

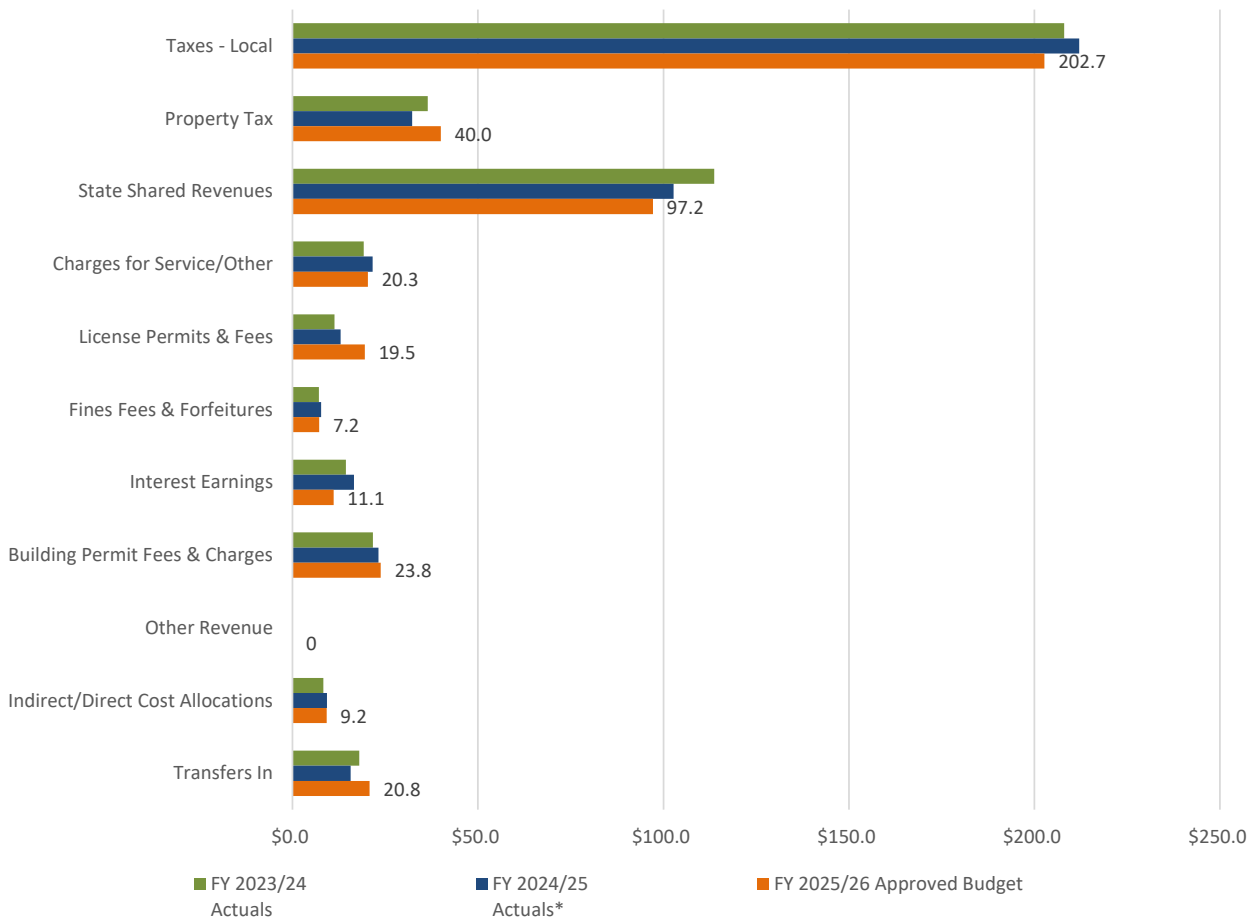
Monthly Financial Report

**Fiscal Year to Date as of
September 30, 2025**

Report to the City Council
Prepared by the City Treasurer
November 17, 2025

Sources

Twelve Months: Fiscal Year

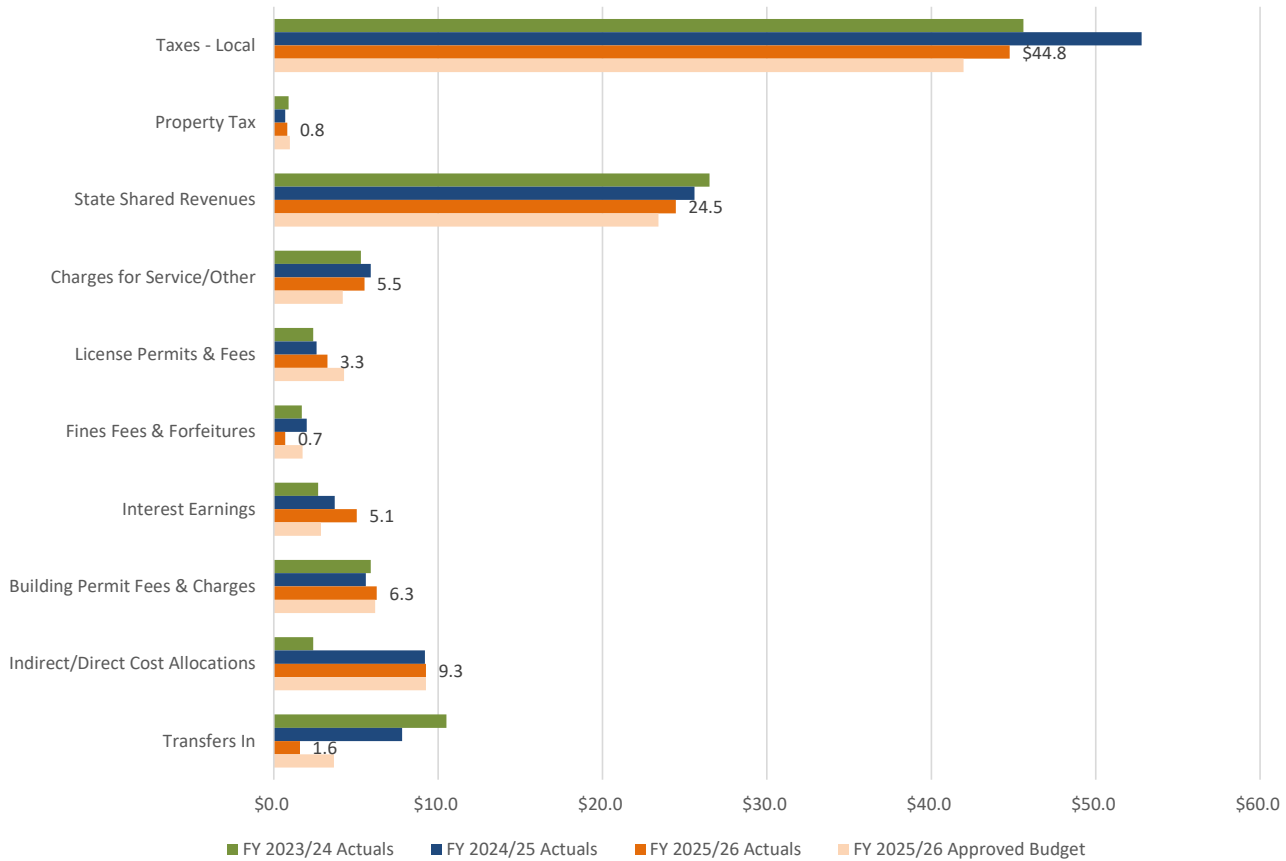


	FY 2023/24 Actuals	FY 2024/25 Actuals*	FY 2025/26 Approved Budget
Taxes - Local	\$208.0	\$212.1	202.7
Property Tax	36.5	32.3	40.0
State Shared Revenues	113.7	102.7	97.2
Charges for Service/Other	19.2	21.6	20.3
License Permits & Fees	11.3	13.0	19.5
Fines Fees & Forfeitures	7.1	7.7	7.2
Interest Earnings	14.4	16.6	11.1
Building Permit Fees & Charges	21.7	23.2	23.8
Other Revenue	0.1	-	-
Indirect/Direct Cost Allocations	8.3	9.3	9.2
Transfers In	18.0	15.7	20.8
Total Sources	\$458.3	\$454.2	\$451.9

Note: \$ in millions/rounding differences and blank lines may occur.

*FY 2024/25 actuals are preliminary and pending year-end accrued adjustment and audit.

Sources (Fiscal Year to Date: September 2025)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Taxes - Local	\$45.6	\$52.8	\$44.8	\$42.0	\$2.8	7%
Property Tax	0.9	0.7	0.8	1.0	(0.2)	(20%)
State Shared Revenues	26.5	25.6	24.5	23.4	1.1	5%
Charges for Service/Other	5.3	5.9	5.5	4.2	1.3	31%
License Permits & Fees	2.4	2.6	3.3	4.3	(1.0)	(23%)
Fines Fees & Forfeitures	1.7	2.0	0.7	1.7	(1.0)	(59%)
Interest Earnings	2.7	3.7	5.1	2.9	2.2	76%
Building Permit Fees & Charges	5.9	5.6	6.3	6.2	0.1	2%
Indirect/Direct Cost Allocations	2.4	9.2	9.3	9.3	-	-
Transfers In	10.5	7.8	1.6	3.7	(2.1)	(57%)
Total Sources	\$103.8	\$115.9	\$101.9	\$98.7	\$3.2	3%

Note: \$ in millions/rounding differences and blank lines may occur.

Taxes - Local (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Sales Tax	\$43.3	\$50.3	\$42.3	\$39.8	\$2.5	6%
Electric & Gas Franchise	2.0	2.2	2.3	2.0	0.3	16%
Cable TV License Fee	-	-	-	-	-	-
Salt River Project In Lieu	-	-	-	-	-	-
Stormwater Fee	0.2	0.2	0.2	0.2	-	-
Taxes - Local Total	\$45.6	\$52.8	\$44.8	\$42.0	\$2.8	7%

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of \$2.8 million or 7%:

The favorable variance is primarily due to Sales Tax. See detailed information regarding Sales Tax in the Sales Tax 1.10% section. The favorable variance in Electric & Gas Franchise fees is due to higher-than-anticipated electricity usage.

Significant variances may be observed during the first months of the fiscal year. These differences are expected to stabilize and align with projections as the fiscal year progresses.

Sales Tax 1.10% (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Automotive	\$5.1	\$6.4	\$5.1	\$5.5	(\$0.5)	(8%)
Construction	\$5.2	\$5.9	5.4	5.1	0.3	6%
Dining/Entertainment	\$4.0	\$4.2	3.7	3.2	0.5	14%
Food Stores	\$2.4	\$2.9	2.1	2.1	-	-
Hotel/Motel	\$1.7	\$1.8	1.5	1.5	-	-
Major Dept Stores	\$3.0	\$3.6	2.9	3.1	(0.2)	(6%)
Misc Retail Stores	\$9.1	\$11.6	10.0	9.2	0.8	8%
Other Activity*	\$5.3	\$6.1	6.3	4.7	1.6	35%
Rental	\$6.3	\$6.3	3.7	3.7	-	-
Utilities	\$1.4	\$1.9	1.7	1.6	0.1	3%
Sales Tax Total	\$43.3	\$50.3	\$42.3	\$39.8	\$2.5	6%

Note: \$ in millions/rounding differences and blank lines may occur.

*Other Activity includes Amusement, Manufacturing, Wholesale and Services with Retail.

Actual to Approved Budget variance of \$2.5 million or 6%:

The favorable variance is primarily due to: 1) Dining/Entertainment - restaurants performing better than anticipated; 2) Misc Retail Stores - changes in period when taxpayers submitted their filings compared to last year and some increases in sales; and 3) Other Activity - some businesses in services with retail and wholesale were doing better than anticipated, and a one-time audit payment was received.

Property Tax (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Property Tax	\$0.9	\$0.7	\$0.8	\$1.0	(\$0.2)	(20%)
Property Tax Total	\$0.9	\$0.7	\$0.8	\$1.0	(\$0.2)	(20%)

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of (\$0.2) million or (20%):

The unfavorable variance in Property Tax is due to a delay in posting payments for September.

State Shared Revenues (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
State Shared Sales Tax	\$7.4	\$9.5	\$9.2	\$8.8	\$0.4	5%
State Shared Income Tax	16.1	13.0	12.0	11.6	0.4	3%
Auto Lieu Tax	3.0	3.1	3.3	3.0	0.2	8%
State Shared Revenues Total	\$26.5	\$25.6	\$24.5	\$23.4	\$1.1	5%

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of \$1.1 million or 5%:

The favorable variance is primarily due to State Shared Sales tax - higher than anticipated sales revenue collected by the state; and 2) State Shared Income Tax - the final calculation of state shared income tax distribution resulted in revenues to Scottsdale being higher than originally budgeted by \$1.7 million during FY 2025/26.

Charges for Service/Other (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
WestWorld Equestrian Facility Fees	\$0.9	\$1.5	\$1.1	\$0.3	\$0.8	>100%
Intergovernmental	1.3	1.8	1.5	1.6	(0.1)	-7%
Miscellaneous	1.3	0.5	0.5	0.3	0.3	>100%
Property Rental	1.8	2.0	2.4	2.0	0.4	18%
Charges for Service/Other Total	\$5.3	\$5.9	\$5.5	\$4.2	\$1.3	31%

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of \$1.3 million or 31%:

The favorable variance is primarily due to: 1) WestWorld Equestrian Facility Fees - revenues were recognized in a different period than originally budgeted; and 2) Property Rental - higher-than-anticipated cell tower lease payments.

License Permits & Fees (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Business & Liquor Licenses	\$0.3	\$0.3	\$0.3	\$0.3	\$ -	-
Fire Charges For Services	0.7	0.8	1.4	2.5	(1.1)	(45%)
Recreation Fees	1.4	1.5	1.5	1.4	0.1	5%
License Permits & Fees Total	\$2.4	\$2.6	\$3.3	\$4.3	(\$1.0)	(23%)

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of (\$1.0) million or (23%):

The unfavorable variance is in Fire Charges for Services - due to delays in posting revenues from the Ambulance Services Program and Phase II for Ambulance services occurred later than originally anticipated.

Fines Fees & Forfeitures (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Court Fines	\$0.8	\$1.1	\$0.4	\$1.1	(\$0.7)	-64%
Library	-	-	-	-	-	-
Parking Fines	-	-	-	0.1	(0.1)	-100%
Photo Radar	0.7	0.7	0.2	0.6	(0.4)	-62%
Jail Dormitory	0.1	0.1	0.1	-	0.1	-
Fines Fees & Forfeitures Total	\$1.7	\$2.0	\$0.7	\$1.7	(\$1.0)	(59%)

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of (\$1.0) million or (59%):

The unfavorable variance is primarily due to: Court Fines and Photo Radar - there have been some delays in posting revenues for these functions due to system updates. These significant variances should be resolved in upcoming months.

Interest Earnings (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Interest Earnings	\$2.7	\$3.7	\$5.1	\$2.9	\$2.2	76%
Interest Earnings Total	\$2.7	\$3.7	\$5.1	\$2.9	\$2.2	76%

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of \$2.2 million or 76%:

The favorable variance in Interest Earnings is due to the invested amount being greater than budgeted.

Building Permit Fees & Charges (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Building Permit Fees & Charges	\$5.9	\$5.6	\$6.3	\$6.2	\$0.1	2%
Building Permit Fees & Charges Total	\$5.9	\$5.6	\$6.3	\$6.2	\$0.1	2%

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of \$0.1 million or 2%:

The favorable variance is due to higher than anticipated revenues from building permits and encroachment permits resulting from increased construction activities. The favorable variance is being offset by lower-than-anticipated plan review fees in the Planning and Development Department, and delays in receiving special events fees within the Police Department.

Indirect/Direct Cost Allocations (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Indirect Costs	\$1.9	\$8.8	\$8.8	\$8.8	\$ -	-
Direct Cost Allocation (Fire)	0.4	0.4	0.5	0.5	-	-
Indirect/Direct Cost Allocations Total	\$2.4	\$9.2	\$9.3	\$9.3	\$ -	-

Note: \$ in millions/rounding differences and blank lines may occur.

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

The Indirect/Direct Cost Allocations are within budget.

Transfers In (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Operating	\$7.7	\$4.8	\$0.5	\$0.5	-	-
Enterprise Franchise Fees	2.8	3.0	1.1	3.1	(2.1)	(66%)
Transfers In Total	\$10.5	\$7.8	\$1.6	\$3.7	(\$2.1)	(57%)

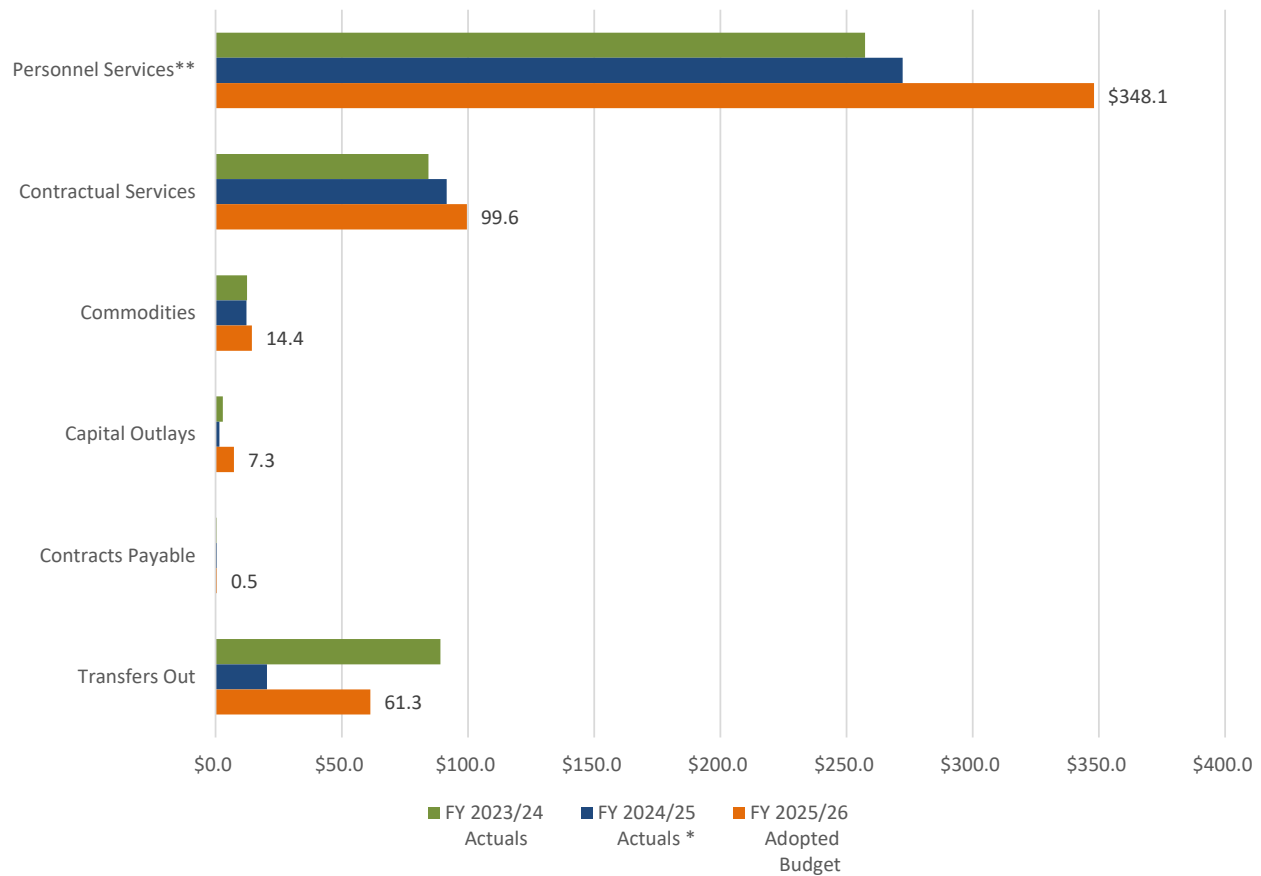
Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of (\$2.1) million or (57%):

The unfavorable variance is due to delays in transferring Franchise Fees from the Enterprise Funds, resulting from system updates within the City. This significant variance should be resolved in upcoming months.

Uses

Twelve Months: Fiscal Year



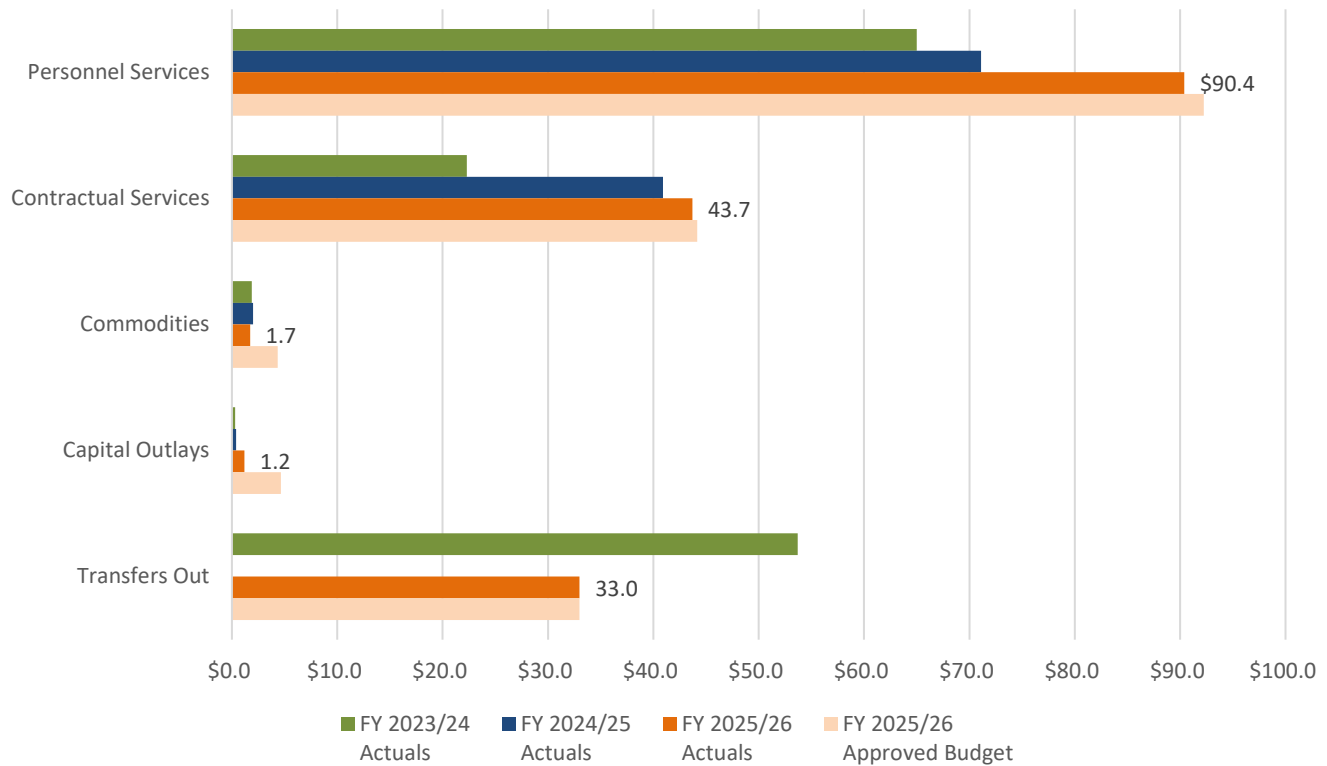
	FY 2023/24 Actuals	FY 2024/25 Actuals *	FY 2025/26 Adopted Budget
Personnel Services**	\$257.3	\$272.2	\$348.1
Contractual Services	84.4	91.6	99.6
Commodities	12.5	12.3	14.4
Capital Outlays	2.9	1.5	7.3
Contracts Payable	0.4	0.5	0.5
Transfers Out	89.1	20.4	61.3
Total Uses	\$446.7	\$398.5	\$531.2

Note: \$ in millions/rounding differences and blank lines may occur.

*FY 2024/25 actuals are preliminary and pending year-end accrued adjustment and audit.

** FY 2025/26 Adopted Personnel Services includes a one-time \$50 million dollars PSPRS liability paydown.

Uses (Fiscal Year to Date: September 2025)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$65.0	\$71.1	\$90.4	\$92.2	\$1.8	2%
Contractual Services	22.3	40.9	43.7	44.2	0.5	1%
Commodities	1.9	2.0	1.7	4.3	2.6	60%
Capital Outlays	0.3	0.4	1.2	4.6	3.4	74%
Transfers Out	53.7	-	33.0	33.0	-	-
Total Uses	\$143.2	\$114.4	\$170.0	\$178.3	\$8.3	5%

Note: \$ in millions/rounding differences and blank lines may occur.

Personnel Services (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Salaries	\$43.0	\$47.0	\$52.1	\$53.8	\$1.7	3%
Overtime	3.1	3.5	3.7	3.3	(0.4)	(13%)
Health/Dental	5.6	6.1	6.7	6.8	0.1	2%
Fringe Benefits	2.9	3.2	3.5	3.5	0.1	1%
Retirement	10.3	11.2	24.2	24.7	0.5	2%
Contract Workers	0.2	0.2	0.2	0.1	(0.1)	<(100%)
Personnel Services Total	\$65.0	\$71.1	\$90.4	\$92.2	\$1.8	2%

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of \$1.8 million or 2%:

The favorable variance is primarily in the Salaries and Retirement categories due to vacancy savings across city departments, mostly in the Police and Fire Department. The favorable variance is being offset by higher-than-anticipated overtime resulting from significant incidents that occurred during this period in Police Department.

Contractual Services (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Professional Services	\$4.3	\$4.2	\$4.8	\$4.6	(\$0.2)	(4%)
Communications	1.8	2.2	2.1	2.3	0.2	8%
Travel Training and Conferences	0.2	0.3	0.2	0.6	0.4	60%
Printing Duplication and Filming	0.6	0.6	0.5	0.6	0.0	1%
Maintenance and Repair	5.4	5.3	5.5	6.1	0.6	10%
Insurance	3.3	15.0	15.6	15.6	-	-
Rents	0.3	0.4	0.5	0.5	-	-
Transportation Services	3.5	9.4	10.3	10.0	(0.3)	(3%)
Utilities	2.0	2.7	2.8	3.0	0.2	7%
Miscellaneous Services and Charges	1.0	0.9	1.4	0.9	(0.4)	(46%)
Fleet Replacement	-	-	-	-	-	-
Contractual Services Total	\$22.3	\$40.9	\$43.7	\$44.2	\$0.5	1%

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of \$0.5 million or 1%:

The favorable variance is primarily due to Maintenance and Repair - delays in purchasing operating software in the Police Department and software licensing payments in the Information Technology Department; and 2) Travel Training and Conferences - delays in training expense for the Paramedics program in the Fire Department. The favorable variance is partially offset by Miscellaneous Services and Charges - the Fire Department received an invoice for its dispatch contract service earlier than originally anticipated.

Commodities (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Operating Supplies	\$1.2	\$1.2	\$0.9	\$2.9	\$1.9	67%
Purchased for Resale	-	0.1	0.1	0.1	-	-
Library Materials	0.1	0.1	0.1	0.1	-	-
Maintenance and Repair Supplies	0.6	0.6	0.6	1.3	0.7	56%
Commodities Total	\$1.9	\$2.0	\$1.7	\$4.3	\$2.6	60%

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of \$2.6 million or 60%:

The favorable variance is due to Operating Supplies and Maintenance and Repair Supplies - delays in purchasing and receiving operating equipment and supplies in the Fire Department. This significant variance should decrease in future months.

Capital Outlays (Fiscal Year to Date: September 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Buildings and Improvements	\$0.2	\$ -	\$ -	\$ -	\$ -	-
Machinery and Equipment	0.2	0.4	1.2	4.6	3.4	74%
Capital Outlays Total	\$0.3	\$0.4	\$1.2	\$4.6	\$3.4	74%

Note: \$ in millions/rounding differences and blank lines may occur.

Actual to Approved Budget variance of \$3.4 million or 74%:

The favorable variance is due to Machinery and Equipment - delays in receiving operating equipment for law enforcement communication and the crime lab in the Police Department and technology tools in the Fire Department. This significant variance should decrease in future months as purchased items are received and payments are issued.

Transfers Out (Fiscal Year to Date: September 2025)

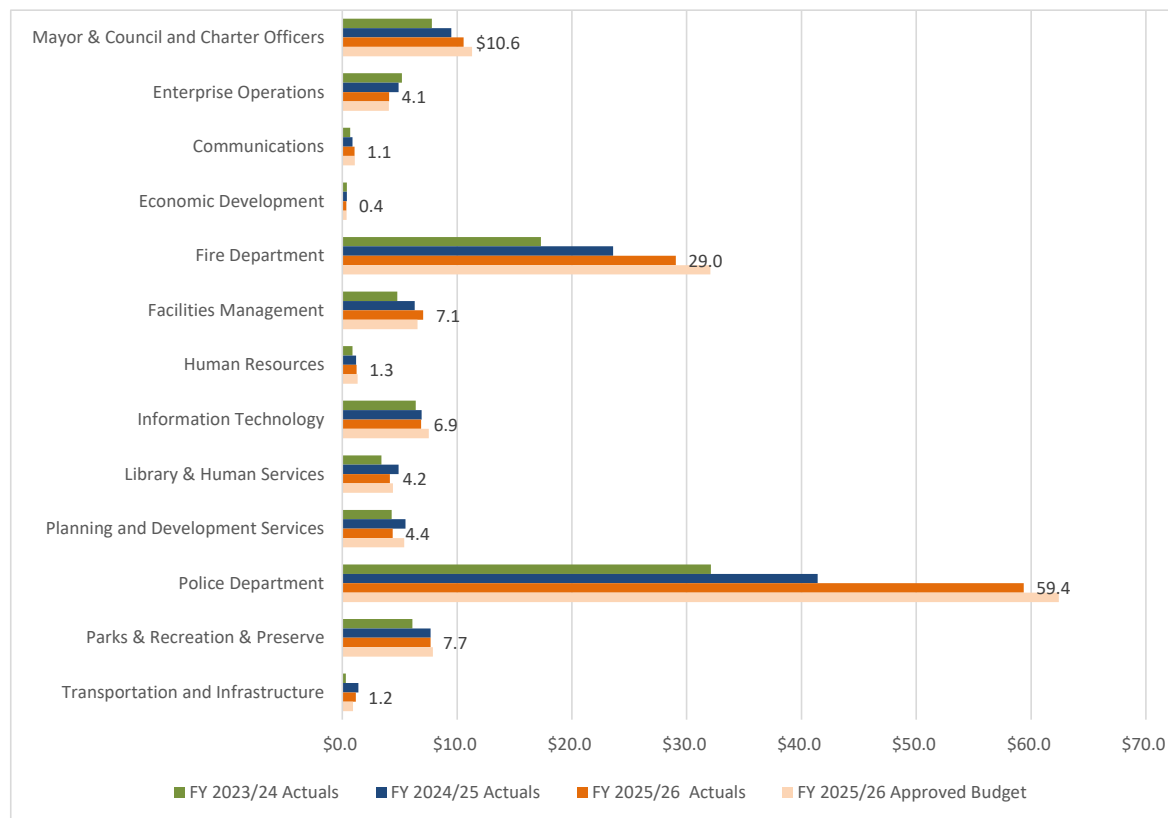
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Other	\$ -	\$ -	\$ -	\$ -	\$ -	-
Debt Service Fund	-	-	-	-	-	-
CIP	53.7	-	33.0	33.0	-	-
CIP Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
Transfers Out Total	\$53.7	-	\$33.0	\$33.0	\$ -	-

Note: \$ in millions/rounding differences and blank lines may occur.

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

Transfers out expenditure activity is aligned with budget.

Department Expenditures (Fiscal Year to Date: September 2025)



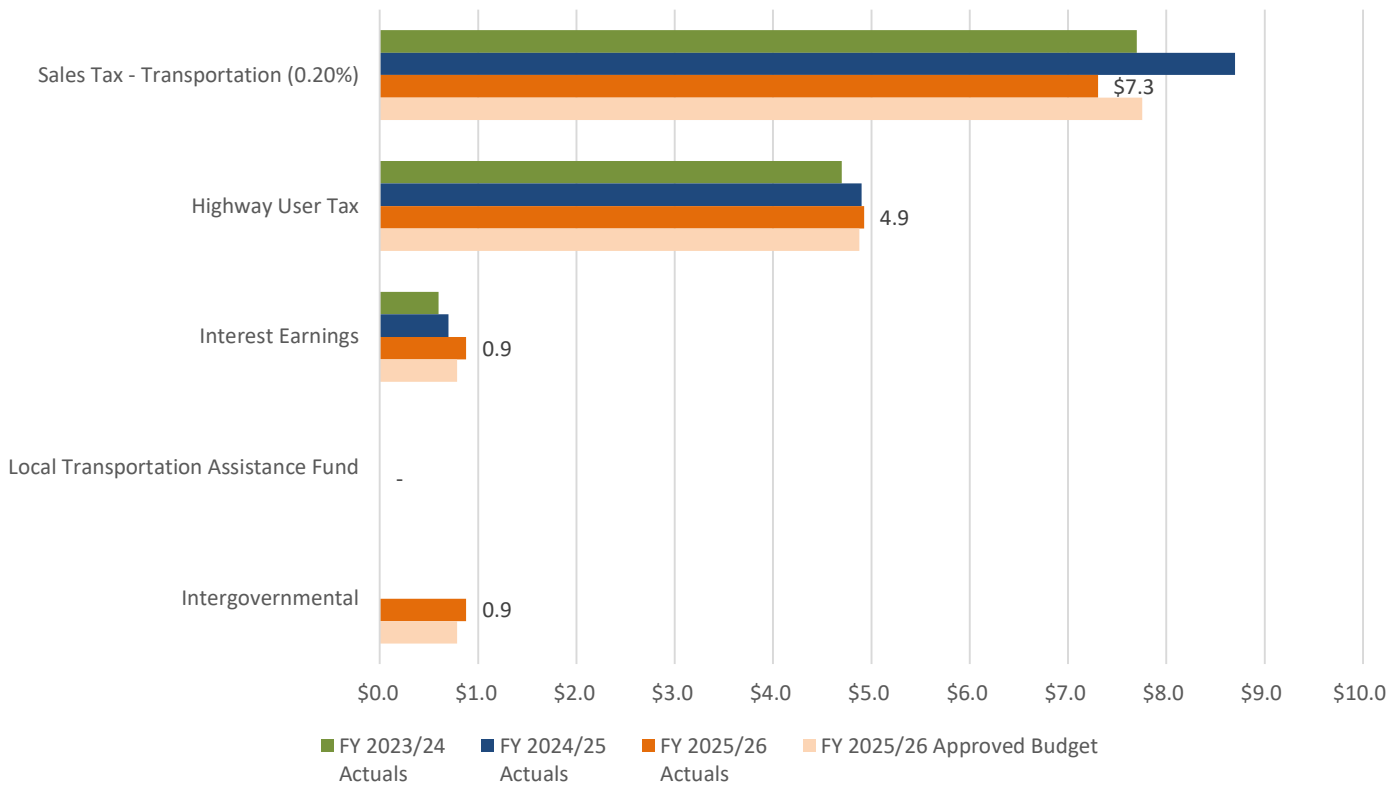
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Mayor & Council and Charter Officers	\$7.8	\$9.5	\$10.6	\$11.3	\$0.7	7%
Enterprise Operations	5.2	4.9	4.1	4.0	(0.1)	(2%)
Communications	0.7	0.9	1.1	1.1	-	-
Economic Development	0.4	0.4	0.4	0.4	-	-
Fire Department	17.3	23.6	29.0	32.1	3.0	9%
Facilities Management	4.8	6.3	7.1	6.5	(0.5)	(8%)
Human Resources	0.9	1.2	1.3	1.3	0.1	7%
Information Technology	6.4	6.9	6.9	7.5	0.7	9%
Library & Human Services	3.4	4.9	4.2	4.4	0.3	6%
Planning and Development Services	4.3	5.5	4.4	5.4	1.0	18%
Police Department	32.1	41.4	59.4	62.4	3.1	5%
Parks & Recreation & Preserve	6.1	7.7	7.7	7.9	0.2	3%
Transportation and Infrastructure	0.3	1.4	1.2	0.9	(0.2)	(26%)
Total	\$89.5	\$114.4	\$137.1	\$145.4	\$8.3	6%

Note: \$ in millions/rounding differences and blank lines may occur.

Enterprise Operations includes the portion of Tourism and Events, WestWorld, professional baseball, and the Enterprise Operations department administration funded by the General Fund. Does not include Enterprise Funds (Water and Water Reclamation Funds, Solid Waste Fund and Aviation Fund)

Actual to Approved Budget variance of \$8.3 million or 6%.

Sources (Fiscal Year to Date: September 2025)



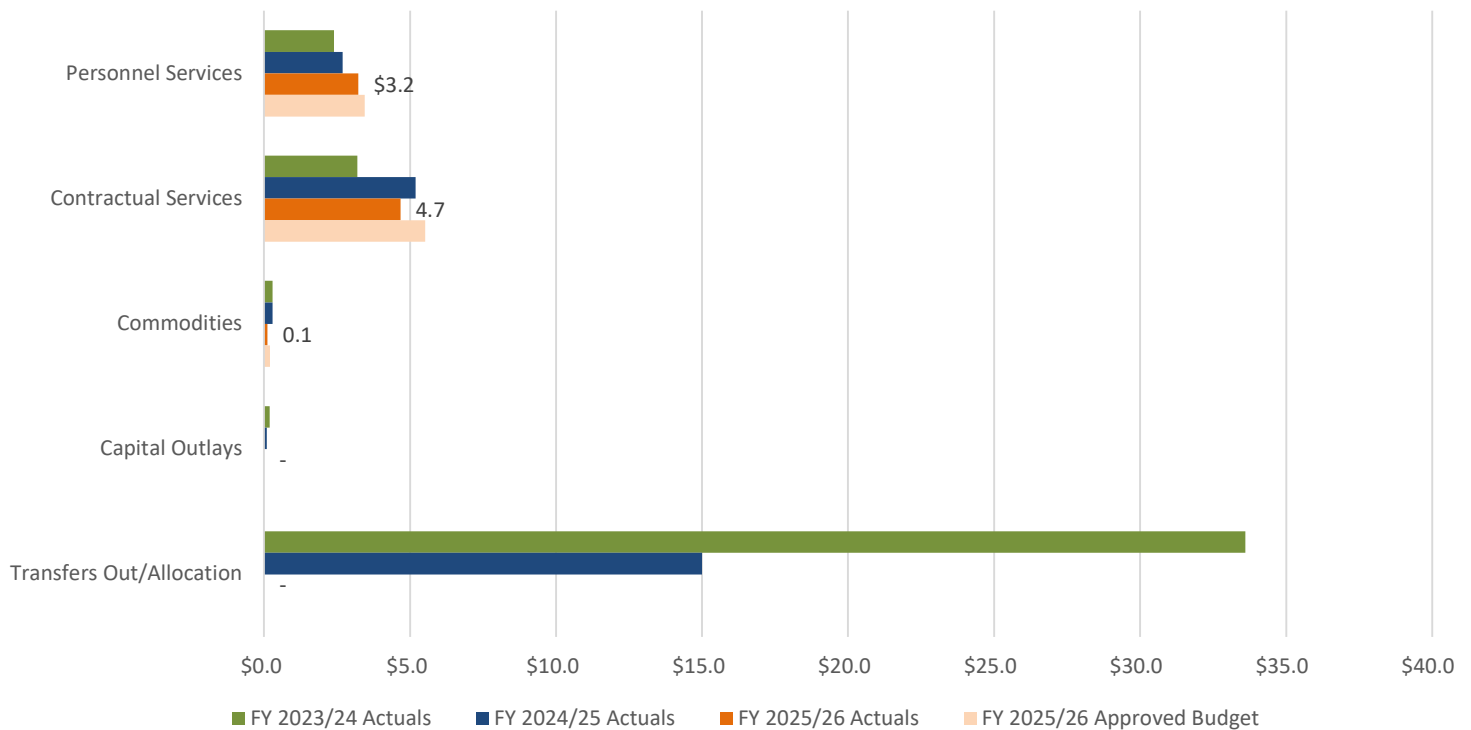
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Sales Tax - Transportation (0.20%)	\$7.7	\$8.7	\$7.3	\$7.8	(\$0.5)	(6%)
Highway User Tax	4.7	4.9	4.9	4.9	0.1	1%
Interest Earnings	0.6	0.7	0.9	0.8	0.1	12%
Local Transportation Assistance Fund	-	-	-	-	-	-
Intergovernmental	-	-	0.9	0.8	0.1	12%
Total Sources	\$13.0	\$14.3	\$14.0	\$14.2	(\$0.2)	(2%)

Actual to Approved Budget variance of (0.2) million or (2%):

The unfavorable variance in Sales Tax - Transportation (0.20%) is due to a higher proportion of sales tax collections being classified as use tax, which is not subject to the 0.2% transportation tax. The budgeted allocation assumed a higher percentage of eligible transactions than has occurred year-to-date.

\$ in millions/rounding differences and blank lines may occur.

Uses (Fiscal Year to Date: September 2025)



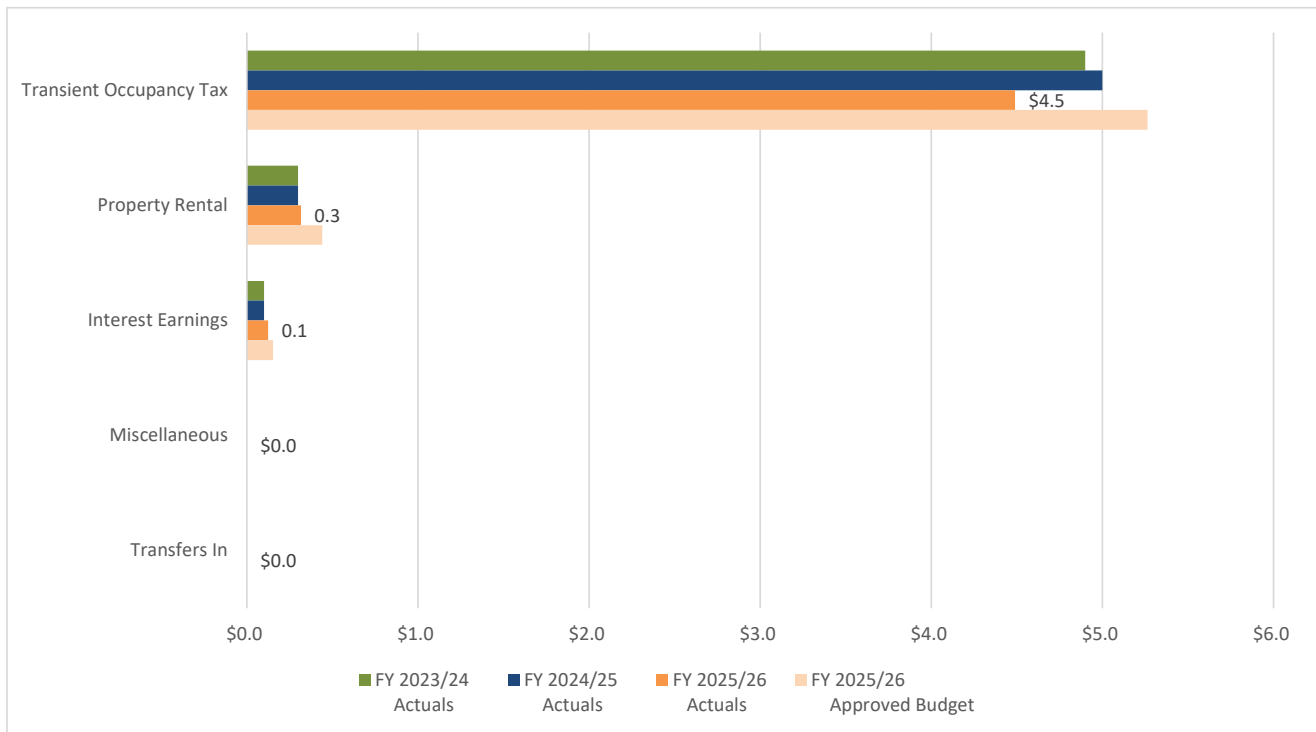
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$2.4	\$2.7	\$3.2	\$3.5	\$0.2	6%
Contractual Services	3.2	5.2	4.7	5.5	0.9	15%
Commodities	0.3	0.3	0.1	0.2	0.1	42%
Capital Outlays	0.2	0.1	-	-	-	-
Transfers Out/Allocation	33.6	15.0	-	-	-	-
Total Uses	\$39.7	\$23.3	\$8.0	\$9.2	\$1.2	13%

Actual to Approved Budget variance of 1.2 million or 13%:

The favorable variance is primarily due to: 1) Personnel Services - vacancy savings; 2) Contractual Services - adjustments to the fall schedule for street overlays leading to a delay in expenses; and 3) Commodities - timing of purchases and shifts to procurement of lower cost materials.

\$ in millions/rounding differences and blank lines may occur.

Sources (Fiscal Year to Date: September 2025)



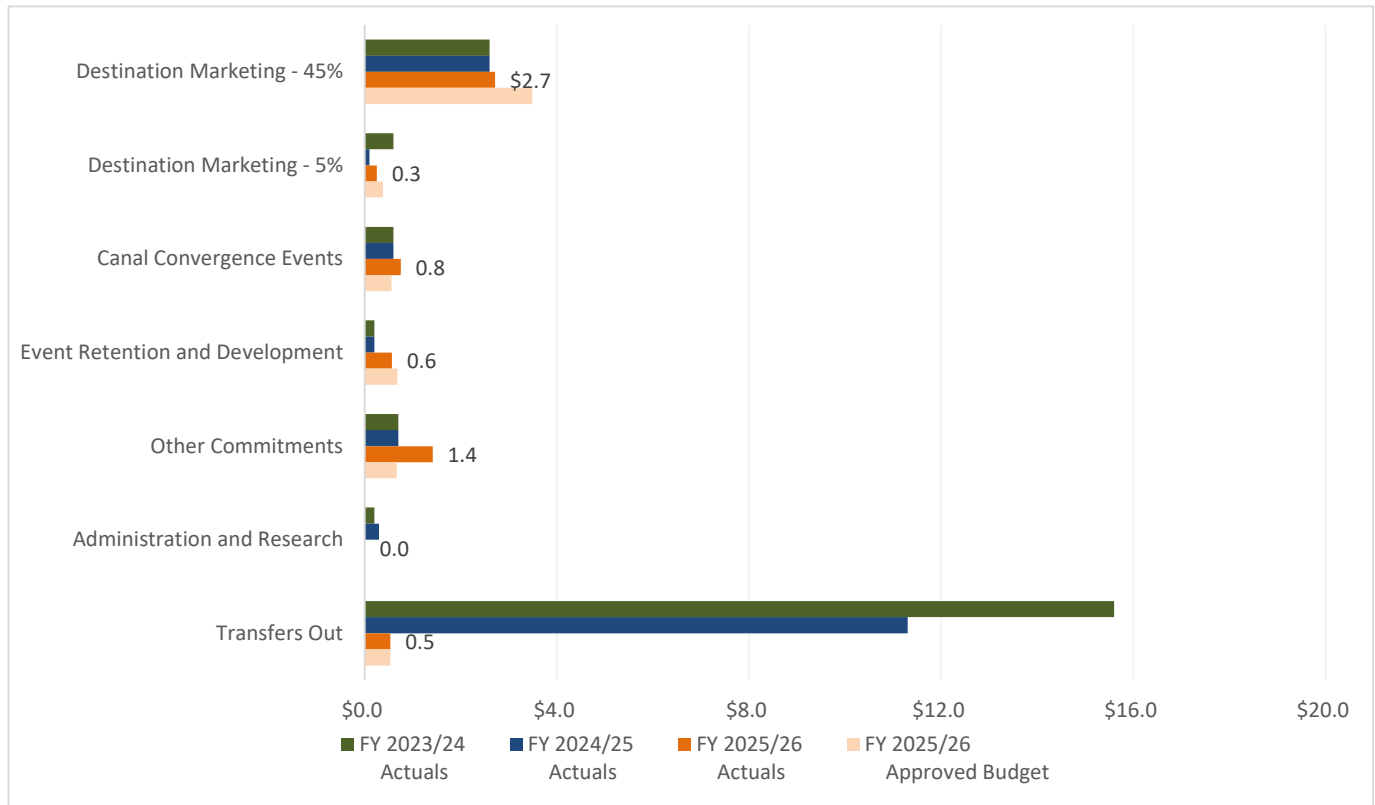
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Transient Occupancy Tax	\$4.9	\$5.0	\$4.5	\$5.3	(\$0.8)	(15%)
Property Rental	0.3	0.3	0.3	0.4	(0.1)	(28%)
Interest Earnings	0.1	0.1	0.1	0.2	(0.0)	(19%)
Miscellaneous	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$5.3	\$5.4	\$4.9	\$5.9	(\$0.9)	(16%)

Actual to Revised Budget variance of (\$0.9) million or (16%):

The unfavorable variance in Transient Occupancy Tax is due to the bed tax collections being lower than anticipated for the first quarter of the fiscal year.

\$ in millions/rounding differences and blank lines may occur.

Uses (Fiscal Year to Date: September 2025)



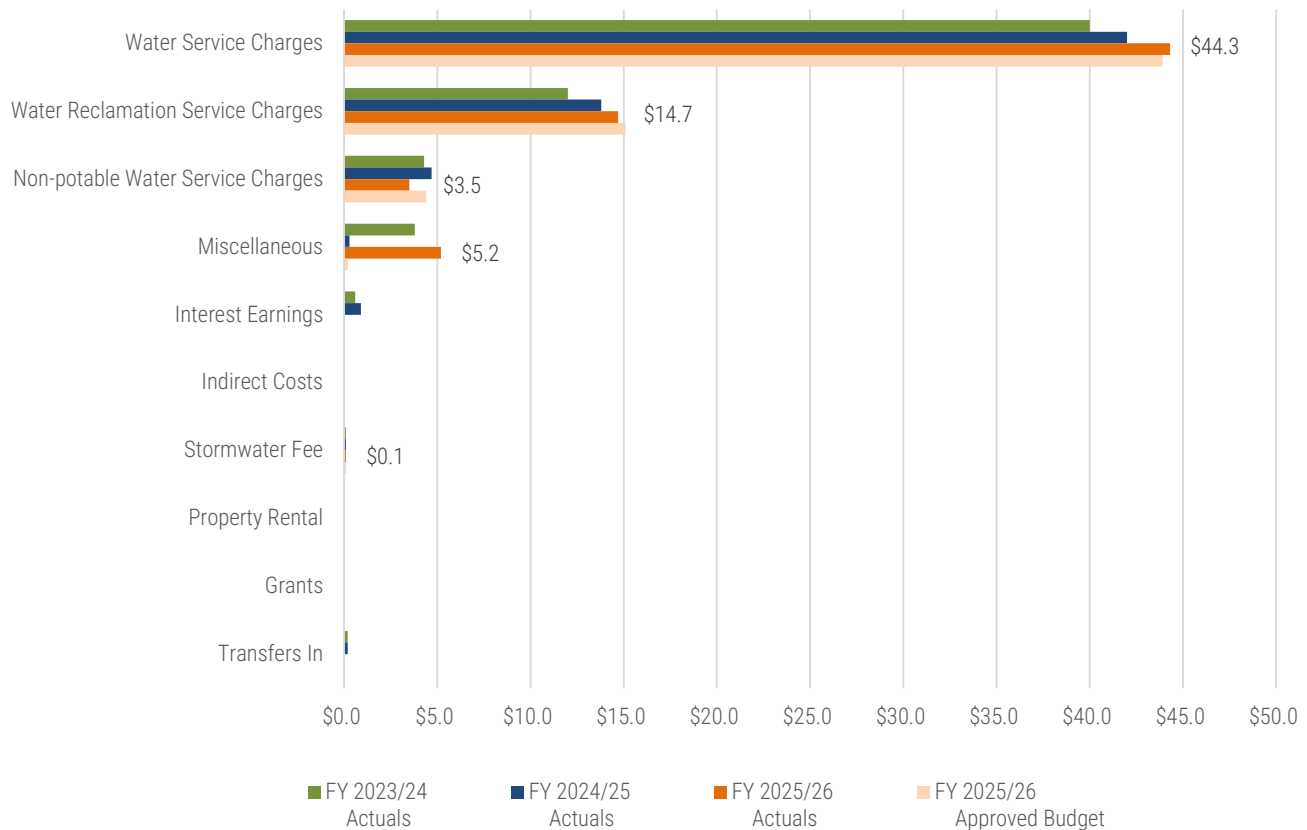
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Destination Marketing - 45%	\$2.6	\$2.6	\$2.7	\$3.5	\$0.8	22%
Destination Marketing - 5%	0.6	0.1	0.3	0.4	0.1	33%
Canal Convergence Events	0.6	0.6	0.8	0.6	(0.2)	(33%)
Event Retention and Development	0.2	0.2	0.6	0.7	0.1	16%
Other Commitments	0.7	0.7	1.4	0.7	(0.7)	(>100%)
Administration and Research	0.2	0.3	-	-	-	-
Transfers Out	15.6	11.3	0.5	0.5	-	-
Total Uses	\$20.3	\$15.8	\$6.2	\$6.3	\$0.1	1%

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

The favorable variance in Destination Marketing - 45% is due to lower than budgeted contract payment to Destination Marketing resulting from lower bed tax collection. The favorable variance is offset by Other Commitments - the invoice for the Scottsdale's Museum of the West renovations was occurred earlier than budgeted.

\$ in millions/rounding differences and blank lines may occur.

Sources (Fiscal Year to Date: September 2025)

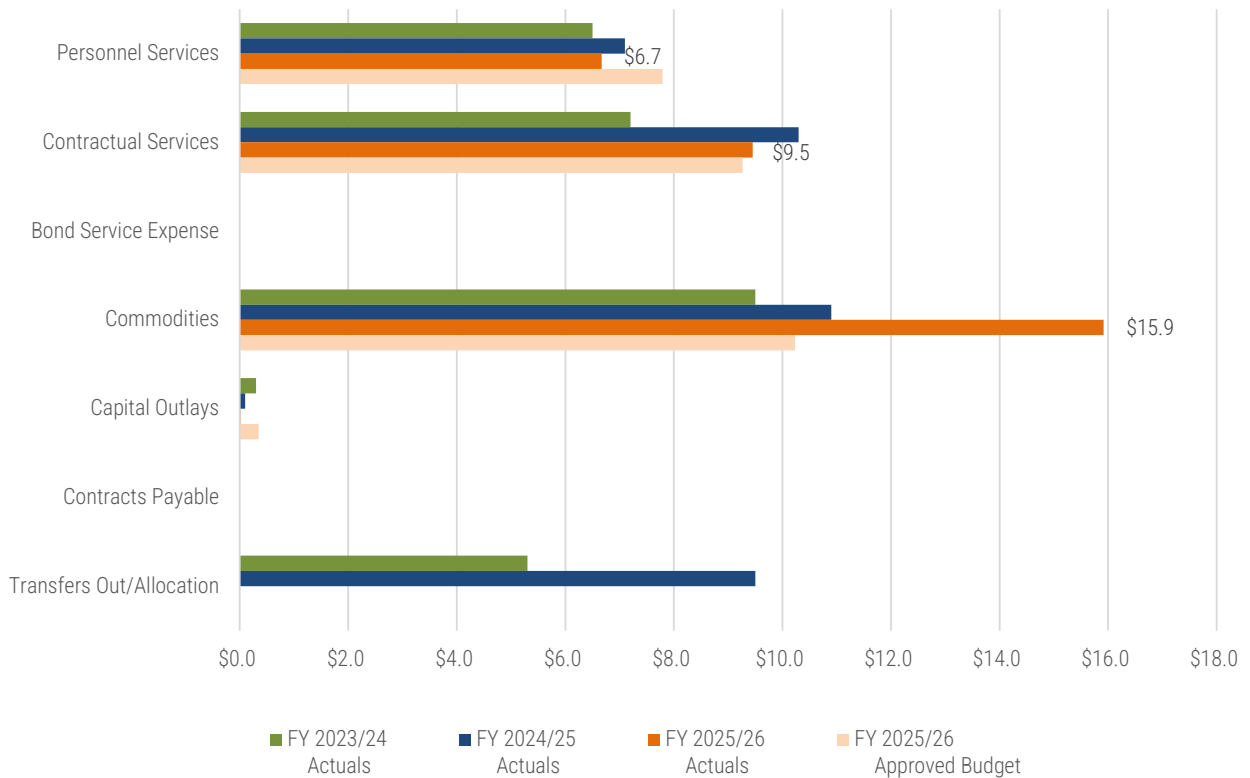


	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Water Service Charges	\$40.0	\$42.0	\$44.3	\$43.9	\$0.4	1%
Water Reclamation Service Charges	12.0	13.8	14.7	15.1	(0.4)	(3%)
Non-potable Water Service Charges	4.3	4.7	3.5	4.4	(0.9)	(20%)
Miscellaneous	3.8	0.3	5.2	0.2	5.0	>100%
Interest Earnings	0.6	0.9	-	-	-	-
Indirect Costs	-	-	-	-	-	-
Stormwater Fee	0.1	0.1	0.1	0.1	-	-
Property Rental	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Transfers In	0.2	0.2	-	-	-	-
Total Sources	\$61.1	\$62.0	\$67.8	\$63.7	\$4.1	6%

Actual to Approved Budget variance of \$4.1 million or 6%:

The favorable variance is due to Miscellaneous - higher compensation received from Central Arizona Project (CAP) and Arizona Department of Water Resources (ADWR) for reducing usage from Lake Mead. The favorable variance is offset by lower than expected Non-potable Water Service Charges due to higher than expected rainfall.

Uses (Fiscal Year to Date: September 2025)



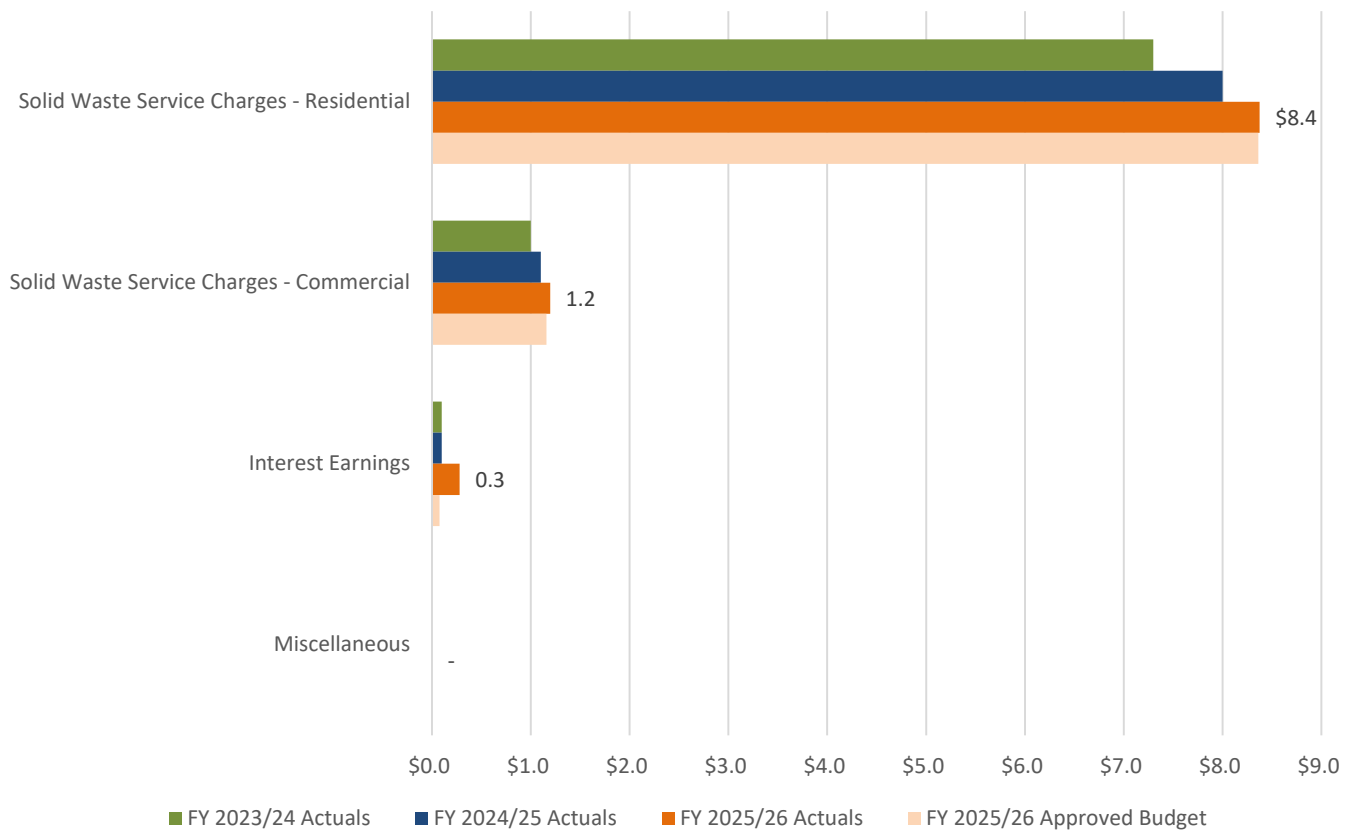
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Personnel Services	\$6.5	\$7.1	\$6.7	\$7.8	\$1.1	14%
Contractual Services	7.2	10.3	9.5	9.3	(0.2)	(2%)
Bond Service Expense	-	-	-	-	-	-
Commodities	9.5	10.9	15.9	10.2	(5.7)	(56%)
Capital Outlays	0.3	0.1	0.0	0.4	0.3	95%
Contracts Payable	-	-	-	-	-	-
Transfers Out/Allocation	5.3	9.5	-	-	-	-
Total Uses	\$28.8	\$38.1	\$32.1	\$27.6	(\$4.4)	(16%)

Actual to Approved Budget variance of (\$4.4) million or (16%):

The unfavorable variance is mainly due to Commodities - timing of purchases such as water treatment filters and chemicals. The variance would be larger, but was offset by 1) Capital Outlays - timing of purchases; and 2) Personnel Services - vacancy and salary savings from new staff being hired at a lower rate than the employee who retired or left.

\$ in millions/rounding differences and blank lines may occur.

Sources (Fiscal Year to Date: September 2025)



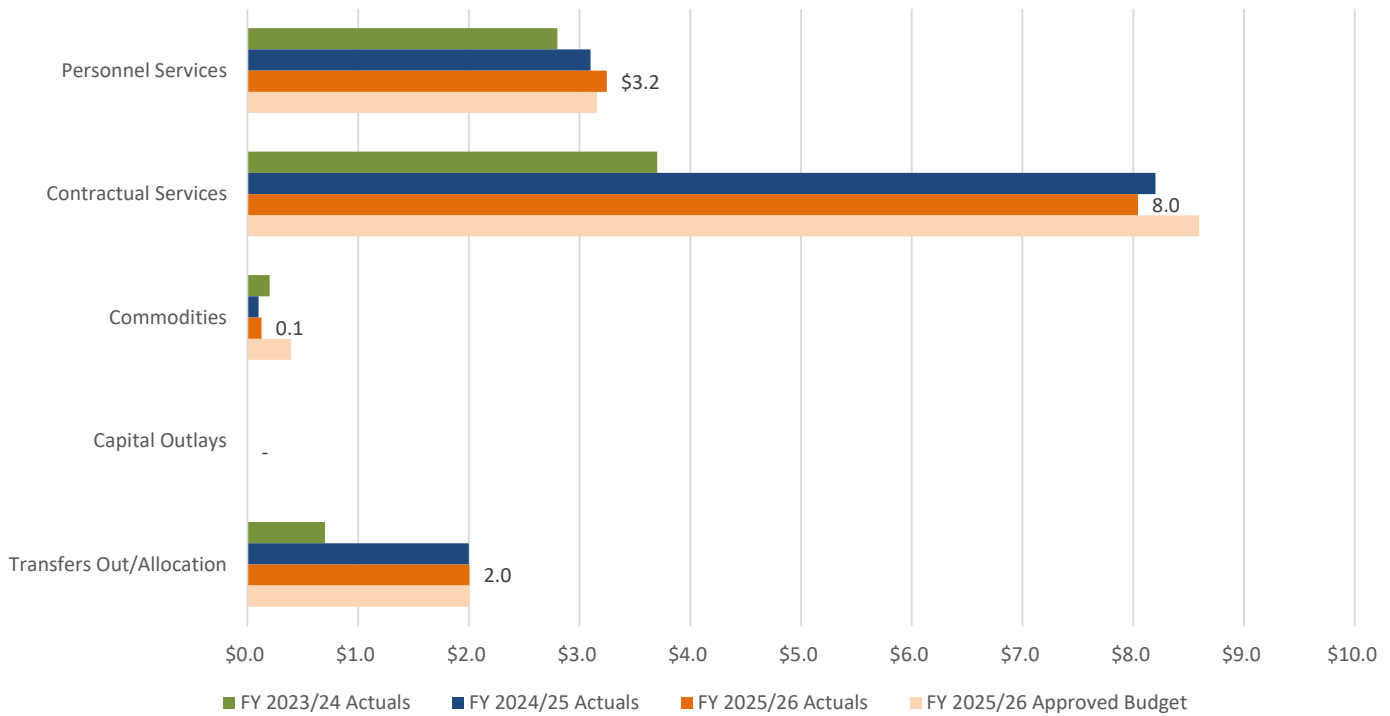
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Solid Waste Service Charges - Residential	\$7.3	\$8.0	\$8.4	\$8.4	\$ -	-
Solid Waste Service Charges - Commercial	1.0	1.1	1.2	1.2	-	-
Interest Earnings	0.1	0.1	0.3	0.1	0.2	>100%
Miscellaneous	-	-	-	-	-	-
Total Sources	\$8.4	\$9.2	\$9.9	\$9.6	\$0.2	2%

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

The favorable variance is due to Interest Earnings as a result of the invested amount being greater than budgeted.

\$ in millions/rounding differences and blank lines may occur.

Uses (Fiscal Year to Date: September 2025)



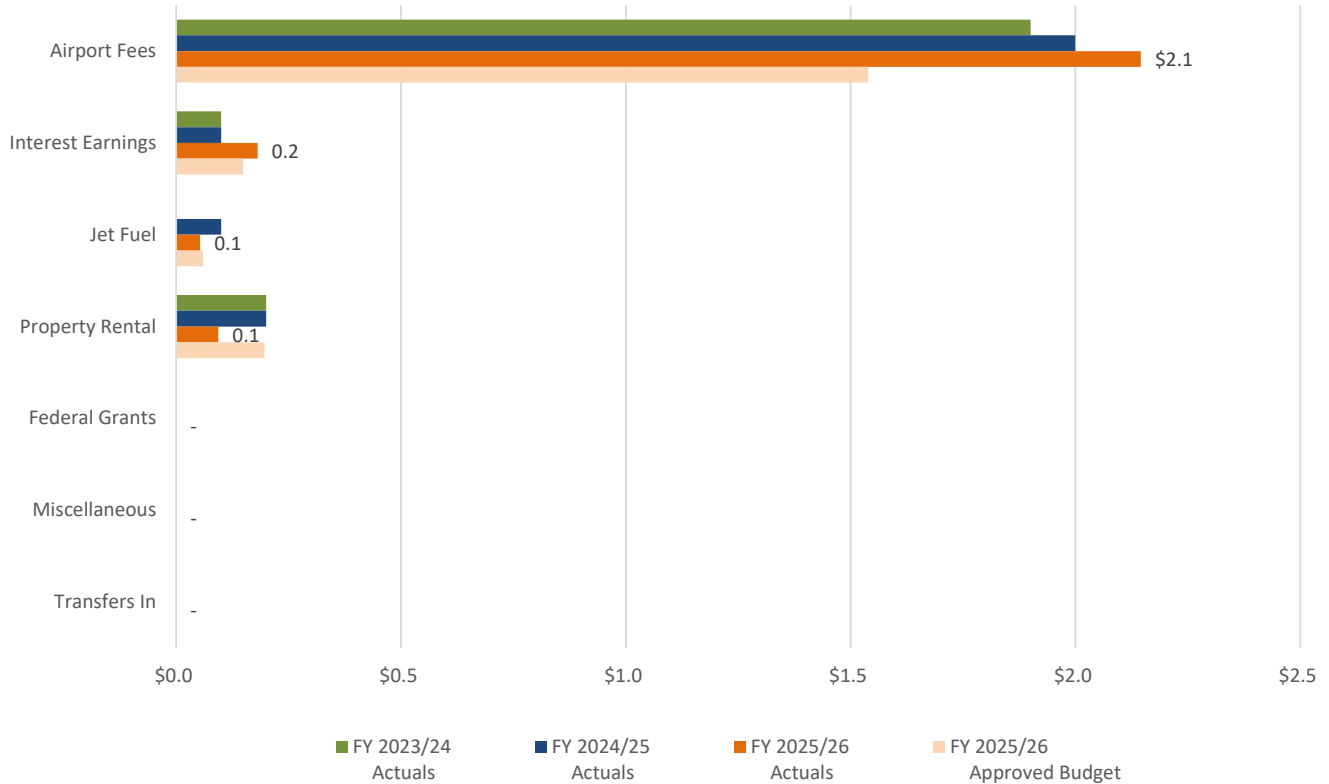
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$2.8	\$3.1	\$3.2	\$3.2	(\$0.1)	(3%)
Contractual Services	3.7	8.2	8.0	8.6	0.6	6%
Commodities	0.2	0.1	0.1	0.4	0.3	68%
Capital Outlays	-	-	-	-	-	-
Transfers Out/Allocation	0.7	2.0	2.0	2.0	-	-
Total Uses	\$7.4	\$13.4	\$13.4	\$14.2	\$0.7	5%

Actual to Approved Budget variance of \$0.7 million or 5%:

The favorable variance is primarily due to: 1) Contractual Services - compressed natural gas (CNG) fuel being much cheaper than anticipated, as well as reduced recycling processing fees due to lower-than-expected tonnage; and 2) Commodities - production delays for refuse containers leading to a lag in expenses.

\$ in millions/rounding differences and blank lines may occur.

Sources (Fiscal Year to Date: September 2025)



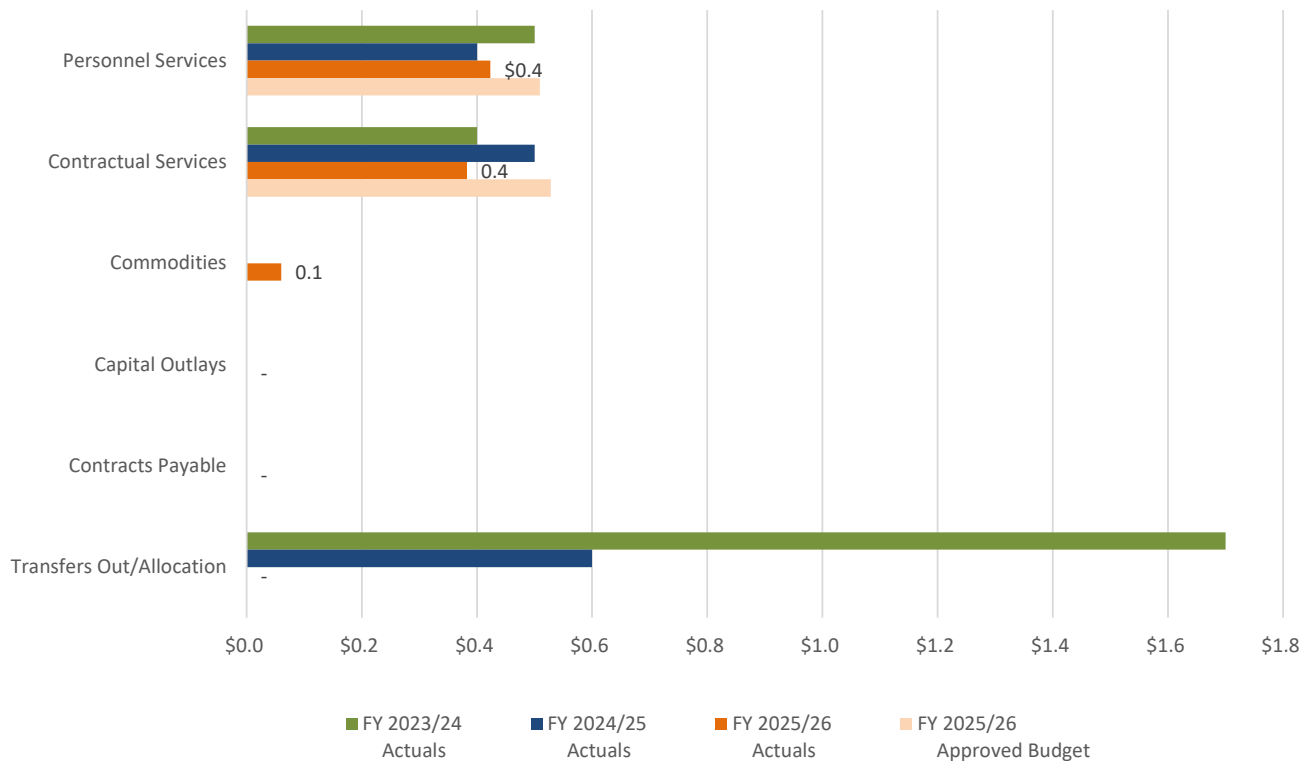
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance percent
Airport Fees	\$1.9	\$2.0	\$2.1	\$1.5	\$0.6	39%
Interest Earnings	0.1	0.1	0.2	0.1	0.1	22%
Jet Fuel	-	0.1	0.1	0.1	-	-
Property Rental	0.2	0.2	0.1	0.2	(0.1)	(52%)
Federal Grants	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$2.2	\$2.4	\$2.5	\$1.9	\$0.5	27%

Actual to Approved Budget variance of \$0.5 million or 27%:

The favorable variance is primarily due to: 1) Airport Fees - rental revenues for hangar space is higher than budgeted; and 2) Interest Earnings - the amount invested is greater than budgeted. The favorable variance is partially offset by Property Rental - the annual Aviation Park & Ride Land Lease revenue has not been recognized yet this quarter.

\$ in millions/rounding differences and blank lines may occur.

Uses (Fiscal Year to Date: September 2025)



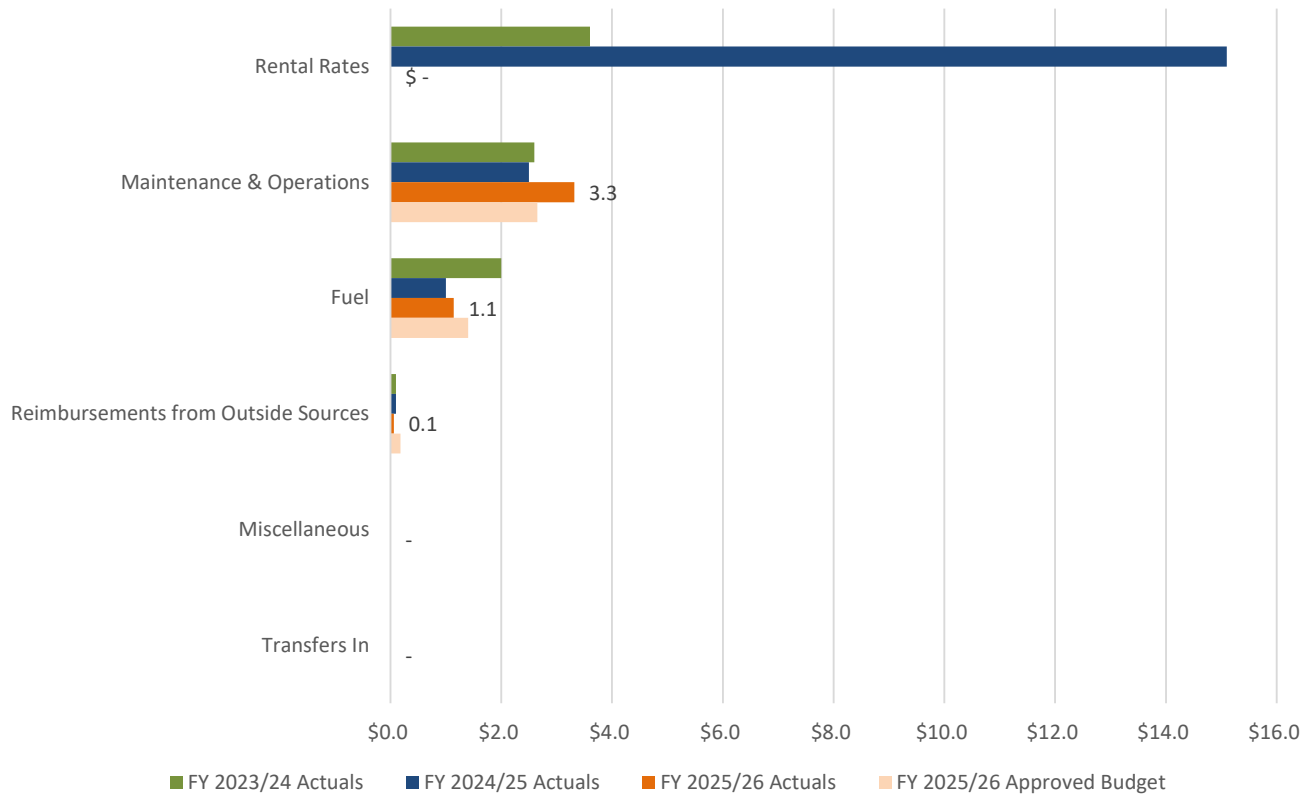
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$0.5	\$0.4	\$0.4	\$0.5	\$0.1	17%
Contractual Services	0.4	0.5	0.4	0.5	0.1	28%
Commodities	-	-	0.1	-	(0.1)	-
Capital Outlays	-	-	-	-	-	-
Contracts Payable	-	-	-	-	-	-
Transfers Out/Allocation	1.7	0.6	-	-	-	-
Total Uses	\$2.6	\$1.5	\$0.9	\$1.0	\$0.2	17%

Actual to Approved Budget variance of \$0.2 million or 17%:

The favorable variance is primarily due to: 1) Personnel Services - vacancies and unused overtime; and 2) Contractual Services - funds budgeted for software subscriptions have not been used yet. The favorable variance is partially offset by Commodities, which exceeded budget due to unbudgeted purchases of firefighting foam.

\$ in millions/rounding differences and blank lines may occur.

Sources (Fiscal Year to Date: September 2025)



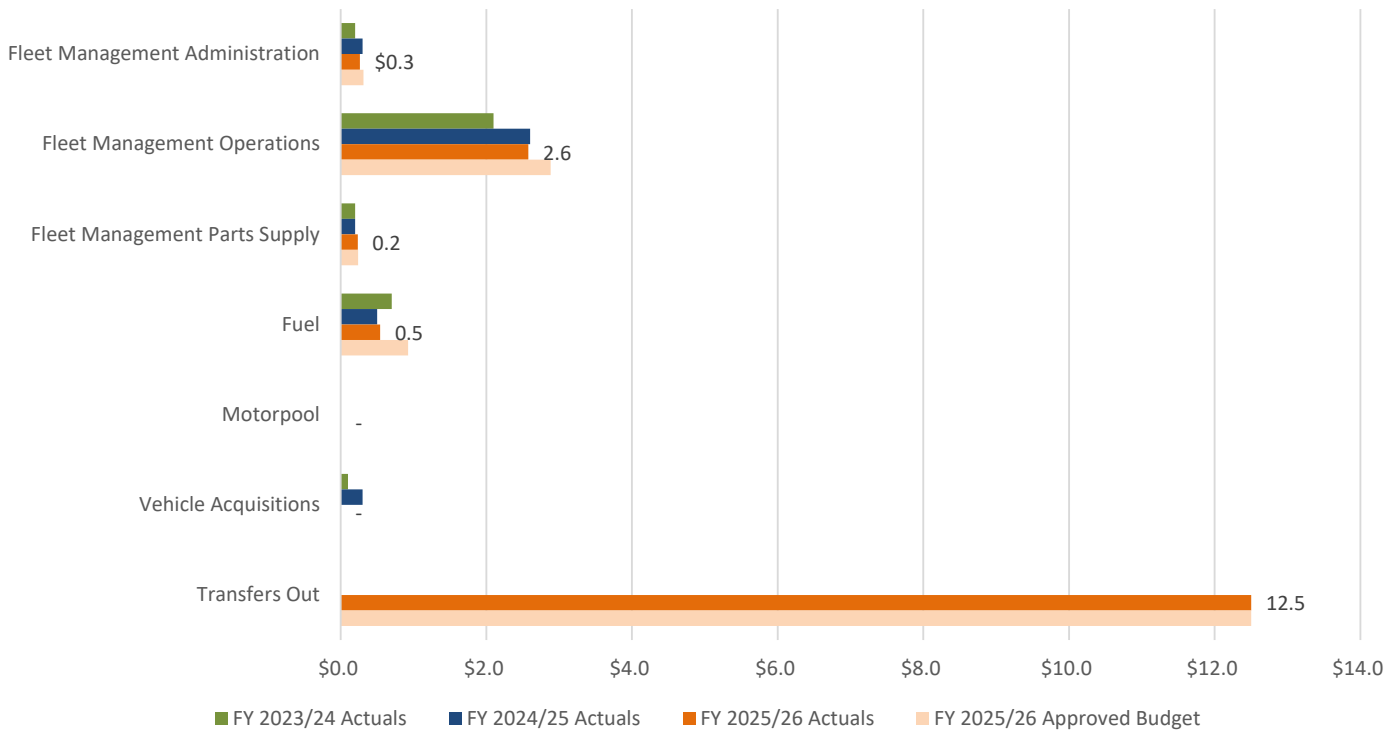
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Rental Rates	\$3.6	\$15.1	\$ -	\$ -	\$ -	-
Maintenance & Operations	2.6	2.5	3.3	2.7	0.7	25%
Fuel	2.0	1.0	1.1	1.4	(0.3)	(19%)
Reimbursements from Outside Sources	0.1	0.1	0.1	0.2	(0.1)	(66%)
Miscellaneous	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$8.3	\$18.7	\$4.5	\$4.2	\$0.3	7%

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

The positive variance is primarily due to Maintenance & Operations - increased internal service charges for repairs to older vehicles, resulting from delays in the receipt of new vehicles. The favorable variance is partially offset by lower-than-anticipated fuel charges due to fuel prices.

\$ in millions/rounding differences and blank lines may occur.

Uses (Fiscal Year to Date: September 2025)



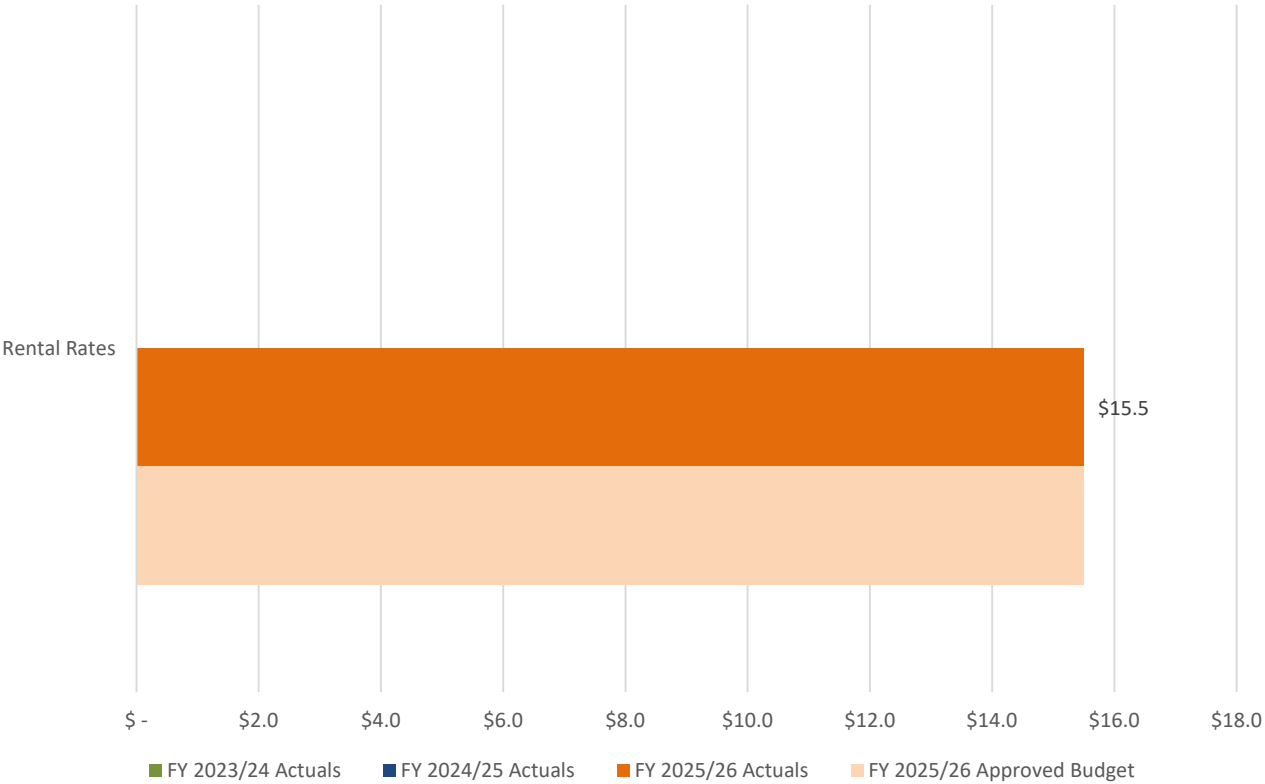
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Fleet Management Administration	\$0.2	\$0.3	\$0.3	\$0.3	\$ -	-
Fleet Management Operations	2.1	2.6	2.6	2.9	0.3	11%
Fleet Management Parts Supply	0.2	0.2	0.2	0.2	-	-
Fuel	0.7	0.5	0.5	0.9	0.4	41%
Motorpool	-	-	-	-	-	-
Vehicle Acquisitions	0.1	0.3	-	-	-	-
Transfers Out	-	-	12.5	12.5	-	-
Total Uses	\$3.3	\$3.9	\$16.1	\$16.9	\$0.7	4%

Actual to Approved Budget variance of \$0.7 million or 4%:

The favorable variance is primarily due to: 1) Fleet Management Operations - outsourcing some larger repairs which reduces on-site parts usage; and 2) Fuel - lower-than-anticipated fuel prices.

\$ in millions/rounding differences and blank lines may occur.

Sources (Fiscal Year to Date: September 2025)

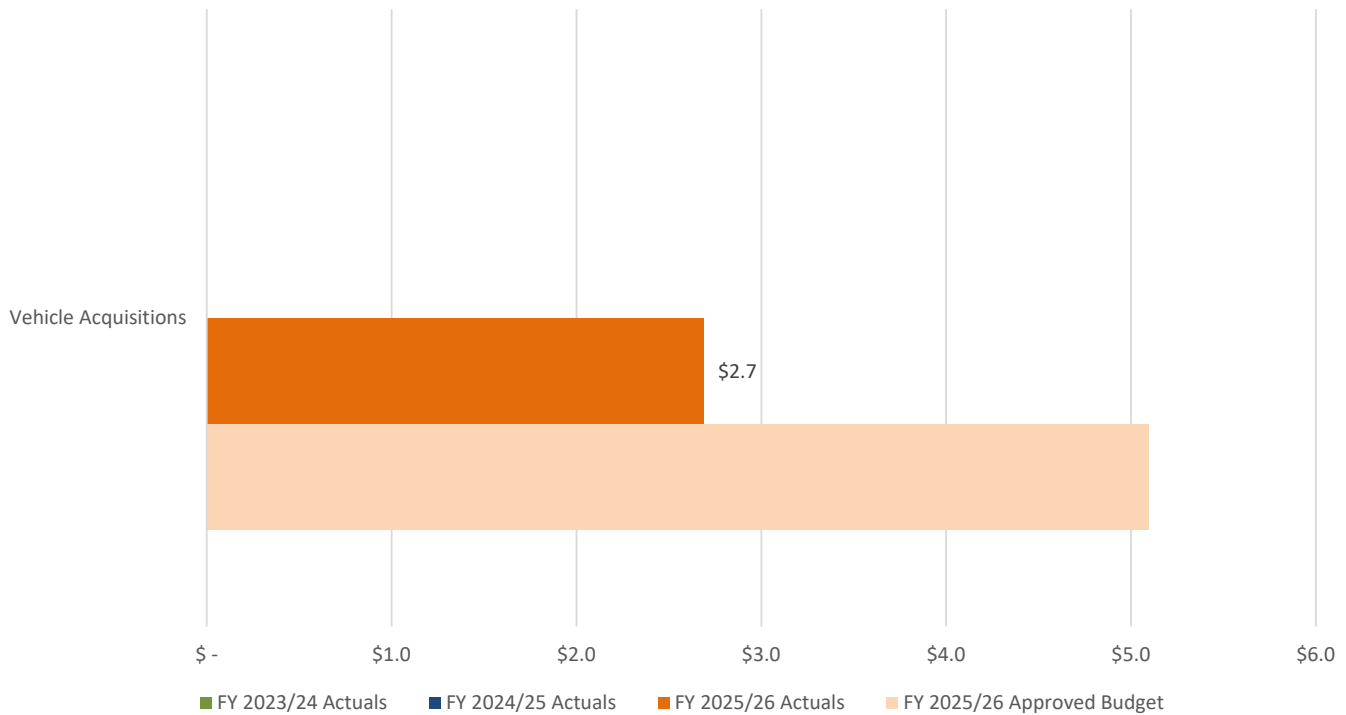


	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Rental Rates	\$ -	\$ -	\$15.5	\$15.5	\$ -	-
Total Sources	\$0.0	\$0.0	\$15.5	\$15.5	\$ -	-

Actual to Approved Budget variance of \$0.0 million or 0%:
Rental Rates are aligned with the budget.

\$ in millions/rounding differences and blank lines may occur.

Uses (Fiscal Year to Date: September 2025)



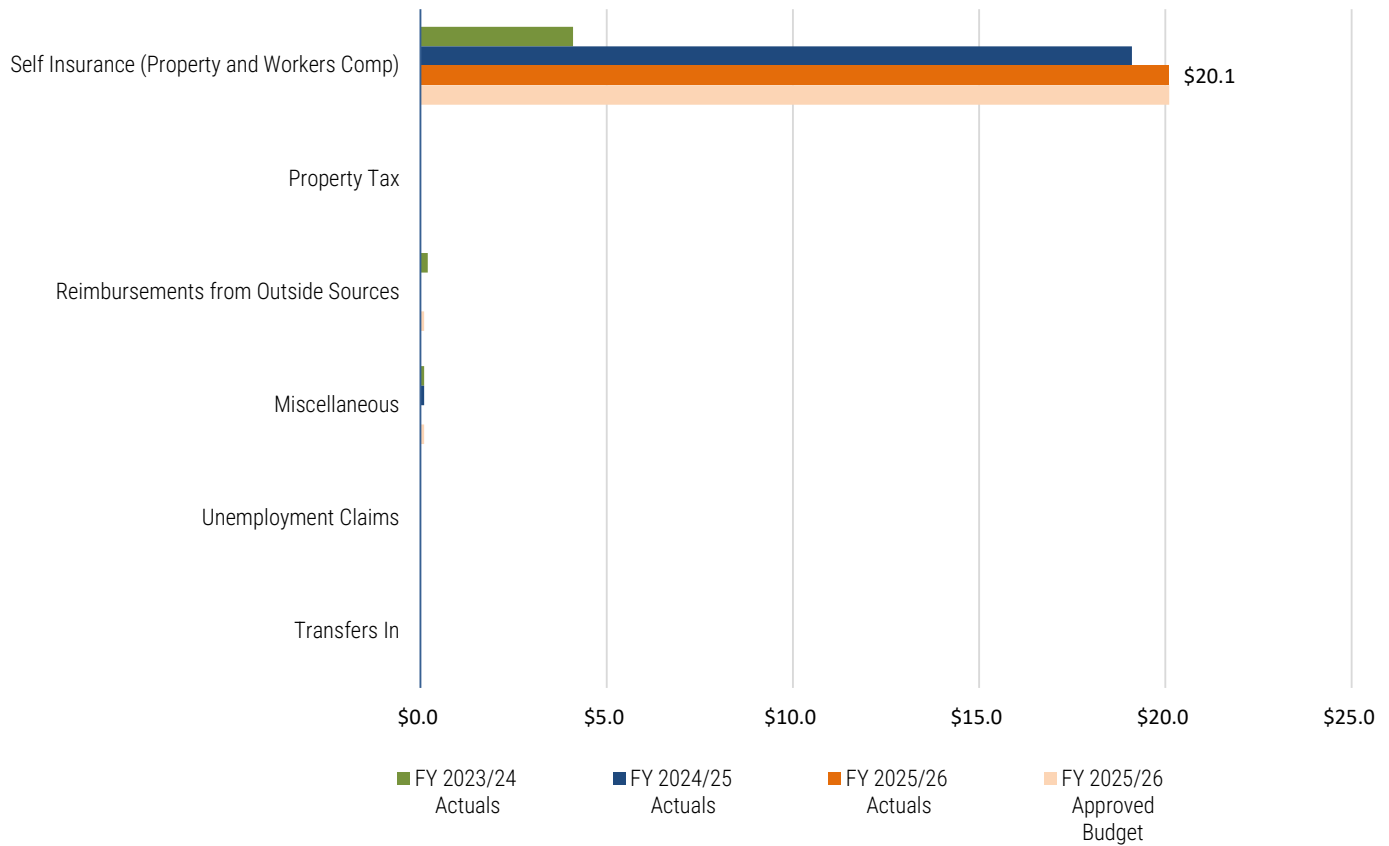
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Vehicle Acquisitions	\$ -	\$ -	\$2.7	\$5.1	\$2.4	47%
Total Uses	\$0.0	\$0.0	\$2.7	\$5.1	\$2.4	47%

Actual to Approved Budget variance of \$2.4 million or 47%:

The favorable variance is primarily due to long lead times on machinery/equipment acquisitions, resulting in payments occurring later than originally budgeted.

\$ in millions/rounding differences and blank lines may occur.

Sources (Fiscal Year to Date: September 2025)



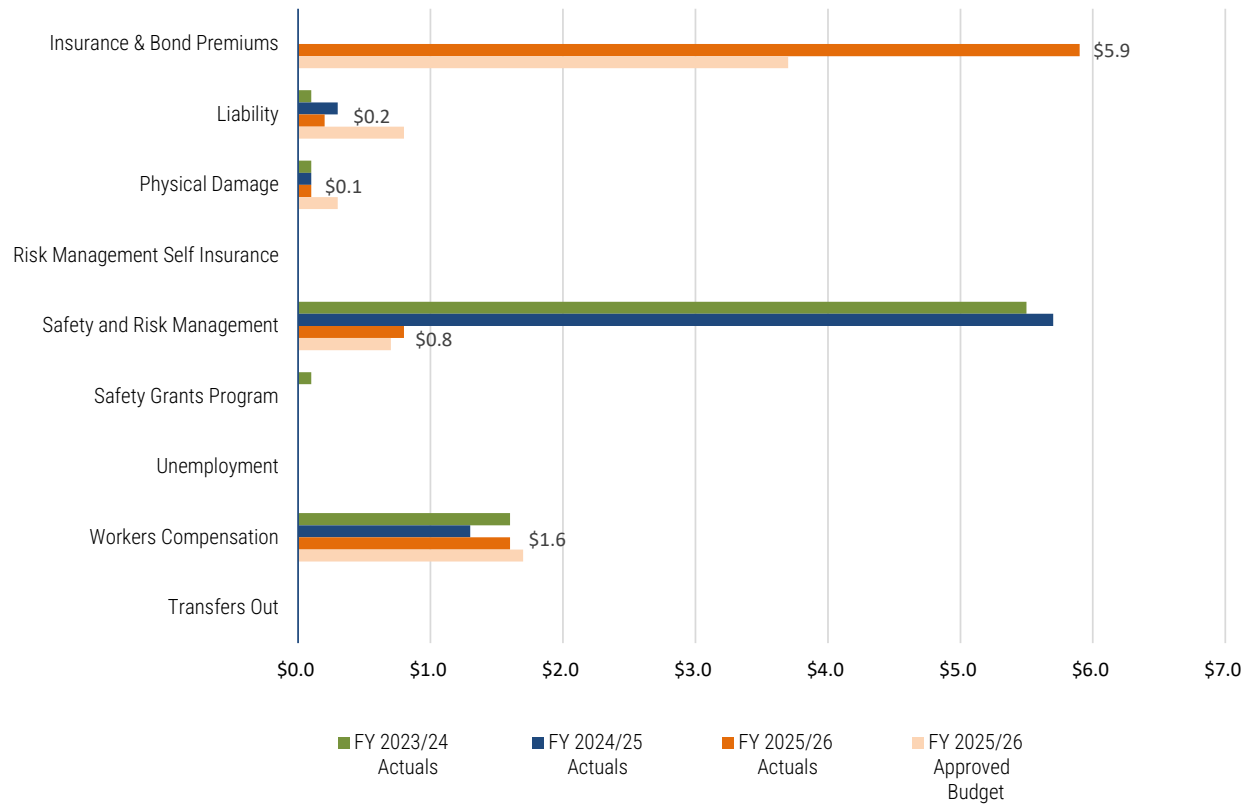
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Self Insurance (Property and Workers Comp)	\$4.1	\$19.1	\$20.1	\$20.1	\$ -	- %
Property Tax	-	-	-	-	-	-
Reimbursements from Outside Sources	0.2	-	-	0.1	(0.1)	(100%)
Miscellaneous	0.1	0.1	-	0.1	(0.1)	(100%)
Unemployment Claims	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$4.5	\$19.3	\$20.1	\$20.3	(\$0.2)	(1%)

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

The unfavorable variance is largely driven by lower subrogation recoveries than estimated.

\$ in millions/rounding differences and blank lines may occur.

Uses (Fiscal Year to Date: September 2025)



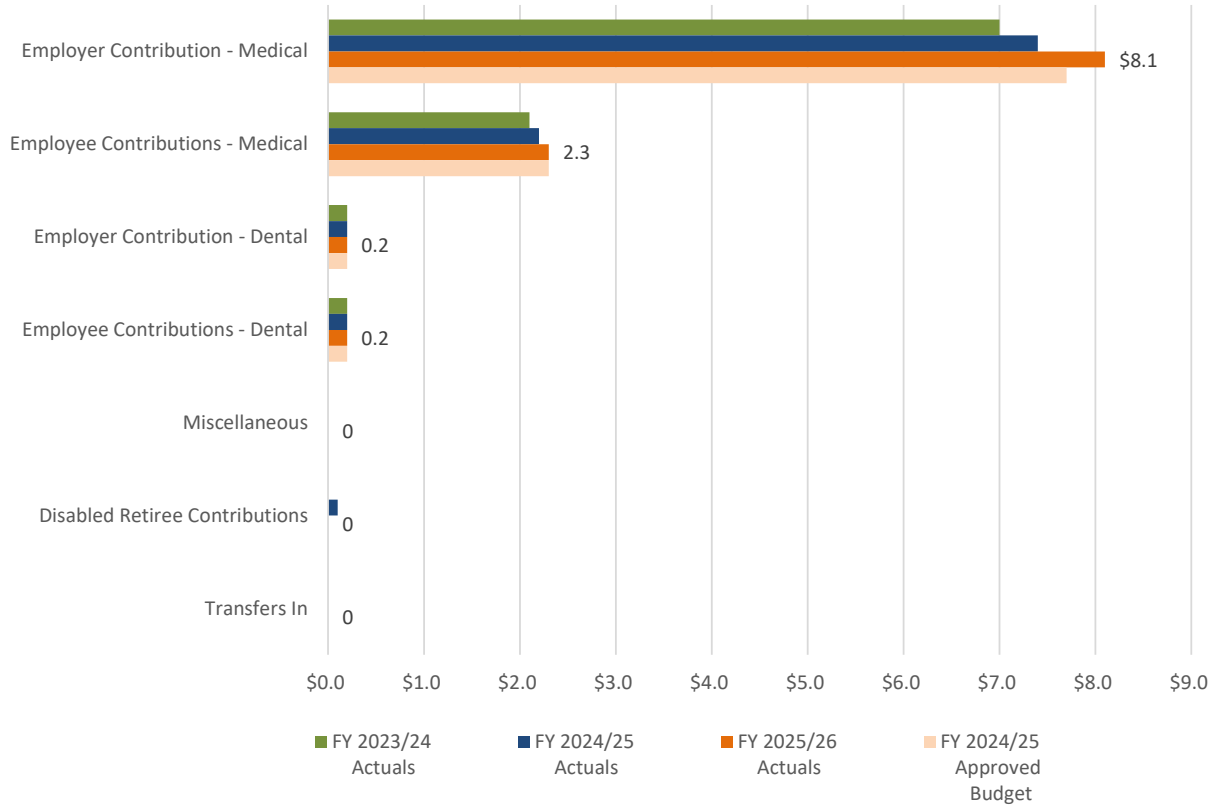
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Insurance & Bond Premiums	\$ -	\$ -	\$5.9	\$3.7	(\$2.2)	(59%)
Liability	0.1	0.3	0.2	0.8	0.6	75%
Physical Damage	0.1	0.1	0.1	0.3	0.2	67%
Risk Management Self Insurance	-	-	-	-	-	-
Safety and Risk Management	5.5	5.7	0.8	0.7	(0.1)	(14%)
Safety Grants Program	0.1	-	-	-	-	-
Unemployment	-	-	-	-	-	-
Workers Compensation	1.6	1.3	1.6	1.7	0.1	6%
Transfers Out	-	-	-	-	-	-
Total Uses	\$7.3	\$7.5	\$8.6	\$7.2	(\$1.4)	(19%)

Actual to Revised Budget variance of (\$1.4) million or (19%):

The unfavorable variance is largely driven by Insurance & Bond Premiums - premium payment occurred earlier than budgeted. The variance is partially offset by 1) Liability - fewer general liability and property damage claims; and 2) Physical Damage - fewer claims.

\$ in millions/rounding differences and blank lines may occur.

Sources (Fiscal Year to Date: September 2025)



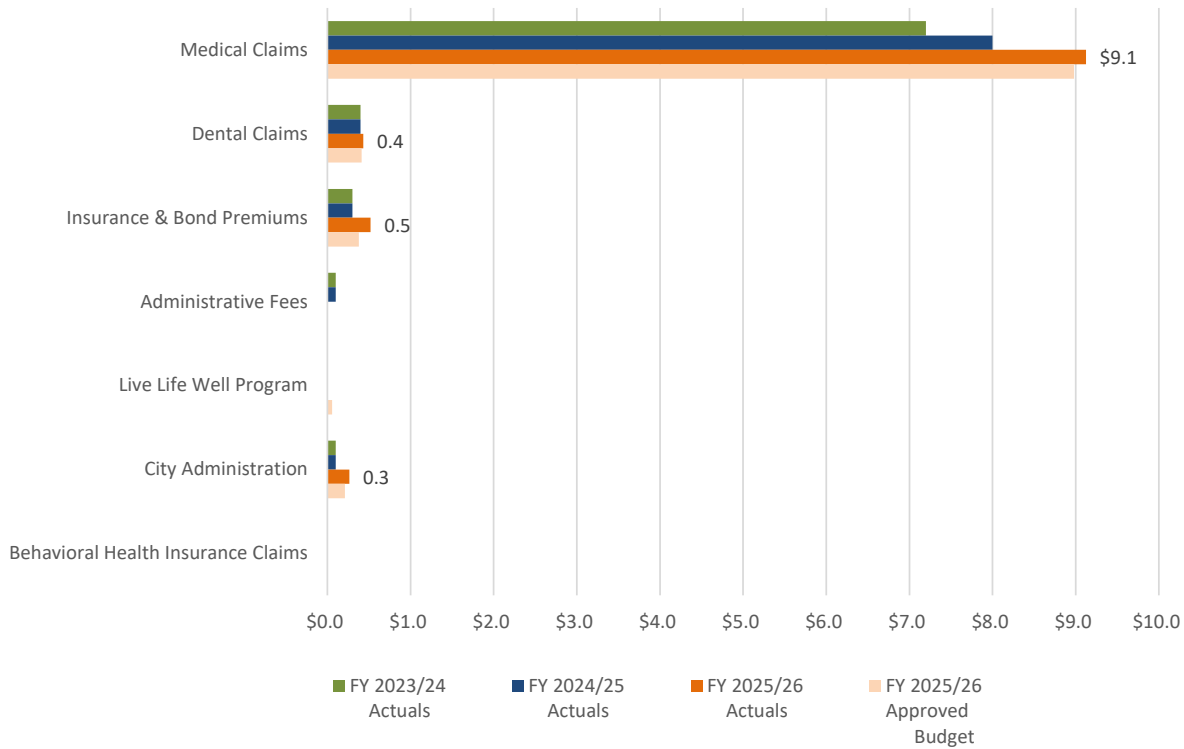
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2024/25 Approved Budget	Variance Amount	Variance percentage
Employer Contribution - Medical	\$7.0	\$7.4	\$8.1	\$7.7	\$0.4	5%
Employee Contributions - Medical	2.1	2.2	2.3	2.3	-	-
Employer Contribution - Dental	0.2	0.2	0.2	0.2	-	-
Employee Contributions - Dental	0.2	0.2	0.2	0.2	-	-
Miscellaneous	-	-	-	-	-	-
Disabled Retiree Contributions	-	0.1	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$9.5	\$10.1	\$10.8	\$10.4	\$0.4	4%

Actual to Approved Budget variance of \$0.4 million or 4%:

The favorable variance in Employer Contribution - Medical is due to plan selection difference, which occurs after the budget has prepared.

\$ in millions/rounding differences and blank lines may occur.

Uses (Fiscal Year to Date: September 2025)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Medical Claims	\$7.2	\$8.0	\$9.1	\$9.0	(\$0.1)	(2%)
Dental Claims	0.4	0.4	0.4	0.4	-	-
Insurance & Bond Premiums	0.3	0.3	0.5	0.4	(0.1)	(37%)
Administrative Fees	0.1	0.1	-	-	-	-
Live Life Well Program	-	-	-	0.1	0.1	>100%
City Administration	0.1	0.1	0.3	0.2	(0.1)	(25%)
Behavioral Health Insurance Claims	-	-	-	-	-	-
Total Uses	\$8.1	\$8.9	\$10.4	\$10.1	(\$0.3)	(3%)

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

The negative variance is primarily due to 1) Insurance & Bond Premiums - the stop-loss insurance expense for the medical plans is slightly higher than budget, and 2) City Administration - expenses for professional services related to the city programs were incurred earlier than originally budget.

\$ in millions/rounding differences and blank lines may occur.

**City of Scottsdale
WestWorld
Statement of Operations**

	Twelve Months: Fiscal Year				
	2023/24 Actual	2024/25 Actual	2025/26 Adopted Budget	2025/26 Approved Budget	2025/26 Forecast Budget
Operating Revenue^{11 12}					
Rental Facilities	\$3,834,129	\$5,198,940	\$4,195,551	\$4,195,551	\$4,195,551
RV Rental	513,000	672,343	529,275	529,275	529,275
Feed/Bedding Sales	965,820	994,043	965,287	965,287	965,287
Labor Fees	449,295	587,920	461,324	461,324	461,324
Concession Fees	3,524	2,205	3,500	3,500	3,500
Parking	1,430,933	1,409,944	1,286,364	1,286,364	1,286,364
Other Income ¹³	129,064	511,132	185,322	185,322	185,322
Bed Tax Contribution - Marketing ¹⁴	180,119	161,015	285,000	285,000	285,000
Equidome Project Use Fee	360,000	360,000	360,000	360,000	360,000
BOR Funds ¹⁵	-	-	515,426	515,426	515,426
Operating Transfer In ¹⁶	250,000	2,250,000	500,000	500,000	500,000
Operating Revenue	\$8,115,884	\$12,147,541	\$9,287,049	\$9,287,049	\$9,287,049
Operating Expenses^{11 12 17}					
Personnel Services					
Wages/Salaries/Benefits	\$2,630,783	\$2,826,943	\$3,297,157	\$3,297,157	\$3,297,157
Overtime	114,282	146,131	128,179	128,179	128,179
Contractual Services					
BOR ¹⁵	-	-	100,000	100,000	100,000
Contractual Workers	420,805	420,944	459,719	459,719	459,719
Telephone	18,375	18,831	20,640	20,640	20,640
Utilities ¹⁸	1,601,279	1,871,631	2,163,941	2,163,941	2,163,941
Maintenance & Equipment Rental & Fleet	824,986	1,008,397	1,067,598	1,067,598	1,067,598
License and Permits	1,202	1,682	81,819	81,819	81,819
Property, Liability & Workers' Comp	192,906	231,311	377,677	377,677	377,677
Advertising/Marketing Contract ¹⁴	271,079	269,317	598,524	598,524	598,524
Other	445,162	546,534	667,891	667,891	667,891
Commodities and Capital Outlays					
Agriculture & Horticulture & Other Supply	284,572	127,672	151,127	151,127	151,127
Maintenance & Repairs Supply, Equipment	229,186	141,910	145,429	145,429	145,429
Inventory Purchased for Resale	625,440	672,751	629,521	629,521	629,521
Construction - Other	2,851	36,700	-	-	-
Other Expenses	98,116	24,697	96,875	96,875	96,875
BOR Admin					
BOR Admin/WestWorld	218,287	229,202	240,662	240,662	240,662
Allocated Expenses					
COS Indirect Costs	473,628	549,264	540,627	540,627	540,627
Transfer Out					
Operating Transfer Out	-	-	-	-	-
Operating Expenses	\$8,452,939	\$9,123,917	\$10,767,386	\$10,767,386	\$10,767,386
Operating Income Before Debt Service and One-Time Expenses	(\$337,055)	\$3,023,624	(\$1,480,337)	(\$1,480,337)	(\$1,480,337)
Debt Service (Less contributions)					
Debt Service - (\$2 & 17 acres) ¹⁹	\$2,255,480	\$5,978,230	\$311,443	\$311,443	\$311,443
Debt Service - TNEC (\$41.935M) ¹¹⁰	1,283,136	1,289,529	1,291,321	1,291,321	1,291,321
Debt Service - TNEC Tourism Funded	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Bed Tax Contributions - TNEC	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Net Debt Service	\$3,538,616	\$7,267,759	\$1,602,764	\$1,602,764	\$1,602,764
One-Time Expenses					
Monterra Contract Termination	\$-	\$2,000,000	\$-	\$-	\$-
One-time repairs (barns, bleachers, message board)	309,787	-	-	-	-
Equipment purchase (Gum buster, Kiser Drag)	-	-	48,660	48,660	48,660
CIP Transfer Out ¹¹¹	-	-	4,242,389	4,242,389	4,242,389
One-Time Expenses	\$309,787	\$2,000,000	\$4,291,049	\$4,291,049	\$4,291,049
Operating Income After Debt Service and One-Time Expenses	(\$4,185,458)	(\$6,244,135)	(\$7,374,150)	(\$7,374,150)	(\$7,374,150)

¹¹ The Statement of Operations includes recorded revenues and expenditures and does not include the overall economic benefit to Scottsdale that is created by WestWorld's operations. Arizona State University Seidman Research Institute conducted an [economic impact study](#) to quantify the overall benefit in 2024.

According to the study, the regional effect of WestWorld's 2023/2024 operations included \$4.8 million in Transaction Privilege Tax and Transient Tax for the City of Scottsdale, \$163.6 million contribution to the state's GDP, \$85.6 million in labor income, and 1,813 jobs supported statewide.

¹² WestWorld recognized revenues and expenses from three Barrett-Jackson events in FY 2024/25, due to the settlement of the January 2024 event not occurring until FY 2024/25, and two Barrett-Jackson events in FY 2025/26.

¹³ FY 2021/22 - FY 2023/24 includes WestWorld TNEC Expansion revenue recovery, which was excluded in previous reports.

¹⁴ Beginning in FY 2023/24, the contribution for marketing efforts is spent within the Tourism Development Fund instead of being transferred to the General Fund.

¹⁵ Bureau of Reclamation funding and associated expenses for Monterra improvements and other projects.

¹⁶ Transfer from the Tourism Development Fund to support WestWorld operations and \$2 million from the General Fund Operating Contingency for FY 2024/25 Monterra Contract Termination.

¹⁷ All years include WestWorld Polo Field Maintenance expenses, which were excluded in previous reports.

¹⁸ Increased utility costs are mainly due to higher electricity consumption required to support events.

¹⁹ Debt related to the 2014 MPC Refunding Bonds was paid off in FY 2024/25.

¹¹⁰ 2021B bonds were issued in February 2021.

¹¹¹ FY 2025/26 CIP transfers to fund WestWorld - Polo Field Renovation, Scottsdale Sports Complex Turf Replacement, WestWorld Parking & Access Master Plan, Scottsdale Sports Complex - Replace Pump Station, WestWorld Trailhead Parking & Access Improvement, and Monterra Improvements project.

City of Scottsdale
WestWorld
Statement of Operations for September 2025 / 3 Months YTD

	FY 2023/24 YTD Actual	FY 2024/25 YTD Actual	FY 2025/26 YTD Actual	FY 2025/26 Approved YTD Budget	Variance Amount	Variance Percentage
Operating Revenue^{11 12}						
Rental Facilities	\$646,976	\$1,070,606	(\$2,608)	\$200,000	(\$202,608)	<(100%)
RV Rental	48,513	186,697	37,899	30,000	7,899	26%
Feed/Bedding Sales	110,609	121,259	124,258	82,000	42,258	52%
Labor Fees	51,429	120,940	(58,923)	6,500	(65,423)	<(100%)
Concession Fees	995	135	-	873	(873)	(100%)
Parking	30,610	80,390	79,089	39,737	39,352	99%
Other Income	30,928	102,151	74,875	6,635	68,240	>100%
Bed Tax Contribution - Marketing ¹³	-	15,254	10,000	-	10,000	100%
Equidome Project Use Fee	-	-	-	-	-	-
BOR Funds	-	-	-	-	-	-
Operating Transfer In ¹⁴	350,000	250,000	500,000	500,000	-	-
Operating Revenue	\$1,270,061	\$1,947,432	\$764,591	\$865,745	(\$101,154)	(12%)
Operating Expenses^{11 15}						
Personnel Services						
Wages/Salaries/Benefits	\$728,190	\$707,263	\$693,977	\$880,753	\$186,776	21%
Overtime	11,738	16,849	14,457	10,182	(4,275)	(42%)
Contractual Services						
BOR ¹⁶	-	-	18,227	-	-	-
Contractual Workers	33,972	34,829	53,443	69,795	16,352	23%
Telephone	11,560	12,873	14,280	15,870	1,590	10%
Utilities ¹⁷	189,402	282,752	328,076	390,843	62,767	16%
Maintenance & Equipment Rental & Fleet	149,684	426,495	495,759	455,256	(40,503)	(9%)
License and Permits	-	-	-	26,000	26,000	100%
Property, Liability & Workers' Comp	47,964	231,311	378,677	377,677	(1,000)	-
Advertising/Marketing Contract ¹³	47,040	116,310	17,743	14,323	(3,420)	(24%)
Other	21,975	58,431	38,256	15,834	(22,422)	<(100%)
Commodities and Capital Outlays						
Agriculture & Horticulture & Other Supply	29,052	12	7,660	49,460	41,800	85%
Maintenance & Repairs Supply, Equipment	12,345	31,721	3,867	23,703	19,836	84%
Inventory Purchased for Resale	33,950	102,018	63,825	110,217	46,392	42%
Construction - Other	-	200	-	42,460	42,460	100%
Other Expenses	18,718	2,526	6,134	1,854	(4,280)	<(100%)
BOR Admin						
BOR Admin/WestWorld	-	-	-	-	-	-
Allocated Expenses						
COS Indirect Costs	118,407	137,316	135,157	135,157	-	-
Operating Transfer Out						
Operating Transfer Out	-	-	-	-	-	-
Operating Expenses	\$1,453,997	\$2,160,906	\$2,269,538	\$2,619,384	\$349,846	13%
Operating Income Before Debt Service and One-Time Expenses	(\$183,936)	(\$213,474)	(\$1,504,947)	(\$1,753,639)	\$248,692	14%
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	\$-	\$-	\$-	\$-	\$-	-%
One-Time Expenses						
Equipment purchase (Gum buster, Kiser Drag)	\$-	\$-	\$-	\$48,660	\$48,660	100%
One-Time Expenses	\$-	\$-	\$-	\$48,660	48,660	100%
Operating Income After Debt Service and One-Time Expenses	(\$183,936)	(\$213,474)	(\$1,504,947)	(\$1,802,299)	\$297,352	16%

¹¹ The Statement of Operations includes recorded revenues and expenditures and does not include the overall economic benefit to Scottsdale that is created by WestWorld's operations. Arizona State University Seidman Research Institute conducted an [economic impact study](#) to quantify the overall benefit in 2024. According to the study, the regional effect of WestWorld's 2023/2024 operations included \$4.8 million in Transaction Privilege Tax and Transient Tax for the City of Scottsdale, \$163.6 million contribution to the state's GDP, \$85.6 million in labor income, and 1,813 jobs supported statewide.

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¹⁶ Bureau of Reclamation funding and associated expenses for Monterra improvements and other projects.

¹⁷ Increased utility costs are mainly due to higher electricity consumption required to support events.



Privilege (Sales) & Use Tax Collections For September 2025

(For Business Activity in August 2025)

Appendix 1 contains information regarding the “actual” revenue collections from the 1.0 percent Privilege and Use Tax reflected in the General Fund, 0.2 percent dedicated Transportation Privilege Tax, 0.1 percent additional dedicated to Transportation Privilege and Use Taxes, 0.2 percent dedicated Preserve Privilege and Use Taxes (expired June 30, 2025), 0.15 percent additional dedicated Preserve Privilege and Use Taxes, 0.15 percent Parks and Preserve Privilege and Use Taxes (effective July 1, 2025), 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 8 percent compared to the Budget, and decreased 18 percent compared to the same period a year ago.

Privilege (Sales) & Use Tax by Category and Fund

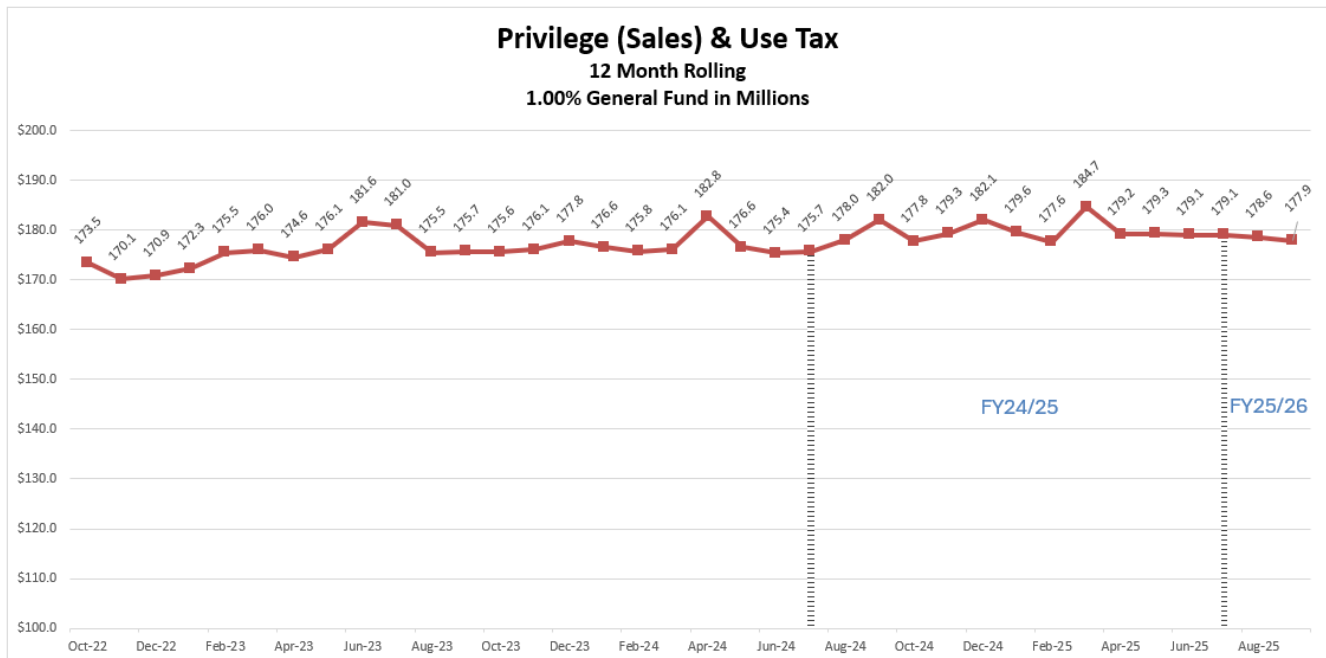
	Fiscal Year: Twelve Months				
	2023/24 <u>Actual</u>	2024/25 <u>Actual</u>	2025/26 <u>Adopted Budget</u>	2025/26 <u>Revised Budget</u>	2025/26 <u>Approved Adjustments</u>
<u>1.00% General Purpose</u>					
Amusement	n/a	n/a	\$2.9	\$2.9	\$0.0
Automotive	20.7	n/a	21.9	21.9	0.0
Construction	17.3	n/a	18.6	18.6	0.0
Dining/ Entertainment	16.8	n/a	15.7	15.7	0.0
Food Stores	9.7	n/a	9.3	9.3	0.0
Hotel/Motel	10.3	n/a	10.0	10.0	0.0
Major Dept. Stores	11.7	n/a	12.2	12.2	0.0
Manufacturing	n/a	n/a	2.2	2.2	0.0
Misc. Retail Stores	38.5	n/a	40.5	40.5	0.0
Other Activity	22.1	n/a	6.0	6.0	0.0
Rentals	22.8	n/a	14.4	14.4	0.0
Service with Retail	n/a	n/a	7.8	7.8	0.0
Utilities	5.4	n/a	5.8	5.8	0.0
Wholesale	n/a	n/a	3.5	3.5	0.0
Subtotal	\$175.4	n/a	\$170.8	\$170.8	\$0.0
0.10% Public Safety	\$17.3	n/a	\$17.4	\$17.4	\$0.0
0.20% Transportation 1990	33.6	n/a	33.6	33.6	0.0
0.10% Transportation 2019	17.3	n/a	16.8	16.8	0.0
0.20% McDowell Preserve 1995	34.5	n/a	-	-	0.0
0.15% Parks & Preserve 2025	n/a	n/a	25.2	25.2	0.0
0.15% McDowell Preserve 2004	25.9	n/a	25.2	25.2	0.0
Total	\$304.0	n/a	\$289.1	\$289.1	\$0.0

Rounding differences may occur

Privilege (Sales) & Use Tax by Category and Fund

Fiscal Year-to-Date: September 2025						
	2023/24	2024/25	2025/26	2025/26	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Favorable/(Unfavorable)	Amount
1.00% General Purpose						
Amusement	n/a	\$0.5	\$0.4	\$0.4	\$0.0	0%
Automotive	4.6	5.8	4.6	5.0	(0.4)	-7%
Construction	4.7	5.4	4.9	4.6	0.3	7%
Dining/ Entertainment	3.6	3.8	3.4	2.9	0.4	15%
Food Stores	2.2	2.6	1.9	1.9	0.0	0%
Hotel/Motel	1.5	1.6	1.3	1.3	0.0	0%
Major Dept. Stores	2.7	3.3	2.7	2.8	(0.1)	-5%
Manufacturing	n/a	0.6	0.9	0.4	0.5	102%
Misc. Retail Stores	8.3	10.5	9.1	8.3	0.8	10%
Other Activity	4.8	1.4	1.4	1.1	0.3	24%
Rentals	5.7	5.7	3.3	3.3	0.0	0%
Service w ith Retail	n/a	2.1	2.2	1.6	0.6	36%
Utilities	1.3	1.7	1.5	1.5	0.1	5%
Wholesale	n/a	0.9	0.8	0.6	0.2	29%
Subtotal	\$39.4	\$45.8	\$38.5	\$35.7	\$2.7	8%
0.10% Public Safety	\$3.9	\$4.5	\$3.8	\$4.0	(\$0.2)	-6%
0.20% Transportation 1990	7.7	8.7	7.3	7.8	(0.5)	-6%
0.10% Transportation 2019	3.9	4.5	3.8	3.9	(0.1)	-2%
0.20% McDow ell Preserve 1995	7.8	9.1	3.2	-	3.2	-
0.15% Parks & Preserve 2025	n/a	n/a	3.3	5.6	(2.3)	-41%
0.15% McDow ell Preserve 2004	5.9	6.8	5.7	5.8	(0.1)	-2%
Total	\$68.6	\$79.5	\$65.5	\$62.8	\$2.7	4%
% Change vs. Prior Year	-2%	16%	-18%	-21%		
Top 20 Taxpayers	\$13.9	\$16.8	\$14.1			
% of Total	20%	21%	22%			
% Change vs. Prior Year	-6%	21%	-16%			

Rounding differences may occur.



Amusement Sales Taxes

This category includes businesses such as movie theatres, golf courses, gyms, bowling centers, tours, and amusement arcades.

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

Automotive Sales Taxes

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

Actual to Revised Budget variance of (\$0.4) million or (7%); This is due in part to timing issue of when tax returns were filed this year versus last year in addition to some car dealers reporting a decrease in sales.

Construction Sales Taxes

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

Actual to Revised Budget variance of \$0.3 million or 7%: This is due in part to an increase in residential/commercial construction and one-time audit payments.

Dining/Entertainment Sales Taxes

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

Actual to Revised Budget variance of \$0.4 million or 15%: This is due in part to restaurants performing better than anticipated.

Food Stores Sales Taxes

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

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

Hotel/Motel Sales Taxes

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

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

Major Department Stores Sales Taxes

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

Actual to Revised Budget variance of (\$0.1) million or (5%); This is due in part to timing issue of when tax returns were filed this year versus last year.

Manufacturing Sales Taxes

This category includes businesses that have identified themselves as manufacturers.

Actual to Revised Budget variance of \$0.5 million or 102%: The variance is due in part to a large one-time audit payment.

Miscellaneous Retail Stores Sales Taxes

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

Actual to Revised Budget variance of \$0.8 million or 10%: This is due in part to timing issue of when tax returns were filed this year versus last year and some increases in sales.

Other Activity Sales Taxes

This category includes but not limited to publishers, banks, doctors, advertising, printing, education, and transportation. This also includes license fees, penalties, and interest.

Actual to Revised Budget variance of \$0.3 million or 24%: The variance is due in part to the businesses in this category doing better than anticipated.

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 \$0.0 million or 0%: No explanation necessary.

Services with Retail Sales Taxes

This category includes interior designers, lawyers, accountants, architects, beauty salons, barber shops, personal goods repair shops, computer services, photographers, and other personal care services.

Actual to Revised Budget variance of \$0.6 million or 36%: The variance is due in part to the businesses in this category doing better than anticipated and a one time audit payment.

Utilities Sales Taxes

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

Actual to Revised Budget variance of \$0.1 million or 5%: This is due in part to timing issue of when tax returns were filed this year versus last year.

Wholesale Sales Taxes

This category includes businesses that have identified themselves as wholesalers.

Actual to Revised Budget variance of \$0.2 million or 29%: The variance is due in part to the businesses in this category doing better than anticipated.



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

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.

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.

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.

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, Library and Public Safety - Police.

Interest Earnings - Revenues generated through investing activities of city funds throughout the year.

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

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.

Transfers In - Transfers In represents movements between funds as approved through the budget process.

GENERAL FUND USES

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

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

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

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

Contracts Payable includes payments required contractually for leases, other contractual obligations, 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, and maintenance. The State of Arizona requires the city to establish and maintain an accounting for Highway User Revenue Funds. The fund also accounts for the 1989 voter approved Transportation Privilege (Sales) Tax of 0.20 percent which is dedicated to funding transportation improvements and operations. Fifty percent of the 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 collected and reported in the CIP.

Tourism Development Fund is a Special Revenue Fund to account for the sources and uses related to tourism. Revenues consist of transient lodging tax (bed tax) and lease rental earnings from the Fairmont Scottsdale Princess Resort. 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 and effluent treated to irrigation standards. These different water types are delivered to 22 Reclaimed Water Distribution System golf courses, 3 Irrigation Water Distribution System 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, custom fees, and miscellaneous other charges.
- Privilege and Use Tax-Jet Fuel are charges earned from jet fuel sales by fixed based operators in accordance with the Scottsdale Revised Code, Article IV, Section 422.

Solid Waste Fund

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

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

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

Fleet Management 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 Management Fund.

Risk Management 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.

PC Replacement Fund

This fund is used to account for the expenditures associated with purchasing the city's computers, monitors, and printers. The replacement of computers, monitors, and printers (hardware) is charged to the city divisions as an internal operating cost based on the quantity and type of hardware used. The divisions' charges become revenue to the PC replacement Fund.