Financial Report
Fiscal Year End
FY 2011/12

Report to the City Council

Prepared by City Treasurer – Finance and Accounting Division

November 15, 2012

FINANCIAL REPORT
Year End 2011/12

The following report is the year-end 2011/12 summary of financial results for the City's General Fund (which is the primary operating fund of the City), the Transportation Fund, the major Enterprise Funds, the Fleet Fund and the Benefits Self-Insurance Fund. The report also includes detailed information on the City's privilege (sales) tax by major category.

Financial statements summarize sources and uses by major categories. Significant budget to actual variances are highlighted and explained. For FY 2009/10, revenues and expenses were reported on a cash basis: accrual of revenues and expenses were only done for year-end for publication in the City's Consolidated Annual Financial Report (CAFR). Beginning in FY 2010/11, revenues and expenses are reported on a modified accrual basis to better mirror the CAFR.

Contents

General Fund- Summary

FY 2011/12 - GENERAL FUND

($ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted vs. Revised Favorable/(Unfavorable) Amount	Percent
Sources	$230.2	$230.2	$0.0	0%
Uses	237.6	239.0	(1.4)	-1%
Change in Fund Balance	($7.4)	($8.8)	$0.0	
Beginning Fund Balance	$41.5	$44.7	$3.2	
Ending Fund Balance	$34.0	$35.8	$1.8	
Reserved*	$23.9	$24.0	$0.1	
Contingency	$5.0	$5.0	$0.0	
Unreserved	$5.2	$6.8	$1.6	

*General Fund Reserved equals 10% of operating expenses for the General Fund plus Transportation Fund.

June 2012: Current Month and YTD

($ in millions: Rounding differences may occur)

	June Actual	June Revised Budget	YTD Actuals	YTD Revised Budget	Actual vs. Budget Favorable/(Unfavorable) Amount	Percent
Sources	$23.0	$19.4	$239.6	$230.2	$9.4	4%
Uses	34.2	35.7	239.4	239.0	(0.4)	0%
Change in Fund Balance	($11.2)	($16.3)	$0.2	($8.8)	$9.0	

Sources

($ in millions: Rounding differences may occur)

	Twelve Months: Fiscal Year			
	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget
1.1% Sales Taxes	$85.8	$87.9	$88.7	$88.7
State-Shared Revenues	55.5	48.4	42.1	42.1
Property Taxes	23.3	24.6	25.0	25.0
Bed Taxes	7.1	13.1	12.2	12.2
Franchise Fees/In-Lieu Taxes	11.5	11.2	11.1	11.1
Charges for Services/Other	26.7	24.5	23.5	23.5
Building Permit Fees & Charges	6.9	6.9	8.4	8.4
Interest Earnings	2.1	1.2	0.4	0.4
Indirect Cost Allocation	13.3	13.9	8.2	8.2
Total Revenue	$232.2	$231.7	$219.7	$219.7
Transfers In	19.2 *	12.2	10.5	10.5
Total Sources	$251.5 *	$243.9	$230.2	$230.2
% Change vs. Prior Year	-8%	-3%	-6%	-6%

	One Month: June 2012					
					Actual vs. Budget Favorable/(Unfavorable)	
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Amount	Percent
1.1% Sales Taxes	$6.0	$7.3	$7.7	$7.2	$0.4	6%
State-Shared Revenues	4.6	4.0	3.2	3.5	(0.2)	-7%
Property Taxes	1.8	2.4	3.8	1.9	1.9	nm
Bed Taxes	0.6	1.3	1.0	1.0	0.1	7%
Franchise Fees/In-Lieu Taxes	-	0.9	1.2	0.9	0.3	36%
Charges for Services/Other	4.4	2.5	2.9	2.6	0.3	11%
Building Permit Fees & Charges	0.6	0.4	0.8	0.8	(0.1)	-9%
Interest Earnings	0.3	(0.3)	0.8	0.0	0.8	nm
Indirect Cost Allocation	(1.3)	1.2	0.7	0.7	-	-
Total Revenue	$16.9	$19.6	$22.1	$18.6	$3.5	19%
Transfers In	1.5	1.3	0.9	0.8	0.1	20%
Total Sources	$18.5	$20.9	$23.0	$19.4	$3.7	19%
% Change vs. Prior Year		13%	10%	-7%		

	Fiscal Year-to-Date: June 2012					
					Actual vs. Budget Favorable/(Unfavorable)	
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Amount	Percent
1.1% Sales Taxes	$85.8	$87.9	$92.9	$88.7	$4.1	5%
State-Shared Revenues	55.5	48.4	42.3	42.1	0.2	0%
Property Taxes	23.3	24.6	24.8	25.0	(0.2)	-1%
Bed Taxes	7.1	13.1	13.4	12.2	1.2	10%
Franchise Fees/In-Lieu Taxes	11.5	11.2	11.8	11.1	0.7	6%
Charges for Services/Other	26.7	24.5	25.9	23.5	2.4	10%
Building Permit Fees & Charges	6.9	6.9	8.4	8.4	-	-
Interest Earnings	2.1	1.2	1.5	0.4	1.1	nm
Indirect Cost Allocation	13.3	13.9	8.2	8.2	-	-
Total Revenue	$232.2	$231.7	$229.3	$219.7	$9.5	4%
Transfers In	19.2 *	12.2	10.3	10.5	(0.1)	-1%
Total Sources	$251.5 *	$243.9	$239.6	$230.2	$9.4	4%
% Change vs. Prior Year		-3%	-2%	-6%		

*Includes $9.0 million transferred temporarily from CIP.

Sales Taxes

	Twelve Months: Fiscal Year			
	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget
1.00% General Purpose Sales Tax	$78.3	$80.1	$80.9	$80.9
0.10% Public Safety Sales Tax	7.5	7.8	7.8	7.8
Total General Fund Sales Taxes	$85.8	$87.9	$88.7	$88.7
% Change vs. Prior Year	-10%	2%	1%	1%

	Fiscal Year-to-Date: June 2012					
					Actual vs. Budget Favorable/(Unfavorable)	
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Amount	Percent
1.00% General Purpose Sales Tax	$78.3	$80.1	$84.6	$80.9	$3.7	5%
0.10% Public Safety Sales Tax	7.5	7.8	8.2	7.8	0.4	5%
Total General Fund Sales Taxes	$85.8	$87.9	$92.9	$88.7	$4.1	5%
% Change vs. Prior Year		2%	6%	1%		

Actual to Revised Budget variance of $4.1 million or 5%:

Local automotive sales have performed better than expected, as well as dealers adding lines to their inventories. Additionally, there have been large audit payments in the miscellaneous retail, rental, construction, other, and license fee categories. See Appendix 1 for further information about results by sales tax categories.

State-Shared Revenues

	Twelve Months: Fiscal Year			
	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget
State Revenue Sharing	$30.3	$22.8	$18.3	$18.3
State Shared Sales Tax	17.3	17.8	16.4	16.4
Auto Lieu Tax	7.9	7.7	7.3	7.3
Total State Shared Revenues	$55.5	$48.4	$42.1	$42.1
% Change vs. Prior Year	-11%	-13%	-13%	-13%

	Fiscal Year-to-Date: June 2012					
					Actual vs. Budget Favorable/(Unfavorable)	
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Amount	Percent
State Revenue Sharing	$30.3	$22.8	$18.3	$18.3	-	-
State Shared Sales Tax	17.3	17.8	17.0	16.4	0.5	3%
Auto Lieu Tax	7.9	7.7	7.0	7.3	(0.4)	-5%
Total State Shared Revenues	$55.5	$48.4	$42.3	$42.1	$0.2	0%
% Change vs. Prior Year		-13%	-13%	-13%		

Actual to Revised Budget variance of $0.2 million or 0%:

No explanation necessary.

Property Taxes

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

Bed Taxes

Actual to Revised Budget variance of $1.2 million or 10%:
Tourism is continuing to show favorable activity, resulting in better than anticipated results in Bed Taxes.

Franchise Fees and In-Lieu Taxes

	Twelve Months: Fiscal Year			
	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget
Electric and Gas Franchise	$8.0	$7.8	$7.9	$7.9
Cable TV License Fee	3.4	3.2	3.0	3.0
Salt River Project Lieu Tax	0.1	0.2	0.2	0.2
Total Franchise Fees/In-Lieu Taxes	$11.5	$11.2	$11.1	$11.1
% Change vs. Prior Year	0%	-2%	-1%	-1%

	Fiscal Year-to-Date: June 2012					
					Actual vs. Budget Favorable/(Unfavorable)	
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Amount	Percent
Electric and Gas Franchise	$8.0	$7.8	$8.1	$7.9	$0.2	3%
Cable TV License Fee	3.4	3.2	3.4	3.0	0.4	14%
Salt River Project Lieu Tax	0.1	0.2	0.2	0.2	-	-
Total Franchise Fees/In-Lieu Taxes	$11.5	$11.2	$11.8	$11.1	0.7	6%
% Change vs. Prior Year		-2%	5%	-1%		

Actual to Revised Budget variance of $0.7 million or 6%:
Franchise fees are a formula based on gross revenues of utility service providers. Gross revenues increase based on increased fees, increased customers, or increased usage. Service providers do not share their forecasts, so budgets are based on historical data.

Charges for Services/Other

	Twelve Months: Fiscal Year			
	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget
Licenses, Permits & Fees				
Recreation Fees	$3.3	$3.6	$3.8	$3.8
WestWorld	2.5	2.6	2.5	2.5
Fire Service Charges	1.8	0.8	0.4	0.4
Business Licenses & Fees	1.8	1.7	1.7	1.7
Fines & Forfeitures				
Court Fines	7.5	4.3	5.2	5.2
Photo Enforcement Revenue	1.8	2.0	1.9	1.9
Parking Fines	0.3	0.3	0.2	0.2
Library Fines & Fees	0.4	0.4	0.4	0.4
Miscellaneous				
Stormwater Water Quality Charge	0.8	0.8	0.9	0.9
Property Rental	2.9	3.2	2.8	2.8
Intergovernmental Revenue	1.1	0.9	0.8	0.8
Miscellaneous	0.6	0.5	0.8	0.8
Reimbursements	2.1	3.4	1.8	1.8
Total Charges for Services/Other	$26.7	$24.5	$23.5	$23.5
% Change vs. Prior Year	-2%	-8%	-4%	-4%

	Fiscal Year-to-Date: June 2012					
					Actual vs. Budget Favorable/(Unfavorable)	
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Amount	Percent
Licenses, Permits & Fees						
Recreation Fees	$3.3	$3.6	$3.8	$3.8	-	-
WestWorld	2.5	2.6	2.6	2.5	0.1	5%
Fire Service Charges	1.8	0.8	0.5	0.4	0.1	17%
Business Licenses & Fees	1.8	1.7	1.8	1.7	0.1	4%
Fines & Forfeitures						
Court Fines	7.5	4.3	4.5	5.2	(0.7)	-13%
Photo Enforcement Revenue	1.8	2.0	2.3	1.9	0.4	23%
Parking Fines	0.3	0.3	0.3	0.2	0.1	28%
Library Fines & Fees	0.4	0.4	0.4	0.4	(0.1)	-18%
Miscellaneous						
Stormwater Water Quality Charge	0.8	0.8	0.9	0.9	(0.1)	-7%
Property Rental	2.9	3.2	3.6	2.8	0.8	28%
Intergovernmental Revenue	1.1	0.9	0.8	0.8	-	-
Miscellaneous	0.6	0.5	1.1	0.8	0.3	38%
Reimbursements	2.1	3.4	3.2	1.8	1.4	77%
Total Charges for Services/Other	$26.7	$24.5	$25.9	$23.5	$2.4	10%
% Change vs. Prior Year		-8%	6%	-4%		

Actual to Revised Budget variance of $2.4 million or 10%:

Licenses, Permits & Fees:

The favorable variance in WestWorld is attributed to an increase in concessions and feed and bedding sales. The favorable variance in Fire Service Charges is the result of an increase in the number of PMT transports requiring firefighter assistance.

Fines & Forfeitures:

Of the $0.7 million unfavorable variance in Court Fines, $0.5 million is the result of civil filings being down approximately 17 percent and $0.2 million is the result of the Out of Jurisdiction Confinement Program Revenue not performing as aggressive as originally forecast. An increase in Photo Enforcement citations year to date, coupled with successful collections efforts is creating a positive variance of $0.4 million in this category.

Miscellaneous:

Half of the favorable variance in Property Rental is the result of increased activity for the Scottsdale Princess and increased activity at the Tournament Players Club. In the Reimbursements category, $0.7 million of the favorable variance is the result of a repayment of per diem charges that were incurred due to the Maricopa County Sheriff's Office spending of detention funding for non-detention related purposes for the period of FY 2004/05 - FY 2010/11; $0.3 million of the favorable variance is attributed to increased Court Jail Fees and Public Defender Fees collections; $0.2 million of the favorable variance is

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Miscellaneous (con't):
attirbuted to utilties reimbursements; and $0.2 million of the favorable variance is attributed to a reimbursement from Southwest Gas for a special election held in March 2012. Of the $0.3 million favorable variance for Miscellaneous revenue, $0.1 is attributable to Public Safety Radio advance maintenance billing to the City of Phoenix for FY 2012/13 posting to FY 2011/12.

Building Permit Fees and Charges

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

Interest Earnings

Actual to Revised Budget variance of $1.1 million or n/m:
A high volume of investment trades to obtain better interest rates resulted in unbudgeted recognition of gains.

Indirect Cost Allocations

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

Transfers In

	Twelve Months: Fiscal Year			
	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget
CIP	$9.0	$3.6	$0.9	$0.9
Direct Cost Allocation - Fire	-	-	0.4	0.4
30 Day Tow	-	-	0.4	0.4
Fleet Transfer	-	-	1.0	1.0
Cultural Council	0.3	-	-	-
Special Programs	0.3	-	0.1	0.1
Enterprise In Lieu Franchise Fees	6.5	6.4	6.9	6.9
Enterprise In Lieu Property Tax	2.7	1.8	0.9	0.9
Water Campus Security	0.5	0.5	-	-
Total Transfers In	$19.2 *	$12.2	$10.5	$10.5
% Change vs. Prior Year	-86%	-37%	-14%	-14%

	Fiscal Year-to-Date: June 2012					
					Actual vs. Budget Favorable/(Unfavorable)	
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Amount	Percent
CIP	$9.0	$3.6	$0.9	$0.9	-	-
Direct Cost Allocation - Fire	-	-	0.4	0.4	-	-
30 Day Tow	-	-	0.3	0.4	(0.1)	-21%
Fleet Transfer	-	-	1.0	1.0	-	-
Cultural Council	0.3	-	-	-	-	-
Special Programs	0.3	-	0.2	0.1	0.1	nm
Enterprise In Lieu Franchise Fees	6.5	6.4	6.7	6.9	(0.2)	-3%
Enterprise In Lieu Property Tax	2.7	1.8	0.9	0.9	-	-
Water Campus Security	0.5	0.5	-	-	-	-
Total Transfers In	$19.2 *	$12.2	$10.3	$10.5	($0.1)	-1%
% Change vs. Prior Year		-37%	-15%	-14%		

*Includes $9.0 million transferred temporarily from CIP.

Actual to Revised Budget variance of ($0.1) million or (1%):
The unfavorable variance for 30 Day Tow is the result of tow activity not collecting enough revenue in the Special Programs Fund to support the General Fund expenditures for this program. The favorable variance in Special Programs is the result of moving the After School Programs Scholarships and the Green Building program to the General Fund since these programs do not meet the GASB criteria to be included in the Special Programs Fund. The unfavorable variance in Enterprise In Lieu Franchise Fees is the result of less water and water reclamation revenue collected. (The Enterprise In Lieu Franchise Fees transfer in amount is based on 5.0 percent of water and water reclamation revenues.)

Uses

($ in millions: Rounding differences may occur)

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
	Twelve Months: Fiscal Year				
Personnel Services	$168.0	$158.0	$153.8 *	$153.7	($0.1)
Contractual	48.8	48.6	46.1	47.3	1.1
Commodities	7.7	7.4	7.7	7.5	(0.2)
Capital Outlays	0.5	0.5	0.7	0.7	-
Total Operating Expenses	$225.0	$214.5	$208.4	$209.2	$0.8
Debt Service & Contracts Payable	9.0	12.2	17.9	18.4	0.6
Transfers Out	20.1	11.5	11.4	11.4	-
Total Uses	$254.1	$238.3	$237.6 *	$239.0	$1.4
% Change vs. Prior Year	-7%	-6%	0%	0%	

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
	One Month: June 2012					
Personnel Services	$14.7	$13.1	$12.6	$12.2	($0.4)	-3%
Contractual	6.3	6.0	5.5	5.3	(0.1)	-3%
Commodities	1.1	1.6	1.6	1.1	(0.5)	-46%
Capital Outlays	0.3	0.4	0.1	-	(0.1)	nm
Total Operating Expenses	$22.4	$21.0	$19.8	$18.7	($1.2)	-6%
Debt Service & Contracts Payable	7.5	7.9	10.0	10.9	0.9	9%
Transfers Out	14.8	4.8	4.4	6.1	1.7	28%
Total Uses	$44.7	$33.6	$34.2	$35.7	$1.5	4%
% Change vs. Prior Year		-25%	2%	7%		

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
	Fiscal Year-to-Date: June 2012					
Personnel Services	$168.0	$158.0	$154.2	$153.7	($0.5)	0%
Contractual	48.8	48.6	45.2	47.3	2.0	4%
Commodities	7.7	7.4	7.3	7.5	0.2	3%
Capital Outlays	0.5	0.5	0.2	0.7	0.5	70%
Total Operating Expenses	$225.0	$214.5	$206.9	$209.2	$2.3	1%
Debt Service & Contracts Payable	9.0	12.2	17.8	18.4	0.7	4%
Transfers Out	20.1	11.5	14.8	11.4	(3.4)	-29%
Total Uses	$254.1	$238.3	$239.4	$239.0	($0.4)	0%
% Change vs. Prior Year		-6%	0%	0%		

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
	Fiscal Year-to-Date: June 2012					
Mayor & Council and Charter Officers	$21.5	$19.0	$17.3	$17.7	$0.4	3%
Administrative Services	15.3	14.4	14.0	14.2	0.2	1%
Community & Economic Dev	25.0	25.2	22.9	23.9	1.0	4%
Community Services	36.7	34.5	31.6	32.2	0.6	2%
Public Safety - Fire	27.0	26.7	26.8	26.8	-	-
Public Safety - Police	82.5	78.9	78.4	78.4	-	-
Public Works	16.9	15.9	15.9	15.9	-	-
Total Operating Expenses	$225.0	$214.5	$206.9	$209.2	$2.3	1%

*Includes budgeted vacancy savings and leave accrual payouts.

Personnel Services

	Twelve Months: Fiscal Year				
	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
Salaries and Wages	$122.5	$118.4	$112.0 *	$111.9	($0.1)
Overtime	6.1	5.7	5.8	6.2	0.4
FICA	8.4	8.1	8.1	8.0	(0.2)
Retirement	15.2	13.2	14.0	13.8	(0.2)
Health/Dental/Miscellaneous	15.7	12.7	13.9	13.9	-
Total Personnel Services	$168.0	$158.0	$153.8 *	$153.7	($0.1)
% Change vs. Prior Year	-13%	-6%	-3%	-3%	

	Fiscal Year-to-Date: June 2012					
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries and Wages	$122.5	$118.4	$112.0	$111.9	($0.1)	0%
Overtime	6.1	5.7	6.6	6.2	(0.4)	-7%
FICA	8.4	8.1	7.8	8.0	0.2	2%
Retirement	15.2	13.2	14.1	13.8	(0.3)	-2%
Health/Dental/Miscellaneous	15.7	12.7	13.8	13.9	0.1	1%
Total Personnel Services	$168.0	$158.0	$154.2	$153.7	($0.5)	0%
% Change vs. Prior Year		-6%	-2%	-3%		
Pay Periods	*26*	*26*	*26*			

*Includes budgeted vacancy savings and leave accrual payouts.

Actual to Revised Budget variance of ($0.5) million or 0%: The year-end unfavorable variance is attributable to Overtime and Retirement. The Police Department continued to run over budget in Salaries, Wages and Overtime throughout the fiscal year principally as a result of targeted crime details and staffing shortages. In addition, the unfavorable variance in Retirement is primarily within the Fire Department and is due to a reduced Fire Insurance Premium Tax reimbursement received from the state. The state reimburses the city based on state payroll dates, which differed from the city in FY 2011/12.

Macro Personnel Adjustments

	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Year-To-Date Saved/(Used)	Remaining
Vacancy Savings	(5.1)	(4.0)	(3.2)	3.8	0.7
Vacation Leave Payouts	0.7	0.7	0.8	(0.6)	0.2
Medical Leave Payouts	1.0	1.1	1.0	(0.9)	0.1
Reclassifications	0.2	-	-	-	-
Total Vacancy Savings/Payouts	($3.2)	($2.3)	($1.4)	$2.3	$0.9

Total Saved/(Used) YTD of $2.3 million: The city achieved $3.8 million in vacancy savings for FY 2011/12 which is partially offset by the vacation and medical leave payouts of $1.5 million.

Contractual Services

Actual to Revised Budget variance of $2.0 million or 4%: Of the favorable year-end savings, $0.8 million is attributable to the jail services contract with the success of the Home Detention Program and a decrease in Maricopa County Sheriff's Office detention housing numbers compared to prior years. In addition, the city realized savings of $0.4 million by 1) participating in a beta test group for a new system upgrade and 2) renegotiating the Finance and Accounting core financial system contract software maintenance and licensing agreement. Also contributing to the variance, $0.5 million of unused event development and retention monies from bed tax. Finally, changes in telecommunications carriers resulted in year-end savings in pager and specialty lines services.

Commodities

Actual to Revised Budget variance of $0.2 million or 3%: The year-end favorable variance is a result of divisions continued efforts to implement operational efficiencies in an effort to control expenses in office supplies and other operating supplies.

Capital Outlays

Actual to Revised Budget variance of $0.5 million or 70%: The favorable variance in Capital Outlays is primarily the result of planned operating projects' expenditures being charged to Contractual Services and not to Capital Outlay accounts where the budget for those projects is allocated. In addition, not all projects identified in the work plan were completed and some projects were not undertaken.

Debt Service & Contracts Payable

	Twelve Months: Fiscal Year				
	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
MPC Excise Debt Fund	$6.7	$6.7	$7.6	$7.6	$ -
MPC Excise Debt Fund - Bed Tax	-	0.6	1.2	1.2	-
Certificates of Participation (COP)	0.9	0.9	3.4	3.5	0.1
Contracts Payable	1.4	3.5	5.6	3.6	(2.0)
COP - Radio Financing	-	0.5	-	2.5	2.5
Debt Service & Contracts Payable	$9.0	$12.2	$17.9	$18.4	$0.6
% Change vs. Prior Year	-3%	36%	46%	51%	

	Fiscal Year-to-Date: June 2012					
					Actual vs. Budget Favorable / (Unfavorable)	
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Amount	Percent
MPC Excise Debt Fund	$6.7	$6.7	$7.6	$7.6	$ -	-
MPC Excise Debt Fund - Bed Tax	-	0.6	0.6	1.2	0.6	49%
Certificates of Participation (COP)	0.9	0.9	3.5	3.5	-	-
Contracts Payable	1.4	3.5	3.6	3.6	0.1	2%
COP - Radio Financing	-	0.5	2.5	2.5	-	-
Debt Service & Contracts Payable	$9.0	$12.2	$17.8	$18.4	$0.7	4%
% Change vs. Prior Year		35%	45%	51%		

Actual to Revised Budget variance of $0.7 million or 4%: The favorable variance relates to the debt issuance for the WestWorld Tony Nelssen Equestrian Center (TNEC) expansion project. The budget assumed a $1.2 million debt issuance for TNEC in FY 2011/12.

Transfers-Out

	Twelve Months: Fiscal Year				
	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
CIP - General Fund Maintenance	$10.4	$2.0	$2.0	$2.0	$ -
Transportation Fund	3.3	-	-	-	-
Bed Tax Fund	6.4	6.7	6.1	6.1	-
CIP - Bed Tax	-	2.8	1.8	1.8	-
Health Care Reserve Fund	-	-	-	-	-
PC Replacement Fund	-	-	1.2	1.2	-
Spec Pgms Fund - Comm Srvs	-	-	0.2	0.2	-
Spec Pgms Fund - Planning & Dev	0.1	0.1	0.1	0.1	-
CIP - Stadium	-	-	-	-	-
Spec Pgms Fund - Art In Public Places	-	-	-	-	-
Total Transfers Out	$20.1	$11.5	$11.4	$11.4	$ -
% Change vs. Prior Year	61%	-43%	-1%	-1%	

	Fiscal Year-to-Date: June 2012					
					Actual vs. Budget Favorable / (Unfavorable)	
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Amount	Percent
CIP - General Fund	$10.4	$2.0	$2.0	$2.0	$ -	-
Transportation Fund	3.3	-	-	-	-	-
Bed Tax Fund	6.4	6.7	6.7	6.1	(0.6)	-10%
CIP - Bed Tax	-	2.8	0.5	1.8	1.3	71%
Health Care Reserve Fund	-	-	3.0	-	(3.0)	n/a
PC Replacement Fund	-	-	1.2	1.2	-	-
Spec Pgms Fund - Comm Srvs	-	-	0.1	0.2	0.1	45%
Spec Pgms Fund - Planning & Dev	0.1	0.1	0.1	0.1	-	-
CIP - Stadium	-	-	0.3	-	(0.3)	n/a
Spec Pgms Fund - Art In Public Places	-	-	0.9	-	(0.9)	n/a
Total Transfers Out	$20.1	$11.5	$14.8	$11.4	($3.4)	-29%
% Change vs. Prior Year		-43%	28%	-1%		

Actual to Revised Budget variance of ($3.4) million or (29%): The unfavorable variance in Bed Tax Fund is due to the actual revenue being greater than budgeted, resulting in an increased Transfers Out to the Special Programs Fund for the Convention and Visitor's Bureau (CVB) contract. In addition, the unfavorable variance in the Health Care Reserve Fund is due to a City Council approved one-time transfer from the General Fund Unreserved Balance to the Health Care Reserve Fund to restore the loss of fund balance as a result of the premium holiday from FY 2010/11. Furthermore, per the city's contract with Giants/Charros a CIP contribution was completed. Finally, the unfavorable variance is attributable to Council authorizing a one-time transfer of the Art In Public Places funding, accumulated in the General Fund operating budget, to the Special Programs Fund. The unfavorable variance was partially offset by the CIP - Bed Tax transfer for potential tourism projects that did not materialize and will be transferred to the new Tourism Development Fund in FY 2012/13.

FY 2011/12 - TRANSPORTATION FUND
($ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted vs. Revised Favorable / (Unfavorable) Amount	Percent
Sources	$29.2	$29.2	$ -	-
Uses	29.1	29.1	-	-
Change in Fund Balance	$0.1	$0.1	$ -	
Beginning Fund Balance	$0.5	$2.3	$1.8	
Ending Fund Balance	$0.5	$2.4	$1.9	

	Twelve Months: Fiscal Year				
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
HURF Taxes	$13.3	$13.4	$10.9	$10.9	$ -
0.20% City Sales Tax	14.6	15.0	15.3	15.3	-
Other	3.0	6.1	1.4	1.4	-
Total Revenues	$30.9	$34.5	$27.6	$27.6	$ -
Transfers In	3.6	0.6	1.6	1.6	-
Total Sources	$34.6	$35.1	$29.2	$29.2	$ -
% Change vs. Prior Year	-19%	2%	-17%	-17%	

	Twelve Months: Fiscal Year				
Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
Personnel Services	$6.5	$6.3	$5.2 *	$5.2	$ -
Contractual	18.7	15.4	15.3	15.3	-
Commodities	0.6	0.6	0.8	0.8	-
Capital Outlays	1.4	3.0	0.1	0.1	-
Total Operating Expenses	$27.2	$25.2	$21.5	$21.4	$ -
Transfers Out					
CIP Fund	7.5	7.6	7.7	7.7	-
Total Uses	$34.6	$32.8	$29.1 *	$29.1	$ -
% Change vs. Prior Year	-15%	-5%	-11%	-11%	

*Includes budgeted vacancy savings and leave accrual payouts.

June 2012: Current Month and YTD
($ in millions: Rounding differences may occur)

	June Actual	June Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sources	$3.0	$3.0	$31.4	$29.2	$2.2	8%
Uses	12.0	9.9	28.7	29.1	0.4	1%
Change in Fund Balance	($9.0)	($6.9)	$2.7	$0.1	$2.6	

	One Month: June 2012					
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
HURF Taxes	$1.1	$1.0	$0.9	$1.0	($0.1)	-8%
0.20% City Sales Tax	1.0	1.2	1.4	1.2	0.1	10%
Other	0.9	0.1	0.7	0.7	-	-
Total Revenues	$3.1	$2.4	$2.9	$2.9	$ -	-
Transfers In	3.1	-	-	-	-	-
Total Sources	$6.2	$2.4	$3.0	$3.0	$ -	-
% Change vs. Prior Year		-62%	25%	26%		

	Fiscal Year-to-Date: June 2012					
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
HURF Taxes	$13.3	$13.4	$10.9	$10.9	($0.1)	-1%
0.20% City Sales Tax	14.6	15.0	16.0	15.3	0.7	4%
Other	3.0	6.1	2.8	1.4	1.4	nm
Total Revenues	$30.9	$34.5	$29.7	$27.6	$2.1	7%
Transfers In	3.6	0.6	1.7	1.6	0.1	9%
Total Sources	$34.6	$35.1	$31.4	$29.2	$2.2	8%
% Change vs. Prior Year		2%	-11%	-17%		

Actual to Revised Budget variance of $2.2 million or 8%:

Local automotive sales have performed better than expected, as well as dealers adding lines to their inventories. Additionally, there have been large audit payments in the miscellaneous retail, rental, construction, other, and license fee categories. See Appendix 1 for further information about results by sales tax categories.

The favorable variance in Other Revenue is the result of a regional transit reconciliation for FY 2009/10 and FY 2010/11 related to the intergovernmental agreement with the Regional Public Transportation Authority (RPTA).

	One Month: June 2012					
Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	$0.6	$0.5	$0.4	$0.4	($0.1)	-15%
Contractual	2.2	1.4	3.3	1.7	(1.6)	-97%
Commodities	-	-	0.2	0.2	-	-
Capital Outlays	1.2	-	-	-	-	-
Total Operating Expenses	$4.0	$2.0	$3.9	$2.2	($1.7)	-79%
Transfers Out						
CIP Fund	7.5	7.6	8.0	7.7	(0.3)	-4%
Total Uses	$11.5	$9.6	$12.0	$9.9	($2.1)	-21%
% Change vs. Prior Year		-17%	24%	3%		

	Fiscal Year-to-Date: June 2012					
Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	$6.5	$6.3	$5.1	$5.2	$ -	-
Contractual	18.7	15.4	14.7	15.3	0.6	4%
Commodities	0.6	0.6	0.6	0.8	0.2	22%
Capital Outlays	1.4	3.0	0.2	0.1	(0.1)	-67%
Total Operating Expenses	$27.2	$25.2	$20.6	$21.4	$0.8	4%
Transfers Out						
CIP Fund	7.5	7.6	8.0	7.7	(0.3)	-4%
Total Uses	$34.6	$32.8	$28.7	$29.1	$0.4	1%
% Change vs. Prior Year		-5%	-13%	-11%		

Actual to Revised Budget variance of $0.4 million or 1%:

The favorable variance in Contractual is a result of less dust treatments for Particulate Matter (PM10) on unpaved roads, shoulders, and alleys. Less treatments were completed due to contract and scheduling delays. In addition, due to a favorable change in contract terms (a 3.0 percent annual increase was not implemented), savings were realized in the trolley contract. Year-end savings were partially offset by the unfavorable variance in Transfers Out. The city received more revenue than budgeted for sales tax receipts which increased the transfers out to the CIP Fund. By financial policy 50 percent of Transportation Sales Tax collections are transferred to the Capital Improvement Plan.

FY 2011/12 - WATER AND WATER RECLAMATION FUNDS
($ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted vs. Revised Favorable / (Unfavorable) Amount	Percent
Sources	$169.7	$169.7	$0.0	-
Uses	203.6	203.6	-	-
Change in Fund Balance	($33.9)	($33.9)	$0.4	
Beginning Fund Balance	$86.0	$80.5	($5.5)	
Ending Fund Balance	$51.7	$46.6	($5.5)	
60 to 90 Day Operating	$14.0	$14.0	$0.0	
Repair/Replacement Reserve	29.2	29.2	-	
Revenue Bond Debt Reserve	5.4	5.4	-	
Special Contractual	3.4	3.4	-	
Unreserved Fund Balance	-	(5.5) [a]	(5.5)	
Ending Fund Balance	$52.0	$46.6	($5.5)	

Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
	Twelve Months: Fiscal Year				
Water Service Charges	$94.8	$94.8	$98.4	$101.8	$3.4
Water Reclamation Charges	35.4	34.5	34.2	34.7	0.5
Effluent Sales	0.6	1.0	0.9	0.9	-
Interest Earnings	2.9	1.3	0.3	0.3	-
Miscellaneous Revenue	2.7	1.5	17.6	13.7	(3.9)
Total Revenues	$136.3	$133.1	$151.5	$151.5	$0.0
Bond Proceeds	78.5	-	-	-	-
Transfers In	15.2	17.4	18.2	18.2	-
Total Sources	$230.0	$150.6 [c]	$169.7	$169.7	$0.0
% Change vs. Prior Year	4% [b]	-35%	12%	12%	

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
	Twelve Months: Fiscal Year				
Personnel Services	$16.8	$15.5	$16.7	$16.7	$ -
Contractual	23.3	22.2	27.6	27.6	-
Commodities	19.7	22.1	23.5	23.5	-
Capital Outlays	0.1	0.2	-	-	-
Total Operating Expenses	$59.8	$59.9	$67.8	$67.8	$ -
Debt Service & Contracts Payable	25.7	29.8	29.1	29.1	-
Transfers Out					
Bond Proceeds	35.0	29.1	-	-	-
CIP Fund	73.1	11.4	92.4	92.4	-
Franchise Fees	6.5	6.4	6.9	6.9	-
In Lieu Property Tax Fees	2.6	1.7	0.9	0.9	-
Indirect/Direct Charges	9.6	10.1	6.5	6.5	-
Total Uses	$212.4	$148.6 [c]	$203.6	$203.6	$ -
% Change vs. Prior Year	n/a	-30%	37%	37%	

[a] FY 2011/12 year-end transfers-out to CIP are reduced by an amount sufficient to restore the negative unreserved fund balance.

[b] Excluding Bond Proceeds

[c] FY 2010/11 Actuals differ than reported in May as a result of a change in inclusion/exclusion of contractual water funds.

June 2012: Current Month and YTD
($ in millions: Rounding differences may occur)

	June Actual	June Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sources	$16.0	$13.4	$163.8	$169.7	($5.9)	-3%
Uses	39.4	77.8	$172.4	203.6	$31.2	15%
Change in Fund Balance	($23.4)	($64.4)	($8.6)	($33.9)	($37.1)	

One Month: June 2012

Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Water Service Charges	$8.9	$8.7	$13.0	$10.1	$3.0	29%
Water Reclamation Charges	3.0	2.8	2.9	2.9	0.0	-
Effluent Sales	-	0.3	0.2	0.2	(0.1)	-20%
Interest Earnings	1.2	0.4	(0.2)	0.0	(0.2)	nm
Miscellaneous Revenue	1.9	-	0.1	0.2	(0.1)	-72%
Total Revenues	$14.9	$12.2	$16.0	$13.4	$2.6	19%
Bond Proceeds	78.5	-	-	-	-	-
Transfers In	1.2	0.9	-	-	-	-
Total Sources	$94.6	$13.1	$16.0	$13.4	$2.6	19%
% Change vs. Prior Year		-86%	22%	3%		

Fiscal Year-to-Date: June 2012

Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Water Service Charges	$94.8	$94.8	$99.7	$101.8	($2.1)	-2%
Water Reclamation Charges	35.4	34.5	35.2	34.7	0.5	1%
Effluent Sales	0.6	1.0	0.8	0.9	(0.1)	-16%
Interest Earnings	2.9	1.3	0.6	0.3	0.3	nm
Miscellaneous Revenue	2.7	1.5	10.6	13.7	(3.2)	-23%
Total Revenues	$136.3	$133.1	$146.9	$151.5	($4.5)	-3%
Bond Proceeds	78.5	-	-	-	-	-
Transfers In	15.2	17.4	16.9	18.2	(1.3)	-7%
Total Sources	$230.0	$150.6	$163.8	$169.7	($5.9)	-3%
% Change vs. Prior Year		-35%	9%	13%		

Actual to Revised Budget variance of ($5.9) million or (3%):
The unfavorable variance for Water Service Charges is a result of lower than anticipated water deliveries. The unfavorable variance in Miscellaneous Revenue results from a lower than anticipated sale price for the Planet Ranch and a forecasted payment from the multi-city treatment plant that was budgeted as revenue and recorded as a reduction in expenditures offset by development fee administrative charges which are driven by building permits. The unfavorable variance for Transfers In is related to the transfer of development fee funds from the capital fund to the operating fund to pay debt service.

	One Month: June 2012					
Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / Amount	(Unfavorable) Percent
Personnel Services	$2.5	$1.3	$1.3	$1.2	($0.1)	-9%
Contractual	5.1	4.6	5.0	4.4	(0.7)	-15%
Commodities	2.3	2.6	4.4	4.1	(0.3)	-7%
Capital Outlays	0.1	-	0.1	-	(0.1)	n/a
Total Operating Expenses	$10.0	$8.5	$10.8	$9.7	($1.1)	-12%
Debt Service & Contracts Payable	18.4	20.2	20.2	20.6	0.4	2%
Transfers Out						
Bond Proceeds	29.7	4.9	-	-	-	-
CIP Fund	37.0	(12.0)	7.0	46.2	39.3	85%
Franchise Fees	1.1	1.1	0.8	0.6	(0.2)	-30%
In Lieu Property Tax Fees	0.2	0.1	0.1	0.1	-	-
Indirect/Direct Charges	(1.0)	0.8	0.5	0.5	-	-
Total Uses	$95.3	$23.8	$39.4	$77.8	$38.4	49%
% Change vs. Prior Year		-75%	65%	227%		

	Fiscal Year-to-Date: June 2012					
Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / Amount	(Unfavorable) Percent
Personnel Services	$16.8	$15.5	$16.1	$16.7	$0.6	4%
Contractual	23.3	22.2	25.1	27.6	2.5	9%
Commodities	19.7	22.1	23.4	23.5	0.2	1%
Capital Outlays	0.1	0.2	0.1	-	(0.1)	n/a
Total Operating Expenses	$59.8	$59.9	$64.6	$67.8	$3.2	5%
Debt Service & Contracts Payable	25.7	29.8	29.1	29.1	-	-
Transfers Out						
Bond Proceeds	35.0	29.1	11.4	-	(11.4)	n/a
CIP Fund	73.1	11.4	53.1	92.4	39.3	43%
Franchise Fees	6.5	6.4	6.7	6.9	0.2	3%
In Lieu Property Tax Fees	2.6	1.7	0.9	0.9	-	-
Indirect/Direct Charges	9.6	10.1	6.5	6.5	-	-
Total Uses	$212.4	$148.6	$172.4	$203.6	$31.2	15%
% Change vs. Prior Year		-30%	16%	37%		

Actual to Revised Budget variance of $31.2 million or 15%:

The favorable variance in Personnel Services is related to vacancy savings from unfilled positions. The favorable variance in Contractual is driven by less than forecasted electrical and gas, less licenses and permits costs, and lower maintenance of machinery and equipment costs. The favorable variance in Commodities is related to less than forecasted treatment filter media and chemicals offset by more than forecasted purchased water costs. The unfavorable variance in Capital Outlays is driven by the unbudgeted purchase of audio visual equipment for the water resources control center. The Bonds Proceeds transfer out is a movement of unspent prior year proceeds to the capital improvement fund, these funds are unbudgeted and restricted to eligible capital expenses. The favorable variance for CIP Fund transfers out is driven by less than forecasted revenues and funds held in operating for pending short term liabilities. The favorable variance for Franchise Fees is driven by less than forecasted revenues.

FY 2011/12 - AVIATION FUND

($ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted vs. Revised Favorable / (Unfavorable) Amount	Percent
Sources	$5.1	$5.1	$ -	-
Uses	2.9	2.9	-	-
Change in Fund Balance	$2.2	$2.2	$ -	
Beginning Fund Balance	$4.0	$3.8	($0.2)	
Ending Fund Balance	$6.1	$5.9	($0.2)	
60 to 90 Day Operating	$0.7	$0.7	$0.0	
Repair/Replacement Reserve	3.4	3.4	-	
Land Purchase Reserve	2.0	1.8	(0.2)	
Unreserved Fund Balance	-	-	-	
Ending Fund Balance	$6.1	$5.9	($0.2)	

	Twelve Months: Fiscal Year				
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
Aviation Fees	$2.9	$2.8	$3.0	$3.0	$ -
Privilege and Use Tax – Jet Fuel	0.1	0.1	0.1	0.1	-
Interest Earnings	0.1	0.1	-	-	-
Total Revenues	$3.1	$3.0	$3.1	$3.1	$ -
Transfers In	-	-	2.0	2.0	-
Total Sources	$3.1	$3.0	$5.1	$5.1	$ -
% Change vs. Prior Year	-33%	-3%	69%	69%	

	Twelve Months: Fiscal Year				
Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
Personnel Services	$0.9	$1.0	$1.0	$1.0	$ -
Contractual	0.5	0.6	0.6	0.6	-
Commodities	-	-	0.1	0.1	-
Capital Outlays	-	-	-	-	-
Total Operating Expenses	$1.6	$1.7	$1.7	$1.7	$ -
Transfers Out					
CIP Fund	0.2	1.6	0.7	0.7	-
In Lieu Property Tax Fees	-	-	-	-	-
Indirect/Direct Charges	0.5	0.7	0.6	0.6	-
Total Uses	$2.4	$3.9	$2.9	$2.9	$ -
% Change vs. Prior Year	n/a	65%	-25%	-25%	

June 2012: Current Month and YTD

($ in millions: Rounding differences may occur)

	June Actual	June Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sources	$0.3	$0.1	$3.4	$5.1	($1.7)	-32%
Uses	0.3	0.2	3.1	2.9	(0.1)	-4%
Change in Fund Balance	$ -	$ -	$0.4	$2.1	($1.8)	

	One Month: June 2012					
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Aviation Fees	$0.1	$0.2	$0.3	$0.1	$0.1	nm
Privilege and Use Tax – Jet Fuel	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-
Total Revenues	$0.2	$0.2	$0.3	$0.1	$0.1	nm
Transfers In	-	-	-	-	-	-
Total Sources	$0.2	$0.2	$0.3	$0.1	$0.1	nm
% Change vs. Prior Year		0%	77%	-13%		

	Fiscal Year-to-Date: June 2012					
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Aviation Fees	$2.9	$2.8	$3.2	$3.0	$0.3	10%
Privilege and Use Tax – Jet Fuel	0.1	0.1	0.1	0.1	-	-
Interest Earnings	0.1	0.1	-	-	-	-
Total Revenues	$3.1	$3.0	$3.4	$3.1	$0.3	11%
Transfers In	-	-	-	2.0	(2.0)	-100%
Total Sources	$3.1	$3.0	$3.4	$5.1	($1.7)	-32%
% Change vs. Prior Year		-3%	14%	69%		

Actual to Revised Budget variance of ($1.7) million or (32%):

The favorable variance in Aviation Fees is due to an increase in aviation take off and landing activity, fixed tenant rentals and Aeronautical Business permits. The unfavorable variance in Transfers In is related to the Scottsdale/Thunderbird Park-and-Ride facility; the revenue will be recognized over the 20 year lease agreement period rather than as a one time Transfer In, which is how it was budgeted.

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
	One Month: June 2012					
Personnel Services	$0.1	$0.1	$0.1	$0.1	$ -	-
Contractual	0.1	0.1	0.1	-	(0.1)	n/a
Commodities	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Total Operating Expenses	$0.3	$0.2	$0.2	$0.1	($0.1)	nm
Transfers Out						
CIP Fund	-	-	-	-	-	-
In Lieu Property Tax Fees	-	-	-	-	-	-
Indirect/Direct Charges	(0.1)	0.1	0.1	-	-	-
Total Uses	$0.2	$0.4	$0.3	$0.2	($0.1)	-79%
% Change vs. Prior Year		92%	-18%	-54%		

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
	Fiscal Year-to-Date: June 2012					
Personnel Services	$0.9	$1.0	$1.0	$1.0	$ -	-
Contractual	0.5	0.6	0.7	0.6	(0.1)	-23%
Commodities	-	-	-	0.1	-	-
Capital Outlays	-	-	-	-	-	-
Total Operating Expenses	$1.6	$1.7	$1.8	$1.7	($0.1)	-6%
Transfers Out						
CIP Fund	0.2	1.6	0.7	0.7	-	-
In Lieu Property Tax Fees	-	-	-	-	-	-
Indirect/Direct Charges	0.5	0.7	0.6	0.6	-	-
Total Uses	$2.4	$3.9	$3.1	$2.9	($0.1)	-4%
% Change vs. Prior Year		65%	-22%	-25%		

Actual to Revised Budget variance of ($0.1) million or (4%):

The unfavorable variance in contractual services is due to software purchases that were not received until FY 2011/12, but had been budgeted in FY 2010/11.

FY 2011/12 - SOLID WASTE FUND

($ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted vs. Revised Favorable / (Unfavorable) Amount	Percent
Sources	$20.5	$20.5	$ -	-
Uses	18.5	18.6	(0.1)	-
Change in Fund Balance	$2.0	$1.9	($0.1)	
Beginning Fund Balance	$6.3	$7.2	$0.9	
Ending Fund Balance	$8.3	$9.1	$0.8	
60 to 90 Day Operating	$3.9	$3.9	$0.0	
Unreserved Fund Balance	4.4	5.2	0.8	
Ending Fund Balance	$8.3	$9.1	$0.8	

Revenues:	2009/10 Actual	2010/11 Actual	Twelve Months: Fiscal Year 2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
Solid Waste Charges	$20.4	$20.9	$20.3	$20.3	$ -
Interest Earnings	0.2	0.1	-	-	-
Total Revenues	$20.6	$21.0	$20.3	$20.3	$ -
Transfers In	-	-	0.2	0.2	-
Total Sources	$20.6	$21.0	$20.5	$20.5	$ -
% Change vs. Prior Year	1%	2%	-2%	-2%	

Expenses:	2009/10 Actual	2010/11 Actual	Twelve Months: Fiscal Year 2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
Personnel Services	$5.7	$5.9	$6.3	$6.3	$ -
Contractual	9.7	9.7	9.3	9.4	0.1
Commodities	0.4	0.3	0.4	0.4	-
Capital Outlays	-	-	-	-	-
Total Operating Expenses	$15.8	$15.9	$16.1	$16.2	$0.1
Transfers Out					
CIP Fund	1.1	1.8	0.5	0.5	-
In Lieu Property Tax Fees	-	-	-	-	-
Indirect/Direct Charges	2.9	2.9	2.0	2.0	-
Total Uses	$19.8	$20.6	$18.5	$18.6	$0.1
% Change vs. Prior Year	n/a	4%	-10%	-10%	

June 2012: Current Month and YTD
($ in millions: Rounding differences may occur)

	June Actual	June Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / Amount	(Unfavorable) Percent
Sources	$1.9	$1.6	$21.0	$20.5	$0.5	2%
Uses	1.8	1.9	18.5	18.6	0.1	1%
Change in Fund Balance	$ -	($0.2)	$2.5	$1.9	$0.6	

	One Month: June 2012					
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / Amount	(Unfavorable) Percent
Solid Waste Charges	$1.8	$1.9	$1.9	$1.6	$0.2	13%
Interest Earnings	0.1	-	-	-	-	-
Total Revenues	$1.8	$1.9	$1.9	$1.6	$0.2	14%
Transfers In	-	-	-	-	-	-
Total Sources	$1.8	$1.9	$1.9	$1.6	$0.2	14%
% Change vs. Prior Year		0%	0%	-11%		

	Fiscal Year-to-Date: June 2012					
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / Amount	(Unfavorable) Percent
Solid Waste Charges	$20.4	$20.9	$20.7	$20.3	$0.4	2%
Interest Earnings	0.2	0.1	0.1	-	-	-
Total Revenues	$20.6	$21.0	$20.8	$20.3	$0.5	2%
Transfers In	-	-	0.2	0.2	-	-
Total Sources	$20.6	$21.0	$21.0	$20.5	$0.5	2%
% Change vs. Prior Year		2%	0%	-2%		

Actual to Revised Budget variance of $0.5 million or 2%:
The fiscal year to date favorable variance is driven by an increased volume of recycled material.

	One Month: June 2012					
Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	$0.3	$0.5	$0.5	$0.5	($0.1)	-11%
Contractual	1.1	1.1	1.1	1.2	0.1	7%
Commodities	0.1	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Total Operating Expenses	$1.5	$1.7	$1.7	$1.7	$ -	-
Transfers Out						
CIP Fund	-	0.4	-	0.1	-	-
In Lieu Property Tax Fees	-	-	-	-	-	-
Indirect/Direct Charges	(0.3)	0.2	0.2	0.1	-	-
Total Uses	$1.2	$2.3	$1.8	$1.9	$ -	-
% Change vs. Prior Year		87%	-20%	-19%		

	Fiscal Year-to-Date: June 2012					
Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	$5.7	$5.9	$6.6	$6.3	($0.3)	-4%
Contractual	9.7	9.7	9.0	9.4	0.4	4%
Commodities	0.4	0.3	0.4	0.4	-	-
Capital Outlays	-	-	-	-	-	-
Total Operating Expenses	$15.8	$15.9	$16.0	$16.2	$0.1	1%
Transfers Out						
CIP Fund	1.1	1.8	0.5	0.5	-	-
In Lieu Property Tax Fees	-	-	-	-	-	-
Indirect/Direct Charges	2.9	2.9	2.0	2.0	-	-
Total Uses	$19.8	$20.6	$18.5	$18.6	$0.1	1%
% Change vs. Prior Year		4%	-10%	-10%		

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

The unfavorable variance in Personnel Services is due to employee vacation and medical leave accrual payouts for retirements. The favorable variance for Contractual is due to lower than anticipated landfill costs.

FY 2011/12 - FLEET FUND
($ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted vs. Revised Favorable / (Unfavorable) Amount	Percent
Sources	$14.3	$14.3	$ -	-
Uses	18.4	18.4	-	-
Change in Fund Balance	($4.1)	($4.1)	$ -	
Beginning Fund Balance	$10.3	11.9	$1.6	
Ending Fund Balance	$6.2	7.7	$1.6	
Contingency Reserve	$1.3	$1.3	$0.0	
Future Acquisition	4.8	4.8	-	
Unreserved Fund Balance	-	1.6	1.6	
Ending Fund Balance	$6.2	$7.7	$1.6	

	Twelve Months: Fiscal Year				
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
Maintenance/Operation Rates	$11.5	$11.2	$11.0	$11.0	$ -
Replacement Rates	1.7	2.9	3.1	3.1	-
Interest Earnings	0.3	0.1	-	-	-
Other Revenue	0.4	0.1	0.2	0.2	-
Total Revenues	$13.9	$14.4	$14.3	$14.3	$ -
Transfers In	-	-	-	-	-
Total Sources	$13.9	$14.4	$14.3	$14.3	$ -
% Change vs. Prior Year	-27%	4%	0%.	0%	

	Twelve Months: Fiscal Year				
Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
Personnel Services	$3.2	$3.2	$3.2 *	$3.0	($0.2)
Contractual	1.2	1.3	1.5	1.5	-
Commodities	5.6	6.4	6.6	6.6	-
Capital Outlays	2.9	1.6	5.6	5.6	-
Total Operating Expenses	$12.9	$12.6	$17.0	$16.8	($0.2)
Transfers Out					
Transfers to Operating Funds	0.7	-	1.5	1.5	-
Total Uses	$13.6	$12.6	$18.4 *	18.3	($0.2)
% Change vs. Prior Year	-35%	-8%	46%	46%	

*Includes budgeted vacancy savings and leave accrual payouts.

June 2012: Current Month and YTD
($ in millions: Rounding differences may occur)

	June Actual	June Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Actual vs. Budget Favorable / (Unfavorable) Percent
Sources	$1.5	$1.2	$15.5	$14.3	$1.2	8%
Uses	2.2	1.4	18.0	18.3	0.2	1%
Change in Fund Balance	($0.7)	($0.3)	($2.5)	($3.9)	$1.4	

One Month: June 2012

Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Actual vs. Budget Favorable / (Unfavorable) Percent
Maintenance/Operation Rates	$1.0	$0.9	$1.0	$0.9	$0.1	7%
Replacement Rates	0.1	0.2	0.3	0.3	-	-
Interest Earnings	0.1	-	(0.1)	-	(0.1)	-100%
Other Revenue	-	-	0.3	-	0.3	nm
Total Revenues	$1.2	$1.2	$1.5	$1.2	$0.3	26%
Transfers In	-	-	-	-	-	-
Total Sources	$1.2	$1.2	$1.5	$1.2	$0.3	26%
% Change vs. Prior Year		-5%	30%	0%		

Fiscal Year-to-Date: June 2012

Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Actual vs. Budget Favorable / (Unfavorable) Percent
Maintenance/Operation Rates	$11.5	$11.2	$11.8	$11.0	$0.9	8%
Replacement Rates	1.7	2.9	3.1	3.1	-	-
Interest Earnings	0.3	0.1	-	-	(0.1)	-100%
Other Revenue	0.4	0.1	0.6	0.2	0.4	nm
Total Revenues	$13.9	$14.4	$15.5	$14.3	$1.2	8%
Transfers In	-	-	-	-	-	-
Total Sources	$13.9	$14.4	$15.5	$14.3	$1.2	8%
% Change vs. Prior Year		4%	8%	0%		

Actual to Revised Budget variance of $1.2 million or 8%:

The favorable variance in Maintenance/Operation Rates is the result of implementing direct billing (charging based on actual usage) in FY 2011/12. The unfavorable variance in Interest Earnings is attributed to moving interest earned in this fund to the General Fund based on an administrative policy change. The favorable variance in Other Revenue is attributed to auctioning off more equipment than originally estimated.

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
	One Month: June 2012					
Personnel Services	$0.3	$0.2	$0.3	$0.2	$ -	-
Contractual	0.1	0.2	0.2	0.1	(0.1)	-46%
Commodities	1.3	1.2	1.2	1.1	(0.1)	-13%
Capital Outlays	(0.5)	0.4	0.6	-	(0.6)	nm
Total Operating Expenses	$1.2	$2.1	$2.2	$1.4	($0.8)	-56%
Transfers Out						
Transfers to Operating Funds	0.7	-	-	-	-	-
Total Uses	$1.9	$2.1	$2.2	$1.4	($0.8)	-55%
% Change vs. Prior Year		11%	7%	-31%		

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
	Fiscal Year-to-Date: June 2012					
Personnel Services	$3.2	$3.2	$3.1	$3.0	($0.1)	-2%
Contractual	1.2	1.3	1.5	1.5	0.1	4%
Commodities	5.6	6.4	7.0	6.6	(0.4)	-6%
Capital Outlays	2.9	1.6	5.0	5.6	0.6	11%
Total Operating Expenses	$12.9	$12.6	$16.6	$16.8	$0.2	1%
Transfers Out						
Transfers to Operating Funds	0.7	-	1.5	1.5	-	-
Total Uses	$13.6	$12.6	$18.0	$18.3	$0.2	1%
% Change vs. Prior Year		-8%	43%	45%		

Actual to Revised Budget of $0.2 million or 1%:

The unfavorable variance in Commodities is due to the actual blended average of fuel costs being higher than forecasted. The favorable variance in Capital Outlays is due to Fleet not purchasing equipment as planned.

FY 2011/12 - BENEFITS SELF INSURANCE
($ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted vs. Revised Favorable / (Unfavorable) Amount	Percent
Sources	$25.0	$25.0	$ -	-
Uses	26.5	26.7	(0.3)	-1%
Change in Fund Balance	($1.5)	($1.7)	($0.3)	
Beginning Fund Balance	$4.2	3.3	($0.9)	
Ending Fund Balance	$2.7	1.6	($1.1)	
Healthcare Claim Reserve	$1.6	0.5	($1.1)	
Short Term Disability	1.1	1.1	-	
Ending Fund Balance	$2.7	1.6	($1.1)	

	Twelve Months: Fiscal Year				
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
Medical Premiums-COS	$18.1	$13.7	$16.8	$16.8	$ -
Dental Premiums - COS	0.9	0.7	0.9	0.9	-
Medical Premiums - EE	4.1	4.5	6.4	6.4	-
Dental Premiums - EE	0.8	0.7	0.8	0.8	-
Other Revenue	0.9	0.5	-	-	-
Short Term Disability	0.3	-	-	-	-
Total Revenues	$25.2	$20.2	$25.0	$25.0	$ -
Transfers In	-	-	-	-	-
Total Sources	$25.2	$20.2 [a]	$25.0 [b]	$25.0 [b]	$ -
% Change vs. Prior Year	-2%	-20%	24%	24%	

	Twelve Months: Fiscal Year				
Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
Personnel Services - COS	$0.2	$ -	$0.2	$0.2	$ -
Contractual - COS	0.1	-	0.1	0.1	-
Medical Claims	21.6	20.3	21.2	21.4	0.3
Dental Claims	1.5	1.5	1.5	1.5	-
Provider Admin Fees	1.9	1.8	1.8	1.8	-
Behavioral Health Claims	0.5	0.5	0.6	0.6	-
Stop Loss Insurance	0.4	0.4	0.5	0.5	-
Live Life Well	0.2	-	0.6	0.6	-
Short Term Disability	0.1	-	-	-	-
Total Operating Expenses	$26.5	$24.5	$26.5	$26.7	$0.3
Total Uses	$26.5	$24.5	$26.5	$26.7	$0.3
% Change vs. Prior Year	6%	-7%	8%	9%	

[a] Revenues reduced for premium holiday by approximately $4.0 million.

[b] Revenues reduced for anticipated premium holiday by approximately $1.0 million.

June 2012: Current Month and YTD

($ in millions: Rounding differences may occur)

	June Actual	June Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sources	$2.0	$2.1	$28.5	$25.0	$3.5	14%
Uses	2.4	2.5	26.9	26.7	(0.1)	-1%
Change in Fund Balance	($0.3)	($0.4)	$1.6	($1.7)	$3.4	

	One Month: June 2012					
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Medical Premiums-COS	$1.5	$1.4	$1.3	$1.4	($0.1)	-5%
Dental Premiums - COS	0.1	0.1	0.1	0.1	-	-
Medical Premiums - EE	0.3	0.4	0.6	0.5	0.1	13%
Dental Premiums - EE	0.1	0.1	0.1	0.1	-	-
Other Revenue	0.4	0.1	-	-	-	-
Short Term Disability	-	-	-	-	-	-
Total Revenues	$2.4	$2.0	$2.0	$2.1	($0.1)	-2%
Transfers In	-	-	-	-	-	-
Total Sources	$2.4	$2.0	$2.0	$2.1	($0.1)	-2%
% Change vs. Prior Year		-15%	0%	0%		

	Fiscal Year-to-Date: June 2012					
Revenues:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Medical Premiums-COS	$18.1	$13.7	$15.9	$16.8	($0.9)	-5%
Dental Premiums - COS	0.9	0.7	0.8	0.9	-	-
Medical Premiums - EE	4.1	4.5	6.6	6.4	0.1	2%
Dental Premiums - EE	0.8	0.7	0.8	0.8	(0.1)	-7%
Other Revenue	0.9	0.5	0.4	-	0.4	n/a
Short Term Disability	0.3	-	-	-	-	-
Total Revenues	$25.2	$20.2	$24.5	$25.0	($0.5)	-2%
Transfers In	-	-	4.0	-	4.0	n/a
Total Sources	$25.2	$20.2 [a]	$28.5	$25.0 [b]	$3.5	14%
% Change vs. Prior Year		-20%	41%	24%		

[a] Revenues reduced for premium holiday by approximately $4.0 million.

[b] Revenues reduced for anticipated premium holiday by approximately $1.0 million.

Actual to Revised Budget variance of $3.5 million or 14%:

The budgeted revenues were intended to cover the Live Life well (LLW) and City Administration (COS) expenses; however, the premium rates, which generate the actual revenues, were not set appropriately to cover these costs, creating an unfavorable variance. The favorable variance in Other Revenue is attributed to the receipt of pharmacy rebates and other reimbursements that were not budgeted. The favorable variance in Transfers In is the result of a $3.0 million transfer from the General Fund and a $1.0 million transfer from the Risk Fund in an effort to restore the loss of fund balance created by the premium holiday in FY 2010/11.

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
	One Month: June 2012					
Personnel Services - COS	$ -	($0.2)	$ -	$ -	$ -	-
Contractual - COS	-	(0.1)	-	-	-	-
Medical Claims	3.7	1.9	1.8	2.0	0.2	8%
Dental Claims	0.1	0.1	0.1	0.1	-	-
Provider Admin Fees	0.1	0.1	0.1	0.2	-	-
Behavioral Health Claims	-	-	-	0.1	-	-
Stop Loss Insurance	-	-	-	-	-	-
Live Life Well	-	(0.3)	0.1	0.1	-	-
Short Term Disability	-	-	-	-	-	-
Total Operating Expenses	$4.1	$1.6	$2.4	$2.5	$0.1	5%
Total Uses	$4.1	$1.6	$2.4	$2.5	$0.1	5%
% Change vs. Prior Year		-61%	48%	56%		

Expenses:	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
	Fiscal Year-to-Date: June 2012					
Personnel Services - COS	$0.2	$ -	$0.2	$0.2	$ -	-
Contractual - COS	0.1	-	0.1	0.1	-	-
Medical Claims	21.6	20.3	22.0	21.4	(0.5)	-2%
Dental Claims	1.5	1.5	1.4	1.5	0.1	5%
Provider Admin Fees	1.9	1.8	1.7	1.8	0.1	7%
Behavioral Health Claims	0.5	0.5	0.5	0.6	-	-
Stop Loss Insurance	0.4	0.4	0.5	0.5	-	-
Live Life Well	0.2	-	0.4	0.6	0.2	28%
Short Term Disability	0.1	-	-	-	-	-
Total Operating Expenses	$26.5	$24.5	$26.9	$26.7	($0.1)	-1%
Total Uses	$26.5	$24.5	$26.9	$26.7	($0.1)	-1%
% Change vs. Prior Year		-7%	10%	9%		

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

Medical claims for prescription drugs are up 18 percent from the prior year attibutable to an increased use of high-cost specialty drugs that have recently been developed to treat diseases such as cancer and rheumatoid arthritis.

Privilege (Sales) & Use Tax Collections For June 2012

(For Business Activity in June 2012)

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, 0.2 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 report shows a fiscal year Privilege and Use Tax (1.00% General Purpose) collections increase of 5 percent compared to the Budget, and an increase of 6 percent compared to the same period a year ago.

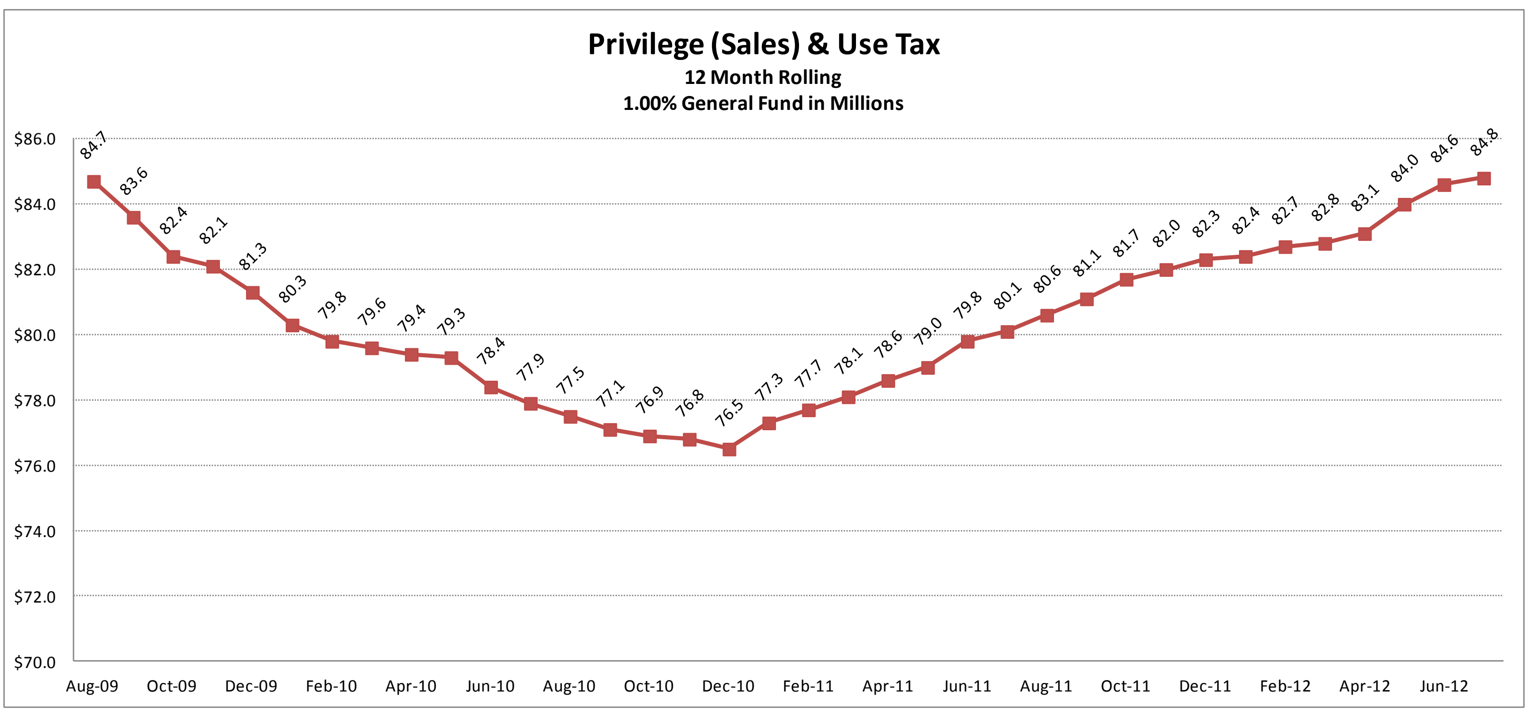
Privilege (Sales) & Use Tax by Category and Fund

	Fiscal Year: Twelve Months				
	2009/10 Actual	2010/11 Actual	2011/12 Adopted Budget	2011/12 Revised Budget	2011/12 Approved Adjustments
1.00% General Purpose					
Rentals	$11.1	$11.7	$11.7	$11.7	$0.0
Misc. Retail Stores	12.1	13.1	13.3	13.3	0.0
Major Dept. Stores	9.0	8.9	8.9	8.9	0.0
Automotive	8.4	9.0	9.2	9.2	0.0
Food Stores	6.0	6.1	6.2	6.2	0.0
Construction	8.2	7.6	7.9	7.9	0.0
Dining/ Entertainment	6.8	7.3	7.4	7.4	0.0
Other Taxable Activity	5.5	5.7	5.5	5.5	0.0
Hotel/Motel	4.0	4.1	4.2	4.2	0.0
Utilities	4.8	4.2	4.4	4.4	0.0
License fees, Penalty & Interest	2.4	2.4	2.1	2.1	0.0
Subtotal	$78.3	$80.1	$80.9	$80.9	$0.0
0.10% Public Safety	$7.5	$7.8	$7.8	$7.8	$0.0
0.20% Transportation	14.6	15.0	15.3	15.3	0.0
0.20% McDowell Preserve 1995	15.2	15.5	15.8	15.8	0.0
0.15% McDowell Preserve 2004	11.3	11.7	11.8	11.8	0.0
Total	$127.0	$130.1	$131.5	$131.5	$0.0
% Change vs. Prior Year		2%	1%	1%	

Rounding differences may occur.

Privilege (Sales) & Use Tax by Category and Fund

	Fiscal Year-to-Date: June 2012					
					Actual vs. Budget Favorable/(Unfavorable)	
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Budget	Amount	Percent
1.00% General Purpose						
Rentals	$11.1	$11.7	$11.9	$11.7	$0.2	2%
Misc. Retail Stores	12.1	13.0	14.1	13.3	0.8	6%
Major Dept. Stores	9.0	8.9	9.1	8.9	0.2	2%
Automotive	8.4	9.0	9.8	9.2	0.6	6%
Food Stores	6.0	6.1	6.4	6.2	0.1	2%
Construction	8.2	7.6	8.4	7.9	0.5	6%
Dining/ Entertainment	6.8	7.3	7.7	7.4	0.4	5%
Other Taxable Activity	5.5	5.7	6.2	5.5	0.7	14%
Hotel/Motel	4.0	4.1	4.3	4.2	0.1	2%
Utilities	4.8	4.2	4.4	4.4	0.0	0%
License fees, Penalty & Interest	2.4	2.4	2.3	2.1	0.2	8%
Subtotal	$78.3	$80.1	$84.6	$80.9	$3.7	5%
0.10% Public Safety	$7.5	$7.8	$8.2	$7.8	$0.4	5%
0.20% Transportation	14.6	15.0	16.0	15.3	0.7	4%
0.20% McDowell Preserve 1995	15.2	15.5	16.5	15.8	0.7	4%
0.15% McDowell Preserve 2004	11.3	11.7	12.3	11.8	0.6	5%
Total	$127.0	$130.1	$137.7	$131.5	$6.1	5%
% Change vs. Prior Year		2%	6%	1%		



Rounding differences may occur.

Rental Sales Taxes

The rental category includes rentals of commercial and residential real property and personal property rentals, (such as rentals of formal wear, DVD's, home health equipment, recreational goods, electronics, appliances, etc.)

Actual to Revised Budget variance of $0.2 million or 2%: The favorable variance is the result of an increase in rental activity and some large audit payments.

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, and pet supply stores.

Actual to Revised Budget variance of $0.8 million or 6%: The favorable variance is due to retail sales increasing for electronics and clothing. Part of this could be related to the All Star game being played in the Phoenix area.

Major Department Stores Sales Taxes

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

Actual to Revised Budget variance of $0.2 million or 2%: The favorable variance is due to some major department stores performing better than expected. This could be related to the All Star game being played in the Phoenix area.

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 $0.6 million or 6%: The favorable variance is due to the automotive dealers performing better than expected, Van Chevrolet adding Buick and GMC to their inventory and the opening of a used car dealer on McDowell Road.

Food Stores Sales Taxes

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

Actual to Revised Budget variance of $0.1 million or 2%: The favorable variance is due to increased sales at grocery stores and a decrease in the purchase of food with non-taxable food stamps.

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 $0.5 million or 6%: This is due to an increase in construction activity and some large 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 5%: The favorable variance is due to increased sales. Part of this could be related to the All Star game being played in the Phoenix area.

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Other Taxable 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.

Actual to Revised Budget variance of $0.7 million or 14%: The favorable variance is due to a wholesaler reporting a large amount of taxable sales in September, October and April. This is also due to a large audit payment.

Hotel/Motel Sales Taxes

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

Actual to Revised Budget variance of $0.1 million or 2%: This is due in part to a busier Spring Training season.

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.

License Fees, Penalty & Interest

This category consists of application and license fees for Transaction Privilege (sales) tax licenses, interest, and penalties.

Actual to Revised Budget variance of $0.2 million or 8%: This is due in part to interest and penalties paid for some large audit payments.

Glossary

To ensure legal compliance and financial management for the various restricted revenues and program 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. 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.

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.

GENERAL FUND SOURCES

Sales Tax - Scottsdale's total City sales tax rate is 1.65 percent. Of that amount, 0.55 percent is dedicated to the specific purposes related to transportation and preservation (which are accounted for in Special Revenue Funds) and 0.10 percent is dedicated to public safety (accounted for in the General Fund). The remaining 1.0 percent of the sales tax is also accounted for in the General Fund and is available to fund basic municipal services such as police, fire, libraries, and parks. Sales tax receipts received in the current month are based on prior month activity. This general-purpose sales tax is the City's single largest revenue source. The sales tax category results can be found in Appendix 1.

State Shared Revenues - These revenues are derived from state shared sales taxes, income taxes (revenue sharing), and vehicle license taxes (auto lieu). On a per capita basis, 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 numerous revenues such as building permits, recreation fees, fire department fees, WestWorld fees, interest income, and property rentals. Also included are cost allocations from the General Fund to the enterprise funds. Certain components of this revenue source are subject to dramatic peaks and valleys from year to year.

Property Taxes – In the General Fund, 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.

Franchise Fees and In-Lieu Taxes – This category represents revenues from utility and cable providers for their permitted use of the City's Rights-of-Way.

Bed Taxes – A transient lodging tax (bed tax) is applied to lodging room charges for stays of 29 days or less in hotels or short-term rentals. Effective July 1, 2010, the bed tax rate was increased from 3 percent to 5 percent, half of which must be spent on destination marketing and half of which remains in the General Fund to be used for Capital, Events Development, Administration and other.

Transfers In – For FY 2011/12, transfers in reflects funds received from the Capital Improvement Plan (CIP) Funds, the Enterprise Funds (In-Lieu Franchise Fees and In-Lieu Property Tax), the Fleet Fund (one time recapture of excess contributions) and Special Programs (one time). FY 2011/12 is the last year the In Lieu Property Tax transfer from the Water/Wastewater Enterprise Funds will occur.

Glossary

GENERAL FUND USES

Personnel Services include the salaries and wages (pay for time worked, vacation, and sick leave) plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. It is also inclusive of vacancy savings, the medical and vacation leave accrual payouts that are made at the time of separation from the City, and position reclassifications.

Vacancy Savings and Leave Payouts is the net of the Citywide vacancy savings and the medical and vacation leave accrual payouts that are made at the time of separation from the City.

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

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

Capital outlays include 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 increase the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as capital outlay the expenditure must meet all of the following requirements: (1) have an estimated useful life of more than two years; (2) have a unit cost of $10,000 or more; and (3) be betterment or improvement.

Debt Service & Contracts Payable category is debt payments related to Municipal Property Corporation (MPC) bonds where the City's excise taxes are pledged to meet debt service. It also includes contractual obligations related to development agreements (funded by sales tax rebates) which vary based on the actual sales tax collections.

Transfers-Out represents the authorized exchanges of cash between funds, divisions, departments and/or capital projects.

OTHER SOURCES

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

Enterprise Funds are used to account for operations, including debt service, which are financed and operated similarly to private businesses, where the intent is that the service is self-sufficient, with all costs supported predominantly by user charges. The City maintains three Enterprise Funds to account for Water & Water Reclamation, Solid Waste, and Aviation 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 Rates 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 Rates are monthly charges based on the volume and strength of the sewage discharge.
- Non-Potable Water Rates includes the sale of surface water, reverse osmosis (RO) and effluent treated to irrigation standards. These different water types are delivered

to 23 Reclaimed Water Distribution System (RWDS) golf courses, 3 Irrigation Water Distribution System (IWDS) golf courses, the Gainey Ranch Golf Club, the WestWorld golf course and the Inlet/Silverado golf course.

- Miscellaneous Revenue includes rental income, miscellaneous reimbursements and other minor fees. The FY 2011/12 miscellaneous revenue forecast includes proceeds ($12.M) expected from the sale of Planet Ranch.

Solid Waste Fund
This fund accounts for the transactions related to the City's solid waste and recycling business activities, which includes operating revenues and expenditures.

- Solid Waste Rates 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.

Aviation Fund
This fund accounts for the transactions related to the City's aviation business activity at the Scottsdale Airport, which includes operating revenue and expenditures.

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

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 City maintains three Internal Service Funds to account for Fleet, PC Replacement and Self-Insurance activities.