

Monthly Financial Report

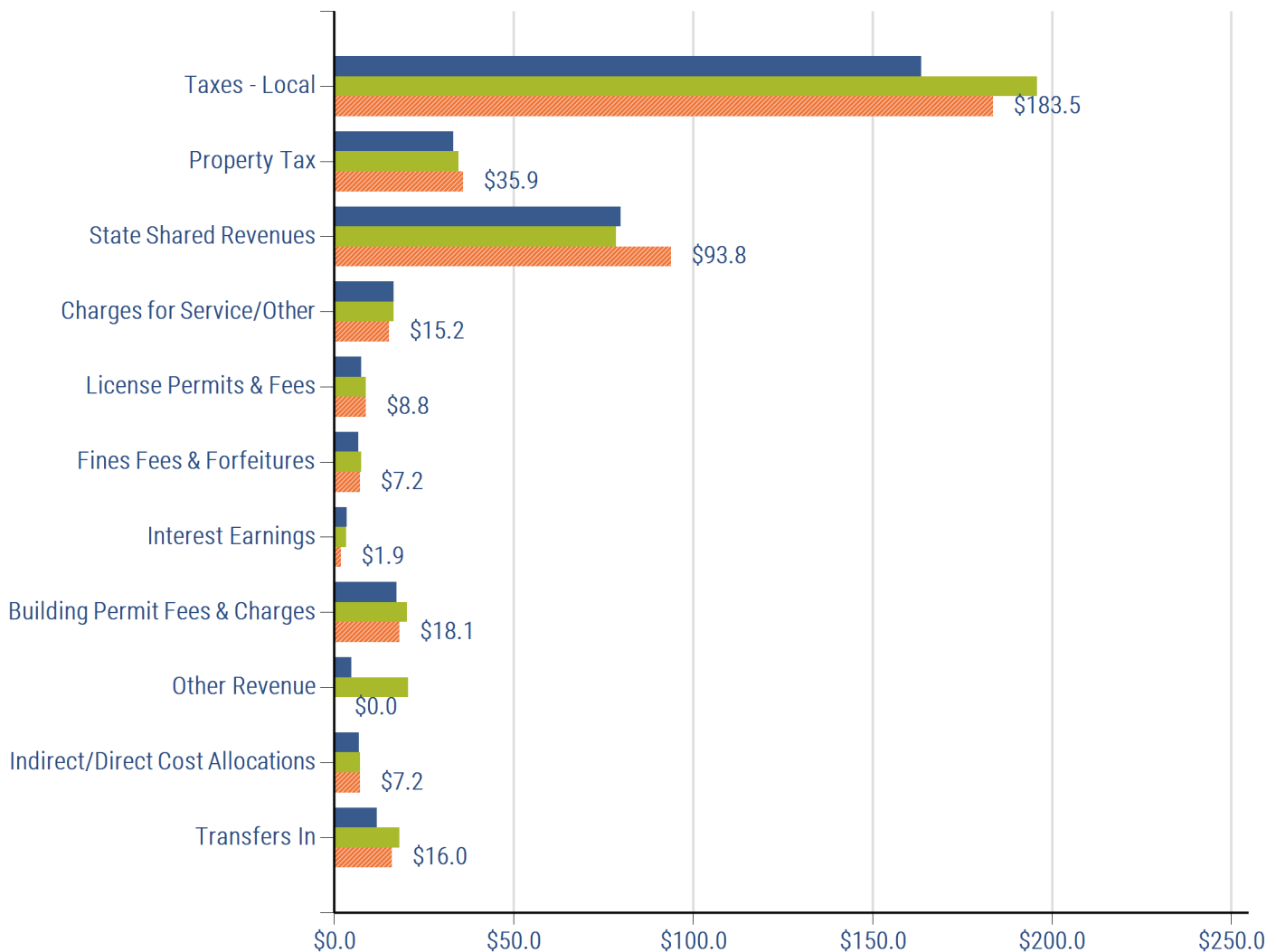
**Fiscal Year to Date as of
December 31, 2022**

Report to the City Council
Prepared by the City Treasurer
February 28, 2023

Sources

General Fund

Twelve Months: Fiscal Year

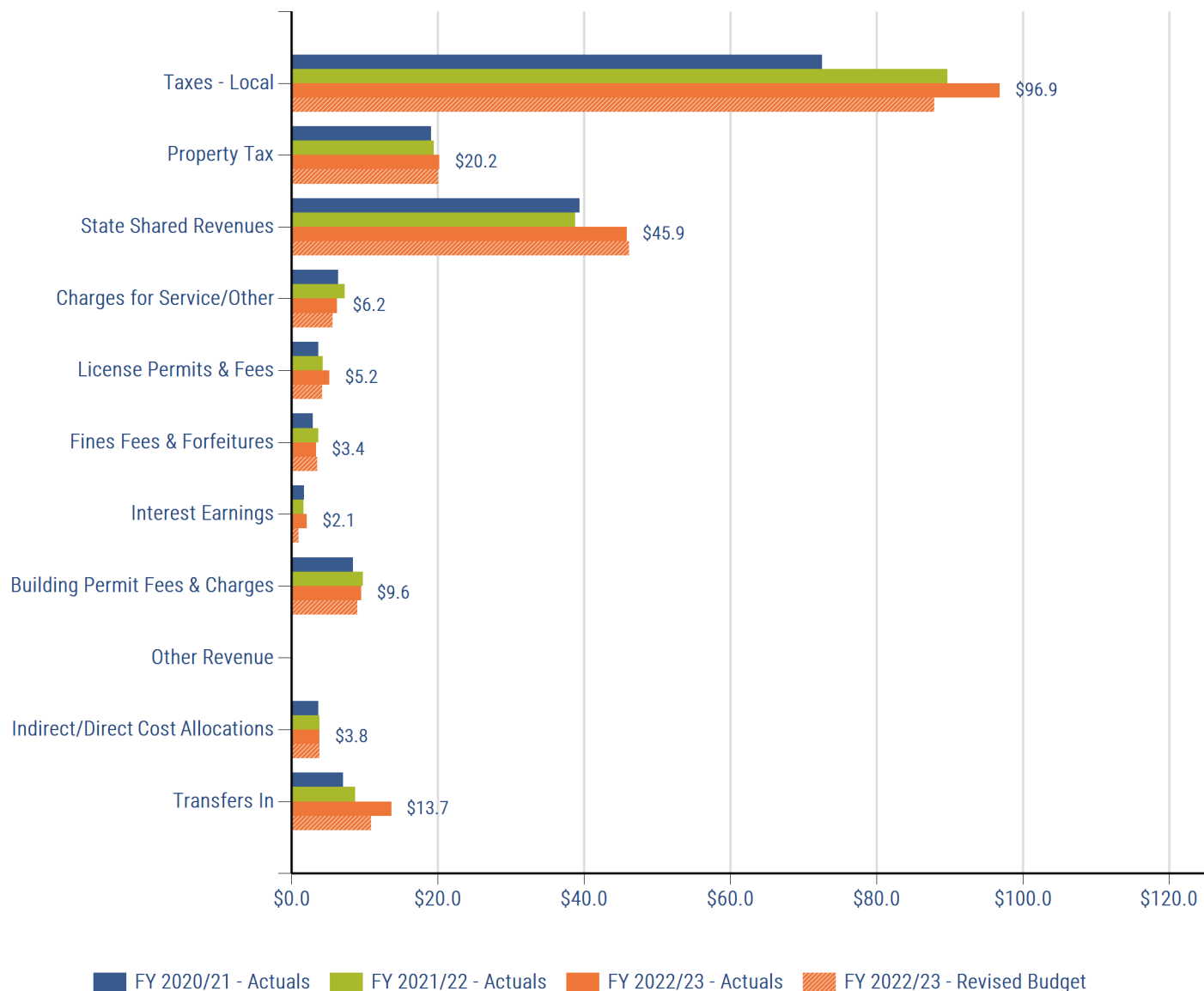


■ FY 2020/21 - Actuals
 ■ FY 2021/22 - Actuals
 ■ FY 2022/23 - Revised Budget

	FY 2020/21 <u>Actuals</u>	FY 2021/22 <u>Actuals</u>	FY 2022/23 <u>Revised Budget</u>
Taxes - Local	\$163.5	\$195.9	\$183.5
Property Tax	33.1	34.6	35.9
State Shared Revenues	79.7	78.5	93.8
Charges for Service/Other	16.5	16.6	15.2
License Permits & Fees	7.6	8.8	8.8
Fines Fees & Forfeitures	6.6	7.5	7.2
Interest Earnings	3.4	3.3	1.9
Building Permit Fees & Charges	17.4	20.3	18.1
Other Revenue	4.7	20.5	-
Indirect/Direct Cost Allocations	6.9	7.2	7.2
Transfers In	11.9	18.2	16.0
Total Sources	\$351.5	\$411.3*	\$387.7

* Does not include \$0.3 million General Accepted Accounting Principles (GAAP) adjustment. The GAAP adjustment was made to a change in methodology related to inventory.
\$ in millions / rounding differences may occur

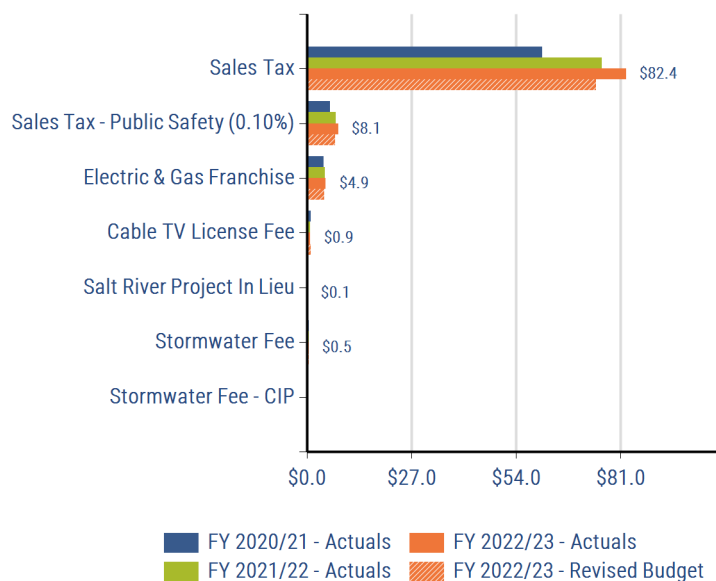
Sources (Fiscal Year to Date: December 2022)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$72.6	\$89.7	\$96.9	\$88.0	\$8.9	10%
Property Tax	19.1	19.5	20.2	20.1	0.1	1%
State Shared Revenues	39.4	38.8	45.9	46.2	(0.3)	(1%)
Charges for Service/Other	6.4	7.3	6.2	5.6	0.6	11%
License Permits & Fees	3.7	4.3	5.2	4.2	1.0	23%
Fines Fees & Forfeitures	2.9	3.7	3.4	3.5	(0.1)	(4%)
Interest Earnings	1.7	1.6	2.1	1.0	1.2	nm
Building Permit Fees & Charges	8.4	9.7	9.6	9.0	0.6	7%
Other Revenue	-	-	-	-	-	-
Indirect/Direct Cost Allocations	3.7	3.8	3.8	3.8	-	-
Transfers In	7.1	8.7	13.7	10.9	2.8	25%
Total Sources	\$165.0	\$187.2	\$206.9	\$192.2	\$14.7	8%

\$ in millions / rounding differences may occur

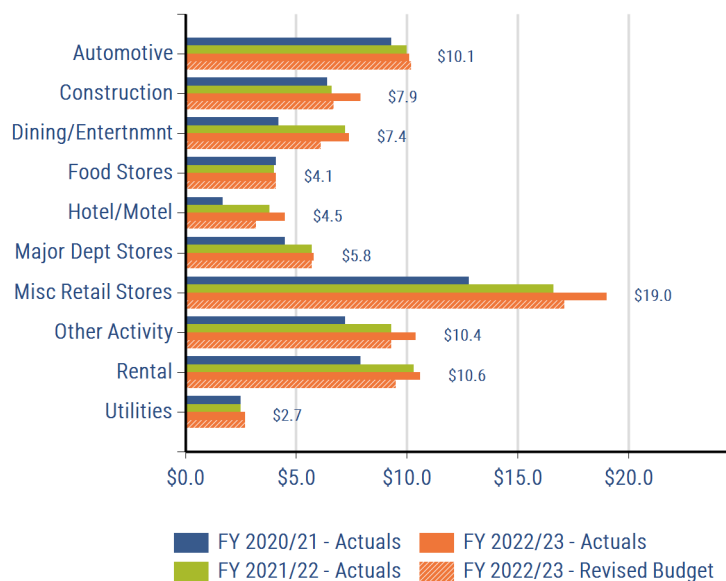
Taxes - Local (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of \$8.9 million or 10%. The favorable variance is primarily due to Sales Tax. See detailed Sales Tax information on page 5.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$60.7	\$76.1	\$82.4	\$74.6	\$7.8	10%
Sales Tax - Public Safety (0.10%)	5.9	7.5	8.1	7.3	0.8	11%
Electric & Gas Franchise	4.4	4.7	4.9	4.5	0.4	9%
Cable TV License Fee	1.0	0.9	0.9	1.0	(0.1)	(8%)
Salt River Project In Lieu	0.1	0.1	0.1	0.1	-	-
Stormwater Fee	0.5	0.5	0.5	0.5	-	-
Stormwater Fee - CIP	-	-	-	-	-	-
Taxes - Local Total	\$72.6	\$89.7	\$96.9	\$88.0	\$8.9	10%

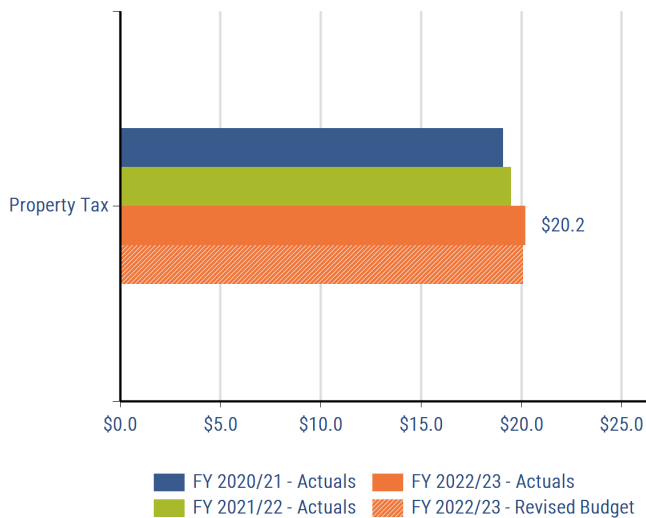
Sales Tax (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of \$7.8 million or 10%:
 The favorable variance is due to: 1) Construction - price increases from specialty contractors due to inflation and supply chain issues; 2) Dining/Entertainment - restaurants are doing better than anticipated, the variance is also largely related to inflation raising prices; and 3) Hotel/Motel - a one-time audit payment, hotels doing better than anticipated primarily as a result of continued price increases on room rates, and also timing differences of when payments were received this year vs. last year.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Automotive	\$9.3	\$10.0	\$10.1	\$10.2	(\$0.1)	(1%)
Construction	6.4	6.6	7.9	6.7	1.1	17%
Dining/Entertainment	4.2	7.2	7.4	6.1	1.3	22%
Food Stores	4.1	4.0	4.1	4.1	-	-
Hotel/Motel	1.7	3.8	4.5	3.2	1.4	43%
Major Dept Stores	4.5	5.7	5.8	5.7	0.1	1%
Misc Retail Stores	12.8	16.6	19.0	17.1	1.9	11%
Other Activity	7.2	9.3	10.4	9.3	1.1	12%
Rental	7.9	10.3	10.6	9.5	1.1	12%
Utilities	2.5	2.5	2.7	2.7	-	-
Sales Tax Total	\$60.7	\$76.1	\$82.4	\$74.6	\$7.8	10%

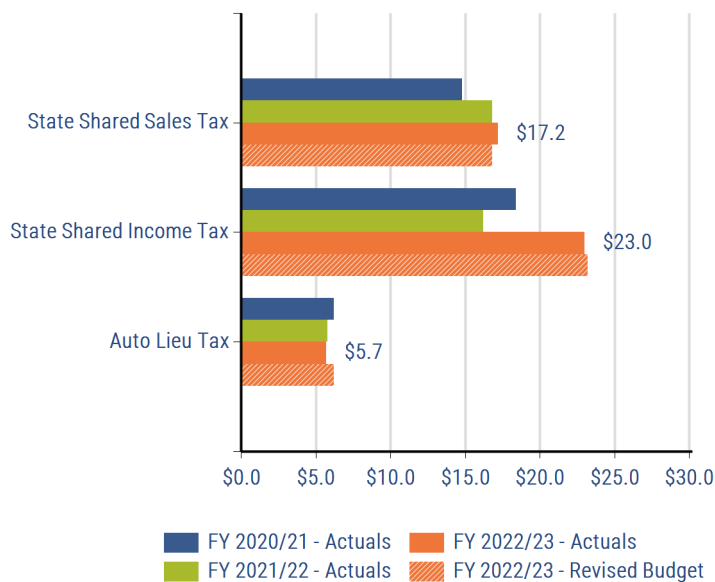
Property Tax (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of \$0.1 million or 1%:
No explanation necessary.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$19.1	\$19.5	\$20.2	\$20.1	\$0.1	1%
Property Tax Total	\$19.1	\$19.5	\$20.2	\$20.1	\$0.1	1%

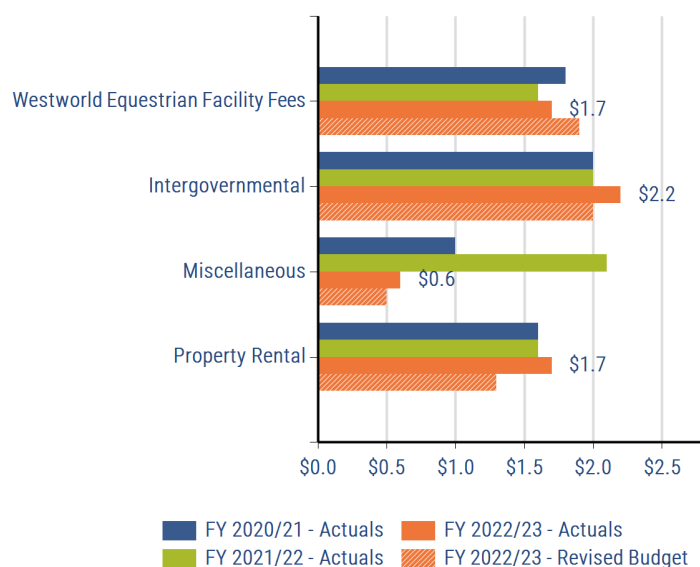
State Shared Revenues (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of (\$0.3) million or (1%):
State Shared Sales Tax is favorable due to strong consumer demand and inflation causing higher prices. The unfavorable variance in Auto Lieu Tax may be due to timing or will be trending unfavorable this fiscal year due to revised population counts and less vehicle license tax taken in by the State due to the global chip shortage. We are continuing to monitor throughout the fiscal year.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$14.8	\$16.8	\$17.2	\$16.8	\$0.4	2%
State Shared Income Tax	18.4	16.2	23.0	23.2	(0.2)	(1%)
Auto Lieu Tax	6.2	5.8	5.7	6.2	(0.5)	(8%)
State Shared Revenues Total	\$39.4	\$38.8	\$45.9	\$46.2	(\$0.3)	(1%)

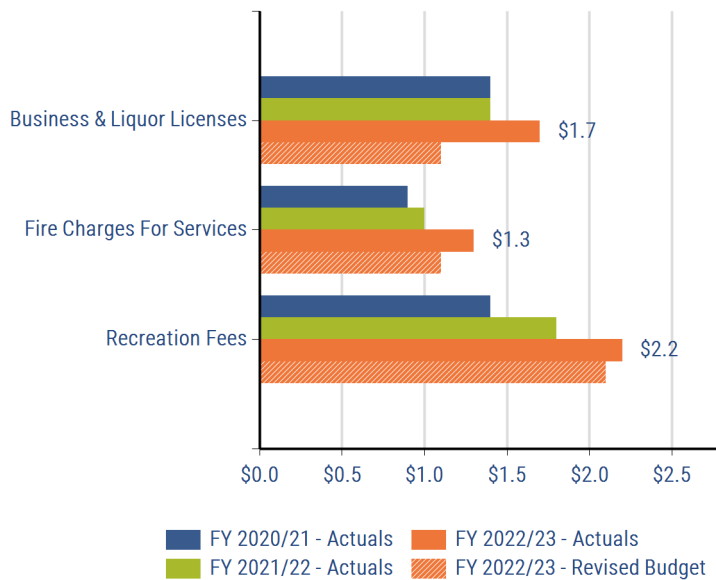
Charges for Service/Other (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of \$0.6 million or 11%: Intergovernmental is favorable primarily due to an increase in the Fire Insurance Premium Tax. Miscellaneous is favorable due to unbudgeted late fee revenue from cell tower leases. Property Rental is favorable due to timing of billings for cell towers and additional activity for outdoor dining leases.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Westworld Equestrian Facility Fees	\$1.8	\$1.6	\$1.7	\$1.9	(\$0.1)	(7%)
Intergovernmental	2.0	2.0	2.2	2.0	0.2	8%
Miscellaneous	1.0	2.1	0.6	0.5	0.1	25%
Property Rental	1.6	1.6	1.7	1.3	0.5	37%
Charges for Service/Other Total	\$6.4	\$7.3	\$6.2	\$5.6	\$0.6	11%

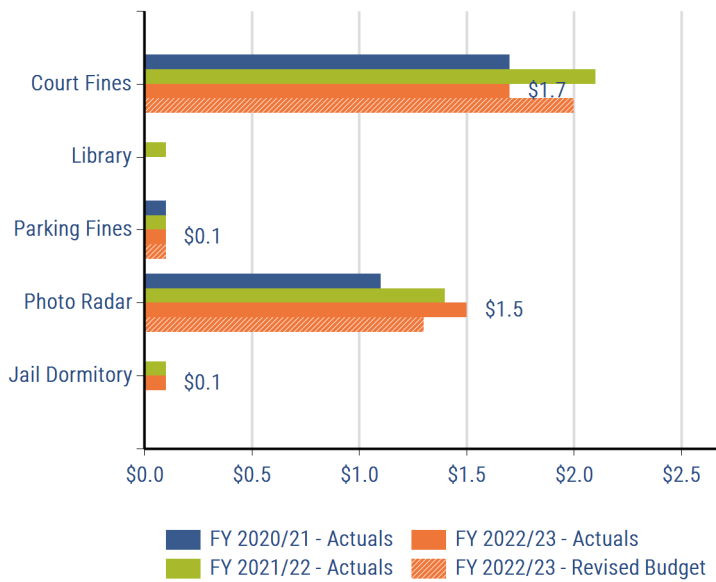
License Permits & Fees (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of \$1.0 million or 23%: Business & Liquor Licenses is favorable due to an accounting methodology change related to business licenses. We now recognize the revenue when it is billed versus when it is paid in the later months of the fiscal year. The variance is also due to the implementation of a Short Term Rental program requiring property operators to maintain a specific local license and background checks on guests, along with carrying liability insurance due to an update in the city's vacation rental ordinance. Fire Charges for Services is favorable primarily due to increased revenue from added fees for extended call for service wait times from the city's ambulance vendor being greater than the contracted time allotted.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Business & Liquor Licenses	\$1.4	\$1.4	\$1.7	\$1.1	\$0.6	57%
Fire Charges For Services	0.9	1.0	1.3	1.1	0.2	23%
Recreation Fees	1.4	1.8	2.2	2.1	0.1	5%
License Permits & Fees Total	\$3.7	\$4.3	\$5.2	\$4.2	\$1.0	23%

Fines Fees & Forfeitures (Fiscal Year to Date: December 2022)

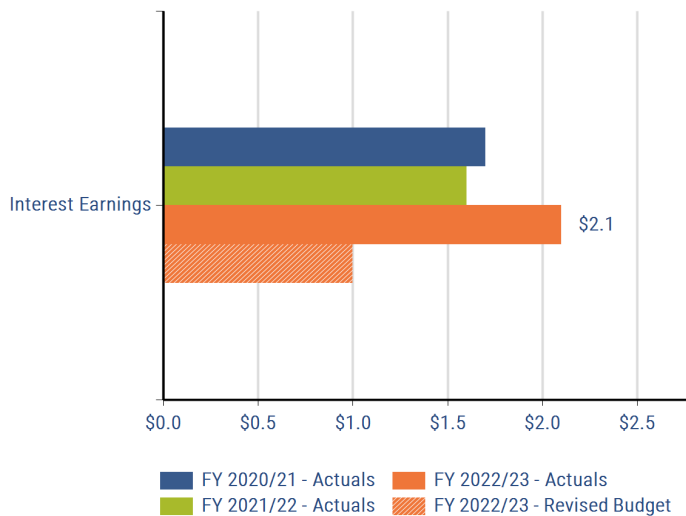


Actual to Revised Budget variance of (\$0.1) million or (4%): Court Fines is unfavorable due to civil traffic (non-photo enforcement) filings and adjudications being less than anticipated. Photo Radar is favorable due to increased filings.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$1.7	\$2.1	\$1.7	\$2.0	(\$0.3)	(16%)
Library	-	0.1	-	-	-	-
Parking Fines	0.1	0.1	0.1	0.1	-	-
Photo Radar	1.1	1.4	1.5	1.3	0.2	15%
Jail Dormitory	-	0.1	0.1	-	-	-
Fines Fees & Forfeitures Total	\$2.9	\$3.7	\$3.4	\$3.5	(\$0.1)	(4%)

Interest Earnings (Fiscal Year to Date: December 2022)

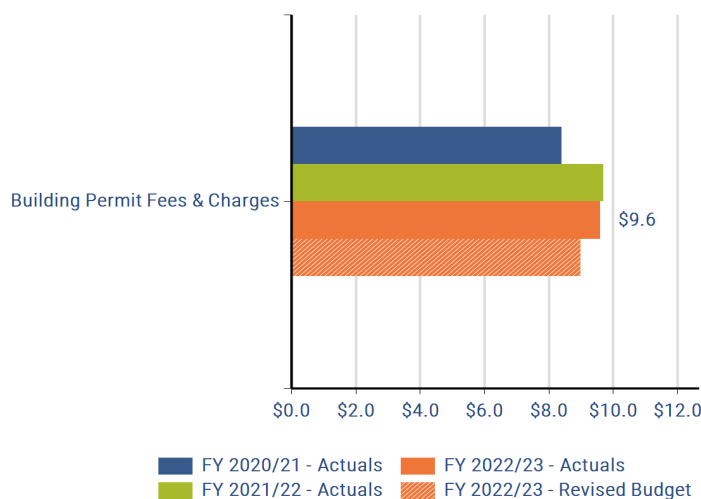
Actual to Revised Budget variance of \$1.2 million or nm: Interest Earnings is favorable due to the approximate rate of return being higher than expected.



	<u>FY 2020/21 Actuals</u>	<u>FY 2021/22 Actuals</u>	<u>FY 2022/23 Actuals</u>	<u>FY 2022/23 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Interest Earnings	\$1.7	\$1.6	\$2.1	\$1.0	\$1.2	nm
Interest Earnings Total	\$1.7	\$1.6	\$2.1	\$1.0	\$1.2	nm

Building Permit Fees & Charges (Fiscal Year to Date: December 2022)

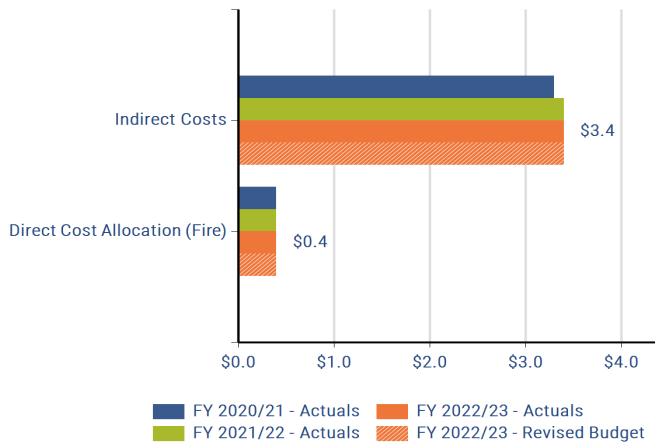
Actual to Revised Budget variance of \$0.6 million or 7%: Building Permit Fees & Charges is favorable due to higher than anticipated activity for building and encroachment permits and plan review fees.



	<u>FY 2020/21 Actuals</u>	<u>FY 2021/22 Actuals</u>	<u>FY 2022/23 Actuals</u>	<u>FY 2022/23 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Building Permit Fees & Charges	\$8.4	\$9.7	\$9.6	\$9.0	\$0.6	7%
Building Permit Fees & Charges Total	\$8.4	\$9.7	\$9.6	\$9.0	\$0.6	7%

Indirect/Direct Cost Allocations (Fiscal Year to Date: December 2022)

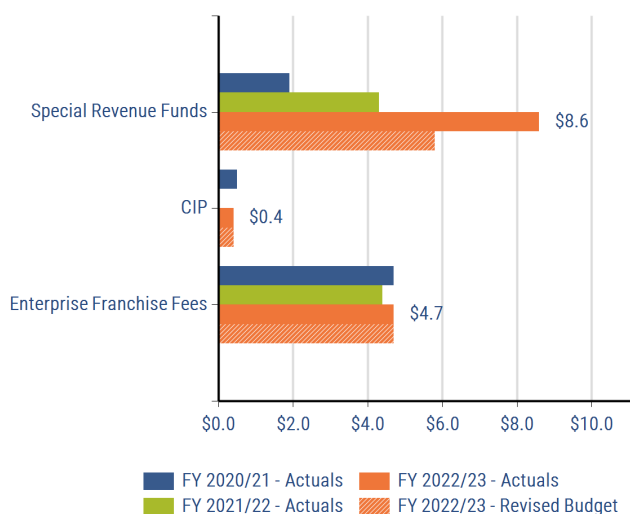
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$3.3	\$3.4	\$3.4	\$3.4	\$ -	-
Direct Cost Allocation (Fire)	0.4	0.4	0.4	0.4	-	-
Indirect/Direct Cost Allocations Total	\$3.7	\$3.8	\$3.8	\$3.8	\$ -	-

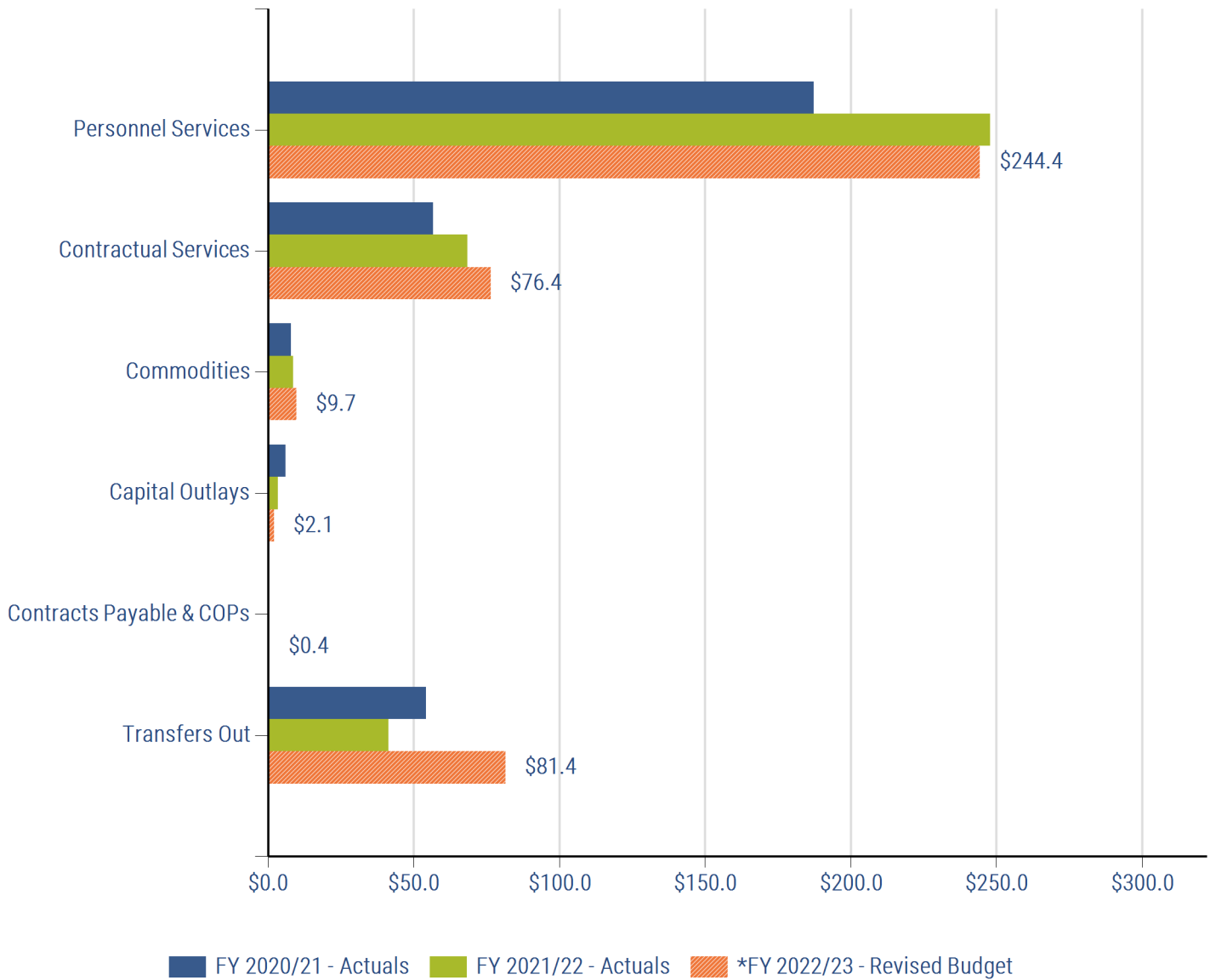
Transfers In (Fiscal Year to Date: December 2022)

Actual to Revised Budget variance of \$2.8 million or 25%:
Transfers In Special Revenue Funds is favorable due to a transfer for the remaining Scottsdale AZ Cares funding that moved into the General Fund as projects are being completed.



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Special Revenue Funds	\$1.9	\$4.3	\$8.6	\$5.8	\$2.8	48%
CIP	0.5	-	0.4	0.4	-	-
Enterprise Franchise Fees	4.7	4.4	4.7	4.7	-	-
Transfers In Total	\$7.1	\$8.7	\$13.7	\$10.9	\$2.8	25%

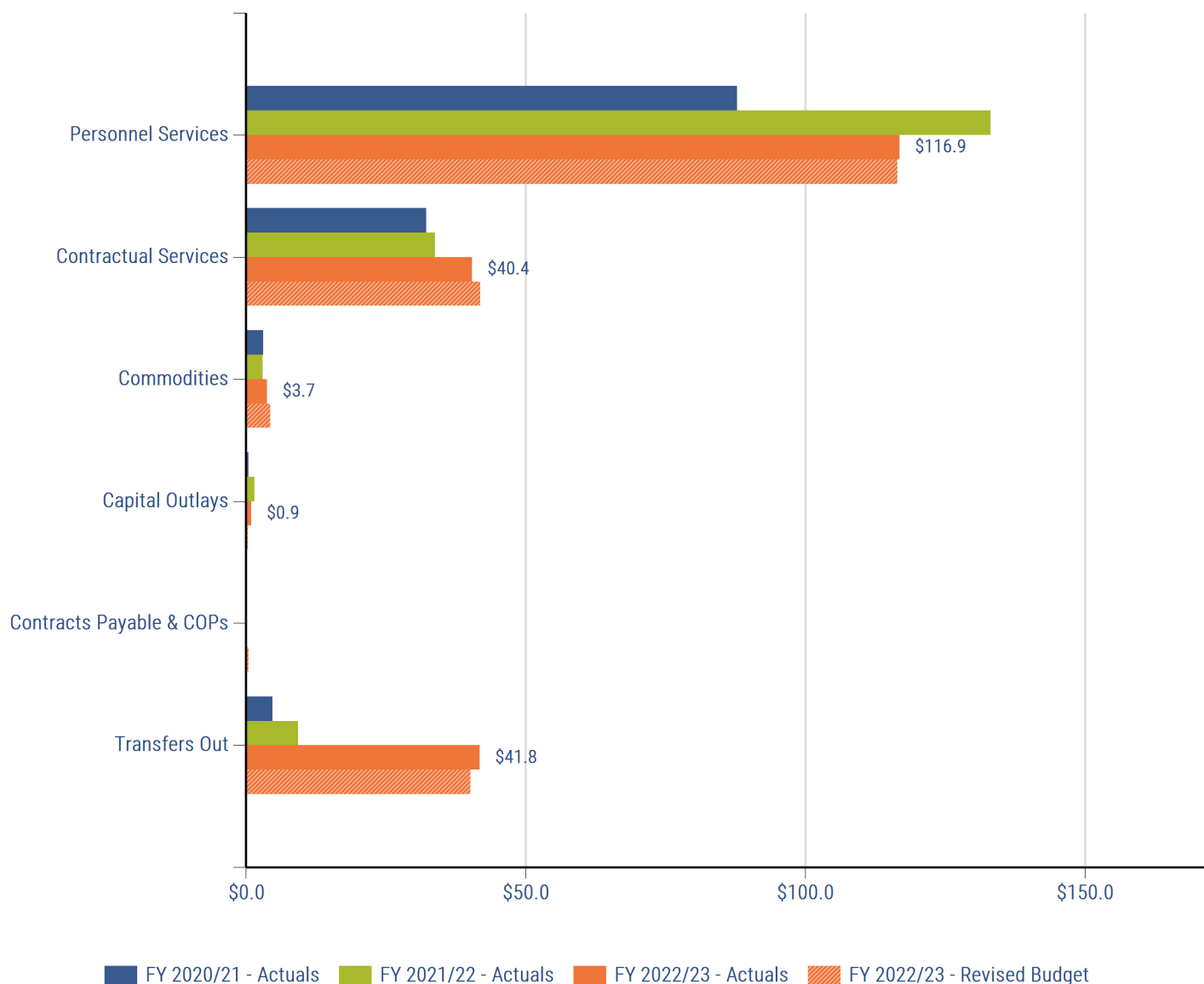
Twelve Months: Fiscal Year



	FY 2020/21 <u>Actuals</u>	FY 2021/22 <u>Actuals</u>	FY 2022/23 <u>Revised Budget</u>
Personnel Services	\$187.3	\$247.9	\$244.4
Contractual Services	56.6	68.4	76.4
Commodities	7.8	8.7	9.7
Capital Outlays	6.0	3.4	2.1
Contracts Payable & COPs	0.4	0.4	0.4
Transfers Out	54.3	41.4	81.4
Total Uses	\$312.5	\$370.2	\$414.5

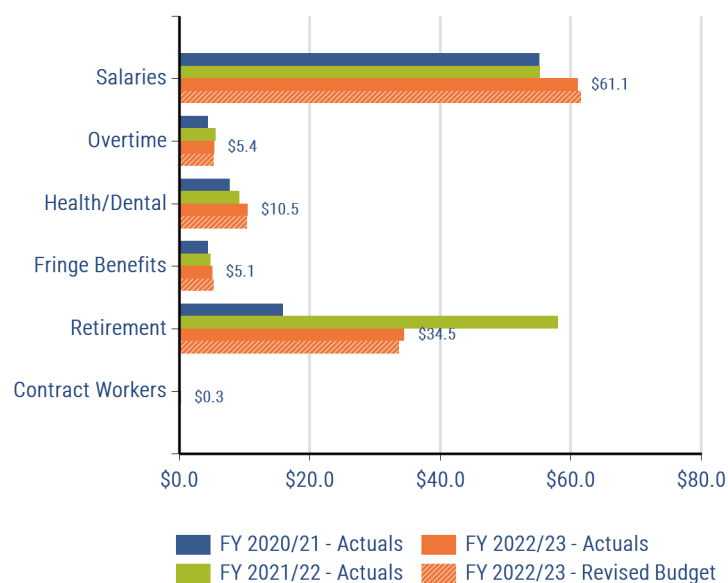
*Includes budgeted vacancy savings net of Leave Accrual Payouts, Utilities, Fleet Maintenance and Fuel costs.

Uses (Fiscal Year to Date: December 2022)



	FY 2020/21	FY 2021/22	FY 2022/23	FY 2022/23	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$87.8	\$133.1	\$116.9	\$116.5	(\$0.4)	0%
Contractual Services	32.2	33.8	40.4	41.9	1.5	4%
Commodities	3.1	3.0	3.7	4.3	0.6	13%
Capital Outlays	0.5	1.6	0.9	0.4	(0.6)	nm
Contracts Payable & COPs	-	-	-	0.4	0.4	100%
Transfers Out	4.8	9.3	41.8	40.1	(1.6)	(4%)
Total Uses	\$128.4	\$180.7	\$203.7	\$203.6	(\$0.1)	0%

Personnel Services (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of (\$0.4) million or 0%: Salaries is favorable primarily due to newer employees having a lower salary than the employees they replaced and also from savings in part-time wages caused by the difficult job market. Overtime is unfavorable primarily due to continued short staffing levels within the Fire Department. Retirement is unfavorable due to PSPRS refunds made on behalf of PSPRS to members due to a change in the member contribution rate. Contract workers is unfavorable due to recent retirees coming back to work with the city as a contract employee.

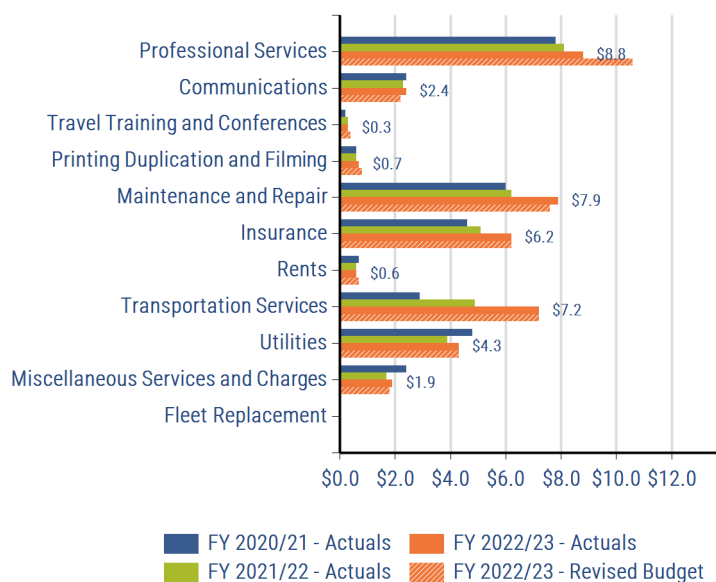
	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries	\$55.2	\$55.3	\$61.1	\$61.6	\$0.6	1%
Overtime	4.4	5.6	5.4	5.3	(0.1)	(2%)
Health/Dental	7.8	9.3	10.5	10.4	-	-
Fringe Benefits	4.4	4.8	5.1	5.3	0.2	4%
Retirement	15.9	58.1	34.5	33.7	(0.9)	(3%)
Contract Workers	0.1	0.1	0.3	0.2	(0.2)	nm
Personnel Services Total	\$87.8	\$133.1	\$116.9	\$116.5	(\$0.4)	0%

Personnel Services Citywide Adjustments

	FY 2022/23 Adopted Budget	FY 2022/23 Year-To-Date Saved/(Used)	Remaining
Citywide Pay Program	\$5.4	(\$3.1)	\$2.3
Vacancy Savings	(7.4)	6.7	(0.7)
Medical Leave Payouts	1.3	(0.6)	0.7
Vacation Leave Payouts	1.0	(0.8)	0.2
Vacation Trade Payouts	1.3	(1.1)	0.2
Compensation Other	10.4	(10.4)	-
Personnel Services Citywide Adjustments Total	\$11.9	(\$9.2)	

Total Saved/(Used) YTD of (\$9.2) million: Expenses in Citywide Pay Program and Compensation Other were used to support employees salaries when evaluated against inflation impacts and to provide merit based pay increases to employees meeting or exceeding performance expectations. In addition, the city has achieved \$6.7 million in vacancy savings. This is partially offset by (\$2.5 million) in vacation and medical leave payouts and vacation trade payouts.

Contractual Services (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of \$1.5 million or 4%: Professional Services is favorable primarily due to timing for large city projects. Communications is unfavorable primarily due to timing. Maintenance and Repair is unfavorable primarily due to timing for citywide software and technology. Miscellaneous Services and Charges is unfavorable due to FY 2021/22 projects being completed in FY 2022/23.

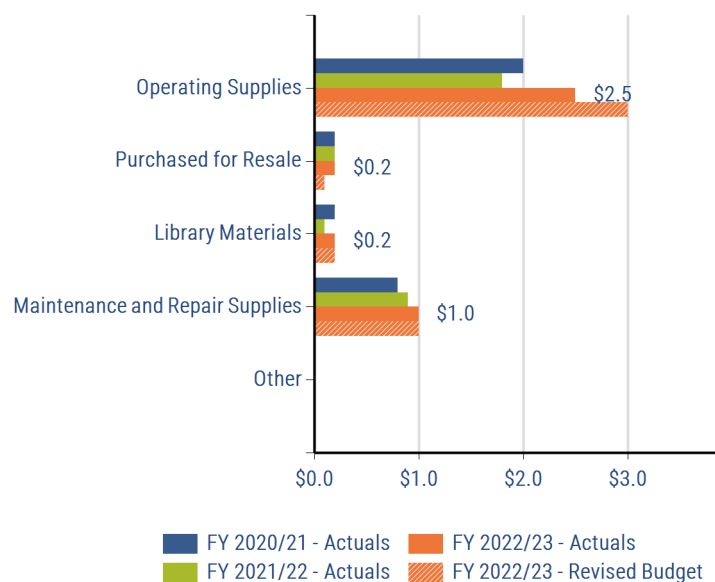
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2022/23	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Professional Services	\$7.8	\$8.1	\$8.8	\$10.6	\$1.8	17%
Communications	2.4	2.3	2.4	2.2	(0.2)	(9%)
Travel Training and Conferences	0.2	0.3	0.3	0.4	0.1	22%
Printing Duplication and Filming	0.6	0.6	0.7	0.8	0.1	13%
Maintenance and Repair	6.0	6.2	7.9	7.6	(0.2)	(3%)
Insurance	4.6	5.1	6.2	6.2	-	-
Rents	0.7	0.6	0.6	0.7	-	-
Transportation Services	2.9	4.9	7.2	7.2	-	-
Utilities	4.8	3.9	4.3	4.3	-	-
Miscellaneous Services and Charges	2.4	1.7	1.9	1.8	(0.2)	(10%)
Fleet Replacement	-	-	-	-	-	-
Contractual Services Total	\$32.2	\$33.8	\$40.4	\$41.9	\$1.5	4%

Contractual Services Citywide Adjustments

	FY 2022/23	FY 2022/23	
	Adopted Budget	Year-To-Date Used	Remaining
Fleet Replacement	\$8.1	(\$8.1)	\$ -
Fuel and Maint and Repair	6.0	(3.2)	2.8
Utilities	8.4	(4.3)	4.1
Contractual Services Citywide Adjustments Total	\$22.5	(\$15.6)	\$6.9

Total Saved/(Used) YTD of (\$15.6) million: Through December, utilities are trending higher due to increased water usage and higher than anticipated market rates for electric caused by inflation.

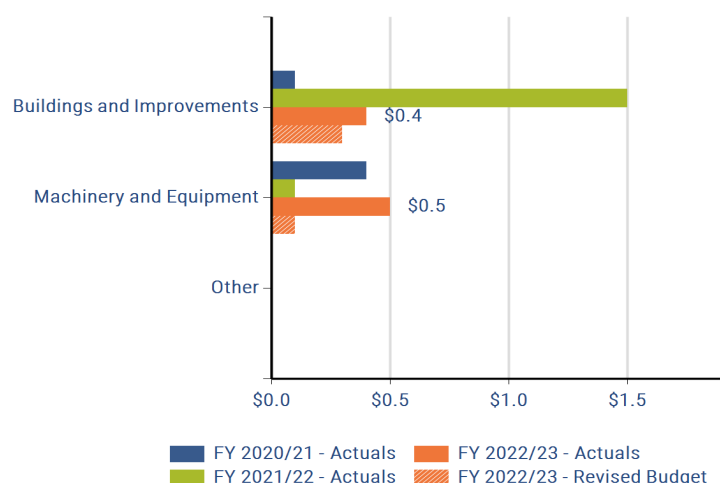
Commodities (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of \$0.6 million or 13%: Operating Supplies is favorable due to timing caused by supply chain and shipping delays. Purchased for Resale is unfavorable due to timing of purchases needed earlier than expected for events at WestWorld. Library Materials is favorable due to budget timing.

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2022/23	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$2.0	\$1.8	\$2.5	\$3.0	\$0.5	17%
Purchased for Resale	0.2	0.2	0.2	0.1	(0.1)	(48%)
Library Materials	0.2	0.1	0.2	0.2	0.1	37%
Maintenance and Repair Supplies	0.8	0.9	1.0	1.0	-	-
Other	-	-	-	-	-	-
Commodities Total	\$3.1	\$3.0	\$3.7	\$4.3	\$0.6	13%

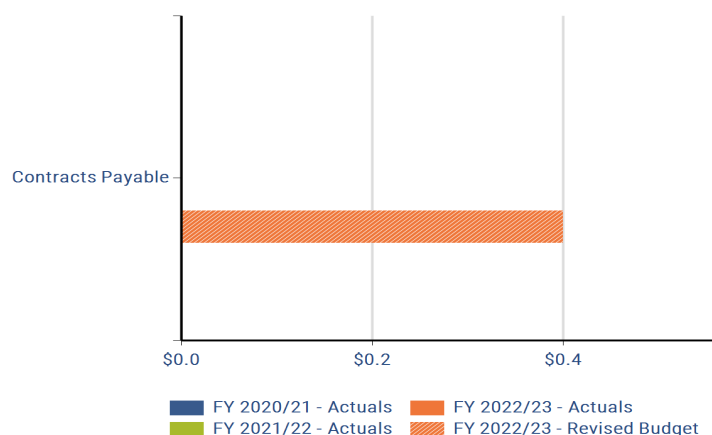
Capital Outlays (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of (\$0.6) million or nm: Buildings and Improvements is unfavorable due to an unbudgeted Audio Visual (AV) Stadium project expense. Machinery and Equipment is unfavorable due to unbudgeted AV equipment purchases for the Stadium project and also due to items ordered and budgeted in FY 2021/22 arriving in FY 2022/23.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$0.1	\$1.5	\$0.4	\$0.3	(\$0.1)	(50%)
Machinery and Equipment	0.4	0.1	0.5	0.1	(0.4)	nm
Other	-	-	-	-	-	n/a
Capital Outlays Total	\$0.5	\$1.6	\$0.9	\$0.4	(\$0.6)	nm

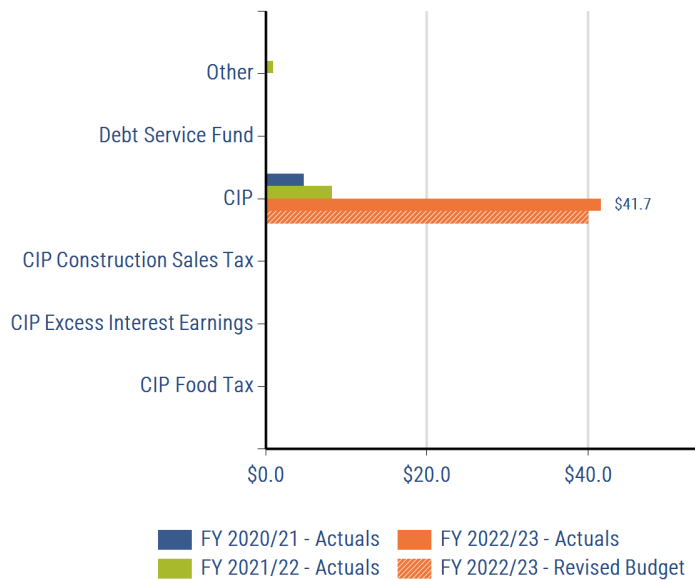
Contracts Payable & COPs (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of \$0.4 million or 100%: Contracts Payable is favorable due to timing, the variance will be clear in future months.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Contracts Payable	\$ -	\$ -	\$ -	\$0.4	\$0.4	100%
Contracts Payable & COPs Total	\$0.0	\$0.0	\$0.0	\$0.4	\$0.4	100%

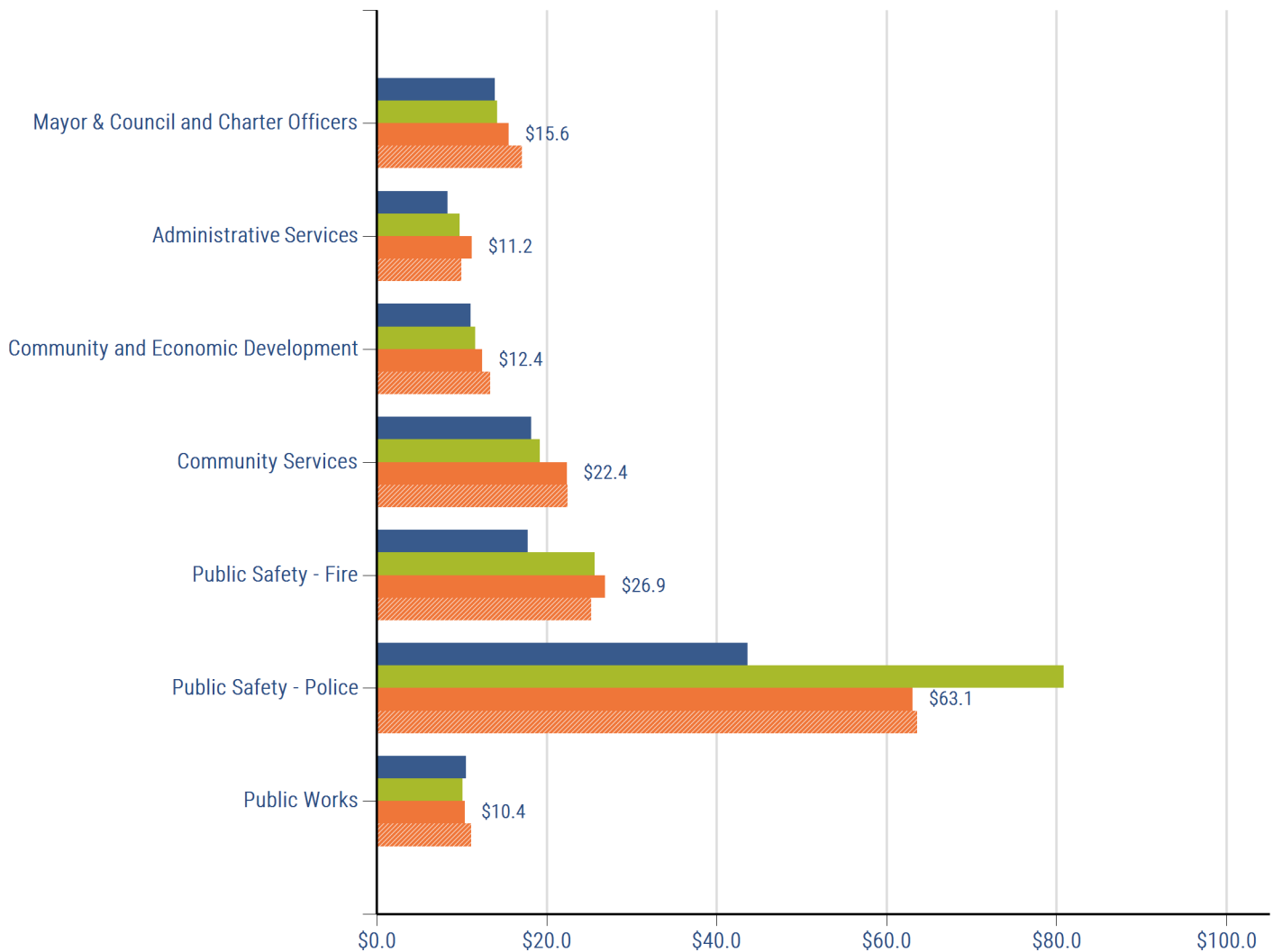
Transfers Out (Fiscal Year to Date: December 2022)



Actual to Revised Budget variance of (\$1.6) million or (4%): Transfers Out - CIP is unfavorable due to an unbudgeted transfer that was approved by City Council at November 21st City Council Meeting to authorize the purchase of four ambulances for Phase 1 of the Certification of Necessity (CON), (Resolution No. 12660). Budget and Actuals for Transfer Out- CIP are significantly higher in FY 2022/23 than previous years due to planned budget transfers from the General Fund to CIP to be allocated towards various CIP and Bond 2019 projects that were recognized to have shortfalls during construction process.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Other	\$ -	\$1.0	\$ -	\$ -	\$ -	n/a
Debt Service Fund	-	-	-	-	-	-
CIP	4.8	8.3	41.7	40.1	(1.6)	(4%)
CIP Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
Transfers Out Total	\$4.8	\$9.3	\$41.8	\$40.1	(\$1.6)	(4%)

Division Expenditures (Fiscal Year to Date: December 2022)



■ FY 2020/21 - Actuals
 ■ FY 2021/22 - Actuals
 ■ FY 2022/23 - Actuals
 ■ FY 2022/23 - Revised Budget

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2022/23	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$13.9	\$14.2	\$15.6	\$17.1	\$1.6	9%
Administrative Services	8.4	9.8	11.2	10.0	(1.2)	(12%)
Community and Economic Development	11.1	11.6	12.4	13.4	1.0	7%
Community Services	18.2	19.2	22.4	22.5	0.1	0%
Public Safety - Fire	17.8	25.7	26.9	25.3	(1.6)	(6%)
Public Safety - Police	43.6	80.8	63.1	63.6	0.5	1%
Public Works	10.6	10.1	10.4	11.1	0.8	7%
Total	\$123.6	\$171.4	\$162.0	\$163.1	\$1.1	1%

Actual to Revised Budget variance of \$1.1 million or 1%:

Mayor & Council and Charter Officers is favorable due to: 1) a delay in replacing the outdated Enterprise Resource Planning system (ERP); 2) timing on citizen focused projects; and 3) vacancy savings and lower salary rates for newer employees than those they replaced.

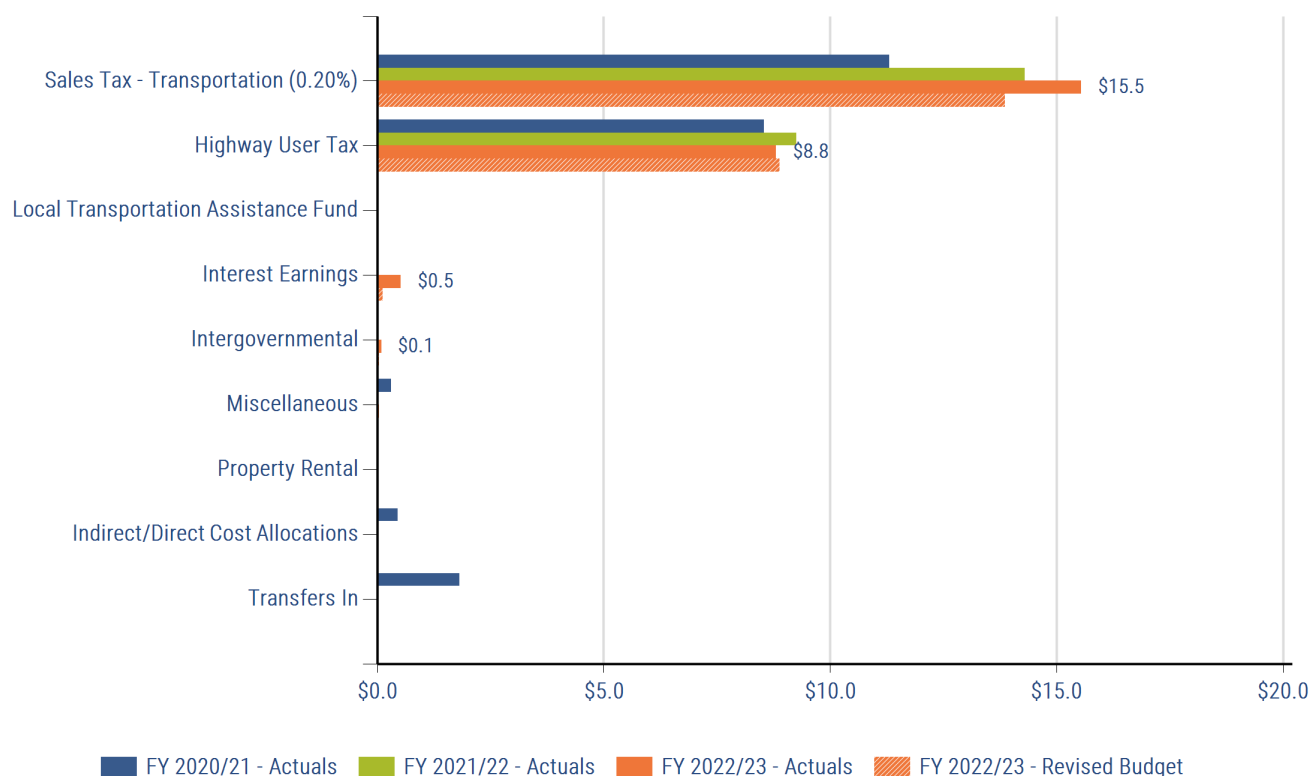
Administrative Services is unfavorable due to: 1) timing of large citywide software invoices; and 2) delayed invoices upon project completion for stadium AV (audio visual) projects from FY 2021/22.

Community & Economic Development is favorable due to: 1) delays in developing a storm water master plan, and 2) invoice timing.

Public Safety - Fire is unfavorable due to: 1) increased overtime costs caused by short staffing levels. Overtime is needed when personnel is out of work for a variety of reasons, or required to attend trainings and/or paramedic school, to maintain minimum staffing levels for emergency response; and 2) PSPRS refunds made on behalf of PSPRS to members due to a change in the member contribution rate.

Public Works is favorable due to: 1) Supply chain issues causing a delay in the delivery of items needed to finish projects; and 2) fewer deep cleanings and custodial services than anticipated.

Sources (Fiscal Year to Date: December 2022)

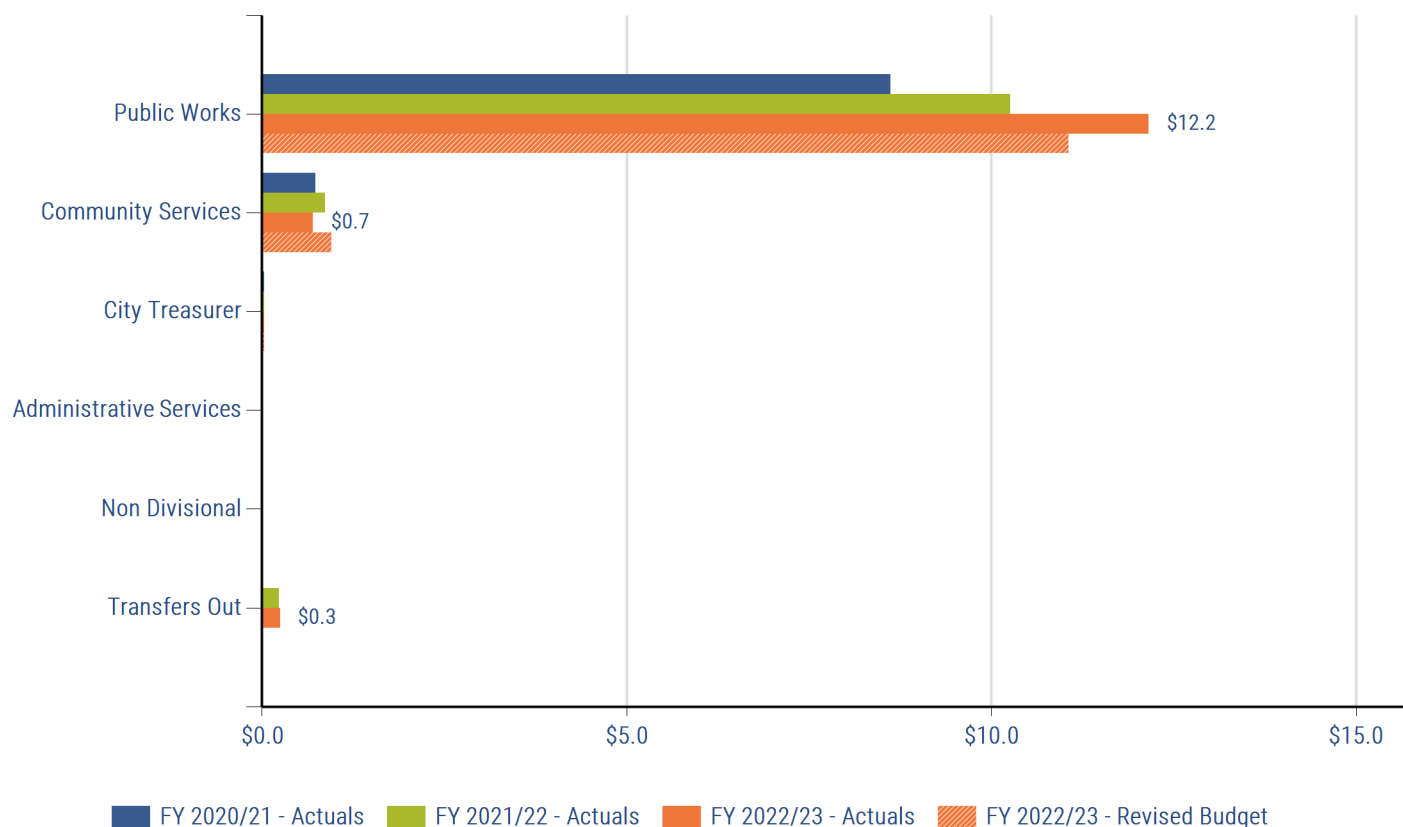


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax - Transportation (0.20%)	\$11.3	\$14.3	\$15.5	\$13.9	\$1.7	12%
Highway User Tax	8.5	9.3	8.8	8.9	(0.1)	(1%)
Local Transportation Assistance Fund	-	-	-	-	-	-
Interest Earnings	-	-	0.5	0.1	0.4	nm
Intergovernmental	-	-	0.1	-	-	-
Miscellaneous	0.3	-	-	-	-	-
Property Rental	-	-	-	-	-	-
Indirect/Direct Cost Allocations	0.5	-	-	-	-	-
Transfers In	1.8	-	-	-	-	-
Total Sources	\$22.4	\$23.6	\$25.0	\$22.9	\$2.1	9%

Actual to Revised Budget variance of \$2.1 million or 9%: Sales Tax - Transportation (0.20%) is favorable due to Sales Tax, see page 5 for explanations by category. Interest earnings is favorable due to the approximate rate of return being higher than expected.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: December 2022)

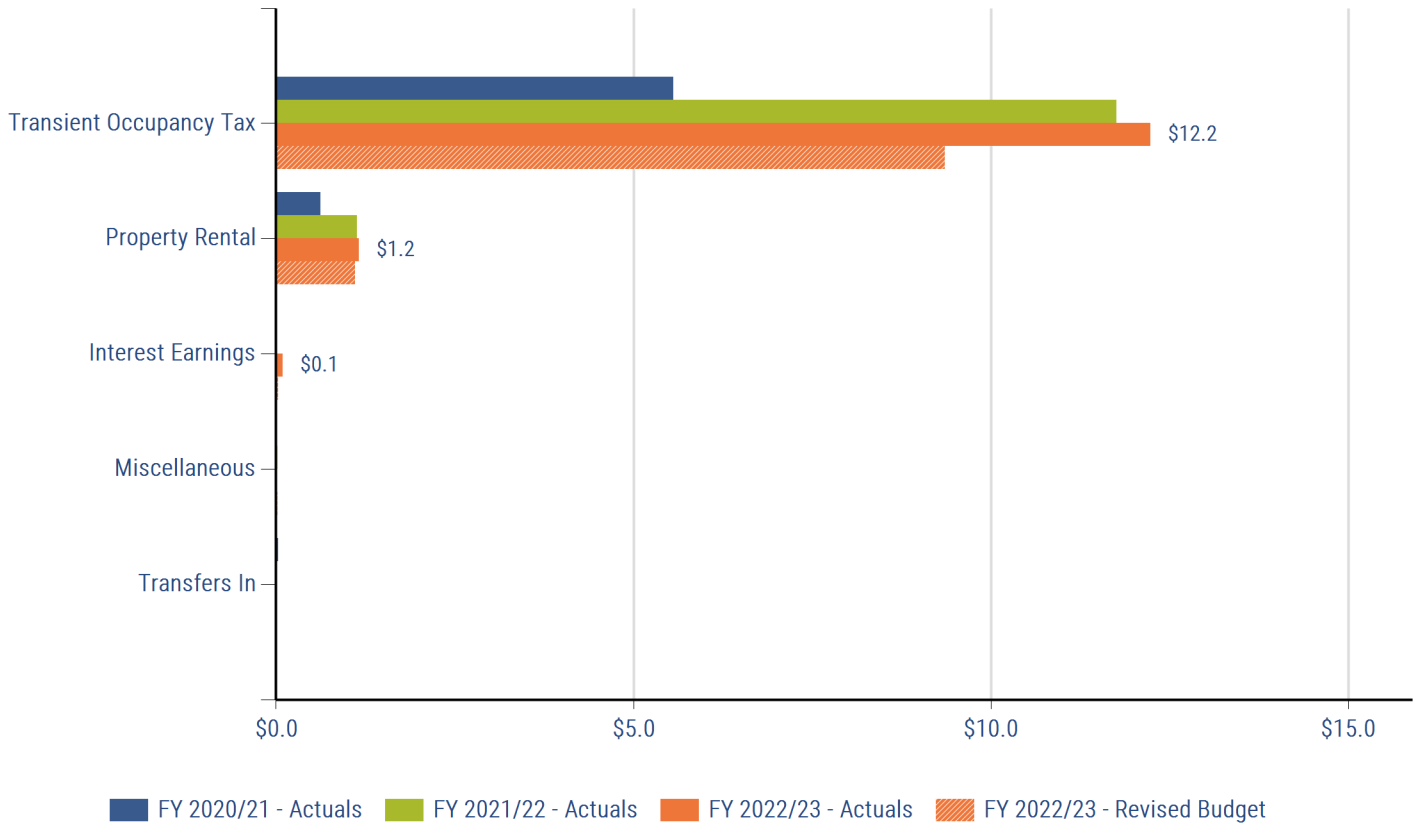


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$8.6	\$10.3	\$12.2	\$11.1	(\$1.1)	(10%)
Community Services	0.7	0.9	0.7	1.0	0.3	27%
City Treasurer	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-
Non Divisional	-	-	-	-	-	-
Transfers Out	-	0.2	0.3	-	(0.3)	n/a
Total Uses	\$9.4	\$11.4	\$13.2	\$12.1	(\$1.1)	(9%)

Actual to Revised Budget variance of (\$1.1) million or (9%): The unfavorable variance in Public Works is primarily due to accelerated schedule to meet the needs of pavement preservation. This line item is anticipated to correct itself by year end. Community Services is favorable due to lower than projected right-of-way median maintenance and tree pruning services. Transfers Out is unfavorable due to an unbudgeted transfer that was approved by City Council at the October 25th City Council meeting to fund the North Corporation Yard Garage CIP project (Resolution No.12620).

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: December 2022)

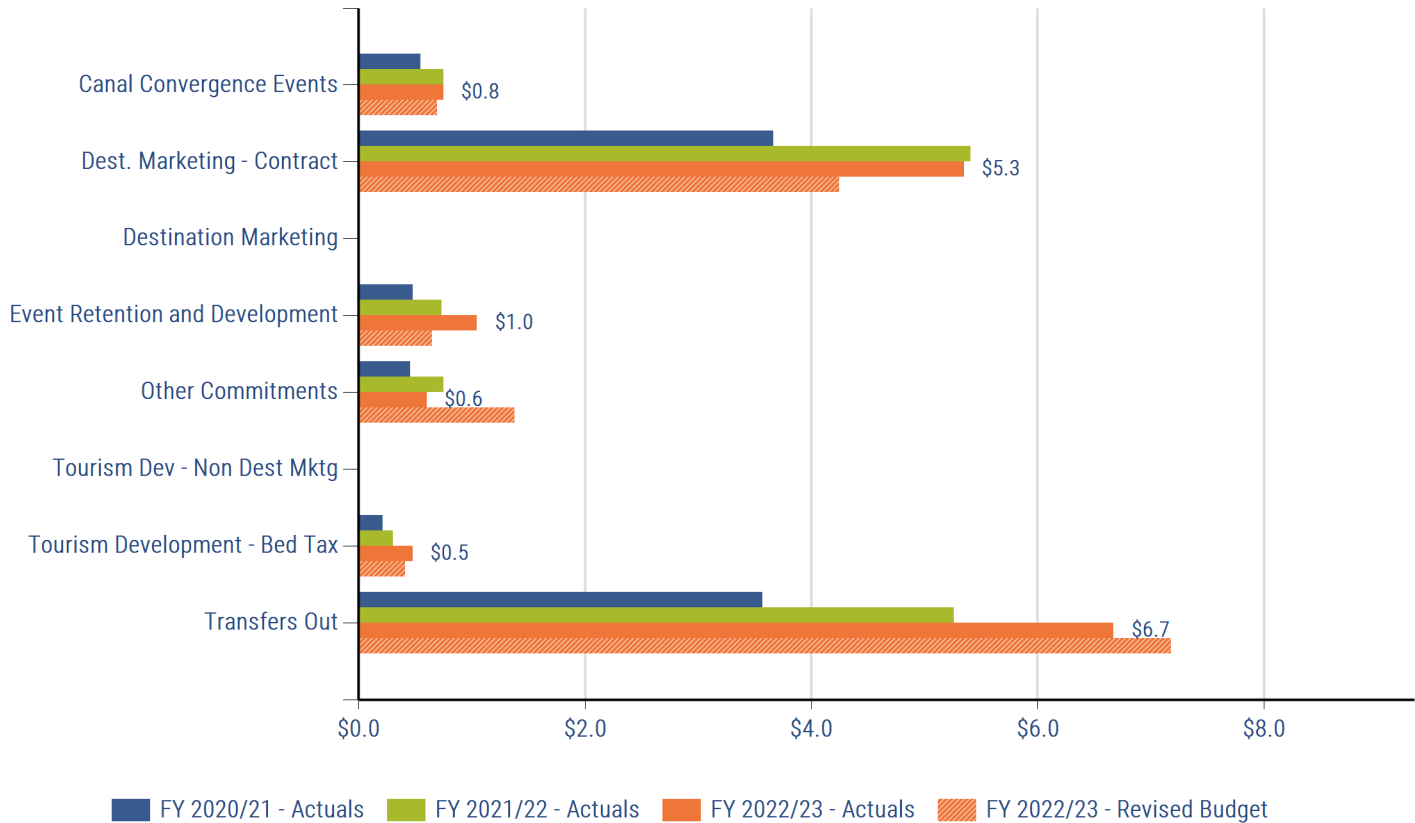


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Transient Occupancy Tax	\$5.6	\$11.8	\$12.2	\$9.4	\$2.9	31%
Property Rental	0.6	1.1	1.2	1.1	-	-
Interest Earnings	-	-	0.1	-	0.1	nm
Miscellaneous	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$6.2	\$12.9	\$13.5	\$10.5	\$3.0	28%

Actual to Revised Budget variance of \$3.0 million or 28%: Transient Occupancy Tax is favorable due to higher than anticipated collections driven by the continuously high touristic activity in the city.

\$ in millions/rounding differences may occur

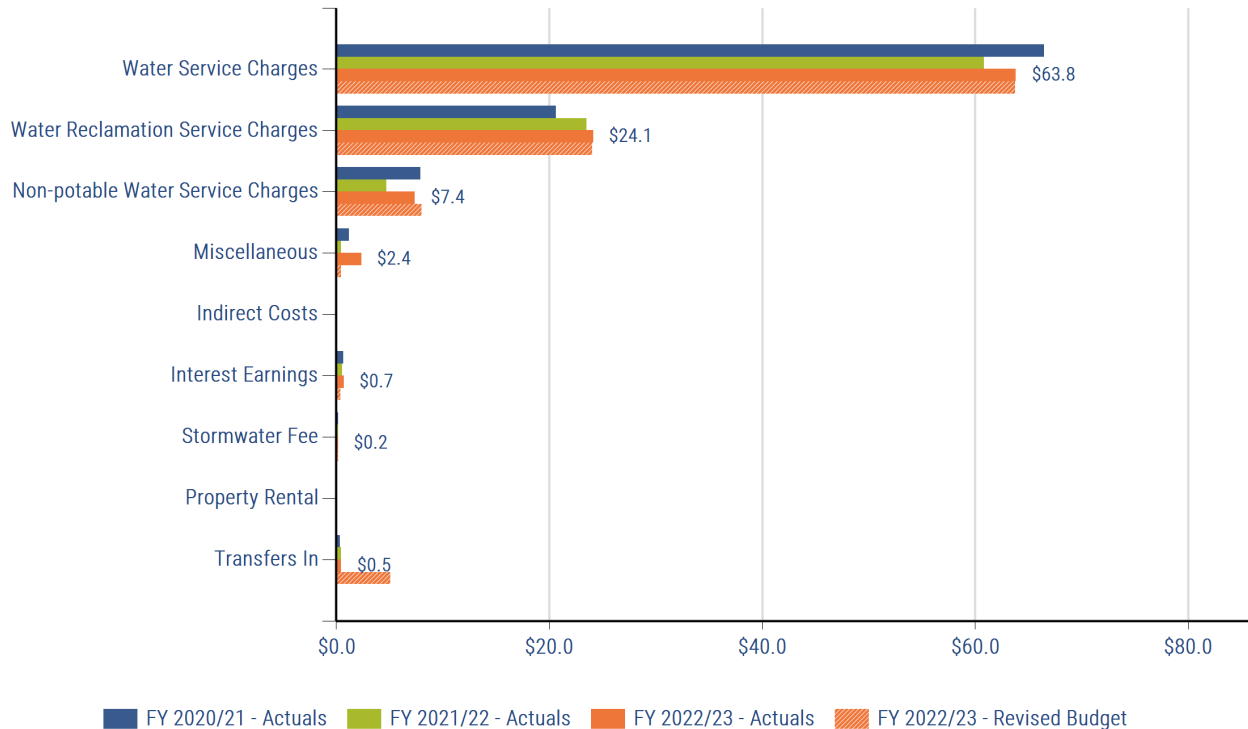
Uses (Fiscal Year to Date: December 2022)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Canal Convergence Events	\$0.6	\$0.8	\$0.8	\$0.7	(\$0.1)	(8%)
Dest. Marketing - Contract	3.7	5.4	5.3	4.2	(1.1)	(26%)
Destination Marketing	-	-	-	-	-	-
Event Retention and Development	0.5	0.7	1.0	0.6	(0.4)	(61%)
Other Commitments	0.5	0.7	0.6	1.4	0.8	56%
Tourism Dev - Non Dest Mktg	-	-	-	-	-	-
Tourism Development - Bed Tax	0.2	0.3	0.5	0.4	(0.1)	(16%)
Transfers Out	3.6	5.3	6.7	7.2	0.5	7%
Total Uses	\$8.9	\$13.2	\$14.9	\$14.6	(\$0.3)	(2%)

Actual to Revised Budget variance of (\$0.3) million or (2%): Dest. Marketing - Contract is unfavorable due to higher than anticipated collection of Transient Occupancy Tax, 45 percent which, by agreement, is paid to Experience Scottsdale for destination marketing activities. Event Retention and Development is unfavorable due to budget timing. Other Commitments is favorable due to timing. Transfers out is favorable due to budget timing for debt service payments, this variance will correct itself by year end.

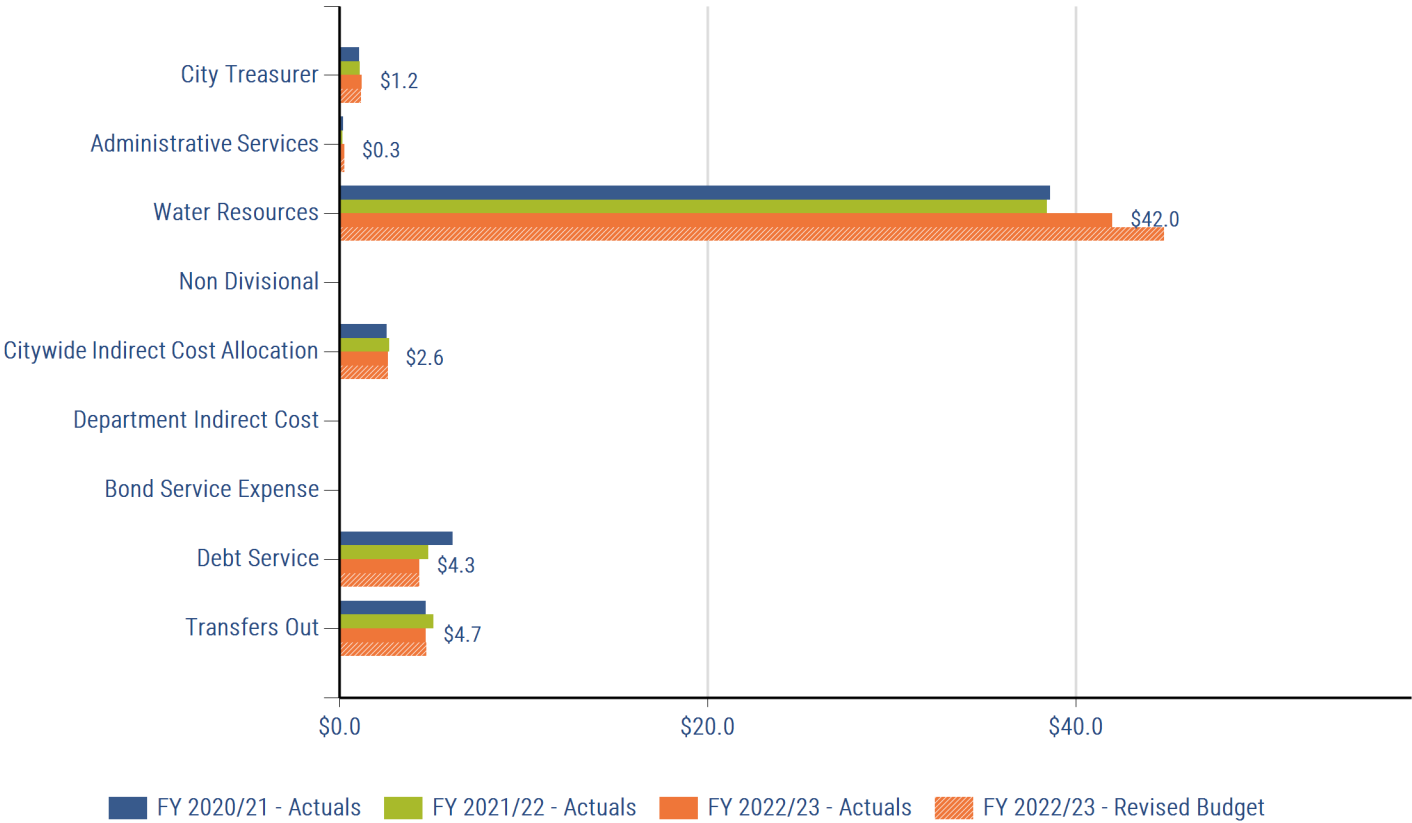
Sources (Fiscal Year to Date: December 2022)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Water Service Charges	\$66.5	\$60.9	\$63.8	\$63.8	\$0.1	0%
Water Reclamation Service Charges	20.6	23.5	24.1	24.0	0.1	0%
Non-potable Water Service Charges	7.9	4.7	7.4	8.0	(0.6)	(8%)
Miscellaneous	1.2	0.4	2.4	0.5	1.9	nm
Indirect Costs	-	-	-	-	-	-
Interest Earnings	0.7	0.6	0.7	0.4	0.3	81%
Stormwater Fee	0.2	0.2	0.2	0.2	-	-
Property Rental	-	-	-	-	-	-
Transfers In	0.4	0.5	0.5	5.1	(4.6)	(91%)
Total Sources	\$97.4	\$90.7	\$99.0	\$101.9	(\$2.9)	(3%)

Actual to Revised Budget variance of (\$2.9) million or (3%): Non-potable Water Service Charges is unfavorable primarily due to a 13 percent decrease in Irrigation Water Distribution System (IWDS) deliveries, and a nine percent decrease in Advanced Water Treatment (AWT) Reverse Osmosis (R/O) deliveries when compared to historical trends resulting from the large amount of rain received during the monsoon season. The unfavorable variance would have been greater but is being partially offset by 21 percent increase in treated effluent deliveries. Miscellaneous is favorable primarily due to revenue received from the Central Arizona Project and the Arizona Department of Water Resources for reducing usage from Lake Mead due to the drought. Interest Earnings is favorable due to the approximate rate of return being higher than expected. Transfers In is unfavorable due to budget timing.

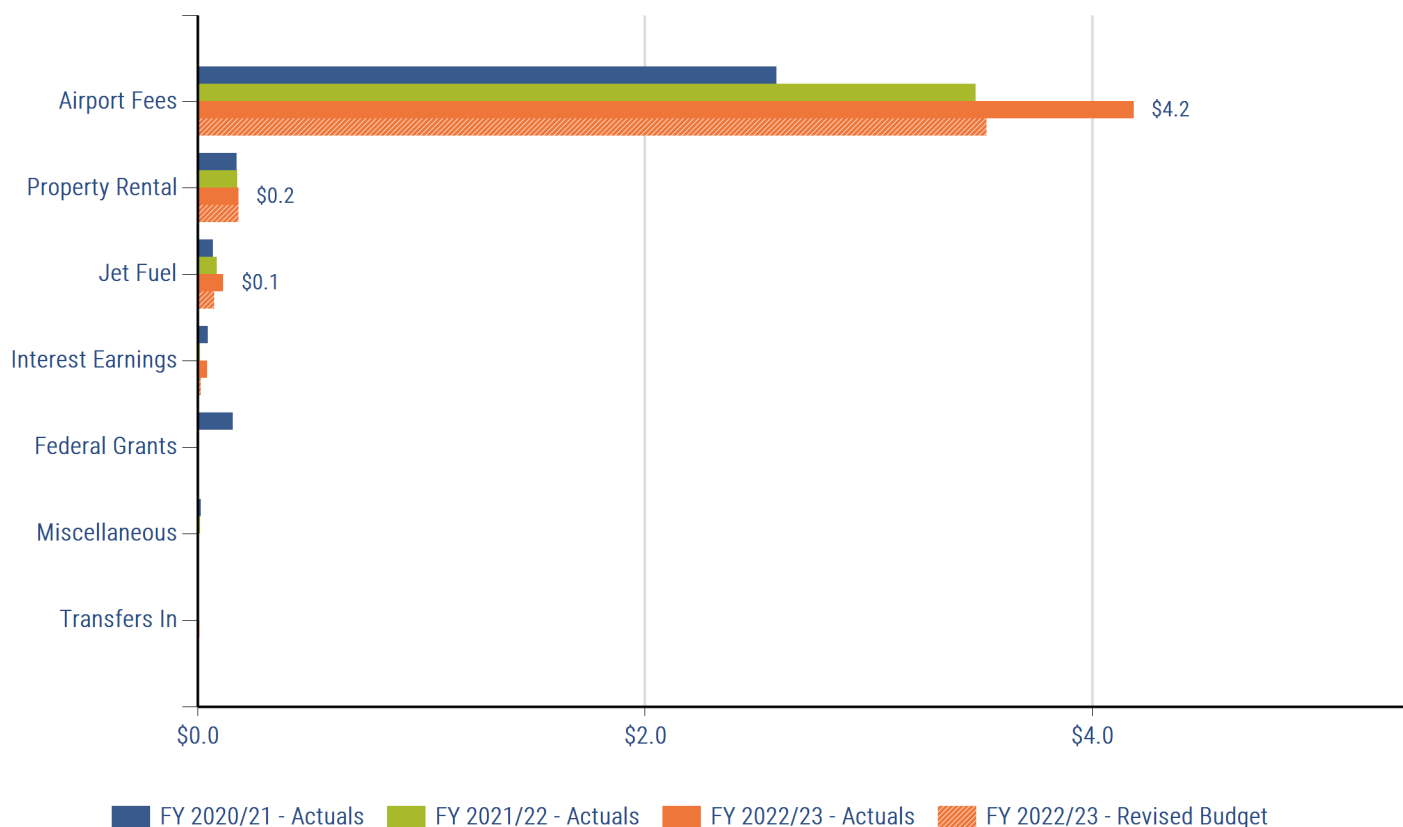
Uses (Fiscal Year to Date: December 2022)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
City Treasurer	\$1.1	\$1.1	\$1.2	\$1.2	\$ -	-
Administrative Services	0.2	0.2	0.3	0.3	-	-
Water Resources	38.6	38.5	42.0	44.8	2.8	6%
Non Divisional	-	-	-	-	-	-
Citywide Indirect Cost Allocation	2.6	2.7	2.6	2.6	-	-
Department Indirect Cost	-	-	-	-	-	-
Bond Service Expense	-	-	-	-	-	-
Debt Service	6.1	4.8	4.3	4.3	-	-
Transfers Out	4.7	5.1	4.7	4.7	-	-
Total Uses	\$53.3	\$52.4	\$55.1	\$57.9	\$2.8	5%

Actual to Revised Budget variance of \$2.8 million or 5%: Water Resources is favorable primarily due to decreased production in the CAP Water Treatment Plant which treats water from the Colorado River, and high turnover with newer employees coming in at a lower salary rate. The favorable variance is also due to operational process adjustments to use fewer chemicals.

Sources (Fiscal Year to Date: December 2022)

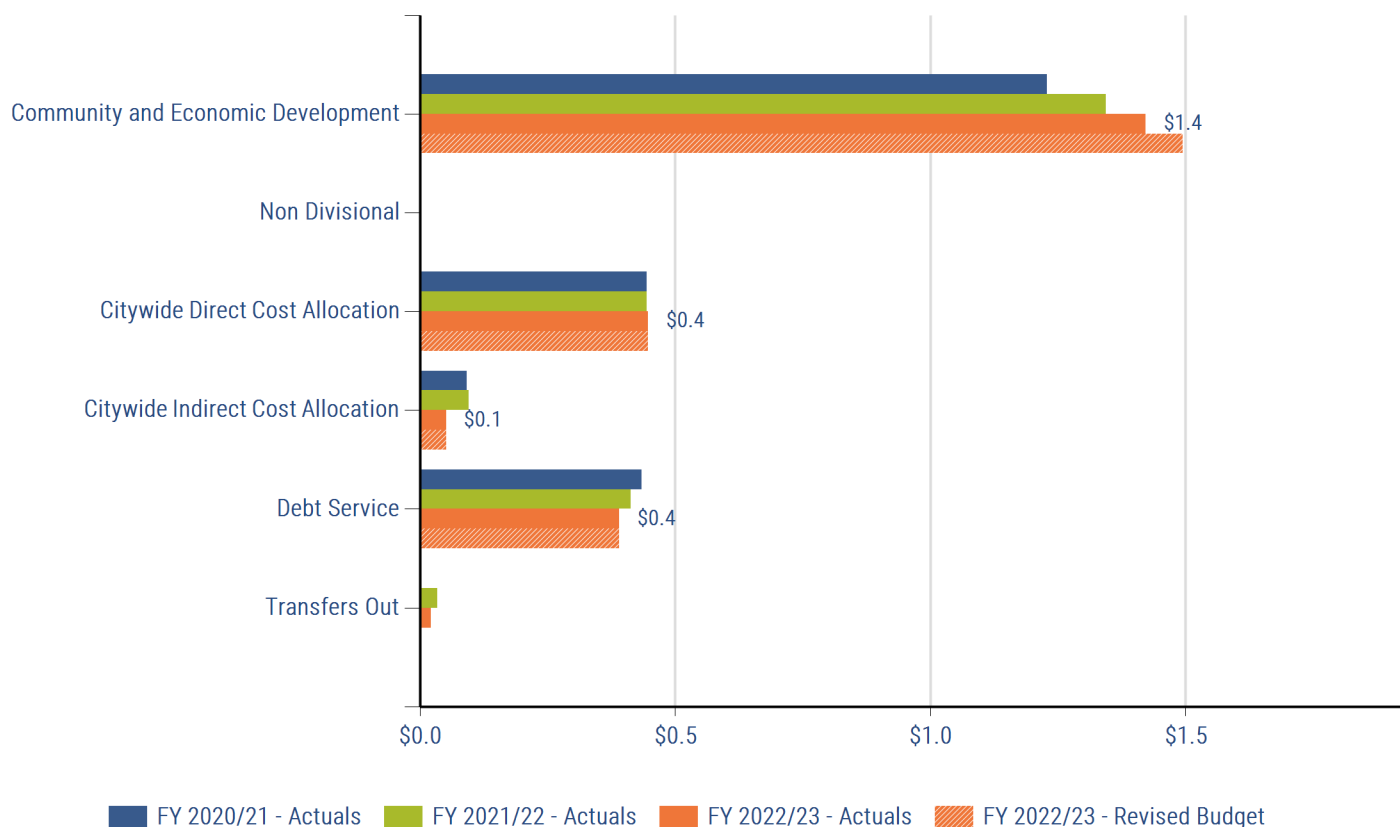


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Airport Fees	\$2.6	\$3.5	\$4.2	\$3.5	\$0.7	19%
Property Rental	0.2	0.2	0.2	0.2	-	-
Jet Fuel	0.1	0.1	0.1	0.1	-	-
Interest Earnings	-	-	-	-	-	-
Federal Grants	0.2	-	-	-	-	-
Miscellaneous	-	-	-	-	-	n/a
Transfers In	-	-	-	-	-	n/a
Total Sources	\$3.1	\$3.8	\$4.5	\$3.8	\$0.7	19%

Actual to Revised Budget variance of \$0.7 million or 19%: Airport Fees is favorable due to lease increases and more activity than anticipated.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: December 2022)

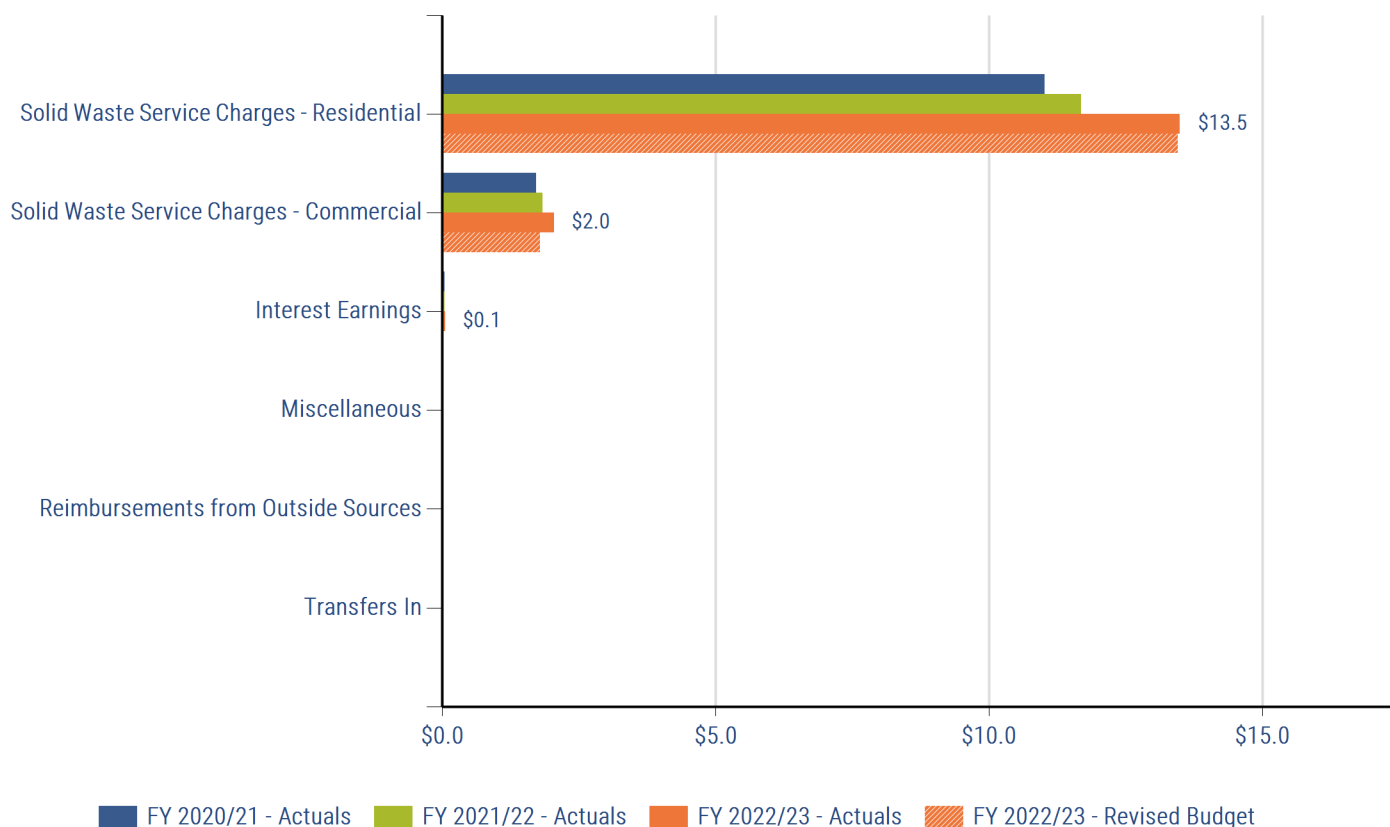


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Community and Economic Development	\$1.2	\$1.3	\$1.4	\$1.5	\$0.1	5%
Non Divisional	-	-	-	-	-	-
Citywide Direct Cost Allocation	0.4	0.4	0.4	0.4	-	-
Citywide Indirect Cost Allocation	0.1	0.1	0.1	0.1	-	-
Debt Service	0.4	0.4	0.4	0.4	-	-
Transfers Out	-	-	-	-	-	n/a
Total Uses	\$2.2	\$2.3	\$2.3	\$2.4	\$0.1	2%

Actual to Revised Budget variance of \$0.1 million or 2%: No explanation necessary.

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: December 2022)

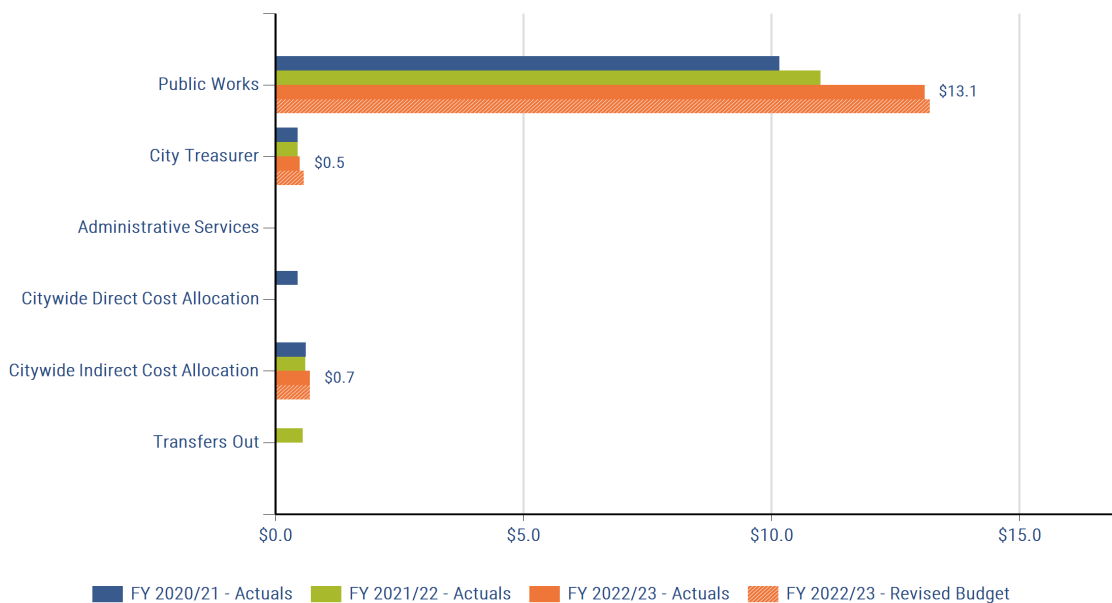


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Solid Waste Service Charges - Residential	\$11.0	\$11.7	\$13.5	\$13.5	\$ -	-
Solid Waste Service Charges - Commercial	1.7	1.8	2.0	1.8	0.3	14%
Interest Earnings	-	-	0.1	-	-	-
Miscellaneous	-	-	-	-	-	-
Reimbursements from Outside Sources	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$12.8	\$13.6	\$15.6	\$15.3	\$0.3	2%

Actual to Revised Budget variance of \$0.3 million or 2%: The favorable variance in Solid Waste Service Charges - Commercial is due to increased demand for roll-off services during summer months because of storms, annual landscape maintenance, and increased business activity.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: December 2022)

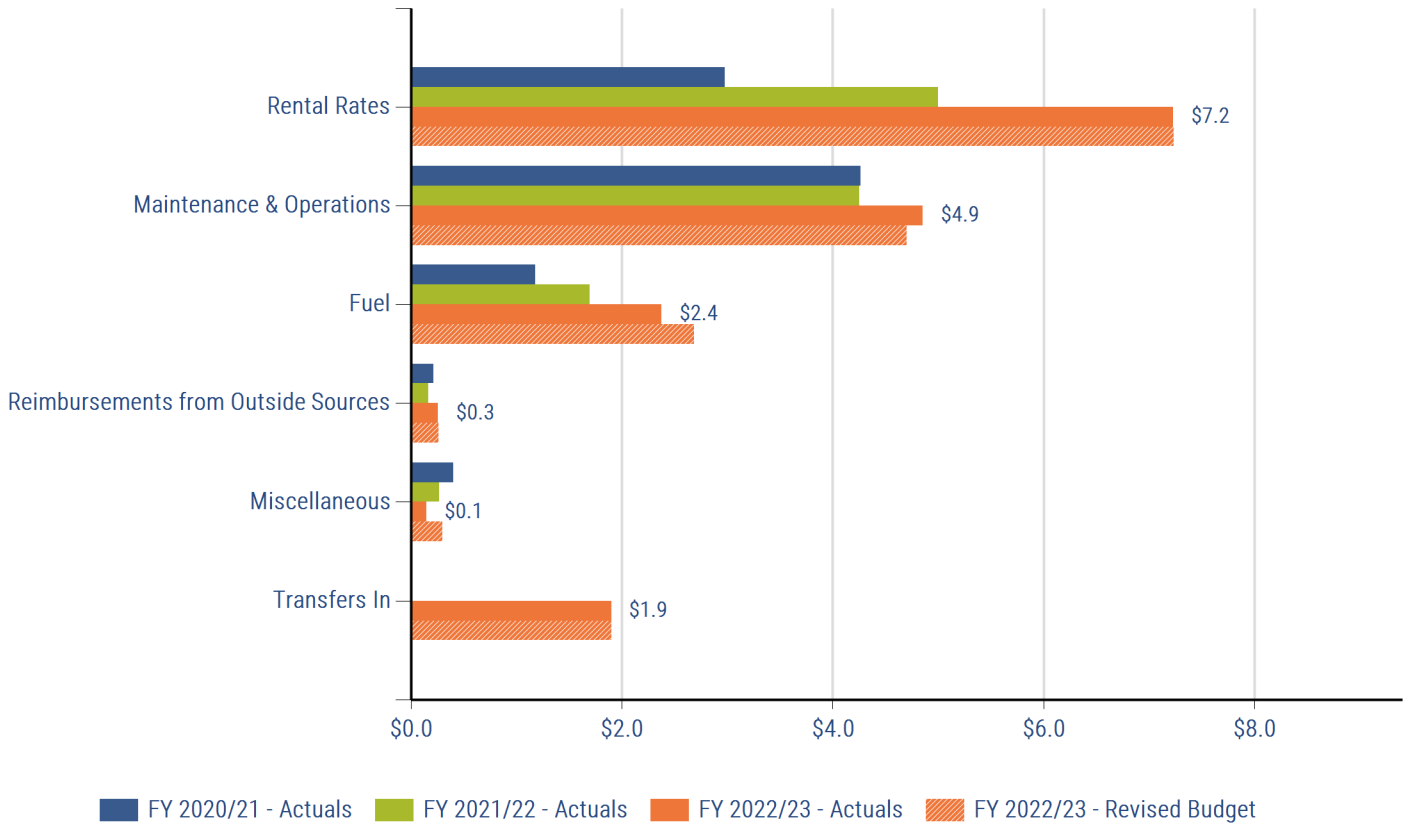


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$10.2	\$11.0	\$13.1	\$13.2	\$0.1	1%
City Treasurer	0.4	0.4	0.5	0.6	0.1	13%
Administrative Services	-	-	-	-	-	-
Citywide Direct Cost Allocation	0.5	-	-	-	-	-
Citywide Indirect Cost Allocation	0.6	0.6	0.7	0.7	-	-
Transfers Out	-	0.6	-	-	-	-
Total Uses	\$11.7	\$12.6	\$14.3	\$14.5	\$0.2	1%

Actual to Revised Budget variance of \$0.2 million or 1%: City Treasurer is favorable due to contractual services such as printing and graphics, postage and shipping, and banking services being less than anticipated.

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: December 2022)

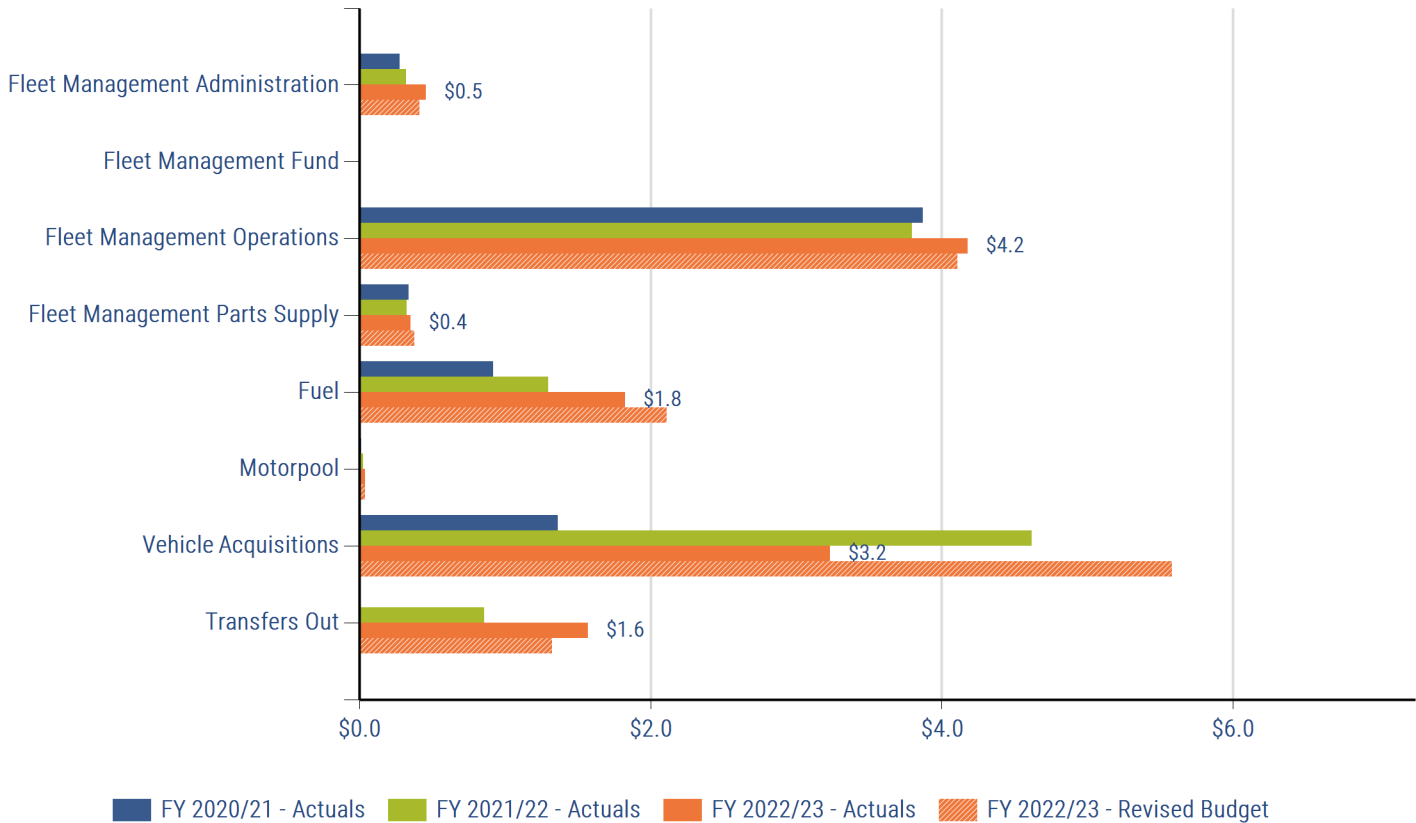


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Rental Rates	\$3.0	\$5.0	\$7.2	\$7.2	\$ -	-
Maintenance & Operations	4.3	4.3	4.9	4.7	0.2	3%
Fuel	1.2	1.7	2.4	2.7	(0.3)	(12%)
Reimbursements from Outside Sources	0.2	0.2	0.3	0.3	-	-
Miscellaneous	0.4	0.3	0.1	0.3	(0.2)	(50%)
Transfers In	-	-	1.9	1.9	-	-
Total Sources	\$9.0	\$11.4	\$16.8	\$17.1	(\$0.3)	(2%)

Actual to Revised Budget variance of (\$0.3) million or (2%): Fuel is unfavorable due to the fluctuations in the fuel market, volatility is expected to continue throughout the fiscal year. Miscellaneous is unfavorable due to the amount of auction proceeds received being less-than-anticipated.

\$ in millions/rounding differences may occur

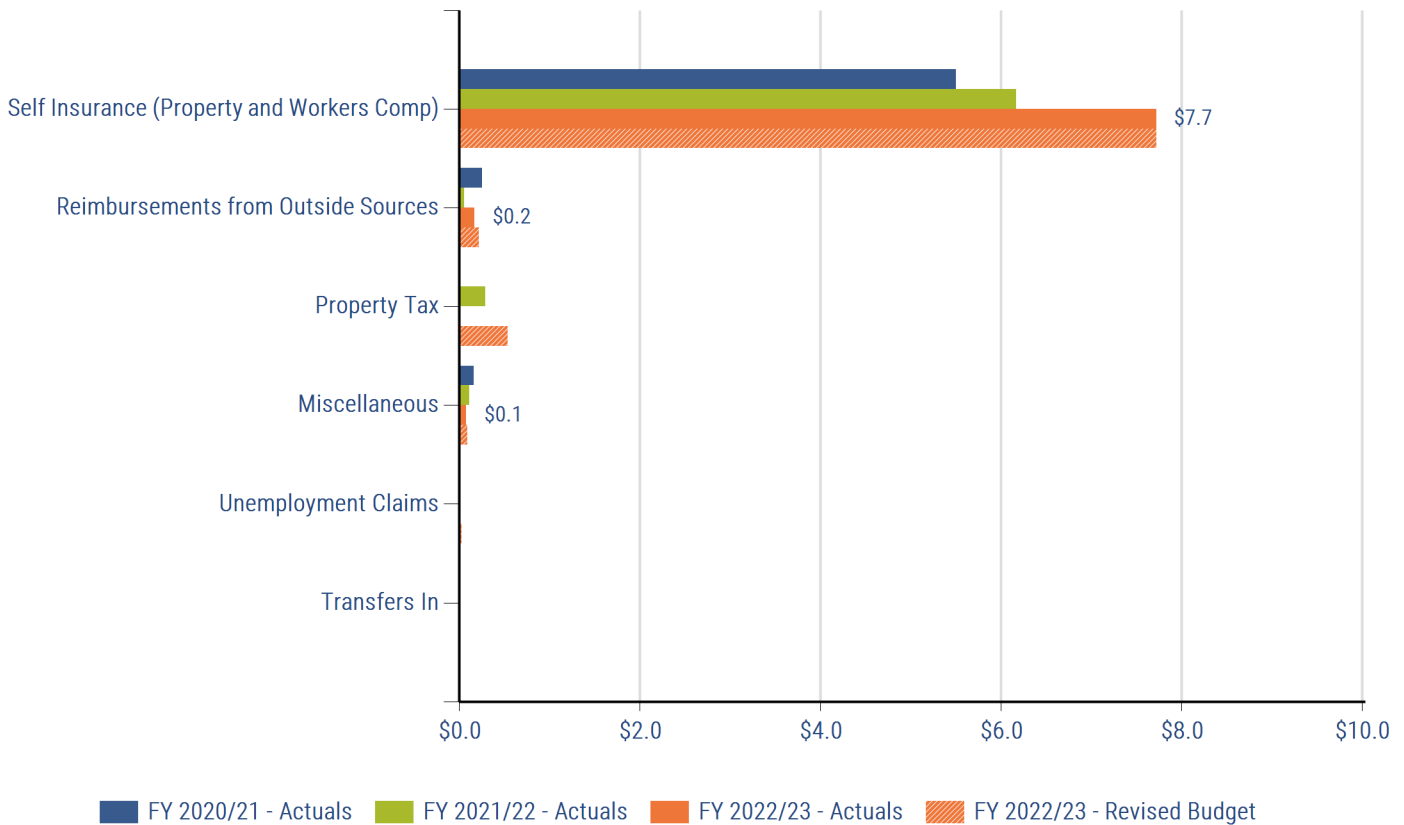
Uses (Fiscal Year to Date: December 2022)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Fleet Management Administration	\$0.3	\$0.3	\$0.5	\$0.4	\$ -	-
Fleet Management Fund	-	-	-	-	-	-
Fleet Management Operations	3.9	3.8	4.2	4.1	(0.1)	(2%)
Fleet Management Parts Supply	0.3	0.3	0.4	0.4	-	-
Fuel	0.9	1.3	1.8	2.1	0.3	13%
Motorpool	-	-	-	-	-	-
Vehicle Acquisitions	1.4	4.6	3.2	5.6	2.3	42%
Transfers Out	-	0.9	1.6	1.3	(0.3)	(19%)
Total Uses	\$6.8	\$11.2	\$11.7	\$13.9	\$2.3	16%

Actual to Revised Budget variance of \$2.3 million or 16%: Fuel is favorable due to fluctuations in the fuel market, volatility is expected to continue throughout the fiscal year. Vehicle Acquisitions is favorable due to unpredictable equipment deliveries. A budget transfer has been approved by Council to move operating budget into CIP to allow flexibility for long lead time vehicles and equipment. Transfers Out is unfavorable due to an unbudgeted transfer that was approved by City Council at the October 25th City Council meeting to fund the North Corporation Yard Garage CIP project (Resolution No.12620).

Sources (Fiscal Year to Date: December 2022)

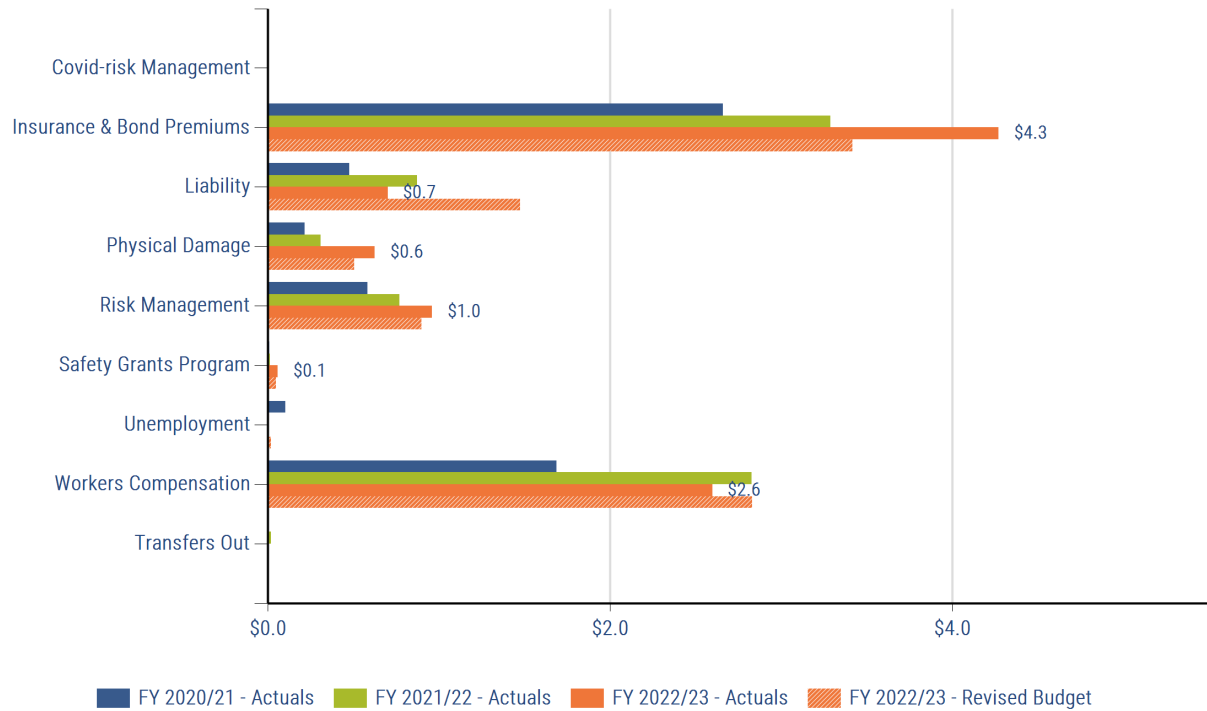


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Self Insurance (Property and Workers Comp)	\$5.5	\$6.2	\$7.7	\$7.7	\$ -	-
Reimbursements from Outside Sources	0.3	0.1	0.2	0.2	(0.1)	(24%)
Property Tax	-	0.3	-	0.5	(0.5)	(100%)
Miscellaneous	0.2	0.1	0.1	0.1	-	-
Unemployment Claims	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$5.9	\$6.6	\$8.0	\$8.6	(\$0.6)	(7%)

Actual to Revised Budget variance of (\$0.6) million or (7%): The unfavorable variance in Reimbursements from Outside Sources is due to the timing of receiving claim invoices. The unfavorable variance in Property Tax is due to timing.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: December 2022)

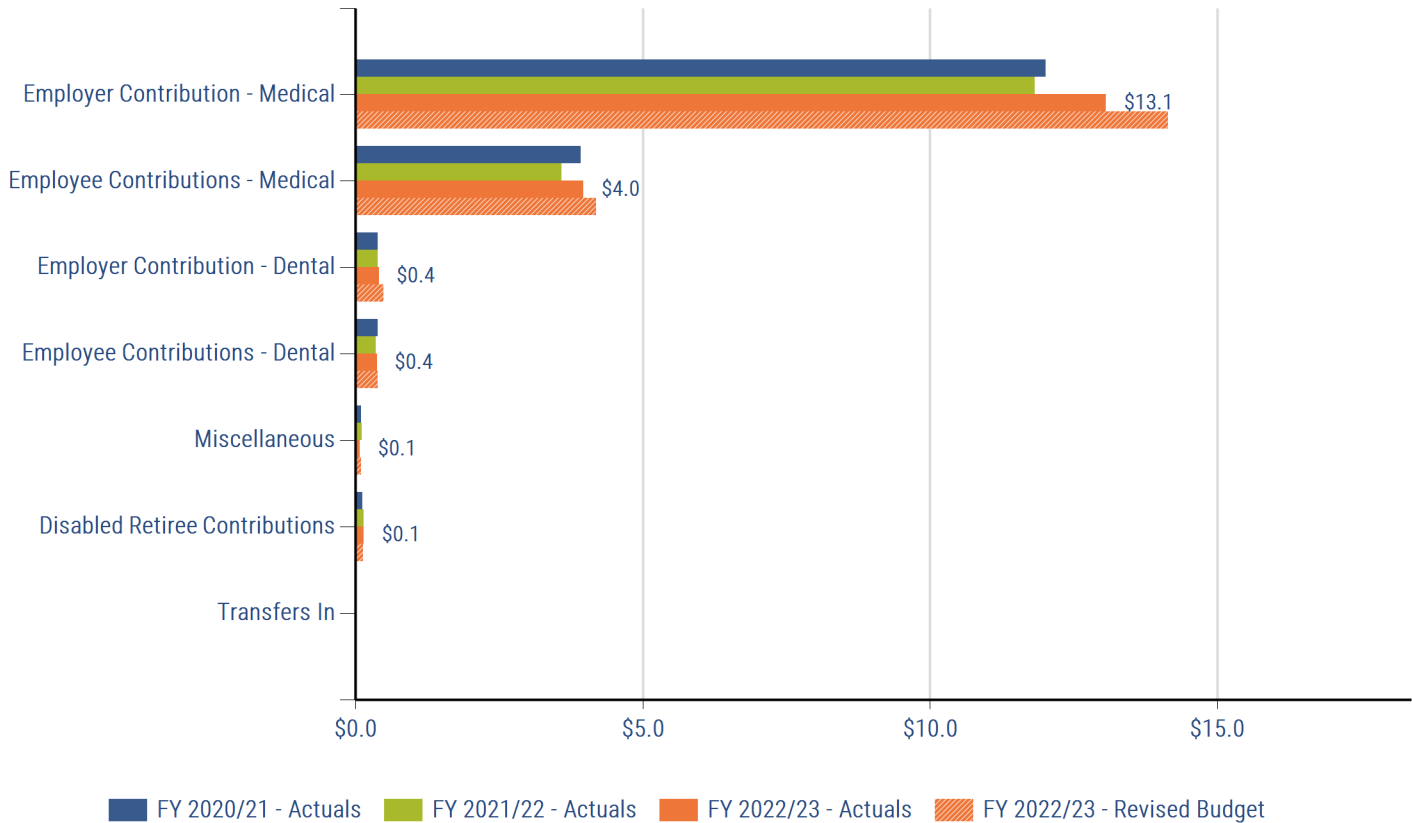


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Covid-risk Management	\$ -	\$ -	\$ -	\$ -	\$ -	-
Insurance & Bond Premiums	2.7	3.3	4.3	3.4	(0.9)	(25%)
Liability	0.5	0.9	0.7	1.5	0.8	52%
Physical Damage	0.2	0.3	0.6	0.5	(0.1)	(24%)
Risk Management	0.6	0.8	1.0	0.9	(0.1)	(7%)
Safety Grants Program	-	-	0.1	-	-	-
Unemployment	0.1	-	-	-	-	-
Workers Compensation	1.7	2.8	2.6	2.8	0.2	8%
Transfers Out	-	-	-	-	-	-
Total Uses	\$5.7	\$8.1	\$9.2	\$9.2	\$ -	-

Actual to Revised Budget variance of \$0.0 million or 0%: The unfavorable variance in Insurance & Bond Premiums is due to higher-than-expected insurance premiums as a result of market hardening and government liability payments and lawsuits. The favorable variance in Liability is due to the timing of claim invoices and unpredictability of claims. The unfavorable variance in Physical Damage is due to higher-than-expected claims due to heavy storms during monsoon season causing flooding damages. Risk Management is unfavorable due to the timing of invoices from FY 2021/22 for claim management software. Workers Compensation is favorable due to the timing of invoices and claims.

\$ in millions/rounding differences may occur

Sources (Fiscal Year to Date: December 2022)

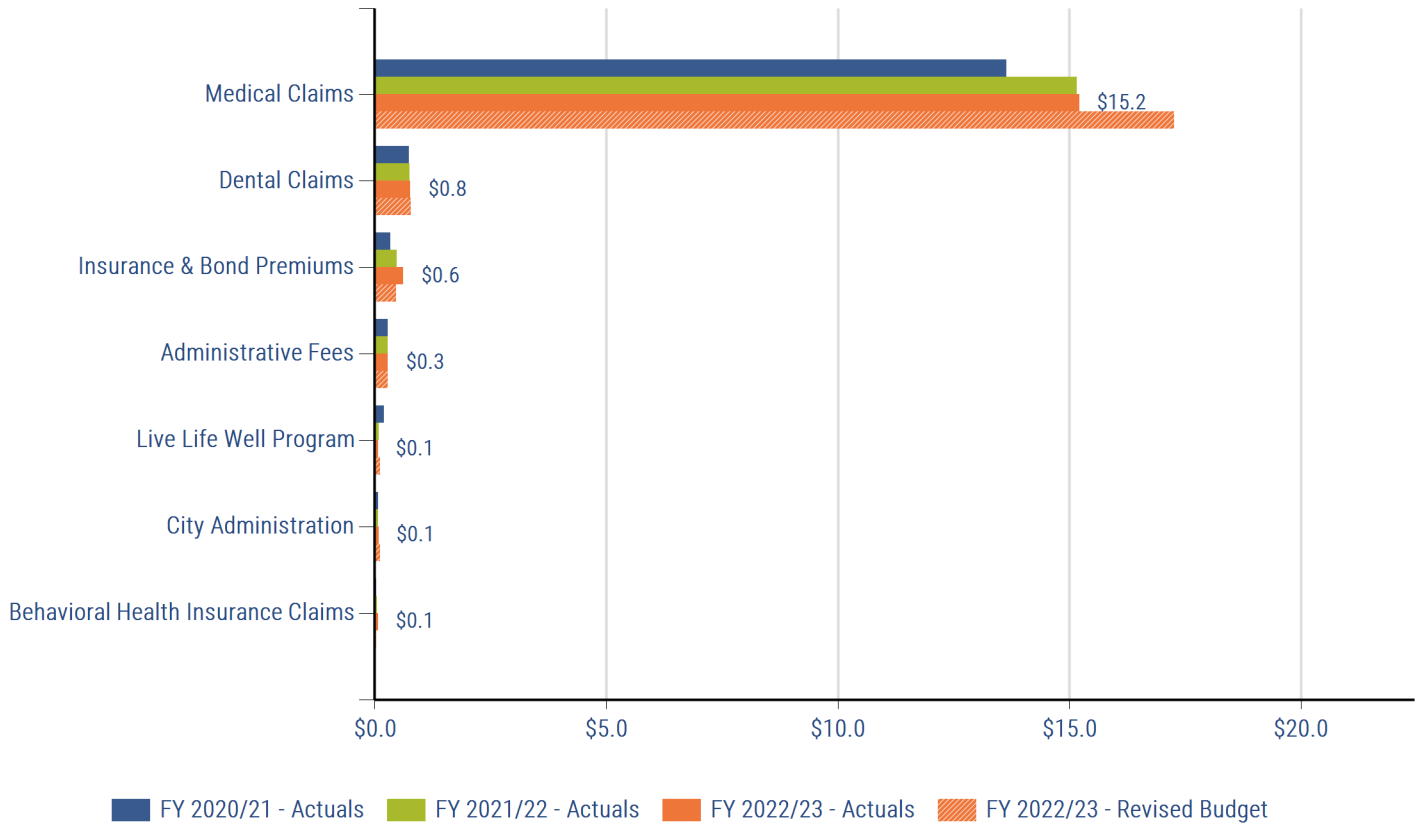


	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget (Unfavorable) Percent
Employer Contribution - Medical	\$12.0	\$11.8	\$13.1	\$14.1	(\$1.1)	(8%)
Employee Contributions - Medical	3.9	3.6	4.0	4.2	(0.2)	(5%)
Employer Contribution - Dental	0.4	0.4	0.4	0.5	(0.1)	(17%)
Employee Contributions - Dental	0.4	0.4	0.4	0.4	-	-
Miscellaneous	0.1	0.1	0.1	0.1	-	-
Disabled Retiree Contributions	0.1	0.1	0.1	0.1	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$16.9	\$16.4	\$18.0	\$19.4	(\$1.4)	(7%)

Actual to Revised Budget variance of (\$1.4) million or (7%): The unfavorable variance in Employer Contribution - Medical, Employee Contributions - Medical, and Employer Contributions - Dental is due to employee turnover and plan selection, which occurs after the budget has been prepared.

\$ in millions/rounding differences may occur

Uses (Fiscal Year to Date: December 2022)



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget (Unfavorable) Percent
Medical Claims	\$13.6	\$15.2	\$15.2	\$17.3	\$2.1	12%
Dental Claims	0.7	0.8	0.8	0.8	-	-
Insurance & Bond Premiums	0.3	0.5	0.6	0.5	(0.2)	(33%)
Administrative Fees	0.3	0.3	0.3	0.3	-	-
Live Life Well Program	0.2	0.1	0.1	0.1	-	-
City Administration	0.1	0.1	0.1	0.1	-	-
Behavioral Health Insurance Claims	-	0.1	0.1	-	-	-
Total Uses	\$15.3	\$16.9	\$17.1	\$19.1	\$2.0	10%

Actual to Revised Budget variance of \$2.0 million or 10%: The favorable variance in Medical Claims is due to timing and the difficulty in predicting claims. The unfavorable variance in Insurance & Bond Premiums is due to higher monthly premiums than anticipated, rate increases occur in September so the unfavorable variance is expected to continue throughout the fiscal year.

\$ in millions/rounding differences may occur

WestWorld

Statement of Operations

	Twelve Months: Fiscal Year						
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Adopted Budget	2022/23 Approved Budget	2022/23 Forecast Budget
Operating Revenue							
Rental Facilities	\$2,329,364	\$2,261,538	\$3,601,497	\$3,675,360	\$3,454,610	\$3,454,610	\$3,454,610
RV Rental	375,447	365,834	496,017	544,481	430,072	430,072	430,072
Feed/Bedding Sales	557,581	524,759	919,338	898,455	700,000	700,000	700,000
Labor Fees	394,745	377,019	473,148	543,222	402,800	402,800	402,800
Concession Fees ^(a)	717,558	362,494	2,942	2,780	2,000	2,000	2,000
Parking	90,583	78,846	177,065	987,581	200,000	200,000	200,000
Other Income	134,511	169,289	132,338	302,018	124,500	124,500	124,500
Equidome Project Use Fee	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Operating Transfer In	100,000	100,000	100,000	121,734	100,000	100,000	100,000
Operating Revenue	\$5,059,788	\$4,599,778	\$6,262,345	\$7,435,631	\$5,773,982	\$5,773,982	\$5,773,982
Operating Expenses							
Personnel Services							
Wages/Salaries/Benefits	\$2,005,230	\$2,024,104	\$1,903,738	\$2,262,683	\$3,011,692	\$2,589,215	\$2,589,215
Overtime	33,067	52,024	43,649	55,758	51,738	55,460	55,460
Contractual Services							
Contractual Workers	133,369	115,819	157,624	290,978	318,696	318,696	318,696
Telephone	36,989	41,817	13,169	12,514	14,476	14,476	14,476
Utilities ^(b)	1,271,518	1,103,652	1,208,499	1,319,139	-	549,050	1,372,450
Maintenance & Equipment Rental & Fleet	719,019	742,575	551,765	741,930	292,775	695,814	695,814
License and Permits	142,826	250,941	220,259	133,340	365	365	365
Property, Liability & Workers' Comp	73,984	77,449	110,087	145,776	220,880	220,880	220,880
Advertising/Marketing Contract	365,148	340,907	194,981	234,459	260,000	260,000	260,000
Other	261,188	285,712	211,735	389,423	335,590	335,590	335,590
Commodities and Capital Outlays							
Agriculture & Horticulture & Other Supply	163,735	78,949	122,494	81,132	115,500	115,500	115,500
Maintenance & Repairs Supply, Equipment	144,340	117,840	138,694	104,716	127,065	127,065	127,065
Inventory Purchased for Resale	326,497	321,449	488,953	633,988	425,000	425,000	425,000
Construction - Other	20,483	26,314	11,679	35,648	514,840	514,840	514,840
Other Expenses	36,372	32,657	34,270	29,468	45,620	45,620	45,620
BOR Admin							
BOR Admin/WestWorld	171,034	179,586	188,565	197,993	207,893	207,893	207,893
Allocated Expenses^(c)							
COS Indirect Costs	378,803	398,702	371,073	384,276	422,524	422,524	422,524
Operating Transfer Out							
Operating Transfer Out	-	-	-	21,734	-	-	-
Operating Expenses	\$6,283,602	\$6,190,497	\$5,971,234	\$7,074,955	\$6,364,654	\$6,897,988	\$7,721,388
Operating Income	(\$1,223,814)	(\$1,590,720)	\$291,111	\$360,676	(\$590,672)	(\$1,124,006)	(\$1,947,406)
Debt Service (Less contributions)							
Debt Service - (52 & 17 acres)	\$2,334,637	\$2,317,059	\$2,238,918	\$2,570,986	\$2,280,700	\$2,280,700	\$2,280,700
Debt Service - TNEC (\$41.935M)	1,461,375	2,046,314	1,255,864	1,999,476	1,380,230	1,380,230	1,380,230
Debt Service - TNEC Tourism Funded	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Bed Tax Contributions - TNEC	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Net Debt Service	\$3,796,012	\$4,363,373	\$3,494,782	\$4,570,462	\$3,660,930	\$3,660,930	\$3,660,930
Operating Income After Debt Service	(\$5,019,826)	(\$5,954,093)	(\$3,203,671)	(\$4,209,786)	(\$4,251,602)	(\$4,784,936)	(\$5,608,336)

^(a) Beginning in FY 2020/21 Concession Fees is recorded under Rental Facilities in accordance with stipulations of the new marketing agreement.

^(b) The adopted budget is zero because 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 forecast 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 December 2022 / 6 Months YTD

	FY 2018/19 YTD Actual	FY 2019/20 YTD Actual	FY 2020/21 YTD Actual	FY 2021/22 YTD Actual	FY 2022/23 YTD Actual	FY 2022/23 Approved YTD Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Revenue								
Rental Facilities	\$900,313	\$938,858	\$1,164,733	\$1,023,678	\$1,119,459	\$1,281,352	(\$161,893)	(13%)
RV Rental	91,777	109,634	146,765	145,845	194,309	177,468	16,841	9%
Feed/Bedding Sales	191,257	214,205	335,229	221,316	225,825	214,768	11,057	5%
Labor Fees	82,362	116,557	125,520	129,490	155,675	154,630	1,045	1%
Concession Fees ^(a)	47,470	36,039	9,331	224	1,190	996	194	19%
Parking	47,635	69,646	33,590	74,332	220,811	113,000	107,811	95%
Other Income	22,086	40,236	42,157	156,545	43,347	32,244	11,103	34%
Equidome Project Use Fee	-	-	-	-	-	-	-	-
Operating Transfer In	100,000	100,000	100,000	121,734	100,000	100,000	-	-
Operating Revenue	\$1,482,902	\$1,625,175	\$1,957,326	\$1,873,164	\$2,060,616	\$2,074,458	(\$13,842)	(1%)
Operating Expenses								
Personnel Services								
Wages/Salaries/Benefits	\$1,003,974	\$1,000,822	\$1,005,388	\$1,069,715	\$1,047,847	\$1,094,657	\$46,810	4%
Overtime	11,893	22,147	11,144	12,613	31,442	24,285	(7,157)	(29%)
Contractual Services								
Contractual Workers	38,851	37,262	51,932	76,414	104,898	120,609	15,711	13%
Telephone	24,652	30,736	14,570	16,198	12,713	13,018	305	2%
Utilities	510,435	451,288	620,401	496,428	549,050	549,050	0	(0%)
Maintenance & Equipment Rental & Fleet	322,932	339,681	216,059	310,387	411,327	359,878	(51,449)	(14%)
License and Permits	142,502	249,733	219,722	640	-	60	60	100%
Property, Liability & Workers' Comp	37,096	37,974	55,044	72,888	110,442	110,442	-	-
Advertising/Marketing Contract	252,662	265,763	119,724	196,959	156,746	145,000	(11,746)	(8%)
Other	79,355	98,868	93,665	97,144	124,465	85,750	(38,715)	(45%)
Commodities and Capital Outlays								
Agriculture & Horticulture & Other Supply	70,299	25,678	47,266	38,876	54,548	45,021	(9,527)	(21%)
Maintenance & Repairs Supply, Equipment	60,130	50,276	53,478	23,967	121,823	32,368	(89,455)	nm
Inventory Purchased for Resale	129,512	115,707	159,304	160,886	187,607	126,330	(61,277)	(49%)
Construction - Other	51,418	26,171	9,501	436	400	3,340	2,940	88%
Other Expenses	17,837	17,256	11,338	15,206	6,729	9,611	2,882	30%
BOR Admin								
BOR Admin/WestWorld	-	-	-	-	-	207,893	207,893	100%
Allocated Expenses^(b)								
COS Indirect Costs	189,401	199,350	185,532	192,138	211,260	211,260	-	-
Operating Transfer Out								
Operating Transfer Out	-	-	-	21,734	-	-	-	-
Operating Expenses	\$2,942,949	\$2,968,713	\$2,874,067	\$2,802,628	\$3,131,297	\$3,138,572	\$7,275	0%
Operating Income	(\$1,460,047)	(\$1,343,539)	(\$916,741)	(\$929,464)	(\$1,070,681)	(\$1,064,114)	(\$6,567)	nm
Debt Service (Less contributions)								
Debt Service - (52 & 17 acres)	\$488,747	\$476,872	\$771,513	\$585,086	\$250,748	\$250,748	\$ -	-
Debt Service - TNEC (\$41.935M)	625,688	590,438	-	-	190,115	190,115	-	-
Debt Service - TNEC Tourism Funded	-	-	-	-	-	-	-	-
Bed Tax Contributions - TNEC	-	-	-	-	-	-	-	-
Net Debt Service	\$1,114,435	\$1,067,310	\$771,513	\$585,086	\$440,863	\$440,863	\$ -	-
Operating Income After Debt Service	(\$2,574,482)	(\$2,410,849)	(\$1,688,254)	(\$1,514,550)	(\$1,511,544)	(\$1,504,977)	(\$6,567)	nm

^(a) Beginning in FY 2020/21 Concession Fees is recorded under Rental Facilities in accordance with stipulations of the new marketing agreement.

^(b) 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 December 2022

(For Business Activity in November 2022)

Below 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 10 percent compared to the Budget, and increased 8 percent compared to the same period a year ago.

Privilege (Sales) & Use Tax by Category and Fund

Fiscal Year-to-Date: December 2022						
	2020/21	2021/22	2022/23	2022/23	Actual vs. Budget	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable/(Unfavorable)</u>	<u>Amount</u>
1.00% General Purpose						
Automotive	\$9.3	\$10.0	\$10.1	\$10.2	(\$0.1)	-1%
Construction	6.4	6.6	7.9	6.7	1.1	17%
Dining/ Entertainment	4.2	7.2	7.4	6.1	1.3	22%
Food Stores	4.1	4.0	4.1	4.1	0.0	0%
Hotel/Motel	1.7	3.8	4.5	3.2	1.4	43%
Major Dept. Stores	4.5	5.7	5.8	5.7	0.1	1%
Misc. Retail Stores	12.8	16.6	19.0	17.1	1.9	11%
Other Activity	7.2	9.3	10.4	9.3	1.1	12%
Rentals	7.9	10.3	10.6	9.5	1.1	12%
Utilities	2.5	2.5	2.7	2.7	0.0	0%
Subtotal	\$60.7	\$76.1	\$82.4	\$74.6	\$7.8	10%
0.10% Public Safety	\$5.9	\$7.5	\$8.1	\$7.3	\$0.8	11%
0.20% Transportation 1990	11.3	14.3	15.5	13.9	1.7	12%
0.10% Transportation 2019	5.9	7.4	8.0	7.3	0.7	9%
0.20% McDowell Preserve 1995	11.9	14.9	16.2	14.7	1.6	11%
0.15% McDowell Preserve 2004	8.9	11.2	12.2	11.0	1.2	11%
Total	\$104.7	\$131.4	\$142.4	\$128.8	\$13.7	11%
% Change vs. Prior Year	-2%	26%	8%	-2%		
Top 20 Taxpayers	\$25.1	\$27.8	\$28.0			
% of Total	24%	21%	20%			
% Change vs. Prior Year	9%	11%	1%			

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 (\$0.1) million or (1%): The variance is due in part to decreased sales from motor vehicle dealers.

Construction Sales Taxes

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

Actual to Revised Budget variance of \$1.1 million or 17%: This is due in part to increases from specialty contractors, some new projects, and some 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 \$1.3 million or 22%: This is due in part to restaurants doing better than anticipated and inflation.

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 \$1.4 million or 43%: This is due in part to a one-time audit payment and some timing differences of when payments were received this year versus last year.

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 1%: This is due in part to major department stores doing better than anticipated and inflation.

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 \$1.9 million or 11%: This is due in part to some new retailers, a retailer reporting an infrequent large taxable transaction, and inflation.

Other Activity Sales Taxes

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

Actual to Revised Budget variance of \$1.1 million or 12%: The variance is due in part to some increases from manufacturers/wholesalers and software developers.

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 \$1.1 million or 12%: This is due in part to a one-time taxable speculative sale of an apartment complex and an increase in rental rates.

Utilities Sales Taxes

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

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

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 the use of various investment vehicles on General Fund cash balances throughout the year.

Building Permit Fees & Charges - These charges include the licensing of business activity and the associated fees relating to the licensure 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 reflects funds received from the Enterprise Funds (Franchise Fees), Special Programs Fund (30 Day Tow) and Tourism Development Fund (comply with financial policy #21A).

GENERAL FUND USES

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

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

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

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

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

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

OTHER FUNDS

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