WATER RECLAMATION FUNDS</b>				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$163.5	\$163.5	\$ -	-
Uses	160.5	160.5	-	-
Change in Fund Balance	\$3.0	\$3.0	\$ -	
Beginning Fund Balance	\$63.0	\$90.0	\$27.0	
Ending Fund Balance	<u>\$65.9</u>	<u>\$93.0</u>	<u>\$27.0</u>	
60 to 90 Day Operating Reserve	\$15.0	\$15.0	\$ -	
Repair/Replacement Reserve	38.2	38.2	-	
Revenue Bond Debt Reserve	4.6	4.6	-	
Special Contractual	8.1	8.1	-	
Unreserved Fund Balance	-	27.0	27.0	
Ending Fund Balance	<u>\$65.9</u>	<u>\$93.0</u>	<u>\$27.0</u>	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Water Service Charges	\$90.1	\$85.6	\$92.2	\$92.2	\$ -
Water Reclamation Charges	38.4	38.7	39.2	39.2	-
Non-Potable Water Fees	10.9	11.4	12.6	12.6	-
Stormwater Charges Fee	-	-	0.1	0.1	-
Interest Earnings <sup>a</sup>	0.5	0.5	0.6	0.6	-
Miscellaneous Revenue	1.8	2.1	1.8	1.8	-
Department Indirect Cost Allocation	-	-	0.9	0.9	-
Total Revenues	<u>\$141.7</u>	<u>\$138.3</u>	<u>\$147.4</u>	<u>\$147.4</u>	<u>\$ -</u>
Transfers In	16.9	16.1	16.1	16.1	-
Bond Proceeds	-	-	-	-	-
Total Sources	<u>\$158.6</u>	<u>\$154.4</u>	<u>\$163.5</u>	<u>\$163.5</u>	<u>\$ -</u>
% Change vs. Prior Year	2%	-3%	6%	6%	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	\$17.4	\$18.1	\$19.3	\$19.3	\$ -
Contractual	25.1	26.9	30.7	30.7	-
Commodities	24.2	21.8	27.6	27.6	-
Capital Outlays	0.3	-	0.1	0.1	-
Indirect/Direct Charges	5.0	4.9	4.4	4.4	-
Department Indirect Cost Allocation	-	-	0.9	0.9	-
Total Operating Expenses	<u>\$72.1</u>	<u>\$71.7</u>	<u>\$83.1</u>	<u>\$83.1</u>	<u>\$ -</u>
Debt Service & Contracts Payable	28.8	28.4	29.9	29.9	-
Transfers Out					
CIP Fund	49.5	27.3	40.3	40.3	-
Franchise Fees	7.0	6.8	7.2	7.2	-
Total Uses	<u>\$157.3</u>	<u>\$134.1</u>	<u>\$160.5</u>	<u>\$160.5</u>	<u>\$ -</u>
% Change vs. Prior Year	3%	-15%	20%	20%	

<sup>a</sup> In FY 2014/15, the timing when gains/losses on investments were recognized was retrospectively changed, which affects prior periods.

January 2016: Current Month and YTD (\$ in millions: Rounding differences may occur)						
	January Actual	January Revised Budget	YTD Actual	YTD Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Sources	\$10.5	\$25.1	\$89.3	\$105.0	(\$15.7)	(15%)
Uses	5.9	7.2	55.0	59.1	4.1	7%
Change in Fund Balance	\$4.6	\$17.9	\$34.3	\$45.9	(\$11.6)	

One Month: January 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Water Service Charges	\$5.7	\$5.8	\$6.0	\$5.9	\$0.1	1%
Water Reclamation Charges	3.2	3.2	3.3	3.2	0.1	2%
Non-Potable Water Fees	0.6	0.4	0.6	0.6	-	-
Stormwater Charges Fee	-	-	-	-	-	-
Interest Earnings <sup>a</sup>	0.1	0.3	0.4	0.1	0.4	nm
Miscellaneous Revenue	0.1	-	0.1	0.1	-	-
Department Indirect Cost Allocation	-	-	-	-	-	-
Total Revenues	\$9.7	\$9.7	\$10.4	\$9.8	\$0.5	5%
Transfers In	0.1	0.1	0.1	15.3	( 15.2)	-100%
Bond Proceeds	-	-	-	-	-	-
Total Sources	\$9.8	\$9.8	\$10.5	\$25.1	(\$14.7)	-58%
% Change vs. Prior Year	4%	0%	7%	nm		

Fiscal Year-to-Date: January 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Water Service Charges	\$56.1	\$53.9	\$56.5	\$57.1	(\$0.6)	-1%
Water Reclamation Charges	22.3	22.4	22.6	22.3	0.3	1%
Non-Potable Water Fees	6.3	6.0	7.4	7.7	( 0.3)	-4%
Stormwater Charges Fee	-	-	0.1	0.1	-	-
Interest Earnings	0.7	0.4	0.5	0.4	0.1	31%
Miscellaneous Revenue	0.9	0.8	1.6	0.7	0.9	nm
Department Indirect Cost Allocation	-	-	-	0.9	( 0.9)	-100%
Total Revenues	\$86.3	\$83.4	\$88.7	\$89.3	(\$0.5)	-1%
Transfers In	0.5	0.5	0.5	15.7	( 15.2)	-97%
Bond Proceeds	-	-	-	-	-	-
Total Sources	\$86.8	\$84.0	\$89.3	\$105.0	(\$15.7)	-15%
% Change vs. Prior Year	0%	-3%	6%	25%		

<sup>a</sup> In FY 2014/15, the timing when gains/losses on investments were recognized was retrospectively changed, which affects prior periods.

**Actual vs Revised Budget variance of (\$15.7) million or (15%):**

The unfavorable variance for Water Service Charges is a result of lower than forecasted water sales. The favorable variance for Water Reclamation Charges is driven by higher than forecasted water deliveries in the winter period. The unfavorable variance for Non-Potable Water Fees is driven by lower New Groundwater Treatment Facility activity than projected and water blend; Reverse Osmosis water deliveries are lower than forecast. The favorable variance for Interest Earnings is a result of change in fair value of investments. The favorable variance for Miscellaneous Revenue is driven by an unforecasted vendor reimbursement. The unfavorable variance for Department Indirect Cost Allocation is due to timing and offset of the same allocation on the expense side. The unfavorable variance for Transfers In is a result of postponed debt service transfers in slated for February.

One Month: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
Expenses:	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	Favorable / (Unfavorable)	(Unfavorable)
					Amount	Percent
Personnel Services	\$2.0	\$2.2	\$1.5	\$1.5	-	-
Contractual	2.0	2.0	1.4	2.9	1.5	52%
Commodities	2.0	2.4	2.1	1.9	(0.1)	-7%
Capital Outlays	-	-	-	-	-	-
Indirect/Direct Charges	0.4	0.4	0.4	0.4	-	-
Department Indirect Cost Allocation	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$6.4</b>	<b>\$7.0</b>	<b>\$5.3</b>	<b>\$6.7</b>	<b>\$1.4</b>	<b>21%</b>
Debt Service & Contracts Payable	-	-	-	-	-	-
Transfers Out						
CIP Fund	-	-	0.1	-	(0.1)	n/a
Franchise Fees	0.5	0.5	0.5	0.5	-	-
<b>Total Uses</b>	<b>\$6.9</b>	<b>\$7.5</b>	<b>\$5.9</b>	<b>\$7.2</b>	<b>\$1.3</b>	<b>18%</b>
<b>% Change vs. Prior Year</b>	<b>3%</b>	<b>9%</b>	<b>-21%</b>	<b>-4%</b>		

Fiscal Year-to-Date: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
Expenses:	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	Favorable / (Unfavorable)	(Unfavorable)
					Amount	Percent
Personnel Services	\$10.8	\$11.1	\$11.6	\$11.7	\$0.1	1%
Contractual	13.6	14.4	13.8	16.6	2.9	17%
Commodities	13.6	13.4	15.1	15.3	0.2	2%
Capital Outlays	0.1	-	-	-	-	-
Indirect/Direct Charges	2.9	2.8	2.6	2.6	-	-
Department Indirect Cost Allocation	-	-	-	0.9	0.9	100%
<b>Total Operating Expenses</b>	<b>\$41.0</b>	<b>\$41.8</b>	<b>\$43.0</b>	<b>\$47.2</b>	<b>\$4.1</b>	<b>9%</b>
Debt Service & Contracts Payable	7.9	7.6	7.6	7.6	-	-
Transfers Out						
Operating	-	0.1	0.1	-	(0.1)	n/a
Franchise Fees	4.2	4.1	4.3	4.4	0.1	2%
<b>Total Uses</b>	<b>\$53.1</b>	<b>\$53.5</b>	<b>\$55.0</b>	<b>\$59.1</b>	<b>\$4.1</b>	<b>7%</b>
<b>% Change vs. Prior Year</b>	<b>4%</b>	<b>1%</b>	<b>3%</b>	<b>10%</b>		

**Actual vs Revised Budget variance of \$4.1 million or 7%:**

The favorable variance for Personnel Services is driven by unused allowance for part-time wages. The favorable variance for Contractual is driven by lower than forecasted expenses for equipment maintenance, other professional services, and the timing for an electricity payment. The favorable variance for Commodities is driven by less treatment chemical expense and the budget spread for treatment filter media. The favorable variance for Department Indirect Cost Allocation is due to the timing; and offset by the same allocation on the revenue side. The favorable variance for Franchise Fees is driven by less revenue received than forecasted.

<b>FY 2015/16 - AVIATION FUND</b>				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$4.0	\$4.0	\$ -	-
Uses	3.0	3.0	-	-
Change in Fund Balance	<u>\$1.1</u>	<u>\$1.1</u>	<u>\$ -</u>	
Beginning Fund Balance	\$6.9	\$5.8	(\$1.1)	
Ending Fund Balance	<u><u>\$7.9</u></u>	<u><u>\$6.9</u></u>	<u><u>(\$1.1)</u></u>	
60 to 90 Day Operating Reserve	\$0.7	\$0.7	\$ -	
Fleet Replacement Reserve	1.6	1.6	-	
Repair/Replacement Reserve	1.1	1.1	-	
Unreserved	4.5	3.4	( 1.1)	
Ending Fund Balance	<u><u>\$7.9</u></u>	<u><u>\$6.9</u></u>	<u><u>(\$1.1)</u></u>	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Aviation Fees	\$3.5	\$3.8	\$3.6	\$3.6	\$ -
Interest Earnings <sup>a</sup>	0.1	-	-	-	-
Privilege and Use Tax – Jet Fuel	0.2	0.2	0.2	0.2	-
Miscellaneous Revenue	0.1	0.1	0.1	0.1	-
Total Revenues	<u>\$3.8</u>	<u>\$4.1</u>	<u>\$3.9</u>	<u>\$3.9</u>	<u>\$ -</u>
Transfers In	0.8	0.1	-	-	-
Transfers In - CIP	1.1	0.4	0.1	0.1	-
Total Sources	<u><u>\$5.7</u></u>	<u><u>\$4.7</u></u>	<u><u>\$4.0</u></u>	<u><u>\$4.0</u></u>	<u><u>\$ -</u></u>
% Change vs. Prior Year	52%	-18%	-13%	-13%	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	\$1.1	\$1.1	\$1.2	\$1.2	\$ -
Contractual	0.7	0.7	0.9	0.9	-
Commodities	0.1	0.1	0.1	0.1	-
Capital Outlays	-	-	-	-	-
Indirect/Direct Charges	0.5	0.5	0.5	0.5	-
Total Operating Expenses	<u>\$2.3</u>	<u>\$2.4</u>	<u>\$2.6</u>	<u>\$2.6</u>	<u>\$ -</u>
Debt Service & Contracts Payable	-	-	0.4	0.4	-
Transfers Out					
CIP Fund	1.1	2.1	-	-	-
Total Uses	<u><u>\$3.4</u></u>	<u><u>\$4.5</u></u>	<u><u>\$3.0</u></u>	<u><u>\$3.0</u></u>	<u><u>\$ -</u></u>
% Change vs. Prior Year	-46%	32%	-34%	-34%	

<sup>a</sup> In FY 2014/15, the timing when gains/losses on investments were recognized was retrospectively changed, which affects prior periods.

**January 2016: Current Month and YTD**

(\$ in millions: Rounding differences may occur)

	January Actual	January Revised Budget	YTD Actual	YTD Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Sources	\$0.5	\$0.3	\$2.1	\$2.1	\$ -	-
Uses	0.2	0.3	1.3	1.7	0.3	19%
Change in Fund Balance	\$0.2	\$ -	\$0.7	\$0.4	\$0.3	

**One Month: January 2016**

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Aviation Fees	\$0.3	\$0.3	\$0.4	\$0.3	\$0.1	35%
Privilege and Use Tax – Jet Fuel	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Total Revenues	\$0.3	\$0.4	\$0.5	\$0.3	\$0.1	37%
Transfers In	-	-	-	-	-	-
Transfers In - CIP	-	0.4	-	-	-	-
Total Sources	\$0.3	\$0.8	\$0.5	\$0.3	\$0.1	37%
% Change vs. Prior Year	0%	nm	-42%	-58%		

**Fiscal Year-to-Date: January 2016**

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Aviation Fees	\$1.8	\$2.0	\$1.9	\$1.9	\$ -	-
Privilege and Use Tax – Jet Fuel	0.1	0.1	0.1	0.1	-	-
Miscellaneous Revenue	0.1	0.1	0.1	0.1	-	-
Total Revenues	\$2.0	\$2.2	\$2.1	\$2.1	\$ -	-
Transfers In	0.8	-	-	-	-	-
Transfers In - CIP	-	0.4	-	-	-	-
Total Sources	\$2.8	\$2.6	\$2.1	\$2.1	\$ -	-
% Change vs. Prior Year	50%	-6%	-20%	-20%		

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

No explanation is necessary.

One Month: January 2016						
Expenses:	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Personnel Services	\$0.1	\$0.1	\$0.1	\$0.1	\$ -	-
Contractual	0.1	0.1	0.1	0.2	0.1	46%
Commodities	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Indirect/Direct Charges	-	-	-	-	-	-
Total Operating Expenses	\$0.2	\$0.2	\$0.2	\$0.3	\$0.1	28%
Debt Service & Contracts Payable	-	-	-	-	-	-
Transfers Out						
CIP Fund	-	2.1	-	-	-	-
Total Uses	\$0.2	\$2.4	\$0.2	\$0.3	\$0.1	27%
% Change vs. Prior Year	0%	nm	-91%	-87%		

Fiscal Year-to-Date: January 2016						
Expenses:	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Personnel Services	\$0.7	\$0.7	\$0.7	\$0.7	\$0.1	9%
Contractual	0.3	0.4	0.4	0.6	0.2	36%
Commodities	-	-	-	0.1	-	-
Capital Outlays	-	-	-	-	-	-
Indirect/Direct Charges	0.2	0.3	0.3	0.3	-	-
Total Operating Expenses	\$1.3	\$1.4	\$1.3	\$1.7	\$0.3	20%
Debt Service & Contracts Payable	-	-	-	-	-	-
Transfers Out						
CIP Fund	-	2.1	-	-	-	-
Total Uses	\$1.3	\$3.5	\$1.3	\$1.7	\$0.3	19%
% Change vs. Prior Year	0%	nm	-61%	-52%		

**Actual vs Revised Budget variance of \$0.3 million or 19%:**

The favorable variance in Personnel Services is driven by lower full time wages and benefit expense than projected. The favorable variance in Contractual is driven by the Airport quarterly payment to the U.S. Customs being less than projected.

**FY 2015/16 - SOLID WASTE FUND**  
(\$ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$22.0	\$22.0	\$ -	-
Uses	23.5	23.5	-	-
Change in Fund Balance	(\$1.5)	(\$1.5)	\$ -	
Beginning Fund Balance	\$10.5	\$10.6	\$0.1	
Ending Fund Balance	\$9.0	\$9.1	\$0.1	
60 to 90 Day Operating Reserve	\$5.8	\$5.8	\$ -	
Unreserved Fund Balance	3.2	3.3	0.1	
Ending Fund Balance	\$9.0	\$9.1	\$0.1	

	Twelve Months: Fiscal Year				
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Solid Waste Charges	\$20.2	\$20.2	\$20.0	\$20.0	\$ -
Interest Earnings <sup>a</sup>	0.1	0.1	0.1	0.1	-
Miscellaneous Revenue <sup>b</sup>	-	(0.5)	-	-	-
Total Revenues	\$20.2	\$19.8	\$20.1	\$20.1	\$ -
Transfers In	-	-	-	-	-
Transfers In - CIP	0.8	-	1.9	1.9	-
Total Sources	\$21.0	\$19.8	\$22.0	\$22.0	\$ -
% Change vs. Prior Year	3%	-6%	11%	11%	

	Twelve Months: Fiscal Year				
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	\$6.7	\$7.1	\$7.0	\$7.0	\$ -
Contractual	10.7	11.1	12.0	12.0	-
Commodities	0.7	0.8	0.7	0.7	-
Capital Outlays	-	-	0.1	0.1	-
Indirect/Direct Charges	1.6	1.6	1.6	1.6	-
Total Operating Expenses	\$19.7	\$20.7	\$21.4	\$21.4	\$ -
Transfers Out					
CIP Fund	1.7	0.1	2.1	2.1	-
Total Uses	\$21.4	\$20.8	\$23.5	\$23.5	\$ -
% Change vs. Prior Year	12%	-3%	13%	13%	

<sup>a</sup> In FY 2014/15, the timing when gains/losses on investments were recognized was retrospectively changed, which affects prior periods.

<sup>b</sup> In FY 2014/15, the negative revenue is due to an asset loss for recycling barrels that were retired out of service, but were not completely depreciated.



## January 2016: Current Month and YTD

(\$ in millions: Rounding differences may occur)

	January Actual	January Revised Budget	YTD Actual	YTD Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Sources	\$1.7	\$1.7	\$11.8	\$11.7	\$0.1	1%
Uses	1.7	1.7	11.9	12.4	0.4	3%
Change in Fund Balance	\$ -	\$ -	(\$0.1)	(\$0.6)	\$0.5	

## One Month: January 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Solid Waste Charges	\$1.7	\$1.7	\$1.7	\$1.7	\$ -	-
Interest Earnings <sup>a</sup>	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Total Revenues	\$1.7	\$1.7	\$1.7	\$1.7	\$ -	-
Transfers In	-	-	-	-	-	-
Transfers In - CIP	-	-	-	-	-	-
Total Sources	\$1.7	\$1.7	\$1.7	\$1.7	\$ -	-
% Change vs. Prior Year	0%	4%	0%	-4%		

## Fiscal Year-to-Date: January 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Solid Waste Charges	\$11.8	\$11.9	\$11.8	\$11.7	\$0.1	1%
Interest Earnings <sup>a</sup>	0.1	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Total Revenues	\$11.9	\$11.9	\$11.8	\$11.7	\$0.1	1%
Transfers In	-	-	-	-	-	-
Transfers In - CIP	-	-	-	-	-	-
Total Sources	\$11.9	\$11.9	\$11.8	\$11.7	\$0.1	1%
% Change vs. Prior Year	0%	0%	-1%	-1%		

<sup>a</sup> In FY 2014/15, the timing when gains/losses on investments were recognized was retrospectively changed, which affects prior periods.

**Actual vs Revised Budget variance of \$0.1 million or 1%:**

The favorable variance in Solid Waste Charges is a result of higher than forecasted revenue from service charges to residential refuse customers.

One Month: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual	vs. Budget
	Actual	Actual	Actual	Revised	Favorable /	(Unfavorable)
				Budget	Amount	Percent
Expenses:						
Personnel Services	\$0.8	\$0.8	\$0.6	\$0.5	\$ -	-
Contractual	0.8	0.9	0.9	1.0	0.1	7%
Commodities	-	-	-	0.1	-	-
Capital Outlays	-	-	-	-	-	-
Indirect/Direct Charges	0.1	0.1	0.1	0.1	-	-
Total Operating Expenses	\$1.8	\$1.8	\$1.6	\$1.7	\$0.1	4%
Transfers Out						
CIP Fund	-	-	-	-	-	-
Total Uses	\$1.8	\$1.8	\$1.7	\$1.7	\$ -	-
% Change vs. Prior Year	11%	0%	-7%	-6%		

Fiscal Year-to-Date: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual	vs. Budget
	Actual	Actual	Actual	Revised	Favorable /	(Unfavorable)
				Budget	Amount	Percent
Expenses:						
Personnel Services	\$4.1	\$4.5	\$4.5	\$4.3	(\$0.2)	-4%
Contractual	5.9	6.3	6.2	6.6	0.5	7%
Commodities	0.4	0.4	0.3	0.5	0.2	37%
Capital Outlays	-	-	-	-	-	-
Indirect/Direct Charges	1.0	1.0	0.9	0.9	-	-
Total Operating Expenses	\$11.4	\$12.0	\$11.9	\$12.4	\$0.5	4%
Transfers Out						
CIP Fund	-	-	-	-	-	-
Total Uses	\$11.4	\$12.0	\$11.9	\$12.4	\$0.4	3%
% Change vs. Prior Year	6%	6%	-1%	3%		

**Actual vs Revised Budget variance of \$0.4 million or 3%:**

The unfavorable variance in Personnel Services is due to overtime used to respond to the increased demand for Brush and Bulk services. The favorable variance in Contractual is driven by reduced usage of fuel and maintenance costs for collection vehicles. The favorable variance in Commodities is a result of a reduced need for new refuse containers.

<b>FY 2015/16 - FLEET FUND</b>				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$20.7	\$20.7	\$ -	-
Uses	21.2	21.2	-	-
Change in Fund Balance	(\$0.5)	(\$0.5)	\$ -	
Beginning Fund Balance	\$9.1	\$10.0	\$0.8	
Ending Fund Balance	<u>\$8.6</u>	<u>\$9.5</u>	<u>\$0.8</u>	
Contingency Reserve	\$0.8	\$0.8	\$ -	
Future Acquisition	5.5	5.5	-	
Unreserved, Undesignated	2.3	3.2	0.8	
Ending Fund Balance	<u>\$8.6</u>	<u>\$9.5</u>	<u>\$0.8</u>	

	Twelve Months: Fiscal Year				
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Maintenance/Operation Rates	\$7.4	\$7.4	\$7.7	\$7.7	\$ -
Replacement Rates	6.9	7.1	7.5	7.5	-
Fuel Rates	4.3	3.8	5.0	5.0	-
Other Revenue	0.5	1.0	0.4	0.4	-
Total Revenues	<u>\$19.1</u>	<u>\$19.3</u>	<u>\$20.7</u>	<u>\$20.7</u>	<u>\$ -</u>
Transfers In	-	-	-	-	-
Total Sources	<u>\$19.1</u>	<u>\$19.3</u>	<u>\$20.7</u>	<u>\$20.7</u>	<u>\$ -</u>
% Change vs. Prior Year	6%	1%	7%	7%	

	Twelve Months: Fiscal Year				
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	\$3.2	\$3.4	\$3.5 *	\$3.5 *	\$ -
Contractual	1.5	1.6	1.6	1.6	-
Commodities	7.1	6.6	7.8	7.8	-
Capital Outlays	5.2	8.1	7.5	7.5	-
Total Operating Expenses	<u>\$17.0</u>	<u>\$19.6</u>	<u>\$20.4</u>	<u>\$20.4</u>	<u>\$ -</u>
Transfers Out					
Transfer Out CIP	-	0.3	0.8	0.8	-
Transfers to Operating Funds	0.8	-	-	-	-
Total Uses	<u>\$17.7</u>	<u>\$19.9</u>	<u>\$21.2 *</u>	<u>\$21.2 *</u>	<u>\$ -</u>
% Change vs. Prior Year	-2%	12%	6%	6%	

\* Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance and compensation adjustments.

## January 2016: Current Month and YTD

(\$ in millions: Rounding differences may occur)

	January Actual	January Revised Budget	YTD Actual	YTD Revised Budget	Actual Favorable / (Unfavorable) Amount	vs. Budget (Unfavorable) Percent
Sources	\$1.5	\$1.7	\$10.7	\$12.0	(\$1.3)	-11%
Uses	2.0	2.6	11.1	12.4	1.4	11%
Change in Fund Balance	(\$0.5)	(\$0.9)	(\$0.4)	(\$0.4)	\$ -	

## One Month: January 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / (Unfavorable) Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Maintenance/Operation Rates	\$0.5	\$0.6	\$0.6	\$0.6	(\$0.1)	-9%
Replacement Rates	0.6	0.6	0.6	0.6	-	-
Fuel Rates	0.4	0.3	0.2	0.4	( 0.2)	-52%
Other Revenue	-	-	0.1	-	-	-
Total Revenues	\$1.5	\$1.5	\$1.5	\$1.7	(\$0.2)	-14%
Transfers In	-	-	-	-	-	-
Total Sources	\$1.5	\$1.5	\$1.5	\$1.7	(\$0.2)	-14%
% Change vs. Prior Year	-4%	0%	0%	16%		

## Fiscal Year-to-Date: January 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / (Unfavorable) Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Maintenance/Operation Rates	\$4.3	\$4.4	\$4.2	\$4.5	(\$0.3)	-6%
Replacement Rates	4.0	4.2	4.4	4.4	-	-
Fuel Rates	2.5	2.4	1.8	2.9	( 1.2)	-40%
Other Revenue	0.2	0.4	0.3	0.2	0.1	53%
Total Revenues	\$11.0	\$11.3	\$10.7	\$12.0	(\$1.3)	-11%
Transfers In	-	-	-	-	-	-
Total Sources	\$11.0	\$11.3	\$10.7	\$12.0	(\$1.3)	-11%
% Change vs. Prior Year	4%	3%	-5%	6%		

**Actual to Revised Budget variance of (\$1.3) million or (11%):**

The unfavorable variance in Maintenance/Operation Rates is partly due to newer vehicles requiring less maintenance. The unfavorable variance in Fuel Rates is due to lower than anticipated fuel prices.

One Month: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual	vs. Budget
	Actual	Actual	Actual	Revised	Favorable /	(Unfavorable)
				Budget	Amount	Percent
Expenses:						
Personnel Services	\$0.4	\$0.4	\$0.3	\$0.3	\$ -	-
Contractual	0.1	0.1	0.2	0.1	-	-
Commodities	0.6	0.6	0.4	0.7	0.3	39%
Capital Outlays	0.1	0.8	0.6	1.5	1.0	63%
Total Operating Expenses	\$1.1	\$2.0	\$1.4	\$2.6	\$1.2	46%
Transfers Out						
Transfer Out CIP	-	-	0.6	-	( 0.6)	n/a
Transfers to Operating Funds	-	-	-	-	-	-
Total Uses	\$1.1	\$2.0	\$2.0	\$2.6	\$0.6	22%
% Change vs. Prior Year	-6%	72%	3%	33%		

Fiscal Year-to-Date: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual	vs. Budget
	Actual	Actual	Actual	Revised	Favorable /	(Unfavorable)
				Budget	Amount	Percent
Expenses:						
Personnel Services	\$2.0	\$2.1	\$2.1	\$2.1	\$ -	-
Contractual	0.8	0.9	0.9	0.9	-	-
Commodities	3.5	3.6	2.8	4.4	1.6	37%
Capital Outlays	0.6	4.5	4.6	5.0	0.4	7%
Total Operating Expenses	\$6.9	\$11.1	\$10.4	\$12.4	\$2.0	16%
Transfers Out						
Transfer Out CIP	-	0.2	0.6	-	( 0.6)	n/a
Transfers to Operating Funds	0.8	-	-	-	-	-
Total Uses	\$7.7	\$11.4	\$11.1	\$12.4	\$1.4	11%
% Change vs. Prior Year	-12%	48%	-3%	10%		

**Actual to Revised Budget variance of \$1.4 million or 11%:**

The favorable variance in Commodities continues to be the result of diesel and unleaded fuel's average price per gallon coming in below projection. The Capital Outlays variance is attributable to not receiving invoices as budgeted.

<b>FY 2015/16 - RISK FUND</b>				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$11.4	\$11.4	\$ -	-
Uses	8.8	8.8	-	-
Change in Fund Balance	<u>\$2.6</u>	<u>\$2.6</u>	<u>\$ -</u>	
Beginning Fund Balance	\$14.9	\$14.1	(\$0.8)	
Ending Fund Balance	<u><u>\$17.4</u></u>	<u><u>\$16.7</u></u>	<u><u>(\$0.8)</u></u>	
Accruals (short term)	\$5.1	\$5.1	\$ -	
Accruals (long term)	9.1	9.0	(0.1)	
Property Casualty Reserve	0.7	-	(0.7)	
Contingency	2.5	2.5	-	
Ending Fund Balance	<u><u>\$17.4</u></u>	<u><u>\$16.7</u></u>	<u><u>(\$0.8)</u></u>	

Twelve Months: Fiscal Year					
	2013/14 <u>Actual</u>	2014/15 <u>Actual</u>	2015/16 <u>Adopted Budget</u>	2015/16 <u>Revised Budget</u>	2015/16 <u>Approved Adjustments</u>
Revenues:					
Property, Liability, Work Comp Rates	\$6.5	\$9.2	\$9.6	\$9.6	\$ -
Unemployment Taxes	0.1	0.1	0.1	0.1	-
Property Tax (Tort Claims)	0.1	2.1	1.3	1.3	-
Insurance/Claims Recoveries	0.4	0.5	0.3	0.3	-
Other/Miscellaneous Revenue	0.1	0.1	0.1	0.1	-
Total Revenues	<u>\$7.3</u>	<u>\$12.0</u>	<u>\$11.4</u>	<u>\$11.4</u>	<u>\$ -</u>
Transfers In	-	-	-	-	-
Total Sources	<u><u>\$7.3</u></u>	<u><u>\$12.0</u></u>	<u><u>\$11.4</u></u>	<u><u>\$11.4</u></u>	<u><u>\$ -</u></u>
% Change vs. Prior Year	53%	66%	-5%	-5%	

Twelve Months: Fiscal Year					
	2013/14 <u>Actual</u>	2014/15 <u>Actual</u>	2015/16 <u>Adopted Budget</u>	2015/16 <u>Revised Budget</u>	2015/16 <u>Approved Adjustments</u>
Expenses:					
Personnel Services	\$0.7	\$0.8	\$0.8	\$0.8	\$ -
Contractual	6.8	9.0	7.9	7.9	-
Commodities	0.1	0.1	0.1	0.1	-
Total Operating Expenses	<u>\$7.6</u>	<u>\$9.8</u>	<u>\$8.8</u>	<u>\$8.8</u>	<u>\$ -</u>
Transfers Out					
Transfers Out CIP	-	-	-	-	-
Transfers to Operating Funds	-	-	-	-	-
Total Uses	<u><u>\$7.6</u></u>	<u><u>\$9.8</u></u>	<u><u>\$8.8</u></u>	<u><u>\$8.8</u></u>	<u><u>\$ -</u></u>
% Change vs. Prior Year	-5%	28%	-10%	-10%	

## January 2016: Current Month and YTD

(\$ in millions: Rounding differences may occur)

	January Actual	January Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sources	\$0.9	\$0.9	\$7.4	\$7.2	\$0.2	2%
Uses	0.7	0.6	5.8	6.0	0.3	5%
Change in Fund Balance	\$0.2	\$0.4	\$1.6	\$1.2	\$0.4	

## One Month: January 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Revenues:						
Property, Liability, Work Comp Rates	\$0.5	\$0.8	\$0.8	\$0.8	\$ -	-
Unemployment Taxes	0.1	0.1	0.1	0.1	-	-
Property Tax (Tort Claims)	-	-	-	-	-	-
Insurance/Claims Recoveries	-	-	-	-	-	-
Other/Miscellaneous Revenue	-	-	-	-	-	-
Total Revenues	\$0.6	\$0.9	\$0.9	\$0.9	\$ -	-
Transfers In	-	-	-	-	-	-
Total Sources	\$0.6	\$0.9	\$0.9	\$0.9	\$ -	-
% Change vs. Prior Year	30%	38%	0%	6%		

## Fiscal Year-to-Date: January 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Revenues:						
Property, Liability, Work Comp Rates	\$3.8	\$5.4	\$5.6	\$5.6	\$ -	-
Unemployment Taxes	0.1	0.1	0.1	0.1	-	-
Property Tax (Tort Claims)	0.1	2.1	1.3	1.3	-	-
Insurance/Claims Recoveries	0.2	0.2	0.4	0.1	0.2	nm
Other/Miscellaneous Revenue	-	-	-	0.1	-	-
Total Revenues	\$4.2	\$7.8	\$7.4	\$7.2	\$0.2	2%
Transfers In	-	-	-	-	-	-
Total Sources	\$4.2	\$7.8	\$7.4	\$7.2	\$0.2	2%
% Change vs. Prior Year	50%	85%	-5%	-7%		

**Actual to Revised Budget variance of \$0.2 million or 2%:**

The favorable variance in Insurance/Claims Recoveries is related to subrogation recoveries. When possible the City will seek reimbursement by third parties and their insurance companies for accidents or damages, and the Risk Management department has continued to pursue these reimbursements.

One Month: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Expenses:						
Personnel Services	\$0.1	\$0.1	\$0.1	\$0.1	\$ -	-
Contractual	0.5	0.3	0.6	0.5	( 0.1)	-27%
Commodities	-	-	-	-	-	-
Total Operating Expenses	\$0.6	\$0.4	\$0.7	\$0.6	(\$0.1)	-25%
Transfers Out						
Transfers Out CIP	-	-	-	-	-	-
Transfers to Operating Funds	-	-	-	-	-	-
Total Uses	\$0.6	\$0.4	\$0.7	\$0.6	(\$0.1)	-25%
% Change vs. Prior Year	0%	-26%	70%	35%		

Fiscal Year-to-Date: January 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Expenses:						
Personnel Services	\$0.4	\$0.5	\$0.5	\$0.5	\$ -	-
Contractual	3.5	5.7	5.2	5.5	0.3	5%
Commodities	-	-	-	0.1	-	-
Total Operating Expenses	\$4.0	\$6.2	\$5.8	\$6.0	\$0.3	5%
Transfers Out						
Transfers Out CIP	-	-	-	-	-	-
Transfers to Operating Funds	-	-	-	-	-	-
Total Uses	\$4.0	\$6.2	\$5.8	\$6.0	\$0.3	5%
% Change vs. Prior Year	27%	57%	-8%	-3%		

**Actual to Revised Budget variance of \$0.3 million or 5%:**

The favorable variance in Contractual is related to ongoing litigation that was expected to settle in the beginning of this fiscal year but settled at the end of the prior fiscal year. Due to the ongoing expenses of this fund and the nature in which these expenses are recognized, the existing budget was not pushed to a later period and the favorable variance could be eliminated by year end.



**FY 2015/16 - BENEFITS SELF INSURANCE**

(\$ in millions: Rounding differences may occur)

	Adopted <u>Budget</u>	Revised <u>Budget</u>	Adopted Favorable / <u>Amount</u>	vs. Revised (Unfavorable) <u>Percent</u>
Sources	\$28.9	\$28.9	\$ -	-
Uses	28.6	28.6	-	-
Change in Fund Balance	<u>\$0.3</u>	<u>\$0.3</u>	<u>\$ -</u>	
Beginning Fund Balance	\$6.7	\$5.6	(\$1.1)	
Ending Fund Balance	<u><u>\$7.0</u></u>	<u><u>\$5.9</u></u>	<u><u>(\$1.1)</u></u>	

	Twelve Months: Fiscal Year				
	2013/14 <u>Actual</u>	2014/15 <u>Actual</u>	2015/16 Adopted <u>Budget</u>	2015/16 Revised <u>Budget</u>	2015/16 Approved <u>Adjustments</u>
Revenues:					
Medical Premiums - COS	\$18.6	\$19.0	\$20.7	\$20.7	\$ -
Dental Premiums - COS	0.8	0.8	0.8	0.8	-
Medical Premiums - EE	5.9	6.0	5.9	5.9	-
Dental Premiums - EE	0.8	0.8	0.7	0.7	-
Medical Premiums - Retiree	0.6	0.2	0.3	0.3	-
Other Revenue	0.1	0.1	0.5	0.5	-
Total Revenues	<u>\$26.9</u>	<u>\$26.9</u>	<u>\$28.9</u>	<u>\$28.9</u>	<u>\$ -</u>
Transfers In	-	-	-	-	-
Total Sources	<u><u>\$26.9</u></u>	<u><u>\$26.9</u></u>	<u><u>\$28.9</u></u>	<u><u>\$28.9</u></u>	<u><u>\$ -</u></u>
% Change vs. Prior Year	1%	0%	8%	8%	

	Twelve Months: Fiscal Year				
	2013/14 <u>Actual</u>	2014/15 <u>Actual</u>	2015/16 Adopted <u>Budget</u>	2015/16 Revised <u>Budget</u>	2015/16 Approved <u>Adjustments</u>
Expenses:					
Personnel Services - COS	\$0.2	\$0.1	\$0.1	\$0.1	-
Contractual - COS	0.1	0.1	0.1	0.1	-
Medical Claims	21.2	24.0	24.3	24.3	-
Medical Claims - Retirees	0.7	0.2	-	-	-
Dental Claims	1.4	1.3	1.6	1.6	-
Provider Admin Fees	1.3	0.8	0.8	0.8	-
Behavioral Health Claims	0.7	0.1	0.7	0.7	-
Stop Loss Insurance	0.6	0.7	0.8	0.8	-
Wellness Incentive	0.1	0.2	0.2	0.2	-
Total Uses	<u>\$26.2</u>	<u>\$27.3</u>	<u>\$28.6</u>	<u>\$28.6</u>	<u>\$ -</u>
% Change vs. Prior Year	5%	4%	5%	5%	

## January 2016: Current Month and YTD

(\$ in millions: Rounding differences may occur)

	January Actual	January Revised Budget	YTD Actual	YTD Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Sources	\$3.5	\$2.4	\$17.7	\$16.9	\$0.8	5%
Uses	2.7	2.6	17.1	16.9	(0.2)	-1%
Change in Fund Balance	\$0.9	(\$0.2)	\$0.6	\$ -	\$0.6	

## One Month: January 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Medical Premiums -COS	\$1.6	\$1.6	\$1.7	\$1.7	\$ -	-
Dental Premiums - COS	0.1	0.1	0.1	0.1	-	-
Medical Premiums - EE	0.5	0.5	0.5	0.5	-	-
Dental Premiums - EE	0.1	0.1	0.1	0.1	-	-
Medical Premiums - Retiree	0.1	(0.1)	-	-	-	-
Other Revenue	-	-	-	-	-	-
Total Revenues	\$2.3	\$2.1	\$2.3	\$2.4	\$ -	-
Transfers In	-	-	1.2	-	1.2	n/a
Total Sources	\$2.3	\$2.1	\$3.5	\$2.4	\$1.2	50%
% Change vs. Prior Year	8%	-9%	59%	6%		

## Fiscal Year-to-Date: January 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Medical Premiums -COS	\$10.9	\$11.1	\$11.8	\$12.1	(\$0.3)	-2%
Dental Premiums - COS	0.5	0.4	0.4	0.5	-	-
Medical Premiums - EE	3.4	3.5	3.6	3.4	0.2	5%
Dental Premiums - EE	0.5	0.4	0.4	0.4	-	-
Medical Premiums - Retiree	0.4	-	0.1	0.1	-	-
Other Revenue	0.1	-	0.1	0.3	(0.3)	-80%
Total Revenues	\$15.7	\$15.5	\$16.5	\$16.9	(\$0.4)	-3%
Transfers In	-	-	1.2	-	1.2	n/a
Total Sources	\$15.7	\$15.5	\$17.7	\$16.9	\$0.8	5%
% Change vs. Prior Year	2%	-1%	13%	8%		

**Actual to Revised Budget variance of \$0.8 million or 5%:**

The unfavorable variance in Medical Premiums - COS is due to self-insurance coming in slightly lower than estimated due to plan participation and migration. Plans are budgeted and adopted prior to participants plan selection for the fiscal year which causes differences between employees actual selection of plans and the assumption of what plans they would choose. The Medical Premiums - EE unfavorable variance due to plan migration and participation is offset by an unplanned state subsidy health contribution and health contributions for retirees netting this category in a favorable position. The unfavorable variance in Other Revenue is related to various healthcare and prescription rebates the city receives, which are not received on a consistent basis and amounts fluctuate between periods. Based on updated information the city is expecting to receive a large prescription rebate in February 2016. The large favorable variance in Transfers In is due to the approval of Council Resolution 10336 on January 23, 2016 which reimburses the Benefits Self Insurance Fund for the coverage of Retirees and Public Safety Disabled Retirees. While there are no regular retirees currently on the City's healthcare plan anymore there were continued run-off claims and the accumulated impacts of offering coverage in previous years, which these transfers mitigated.

One Month: January 2016						
Expenses:	2013/14	2014/15	2015/16	2015/16	Actual	vs. Budget
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Personnel Services - COS	\$ -	\$ -	\$ -	\$ -	-	-
Contractual - COS	-	-	-	-	-	-
Medical Claims	1.7	1.5	2.2	2.0	( 0.2)	-10%
Medical Claims - Retirees	-	-	-	-	-	-
Dental Claims	0.1	0.1	0.1	0.1	-	-
Provider Admin Fees	-	0.4	0.3	0.3	-	-
Behavioral Health Claims	-	-	-	0.1	0.1	91%
Stop Loss Insurance	-	0.1	-	0.1	-	-
Wellness Incentive	-	-	-	-	-	-
<b>Total Uses</b>	<b>\$1.9</b>	<b>\$2.1</b>	<b>\$2.7</b>	<b>\$2.6</b>	<b>(\$0.1)</b>	<b>-2%</b>
% Change vs. Prior Year	0%	16%	24%	22%		

Fiscal Year-to-Date: January 2016						
Expenses:	2013/14	2014/15	2015/16	2015/16	Actual	vs. Budget
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Personnel Services - COS	\$0.1	\$0.1	\$0.1	\$0.1	-	-
Contractual - COS	-	-	-	0.1	-	-
Medical Claims	12.5	13.1	15.1	14.2	( 0.9)	-7%
Medical Claims - Retirees	0.3	0.2	-	-	-	-
Dental Claims	0.7	0.7	0.8	0.9	0.1	11%
Provider Admin Fees	0.6	0.6	0.5	0.6	-	-
Behavioral Health Claims	0.3	-	-	0.4	0.4	91%
Stop Loss Insurance	0.3	0.4	0.3	0.5	0.1	31%
Wellness Incentive	0.1	0.1	0.1	0.2	0.1	33%
<b>Total Uses</b>	<b>\$15.1</b>	<b>\$15.2</b>	<b>\$17.1</b>	<b>\$16.9</b>	<b>(\$0.2)</b>	<b>-1%</b>
% Change vs. Prior Year	7%	1%	12%	11%		

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

The unfavorable variance in Medical Claims is due to a spike in the number of claims exceeding large thresholds caused by unavoidable treatments and care. While these claims are not uncommon, the number of them seen during this fiscal year have far surpassed historical trends. While this variance is currently unfavorable the funding loss ratio of the various health plans is trending more favorable as the year progresses. The favorable variance in Behavioral Health Claims is due to actual activities being less than expected.

Statement of Operations - WestWorld

City of Scottsdale  
WestWorld  
Statement of Operations

	Twelve Months: Fiscal Year					
	2011/12 Actual	2012/13 Actual	2013/14 Actual <sup>c</sup>	2014/15 Actual <sup>c</sup>	2015/16 Adopted Budget	2015/16 Revised Budget
<b>Operating Revenue</b>						
Rental Facilities	\$1,405,932	\$1,617,444	\$2,050,602	\$2,134,970	\$2,632,000	\$2,632,000
RV Rental	230,161	257,509	232,802	270,661	455,900	455,900
Feed/Bedding Sales	474,133	499,264	548,330	499,691	813,100	813,100
Labor Fees	240,871	233,486	266,860	240,173	343,100	343,100
Concession Fees	230,728	223,836	191,380	354,902	366,600	366,600
Parking	44,004	48,834	58,591	110,931	75,200	75,200
Other Income	55,923	105,121	142,732	135,192	44,300	44,300
Council Approved Authorized Carryover <sup>a</sup>	-	-	2,048,000	-	-	-
<b>Operating Revenue</b>	<b>\$2,681,751</b>	<b>\$2,985,494</b>	<b>\$5,539,297</b>	<b>\$3,746,520</b>	<b>\$4,730,200</b>	<b>\$4,730,200</b>
<b>Operating Expenses</b>						
<b>Personnel Services</b>						
Wages/Salaries/Benefits	\$1,466,780	\$1,527,275	\$1,564,608	\$1,616,913	\$1,832,763	\$1,833,674
Overtime	17,498	28,259	21,195	25,558	20,883	21,507
<b>Contractual Services</b>						
Contractual Workers	63,530	74,914	84,004	92,292	75,000	75,000
Telephone	35,063	25,637	32,164	30,650	37,488	37,488
Utilities	429,769	558,010	1,016,731	1,219,326	967,290	967,290
Maintenance & Equipment Rental & Fleet	422,247	591,505	601,739	652,492	714,648	714,648
License and Permits	73,499	124,251	73,018	73,356	126,155	126,155
Property, Liability & Workers' Comp	16,951	18,114	30,724	37,376	51,525	51,525
Advertising/Marketing Contract	11,932	11,492	212,869	208,815	350,000	350,000
Other	192,989	212,162	232,224	268,443	300,325	300,325
<b>Commodities and Capital Outlays</b>						
Agriculture & Horticulture & Other Supply	107,537	125,040	128,597	71,411	131,545	131,545
Maintenance & Repairs Supply, Equipment	66,997	68,781	74,067	84,344	135,035	135,035
Inventory Purchased for Resale	229,795	258,927	260,507	304,481	495,000	495,000
Construction - Other	55,349	94,323	10,695		17,000	17,000
Other Expenses	33,462	39,526	35,951	45,959	33,690	33,690
<b>BOR Admin</b>						
BOR Admin/WestWorld	121,551	127,628	134,010	140,710	147,746	147,746
<b>Allocated Expenses <sup>b</sup></b>						
Facilities Maintenance	319,572	402,988	402,988	713,808	670,566	670,566
COS Indirect Costs	458,880	241,136	255,887	276,504	338,575	338,575
<b>Operating Expenses</b>	<b>\$4,123,402</b>	<b>\$4,529,966</b>	<b>\$5,171,979</b>	<b>\$5,862,440</b>	<b>\$6,445,234</b>	<b>\$6,446,769</b>
<b>Operating Income</b>	<b>(\$1,441,651)</b>	<b>(\$1,544,472)</b>	<b>\$367,317</b>	<b>(\$2,115,919)</b>	<b>(\$1,715,034)</b>	<b>(\$1,716,569)</b>
<b>Debt Service (Less contributions)</b>						
Debt Service - (52 & 17 acres)	\$2,352,373	\$2,364,123	\$2,012,576	\$2,250,353	\$2,273,677	\$2,273,677
Debt Service - TNEC	-	588,503	2,746,675	2,743,925	2,724,125	2,724,125
Bed Tax Contributions - TNEC	-	(588,503)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Equidome Project Use Fee	-	-	(75,000)	(555,000)	(360,000)	(360,000)
<b>Net Debt Service</b>	<b>\$2,352,373</b>	<b>\$2,364,123</b>	<b>\$3,484,251</b>	<b>\$3,239,278</b>	<b>\$3,437,802</b>	<b>\$3,437,802</b>
<b>Operating Income After Debt Service</b>	<b>(\$3,794,024)</b>	<b>(\$3,908,595)</b>	<b>(\$3,116,934)</b>	<b>(\$5,355,197)</b>	<b>(\$5,152,836)</b>	<b>(\$5,154,371)</b>

<sup>a</sup> One-time Council Authorized transfer from Tourism Fund using available carryover to offset lost revenue during TNEC construction.

<sup>b</sup> Allocated expenses are not budgeted for in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations.

<sup>c</sup> Certain account activities were adjusted due to reconciliation of prior years.

City of Scottsdale *Statement of Operations - WestWorld*  
WestWorld

Statement of Operations for January 2016 / 7 Months YTD

	FY 2011/12 YTD Actual	FY 2012/13 YTD Actual	FY 2013/14 YTD Actual <sup>c</sup>	FY 2014/15 YTD Actual <sup>c</sup>	FY 2015/16 YTD Actual	FY 2015/16 Approved YTD Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
<b>Operating Revenue</b>								
Rental Facilities	\$663,214	\$630,675	\$817,117	\$1,069,780	\$1,014,487	\$315,000	\$699,487	nm
RV Rental	104,515	106,594	114,054	68,297	111,386	149,812	( 38,426)	-26%
Feed/Bedding Sales	231,491	234,611	290,772	307,567	365,238	442,885	( 77,647)	-18%
Labor Fees	69,406	60,269	73,324	73,778	107,861	88,100	19,761	22%
Concession Fees	64,358	52,088	57,267	102,628	166,374	150,100	16,274	11%
Parking	20,175	6,242	25,120	50,566	30,653	15,000	15,653	nm
Other Income	7,097	8,598	4,836	4,454	9,414	4,131	5,283	nm
Council Approved Authorized Carryover <sup>a</sup>	-	-	-	-	-	-	-	-
<b>Operating Revenue</b>	<b>\$1,160,255</b>	<b>\$1,099,076</b>	<b>\$1,382,489</b>	<b>\$1,677,070</b>	<b>\$1,805,413</b>	<b>\$1,165,028</b>	<b>\$640,385</b>	<b>55%</b>
<b>Operating Expenses</b>								
<b>Personnel Services</b>								
Wages/Salaries/Benefits	\$834,537	\$862,624	\$935,710	\$985,308	\$1,030,299	\$1,087,011	\$56,712	5%
Overtime	6,733	6,288	10,580	14,323	13,961	14,102	141	1%
<b>Contractual Services</b>								
Contractual Workers	19,143	20,874	39,195	42,240	33,770	21,000	( 12,770)	-61%
Telephone	21,009	15,840	18,369	19,881	11,350	20,181	8,831	44%
Utilities	169,956	169,731	367,030	562,768	518,903	411,083	( 107,820)	-26%
Maintenance & Equipment Rental & Fleet	245,768	321,497	319,359	363,914	370,601	411,116	40,515	10%
License and Permits	73,318	72,985	75,226	73,509	76,650	73,070	( 3,580)	-5%
Property, Liability & Workers' Comp	9,891	10,570	17,920	21,805	30,058	30,058	-	-
Advertising/Marketing Contract	4,280	8,272	209,672	205,282	249,609	208,260	( 41,349)	-20%
Other	66,267	57,622	83,671	110,236	87,587	90,855	3,268	4%
<b>Commodities and Capital Outlays</b>								
Agriculture & Horticulture & Other Supply	74,312	104,448	85,244	45,144	61,193	89,832	28,639	32%
Maintenance & Repairs Supply, Equipment	43,046	45,712	41,793	58,220	49,841	66,998	17,157	26%
Inventory Purchased for Resale	138,856	142,224	159,789	177,729	187,877	248,000	60,123	24%
Construction - Other	52,424	-	10,695	-	38	-	( 38)	n/a
Other Expenses	20,956	22,918	20,683	28,921	34,206	15,473	( 18,733)	nm
<b>BOR Admin</b>								
BOR Admin/WestWorld	121,551	127,628	134,010	140,710	147,746	147,746	0	0%
<b>Allocated Expenses <sup>b</sup></b>								
Facilities Maintenance	186,417	235,074	235,074	416,388	391,167	391,167	-	-
COS Indirect Costs	267,680	140,665	149,268	161,294	197,505	197,505	-	-
<b>Operating Expenses</b>	<b>\$2,356,141</b>	<b>\$2,364,971</b>	<b>\$2,913,288</b>	<b>\$3,427,673</b>	<b>\$3,492,361</b>	<b>\$3,523,457</b>	<b>\$31,096</b>	<b>1%</b>
<b>Operating Income</b>	<b>(\$1,195,886)</b>	<b>(\$1,265,894)</b>	<b>(\$1,530,799)</b>	<b>(\$1,750,603)</b>	<b>(\$1,686,948)</b>	<b>(\$2,358,429)</b>	<b>\$671,481</b>	<b>28%</b>
<b>Debt Service (Less contributions)</b>								
Debt Service - (52 & 17 acres)	\$700,547	\$681,297	\$661,297	\$278,750	\$53,625	\$53,625	\$ -	-
Equidome Project Use Fee	-	-	-	( 525,000)	( 90,000)	( 360,000)	( 270,000)	-75%
Debt Service - TNEC	-	-	-	-	-	-	-	-
Bed Tax Contributions - TNEC	-	-	-	-	-	-	-	-
<b>Net Debt Service</b>	<b>\$700,547</b>	<b>\$681,297</b>	<b>\$661,297</b>	<b>(\$246,250)</b>	<b>(\$36,375)</b>	<b>(\$306,375)</b>	<b>(\$270,000)</b>	<b>88%</b>
<b>Operating Income After Debt Service</b>	<b>(\$1,896,433)</b>	<b>(\$1,947,191)</b>	<b>(\$2,192,095)</b>	<b>(\$1,504,353)</b>	<b>(\$1,650,573)</b>	<b>(\$2,052,054)</b>	<b>\$401,481</b>	<b>20%</b>

<sup>a</sup> One-time Council Authorized transfer from Tourism Fund using available carryover to offset lost revenue during TNEC construction.

<sup>b</sup> Allocated expenses are not budgeted for in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations.

<sup>c</sup> Certain account activities were adjusted due to reconciliation of prior years.



## Privilege (Sales) & Use Tax Collections For January 2016 (For Business Activity in December 2015)

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

The fiscal year to date Privilege and Use Tax (1.0 percent General Purpose) collections increased 5 percent compared to the Budget, and increased 5 percent compared to the same period a year ago.

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

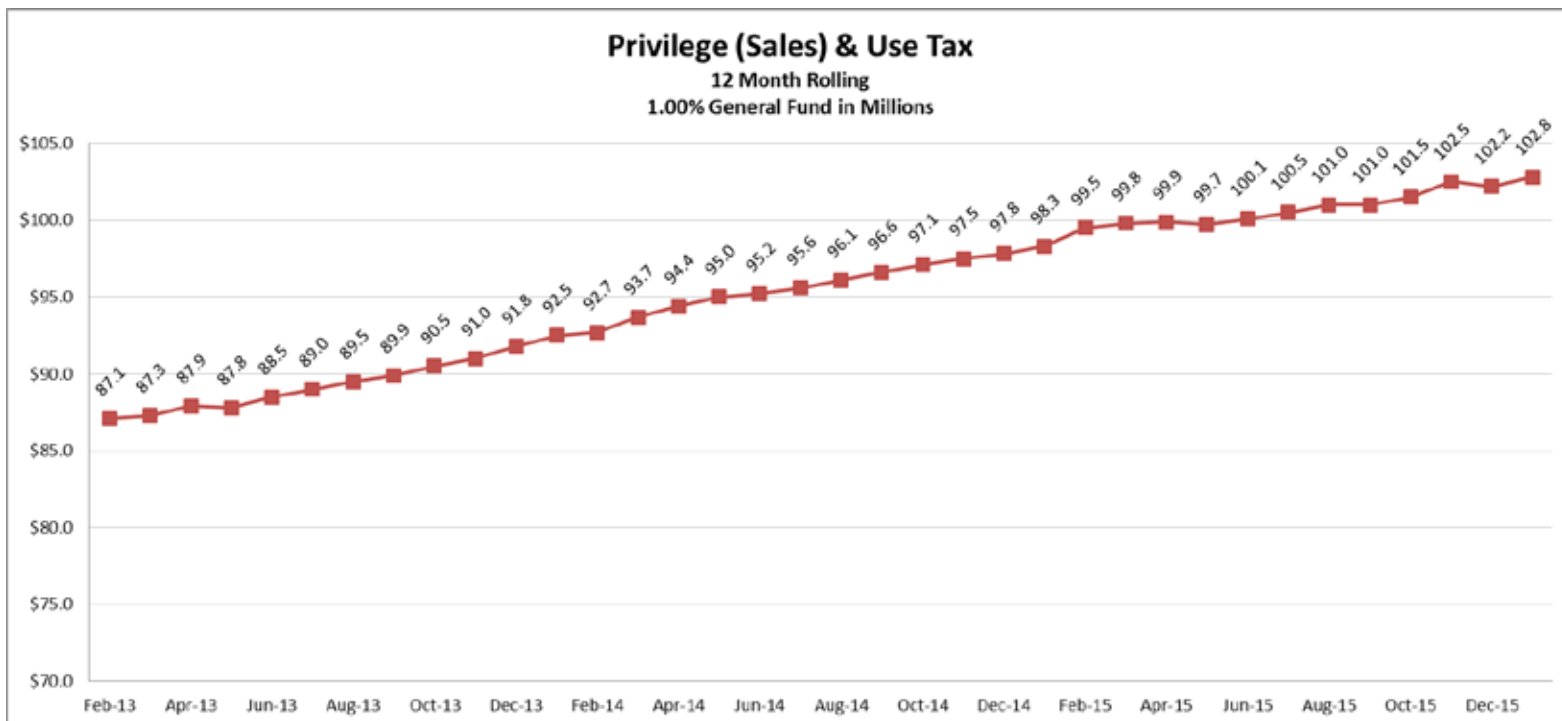
	Fiscal Year: Twelve Months				
	2013/14	2014/15	2015/16	2015/16	2015/16
	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Approved Adjustments</u>
<u>1.00% General Purpose</u>					
Rentals	\$12.4	\$13.0	\$13.2	\$13.2	\$0.0
Misc. Retail Stores	16.1	17.1	17.8	17.8	0.0
Major Dept. Stores	9.2	9.5	9.9	9.9	0.0
Automotive	12.4	13.8	14.4	14.4	0.0
Food Stores	6.6	7.0	7.0	7.0	0.0
Construction	11.1	11.1	8.3	8.3	0.0
Dining/ Entertainment	8.5	9.4	9.7	9.7	0.0
Other Taxable Activity	7.6	7.9	7.8	7.8	0.0
Hotel/Motel	5.0	5.3	5.5	5.5	0.0
Utilities	4.4	4.4	4.5	4.5	0.0
License fees, Penalty & Interest	2.3	2.2	2.2	2.2	0.0
Subtotal	<u>\$95.6</u>	<u>\$100.6</u>	<u>\$100.2</u>	<u>\$100.2</u>	<u>\$0.0</u>
0.10% Public Safety	\$9.3	\$9.8	\$9.8	\$9.8	\$0.0
0.20% Transportation	18.1	19.1	19.0	19.0	0.0
0.20% McDowell Preserve 1995	18.7	19.7	19.6	19.6	0.0
0.15% McDowell Preserve 2004	14.0	14.8	14.7	14.7	0.0
Total	<u>\$155.7</u>	<u>\$164.0</u>	<u>\$163.4</u>	<u>\$163.4</u>	<u>\$0.0</u>
% Change vs. Prior Year	7%	5%	0%	0%	

Rounding differences may occur.

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

Fiscal Year-to-Date: January 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Budget	Actual vs. Budget	
					Favorable/(Unfavorable) Amount	Percent
<b>1.00% General Purpose</b>						
Rentals	\$7.2	\$7.5	\$8.4	\$7.6	\$0.8	10%
Misc. Retail Stores	9.0	9.5	10.4	10.0	0.5	5%
Major Dept. Stores	5.4	5.6	5.6	5.8	(0.3)	-5%
Automotive	6.8	7.5	8.2	7.9	0.3	4%
Food Stores	3.6	3.9	4.1	4.1	0.0	0%
Construction	6.3	7.3	6.2	5.2	1.0	19%
Dining/ Entertainment	4.4	4.7	5.1	5.0	0.1	2%
Other Taxable Activity	4.1	4.0	4.8	4.2	0.6	14%
Hotel/Motel	2.1	2.2	2.4	2.4	0.1	3%
Utilities	2.7	2.7	2.8	2.7	0.0	0%
License fees, Penalty & Interest	1.6	1.5	1.3	1.5	(0.1)	-9%
Subtotal	\$53.3	\$56.3	\$59.4	\$56.5	\$2.9	5%
0.10% Public Safety	\$5.2	\$5.5	\$5.8	\$5.5	\$0.3	5%
0.20% Transportation	10.0	10.7	11.2	10.7	0.5	5%
0.20% McDowell Preserve 1995	10.3	11.0	11.6	11.0	0.6	5%
0.15% McDowell Preserve 2004	7.8	8.2	8.7	8.3	0.5	5%
Total	\$86.5	\$91.7	\$96.6	\$91.9	\$4.8	5%
% Change vs. Prior Year	8%	6%	5%	0%		

Rounding differences may occur.



**Rental Sales Taxes**

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

**Actual to Revised Budget variance of \$0.8 million or 10%:** The increase is a result of a sale of two apartment complexes and a large audit payment.

**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 \$0.5 million or 5%:** The increase is due in part to increased sales in home furnishings, building supplies, computer software/hardware, and sales from websites.

**Major Department Stores Sales Taxes**

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

**Actual to Revised Budget variance of (\$0.3) million or (5%):** This is due to lower sales than expected.

**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 4%:** This is due to increased sales of new and used motor vehicles in addition to a new Mazda dealership.

**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.

**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 \$1.0 million or 19%:** This is due to several large one-time audit payments and a sale of a commercial building.

**Dining/Entertainment Sales Taxes**

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

**Actual to Revised Budget variance of \$0.1 million or 2%:** Normal business fluctuations.

**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 \$0.6 million or 14%:** This is due in part to increase in taxable sales from computer hardware/software wholesalers.



**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 \$0.1 million or 3%:** This is due to an increase in conventions.

**Utilities Sales Taxes**

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

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

**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 (\$0.1) million or (9%):** This is due to a decrease in penalties and interest and due to fewer license renewals from the change in the law for construction contractors.

## Glossary

To ensure legal compliance and financial management for the various restricted revenues and program 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

**Sales Tax** - Scottsdale's total city sales tax rate is 1.65 percent. Of that amount, 0.55 percent is dedicated to the specific purposes related to transportation and preservation (which are accounted for in Special Revenue Funds) and 0.10 percent is dedicated to public safety (accounted for in the General Fund). The remaining 1.0 percent of the sales tax is also accounted for in the General Fund and is available to fund basic municipal services such as police, fire, libraries, and parks. Sales tax receipts received in the current month are based on prior month activity. This general-purpose sales tax is the city's single largest revenue source. The sales tax category results can be found in Appendix 1.

**State Shared Revenues** - These revenues are derived from state shared sales taxes, income taxes (revenue sharing), 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 numerous revenues such as building permits, recreation fees, fire department fees, WestWorld fees, interest income, and property rentals. Also included are cost allocations from the General Fund to the enterprise funds.

**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.

**Franchise Fees and In-Lieu Taxes** - This category represents revenues from utility and cable providers for their permitted use of the city's Rights-of-Way.

**Transfers In** - Transfers in reflects funds received from the Enterprise Funds (In-Lieu Franchise Fees and In-Lieu Property Tax), Special Programs (30 Day Tow) and Tourism Development Fund.

### GENERAL FUND USES

**Personnel Services** category includes the salaries and wages (pay for time worked, overtime premium, vacation, and sick leave) 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** category includes expenditures for services performed by firms, individuals, or other city divisions.

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

**Capital outlays category** 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 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 \$10,000 or more; and (3) be betterment or improvement.

## Glossary

**Debt Service & Contracts Payable** is primarily debt payments related to Municipal Property Corporation (MPC) bonds where the city's excise taxes are pledged to meet debt service. It also includes contractual obligations related to development agreements (funded by sales tax rebates) which vary based on the actual sales tax collections.

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

### OTHER FUNDS

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

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

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

#### **Water & Water Reclamation Funds**

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

- Water Service Charges are monthly water billings which consist of a base charge according to meter size and a variable charge for the amount of water consumed.
- Water Reclamation Service Charges are monthly charges based on the volume and strength of the sewage discharge.
- Non-Potable Water Fees include the sale of surface water, reverse osmosis (RO) and effluent treated to irrigation standards. These different water types are delivered to 23 Reclaimed Water Distribution System (RWDS) golf courses, 3 Irrigation Water Distribution System (IWDS) golf courses, the Gainey Ranch Golf Club, the WestWorld golf course and the Inlet/Silverado golf course.
- Miscellaneous Revenue includes rental income, miscellaneous reimbursements and other minor fees.

#### **Aviation Fund**

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

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

## Glossary

### **Solid Waste Fund**

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

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

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

### **Fleet Fund**

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

### **Risk Fund**

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

### **Benefits 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 division programs, 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.