

Monthly Financial Report

**Fiscal Year to Date as
of September 30, 2019**

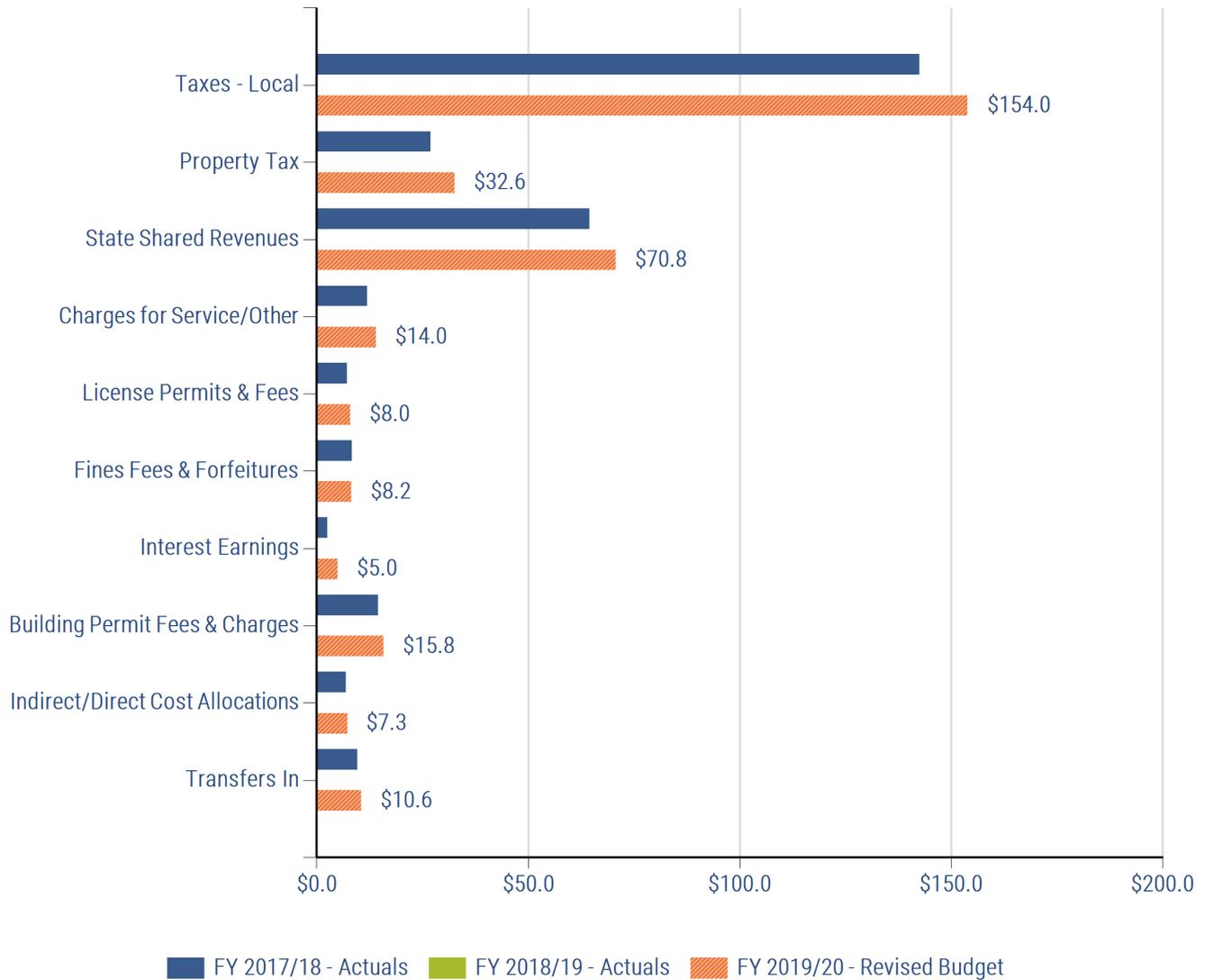
Report to the City Council
Prepared by the City Treasurer

November 25, 2019



Sources

Twelve Months: Fiscal Year

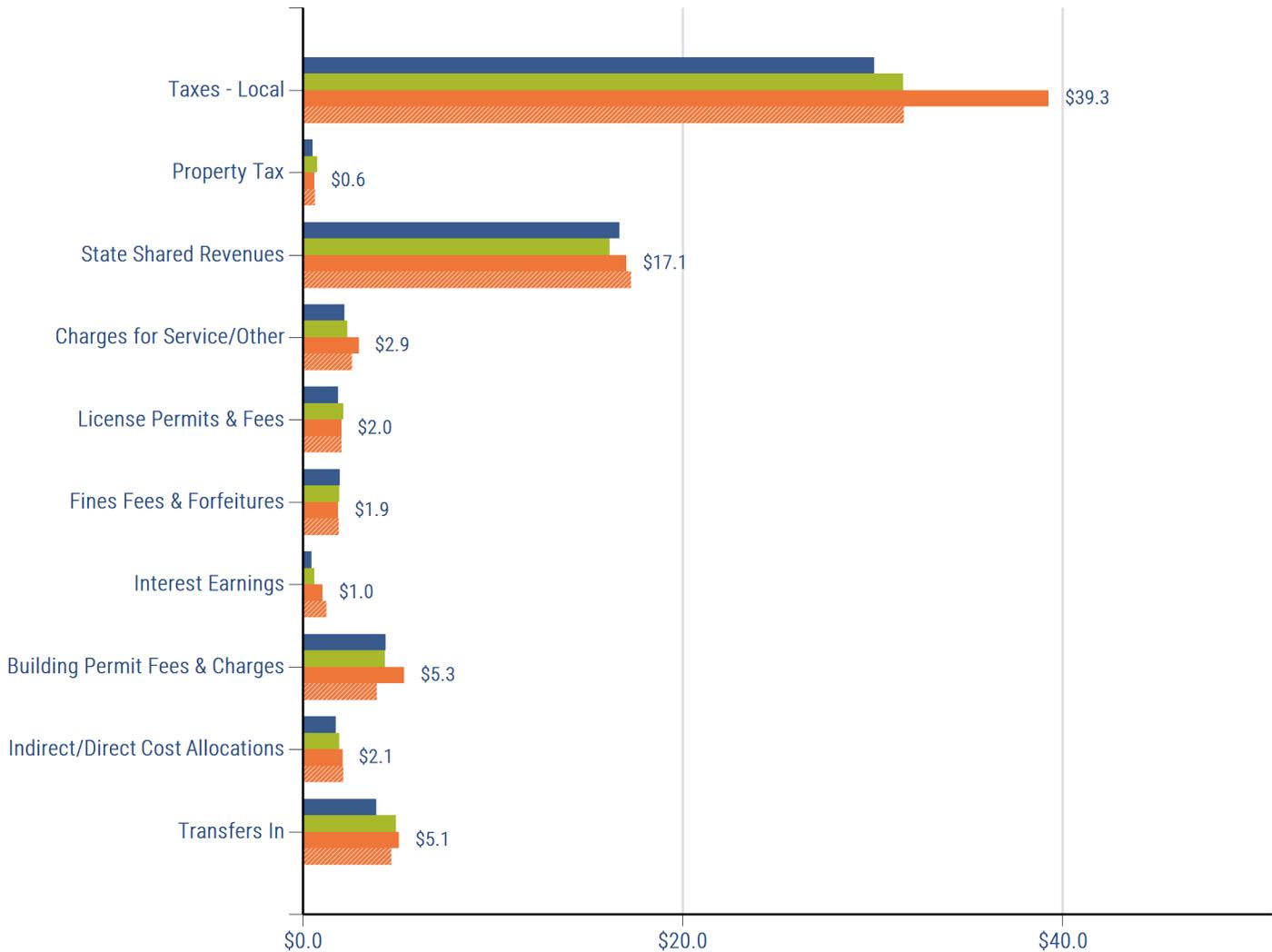


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Revised Budget
Taxes - Local	\$142.5	n/a	\$154.0
Property Tax	26.9	n/a	32.6
State Shared Revenues	64.5	n/a	70.8
Charges for Service/Other	11.9	n/a	14.0
License Permits & Fees	7.1	n/a	8.0
Fines Fees & Forfeitures	8.4	n/a	8.2
Interest Earnings	2.6	n/a	5.0
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: September 2019)

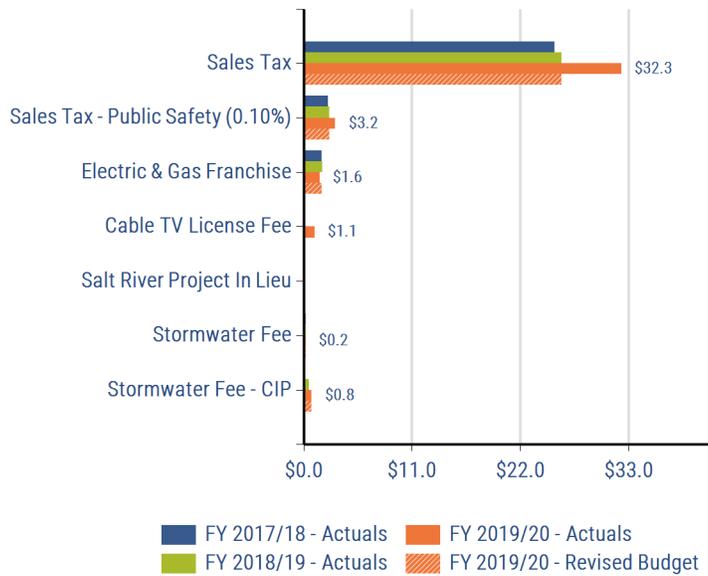


■ FY 2017/18 - Actuals
 ■ FY 2018/19 - Actuals
 ■ FY 2019/20 - Actuals
 ■ FY 2019/20 - Revised Budget

	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	\$30.1	\$31.6	\$39.3	\$31.6	\$7.6	24%
Property Tax	0.5	0.8	0.6	0.6	-	-
State Shared Revenues	16.7	16.2	17.1	17.3	(0.2)	(1%)
Charges for Service/Other	2.2	2.3	2.9	2.6	0.4	14%
License Permits & Fees	1.9	2.1	2.0	2.0	-	-
Fines Fees & Forfeitures	2.0	1.9	1.9	1.9	-	-
Interest Earnings	0.5	0.6	1.0	1.2	(0.2)	(16%)
Building Permit Fees & Charges	4.4	4.3	5.3	3.9	1.5	37%
Indirect/Direct Cost Allocations	1.7	1.9	2.1	2.1	-	-
Transfers In	3.9	4.9	5.1	4.7	0.4	9%
Total Sources	\$63.7	\$66.6	\$77.3	\$68.0	\$9.3	14%



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

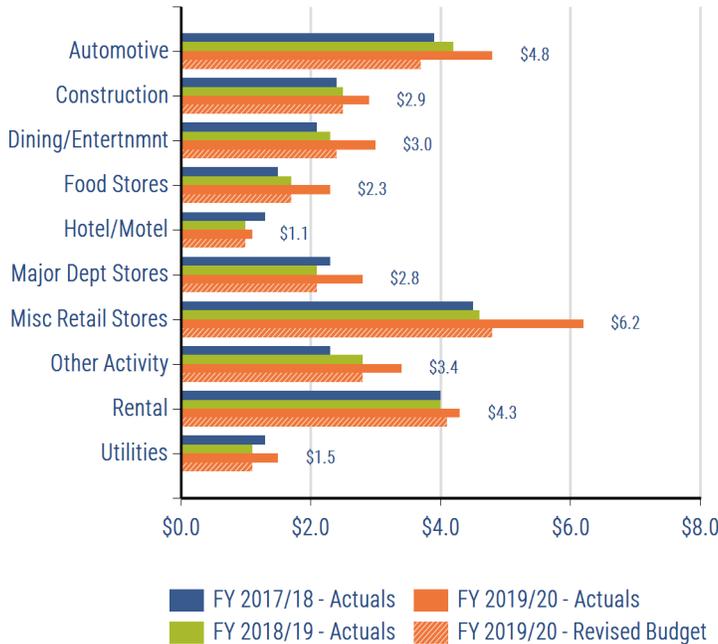


Actual to Revised Budget variance of \$7.6 million or 24%:
 The favorable variance is primarily due to Sales Tax. See detailed Sales Tax information on page 5. Electric & Gas Franchise is unfavorable due to the APS quarterly franchise payment coming in lower than expected. Cable TV License Fee is favorable due to the timing of the FY 2018/19 Cox Cable TV franchise fee payment which was received and recorded in FY 2019/20.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$25.5	\$26.2	\$32.3	\$26.2	\$6.1	23%
Sales Tax - Public Safety (0.10%)	2.5	2.6	3.2	2.6	0.6	24%
Electric & Gas Franchise	1.8	1.9	1.6	1.8	(0.2)	(9%)
Cable TV License Fee	-	-	1.1	-	1.1	n/a
Salt River Project In Lieu	-	0.1	-	-	-	-
Stormwater Fee	0.2	0.2	0.2	0.2	-	-
Stormwater Fee - CIP	-	0.5	0.8	0.8	-	-
Taxes - Local Total	\$30.1	\$31.6	\$39.3	\$31.6	\$7.6	24%



Sales Tax (Fiscal Year to Date: September 2019)



Actual to Revised Budget variance of \$6.1 million or 23%:
 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 partially the result of five payments received in July instead of the usual four. In addition, the Arizona Department of Revenue has begun sending payments on Mondays vs. Tuesdays as was the case at the start of the State Administration. September had five Mondays but the budget assumed receiving four. The favorable variance is also the result of: 1) Automotive - higher than anticipated sales; 2) Construction - unanticipated increase in commercial building; 3) Dining/Entertainment - a new restaurant opening; 4) Food Stores - a grocery store chain submitting corrected tax returns; 5) Major Department Stores - higher than anticipated sales; 6) Misc Retail Stores - higher than expected software sales; 7) Other Activity - higher than expected sales; and 8) Rental - a one-time speculative sale.

	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	\$3.9	\$4.2	\$4.8	\$3.7	\$1.1	30%
Construction	2.4	2.5	2.9	2.5	0.4	15%
Dining/Entertainment	2.1	2.3	3.0	2.4	0.6	24%
Food Stores	1.5	1.7	2.3	1.7	0.6	32%
Hotel/Motel	1.3	1.0	1.1	1.0	0.1	10%
Major Dept Stores	2.3	2.1	2.8	2.1	0.8	36%
Misc Retail Stores	4.5	4.6	6.2	4.8	1.4	28%
Other Activity	2.3	2.8	3.4	2.8	0.7	24%
Rental	4.0	4.0	4.3	4.1	0.2	5%
Utilities	1.3	1.1	1.5	1.1	0.4	37%
Sales Tax Total	\$25.5	\$26.2	\$32.3	\$26.2	\$6.1	23%



Property Tax (Fiscal Year to Date: September 2019)

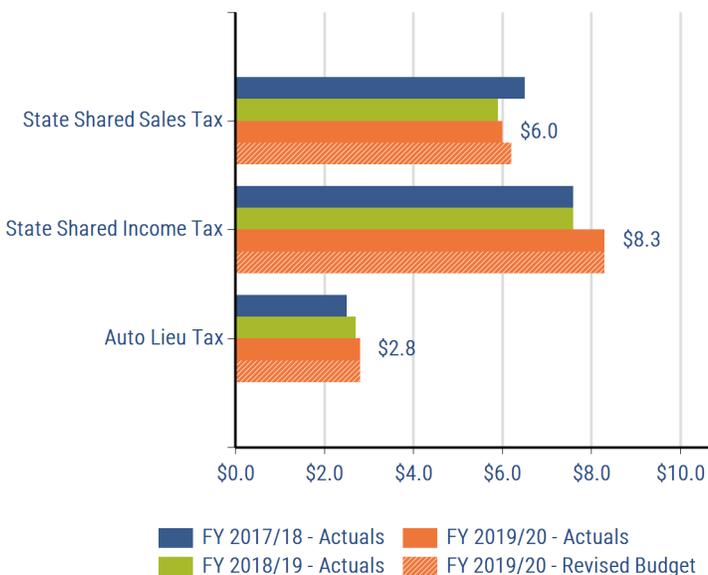
Actual to Revised Budget variance of \$0.0 million or 0%
No explanation necessary.



	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	\$0.5	\$0.8	\$0.6	\$0.6	\$ -	-
Property Tax Total	\$0.5	\$0.8	\$0.6	\$0.6	\$ -	-

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

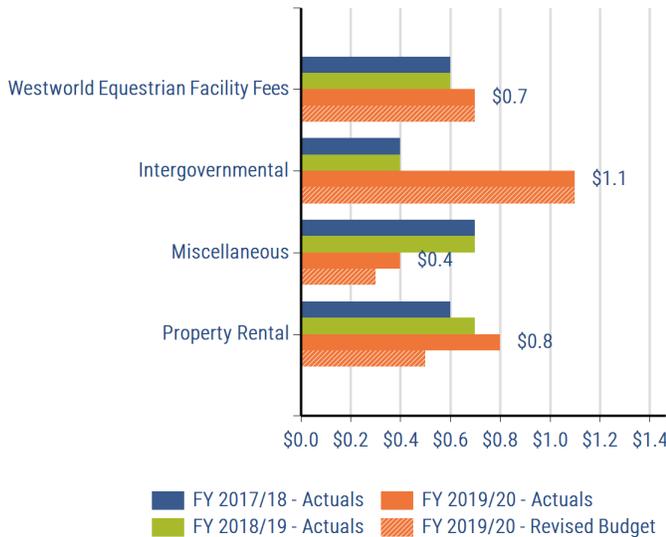
Actual to Revised Budget variance of (\$0.2) million or (1%):
State Shared Sales Tax is unfavorable due to slightly lower than anticipated revenue coming in from the state for Scottsdale's share of the statewide sales tax.



	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	\$6.5	\$5.9	\$6.0	\$6.2	(\$0.3)	(5%)
State Shared Income Tax	7.6	7.6	8.3	8.3	-	-
Auto Lieu Tax	2.5	2.7	2.8	2.8	0.1	3%
State Shared Revenues Total	\$16.7	\$16.2	\$17.1	\$17.3	(\$0.2)	(1%)



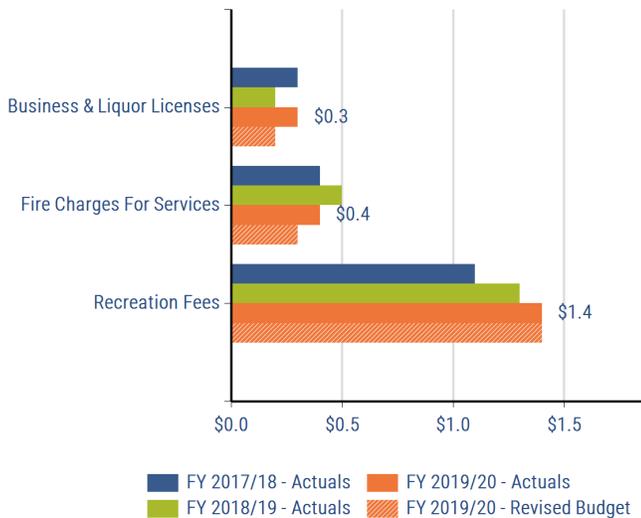
Charges for Service/Other (Fiscal Year to Date: September 2019)



Actual to Revised Budget variance of \$0.4 million or 14%: Miscellaneous is favorable mainly due to the receipt of unexpected late fees in the Planning and Development Department and the timing of billings and recovery of expenses in the Community Services Division. Property Rental is favorable due to 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	\$0.6	\$0.6	\$0.7	\$0.7	\$ -	-
Intergovernmental	0.4	0.4	1.1	1.1	-	-
Miscellaneous	0.7	0.7	0.4	0.3	0.1	40%
Property Rental	0.6	0.7	0.8	0.5	0.3	68%
Charges for Service/Other Total	\$2.2	\$2.3	\$2.9	\$2.6	\$0.4	14%

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

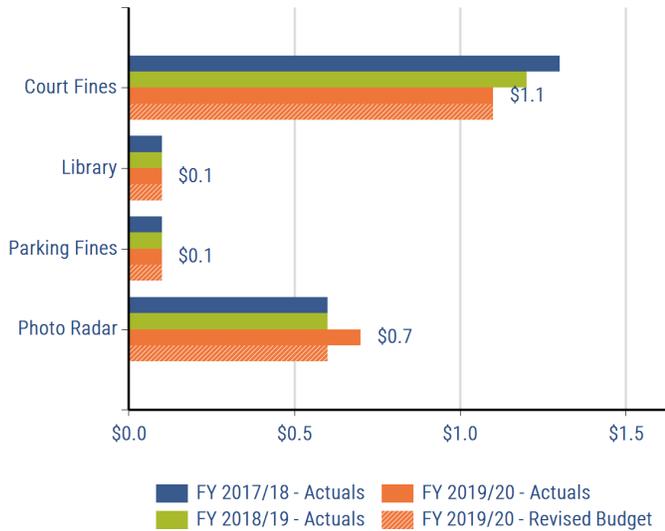


Actual to Revised Budget variance of \$0.0 million or 0%: Fire Charges for Services is favorable due to greater than expected revenue from the ambulance contract based on a higher than anticipated number of calls. Recreation Fees is unfavorable due to lower than anticipated after school and summer program attendance.

	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	\$0.3	\$0.2	\$0.3	\$0.2	\$ -	-
Fire Charges For Services	0.4	0.5	0.4	0.3	0.1	21%
Recreation Fees	1.1	1.3	1.4	1.4	(0.1)	(6%)
License Permits & Fees Total	\$1.9	\$2.1	\$2.0	\$2.0	\$ -	-



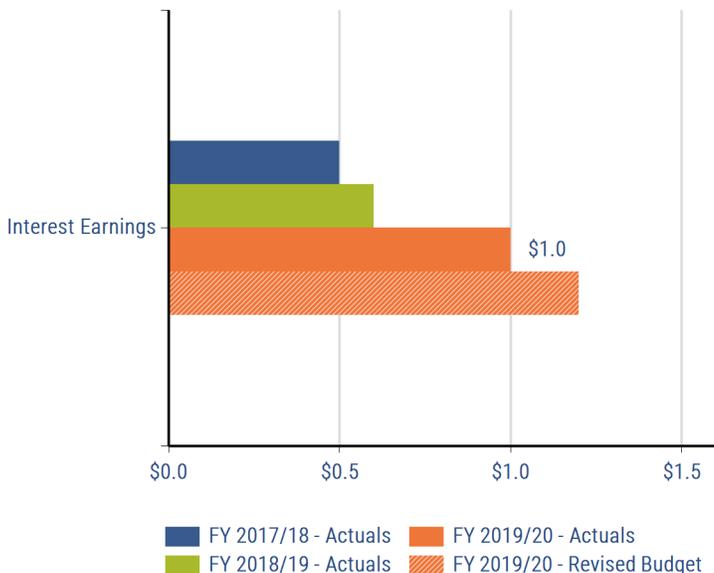
Fines Fees & Forfeitures (Fiscal Year to Date: September 2019)



Actual to Revised Budget variance of \$0.0 million or 0%:
 Court Fines is unfavorable mainly due to lower criminal filings and officer issued civil traffic citations. Photo Radar is favorable due to higher than expected photo enforcement filings.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$1.3	\$1.2	\$1.1	\$1.1	(\$0.1)	(8%)
Library	0.1	0.1	0.1	0.1	-	-
Parking Fines	0.1	0.1	0.1	0.1	-	-
Photo Radar	0.6	0.6	0.7	0.6	0.1	9%
Fines Fees & Forfeitures Total	\$2.0	\$1.9	\$1.9	\$1.9	\$ -	-

Interest Earnings (Fiscal Year to Date: September 2019)



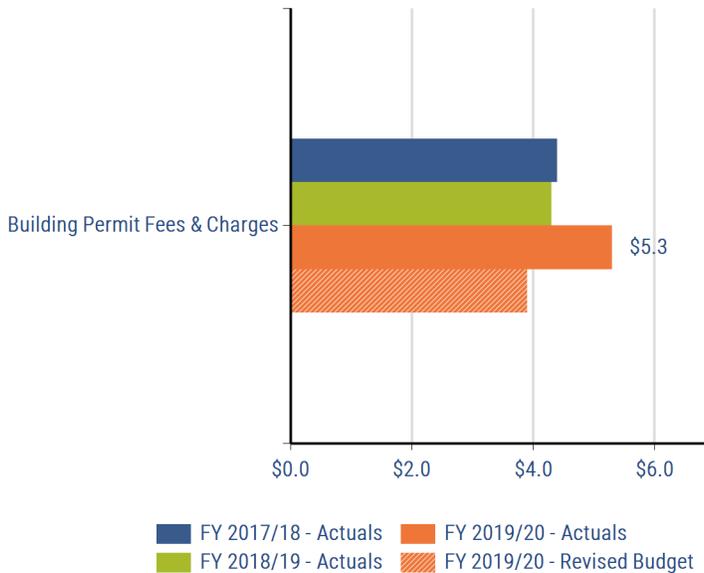
Actual to Revised Budget variance of (\$0.2) million or (16%):
 Unfavorable due to yields coming in below what was budgeted at this point in the fiscal year as a result of lower than anticipated interest rates in the fixed income market.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$0.5	\$0.6	\$1.0	\$1.2	(\$0.2)	(16%)
Interest Earnings Total	\$0.5	\$0.6	\$1.0	\$1.2	(\$0.2)	(16%)



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

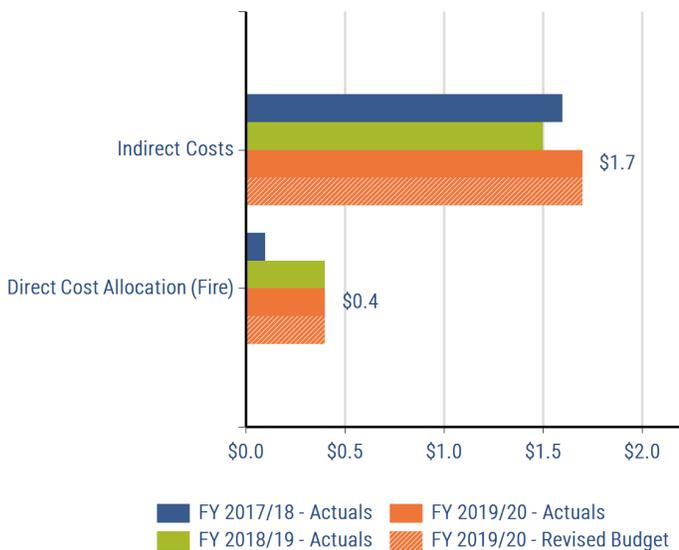
Actual to Revised Budget variance of \$1.5 million or 37%:
The favorable variance is due to higher than anticipated construction activity in the first quarter of the fiscal year, mostly due to the Nationwide development.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$4.4	\$4.3	\$5.3	\$3.9	\$1.5	37%
Building Permit Fees & Charges Total	\$4.4	\$4.3	\$5.3	\$3.9	\$1.5	37%

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

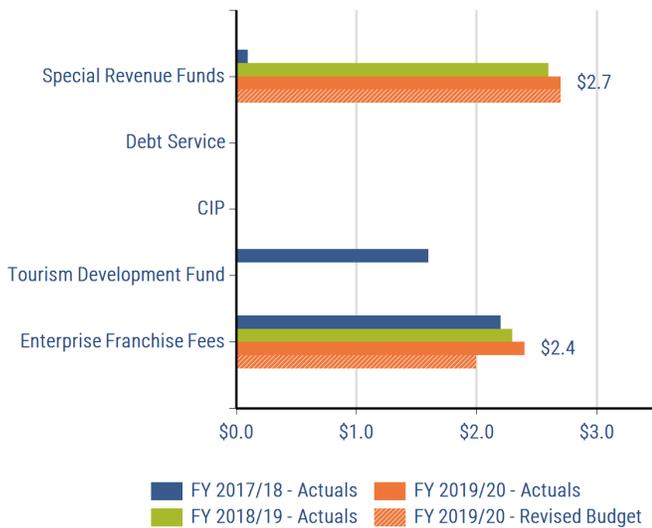
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$1.6	\$1.5	\$1.7	\$1.7	\$ -	-
Direct Cost Allocation (Fire)	0.1	0.4	0.4	0.4	-	-
Indirect/Direct Cost Allocations Total	\$1.7	\$1.9	\$2.1	\$2.1	\$ -	-



Transfers In (Fiscal Year to Date: September 2019)



Actual to Revised Budget variance of \$0.4 million or 9%: Favorable variance a result of higher enterprise franchise fees due to more revenue collected in the Water & Water Reclamation Fund than anticipated, which consequently affects the transfers into the General Fund. The increase is a result of greater water deliveries compared to the four-year running average.

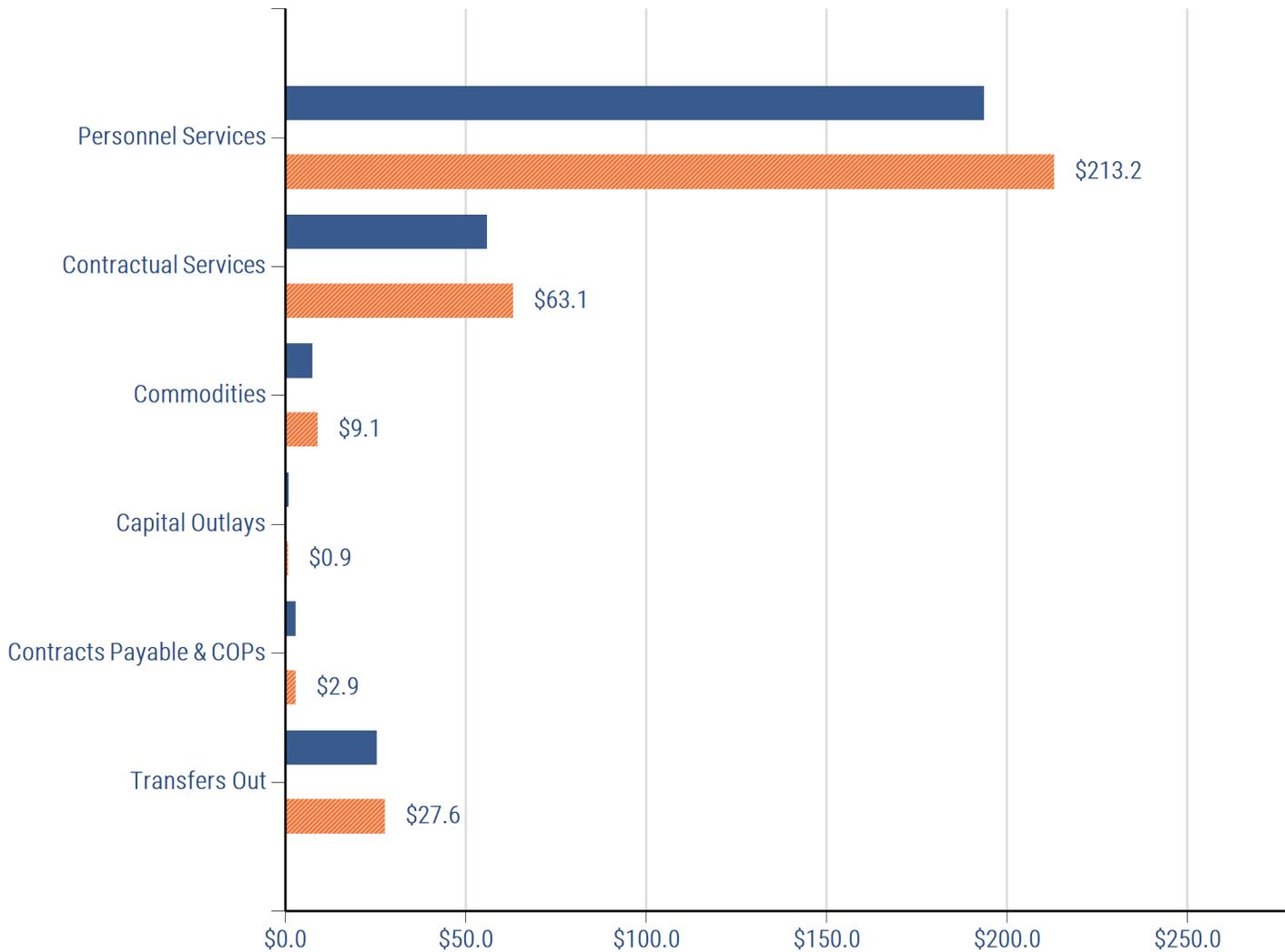
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Special Revenue Funds	\$0.1	\$2.6	\$2.7	\$2.7	\$ -	-
Debt Service	-	-	-	-	-	-
CIP	-	-	-	-	-	-
Tourism Development Fund	1.6	-	-	-	-	-
Enterprise Franchise Fees	2.2	2.3	2.4	2.0	0.4	21%
Transfers In Total	\$3.9	\$4.9	\$5.1	\$4.7	\$0.4	9%



Uses

General Fund

Twelve Months: Fiscal Year



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

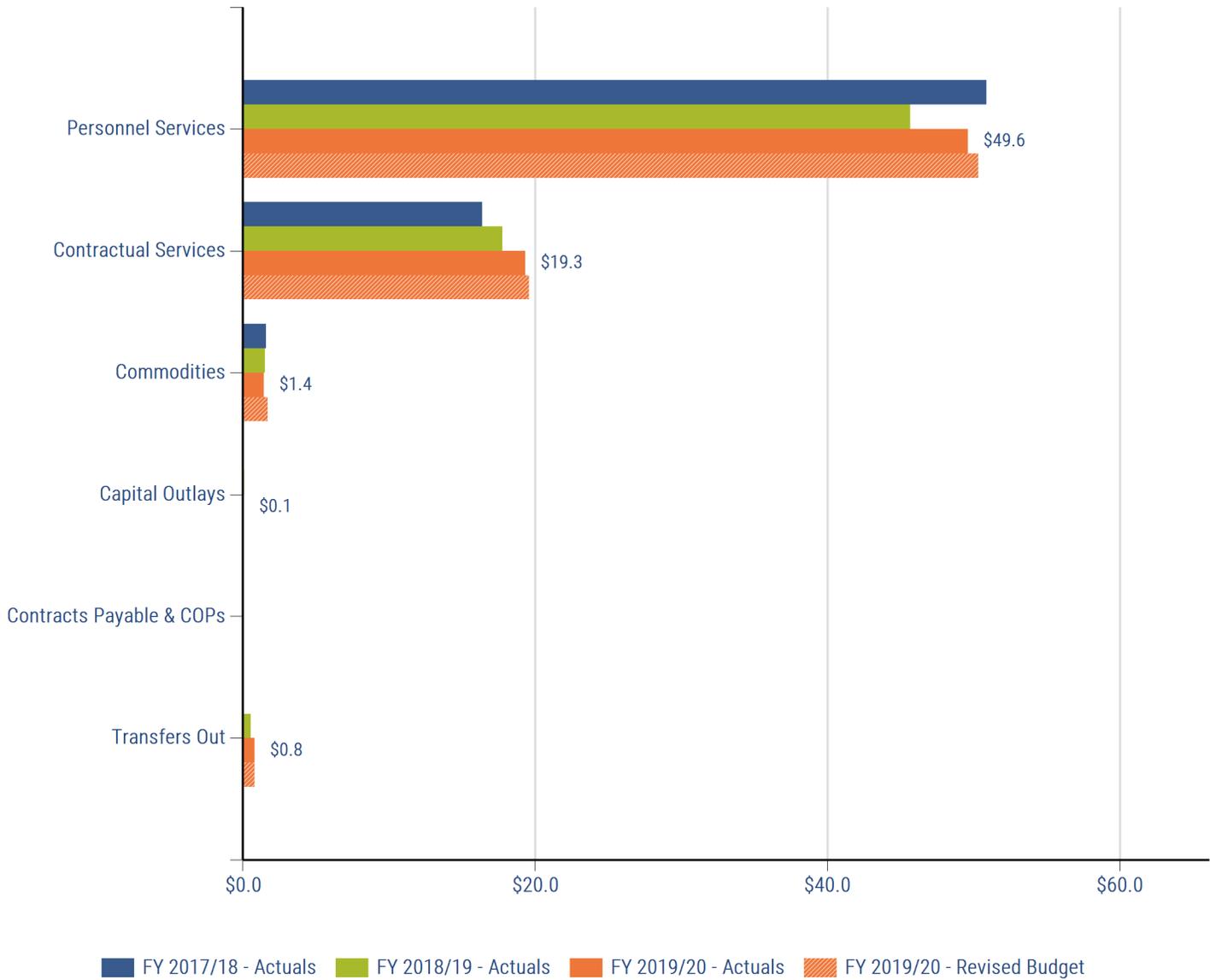
	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Revised Budget</u>
Personnel Services	\$193.7	n/a	\$213.2
Contractual Services	56.0	n/a	63.1
Commodities	7.6	n/a	9.1
Capital Outlays	1.0	n/a	0.9
Contracts Payable & COPs	2.9	n/a	2.9
Transfers Out	25.4	n/a	27.6
Total Uses	\$286.6	n/a	\$316.8

*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.



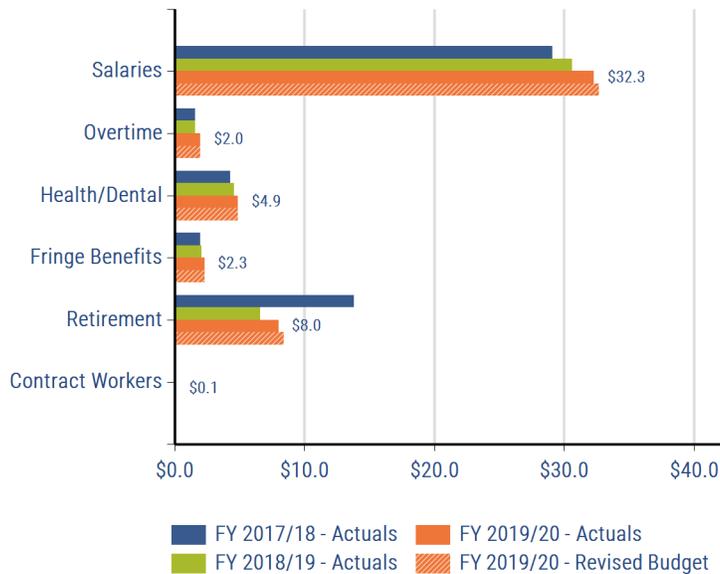
Uses (Fiscal Year to Date: September 2019)



	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$50.9	\$45.7	\$49.6	\$50.3	\$0.7	1%
Contractual Services	16.4	17.8	19.3	19.6	0.2	1%
Commodities	1.6	1.5	1.4	1.7	0.3	15%
Capital Outlays	-	0.1	0.1	0.1	-	-
Contracts Payable & COPs	-	-	-	-	-	-
Transfers Out	-	0.5	0.8	0.8	-	-
Total Uses	\$68.9	\$65.6	\$71.3	\$72.5	\$1.2	2%



Personnel Services (Fiscal Year to Date: September 2019)



Actual to Revised Budget variance of \$0.7 million or 1%: Salaries is favorable mainly due to rank promotions in Public Safety - Police with replacement employees coming in at a lower rate than the person who was promoted and to vacant positions in the City Attorney's Division (vacancy savings is not swept for the City Attorney. Retirement is favorable primarily due to overall Public Safety Personnel Retirement System (PSPRS) expenses being less than estimated by not having to pay retirement on salaries savings. It is also related to the actual payment being lower than expected for the 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	\$29.1	\$30.6	\$32.3	\$32.7	\$0.4	1%
Overtime	1.6	1.6	2.0	2.0	-	-
Health/Dental	4.3	4.6	4.9	4.9	-	-
Fringe Benefits	2.0	2.1	2.3	2.3	(0.1)	(2%)
Retirement	13.8	6.6	8.0	8.4	0.4	5%
Contract Workers	0.1	0.1	0.1	0.1	-	-
Personnel Services Total	\$50.9	\$45.7	\$49.6	\$50.3	\$0.7	1%

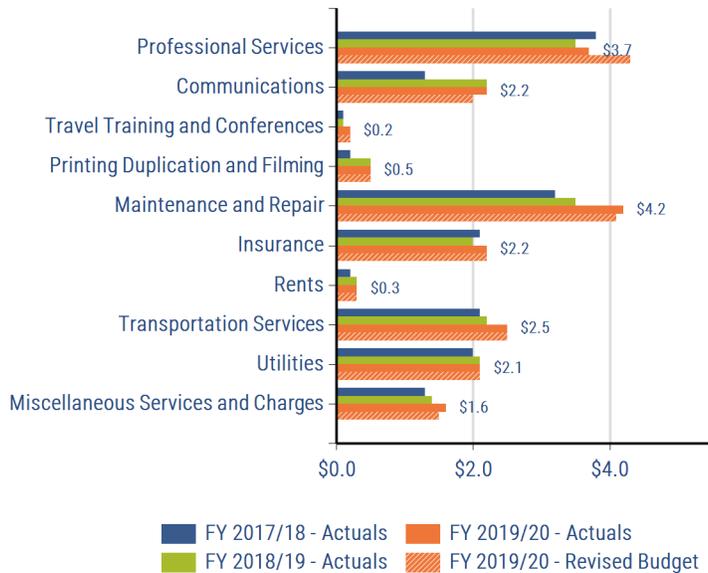
Personnel Services Macro Adjustments

	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)	1.5	(4.3)
Medical Leave Payouts	1.4	(0.4)	1.0
Vacation Leave Payouts	0.7	(0.3)	0.4
Vacation Trade Payouts	0.7	-	0.7
Compensation Other	5.2	(5.2)	0.1
Personnel Services Macro Adjustments Total	\$6.0	(\$8.1)	(\$2.1)

Total Saved/(Used) YTD of (\$8.1) million: The city has achieved \$1.5 million in vacancy savings year-to-date offset by (\$0.7) 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: September 2019)



Actual to Revised Budget variance of \$0.2 million or 1%: Professional Services is favorable mainly due to the timing of expenses related to the Photo Enforcement Contract and Photo Enforcement Process Server, the custodial services contract and the City Manager Division's Global Ties contract. Communications is unfavorable due to the timing of Regional Wireless Center invoices. The unfavorable variance in Maintenance and Repair is primarily due to an accounting issue related to the timing of software expenditures and the timing of the WestWorld marketing contract. The unfavorable variance would have been greater, but is almost completely offset by a favorable variance related to the timing of maintenance fees for the Library's bibliotheca sorters, self-check kiosks and Radio Frequency Identification equipment and for expenses related to the city's payroll system. Miscellaneous Services and Charges is unfavorable due to the timing of payments of city memberships.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Professional Services	\$3.8	\$3.5	\$3.7	\$4.3	\$0.6	13%
Communications	1.3	2.2	2.2	2.0	(0.1)	(7%)
Travel Training and Conferences	0.1	0.1	0.2	0.2	-	-
Printing Duplication and Filming	0.2	0.5	0.5	0.5	-	-
Maintenance and Repair	3.2	3.5	4.2	4.1	(0.1)	(2%)
Insurance	2.1	2.0	2.2	2.2	-	-
Rents	0.2	0.3	0.3	0.3	-	-
Transportation Services	2.1	2.2	2.5	2.5	-	-
Utilities	2.0	2.1	2.1	2.1	-	-
Miscellaneous Services and Charges	1.3	1.4	1.6	1.5	(0.1)	(7%)
Contractual Services Total	\$16.4	\$17.8	\$19.3	\$19.6	\$0.2	1%

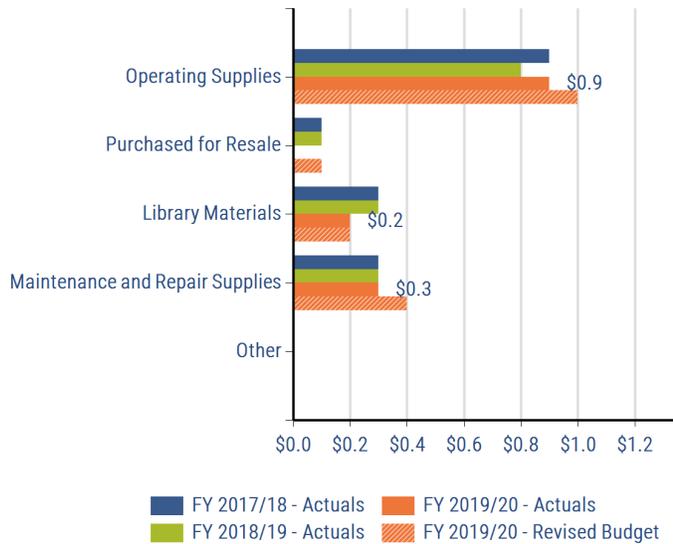
Contractual Services Macro Adjustments

	FY 2019/20 Adopted Budget	FY 2019/20 Year-To-Date	
		Used	Remaining
Fuel and Maint and Repair	\$5.2	(\$1.2)	\$4.0
Utilities	8.5	(2.1)	6.4
Contractual Services Macro Adjustments Total	\$13.7	(\$3.3)	\$10.4

Total Used YTD of (\$3.3) million: Utilities and new in FY 2019/20, Fuel and Maint and Repair are budgeted on a macro level. Budgeting on a macro level is a tool used by the Budget Department to more accurately track how expenses are occurring by each Division.



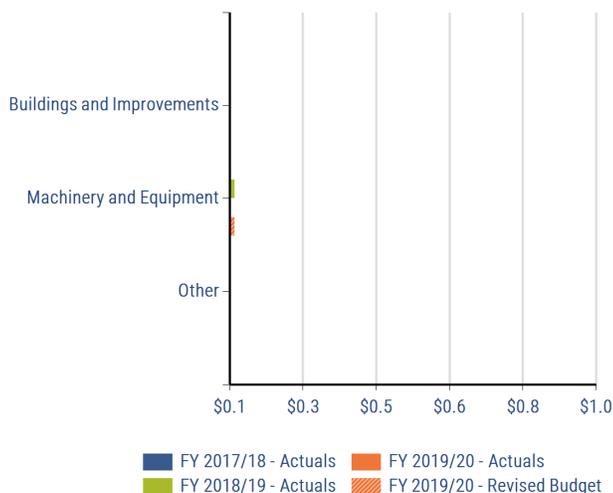
Commodities (Fiscal Year to Date: September 2019)



Actual to Revised Budget variance of \$0.3 million or 15%: Operating Supplies is favorable due to the timing of the purchases of library signage, after school supplies, sod for parks/golf courses, feed/bedding for resale in WestWorld, uniforms and ammunition. The variance would have been greater but is offset in Public Safety - Fire by the purchase of fire hoses, equipment and other supplies. Maintenance and Repair Supplies is favorable due to the timing of invoices.

	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	\$0.9	\$0.8	\$0.9	\$1.0	\$0.1	14%
Purchased for Resale	0.1	0.1	-	0.1	-	-
Library Materials	0.3	0.3	0.2	0.2	-	-
Maintenance and Repair Supplies	0.3	0.3	0.3	0.4	0.1	21%
Other	-	-	-	-	-	-
Commodities Total	\$1.6	\$1.5	\$1.4	\$1.7	\$0.3	15%

Capital Outlays (Fiscal Year to Date: September 2019)



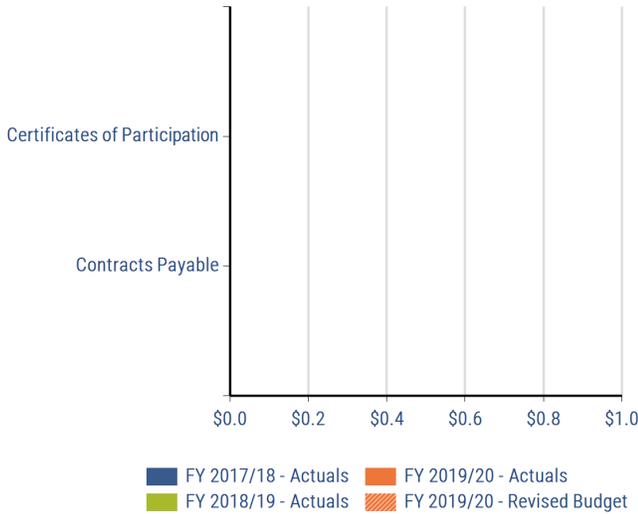
Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.

	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	-	0.1	-	0.1	-	-
Other	-	-	-	-	-	-
Capital Outlays Total	\$0.0	\$0.1	\$0.1	\$0.1	\$ -	-



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

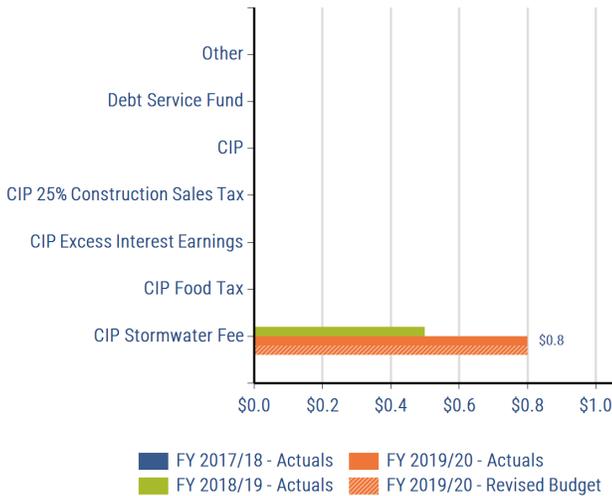
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



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

Transfers Out (Fiscal Year to Date: September 2019)

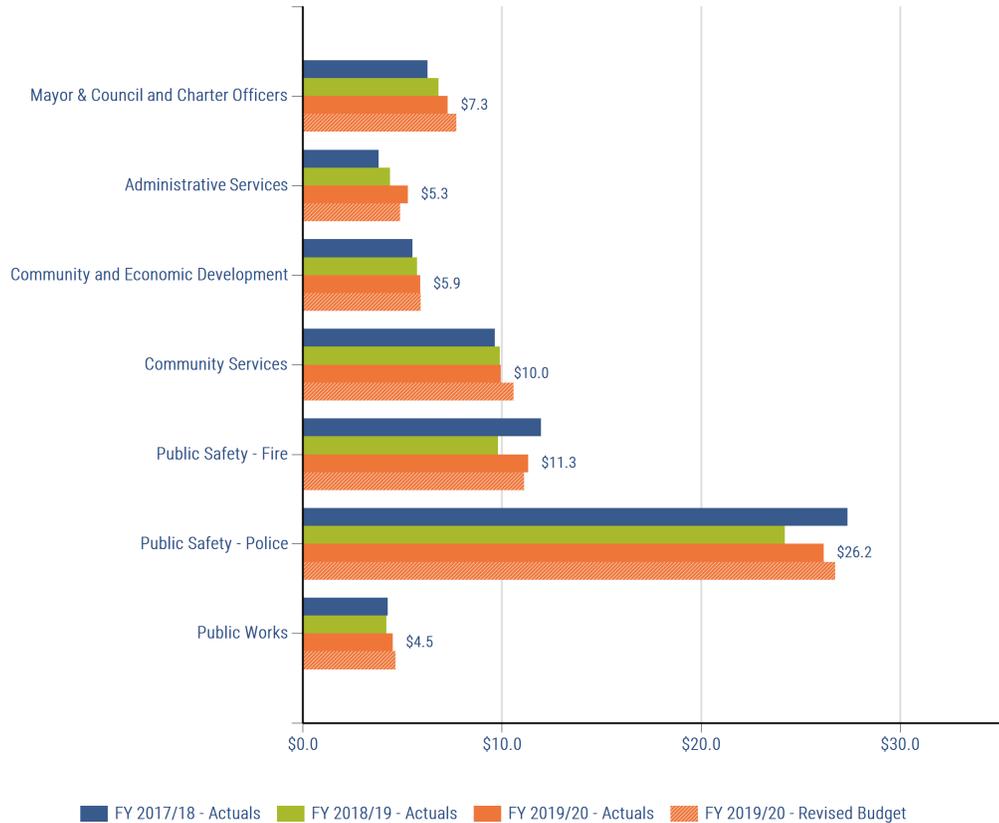
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Other	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Debt Service Fund	-	-	-	-	-	-
CIP	-	-	-	-	-	-
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
CIP Stormwater Fee	-	0.5	0.8	0.8	-	-
Transfers Out Total	\$0.0	\$0.5	\$0.8	\$0.8	\$ -	-



Division Expenditures (Fiscal Year to Date: September 2019)

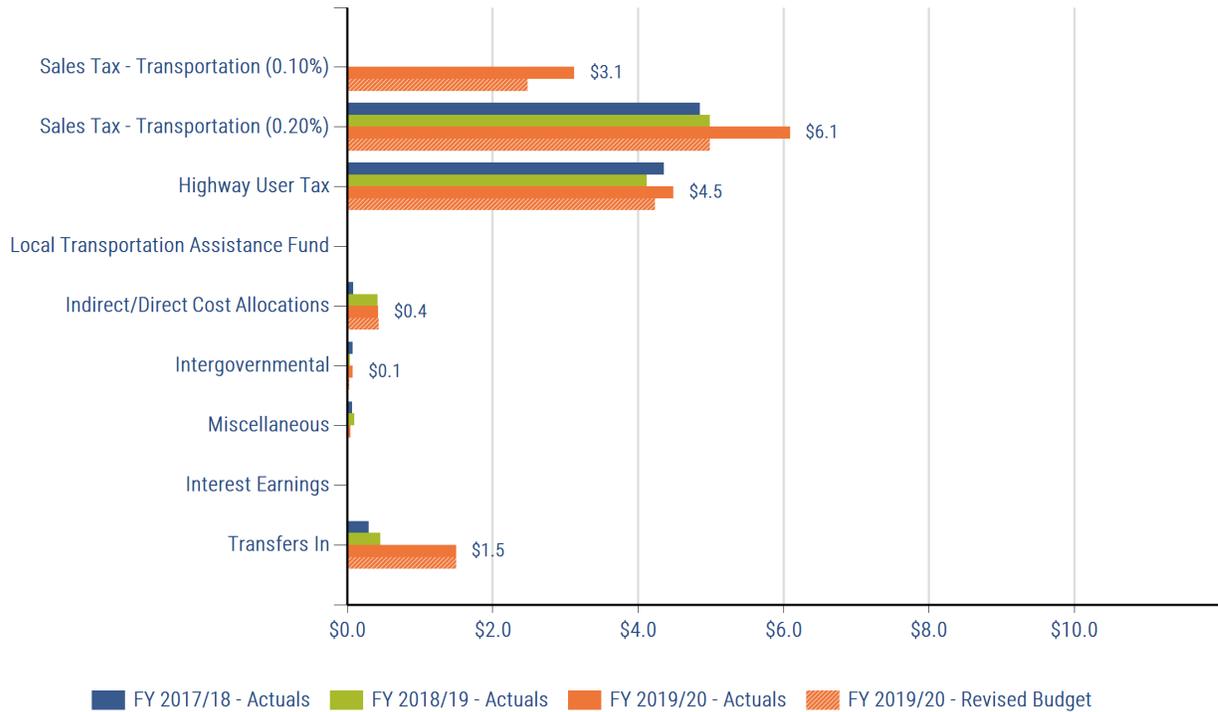


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$6.3	\$6.8	\$7.3	\$7.7	\$0.4	6%
Administrative Services	3.8	4.4	5.3	4.9	(0.4)	(8%)
Community and Economic Development	5.5	5.7	5.9	5.9	-	-
Community Services	9.7	9.9	10.0	10.6	0.6	6%
Public Safety - Fire	12.0	9.8	11.3	11.1	(0.2)	(2%)
Public Safety - Police	27.4	24.2	26.2	26.7	0.6	2%
Public Works	4.3	4.2	4.5	4.7	0.1	3%
Total	\$68.9	\$65.0	\$70.5	\$71.6	\$1.2	2%

Actual to Revised Budget variance of \$1.2 million or 2%: Mayor & Council and Charter Officers is favorable mainly due to the timing of annual maintenance fees of the city's payroll system in the City Treasurer Division. It is also related to the timing of annual city membership and contract fees in the City Manager Division and vacant positions in the City Attorney's Division. Administrative Services is unfavorable due to an accounting issue related to the timing of software expenditures. Community Services is favorable due to the timing of annual maintenance fees and contract expenditures for the Library, and a delay in the purchase of feed/bedding supplies for resale at WestWorld, library signage, after school program and park supplies. The favorable variance would have been greater but was offset by the timing of the WestWorld, marketing contract payment. Public Safety – Fire is unfavorable due to the timing of Emergency Medical Technician (EMT) monitors and Regional Wireless Cooperative (RWC) invoices and the timing of the purchase of fire hoses, equipment and uniforms. Public Safety – Police is favorable due to rank promotions with replacement employees coming in at a lower rate than the person who was promoted, overall lower than expected Public Safety Personnel Retirement System expenses by not having to pay retirement on salaries savings, the timing of invoices for regional wireless and photo enforcement contracts, and a delay in the purchase of vest carriers and ammunition.



Sources (Fiscal Year to Date: September 2019)



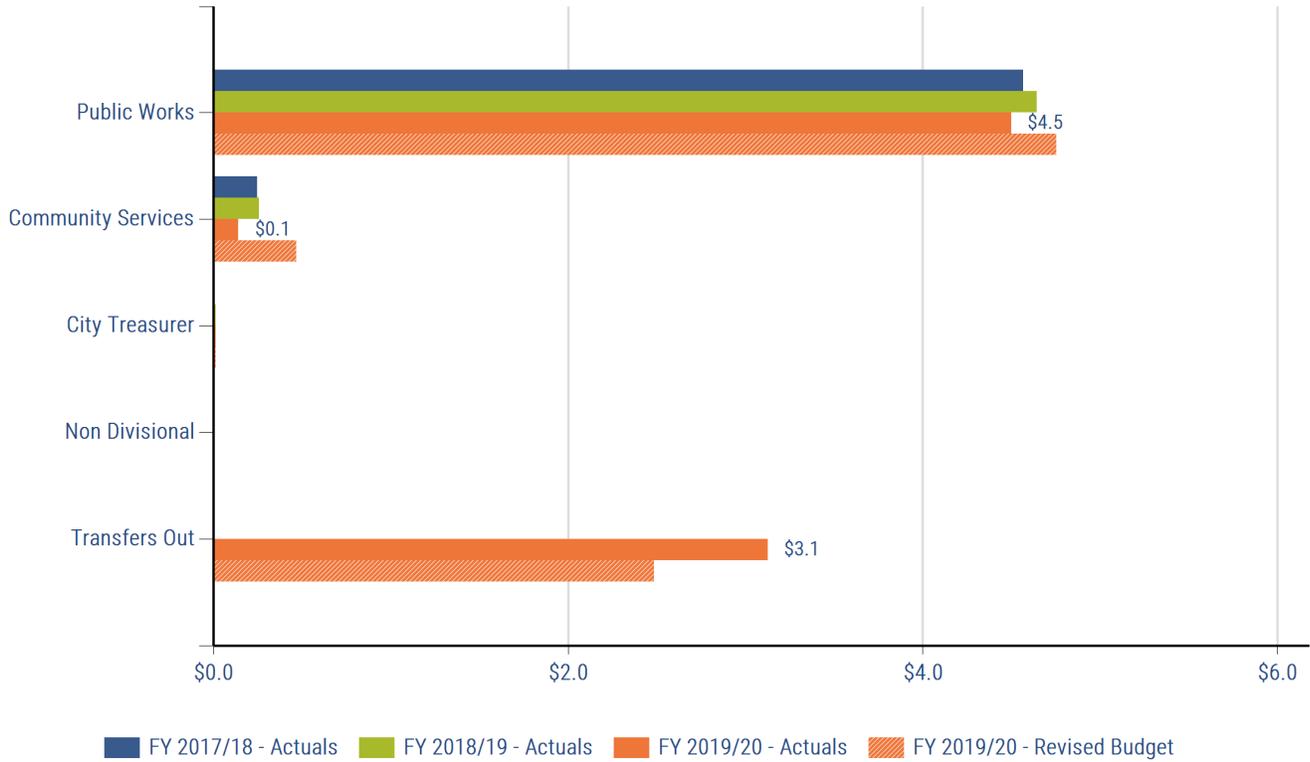
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax - Transportation (0.10%)	\$ -	\$ -	\$3.1	\$2.5	\$0.6	26%
Sales Tax - Transportation (0.20%)	\$4.9	\$5.0	\$6.1	\$5.0	\$1.1	22%
Highway User Tax	4.4	4.1	4.5	4.2	0.3	6%
Local Transportation Assistance Fund	-	-	-	-	-	-
Indirect/Direct Cost Allocations	0.1	0.4	0.4	0.4	-	-
Intergovernmental	0.1	-	0.1	-	-	-
Miscellaneous	0.1	0.1	-	-	-	-
Interest Earnings	-	-	-	-	-	-
Transfers In	0.3	0.5	1.5	1.5	-	-
Total Sources	\$9.7	\$10.1	\$15.8	\$13.7	\$2.1	15%

Actual to Revised Budget variance of \$2.1 million or 15%:

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 partially the result of five payments received in July instead of the usual four. In addition, the Arizona Department of Revenue has begun sending payments on Mondays vs. Tuesdays as was the case at the start of the State Administration. September had five Mondays but the budget assumed receiving four. See page 5 for explanations by category. Highway User Tax is favorable due to an unbudgeted, one-time payment from the State of Arizona for a Streets and Highways Allocation surplus that was distributed to cities and towns throughout the state.



Uses (Fiscal Year to Date: September 2019)



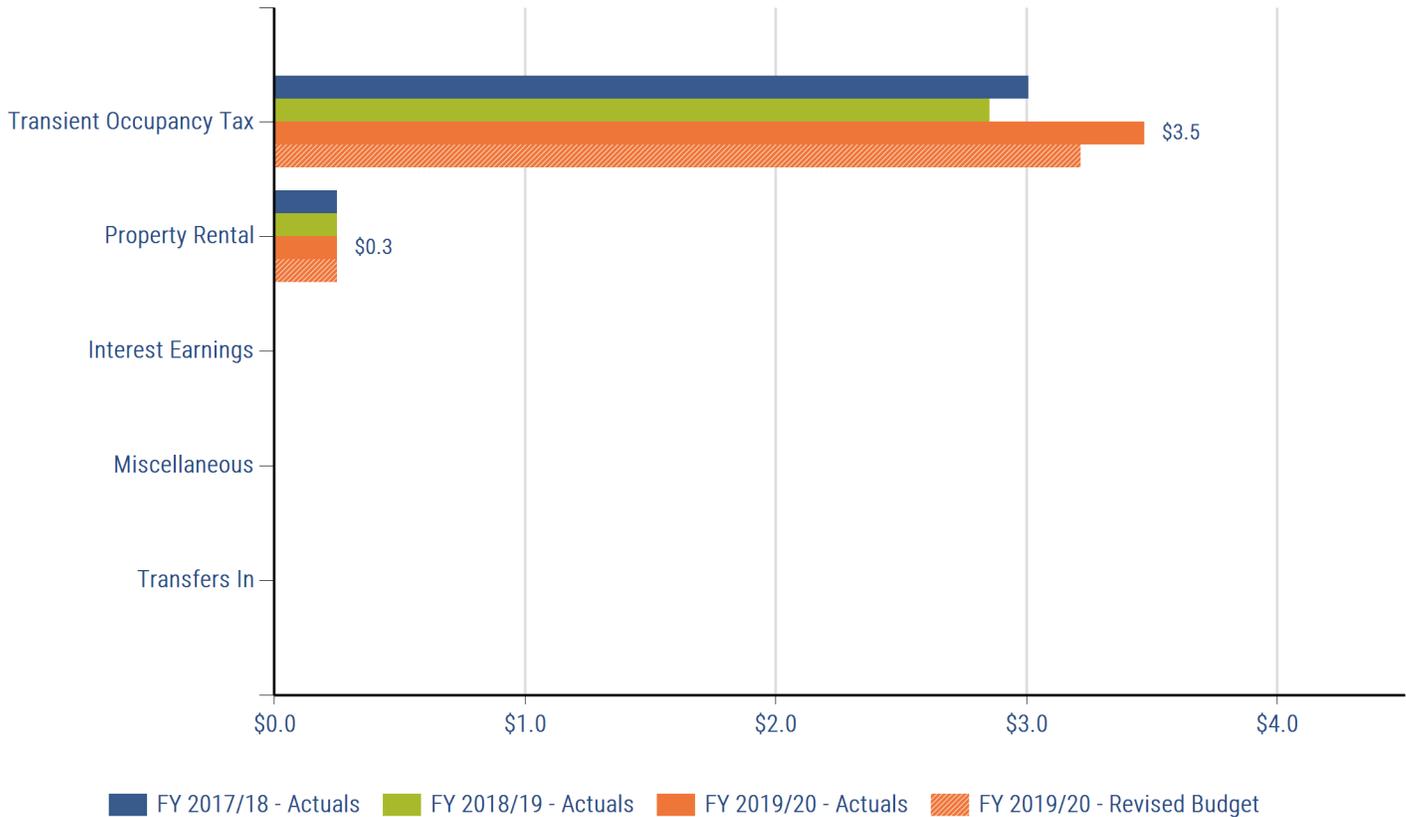
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$4.6	\$4.6	\$4.5	\$4.8	\$0.3	5%
Community Services	0.2	0.3	0.1	0.5	0.3	70%
City Treasurer	-	-	-	-	-	-
Non Divisional	-	-	-	-	-	-
Transfers Out	-	-	3.1	2.5	(0.6)	(26%)
Total Uses	\$4.8	\$4.9	\$7.8	\$7.7	(\$0.1)	(1%)

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

The favorable variance in Public Works is primarily related to a delay in starting street overlay projects due to Americans with Disability Act (ADA) ramp upgrades that are not yet complete. The favorable variance is also the result of the timing of payments on Phoenix Transit Contracts. In addition, it is also the result of lower than budgeted streetlight maintenance and roadway marking expenses. The favorable variance would have been higher if not for emergency storm drain repairs, equipment, and landfill expense related to monsoon response. The favorable variance in Community Services is due to a shortage of contracted staff to perform right-of-way maintenance, median landscaping, and storm drain clean-up. The unfavorable variance in Transfers Out is the result of Sales Tax – Transportation (0.10%) collections coming in greater than projected as well as timing on the sales tax collections from the Arizona Department of Revenue. Monthly, 100 percent of this revenue collected is transferred to the Capital Improvement Plan (CIP) and designated solely for Arterial Life Cycle Program (ALCP) transportation capital projects.



Sources (Fiscal Year to Date: September 2019)



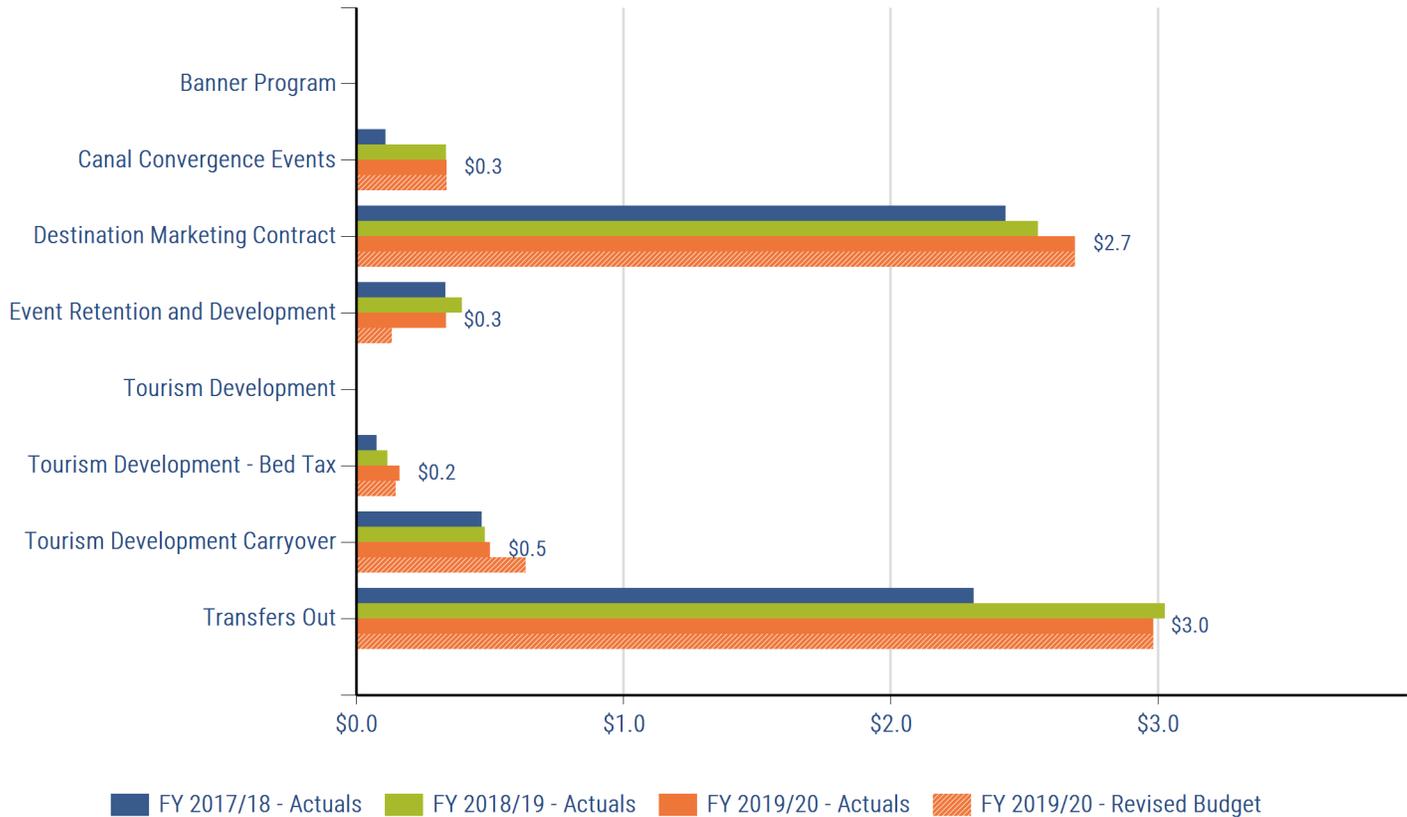
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Transient Occupancy Tax	\$3.0	\$2.9	\$3.5	\$3.2	\$0.3	8%
Property Rental	0.3	0.3	0.3	0.3	-	-
Interest Earnings	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$3.3	\$3.1	\$3.7	\$3.5	\$0.3	7%

Actual to Revised Budget variance of \$0.3 million or 7%:

Favorable variance of \$0.3 million due to higher than anticipated Transient Occupancy Tax (Bed Tax) collections mostly driven by non-hotel collections (i.e. on-line lodging, hotel alternatives) and the upward trend in the average daily rate.



Uses (Fiscal Year to Date: September 2019)



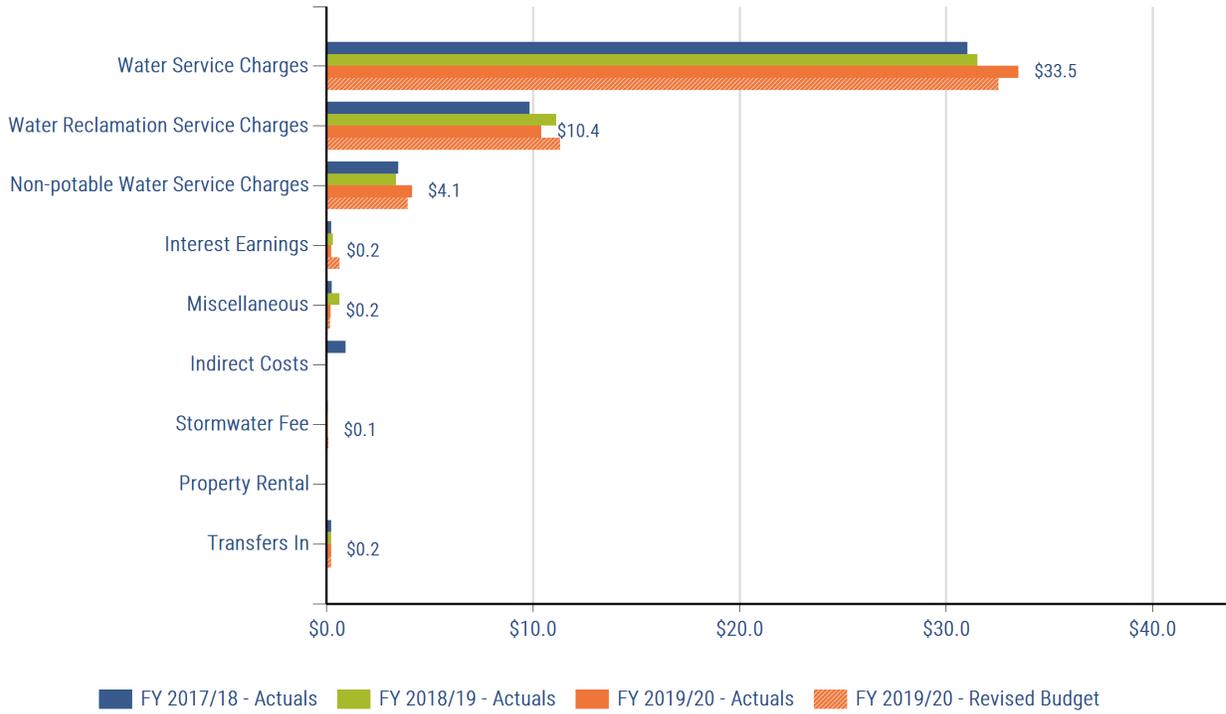
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Banner Program	\$ -	\$ -	\$ -	\$ -	\$ -	-
Canal Convergence Events	0.1	0.3	0.3	0.3	-	-
Destination Marketing Contract	2.4	2.6	2.7	2.7	-	-
Event Retention and Development	0.3	0.4	0.3	0.1	(0.2)	nm
Tourism Development	-	-	-	-	-	-
Tourism Development - Bed Tax	0.1	0.1	0.2	0.1	-	-
Tourism Development Carryover	0.5	0.5	0.5	0.6	0.1	21%
Transfers Out	2.3	3.0	3.0	3.0	-	-
Total Uses	\$5.7	\$6.9	\$7.0	\$6.9	(\$0.1)	(1%)

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

The unfavorable variance in Event Retention and Development is due to the unpredictability of timing of reimbursement requests from event producers. The favorable variance in Tourism Development Carryover is mostly due to the timing of the downtown map brochures payment.



Sources (Fiscal Year to Date: September 2019)



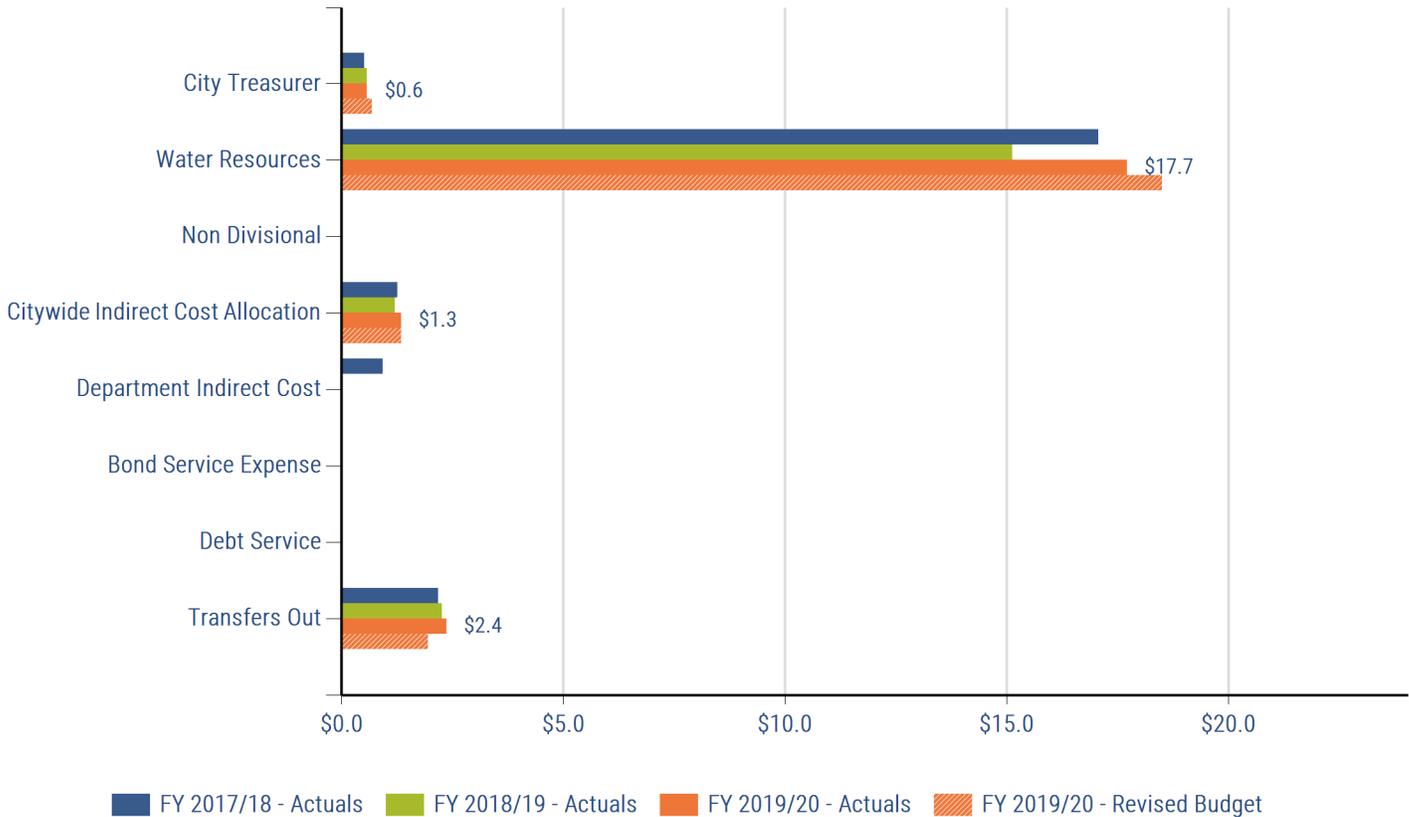
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Water Service Charges	\$31.0	\$31.5	\$33.5	\$32.5	\$1.0	3%
Water Reclamation Service Charges	9.8	11.1	10.4	11.3	(0.9)	(8%)
Non-potable Water Service Charges	3.5	3.4	4.1	3.9	0.2	5%
Interest Earnings	0.2	0.3	0.2	0.6	(0.4)	(66%)
Miscellaneous	0.2	0.6	0.2	0.2	-	-
Indirect Costs	0.9	-	-	-	-	-
Stormwater Fee	0.1	0.1	0.1	0.1	-	-
Property Rental	-	-	-	-	-	-
Transfers In	0.2	0.2	0.2	0.2	-	-
Total Sources	\$46.1	\$47.3	\$48.8	\$48.9	(\$0.1)	0%

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

The favorable variance in Water Service Charges is driven by higher than expected customer growth, meter sales and water deliveries which are coming in above the four-year running average in Scottsdale. It is also related to higher than expected sales of water to municipalities outside of Scottsdale. Finally, the budget did not account for disconnect fees which are trending higher than the four year average. Water Reclamation Service Charges is unfavorable due to a lower than expected number of new sewer customer billings and lower deliveries than budgeted. The budget was based on previous winter deliveries. This unfavorable variance is expected to continue through the fiscal year, so a forecast adjustment will be performed. Non-potable Water Service Charges is favorable due to Gainey Ranch payments from FY 2018/19 that were recorded in FY 2019/20. Interest Earnings is unfavorable due to yields coming in below what was budgeted at this point in the fiscal year due to lower than anticipated interest rates in the fixed income market.



Uses (Fiscal Year to Date: September 2019)



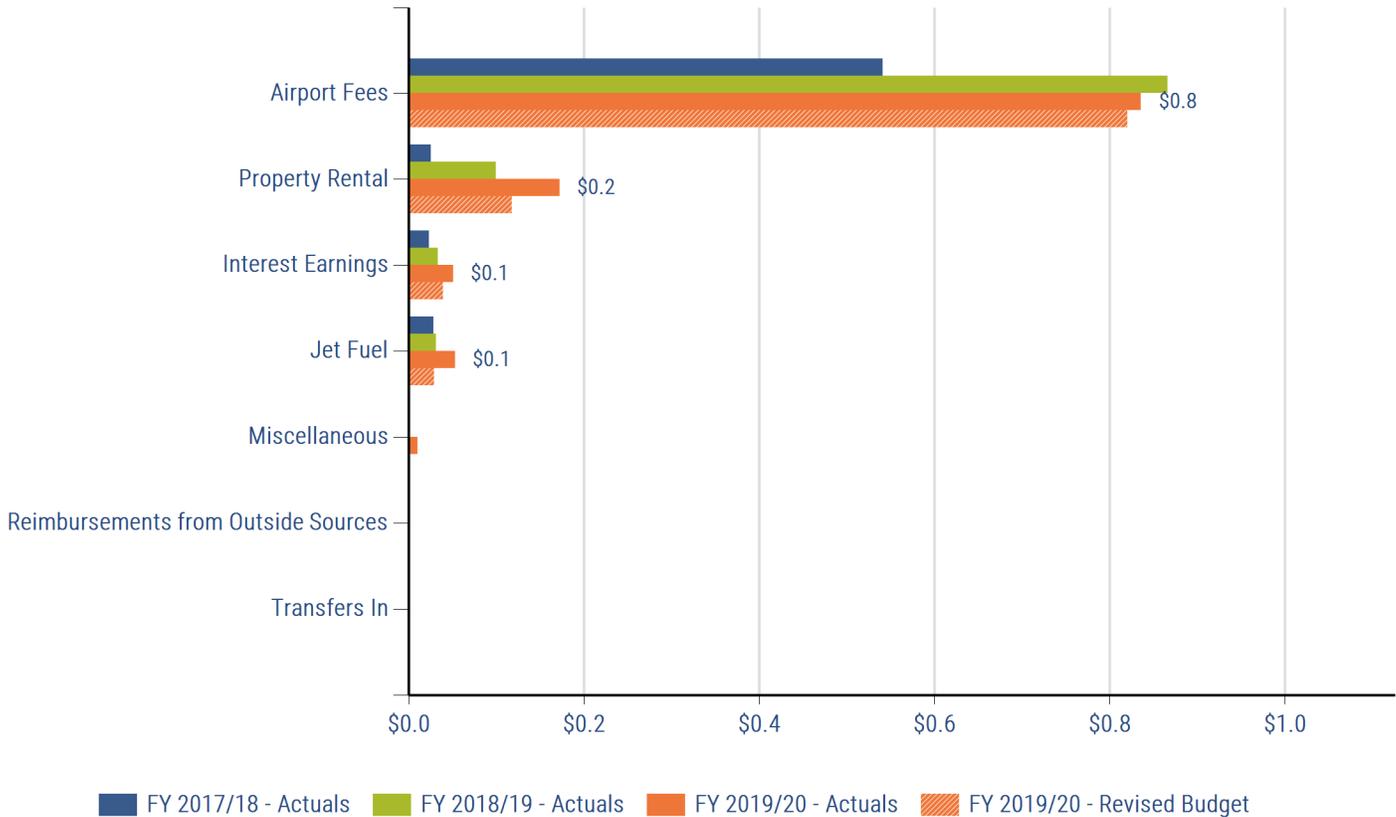
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
City Treasurer	\$0.5	\$0.6	\$0.6	\$0.7	\$0.1	17%
Water Resources	17.1	15.1	17.7	18.5	0.8	4%
Non Divisional	-	-	-	-	-	-
Citywide Indirect Cost Allocation	1.3	1.2	1.3	1.3	-	-
Department Indirect Cost	0.9	-	-	-	-	-
Bond Service Expense	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Transfers Out	2.2	2.3	2.4	2.0	(0.4)	(21%)
Total Uses	\$22.0	\$19.2	\$22.0	\$22.5	\$0.5	2%

Actual to Revised Budget variance of \$0.5 million or 2%:

The favorable variance in City Treasurer is mainly due to the timing of software maintenance costs. Water Resources is favorable mainly due to the timing of invoices for utilities and the Multi-City Water Reclamation Plant (SROG). It is also due to the lower than expected need for outside contract repair work. The favorable variance would have been greater but is offset by the revised schedule for purchased water and a higher than expected need for replacement parts for mechanical systems. The unfavorable variance in Transfers Out is due to higher revenue collected in the Water & Water Reclamation Fund than anticipated, which consequently affects the transfers into the General Fund. The increase is a result of greater water deliveries compared to the four-year running average.



Sources (Fiscal Year to Date: September 2019)



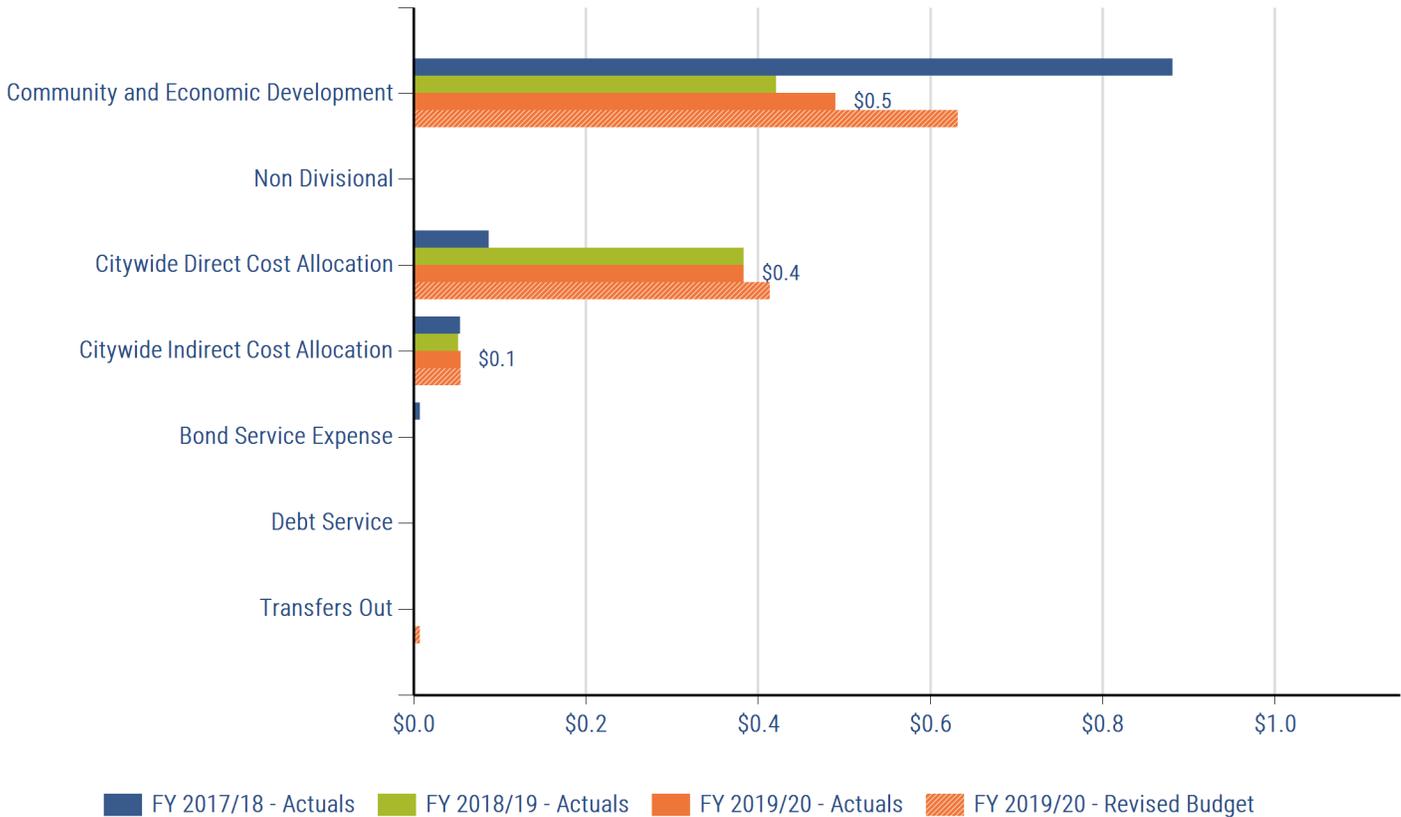
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Airport Fees	\$0.5	\$0.9	\$0.8	\$0.8	\$ -	-
Property Rental	-	0.1	0.2	0.1	0.1	46%
Interest Earnings	-	-	0.1	-	-	-
Jet Fuel	-	-	0.1	-	-	-
Miscellaneous	-	-	-	-	-	-
Reimbursements from Outside Sources	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$0.6	\$1.0	\$1.1	\$1.0	\$0.1	11%

Actual to Revised Budget variance of \$0.1 million or 11%:

Favorable variance in Property Rental is due to the rent for the fire station at the airport being fully received in July but budgeted as monthly payments.



Uses (Fiscal Year to Date: September 2019)



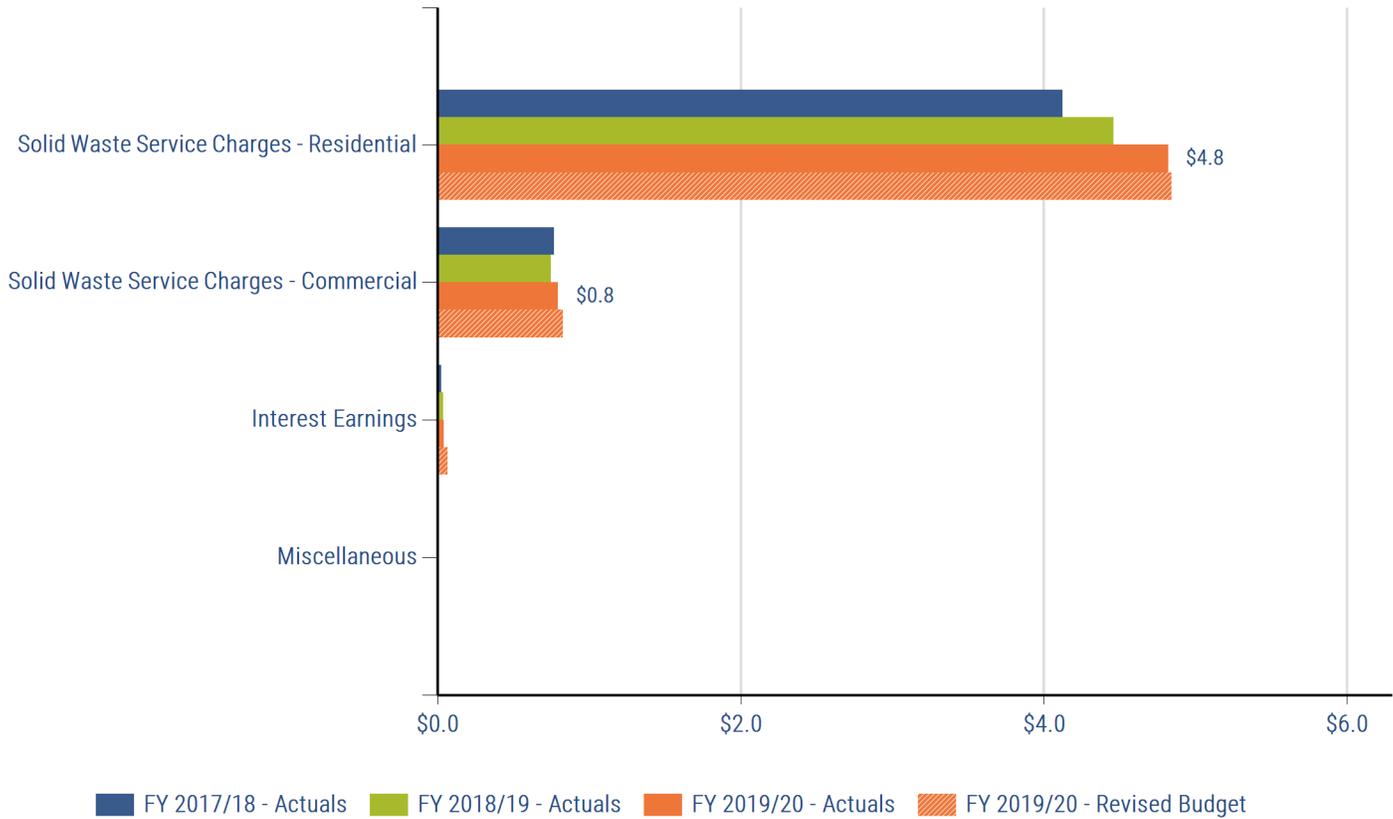
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget (Unfavorable) Percent
Community and Economic Development	\$0.9	\$0.4	\$0.5	\$0.6	\$0.1	22%
Non Divisional	-	-	-	-	-	-
Citywide Direct Cost Allocation	0.1	0.4	0.4	0.4	-	-
Citywide Indirect Cost Allocation	0.1	0.1	0.1	0.1	-	-
Bond Service Expense	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Uses	\$1.0	\$0.9	\$0.9	\$1.1	\$0.2	16%

Actual to Revised Budget variance of \$0.2 million or 16%:

Favorable variance in Community and Economic Development is mostly due to a delay in the receipt of the quarterly invoice from Customs and Border Protection for two full-time officers.



Sources (Fiscal Year to Date: September 2019)

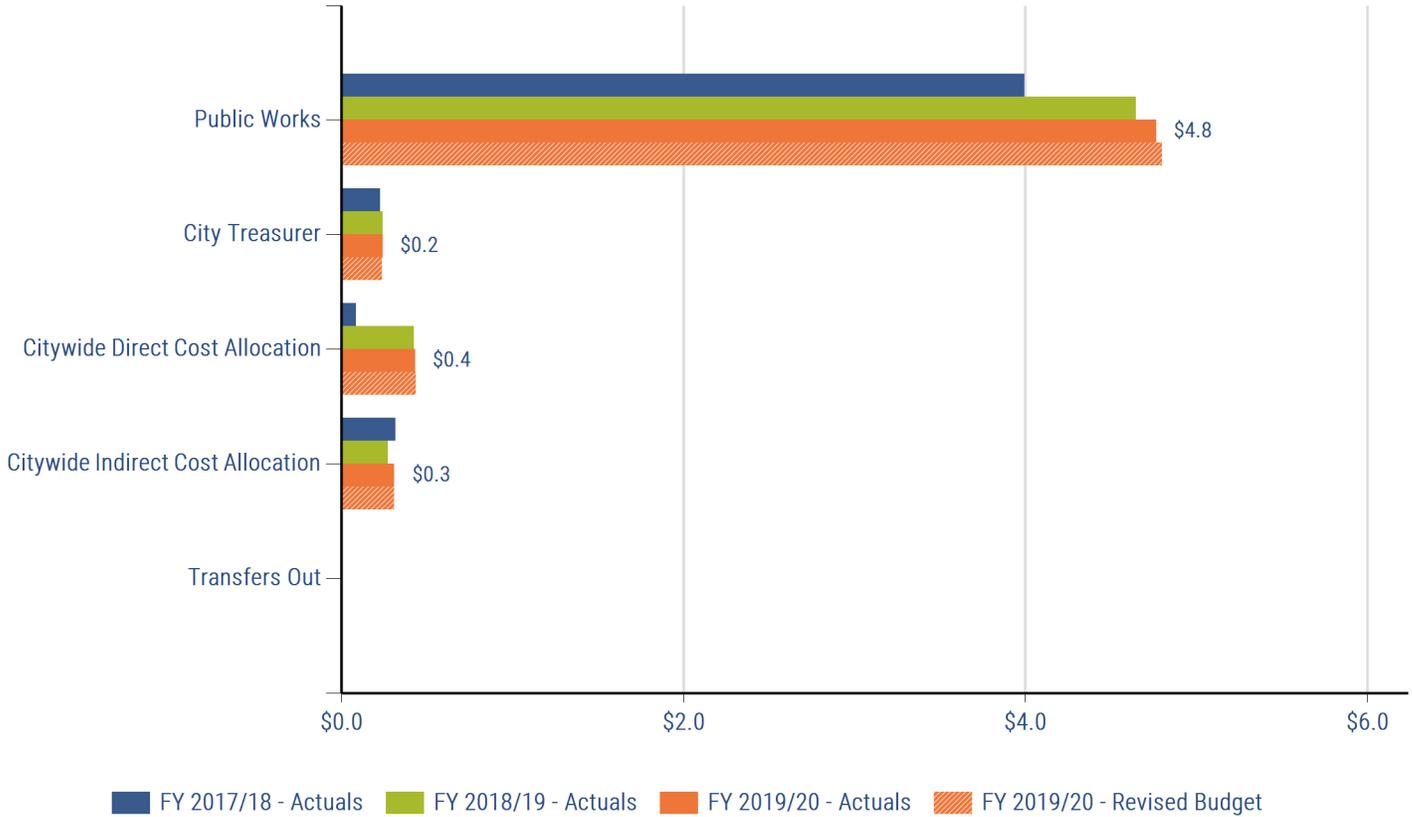


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Solid Waste Service Charges - Residential	\$4.1	\$4.5	\$4.8	\$4.8	\$ -	-
Solid Waste Service Charges - Commercial	0.8	0.7	0.8	0.8	-	-
Interest Earnings	-	-	-	0.1	-	-
Miscellaneous	-	-	-	-	-	-
Total Sources	\$4.9	\$5.2	\$5.7	\$5.7	-	-

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



Uses (Fiscal Year to Date: September 2019)

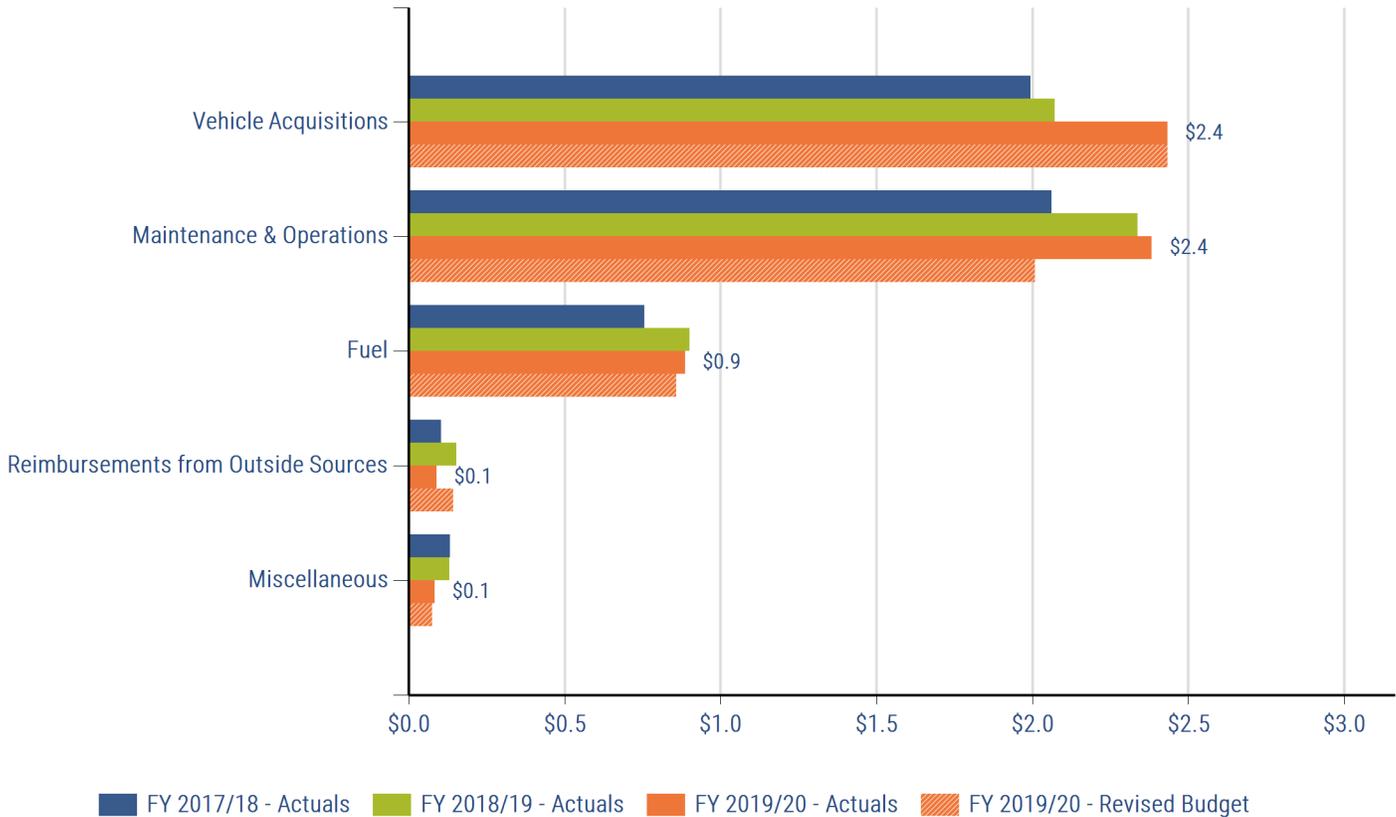


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$4.0	\$4.6	\$4.8	\$4.8	\$ -	-
City Treasurer	0.2	0.2	0.2	0.2	-	-
Citywide Direct Cost Allocation	0.1	0.4	0.4	0.4	-	-
Citywide Indirect Cost Allocation	0.3	0.3	0.3	0.3	-	-
Transfers Out	-	-	-	-	-	-
Total Uses	\$4.6	\$5.6	\$5.7	\$5.8	\$ -	-

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



Sources (Fiscal Year to Date: September 2019)



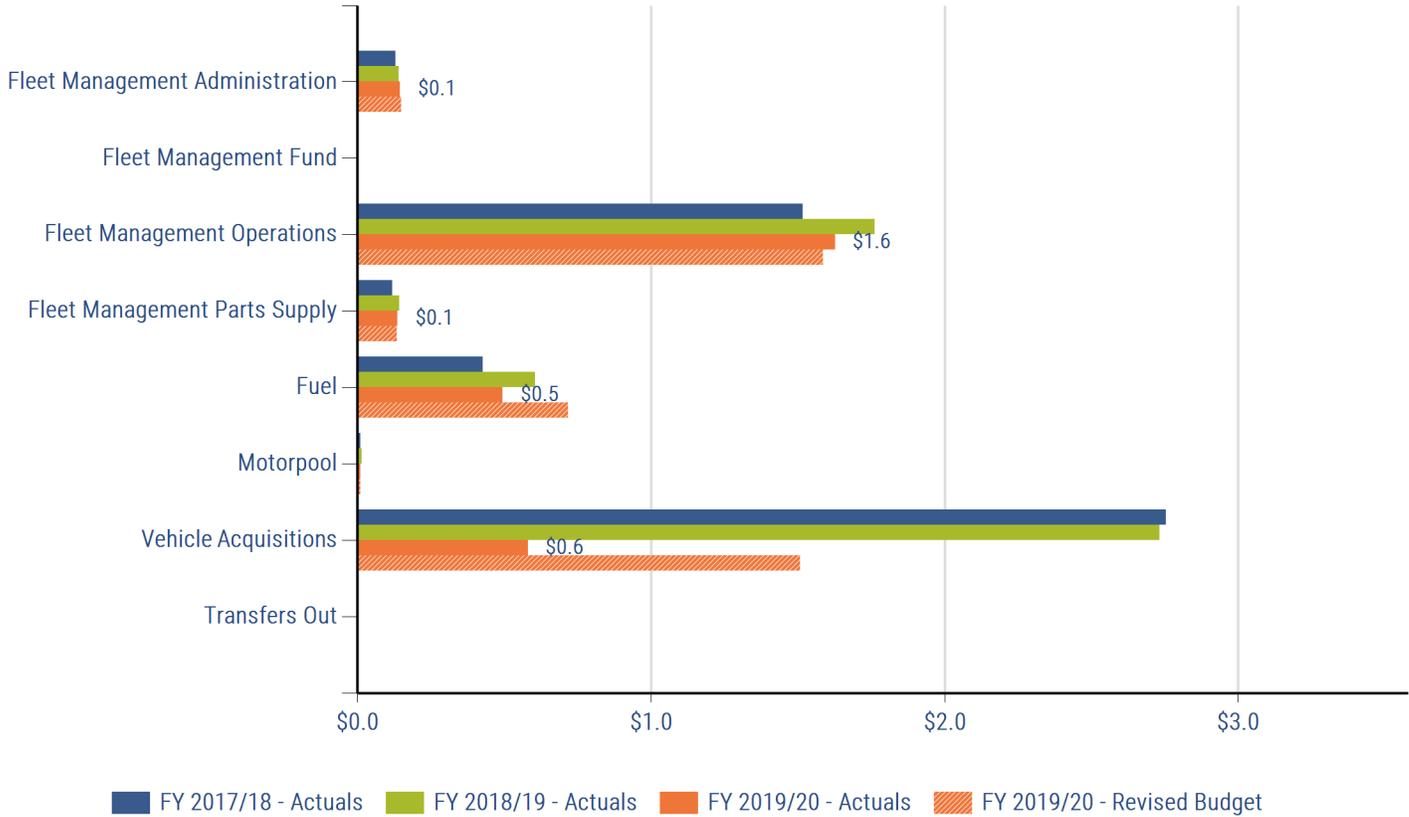
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Vehicle Acquisitions	\$2.0	\$2.1	\$2.4	\$2.4	\$ -	-
Maintenance & Operations	2.1	2.3	2.4	2.0	0.4	19%
Fuel	0.8	0.9	0.9	0.9	-	-
Reimbursements from Outside Sources	0.1	0.2	0.1	0.1	(0.1)	(38%)
Miscellaneous	0.1	0.1	0.1	0.1	-	-
Total Sources	\$5.0	\$5.6	\$5.9	\$5.5	\$0.4	6%

Actual to Revised Budget variance of \$0.4 million or 6%:

Favorable variance in Maintenance & Operations is the result of outsourcing repairs due to employees on leave for military service. The unfavorable variance in Reimbursements from Outside Sources is due to pending risk management claims on damaged city vehicles.



Uses (Fiscal Year to Date: September 2019)



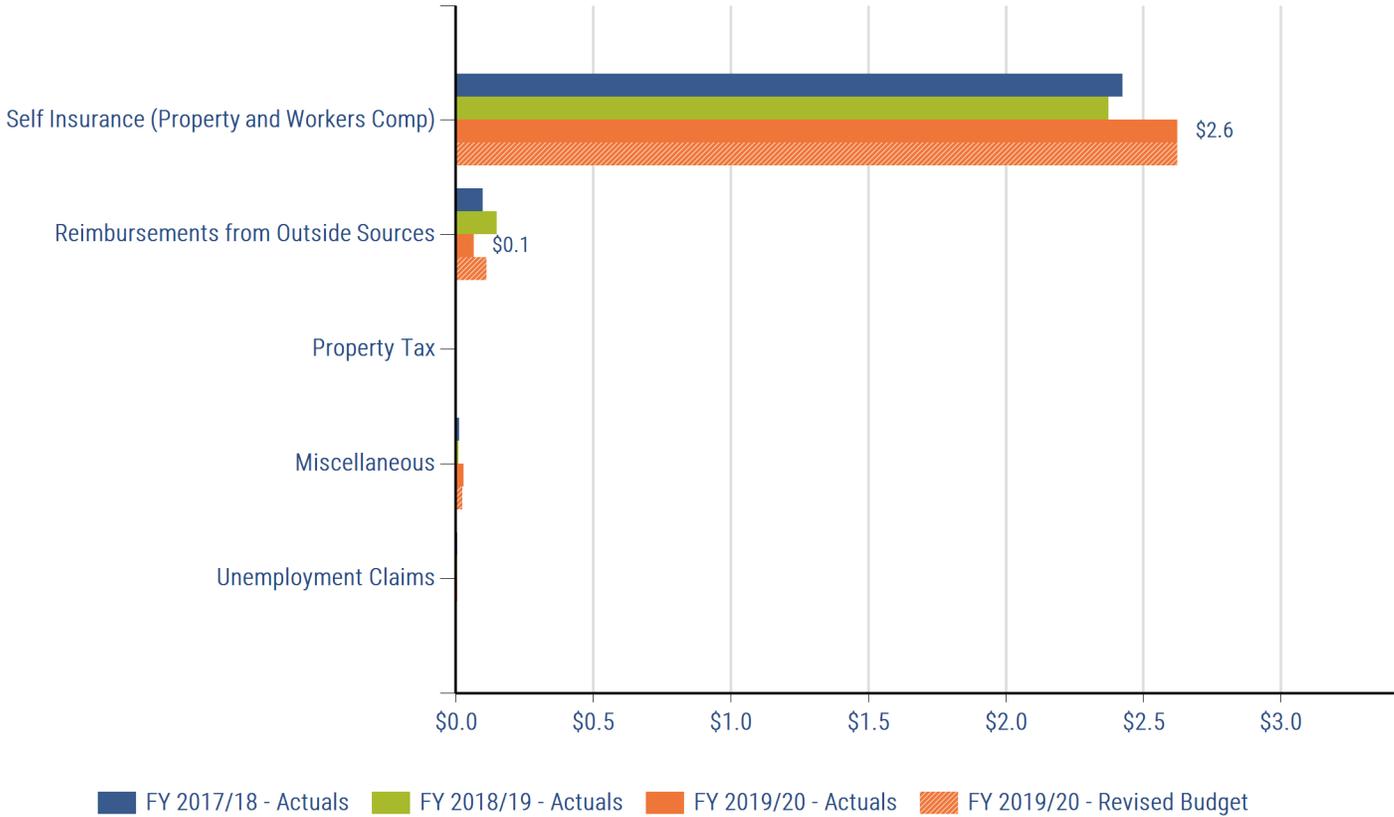
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Fleet Management Administration	\$0.1	\$0.1	\$0.1	\$0.1	\$ -	-
Fleet Management Fund	-	-	-	-	-	-
Fleet Management Operations	1.5	1.8	1.6	1.6	-	-
Fleet Management Parts Supply	0.1	0.1	0.1	0.1	-	-
Fuel	0.4	0.6	0.5	0.7	0.2	31%
Motorpool	-	-	-	-	-	-
Vehicle Acquisitions	2.8	2.7	0.6	1.5	0.9	62%
Transfers Out	-	-	-	-	-	-
Total Uses	\$5.0	\$5.4	\$3.0	\$4.1	\$1.1	27%

Actual to Revised Budget variance of \$1.1 million or 27%:

Favorable variance in Fuel is due to the timing of invoices. Vehicle Acquisitions is favorable due to timing delays on vehicle deliveries due to the General Motors strike.



Sources (Fiscal Year to Date: September 2019)

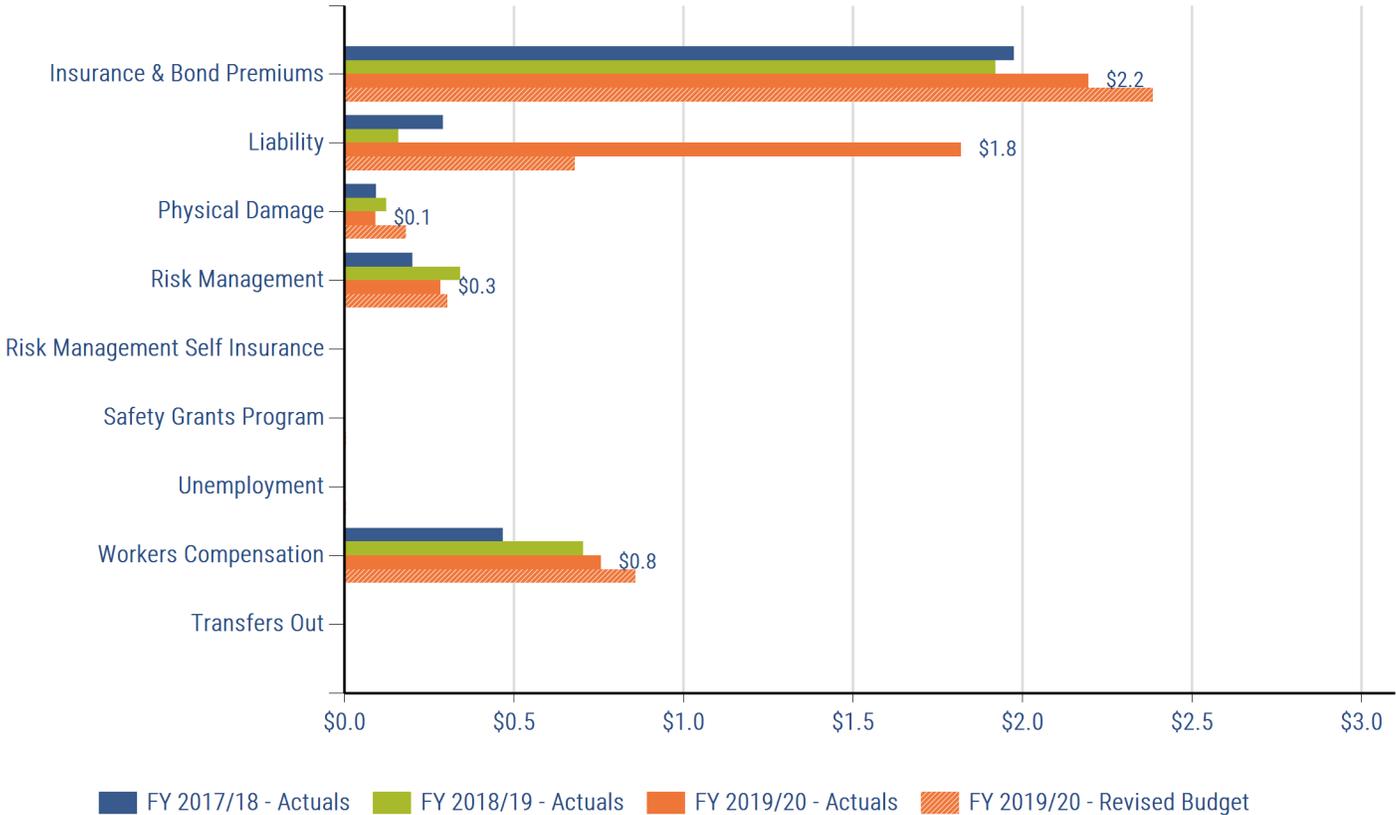


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Self Insurance (Property and Workers Comp)	\$2.4	\$2.4	\$2.6	\$2.6	\$ -	-
Reimbursements from Outside Sources	0.1	0.1	0.1	0.1	-	-
Property Tax	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Unemployment Claims	-	-	-	-	-	-
Total Sources	\$2.5	\$2.5	\$2.7	\$2.8	\$ -	-

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



Uses (Fiscal Year to Date: September 2019)



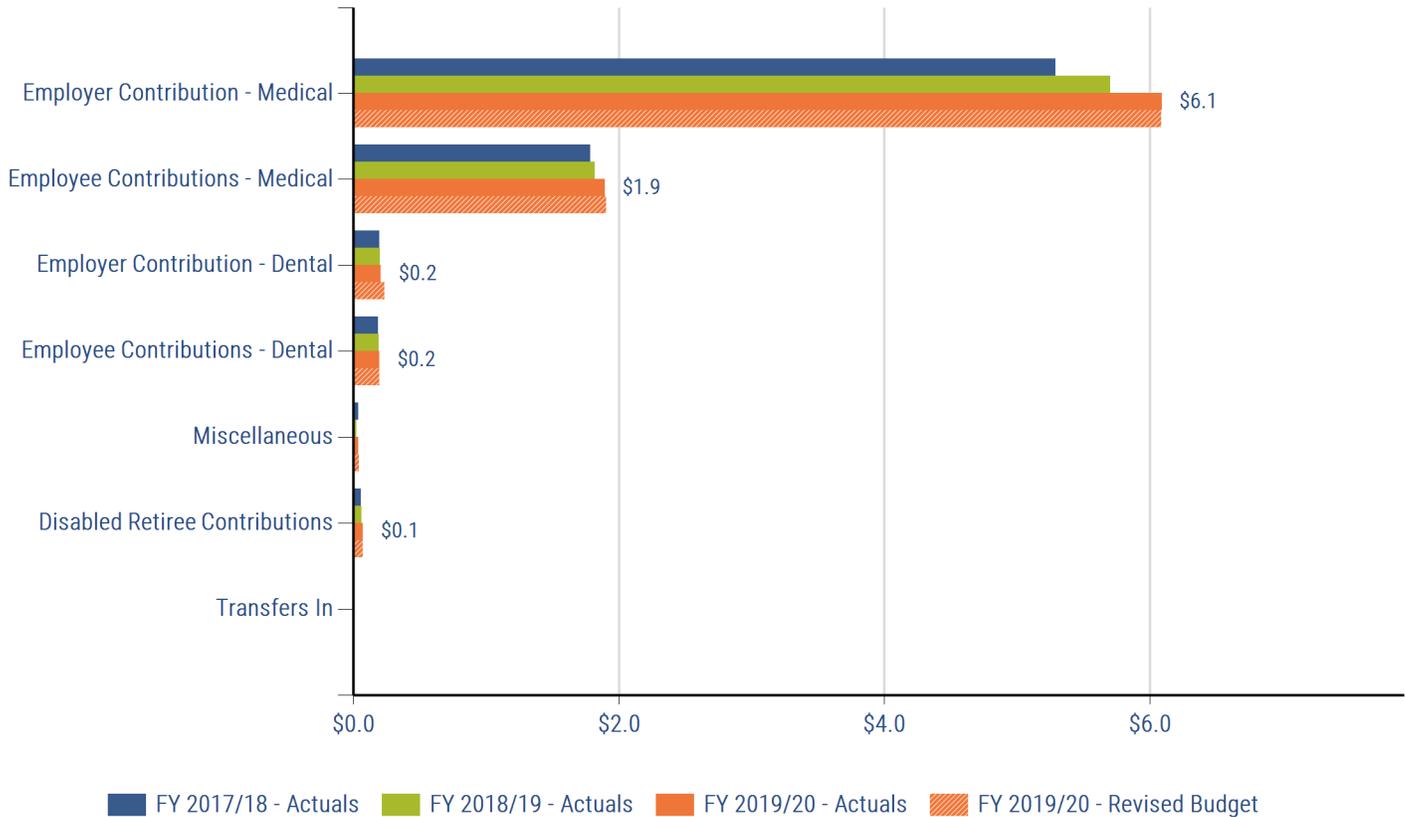
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Insurance & Bond Premiums	\$2.0	\$1.9	\$2.2	\$2.4	\$0.2	8%
Liability	0.3	0.2	1.8	0.7	(1.1)	nm
Physical Damage	0.1	0.1	0.1	0.2	0.1	50%
Risk Management	0.2	0.3	0.3	0.3	-	-
Risk Management Self Insurance	-	-	-	-	-	-
Safety Grants Program	-	-	-	-	-	-
Unemployment	-	-	-	-	-	-
Workers Compensation	0.5	0.7	0.8	0.9	0.1	12%
Transfers Out	-	-	-	-	-	-
Total Uses	\$3.0	\$3.3	\$5.1	\$4.4	(\$0.7)	(16%)

Actual to Revised Budget variance of (\$0.7) million or (16%):

The favorable variance in Insurance & Bond Premiums is due to lower than anticipated claims received. The unfavorable variance in Liability is due to the timing of a settlement for an accident at a fire station. Favorable variances in Physical Damage and Workers Compensation are due to claim expenses being lower than anticipated as these expenditures are difficult to predict.



Sources (Fiscal Year to Date: September 2019)

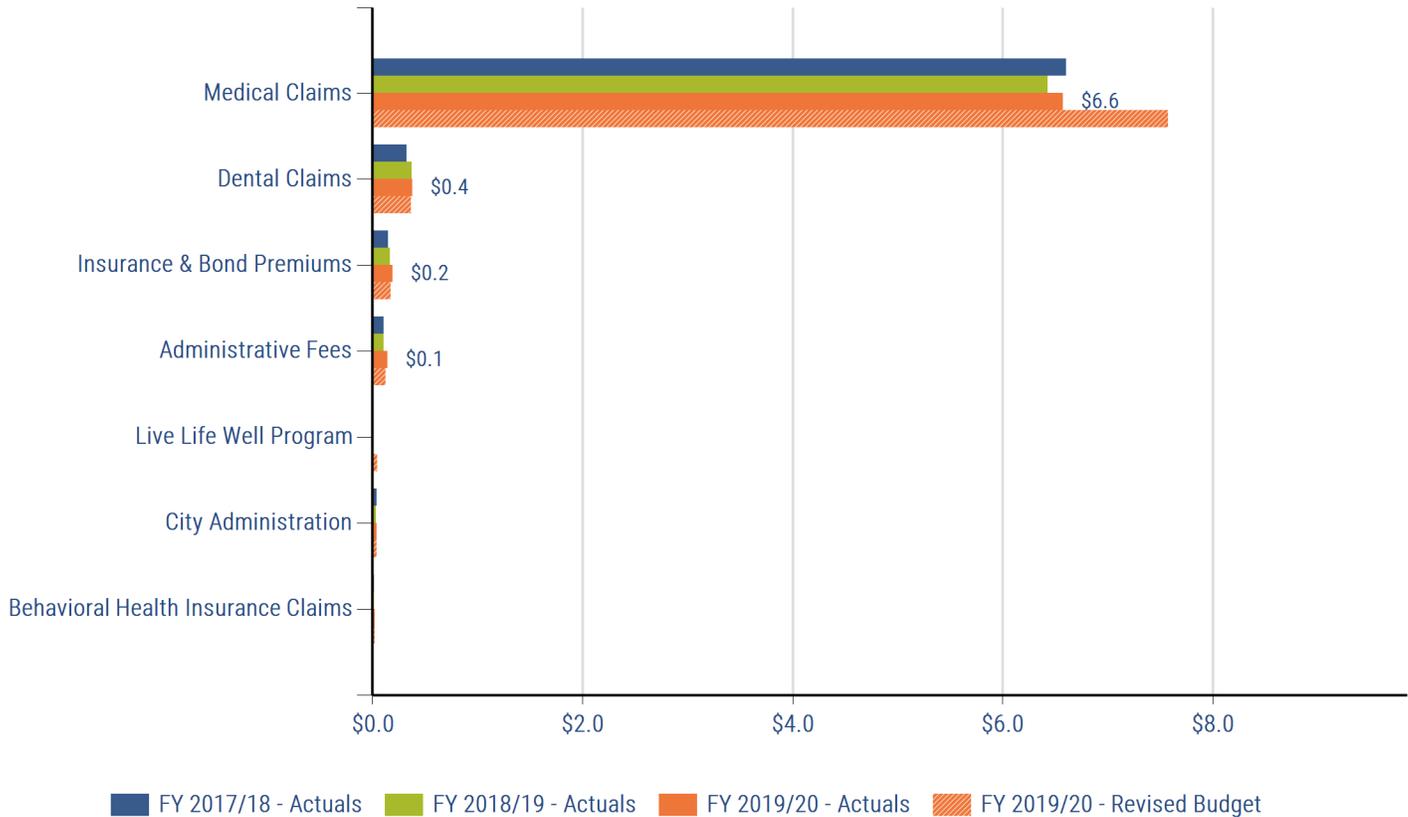


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Employer Contribution - Medical	\$5.3	\$5.7	\$6.1	\$6.1	\$ -	-
Employee Contributions - Medical	1.8	1.8	1.9	1.9	-	-
Employer Contribution - Dental	0.2	0.2	0.2	0.2	-	-
Employee Contributions - Dental	0.2	0.2	0.2	0.2	-	-
Miscellaneous	-	-	-	-	-	-
Disabled Retiree Contributions	0.1	0.1	0.1	0.1	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$7.5	\$8.0	\$8.5	\$8.5	\$ -	-

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



Uses (Fiscal Year to Date: September 2019)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Medical Claims	\$6.6	\$6.4	\$6.6	\$7.6	\$1.0	13%
Dental Claims	0.3	0.4	0.4	0.4	-	-
Insurance & Bond Premiums	0.1	0.2	0.2	0.2	-	-
Administrative Fees	0.1	0.1	0.1	0.1	-	-
Live Life Well Program	-	-	-	-	-	-
City Administration	-	-	-	-	-	-
Behavioral Health Insurance Claims	-	-	-	-	-	-
Total Uses	\$7.3	\$7.1	\$7.4	\$8.3	\$1.0	12%

Actual to Revised Budget variance of \$1.0 million or 12%:

The favorable variance in Medical Claims is due to the unpredictability of timing for claims.



WestWorld Statement of Operations

	Twelve Months: Fiscal Year					
	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Adopted Budget	2019/20 Revised Budget
Operating Revenue						
Rental Facilities	\$2,205,750	\$2,604,680	\$2,542,842	n/a	\$2,743,017	\$2,743,017
RV Rental	251,685	297,593	355,601	n/a	330,200	330,200
Feed/Bedding Sales	566,127	463,286	523,261	n/a	525,000	525,000
Labor Fees	301,429	352,088	404,957	n/a	402,908	402,908
Concession Fees	487,513	392,106	472,875	n/a	500,000	500,000
Parking	96,927	88,280	108,994	n/a	117,300	117,300
Other Income	198,068	155,990	130,453	n/a	71,751	71,751
Equidome Project Use Fee	315,000	360,000	360,000	n/a	360,000	360,000
Operating Transfer In ^(a)	-	-	100,000	n/a	100,000	100,000
Operating Revenue	\$4,422,499	\$4,714,023	\$4,998,983	n/a	\$5,150,176	\$5,150,176
Operating Expenses						
Personnel Services						
Wages/Salaries/Benefits	\$1,768,655	\$1,954,437	\$1,934,800	n/a	\$2,200,975	\$2,274,662
Overtime	32,594	36,574	31,817	n/a	42,024	44,052
Contractual Services						
Contractual Workers	81,775	114,025	139,522	n/a	152,837	152,837
Telephone	21,015	28,381	34,182	n/a	39,562	39,562
Utilities ^(b)	1,174,779	1,247,702	1,354,976	n/a	-	206,090
Maintenance & Equipment Rental & Fleet	751,856	724,550	710,237	n/a	728,558	468,890
License and Permits	76,684	158,548	160,727	n/a	159,598	159,598
Property, Liability & Workers' Comp	51,525	62,401	76,025	n/a	75,948	75,948
Advertising/Marketing Contract	252,328	194,294	327,544	n/a	410,129	410,129
Other	234,449	343,819	308,750	n/a	326,307	326,307
Commodities and Capital Outlays						
Agriculture & Horticulture & Other Supply	103,461	137,506	114,194	n/a	143,545	143,545
Maintenance & Repairs Supply, Equipment	116,413	125,083	83,417	n/a	175,985	175,985
Inventory Purchased for Resale	294,103	273,513	259,279	n/a	325,410	325,410
Construction - Other	21,428	-	21,126	n/a	21,645	21,645
Other Expenses	64,193	76,182	39,036	n/a	78,058	78,058
BOR Admin						
BOR Admin/WestWorld	147,746	155,133	162,889	n/a	179,585	179,585
Allocated Expenses ^(c)						
COS Indirect Costs	338,575	370,385	430,425	n/a	398,702	398,702
Operating Expenses	\$5,531,579	\$6,002,533	\$6,188,946	n/a	\$5,458,868	\$5,481,005
Operating Income	(\$1,109,080)	(\$1,288,511)	(\$1,189,963)	n/a	(\$308,692)	(\$330,829)
Debt Service (Less contributions)						
Debt Service - (52 & 17 acres)	\$2,273,677	\$2,304,207	\$2,314,216	n/a	\$2,317,059	\$2,317,059
Debt Service - TNEC (\$41.935M)	1,524,125	1,506,875	1,479,375	n/a	1,455,875	1,455,875
Debt Service - TNEC Tourism Funded	1,200,000	1,200,000	1,200,000	n/a	1,200,000	1,200,000
Bed Tax Contributions - TNEC	(1,200,000)	(1,200,000)	(1,200,000)	n/a	(1,200,000)	(1,200,000)
Net Debt Service	\$3,797,802	\$3,811,082	\$3,793,591	n/a	\$3,772,934	\$3,772,934
Operating Income After Debt Service	(\$4,906,882)	(\$5,099,593)	(\$4,983,554)	n/a	(\$4,081,626)	(\$4,103,763)

^(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. This report does not include Facilities Maintenance expenses.



WestWorld Statement of Operations

Statement of Operations for September 2019 / 3 Months YTD

	FY 2015/16 YTD Actual	FY 2016/17 YTD Actual	FY 2017/18 YTD Actual	FY 2018/19 YTD Actual	FY 2019/20 YTD Actual	FY 2019/20 Approved YTD Budget	Actual vs. Budget Favorable / (Unfavorable) Amount Percent	
Operating Revenue								
Rental Facilities	\$307,152	\$277,168	\$445,702	\$436,875	\$507,681	\$450,000	\$57,681	13%
RV Rental	11,180	3,780	18,949	16,619	28,335	48,960	(20,625)	(42%)
Feed/Bedding Sales	22,197	17,331	53,028	66,726	82,041	50,800	31,241	61%
Labor Fees	10,639	8,257	21,696	25,329	22,756	27,000	(4,244)	(16%)
Concession Fees	77,724	(6,620)	(5,452)	(7,194)	(20,898)	100,000	(120,898)	(100%)
Parking	24,301	4,012	27,219	16,712	33,240	15,660	17,580	nm
Other Income	1,431	6,938	12,932	12,224	24,559	10,612	13,947	nm
Equidome Project Use Fee	90,000	45,000	-	-	-	-	-	-
Operating Transfer In ^(a)	-	-	-	100,000	100,000	100,000	-	-
Operating Revenue	\$544,622	\$355,867	\$574,074	\$667,291	\$777,714	\$803,032	(\$25,318)	(3%)
Operating Expenses								
Personnel Services								
Wages/Salaries/Benefits	\$392,855	\$461,009	\$443,967	\$451,705	\$470,443	\$426,038	(\$44,405)	(10%)
Overtime	3,801	1,128	4,131	1,741	13,651	3,840	(9,811)	nm
Contractual Services								
Contractual Workers	5,240	4,810	7,475	9,274	4,007	7,848	3,841	49%
Telephone	4,827	7,235	7,843	20,915	25,084	20,751	(4,333)	(21%)
Utilities ^(b)	198,428	225,393	234,722	220,143	206,090	206,090	0	0%
Maintenance & Equipment Rental & Fleet	143,049	152,612	119,687	118,656	145,028	125,794	(19,234)	(15%)
License and Permits	73,050	77,460	161,361	142,364	156,283	156,303	20	0%
Property, Liability & Workers' Comp	12,882	15,600	19,005	17,442	18,987	18,987	-	-
Advertising/Marketing Contract	205,349	109,349	216,320	58,402	120,224	58,493	(61,731)	nm
Other	13,615	18,987	65,039	22,846	32,496	34,367	1,871	5%
Commodities and Capital Outlays								
Agriculture & Horticulture & Other Supply	27,420	25,647	30,611	67,640	18,994	35,545	16,551	47%
Maintenance & Repairs Supply, Equipment	15,897	20,344	30,290	41,415	49,334	20,073	(29,261)	nm
Inventory Purchased for Resale	31,515	90,767	73,136	80,048	45,019	75,000	29,981	40%
Construction - Other	-	-	6,908	-	2,220	21,645	19,425	90%
Other Expenses	9,426	7,922	7,057	11,101	3,358	5,330	1,972	37%
BOR Admin								
BOR Admin/WestWorld	-	-	-	-	-	-	-	-
Allocated Expenses^(c)								
COS Indirect Costs	84,645	92,595	107,606	94,701	99,675	99,675	-	-
Operating Expenses	\$1,222,000	\$1,310,858	\$1,535,157	\$1,358,392	\$1,410,894	\$1,315,779	(\$95,115)	(7%)
Operating Income	(\$677,378)	(\$954,991)	(\$961,083)	(\$691,101)	(\$633,180)	(\$512,747)	(\$120,433)	(23%)
Debt Service (Less contributions)								
Debt Service - (52 & 17 acres)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Debt Service - TNEC (\$41.935M)	-	-	-	-	-	-	-	-
Debt Service - TNEC Tourism Funded	-	-	-	-	-	-	-	-
Bed Tax Contributions - TNEC	-	-	-	-	-	-	-	-
Net Debt Service	\$ -	\$ -	-					
Operating Income After Debt Service	(\$677,378)	(\$954,991)	(\$961,083)	(\$691,101)	(\$633,180)	(\$512,747)	(\$120,433)	(23%)

^(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.

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



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

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

The fiscal year to date Privilege and Use Tax (1.0 percent General Purpose) collections increased 23 percent compared to the Budget, and increased 31 percent compared to the same period a year ago.

Privilege (Sales) & Use Tax by Category and Fund

Fiscal Year-to-Date: September 2019						
	2017/18	2018/19	2019/20	2019/20	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Favorable/(Unfavorable)	Amount
<u>1.00% General Purpose</u>						
Automotive	\$3.9	\$4.2	\$4.8	\$3.7	\$1.1	30%
Construction	2.4	2.5	2.9	2.5	0.4	15%
Dining/ Entertainment	2.1	2.3	3.0	2.4	0.6	24%
Food Stores	1.5	1.7	2.3	1.7	0.6	32%
Hotel/Motel	1.3	1.0	1.1	1.0	0.1	10%
Major Dept. Stores	2.3	2.1	2.8	2.1	0.8	36%
Misc. Retail Stores	4.5	4.6	6.2	4.8	1.4	28%
Other Activity	2.3	2.8	3.4	2.8	0.7	24%
Rentals	4.0	4.0	4.3	4.1	0.2	5%
Utilities	1.3	1.1	1.5	1.1	0.4	37%
Subtotal	<u>\$25.5</u>	<u>\$26.2</u>	<u>\$32.3</u>	<u>\$26.2</u>	<u>\$6.1</u>	<u>23%</u>
0.10% Public Safety	\$2.5	\$2.6	\$3.2	\$2.6	\$0.6	24%
0.20% Transportation 1990	4.9	5.0	6.1	5.0	1.1	22%
0.10% Transportation 2019	n/a	n/a	3.1	2.5	0.6	24%
0.20% McDowell Preserve 1995	5.0	5.2	6.4	5.2	1.2	24%
0.15% McDowell Preserve 2004	3.8	3.9	4.8	3.9	0.9	24%
Total	<u>\$41.7</u>	<u>\$42.9</u>	<u>\$55.9</u>	<u>\$45.4</u>	<u>\$10.6</u>	<u>23%</u>
% Change vs. Prior Year	7%	3%	31%	6%		

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 \$1.1 million or 30%: The variance is due in part to better than anticipated automotive sales. Additionally, this September there was five payments from the Arizona Department of Revenue instead of four like last September.

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 \$0.4 million or 15%: This is due in part to an increase in commercial building. Additionally, this September there was five payments from the Arizona Department of Revenue instead of four like last September.

Dining/Entertainment Sales Taxes

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

Actual to Revised Budget variance of \$0.6 million or 24%: This is due in part to a new restaurant opening and normal business fluctuations. Additionally, this September there was five payments from the Arizona Department of Revenue instead of four like last September.

Food Stores Sales Taxes

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

Actual to Revised Budget variance of \$0.6 million or 32%: This is due in part to a grocery store chain submitting some corrected tax returns. Additionally, this September there was five payments from the Arizona Department of Revenue instead of four like last September.

Hotel/Motel Sales Taxes

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

Actual to Revised Budget variance of \$0.1 million or 10%: This September there was five payments from the Arizona Department of Revenue instead of four like last September.

Major Department Stores Sales Taxes

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

Actual to Revised Budget variance of \$0.8 million or 36%: This is due in part to better than anticipated sales. Additionally, this September there was five payments from the Arizona Department of Revenue instead of four like last September.

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 \$1.4 million or 28%: This is due in part to increased software sales. Additionally, this September there was five payments from the Arizona Department of Revenue instead of four like last September.

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 \$0.7 million or 24%: The variance is due in part to an increase in sales. Additionally, this September there was five payments from the Arizona Department of Revenue instead of four like last September.

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 5%: There was a one-time speculative sale. This September there was five payments from the Arizona Department of Revenue instead of four like last September.

Utilities Sales Taxes

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

Actual to Revised Budget variance of \$0.4 million or 37%: This September there was five payments from the Arizona Department of Revenue instead of four like last September.



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. 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 Capital Improvement Plan (CIP), 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, compensation adjustments and vacation trade.

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 and the 2019 voter approved Transportation Privilege (Sales) Tax of 0.10 percent for the Arterial Life Cycle Program (ALCP). Fifty percent of the Sales Tax - Transportation (0.20%) is transferred to the Capital Improvement Plan (CIP) for transportation related capital improvement projects, while 100 percent of the Sales Tax - Transportation (0.10%) is transferred to the CIP.

Tourism Development Fund is a Special Revenue Fund to account for the sources and uses related to tourism. Revenues consist of Transient Occupancy Tax (Bed Tax) and lease rental earnings from the Fairmont Scottsdale 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 twenty-two Reclaimed Water Distribution System (RWDS) golf courses, three 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 Fees 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.