

Monthly Financial Report

**Fiscal Year to Date as
of July 31, 2019**

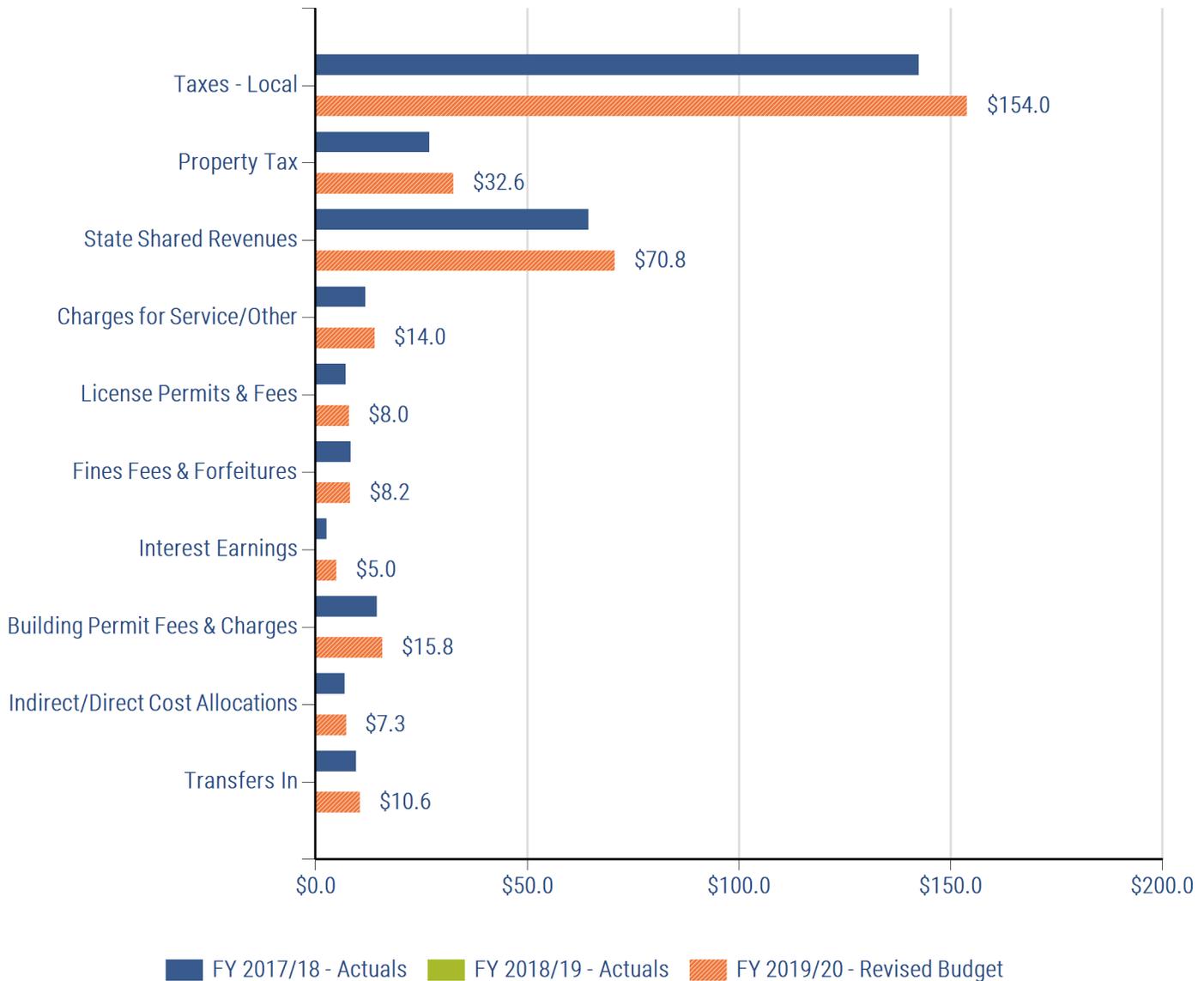
Report to the City Council
Prepared by the City Treasurer
September 24, 2019



Sources

General Fund

Twelve Months: Fiscal Year

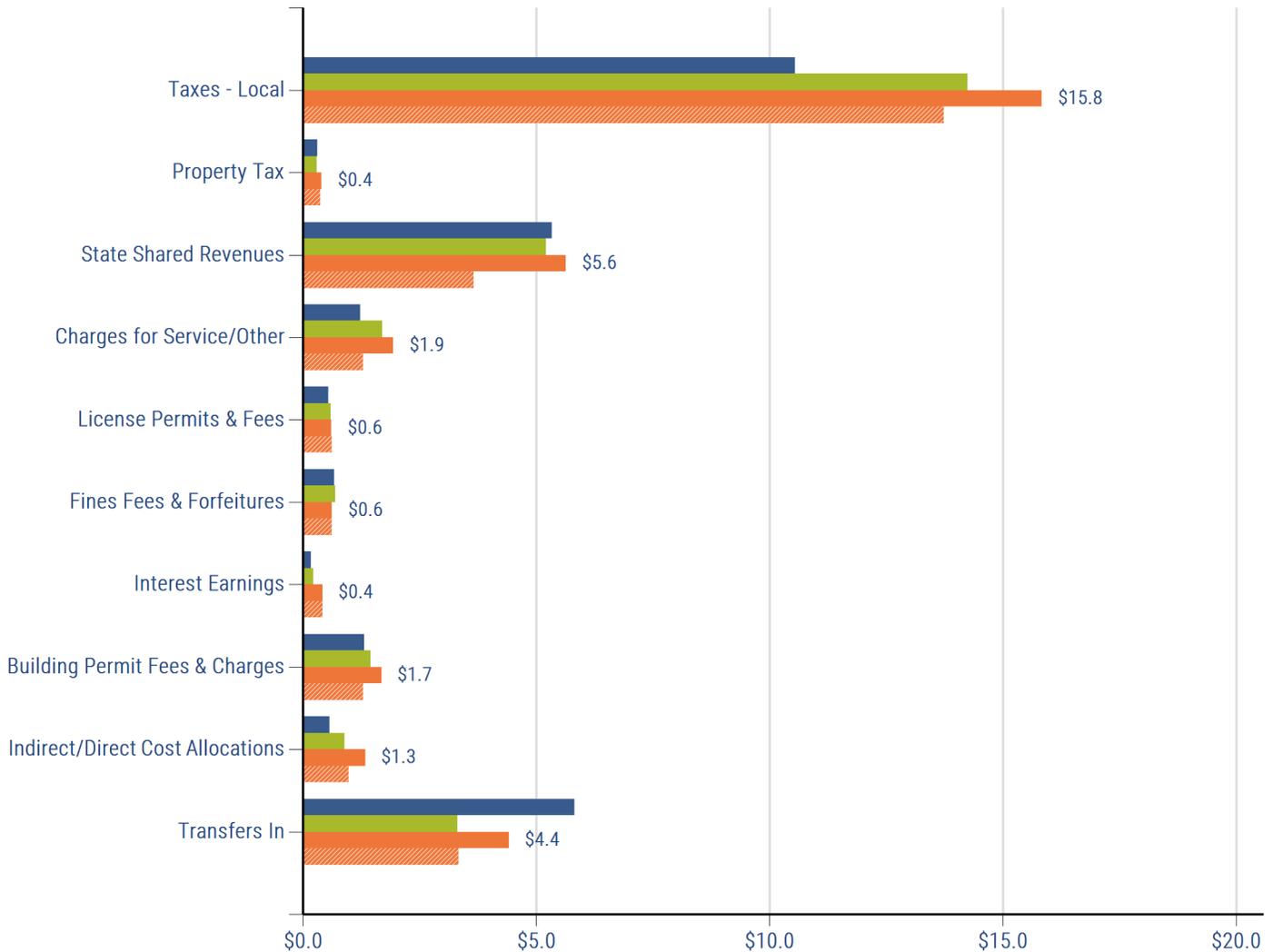


	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Revised Budget</u>
Taxes - Local	\$142.5	n/a	\$154.0
Property Tax	26.9	n/a	32.6
State Shared Revenues	64.5	n/a	70.8
Charges for Service/Other	11.8	n/a	14.0
License Permits & Fees	7.1	n/a	8.0
Fines Fees & Forfeitures	8.4	n/a	8.2
Interest Earnings	2.6	n/a	5.0
Building Permit Fees & Charges	14.6	n/a	15.8
Indirect/Direct Cost Allocations	6.9	n/a	7.3
Transfers In	9.7	n/a	10.6
Total Sources	\$295.1	n/a	\$326.2

Note: FY 2018/19 twelve month actuals are not available at this time. Once completed, they will be included within the report.



Sources (Fiscal Year to Date: July 2019)

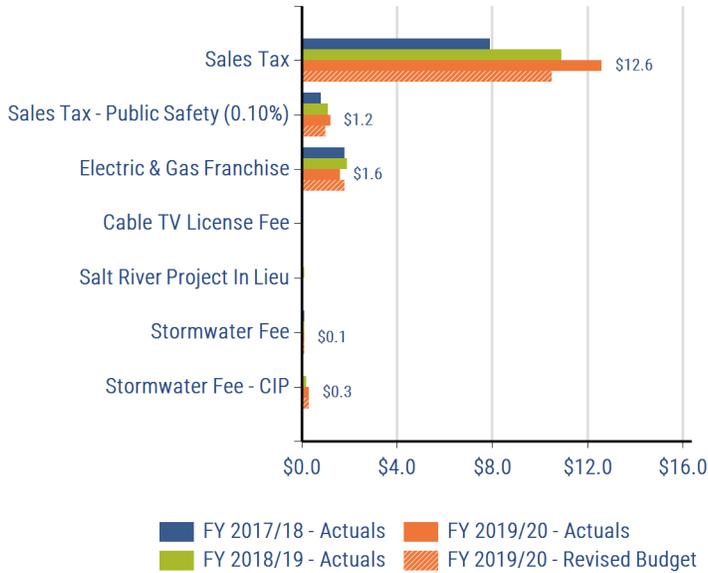


■ FY 2017/18 - Actuals
 ■ FY 2018/19 - Actuals
 ■ FY 2019/20 - Actuals
 ■ FY 2019/20 - Revised Budget

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Taxes - Local	\$10.6	\$14.2	\$15.8	\$13.7	\$2.1	15%
Property Tax	0.3	0.3	0.4	0.4	-	-
State Shared Revenues	5.3	5.2	5.6	3.7	2.0	54%
Charges for Service/Other	1.2	1.7	1.9	1.3	0.6	50%
License Permits & Fees	0.5	0.6	0.6	0.6	-	-
Fines Fees & Forfeitures	0.7	0.7	0.6	0.6	-	-
Interest Earnings	0.2	0.2	0.4	0.4	-	-
Building Permit Fees & Charges	1.3	1.5	1.7	1.3	0.4	30%
Indirect/Direct Cost Allocations	0.6	0.9	1.3	1.0	0.4	36%
Transfers In	5.8	3.3	4.4	3.3	1.1	32%
Total Sources	\$26.5	\$28.6	\$32.9	\$26.3	\$6.6	25%



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

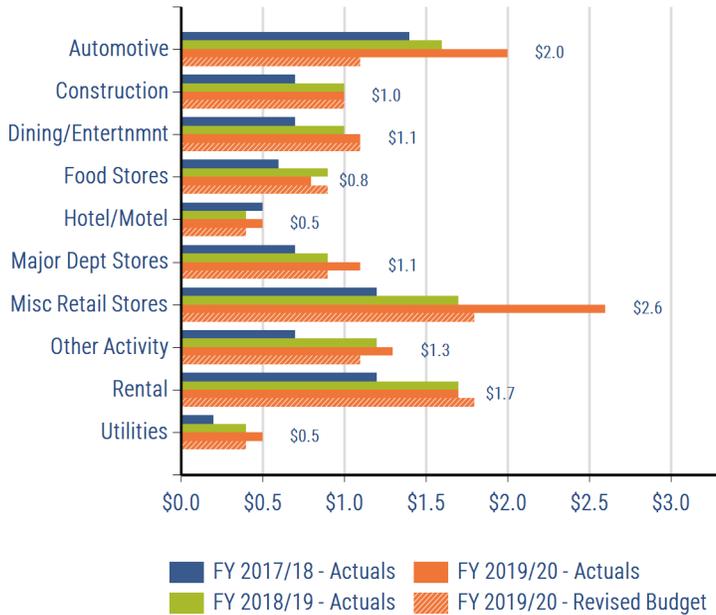


Actual to Revised Budget variance of \$2.1 million or 15%:
 See detailed Sales Tax information on page 5. Electric & Gas Franchise is unfavorable due to APS' quarterly payment coming in less than expected.

	<u>FY 2017/18</u> <u>Actuals</u>	<u>FY 2018/19</u> <u>Actuals</u>	<u>FY 2019/20</u> <u>Actuals</u>	<u>FY 2019/20</u> <u>Revised</u> <u>Budget</u>	<u>Actual vs. Budget</u> <u>Favorable / (Unfavorable)</u> <u>Amount</u>	<u>Percent</u>
Sales Tax	\$7.9	\$10.9	\$12.6	\$10.5	\$2.1	20%
Sales Tax - Public Safety (0.10%)	0.8	1.1	1.2	1.0	0.2	20%
Electric & Gas Franchise	1.8	1.9	1.6	1.8	(0.2)	(9%)
Cable TV License Fee	-	-	-	-	-	-
Salt River Project In Lieu	-	0.1	-	-	-	-
Stormwater Fee	0.1	0.1	0.1	0.1	-	-
Stormwater Fee - CIP	-	0.2	0.3	0.3	-	-
Taxes - Local Total	\$10.6	\$14.2	\$15.8	\$13.7	\$2.1	15%



Sales Tax (Fiscal Year to Date: July 2019)



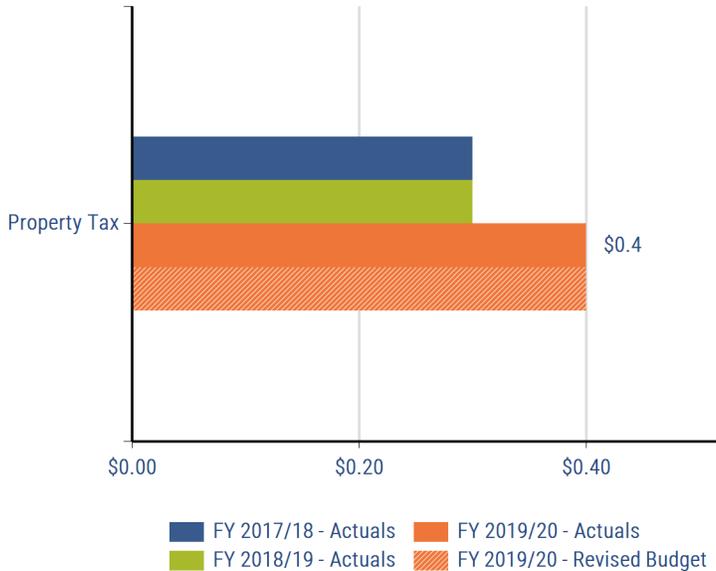
Actual to Revised Budget variance of \$2.1 million or 20%: While variances are now more often derived from revenue fluctuations within individual Sales Tax categories, Sales Tax can still be influenced by the unpredictability of the timing in collection by Arizona Department of Revenue. For example, the favorable variance is mostly the result of five payments received in July instead of the usual four. The favorable variance is also the result of higher than anticipated sales in Automotive, Misc Retail Stores and Other Activity.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Automotive	\$1.4	\$1.6	\$2.0	\$1.1	\$0.9	85%
Construction	0.7	1.0	1.0	1.0	-	-
Dining/Entertainment	0.7	1.0	1.1	1.1	0.1	7%
Food Stores	0.6	0.9	0.8	0.9	-	-
Hotel/Motel	0.5	0.4	0.5	0.4	-	-
Major Dept Stores	0.7	0.9	1.1	0.9	0.2	17%
Misc Retail Stores	1.2	1.7	2.6	1.8	0.8	44%
Other Activity	0.7	1.2	1.3	1.1	0.2	16%
Rental	1.2	1.7	1.7	1.8	(0.1)	(7%)
Utilities	0.2	0.4	0.5	0.4	0.1	24%
Sales Tax Total	\$7.9	\$10.9	\$12.6	\$10.5	\$2.1	20%



Property Tax (Fiscal Year to Date: July 2019)

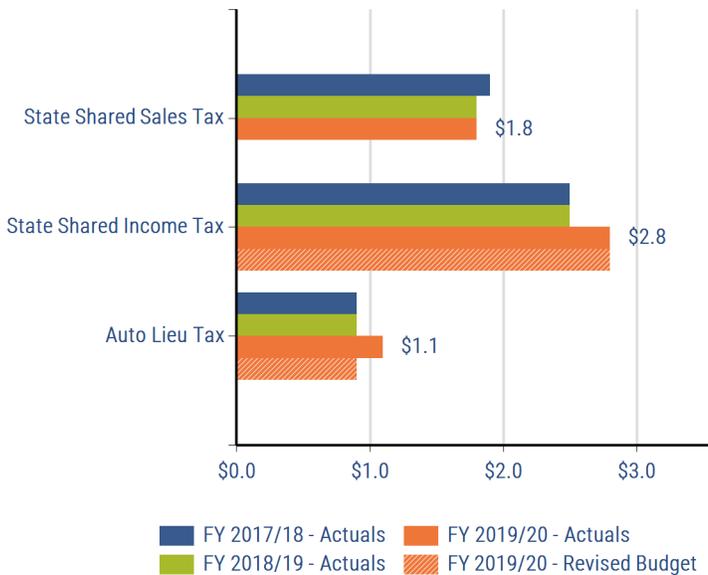
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$0.3	\$0.3	\$0.4	\$0.4	\$ -	-
Property Tax Total	\$0.3	\$0.3	\$0.4	\$0.4	\$ -	-

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

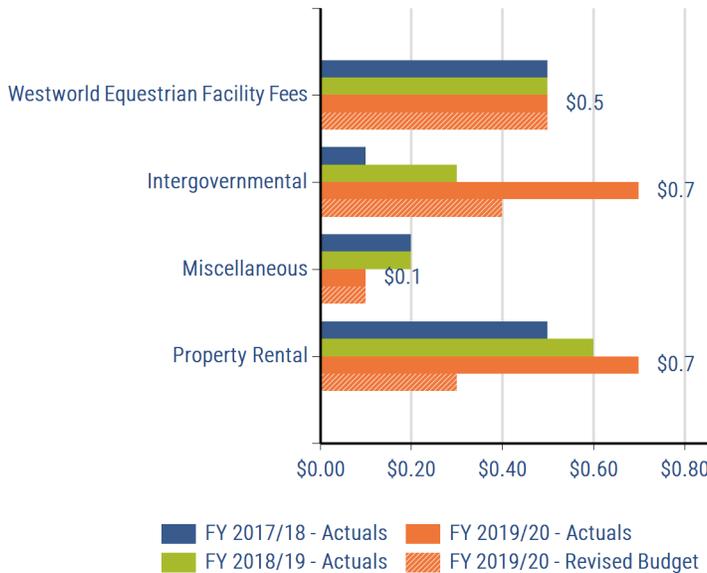
Actual to Revised Budget variance of \$2.0 million or 54%:
State Shared Sales Tax is favorable due to an incorrect budget spread over the 12 months of the current fiscal year. This has been corrected going forward. Auto Lieu Tax is favorable due to higher than forecasted sales of new and used vehicles, which resulted in additional licensing fees being collected.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$1.9	\$1.8	\$1.8	\$ -	\$1.8	n/a
State Shared Income Tax	2.5	2.5	2.8	2.8	-	-
Auto Lieu Tax	0.9	0.9	1.1	0.9	0.2	18%
State Shared Revenues Total	\$5.3	\$5.2	\$5.6	\$3.7	\$2.0	54%



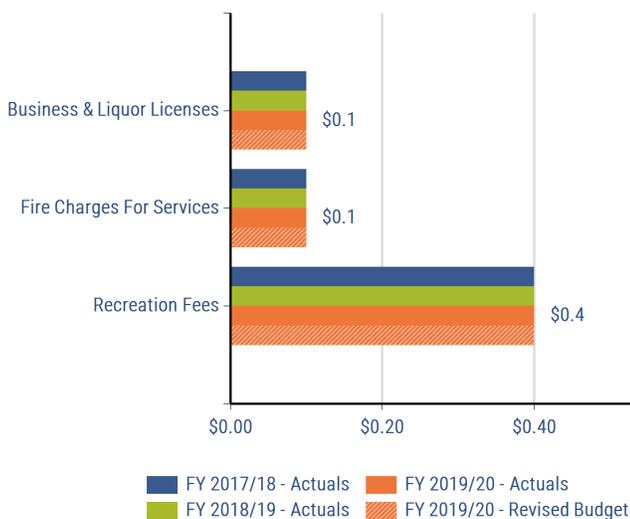
Charges for Service/Other (Fiscal Year to Date: July 2019)



Actual to Revised Budget variance of \$0.6 million or 50%: Intergovernmental is favorable due to the timing of the quarterly payment for School Resource Officers from Scottsdale Unified School District. Property Rental is favorable due to advanced payments made from the hotel located at SkySong and advanced billings for cell tower and outdoor dining leases.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$0.5	\$0.5	\$0.5	\$0.5	\$ -	-
Intergovernmental	0.1	0.3	0.7	0.4	0.3	67%
Miscellaneous	0.2	0.2	0.1	0.1	-	-
Property Rental	0.5	0.6	0.7	0.3	0.3	94%
Charges for Service/Other Total	\$1.2	\$1.7	\$1.9	\$1.3	\$0.6	50%

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



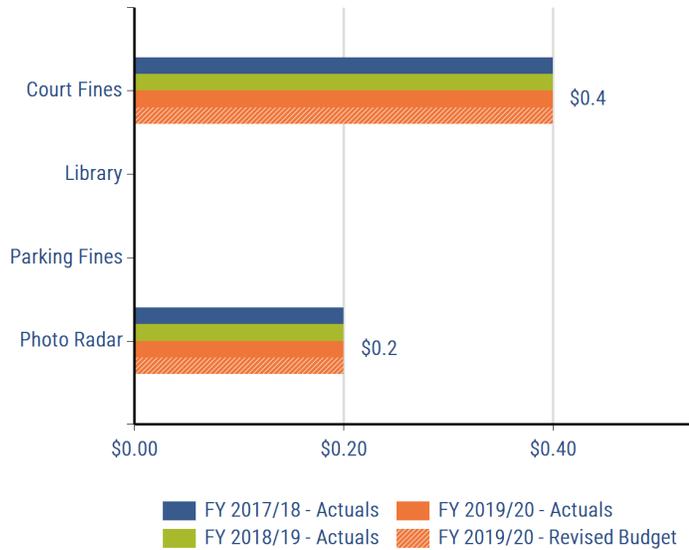
Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Business & Liquor Licenses	\$0.1	\$0.1	\$0.1	\$0.1	\$ -	-
Fire Charges For Services	0.1	0.1	0.1	0.1	-	-
Recreation Fees	0.4	0.4	0.4	0.4	-	-
License Permits & Fees Total	\$0.5	\$0.6	\$0.6	\$0.6	\$ -	-



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

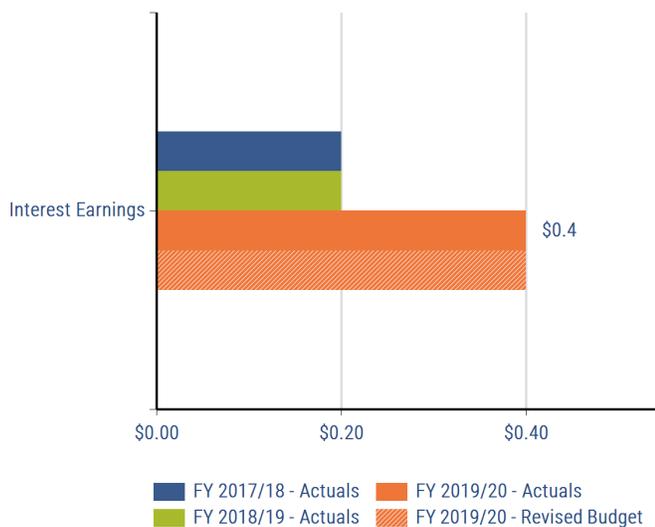
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	<u>FY 2017/18 Actuals</u>	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2019/20 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Court Fines	\$0.4	\$0.4	\$0.4	\$0.4	\$ -	-
Library	-	-	-	-	-	-
Parking Fines	-	-	-	-	-	-
Photo Radar	0.2	0.2	0.2	0.2	-	-
Fines Fees & Forfeitures Total	\$0.7	\$0.7	\$0.6	\$0.6	\$ -	-

Interest Earnings (Fiscal Year to Date: July 2019)

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

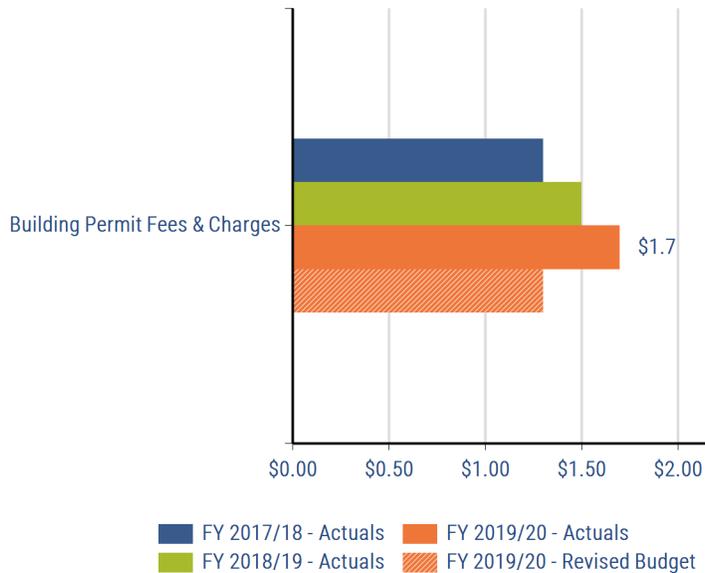


	<u>FY 2017/18 Actuals</u>	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2019/20 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Interest Earnings	\$0.2	\$0.2	\$0.4	\$0.4	\$ -	-
Interest Earnings Total	\$0.2	\$0.2	\$0.4	\$0.4	\$ -	-



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

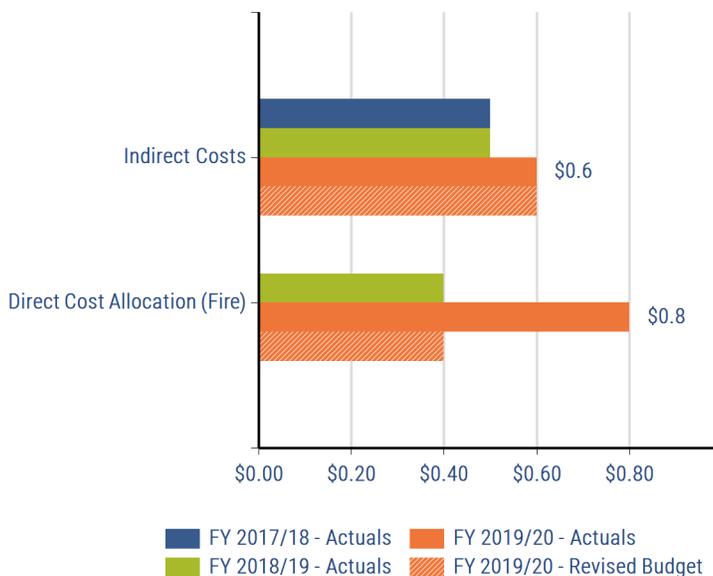
Actual to Revised Budget variance of \$0.4 million or 30%:
 The favorable variance is mostly due to higher than anticipated demand for right-of-way fees and encroachment permits. This variance would have been greater but is offset by lower than expected building permits pulled for the month.



	<u>FY 2017/18 Actuals</u>	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2019/20 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Building Permit Fees & Charges	\$1.3	\$1.5	\$1.7	\$1.3	\$0.4	30%
Building Permit Fees & Charges Total	\$1.3	\$1.5	\$1.7	\$1.3	\$0.4	30%

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

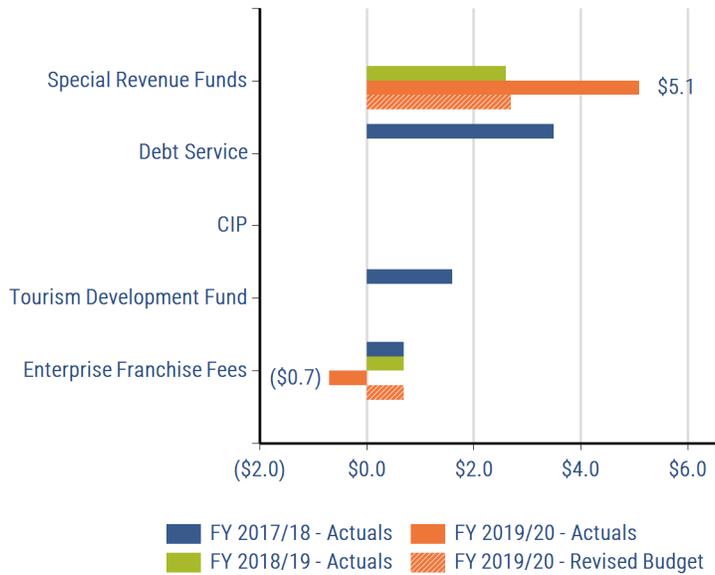
Actual to Revised Budget variance of \$0.4 million or 36%:
 There is a favorable variance in Direct Cost Allocation (Fire) because the reimbursement from the Airport for fire protection services occurred twice by mistake. This has been corrected going forward.



	<u>FY 2017/18 Actuals</u>	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2019/20 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Indirect Costs	\$0.5	\$0.5	\$0.6	\$0.6	\$ -	-
Direct Cost Allocation (Fire)	-	0.4	0.8	0.4	0.4	85%
Indirect/Direct Cost Allocations Total	\$0.6	\$0.9	\$1.3	\$1.0	\$0.4	36%



Transfers In (Fiscal Year to Date: July 2019)



Actual to Revised Budget variance of \$1.1 million or 32%: Special Revenue Funds is favorable because the transfer from the Tourism Development Fund to comply with Financial Policy No. 21A occurred twice by mistake. This has been corrected going forward. The favorable variance would have been greater but was partially offset by an accounting issue related to the transfer of Franchise Fees from Water Resources Division. This has also been corrected going forward.

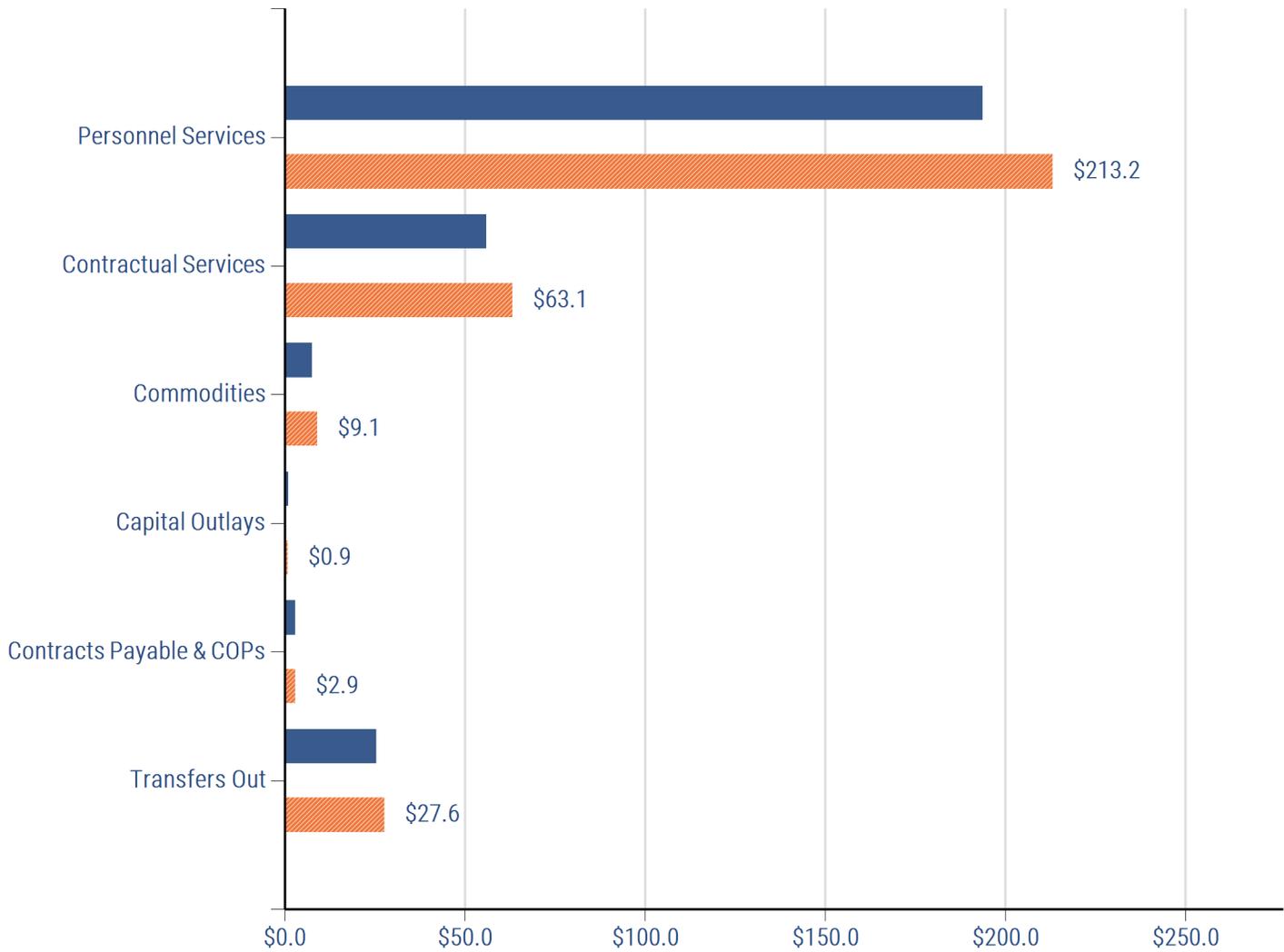
	<u>FY 2017/18</u> <u>Actuals</u>	<u>FY 2018/19</u> <u>Actuals</u>	<u>FY 2019/20</u> <u>Actuals</u>	<u>FY 2019/20</u> <u>Revised</u> <u>Budget</u>	<u>Actual vs. Budget</u> <u>Favorable / (Unfavorable)</u>	
					<u>Amount</u>	<u>Percent</u>
Special Revenue Funds	\$ -	\$2.6	\$5.1	\$2.7	\$2.4	90%
Debt Service	3.5	-	-	-	-	-
CIP	-	-	-	-	-	-
Tourism Development Fund	1.6	-	-	-	-	-
Enterprise Franchise Fees	0.7	0.7	(0.7)	0.7	(1.3)	nm
Transfers In Total	\$5.8	\$3.3	\$4.4	\$3.3	\$1.1	32%



Uses

General Fund

Twelve Months: Fiscal Year



■ FY 2017/18 - Actuals
 ■ FY 2018/19 - Actuals
 ■ *FY 2019/20 - Revised Budget

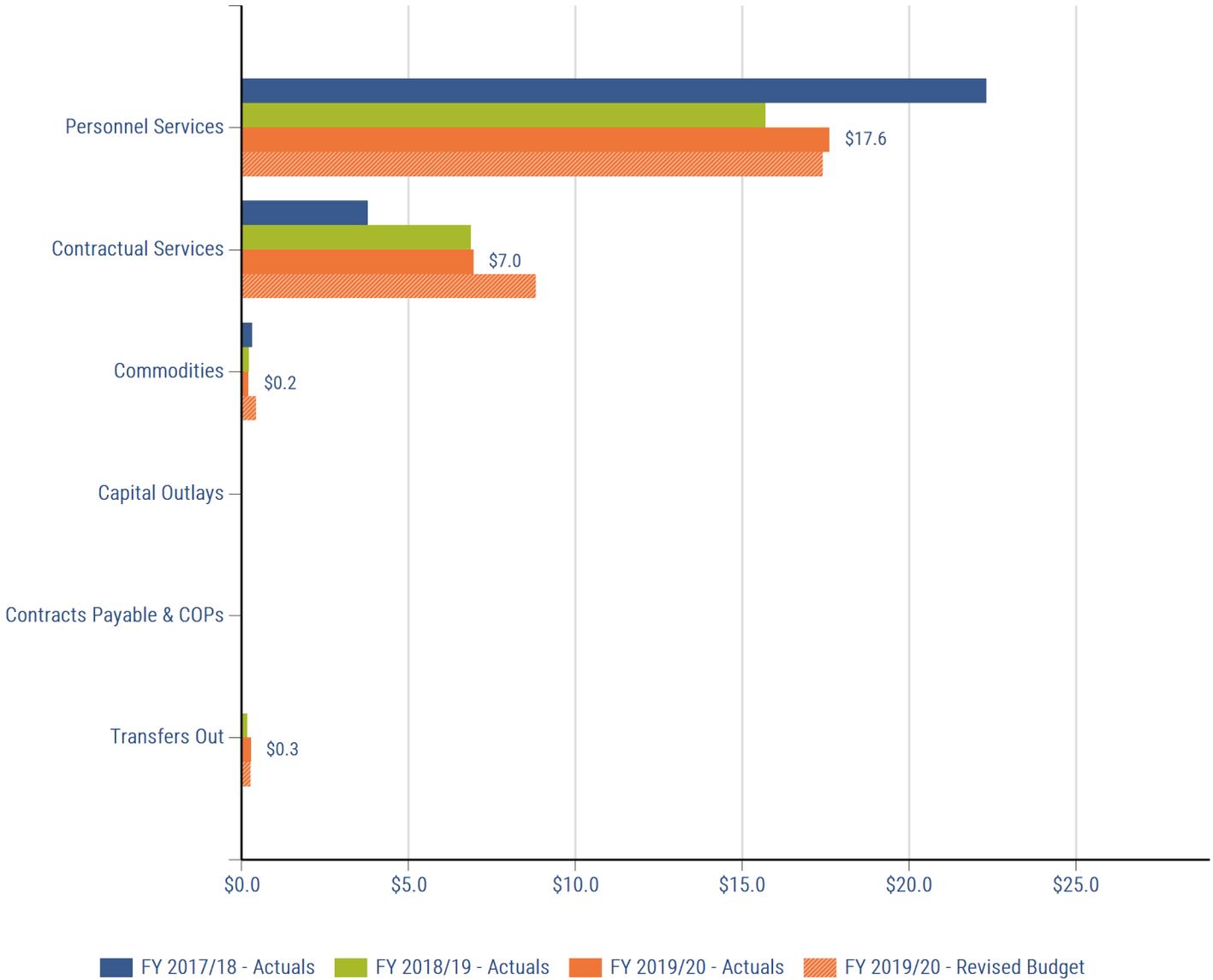
	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Revised Budget</u>
Personnel Services	\$193.7	n/a	\$213.2
Contractual Services	56.0	n/a	63.1
Commodities	7.6	n/a	9.1
Capital Outlays	1.0	n/a	0.9
Contracts Payable & COPs	2.9	n/a	2.9
Transfers Out	25.4	n/a	27.6
Total Uses	\$286.6	n/a	\$316.8

*Includes budgeted vacancy savings net of leave accrual payouts, Pay Program, compensation adjustments, utilities, fleet maintenance and fuel costs.

Note: FY 2018/19 twelve month actuals are not available at this time. Once completed, they will be included within the report.



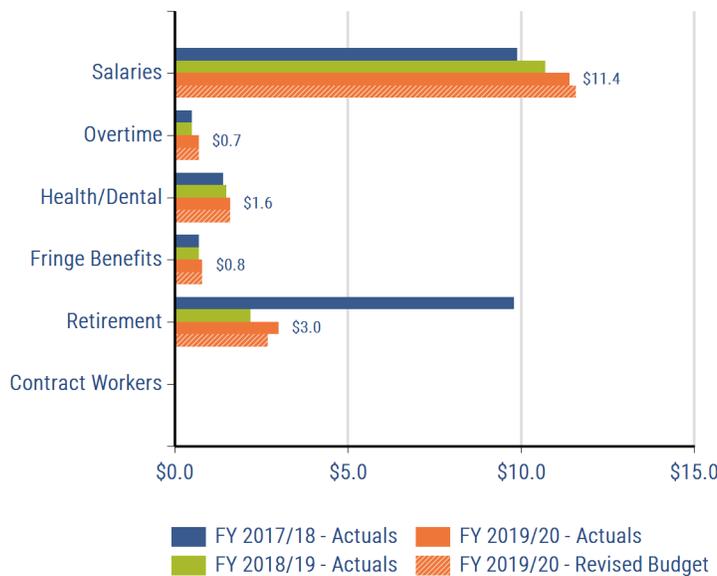
Uses (Fiscal Year to Date: July 2019)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Personnel Services	\$22.3	\$15.7	\$17.6	\$17.4	(\$0.2)	(1%)
Contractual Services	3.8	6.9	7.0	8.8	1.9	21%
Commodities	0.3	0.2	0.2	0.4	0.2	53%
Capital Outlays	-	-	-	-	-	-
Contracts Payable & COPs	-	-	-	-	-	-
Transfers Out	-	0.2	0.3	0.3	-	-
Total Uses	\$26.4	\$23.0	\$25.1	\$27.0	\$1.9	7%



Personnel Services (Fiscal Year to Date: July 2019)



Actual to Revised Budget variance of (\$0.2) million or (1%): Overtime is favorable due to Public Safety - Police needing less Overtime staffing for special events in July than expected. Retirement is unfavorable due primarily to the timing of a one-time Public Safety Retirement refund, including interest, to those sworn personnel who contributed to retirement unnecessarily while participating in the Deferred Retirement Option Plan (DROP).

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries	\$9.9	\$10.7	\$11.4	\$11.6	\$0.1	1%
Overtime	0.5	0.5	0.7	0.7	0.1	12%
Health/Dental	1.4	1.5	1.6	1.6	-	-
Fringe Benefits	0.7	0.7	0.8	0.8	-	-
Retirement	9.8	2.2	3.0	2.7	(0.4)	(14%)
Contract Workers	-	-	-	-	-	-
Personnel Services Total	\$22.3	\$15.7	\$17.6	\$17.4	(\$0.2)	(1%)

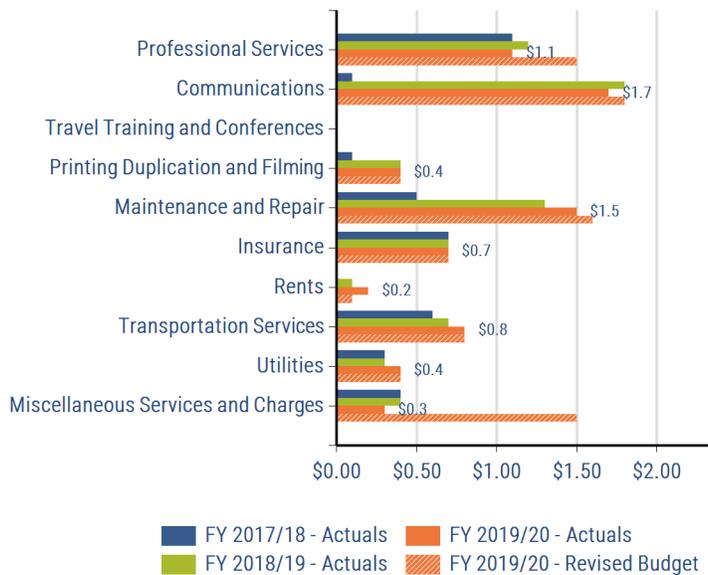
Personnel Services Macro Adjustments

	FY 2019/20 Adopted Budget	FY 2019/20 Year-To-Date Saved/(Used)	Remaining
Pay Program - Citywide	\$2.2	(\$2.2)	\$ -
Pay Program - Fire	0.6	(0.6)	-
Pay Program - Police Officer	0.7	(0.7)	-
Pay Program - Police Sergeant	0.2	(0.2)	-
Vacancy Savings	(5.8)	0.5	(5.3)
Medical Leave Payouts	1.4	(0.2)	1.1
Vacation Leave Payouts	0.7	(0.1)	0.6
Vacation Trade Payouts	0.7	-	0.7
Compensation Other	5.2	(5.2)	0.1
Personnel Services Macro Adjustments Total	\$6.0	(\$8.8)	(\$2.8)

Total Saved/(Used) YTD of (\$8.8) million: The city has achieved \$0.5 million in vacancy savings year-to-date offset by (\$0.3) million in vacation and medical leave payouts. In July, the Pay Programs and the implementation of the second year of Classification and Compensation Study (Compensation Other) were funded.



Contractual Services (Fiscal Year to Date: July 2019)



Actual to Revised Budget variance of \$1.9 million or 21%: Professional Services is favorable due to the timing of custodial services and maintenance invoices, the City Manager Division's Global Ties contract, and development of a master plan for Asler Hills Neighborhood Park. Communications is favorable due to the timing of wireless invoices. The favorable variance in Maintenance and Repair is primarily due to the timing of software maintenance fees for the Library Systems Department bibliotheca sorters, self check kiosks and radio frequency identification equipment and the City Treasurer Division's payroll system. Miscellaneous Services and Charges is favorable due to the timing of payments of city memberships, Arizona Department of Revenue's annual administrative fee and for fire service contracts with Phoenix.

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Professional Services	\$1.1	\$1.2	\$1.1	\$1.5	\$0.4	30%
Communications	0.1	1.8	1.7	1.8	0.1	7%
Travel Training and Conferences	-	-	-	-	-	-
Printing Duplication and Filming	0.1	0.4	0.4	0.4	-	-
Maintenance and Repair	0.5	1.3	1.5	1.6	0.1	9%
Insurance	0.7	0.7	0.7	0.7	-	-
Rents	-	0.1	0.2	0.1	-	-
Transportation Services	0.6	0.7	0.8	0.8	-	-
Utilities	0.3	0.3	0.4	0.4	-	-
Miscellaneous Services and Charges	0.4	0.4	0.3	1.5	1.2	80%
Contractual Services Total	\$3.8	\$6.9	\$7.0	\$8.8	\$1.9	21%

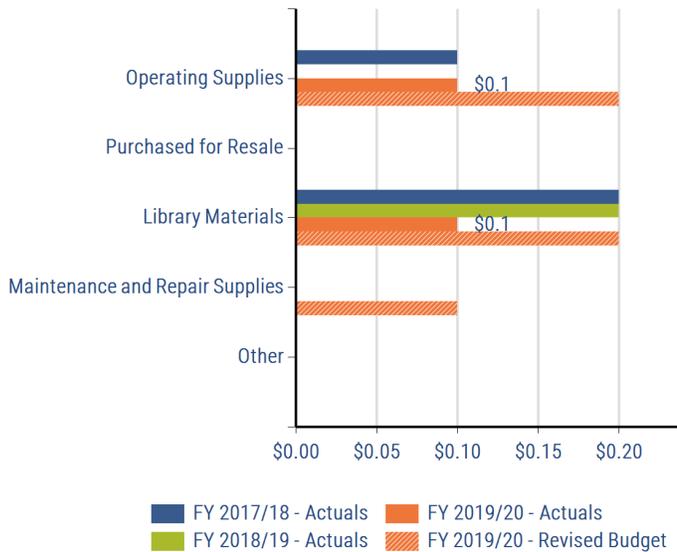
Contractual Services Macro Adjustments

	FY 2019/20	FY 2019/20	
	Adopted Budget	(Used) Year-To-Date	Remaining
Fuel and Maint and Repair	\$5.2	(\$0.3)	\$4.8
Utilities	8.5	(0.4)	8.1
Contractual Services Macro Adjustments Total	\$13.7	(\$0.7)	\$13.0

Total (Used) YTD of (\$0.7) million: Utilities and new in FY 2019/20, Fuel and Maint and Repair are budgeted on a macro level and transferred to the Divisions each month as they are being expensed. Budgeting on a macro level is a tool used by the Budget Department to more accurately track how expenses are occurring by each Division.



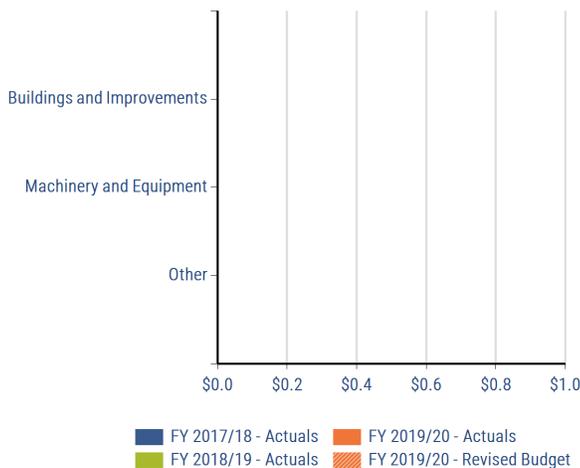
Commodities (Fiscal Year to Date: July 2019)



Actual to Revised Budget variance of \$0.2 million or 53%: Operating Supplies is favorable due to the timing of outer carrier vest, crime lab and other purchases by Public Safety - Police. Library Materials is favorable due to the timing of the purchase of audio visual and other library items. Maintenance and Repair Supplies is favorable mainly due to the timing of materials for projects in the Public Works Division that were budgeted for July, but have not yet commenced.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$0.1	\$ -	\$0.1	\$0.2	\$0.1	71%
Purchased for Resale	-	-	-	-	-	-
Library Materials	0.2	0.2	0.1	0.2	0.1	30%
Maintenance and Repair Supplies	-	-	-	0.1	0.1	68%
Other	-	-	-	-	-	-
Commodities Total	\$0.3	\$0.2	\$0.2	\$0.4	\$0.2	53%

Capital Outlays (Fiscal Year to Date: July 2019)



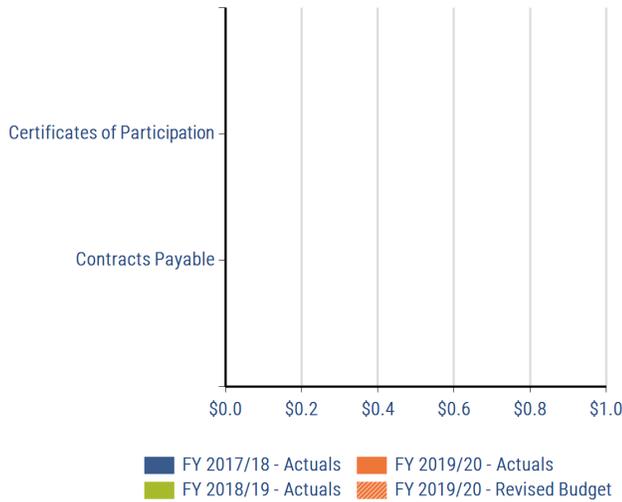
Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	-
Machinery and Equipment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlays Total	\$0.0	\$0.0	\$0.0	\$0.0	\$ -	-



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

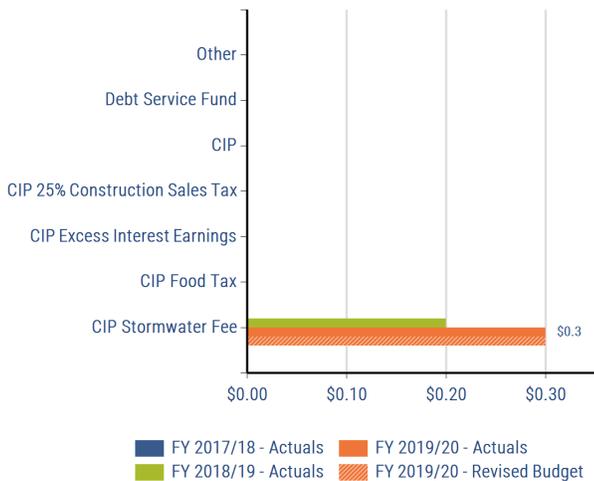
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contracts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contracts Payable & COPs Total	\$0.0	\$0.0	\$0.0	\$0.0	\$ -	-

Transfers Out (Fiscal Year to Date: July 2019)

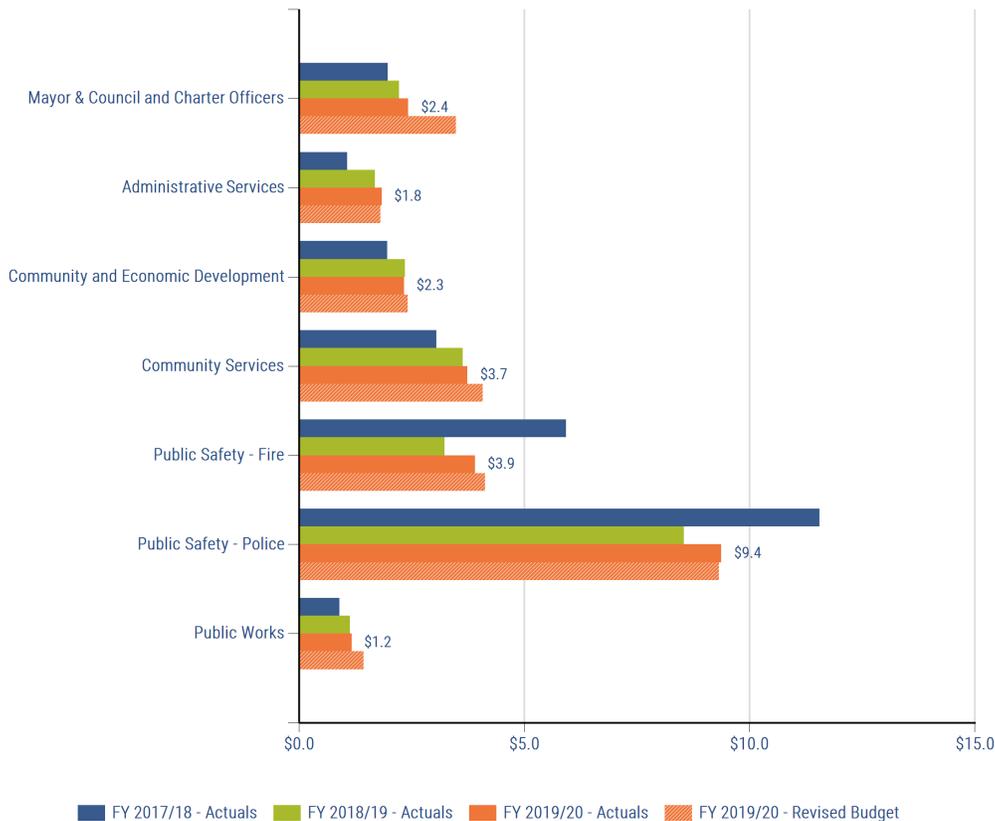
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Other	\$ -	\$ -	\$ -	\$ -	\$ -	-
Debt Service Fund	-	-	-	-	-	-
CIP	-	-	-	-	-	-
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
CIP Stormwater Fee	-	0.2	0.3	0.3	-	-
Transfers Out Total	\$0.0	\$0.2	\$0.3	\$0.3	\$ -	-



Division Expenditures (Fiscal Year to Date: July 2019)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$2.0	\$2.2	\$2.4	\$3.5	\$1.1	31%
Administrative Services	1.1	1.7	1.8	1.8	-	-
Community and Economic Development	2.0	2.3	2.3	2.4	0.1	3%
Community Services	3.0	3.6	3.7	4.1	0.3	8%
Public Safety - Fire	5.9	3.2	3.9	4.1	0.2	6%
Public Safety - Police	11.6	8.5	9.4	9.3	-	-
Public Works	0.9	1.1	1.2	1.4	0.3	19%
Total	\$26.4	\$22.8	\$24.8	\$26.7	\$1.9	7%

Actual to Revised Budget variance of \$1.9 million or 7%: Mayor & Council and Charter Officers is favorable mainly due to the timing of software maintenance fees in the City Treasurer Division associated with the Payroll system and of the payment for the Arizona Department of Revenue annual administrative fee. It is also related to the timing of annual city membership and contract fees in the City Manager Division. Community Services is favorable due to the timing of annual software maintenance fees for the Library Systems Department, the delay in the purchase of audio visual and other library supplies, and for the timing of the development of the master plan for Ashler Hills Neighborhood Park. Public Safety – Fire is favorable due to the timing of fire service contracts with Phoenix. While Public Safety – Police is showing a net zero variance, there is actually a favorable variance due to lower than expected overtime costs, the timing of wireless contracts, and a delay in purchasing outer vest carriers, lab equipment and other supplies being almost completely offset by the timing of a one-time Public Safety Retirement refund, including interest, to those sworn personnel who contributed to retirement unnecessarily while participating in the Deferred Retirement Option Plan (DROP) program. Finally, Public Works is favorable due to the timing of invoices and there being delays in purchasing materials for projects that have not yet begun.