

Monthly Financial Report

Fiscal Year to Date as
of June 30, 2019

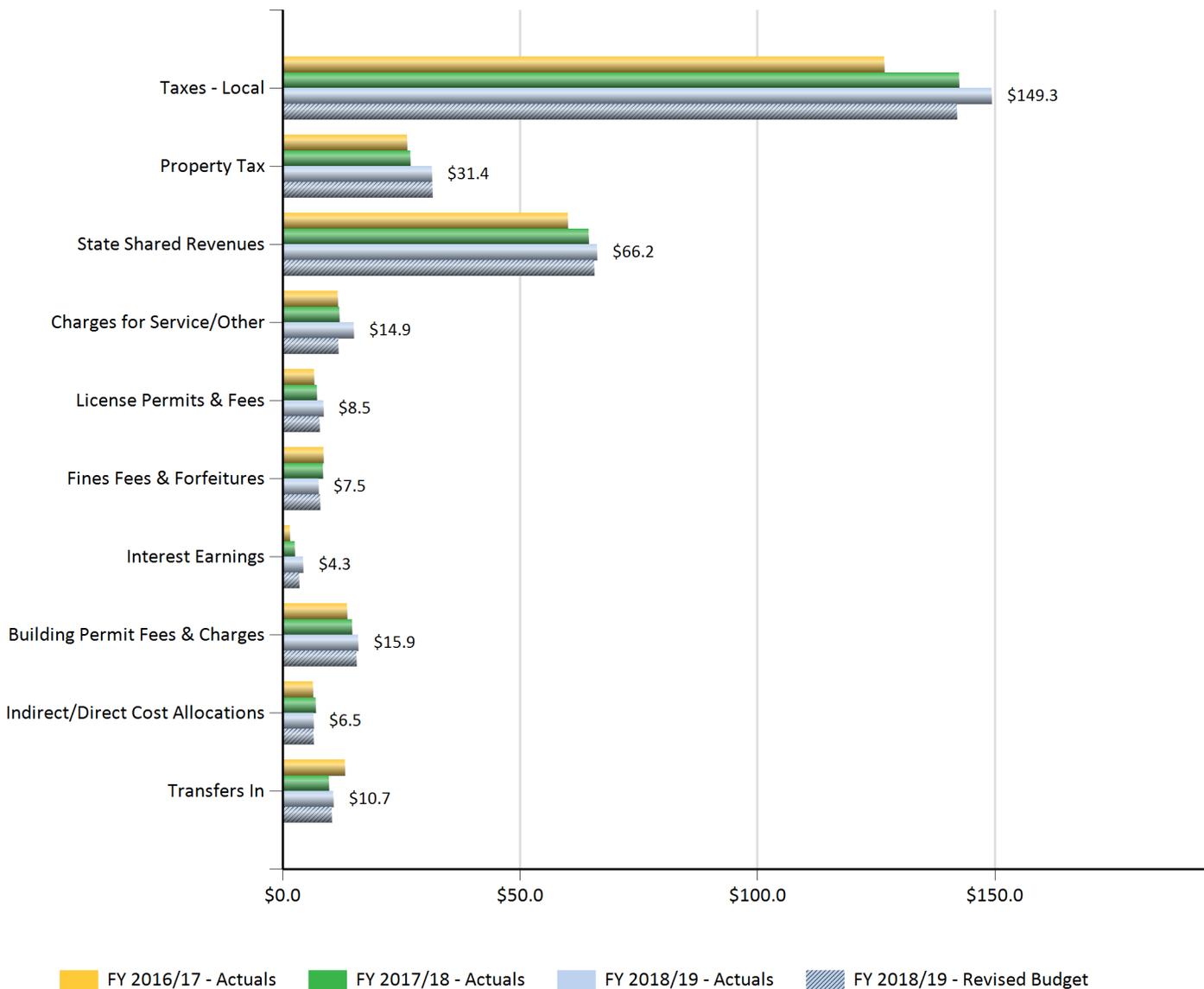


Scottsdale Airport Operations Center

Report to the City Council
Prepared by the City Treasurer
December 26, 2019



Sources (Fiscal Year to Date: June 2019)

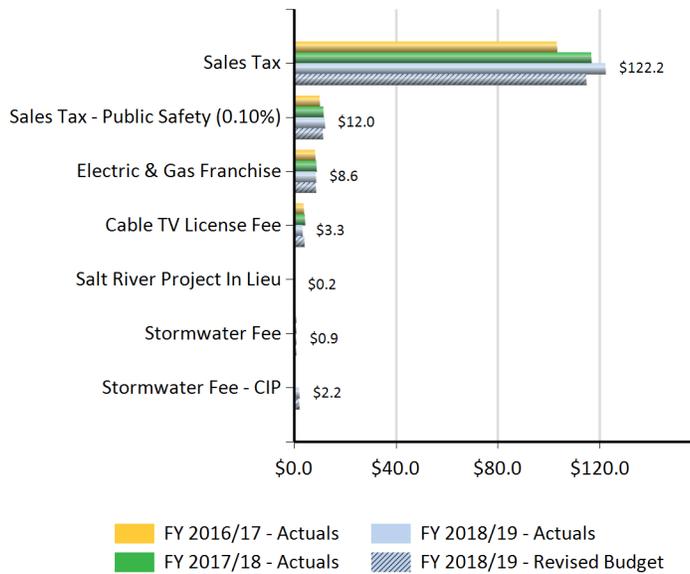


	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$126.7	\$142.5	\$149.3	\$142.1	\$7.2	5%
Property Tax	26.2	26.9	31.4	31.6	(0.2)	(1%)
State Shared Revenues	60.1	64.5	66.2	65.7	0.6	1%
Charges for Service/Other	11.6	11.9	14.9	11.7	3.2	27%
License Permits & Fees	6.6	7.1	8.5	7.7	0.8	10%
Fines Fees & Forfeitures	8.5	8.4	7.5	7.8	(0.4)	(4%)
Interest Earnings	1.5	2.6	4.3	3.5	0.7	21%
Building Permit Fees & Charges	13.5	14.6	15.9	15.6	0.3	2%
Indirect/Direct Cost Allocations	6.4	6.9	6.5	6.5	-	-
Transfers In	13.1	9.7	10.7	10.3	0.4	4%
Total Sources	\$274.3	\$295.1	\$315.2	\$302.4	\$12.8	4%

\$ in millions / rounding differences may occur



Taxes - Local (Fiscal Year to Date: June 2019)



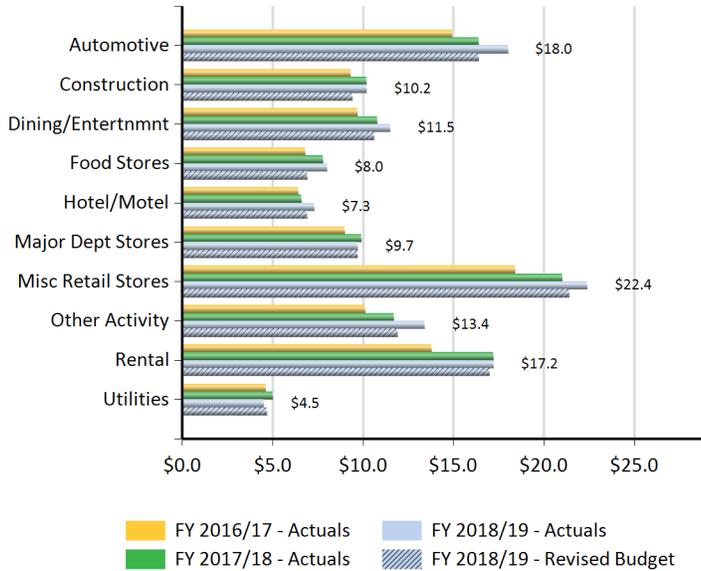
Actual to Revised Budget variance of \$7.2 million or 5%:

See detailed Sales Tax information on page 5. Cable TV License Fee is unfavorable due to the fourth quarterly franchise fee payment from Cox Cable TV being received in FY 2019/20 and not FY 2018/19 as was expected.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$103.1	\$116.7	\$122.2	\$114.8	\$7.3	6%
Sales Tax - Public Safety (0.10%)	10.1	11.5	12.0	11.3	0.7	6%
Electric & Gas Franchise	8.4	8.9	8.6	8.5	-	-
Cable TV License Fee	3.9	4.4	3.3	4.1	(0.9)	(21%)
Salt River Project In Lieu	0.2	0.2	0.2	0.2	-	-
Stormwater Fee	0.9	0.9	0.9	0.9	-	-
Stormwater Fee - CIP	-	-	2.2	2.2	-	-
Taxes - Local Total	\$126.7	\$142.5	\$149.3	\$142.1	\$7.2	5%



Sales Tax (Fiscal Year to Date: June 2019)



Actual to Revised Budget variance of \$7.3 million or 6%:

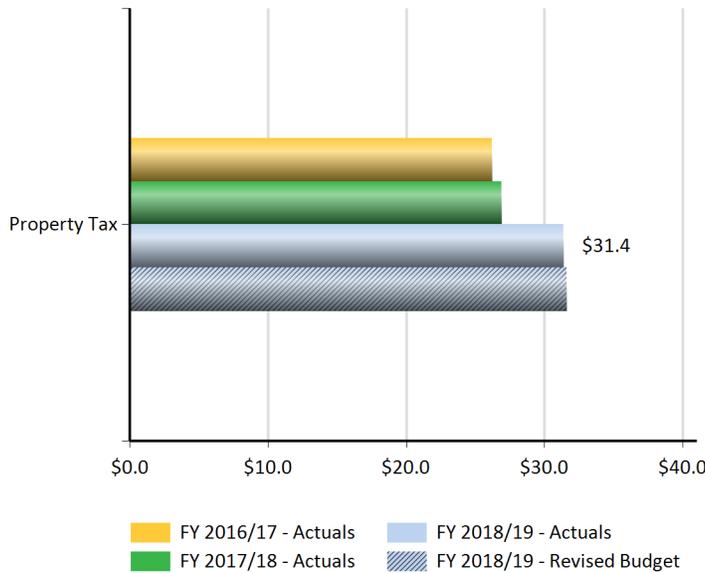
While variances are now more often derived from revenue fluctuations within individual Sales Tax categories, Sales Tax can still be influenced by the unpredictability of the timing in collection by Arizona Department of Revenue. That said, the favorable variance in: 1) Automotive – due mainly to a car dealer starting to report sales tax related to services and sales that had not been reported before; as well as to an overall increase in automotive sales 2) Construction - due to an upward trend in residential sales; 3) Dining/Entertainment - due to a new restaurant opening and normal business fluctuations; 4) Food Stores - due to the opening of a new grocery store and to a grocery store chain that didn't report food for home consumption last year reporting correctly this year; 5) Hotel/Motel – due to normal business fluctuations and a change in state code that requires all short term rental companies to be licensed and report taxes; 6) Misc Retail Stores – due to better anticipated sales; and 7) Other Activity – due in part to increase in taxable sales from other miscellaneous product manufacturing category and a large one-time audit payment.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Automotive	\$14.9	\$16.4	\$18.0	\$16.4	\$1.6	10%
Construction	9.3	10.2	10.2	9.4	0.8	8%
Dining/Entertainment	9.7	10.8	11.5	10.6	0.9	8%
Food Stores	6.8	7.8	8.0	6.9	1.0	15%
Hotel/Motel	6.4	6.6	7.3	6.9	0.4	6%
Major Dept Stores	9.0	9.9	9.7	9.7	-	-
Misc Retail Stores	18.4	21.0	22.4	21.4	1.1	5%
Other Activity	10.1	11.7	13.4	11.9	1.5	13%
Rental	13.8	17.2	17.2	17.0	0.2	1%
Utilities	4.6	5.0	4.5	4.7	(0.1)	(3%)
Sales Tax Total	\$103.1	\$116.7	\$122.2	\$114.8	\$7.3	6%



Property Tax (Fiscal Year to Date: June 2019)

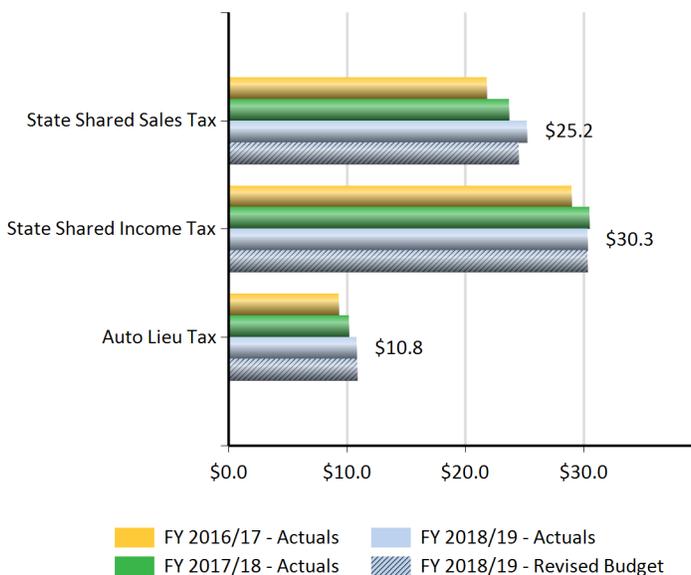
Actual to Revised Budget variance of (\$0.2) million or (1%):
No explanation necessary.



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$26.2	\$26.9	\$31.4	\$31.6	(\$0.2)	(1%)
Property Tax Total	\$26.2	\$26.9	\$31.4	\$31.6	(\$0.2)	(1%)

State Shared Revenues (Fiscal Year to Date: June 2019)

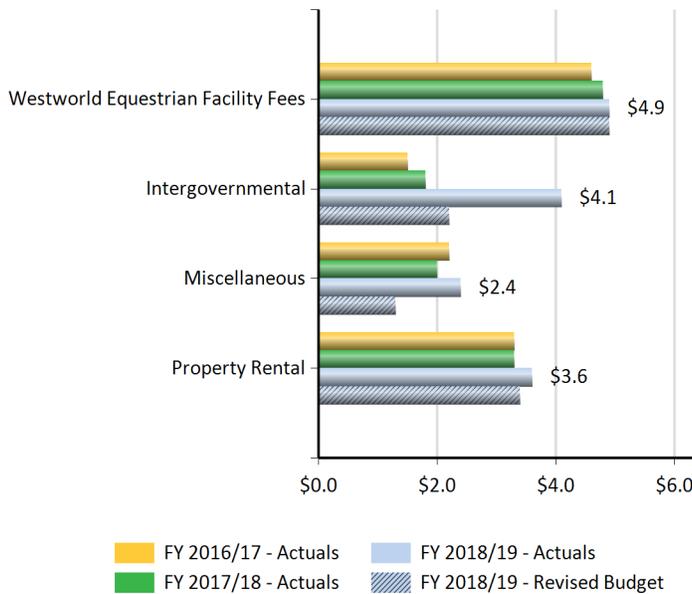
Actual to Revised Budget variance of \$0.6 million or 1%:
State Shared Sales Tax is favorable due to revenue coming in higher than the anticipated budget determined by the Arizona League of Cities and Towns.



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$21.8	\$23.7	\$25.2	\$24.5	\$0.7	3%
State Shared Income Tax	29.0	30.5	30.3	30.3	-	-
Auto Lieu Tax	9.3	10.2	10.8	10.9	(0.1)	(1%)
State Shared Revenues Total	\$60.1	\$64.5	\$66.2	\$65.7	\$0.6	1%



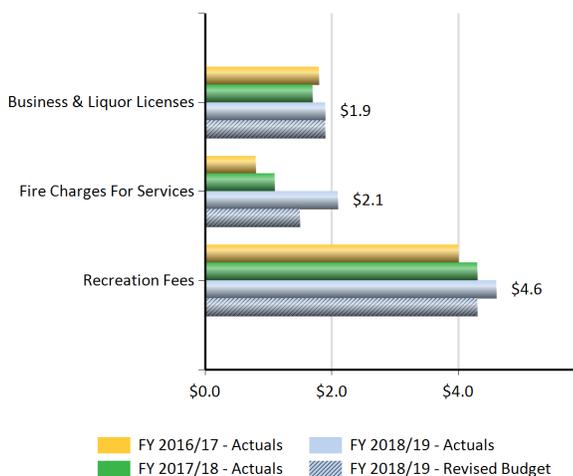
Charges for Service/Other (Fiscal Year to Date: June 2019)



Actual to Revised Budget variance of \$3.2 million or 27%: Intergovernmental is favorable mainly due to a change in an accounting reporting requirement by the Governmental Accounting Standards Board (GASB) to recognize the Fire Insurance Premium credit as an expense and revenue for the Public Safety Personnel Retirement System (PSPRS) where previously just the net was recorded as an expense. (There is no longer a variance related to expenses as a transfer from contingency was completed at fiscal year end to offset the expense portion). Miscellaneous is favorable due to: 1) a reimbursement of HVAC costs from the El Dorado Community Center; 2) a reimbursement of costs related to firefighters assisting with out of city emergencies from the state; 3) FY 2017/18 revenue being recorded in FY 2018/19; 4) higher than expected late fees and interest payments related to past due development fees; 5) the recovery of legal fees; 6) an accounting procedural change associated with the capital lease agreement for RICOH copiers; 7) the recovery of expense of stadium field maintenance costs from the Giants; and 8) the recovery of expenses related to WestWorld. Property Rental is favorable due to higher than anticipated cell tower leases and greater than anticipated Tournament Players Club revenue.

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$4.6	\$4.8	\$4.9	\$4.9	\$ -	-
Intergovernmental	1.5	1.8	4.1	2.2	2.0	90%
Miscellaneous	2.2	2.0	2.4	1.3	1.1	86%
Property Rental	3.3	3.3	3.6	3.4	0.2	6%
Charges for Service/Other Total	\$11.6	\$11.9	\$14.9	\$11.7	\$3.2	27%

License Permits & Fees (Fiscal Year to Date: June 2019)

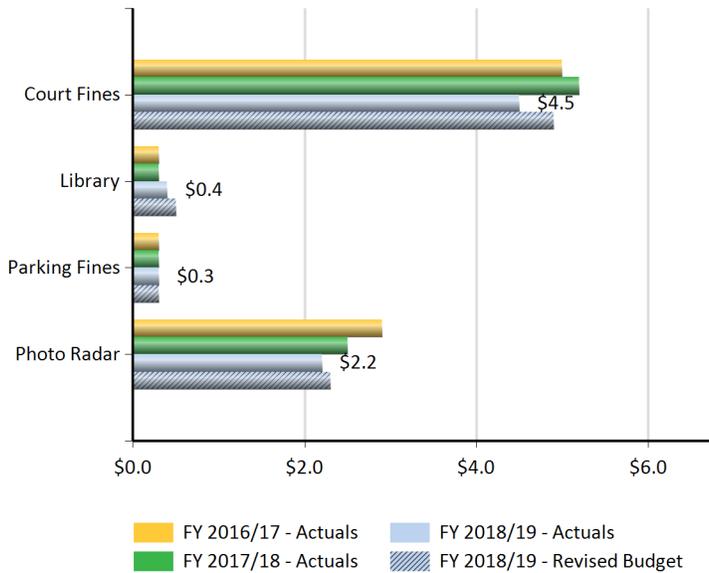


Actual to Revised Budget variance of \$0.8 million or 10%: Fire Charges For Services is favorable due to FY 2017/18 revenue from Public Safety - Fire's ambulance contract being received in FY 2018/19 and higher than expected contract use during FY 2018/19. Recreation Fees is favorable due to higher than anticipated 'After School Programs' revenue resulting from a restructuring of Community Services' rate schedule.

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Business & Liquor Licenses	\$1.8	\$1.7	\$1.9	\$1.9	\$ -	-
Fire Charges For Services	0.8	1.1	2.1	1.5	0.6	38%
Recreation Fees	4.0	4.3	4.6	4.3	0.2	6%
License Permits & Fees Total	\$6.6	\$7.1	\$8.5	\$7.7	\$0.8	10%



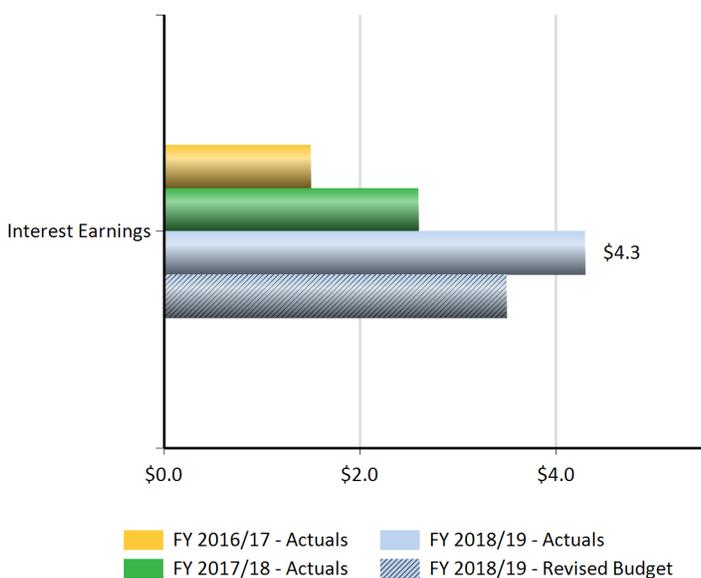
Fines Fees & Forfeitures (Fiscal Year to Date: June 2019)



Actual to Revised Budget variance of (\$0.4) million or (4%): Court Fines is unfavorable primarily due to a decrease in defensive driving attendance and court filings, the Court Compliance Program assisting non-compliant defendants to become compliant by satisfying an initial down payment instead of the full amount, and the new Justice for All Program resulting in the court issuing less defaults and reducing the number of bonds being posted and forfeited.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$5.0	\$5.2	\$4.5	\$4.9	(\$0.3)	(7%)
Library	0.3	0.3	0.4	0.5	-	-
Parking Fines	0.3	0.3	0.3	0.3	-	-
Photo Radar	2.9	2.5	2.2	2.3	-	-
Fines Fees & Forfeitures Total	\$8.5	\$8.4	\$7.5	\$7.8	(\$0.4)	(4%)

Interest Earnings (Fiscal Year to Date: June 2019)



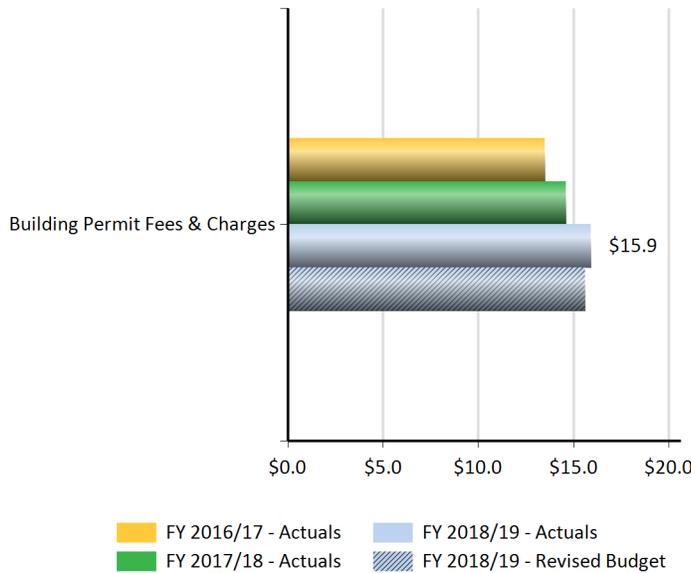
Actual to Revised Budget variance of \$0.7 million or 21%: Favorable variance is due to higher than projected interest rate earnings related to macroeconomic trends.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$1.5	\$2.6	\$4.3	\$3.5	\$0.7	21%
Interest Earnings Total	\$1.5	\$2.6	\$4.3	\$3.5	\$0.7	21%

\$ in millions / rounding differences may occur



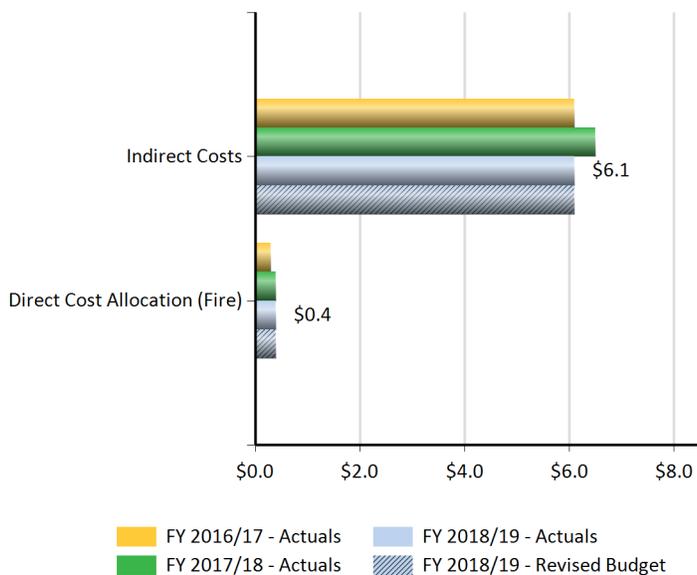
Building Permit Fees & Charges (Fiscal Year to Date: June 2019)



Actual to Revised Budget variance of \$0.3 million or 2%: Building Permit Fees & Charges is favorable mostly due to the unbudgeted sale of city property that resulted in payment of a development abandonment fee, as well as to higher than anticipated plan review and development application activity, which are the result of the demand for real estate outpacing the supply.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$13.5	\$14.6	\$15.9	\$15.6	\$0.3	2%
Building Permit Fees & Charges Total	\$13.5	\$14.6	\$15.9	\$15.6	\$0.3	2%

Indirect/Direct Cost Allocations (Fiscal Year to Date: June 2019)

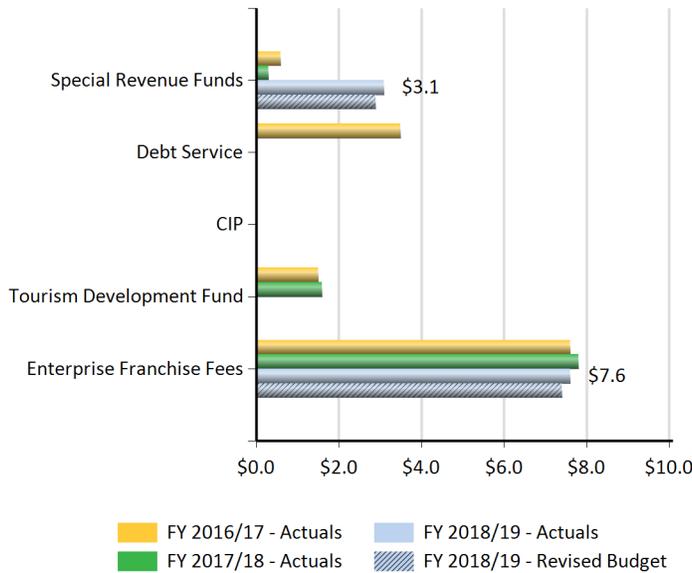


Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$6.1	\$6.5	\$6.1	\$6.1	\$ -	-
Direct Cost Allocation (Fire)	0.3	0.4	0.4	0.4	-	-
Indirect/Direct Cost Allocations Total	\$6.4	\$6.9	\$6.5	\$6.5	\$ -	-



Transfers In (Fiscal Year to Date: June 2019)

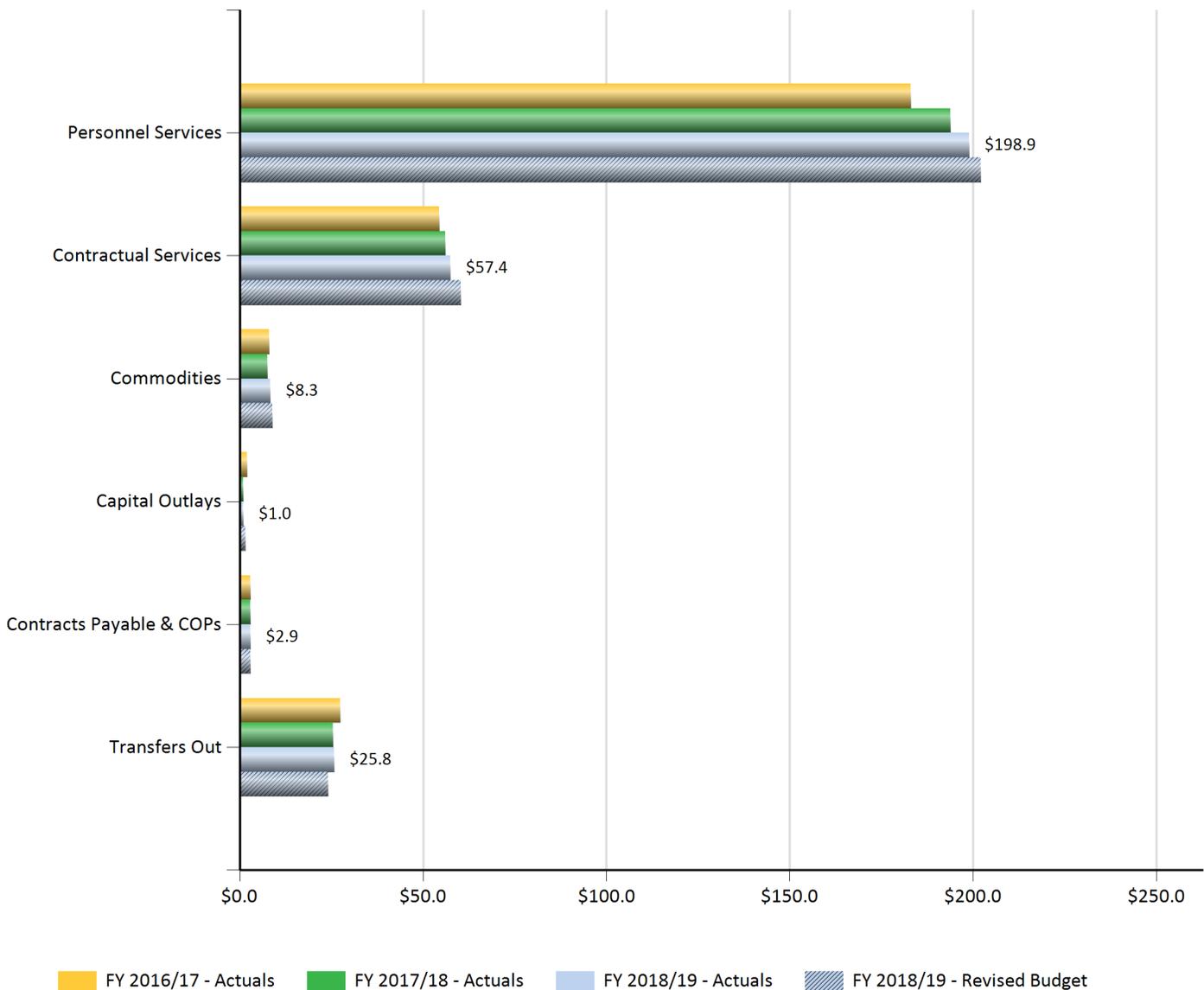


Actual to Revised Budget variance of \$0.4 million or 4%:
 Favorable variance in Special Revenue Funds is due to the higher than anticipated Tourism Development Funds - bed tax collections, which resulted in a true up transfer to the General Fund per Financial Policy No.21A.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Special Revenue Funds	\$0.6	\$0.3	\$3.1	\$2.9	\$0.2	7%
Debt Service	3.5	-	-	-	-	-
CIP	-	-	-	-	-	-
Tourism Development Fund	1.5	1.6	-	-	-	-
Enterprise Franchise Fees	7.6	7.8	7.6	7.4	0.2	2%
Transfers In Total	\$13.1	\$9.7	\$10.7	\$10.3	\$0.4	4%



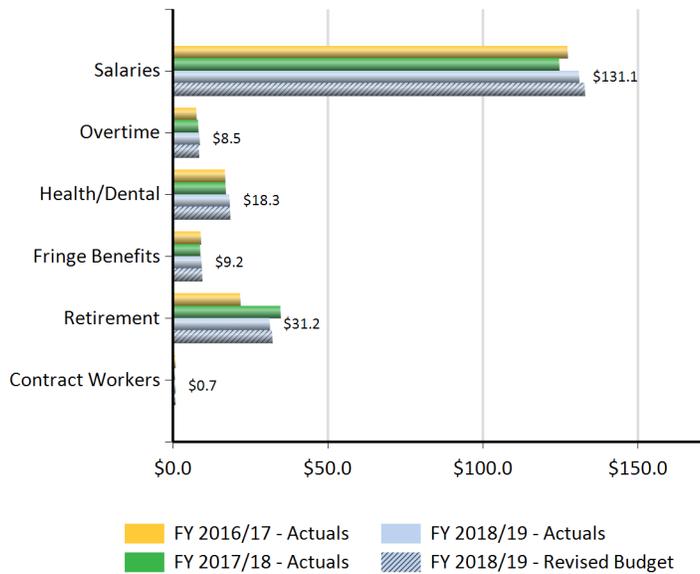
Uses (Fiscal Year to Date: June 2019)



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$183.1	\$193.7	\$198.9	\$202.1	\$3.3	2%
Contractual Services	54.4	56.0	57.4	60.2	2.8	5%
Commodities	8.1	7.6	8.3	8.9	0.6	7%
Capital Outlays	2.1	1.0	1.0	1.6	0.6	37%
Contracts Payable & COPs	2.9	2.9	2.9	2.9	-	-
Transfers Out	27.4	25.4	25.8	24.1	(1.6)	(7%)
Total Uses	\$277.8	\$286.6	\$294.3	\$299.9	\$5.6	2%



Personnel Services (Fiscal Year to Date: June 2019)



Actual to Revised Budget variance of \$3.3 million or 2%: The favorable variance in Salaries is due mainly to rank promotions in Public Safety - Police with replacement employees coming in at a lower rate than the person who was promoted, vacant positions in the City Attorney's Division (vacancy savings is not swept for the City Attorney) and part time positions not being filled as expected for the summer season in Community Services and for the event season at WestWorld. The favorable variance in Retirement is primarily related to more Police sworn employees entering the Deferred Retirement Option Plan (DROP) program than anticipated. The city does not pay retirement for those in the DROP program resulting in a favorable variance. There is no longer a variance related to the Fire Insurance Premium credit expenses as a transfer from contingency was completed at fiscal year end. Contract Workers is favorable due to lower than anticipated expenses for the new Customized Expedited Program in the Planning and Development Department as fewer people are utilizing the program than expected.

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Salaries	\$127.3	\$124.6	\$131.1	\$133.0	\$1.9	1%
Overtime	7.6	8.1	8.5	8.4	(0.1)	(1%)
Health/Dental	16.8	17.0	18.3	18.5	0.2	1%
Fringe Benefits	8.9	8.8	9.2	9.3	0.1	2%
Retirement	21.8	34.8	31.2	32.0	0.9	3%
Contract Workers	0.7	0.5	0.7	0.8	0.1	17%
Personnel Services Total	\$183.1	\$193.7	\$198.9	\$202.1	\$3.3	2%

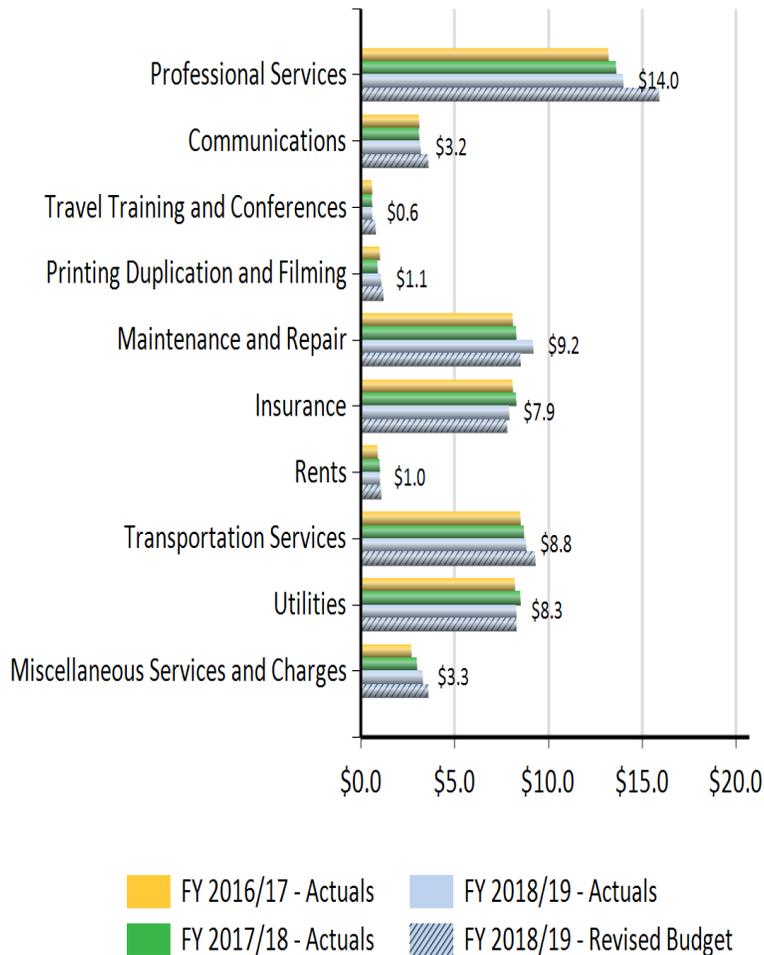
Personnel Services Macro Adjustments

	FY 2018/19	FY 2018/19	
	Adopted Budget	Year-To-Date Saved/(Used)	Remaining
Pay Program - Citywide	\$2.5	(\$2.4)	\$ -
Pay Program - Fire	0.5	(0.5)	-
Pay Program - Police Officer	0.8	(0.8)	-
Pay Program - Police Sergeant	0.2	(0.2)	-
Compensation Adjustments	-	0.3	0.3
Vacancy Savings	(4.8)	6.9	-
Medical Leave Payouts	1.3	(1.0)	0.3
Vacation Leave Payouts	0.7	(0.6)	0.1
Vacation Trade Payouts	0.8	(0.7)	0.2
Compensation Other	5.7	(5.7)	-
Personnel Services Macro Adjustments Total	\$7.6	(\$4.7)	

Total Saved/(Used) YTD of (\$4.7) million: The city achieved \$6.9 million in vacancy savings offset by (\$1.6) million in vacation and medical leave payouts. In July, the Pay Programs and the implementation of the recent Classification and Compensation Study (Compensation Other) were funded. Compensation Adjustments includes part-time salary savings in Community Services.



Contractual Services (Fiscal Year to Date: June 2019)



Actual to Revised Budget variance of \$2.8 million or 5%: Professional Services is favorable due primarily to a change in the pricing of the Photo Enforcement and Photo Enforcement Process Server contracts. It is also due to savings as a result of the Public Safety – Police Humane Society, contract new terms, savings on custodial services for the stadium, Preserve advertising, maintenance contracts, and lower than anticipated armored car and banking service fees. Communications is favorable mainly due to lower than expected postage and shipping costs, a miscalculation of telephone base costs across several divisions and lower than expected specialty line costs. Travel Training and Conferences is favorable due to fewer trainings and conferences being attended through the fiscal year than expected. Printing Duplication and Filming is favorable due to lower than expected records costs in the Planning and Development Department. The unfavorable variance in Maintenance and Repair is due to the City Hall and Civic Center Library preparation for the Celebrate '68 events being budgeted in Commodities, while the expenses were incurred in Contractual Services. It is also due to the unplanned purchase of security software, the unbudgeted cost of upgrading AV equipment at the Hontz Training Facility, and the unexpected need for contract services related to keypad access and video surveillance equipment. The unfavorable variance would have been greater, but is being offset by changes to the scope of the Scottsdale Cultural Council facility improvements and lower than expected maintenance costs associated with the Purchasing Department's production machines. Rents is favorable due to lower than expected vehicle leasing costs in Public Safety – Police and lower than anticipated machinery and equipment rental needs in Community Services. Transportation Services is favorable due to lower than expected vehicle maintenance and fuel costs across several divisions. Finally, Miscellaneous Services and Charges is favorable mainly due to lower than expected spending on election related costs, legal services and expenses related to grants and subsidies.

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Professional Services	\$13.2	\$13.6	\$14.0	\$15.9	\$2.0	12%
Communications	3.1	3.1	3.2	3.6	0.5	13%
Travel Training and Conferences	0.6	0.6	0.6	0.8	0.2	20%
Printing Duplication and Filming	1.0	0.9	1.1	1.2	0.1	11%
Maintenance and Repair	8.1	8.3	9.2	8.5	(0.7)	(8%)
Insurance	8.1	8.3	7.9	7.8	(0.1)	(1%)
Rents	0.9	1.0	1.0	1.1	0.1	9%
Transportation Services	8.5	8.7	8.8	9.3	0.5	6%
Utilities	8.2	8.5	8.3	8.3	-	-
Miscellaneous Services and Charges	2.7	3.0	3.3	3.6	0.3	7%
Contractual Services Total	\$54.4	\$56.0	\$57.4	\$60.2	\$2.8	5%

FY 2018/19

Contractual Services Macro Adjustments

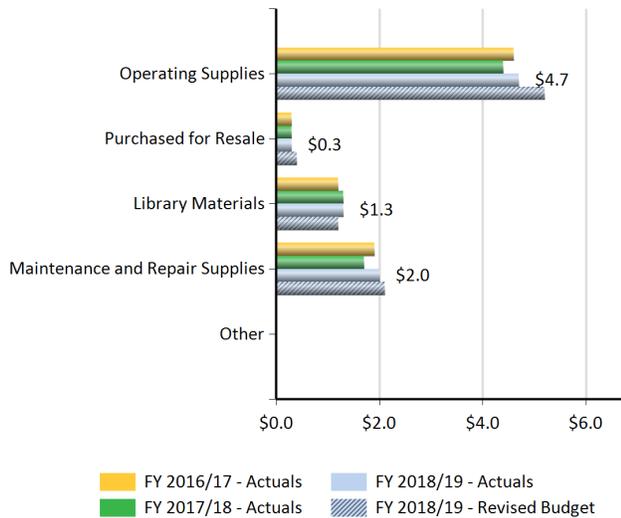
	Adopted Budget	FY 2018/19 Year-To-Date Saved/(Used)	Remaining
Utilities	\$8.4	(\$8.3)	\$0.2
Contractual Services Macro Adjustments Total	\$8.4	(\$8.3)	\$0.2

Total Saved/(Used) YTD of (\$8.3) million: No explanation necessary.

\$ in millions / rounding differences may occur



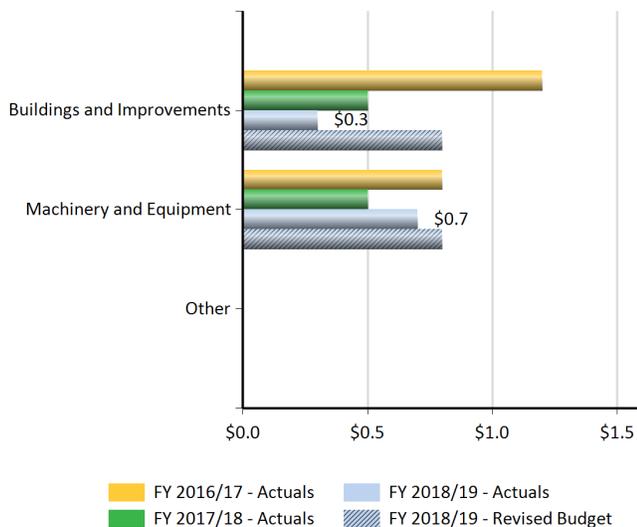
Commodities (Fiscal Year to Date: June 2019)



Actual to Revised Budget variance of \$0.6 million or 7%: Operating Supplies is favorable due primarily to lower than planned small equipment and clothing purchases in Public Safety - Police. It is also due to lower than anticipated operating supply expense needs in the Planning and Development Department. Maintenance and Repair Supplies is favorable due primarily to the City Hall and Civic Center Library preparation for the Celebrate '68 events being budgeted in Commodities, while the expenses were incurred in Contractual Services.

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$4.6	\$4.4	\$4.7	\$5.2	\$0.5	10%
Purchased for Resale	0.3	0.3	0.3	0.4	-	-
Library Materials	1.2	1.3	1.3	1.2	-	-
Maintenance and Repair Supplies	1.9	1.7	2.0	2.1	0.1	6%
Other	-	-	-	-	-	-
Commodities Total	\$8.1	\$7.6	\$8.3	\$8.9	\$0.6	7%

Capital Outlays (Fiscal Year to Date: June 2019)



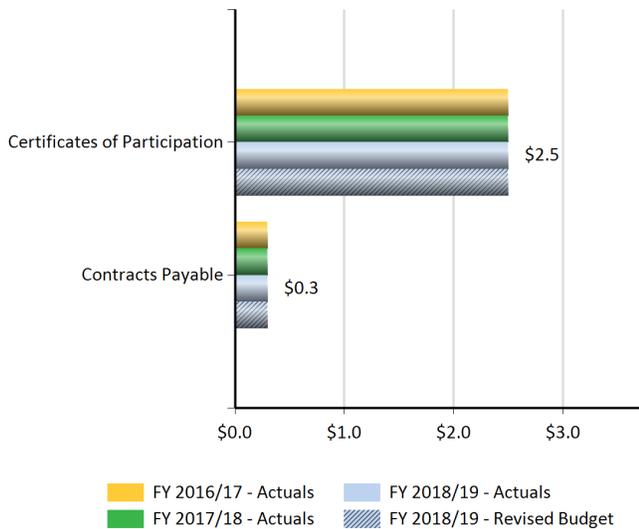
Actual to Revised Budget variance of \$0.6 million or 37%: Buildings and Improvements is favorable due to a delay in the construction of the restroom project at McCormick Stillman Railroad Park. Machinery and Equipment is favorable due to lower than expected costs for accident investigation equipment in Public Safety - Police.

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$1.2	\$0.5	\$0.3	\$0.8	\$0.5	59%
Machinery and Equipment	0.8	0.5	0.7	0.8	0.1	15%
Other	-	-	-	-	-	-
Capital Outlays Total	\$2.1	\$1.0	\$1.0	\$1.6	\$0.6	37%



Contracts Payable & COPs (Fiscal Year to Date: June 2019)

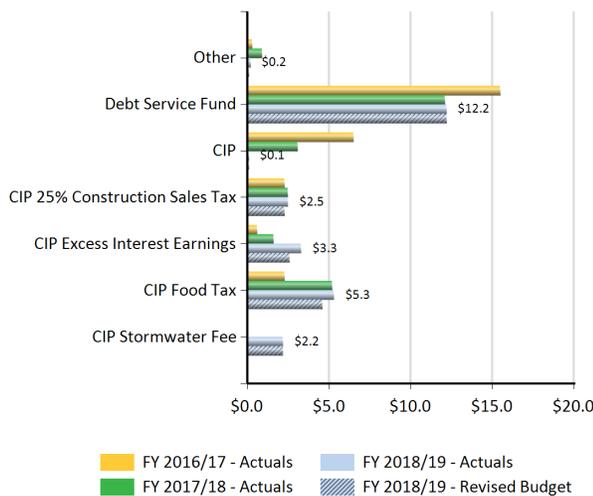
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$2.5	\$2.5	\$2.5	\$2.5	\$ -	-
Contracts Payable	\$0.3	\$0.3	\$0.3	\$0.3	\$ -	-
Contracts Payable & COPs Total	\$2.9	\$2.9	\$2.9	\$2.9	\$ -	-

Transfers Out (Fiscal Year to Date: June 2019)

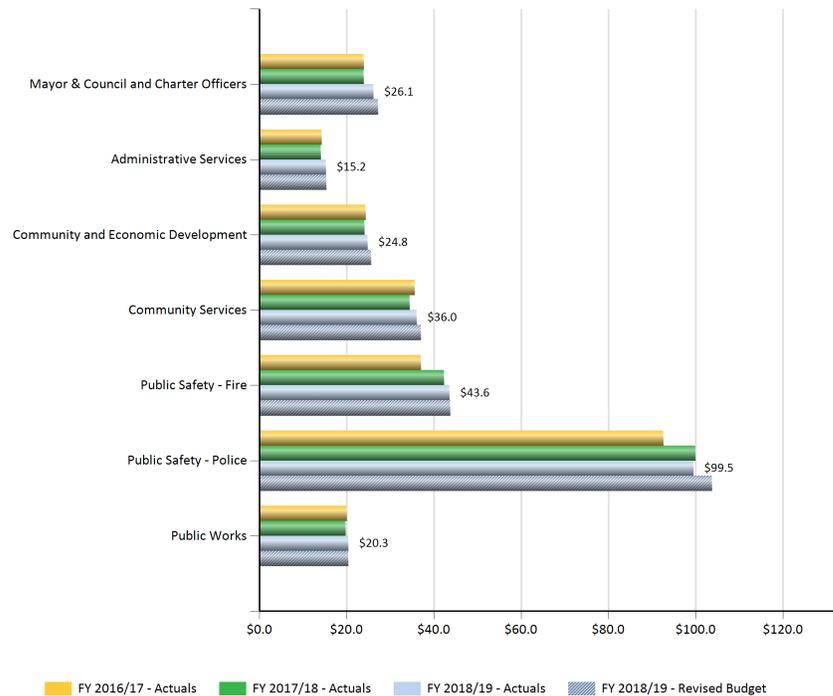
Actual to Revised Budget variance of (\$1.6) million or (7%):
CIP 25% Construction Sales Tax was unfavorable due to higher than expected revenue coming in for construction sales tax as a result of an upward trend in new residential sales. CIP Excess Interest Earnings is unfavorable due to higher than projected interest rate earnings related to macroeconomic trends. CIP Food Tax is unfavorable due to a higher than forecasted transfer of food for home consumption to the CIP due to higher than expected Food Stores Sales tax collections primarily due to the opening of a new grocery store.



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Other	\$0.3	\$0.9	\$0.2	\$0.1	\$ -	-
Debt Service Fund	15.5	12.1	12.2	12.2	-	-
CIP	6.5	3.1	0.1	0.1	-	-
CIP 25% Construction Sales Tax	2.3	2.5	2.5	2.3	(0.2)	(8%)
CIP Excess Interest Earnings	0.6	1.6	3.3	2.6	(0.7)	(27%)
CIP Food Tax	2.3	5.2	5.3	4.6	(0.7)	(15%)
CIP Stormwater Fee	-	-	2.2	2.2	-	-
Transfers Out Total	\$27.4	\$25.4	\$25.8	\$24.1	(\$1.6)	(7%)



Division Expenditures (Fiscal Year to Date: June 2019)

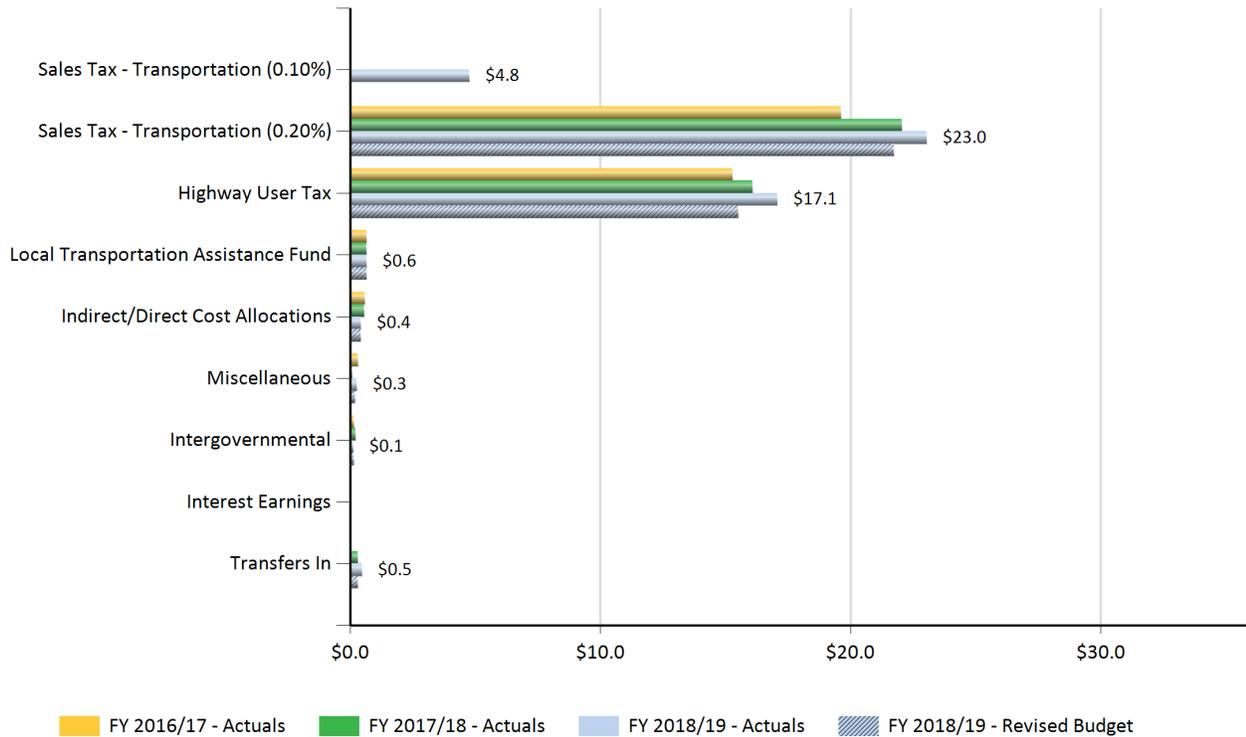


	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual Favorable / (Unfavorable) Amount	vs. Budget Percent
Mayor & Council and Charter Officers	\$23.9	\$23.9	\$26.1	\$27.2	\$1.1	4%
Administrative Services	14.2	14.1	15.2	15.3	0.1	0%
Community and Economic Development	24.3	24.0	24.8	25.6	0.8	3%
Community Services	35.6	34.4	36.0	37.0	1.0	3%
Public Safety - Fire	37.0	42.3	43.6	43.7	0.1	0%
Public Safety - Police	92.6	99.9	99.5	103.7	4.2	4%
Public Works	20.0	19.7	20.3	20.4	0.1	0%
Total	\$247.5	\$258.4	\$265.6	\$272.9	\$7.3	3%

Actual to Revised Budget variance of \$7.3 million or 3%: Mayor & Council and Charter Officers is favorable mainly due to lower than expected postage and shipping, armored car and banking service fees, as well as lower costs related to the Purchasing Department’s production machines in City Treasurer. It is also related to lower than expected legal services and vacant positions in City Attorney and lower than expected election costs in City Clerk. While Administrative Services is showing a small favorable variance, there is actually a large favorable variance due to fewer trainings and conferences being attended than planned, lower advertising and specialty line costs and lower IT contract costs than budgeted being almost completely offset by the unplanned purchase of security software. Community and Economic Development is favorable due to fewer part time positions being filled at WestWorld for event season, lower than anticipated expenses for the new Customized Expedited Program in the Planning and Development Department as fewer people are utilizing the program than expected, lower printing and graphics and microfilming costs, a lower operating supplies need than planned, less than expected office equipment and machinery maintenance costs and changes to the scope of the Scottsdale Cultural Council facility improvements. Community Services is favorable primarily due to the delay in starting the McCormick Stillman Railroad Park restroom project, which will now begin in FY 2019/20. It is also due to lower custodial, maintenance, vehicle maintenance and advertising costs than expected, lower expenses related to grants and subsidies, a miscalculation of telephone base costs, and lower seasonal part time positions filled than expected. Public Safety – Fire is favorable mainly due to lower than expected fleet maintenance and fuel costs. Public Safety – Police is favorable due to rank promotions with replacement employees coming in at a lower rate, more Public Safety-Police sworn employees entering the Deferred Retirement Option Plan (DROP) program than anticipated, a change in the pricing of the Photo Enforcement and Photo Enforcement Process Server contracts, lower than planned costs related to the Humane Society contract, lower than planned vehicle maintenance and fuel costs, and lower than expected costs for accident investigation and other small equipment and clothing purchases. The favorable variance would have been greater but is partially offset by the unbudgeted cost of upgrading AV equipment at the Hontz Training Facility and the unexpected need for contract services related to keypad access and video surveillance equipment. Finally, while Public Works is showing a small favorable variance, there is actually a larger favorable variance due to lower than expected maintenance and repair costs related to the fall protection assessment contract, lower costs for Heating, Ventilation and Air Conditioning (HVAC) contract work due to the mild spring, and the lower than planned need to purchase maintenance and repair equipment being almost completely offset by higher than expected custodial contract and building repair costs.



Sources (Fiscal Year to Date: June 2019)



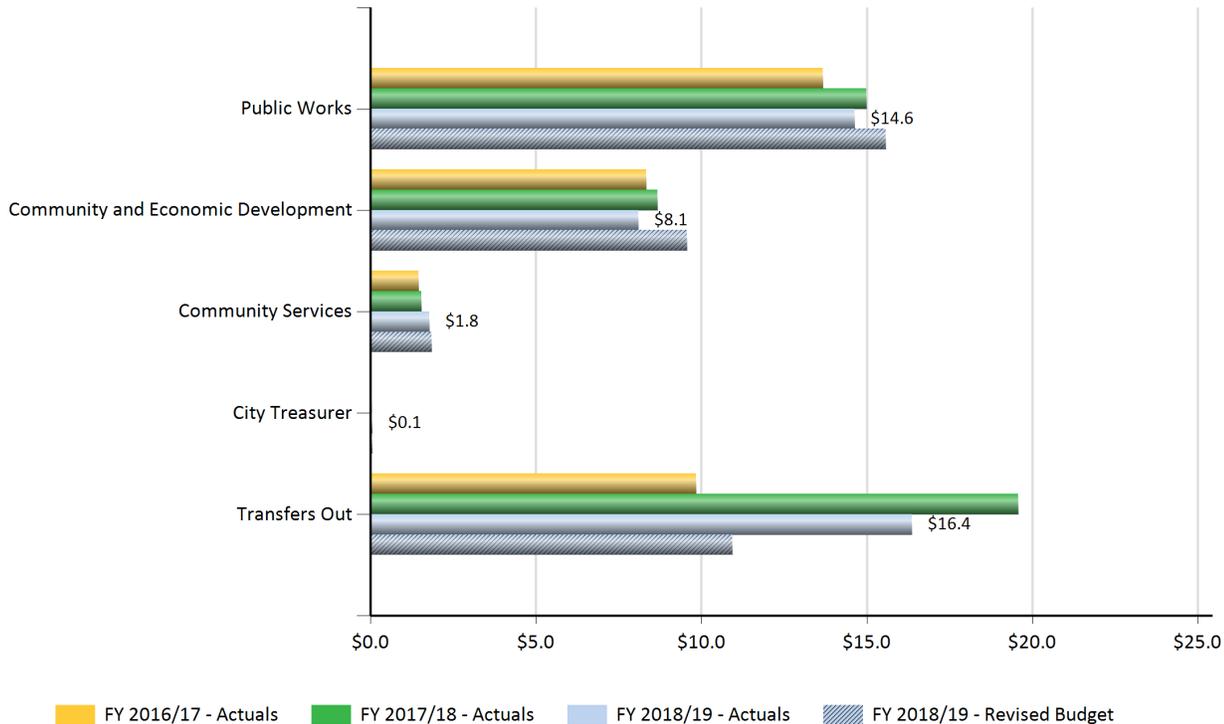
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Sales Tax - Transportation (0.10%)	\$ -	\$ -	\$4.8	\$ -	\$4.8	n/a
Sales Tax - Transportation (0.20%)	\$19.6	\$22.0	\$23.0	\$21.7	\$1.3	6%
Highway User Tax	15.3	16.1	17.1	15.5	1.6	10%
Local Transportation Assistance Fund	0.6	0.7	0.6	0.7	-	-
Indirect/Direct Cost Allocations	0.6	0.6	0.4	0.4	-	-
Miscellaneous	0.3	0.1	0.3	0.2	0.1	40%
Intergovernmental	0.1	0.2	0.1	0.2	-	-
Interest Earnings	-	-	-	-	-	-
Transfers In	-	0.3	0.5	0.3	0.2	53%
Total Sources	\$36.6	\$39.9	\$46.8	\$38.9	\$7.8	20%

Actual to Revised Budget variance of \$7.8 million or 20%:

The favorable variance in Sales Tax – Transportation (0.10%) is due to a new Sales Tax that was approved by voters in November 2018 with collections beginning in February 2019 for Arterial Life Cycle Program (ALCP) transportation related projects. The favorable variance in Sales Tax – Transportation (0.20%) is due to favorable revenue fluctuations within individual Sales Tax categories. See page 5 for explanations by category. The favorable variance in the Highway User Tax is due to greater than anticipated Vehicle License Tax and higher fuel revenues than what was anticipated by the League of Arizona Cities and Towns. The favorable variance in Miscellaneous is due to Recovery of Expenses for FY 2017/18 transit operations from the City of Phoenix that were received in FY 2018/19. The favorable variance in Transfers In is due to the reimbursement of the Sky Harbor Connection Program which was approved by the City Council in FY 2017/18 but did not occur until FY 2018/19.



Uses (Fiscal Year to Date: June 2019)



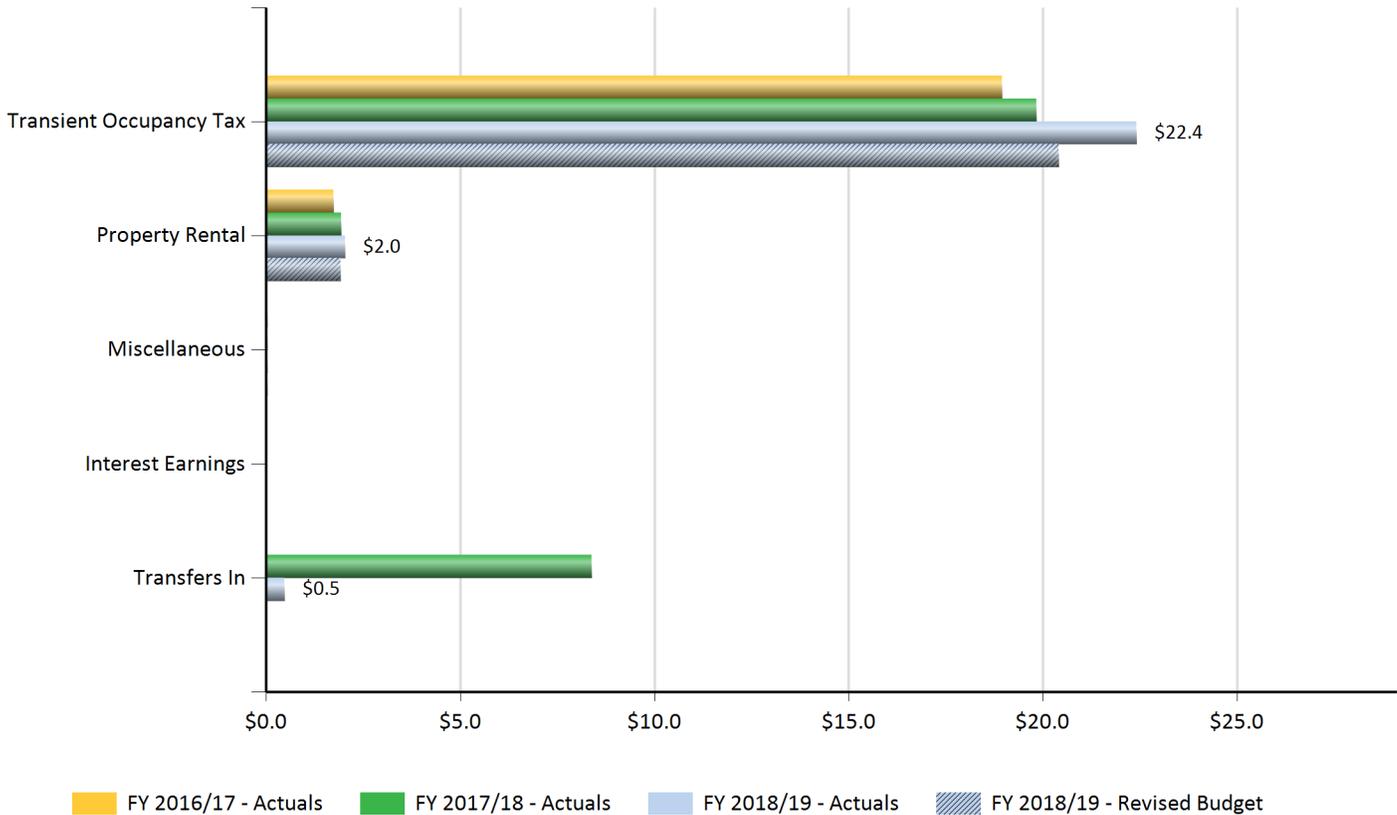
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Public Works	\$13.7	\$15.0	\$14.6	\$15.6	\$0.9	6%
Community and Economic Development	8.3	8.7	8.1	9.6	1.5	15%
Community Services	1.5	1.5	1.8	1.9	0.1	4%
City Treasurer	-	-	0.1	0.1	-	-
Transfers Out	9.8	19.6	16.4	10.9	(5.4)	(49%)
Total Uses	\$33.3	\$44.8	\$40.9	\$38.0	(\$2.9)	(8%)

Actual to Revised Budget variance of (\$2.9) million or (8%):

The favorable variance in Public Works is primarily related to: 1) delays in concrete repair projects due to the need to first complete Americans with Disabilities Act (ADA) ramp upgrades along with limited contractor availability; 2) the dust palliative cycle being delayed due to storm clean up; 3) the timing of invoices for roadway striping for pavement projects; and 4) timing of invoices for citywide lighting upgrades. The favorable variance in Community and Economic Development is due to the revised transit services contract with the City of Phoenix. The revision will result in savings that will be applied to expanded trolley routes. Adding to the favorable variance are less than forecasted maintenance and repair costs for trolleys, and fuel and taxi voucher program savings. The favorable variance in Community Services is due to a lack of contracted staff for right-of-way, median landscaping, and storm drain clean-up throughout Scottsdale. The unfavorable variance in Transfers Out is related to using \$1.2 million of the Transportation Undesignated, Unreserved Fund Balance in the CIP to fund the Drinkwater Interim Structural Repairs project. The Transportation Fund will be reimbursed the \$1.2 million in FY 2019/20. Also contributing to the unfavorable variance is the transfer of the new voter approved Sales Tax – Transportation (0.10%) to the CIP for ALCP transportation capital projects.



Sources (Fiscal Year to Date: June 2019)



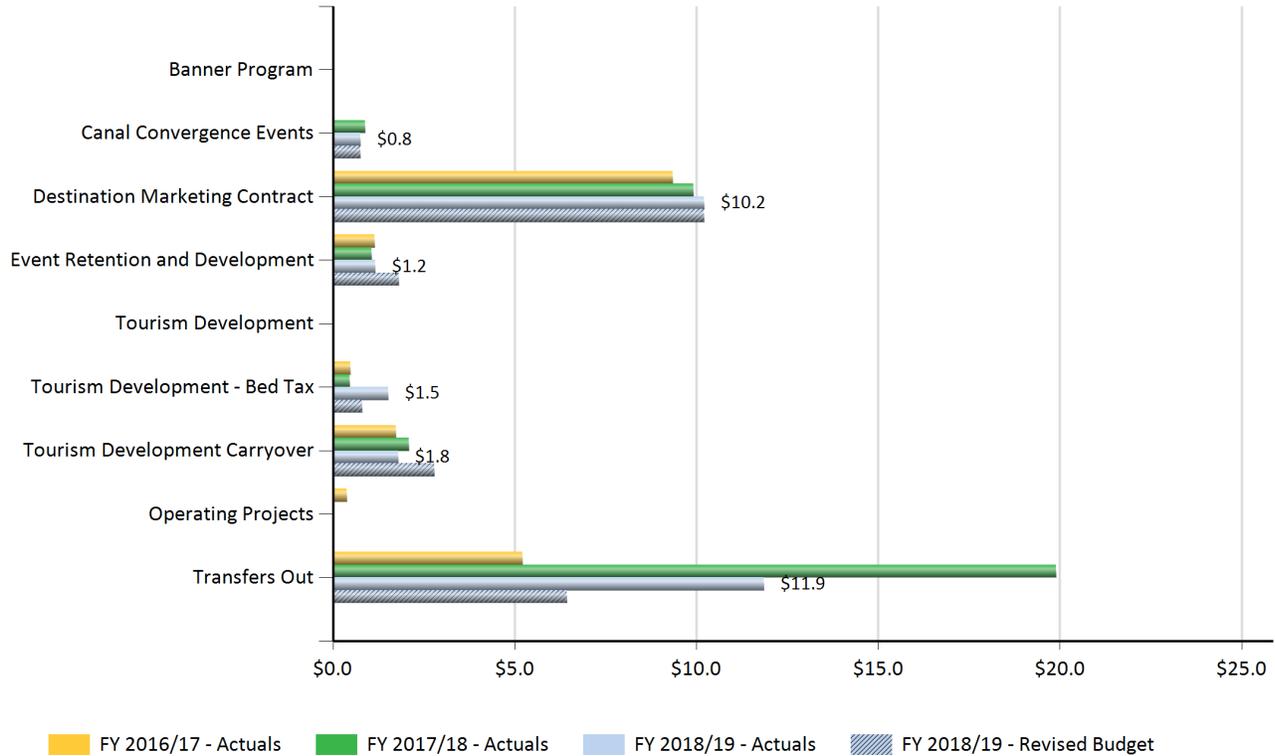
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Transient Occupancy Tax	\$19.0	\$19.8	\$22.4	\$20.4	\$2.0	10%
Property Rental	1.7	1.9	2.0	1.9	0.1	6%
Miscellaneous	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-
Transfers In	-	8.4	0.5	-	0.5	n/a
Total Sources	\$20.7	\$30.1	\$24.9	\$22.3	\$2.6	12%

Actual to Revised Budget variance of \$2.6 million or 12%:

The favorable variance in Transient Occupancy Tax and in Property Rental is due in part to the growing economy that resulted in higher Bed Tax collections and higher than estimated lease payments from the Fairmont Scottsdale Princess Hotel. The favorable variance in Transfers In is related to budget savings in two completed capital projects that was transferred back to the Tourism Development Fund operating budget.



Uses (Fiscal Year to Date: June 2019)



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Banner Program	\$ -	\$ -	\$ -	\$ -	\$ -	-
Canal Convergence Events	-	0.9	0.8	0.8	-	-
Destination Marketing Contract	9.4	9.9	10.2	10.2	-	-
Event Retention and Development	1.1	1.1	1.2	1.8	0.7	36%
Tourism Development	-	-	-	-	-	-
Tourism Development - Bed Tax	0.5	0.5	1.5	0.8	(0.7)	(88%)
Tourism Development Carryover	1.7	2.1	1.8	2.8	1.0	36%
Operating Projects	0.4	-	-	-	-	-
Transfers Out	5.2	19.9	11.9	6.4	(5.4)	(84%)
Total Uses	\$18.3	\$34.3	\$27.3	\$22.8	(\$4.5)	(20%)

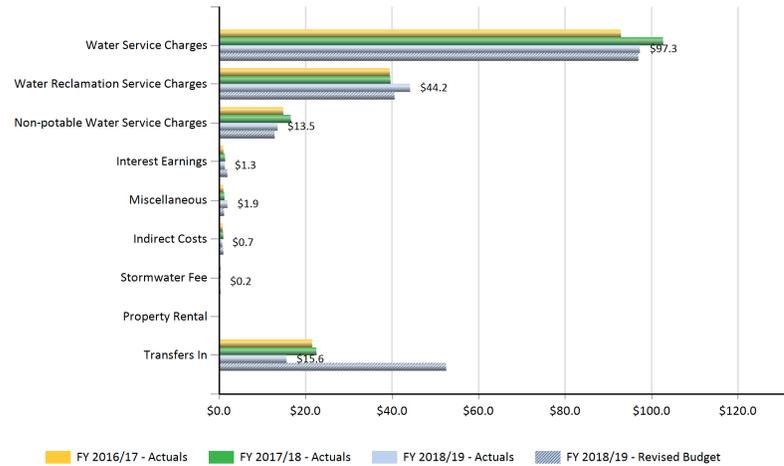
Actual to Revised Budget variance of (\$4.5) million or (20%):

The favorable variance in Event Retention and Development is due to timing in event funding requests. The unfavorable variance in Tourism Development - Bed Tax is due to the additional expense (true-up payment) for the Destination Marketing Contract being recorded incorrectly in this category. The additional Destination Marketing Contract expenses is related to the higher than anticipated collection of Transient Occupancy Tax, of which 50 percent by agreement is transferred to Experience Scottsdale for destination marketing activities. The favorable variance in Tourism Development Carryover is partly due to the pedestrian signs project for Old Town not moving forward. The unfavorable variance in Transfers Out is due to the reimbursement of the Sky Harbor Connection Program, which was approved by the City Council in FY 2017/18 but did not occur until FY 2018/19, and a Council approved transfer to the CIP to support the Scottsdale Stadium Renovations capital project.



Water & Water Reclamation Funds

Sources (Fiscal Year to Date: June 2019)



	FY 2016/17 <u>Actuals</u>	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	FY 2018/19 <u>Revised Budget</u>	Actual vs. Budget Favorable / (Unfavorable) <u>Amount</u>	<u>Percent</u>
Water Service Charges	\$92.9	\$102.7	\$97.3	\$96.9	\$0.3	0%
Water Reclamation Service Charges	39.5	39.6	44.2	40.5	3.7	9%
Non-potable Water Service Charges	14.8	16.6	13.5	12.8	0.6	5%
Interest Earnings	0.9	1.4	1.3	1.9	(0.6)	(30%)
Miscellaneous	1.0	1.2	1.9	1.1	0.8	70%
Indirect Costs	0.8	0.9	0.7	0.9	(0.2)	(21%)
Stormwater Fee	0.3	0.3	0.2	0.3	(0.1)	(22%)
Property Rental	-	-	-	-	-	n/a
Transfers In	21.5	22.5	15.6	52.5	(36.9)	(70%)
Total Sources	\$171.7	\$185.3	\$174.6	\$207.0	(\$32.4)	(16%)

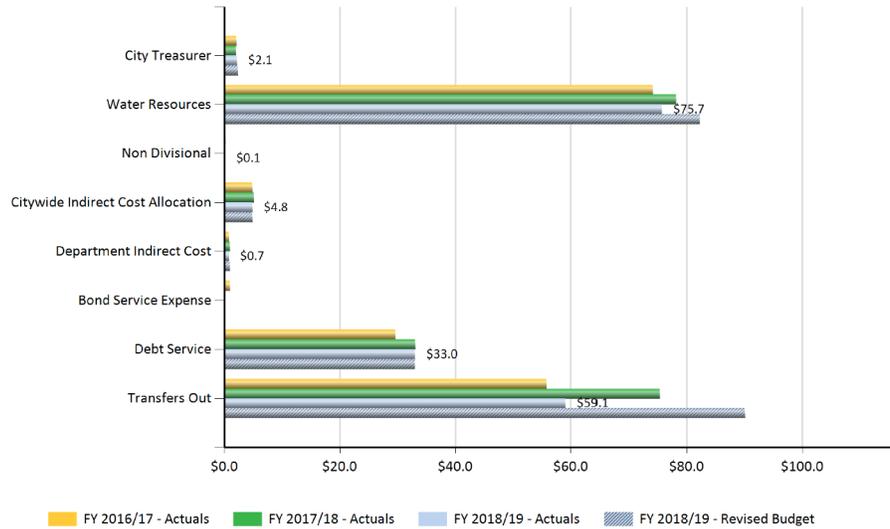
Actual to Revised Budget variance of (\$32.4) million or (16%):

Water Reclamation Service Charges is favorable due to a greater than expected number of new sewer customer billings and a higher rate of deliveries than budgeted. The budget was based on a three-year historical average of winter deliveries. Non-potable Water Service Charges is favorable mainly due to the resale of indirect treated effluent mistakenly not being included in the FY 2018/19 revenue projections and a greater level of recharge being performed at WestWorld than planned. The favorable variance would have been higher but is being offset by payouts of unbudgeted contract settlements to the superfund sites, and a lower than expected sale of untreated Central Arizona Project (CAP) water. Interest Earnings is unfavorable due to lower than expected cash balances in the Water and Water Reclamation Funds. Miscellaneous is favorable due to the unbudgeted sale of Booster Site 36, an increase in participation agreements, and contractual revenue associated with the Salt River Project Groundwater Savings Facility not anticipated but received. Indirect Costs is unfavorable due to an adjustment that was made for water conservation, the actuals include an offset for conservation related programs which do not benefit contractual users. Stormwater Fee is unfavorable due to lower than expected growth in the number of active stormwater accounts. Transfers In is unfavorable due to transfers associated with the payment of development fees and debt service not occurring as budgeted due to the changing of an accounting policy.



Water & Water Reclamation Funds

Uses (Fiscal Year to Date: June 2019)



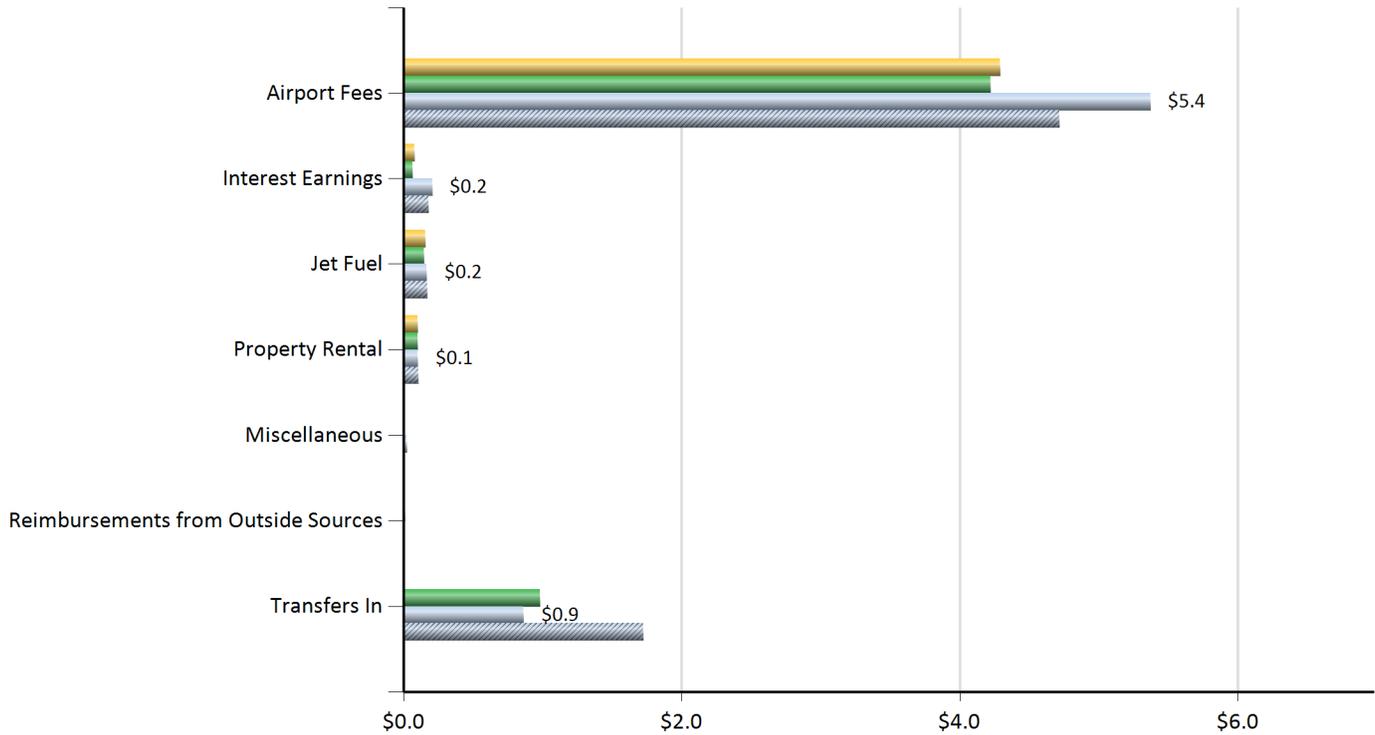
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
City Treasurer	\$2.0	\$2.0	\$2.1	\$2.3	\$0.2	10%
Water Resources	74.1	78.2	75.7	82.3	6.6	8%
Non Divisional	0.1	0.1	0.1	-	(0.1)	n/a
Citywide Indirect Cost Allocation	4.8	5.1	4.8	4.8	-	-
Department Indirect Cost	0.8	0.9	0.7	0.9	0.2	21%
Bond Service Expense	0.9	-	-	-	-	-
Debt Service	29.6	33.0	33.0	33.0	-	-
Transfers Out	55.8	75.3	59.1	90.1	31.0	34%
Total Uses	\$168.2	\$194.6	\$175.4	\$213.4	\$38.0	18%

Actual to Revised Budget variance of \$38.0 million or 18%:

There is a favorable variance in City Treasurer mainly due to software maintenance and postage expenses being less than expected. The favorable variance in Water Resources is due to lower electricity costs related to a reduced production rate based on wet weather conditions, a lower than expected purchased water budget which included funding in the event the Drought Contingency Plan was enacted, which did not occur in FY 2018/19 and a reconciliation of Central Arizona Project (CAP) rate resulting in a favorable variance. It is also due to there being less of a need to purchase treatment filter media and treatment chemicals based on the quality of the raw water blend, less of a need to purchase treated effluent and Advanced Water Treatment Reverse Osmosis (AWT R/O) due to wet weather conditions, a lower than expected settlement of sewer user charges with the Multi-City Water Reclamation Plant (SROG), lower than planned contract labor needs related to the repairs of water and sewer systems, and for electrical and mechanical maintenance, higher than expected energy credits from the Arizona Power Authority, and a lower than expected need to purchase small operating supplies. The favorable variance would have been greater but is being offset by the under-budgeting of costs related to the new sewer pipe imaging project, higher than anticipated waste hauling demands at the CAP Water Treatment Plant, a greater than expected need to purchase supplies to repair failing pumps, motors and other large equipment, and conference and training room equipment and furniture costs being higher than planned. Department Indirect Cost is favorable due to an adjustment that was made for water conservation, the actuals include an offset for conservation related programs which do not benefit contractual users. The favorable variance in Transfers Out is due to transfers associated with the payment of debt service not occurring as budgeted due to the changing of an accounting policy



Sources (Fiscal Year to Date: June 2019)



■ FY 2016/17 - Actuals
 ■ FY 2017/18 - Actuals
 ■ FY 2018/19 - Actuals
 ▨ FY 2018/19 - Revised Budget

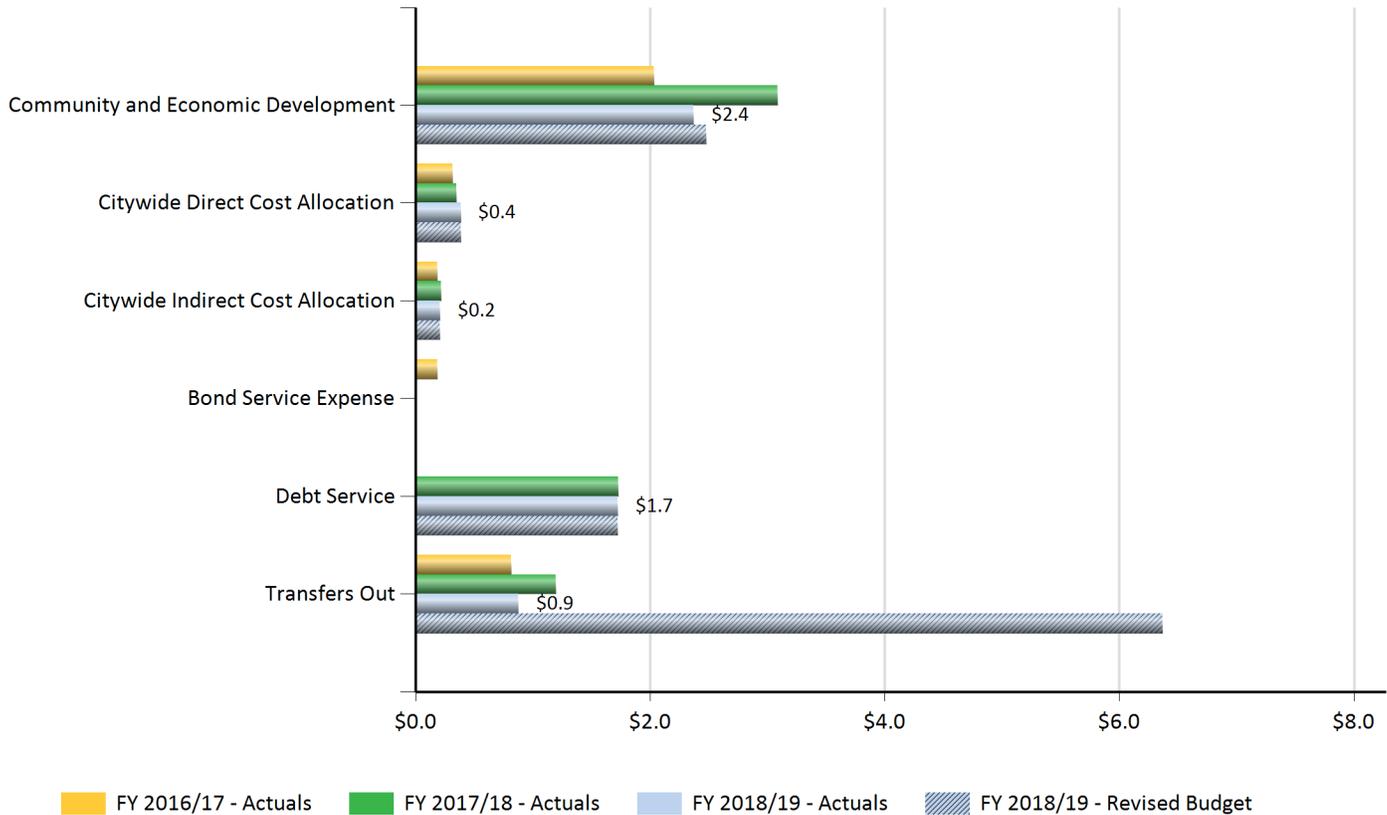
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Airport Fees	\$4.3	\$4.2	\$5.4	\$4.7	\$0.7	14%
Interest Earnings	0.1	0.1	0.2	0.2	-	-
Jet Fuel	0.2	0.1	0.2	0.2	-	-
Property Rental	0.1	0.1	0.1	0.1	-	-
Miscellaneous	-	-	-	-	-	n/a
Reimbursements from Outside Sources	-	-	-	-	-	-
Transfers In	-	1.0	0.9	1.7	(0.9)	(50%)
Total Sources	\$4.6	\$5.5	\$6.7	\$6.9	(\$0.2)	(2%)

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

The favorable variance in Airport Fees is due to higher than anticipated activity partly as a result of the overall good weather. The favorable variance is partially offset by the late opening of the Aviation Business Center which delayed the meeting rooms rental opportunities as well as restaurant revenue. The unfavorable variance in Transfers In is due to debt service transfers not occurring as budgeted due to the changing of an accounting policy.



Uses (Fiscal Year to Date: June 2019)



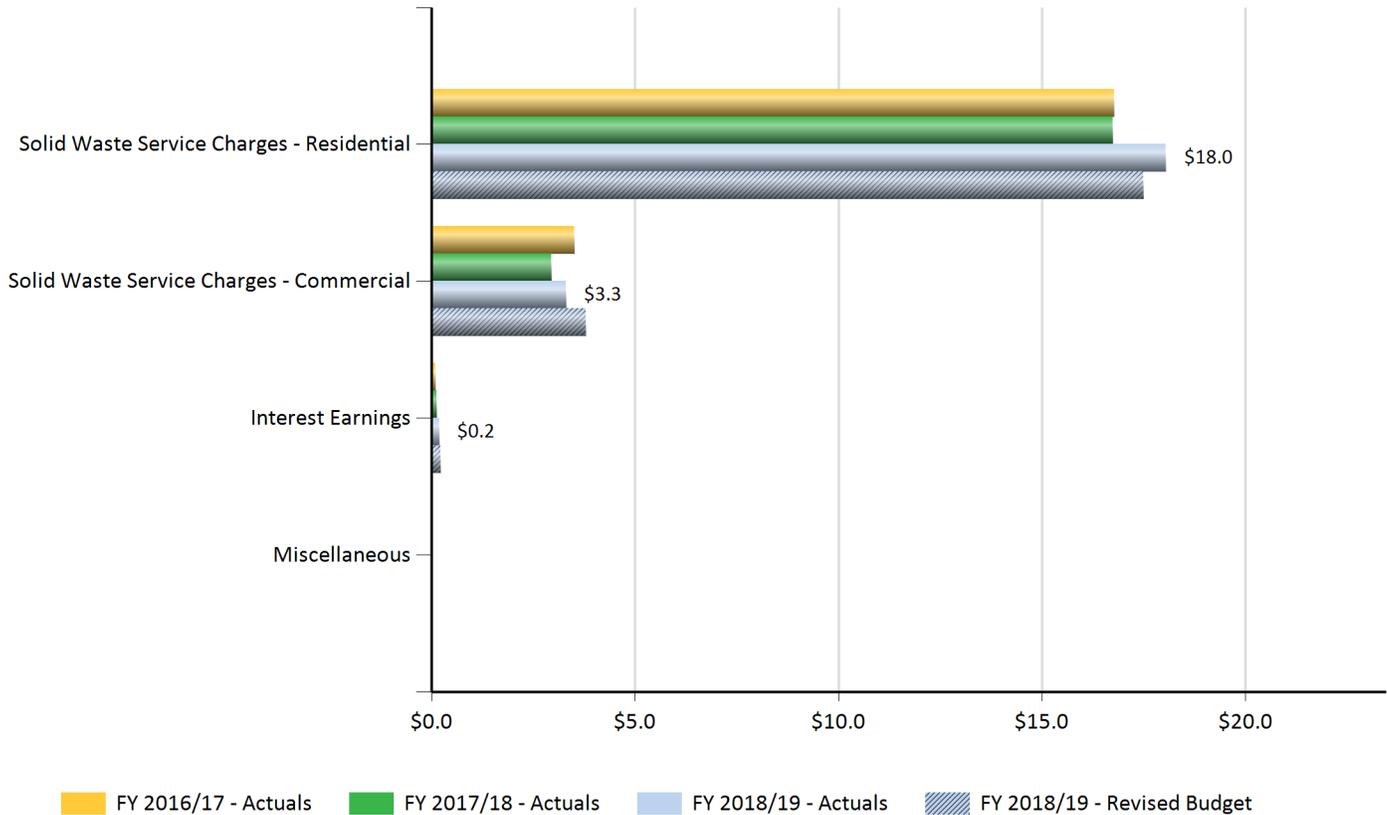
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Community and Economic Development	\$2.0	\$3.1	\$2.4	\$2.5	\$0.1	4%
Citywide Direct Cost Allocation	0.3	0.4	0.4	0.4	-	-
Citywide Indirect Cost Allocation	0.2	0.2	0.2	0.2	-	-
Bond Service Expense	0.2	-	-	-	-	-
Debt Service	-	1.7	1.7	1.7	-	-
Transfers Out	0.8	1.2	0.9	6.4	5.5	86%
Total Uses	\$3.5	\$6.6	\$5.6	\$11.2	\$5.6	50%

Actual to Revised Budget variance of \$5.6 million or 50%:

The favorable variance in Community and Economic Development is mainly due to the timing of invoices for on-call engineering, real estate and planning contract services, and for the contract with US Customs for two full time officers. Also contributing to the favorable variance is custodial services savings due to the delayed move into the newly constructed Administration Building. The favorable variance in Transfers Out is due to debt service transfers not occurring as budgeted due to the changing of an accounting policy.



Sources (Fiscal Year to Date: June 2019)



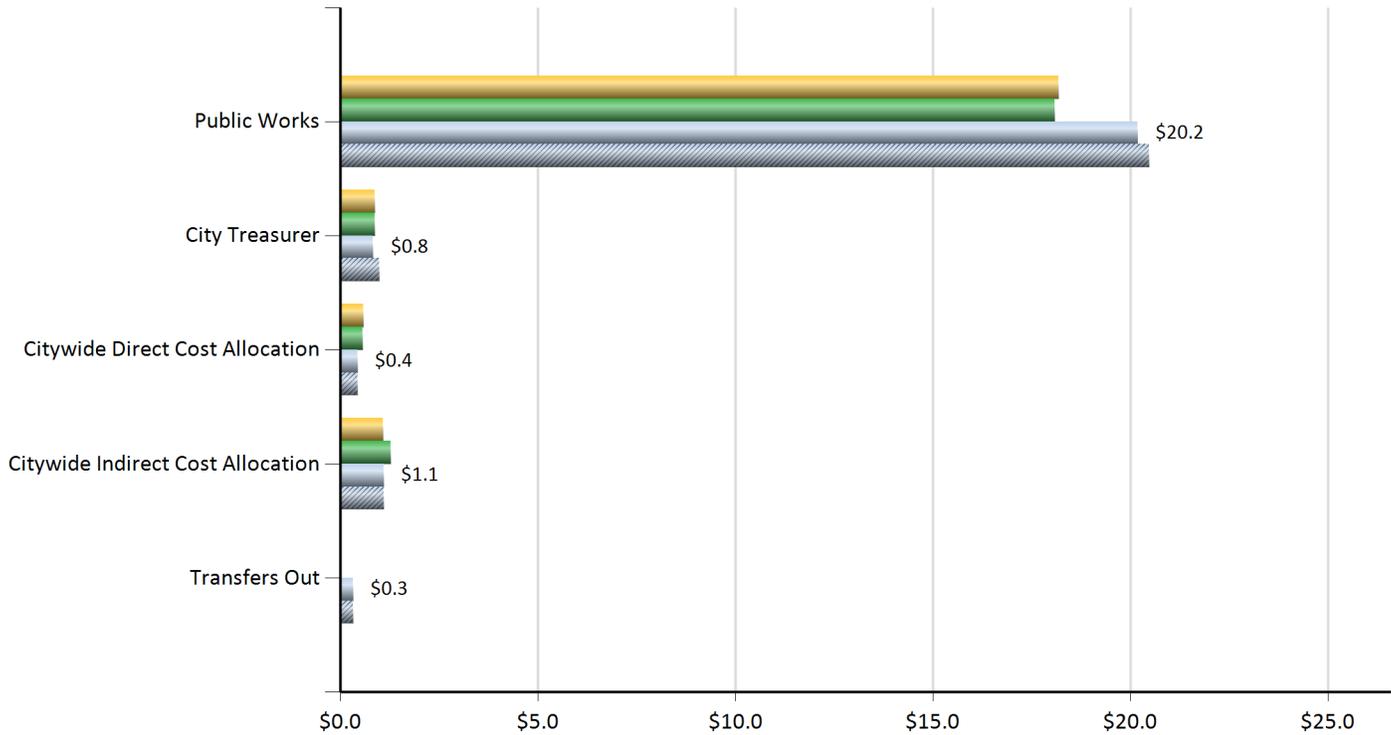
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Solid Waste Service Charges - Residential	\$16.8	\$16.7	\$18.0	\$17.5	\$0.6	3%
Solid Waste Service Charges - Commercial	3.5	2.9	3.3	3.8	(0.5)	(13%)
Interest Earnings	0.1	0.1	0.2	0.2	-	-
Miscellaneous	-	-	-	-	-	-
Total Sources	\$20.4	\$19.8	\$21.5	\$21.5	\$ -	-

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

The favorable variance in Solid Waste Service Charges - Residential is primarily due to more residential accounts being active than projected. The unfavorable variance in Solid Waste Service Charges – Commercial is due to the fee for the Commercial Cart Program, which was adopted at a lower rate than what was assumed in the budget.



Uses (Fiscal Year to Date: June 2019)



■ FY 2016/17 - Actuals
 ■ FY 2017/18 - Actuals
 ■ FY 2018/19 - Actuals
 FY 2018/19 - Revised Budget

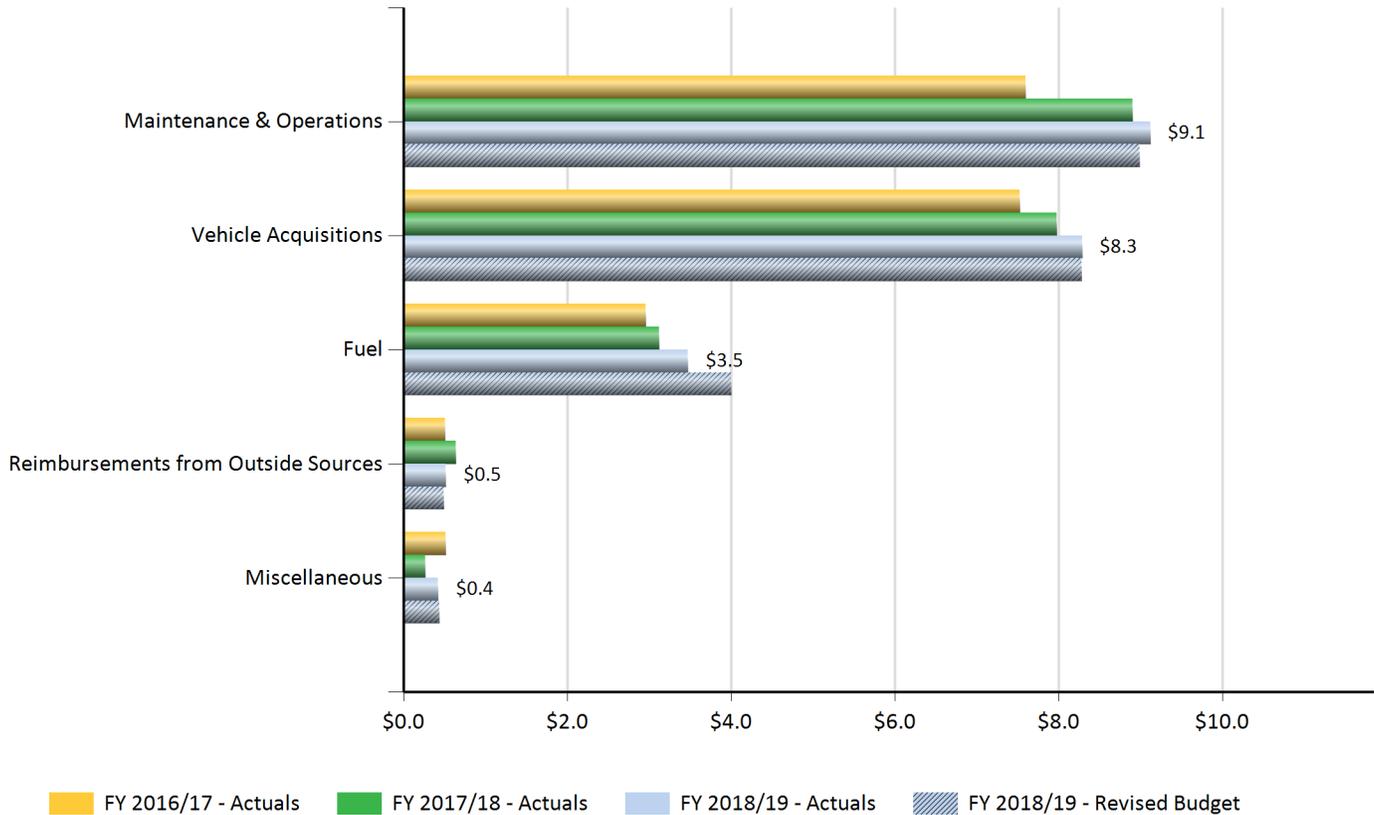
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$18.2	\$18.1	\$20.2	\$20.5	\$0.3	1%
City Treasurer	0.9	0.9	0.8	1.0	0.2	17%
Citywide Direct Cost Allocation	0.6	0.6	0.4	0.4	-	-
Citywide Indirect Cost Allocation	1.1	1.3	1.1	1.1	-	-
Transfers Out	-	-	0.3	0.3	-	-
Total Uses	\$20.7	\$20.8	\$22.8	\$23.3	\$0.4	2%

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

The favorable variance in Public Works is related to a savings in Personnel Services due to operators out for workman’s compensation, Family Medical Leave Act (FMLA), and other medical issues. Adding to the variance includes experiencing lower than forecasted container repairs as well as an excess of inventory of commercial containers eliminating the need to purchase replacement containers.



Sources (Fiscal Year to Date: June 2019)



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	vs. Budget Percent
Maintenance & Operations	\$7.6	\$8.8	\$9.1	\$9.0	\$0.1	1%
Vehicle Acquisitions	7.5	8.0	8.3	8.3	-	-
Fuel	3.0	3.1	3.5	4.0	(0.5)	(13%)
Reimbursements from Outside Sources	0.5	0.6	0.5	0.5	-	-
Miscellaneous	0.5	0.3	0.4	0.4	-	-
Total Sources	\$19.1	\$20.8	\$21.8	\$22.2	(\$0.4)	(2%)

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

The favorable variance in Maintenance & Operations is related to greater than anticipated charges to divisions for providing fleet services. The unfavorable variance in Fuel is due to a lower charge to divisions for unleaded and diesel fuel as prices have declined.



Uses (Fiscal Year to Date: June 2019)



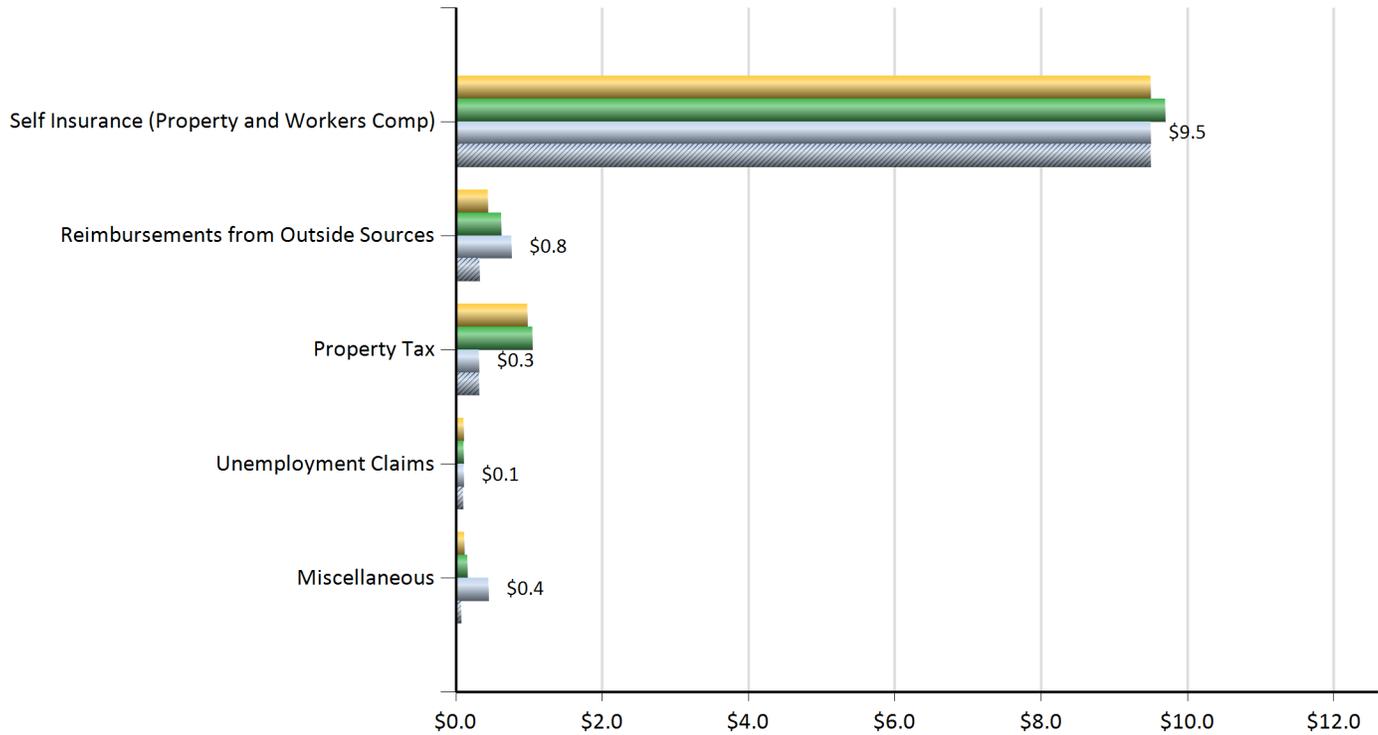
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Fleet Management Administration	\$0.5	\$0.5	\$0.5	\$0.5	\$ -	-
Fleet Management Fund	-	-	-	-	-	-
Fleet Management Operations	7.1	8.1	8.5	8.3	(0.2)	(2%)
Fleet Management Parts Supply	0.5	0.5	0.6	0.6	-	-
Fuel	2.7	2.9	3.3	3.4	0.1	3%
Motorpool	-	-	-	-	-	-
Vehicle Acquisitions	7.7	7.6	7.6	8.4	0.8	10%
Transfers Out	0.1	1.6	1.5	1.5	-	-
Total Uses	\$18.6	\$21.2	\$21.9	\$22.7	\$0.7	3%

Actual to Revised Budget variance of \$0.7 million or 3%:

The unfavorable variance in Fleet Management Operations is primarily related to unanticipated vehicle hydraulic and body repairs, a bus hybrid system repair, as well as repairs to a street sweeper's main water tank. The favorable variance in Fuel is due to the decrease in unleaded and diesel fuel prices. The favorable variance in Vehicle Acquisitions is related to vehicle and equipment purchases made, but not received by year-end. Additionally, a solid waste truck was totaled in a fire. This truck, which was originally scheduled to be replaced at the end of FY 2018/19 showed up on the FY 2018/19 replacement list resulting in the thinking that the expense was for FY 2018/19.



Sources (Fiscal Year to Date: June 2019)



■ FY 2016/17 - Actuals
 ■ FY 2017/18 - Actuals
 ■ FY 2018/19 - Actuals
 FY 2018/19 - Revised Budget

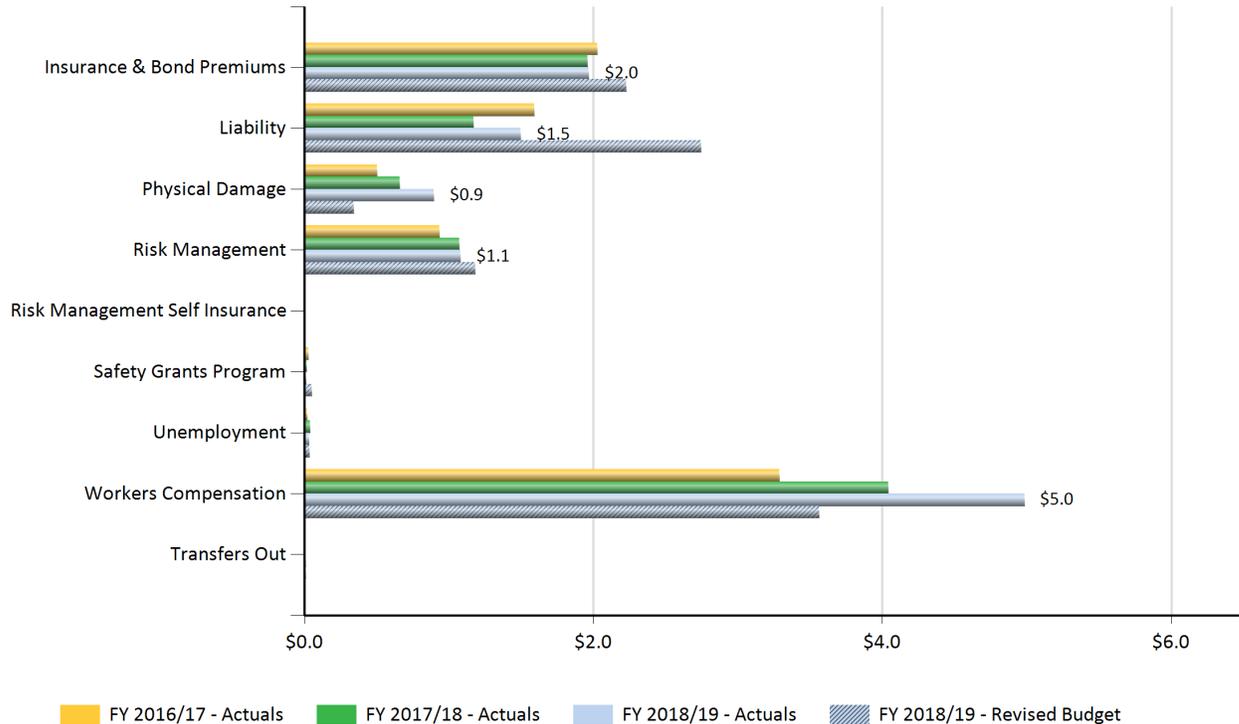
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Self Insurance (Property and Workers Comp)	\$9.5	\$9.7	\$9.5	\$9.5	\$ -	-
Reimbursements from Outside Sources	0.4	0.6	0.8	0.3	0.4	nm
Property Tax	1.0	1.0	0.3	0.3	-	-
Unemployment Claims	0.1	0.1	0.1	0.1	-	-
Miscellaneous	0.1	0.2	0.4	0.1	0.4	nm
Total Sources	\$11.1	\$11.6	\$11.1	\$10.3	\$0.8	8%

Actual to Revised Budget variance of \$0.8 million or 8%:

The favorable variance in Reimbursements from Outside Sources is due to the insurance recoveries for two totaled Solid Waste refuse trucks. The favorable variance in Miscellaneous is due to the excess funds paid on a self-insured retention case.



Uses (Fiscal Year to Date: June 2019)



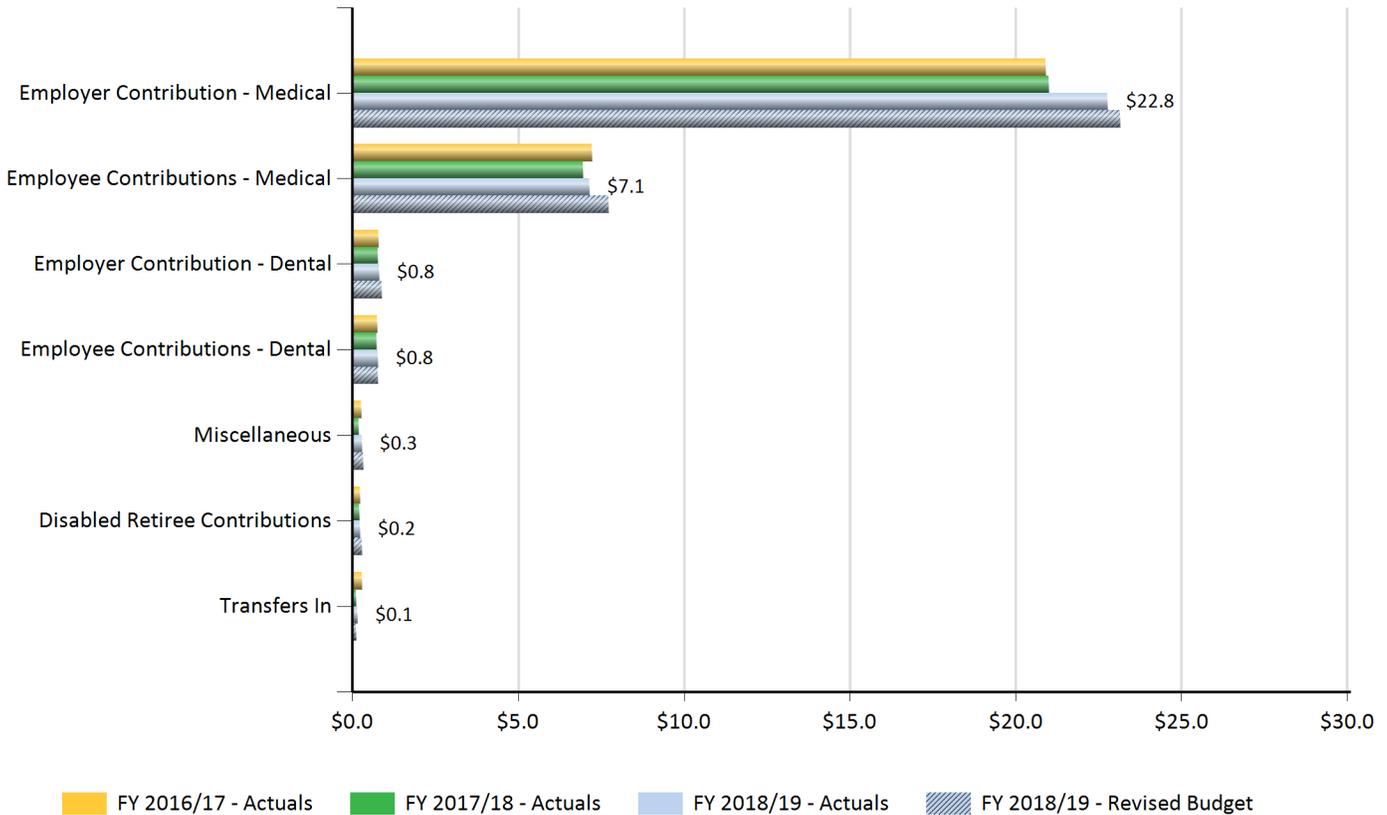
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Insurance & Bond Premiums	\$2.0	\$2.0	\$2.0	\$2.2	\$0.3	12%
Liability	1.6	1.2	1.5	2.7	1.3	46%
Physical Damage	0.5	0.7	0.9	0.3	(0.6)	nm
Risk Management	0.9	1.1	1.1	1.2	0.1	9%
Risk Management Self Insurance	-	-	-	-	-	-
Safety Grants Program	-	-	-	0.1	-	-
Unemployment	-	-	-	-	-	-
Workers Compensation	3.3	4.0	5.0	3.6	(1.4)	(40%)
Transfers Out	-	-	-	-	-	-
Total Uses	\$8.4	\$9.0	\$10.5	\$10.2	(\$0.3)	(3%)

Actual to Revised Budget variance of (\$0.3) million or (3%):

The favorable variance in Insurance & Bond Premiums is due to General Liability expenses being less than anticipated. The favorable variance in Liability is due to the unpredictability of claim amounts for damage to city property, attorney fees, or miscellaneous expenses during trial. The unfavorable variance in Physical Damage is due to a higher level of property damage claims than expected. Examples of these include possible environmental property impairment at the crime lab that needed expert investigation and testing; tent and shade repairs due to storm damage; and fire suppression control panel repairs. The favorable variance in Risk Management is due to lower than expected Software Maintenance and Travel, Training and Conferences expenses. The unfavorable variance in Workers Compensation is due to higher than expected statutory wages being paid due to multiple people on worker compensation leave as well as surgical complications resulting in a higher expense than anticipated. The city's policy on Transitional Duty has changed. Subsequently, there will be more people staying home and collecting income benefits.



Sources (Fiscal Year to Date: June 2019)



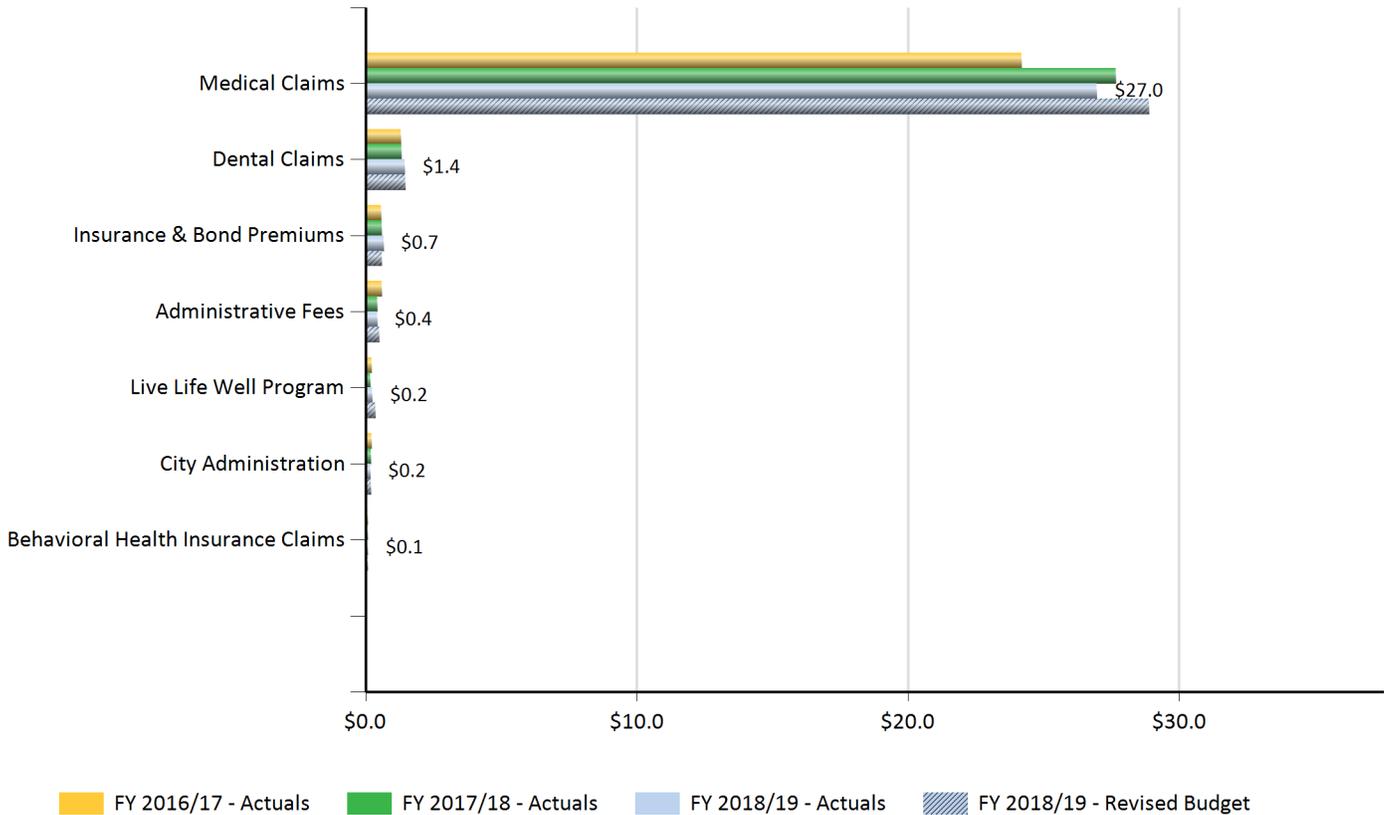
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Employer Contribution - Medical	\$20.9	\$21.0	\$22.8	\$23.2	(\$0.4)	(2%)
Employee Contributions - Medical	7.2	6.9	7.1	7.7	(0.6)	(7%)
Employer Contribution - Dental	0.8	0.8	0.8	0.9	(0.1)	(8%)
Employee Contributions - Dental	0.7	0.7	0.8	0.8	-	-
Miscellaneous	0.3	0.2	0.3	0.3	-	-
Disabled Retiree Contributions	0.2	0.2	0.2	0.3	(0.1)	(18%)
Transfers In	0.3	0.1	0.1	0.1	-	-
Total Sources	\$30.4	\$29.9	\$32.1	\$33.2	(\$1.1)	(3%)

Actual to Revised Budget variance of (\$1.1) million or (3%):

The unfavorable variances in Employer Contribution - Medical, Employee Contributions - Medical, Employer Contribution - Dental and in Disabled Retiree Contributions are mostly due to plan selection, which occurs after the budget is prepared.



Uses (Fiscal Year to Date: June 2019)



	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Medical Claims	\$24.2	\$27.7	\$27.0	\$28.9	\$1.9	7%
Dental Claims	1.3	1.3	1.4	1.5	-	-
Insurance & Bond Premiums	0.6	0.6	0.7	0.6	(0.1)	(9%)
Administrative Fees	0.6	0.4	0.4	0.5	0.1	15%
Live Life Well Program	0.2	0.2	0.2	0.4	0.1	29%
City Administration	0.2	0.2	0.2	0.2	-	-
Behavioral Health Insurance Claims	0.1	0.1	0.1	0.1	-	-
	-	-	-	-	-	-
Total Uses	\$27.2	\$30.5	\$30.0	\$32.1	\$2.1	7%

Actual to Revised Budget variance of \$2.1 million or 7%:

The favorable variance in Medical Claims is due to the difficulty in predicting claims and the timing of claims. The unfavorable variance in Insurance & Bond Premiums is due to higher than expected premium costs. The favorable variance in Administrative Fees is due to lower than anticipated charges for administering the city's healthcare plans. The favorable variance in Live Life Well Program is due to the vacancy of the Wellness Coordinator position that was filled in October, which resulted in the delay of some Live Life Well programs planned for the year.



WestWorld Statement of Operations

	Twelve Months: Fiscal Year					
	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Adopted Budget	2018/19 Revised Budget
Operating Revenue						
Rental Facilities	\$2,134,970	\$2,205,750	\$2,604,680	\$2,542,842	\$2,651,683	\$2,651,683
RV Rental	270,661	251,685	297,593	355,601	301,400	301,400
Feed/Bedding Sales	499,691	566,127	463,286	523,261	525,000	525,000
Labor Fees	240,173	301,429	352,088	404,957	375,958	375,958
Concession Fees	354,902	487,513	392,106	472,875	535,500	535,500
Parking	110,931	96,927	88,280	108,994	117,300	117,300
Other Income	135,786	198,068	155,990	130,453	70,830	70,830
Equidome Project Use Fee	555,000	315,000	360,000	360,000	360,000	360,000
Operating Transfer In ^(a)	-	-	-	100,000	100,000	100,000
Operating Revenue	\$4,302,114	\$4,422,499	\$4,714,023	\$4,998,983	\$5,037,671	\$5,037,671
Operating Expenses						
Personnel Services						
Wages/Salaries/Benefits	\$1,616,913	\$1,768,655	\$1,954,437	\$1,934,800	\$2,082,443	\$2,149,989
Overtime	25,558	32,594	36,574	31,817	39,551	42,055
Contractual Services						
Contractual Workers	92,292	81,775	114,025	139,522	100,000	100,000
Telephone	30,650	21,015	28,381	34,182	40,354	40,354
Utilities ^(b)	1,219,326	1,174,779	1,247,702	1,354,976	-	1,271,517
Maintenance & Equipment Rental & Fleet	652,492	751,856	724,550	710,237	682,315	682,315
License and Permits	73,356	76,684	158,548	160,727	128,204	128,204
Property, Liability & Workers' Comp	37,376	51,525	62,401	76,025	69,772	69,772
Advertising/Marketing Contract	208,815	252,328	194,294	327,544	350,000	350,000
Other	268,443	234,449	343,819	308,750	326,203	326,203
Commodities and Capital Outlays						
Agriculture & Horticulture & Other Supply	71,411	103,461	137,506	114,194	143,545	143,545
Maintenance & Repairs Supply, Equipment	84,344	116,413	125,083	83,417	175,985	175,985
Inventory Purchased for Resale	304,481	294,103	273,513	259,279	325,410	325,410
Construction - Other	-	21,428	-	21,126	-	17,839
Other Expenses	45,959	64,193	76,182	39,036	78,058	60,219
BOR Admin						
BOR Admin/WestWorld	140,710	147,746	155,133	162,889	171,034	171,034
Allocated Expenses^(c)						
Facilities Maintenance ^(d)	713,808	670,566	1,470,031	1,266,796	1,435,163	1,435,163
COS Indirect Costs	276,504	338,575	370,385	430,425	378,804	378,804
Operating Expenses	\$5,862,440	\$6,202,145	\$7,472,564	\$7,455,742	\$6,526,841	\$7,868,408
Operating Income	(\$1,560,325)	(\$1,779,646)	(\$2,758,542)	(\$2,456,760)	(\$1,489,170)	(\$2,830,737)
Debt Service (Less contributions)						
Debt Service - (52 & 17 acres)	\$2,250,353	\$2,273,677	\$2,304,207	\$2,314,216	\$2,334,637	\$2,334,637
Debt Service - TNEC (\$41.935M)	1,546,075	1,524,125	1,506,875	1,479,375	1,461,375	1,461,375
Debt Service - TNEC Tourism Funded	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Bed Tax Contributions - TNEC	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Net Debt Service	\$3,796,428	\$3,797,802	\$3,811,082	\$3,793,591	\$3,796,012	\$3,796,012
Operating Income After Debt Service	(\$5,356,753)	(\$5,577,448)	(\$6,569,624)	(\$6,250,351)	(\$5,285,182)	(\$6,626,749)

^(a) Beginning in FY 2017/18 a transfer from the Tourism Development Fund will cover a portion of the marketing contract since tourism benefits from WestWorld's activity.

^(b) The adopted budget is zero because beginning in FY 2017/18 utilities charges are budgeted at a citywide macro level. Monthly, as expenditures occur, a budget transfer will be completed to move the needed budget from the macro level holding account to the department. The revised budget is an estimate of expected utilities costs at fiscal year-end.

^(c) Allocated expenses are not budgeted for in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations.

^(d) Beginning in FY2016/17 the methodology to allocate Facilities Maintenance expenses was modified to better reflect the maintenance costs associated with WestWorld. The methodology was further enhanced and now uses the proportion of WestWorld's square footage to that of the entire city's square footage and then applies that proportionate percentage to the Facilities Management Department's budget/actuals.



WestWorld Statement of Operations

Statement of Operations for June 2019 / 12 Months YTD

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19	Actual vs. Budget	
	YTD Actual	YTD Actual	YTD Actual	YTD Actual	YTD Actual	Approved YTD Budget	Favorable / Amount	(Unfavorable) Percent
Operating Revenue								
Rental Facilities	\$2,134,970	\$2,205,750	\$2,604,680	\$2,542,842	\$2,329,364	\$2,651,683	(\$322,319)	(12%)
RV Rental	270,661	251,685	297,593	355,601	375,447	301,400	74,047	25%
Feed/Bedding Sales	499,691	566,127	463,286	523,261	557,581	525,000	32,581	6%
Labor Fees	240,173	301,429	352,088	404,957	394,745	375,958	18,787	5%
Concession Fees	354,902	487,513	392,106	472,875	717,558	535,500	182,058	34%
Parking	110,931	96,927	88,280	108,994	90,583	117,300	(26,717)	(23%)
Other Income	135,786	198,068	155,990	130,453	134,511	70,830	63,681	90%
Equidome Project Use Fee	555,000	315,000	360,000	360,000	360,000	360,000	-	-
Operating Transfer In ^(a)	-	-	-	100,000	100,000	100,000	-	-
Operating Revenue	\$4,302,114	\$4,422,499	\$4,714,023	\$4,998,983	\$5,059,788	\$5,037,671	\$22,117	0%
Operating Expenses								
Personnel Services								
Wages/Salaries/Benefits	\$1,616,913	\$1,768,655	\$1,954,437	\$1,934,800	\$2,005,230	\$2,149,989	\$144,759	7%
Overtime	25,558	32,594	36,574	31,817	33,067	42,055	8,988	21%
Contractual Services								
Contractual Workers	92,292	81,775	114,025	139,522	133,369	100,000	(33,369)	(33%)
Telephone	30,650	21,015	28,381	34,182	36,989	40,354	3,365	8%
Utilities	1,219,326	1,174,779	1,247,702	1,354,976	1,271,518	1,271,517	-	(0%)
Maintenance & Equipment Rental & Fleet	652,492	751,856	724,550	710,237	723,231	682,315	(40,916)	(6%)
License and Permits	73,356	76,684	158,548	160,727	142,826	128,204	(14,622)	(11%)
Property, Liability & Workers' Comp	37,376	51,525	62,401	76,025	69,772	69,772	-	-
Advertising/Marketing Contract	208,815	252,328	194,294	327,544	365,148	350,000	(15,148)	(4%)
Other	268,443	234,449	343,819	308,750	261,188	326,203	65,015	20%
Commodities and Capital Outlays								
Agriculture & Horticulture & Other Supply	71,411	103,461	137,506	114,194	163,735	143,545	(20,190)	(14%)
Maintenance & Repairs Supply, Equipment	84,344	116,413	125,083	83,417	144,340	175,985	31,645	18%
Inventory Purchased for Resale	304,481	294,103	273,513	259,279	326,497	325,410	(1,087)	(0%)
Construction - Other	-	21,428	-	21,126	20,483	17,839	(2,644)	(15%)
Other Expenses	45,959	64,193	76,182	39,036	36,372	60,219	23,847	40%
BOR Admin								
BOR Admin/WestWorld	140,710	147,746	155,133	162,889	171,034	171,034	-	0%
Allocated Expenses^(b)								
Facilities Maintenance ^(c)	713,808	670,566	1,470,031	1,266,796	1,435,163	1,435,163	-	-
COS Indirect Costs	276,504	338,575	370,385	430,425	378,803	378,803	-	-
Operating Expenses	\$5,862,440	\$6,202,145	\$7,472,564	\$7,455,742	\$7,718,765	\$7,868,408	\$149,643	2%
Operating Income	(\$1,560,325)	(\$1,779,646)	(\$2,758,542)	(\$2,456,760)	(\$2,658,977)	(\$2,830,737)	\$171,760	6%
Debt Service (Less contributions)								
Debt Service - (52 & 17 acres)	\$2,250,353	\$2,273,677	\$2,304,207	\$2,314,216	\$2,334,637	\$2,334,637	\$ -	-
Debt Service - TNEC (\$41.935M)	1,546,075	1,524,125	1,506,875	1,479,375	1,461,375	1,461,375	-	-
Debt Service - TNEC Tourism Funded	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	-	-
Bed Tax Contributions - TNEC	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	-	-
Net Debt Service	\$3,796,428	\$3,797,802	\$3,811,082	\$3,793,591	\$3,796,012	\$3,796,012	\$ -	-
Operating Income After Debt Service	(\$5,356,753)	(\$5,577,448)	(\$6,569,624)	(\$6,250,351)	(\$6,454,989)	(\$6,626,749)	\$171,760	3%

^(a) Beginning in FY 2017/18 a transfer from the Tourism Development Fund will cover a portion of the marketing contract since tourism benefits from WestWorld's activity.

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

^(c) Beginning in FY2016/17 the methodology to allocate Facilities Maintenance expenses was modified to better reflect the maintenance costs associated with WestWorld. The methodology was further enhanced and now uses the proportion of WestWorld's square footage to that of the entire city's square footage and then applies that proportionate percentage to the Facilities Management Department's budget/actuals.



Privilege (Sales) & Use Tax Collections For June 2019 (For Business Activity in June 2019)

Appendix 1 contains information regarding the “actual” revenue collections from the 1.00 percent Privilege and Use Tax reflected in the General Fund, 0.20 percent dedicated Transportation Privilege Tax, 0.10 percent additional dedicated to Transportation Privilege and Use Taxes, 0.20 percent dedicated Preserve Privilege and Use Taxes, 0.15 percent additional dedicated Preserve Privilege and Use Taxes, and 0.10 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 (1.00 percent) of the tax is unrestricted and available for general government purposes.

The fiscal year to date Privilege and Use Tax (1.00 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-to-Date: June 2019						
	2016/17 Actual	2017/18 Actual	2018/19 Actual	2018/19 Budget	Actual vs. Budget	
					Favorable/(Unfavorable) Amount	Percent
1.00% General Purpose						
Automotive	\$14.9	\$16.4	\$18.0	\$16.4	\$1.6	10%
Construction	9.3	10.2	10.2	9.4	0.8	8%
Dining/ Entertainment	9.7	10.8	11.5	10.6	0.9	8%
Food Stores	6.8	7.8	8.0	6.9	1.0	15%
Hotel/Motel	6.4	6.6	7.3	6.9	0.4	6%
Major Dept. Stores	9.0	9.9	9.7	9.7	-	-
Misc. Retail Stores	18.4	21.0	22.4	21.4	1.1	5%
Other Activity	10.1	11.7	13.4	11.9	1.5	13%
Rentals	13.8	17.2	17.2	17.0	0.2	1%
Utilities	4.6	5.0	4.5	4.7	(0.1)	(3%)
Subtotal	\$103.0	\$116.7	\$122.2	\$114.8	\$7.3	6%
0.10% Public Safety	\$10.1	\$11.5	\$11.8	\$11.3	\$0.6	5%
0.20% Transportation 1990	19.6	22.0	23.0	21.7	1.3	6%
0.10% Transportation 2019	n/a	n/a	4.8	n/a	4.8	n/a
0.20% McDowell Preserve 1995	20.3	22.9	23.9	22.5	1.4	6%
0.15% McDowell Preserve 2004	15.2	17.2	18.0	16.9	1.1	6%
Total	\$168.3	\$190.3	\$203.7	\$187.2	\$9.2	6%
% Change vs. Prior Year	-2%	13%	7%	-2%		

Rounding differences may occur.

Automotive Sales Taxes

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

Actual to Revised Budget variance of \$1.6 million or 10%: The variance is due in part to an increase in automotive sales.

Construction Sales Taxes

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

Actual to Revised Budget variance of \$0.8 million or 8%: This is due in part to increased residential sales.

Dining/Entertainment Sales Taxes

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

Actual to Revised Budget variance of \$0.9 million or 8%: This is due in part to a new restaurant opening and normal business fluctuations.

Food Stores Sales Taxes

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

Actual to Revised Budget variance of \$1.0 million or 15%: This is due in part to a new grocery store.

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 \$0.4 million or 6%: Normal business fluctuations and recent tax code change that added additional Taxpayers to this category.

Major Department Stores Sales Taxes

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

Actual to Revised Budget variance of 0.0 million or 0%: Normal business fluctuations.

Miscellaneous Retail Stores Sales Taxes

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

Actual to Revised Budget variance of \$1.1 million or 5%: Better than expected retail sales.

Other Activity Sales Taxes

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

Actual to Revised Budget variance of \$1.5 million or 13%: This is due in part to increase in taxable sales from other miscellaneous product manufacturing and a large one-time audit payment.

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 \$0.2 million or 1%: This is due in part to normal business fluctuations and a one-time transfer of tax to another jurisdiction for taxes that were paid to Scottsdale in error.

Utilities Sales Taxes

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

Actual to Revised Budget variance of (\$0.1) million or (3%): This is due in part to normal business fluctuations and a cooler spring than normal.



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

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

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

GENERAL FUND SOURCES

Taxes - Local - Encompasses a series of local taxes. The largest component of this source includes a 1.1 percent sales tax, of which 0.10 percent is dedicated to public safety. The remaining 1.0 percent of the sales tax is available to fund basic municipal services such as police, fire, libraries, and parks. Sales tax receipts received in the current month are based on prior month activity. This general-purpose sales tax is the city's single largest revenue source. The sales tax category results can be found in the Appendix. Other revenue sources that make up this category include electric and gas franchise fees and cable TV license fees, which are revenues from utility and cable providers for their permitted use of the city's rights-of-way; a stormwater quality charge, which is a fee to help pay a portion of the city's stormwater management program and the Salt River Project (SRP) in lieu tax.

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

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

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

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

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

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

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

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

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



GENERAL FUND USES

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

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

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

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

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

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

OTHER FUNDS

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

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

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

Water & Water Reclamation Funds

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

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



Aviation Fund

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

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

Solid Waste Fund

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

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

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

Fleet Fund

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

Risk Fund

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

Healthcare Self Insurance Fund

This fund is used to account for the city's self-insured medical and dental benefits. Revenue to this fund is derived from premiums collected through charges to divisions, which consists of both city and employee components. Revenue is also collected through pharmacy rebates and stop loss insurance recoveries. This fund provides payment of actual healthcare expenses (medical, prescription and dental claims) as well as claims administration and other benefit plan expenses.