

Monthly Financial Report

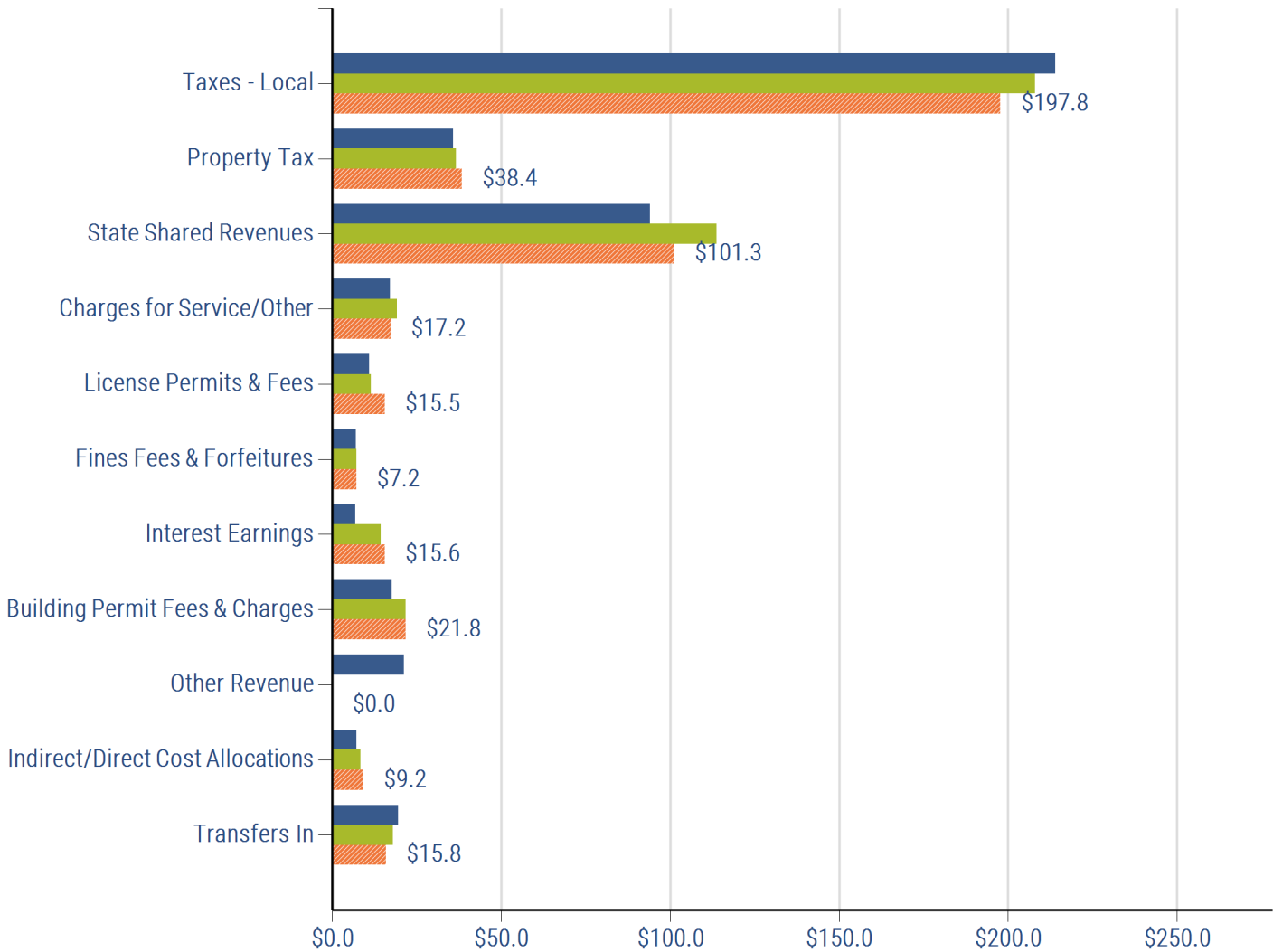
**Fiscal Year to Date as of
December 31, 2024**

Report to the City Council
Prepared by the City Treasurer
February 18, 2025

Sources

General Fund

Twelve Months: Fiscal Year

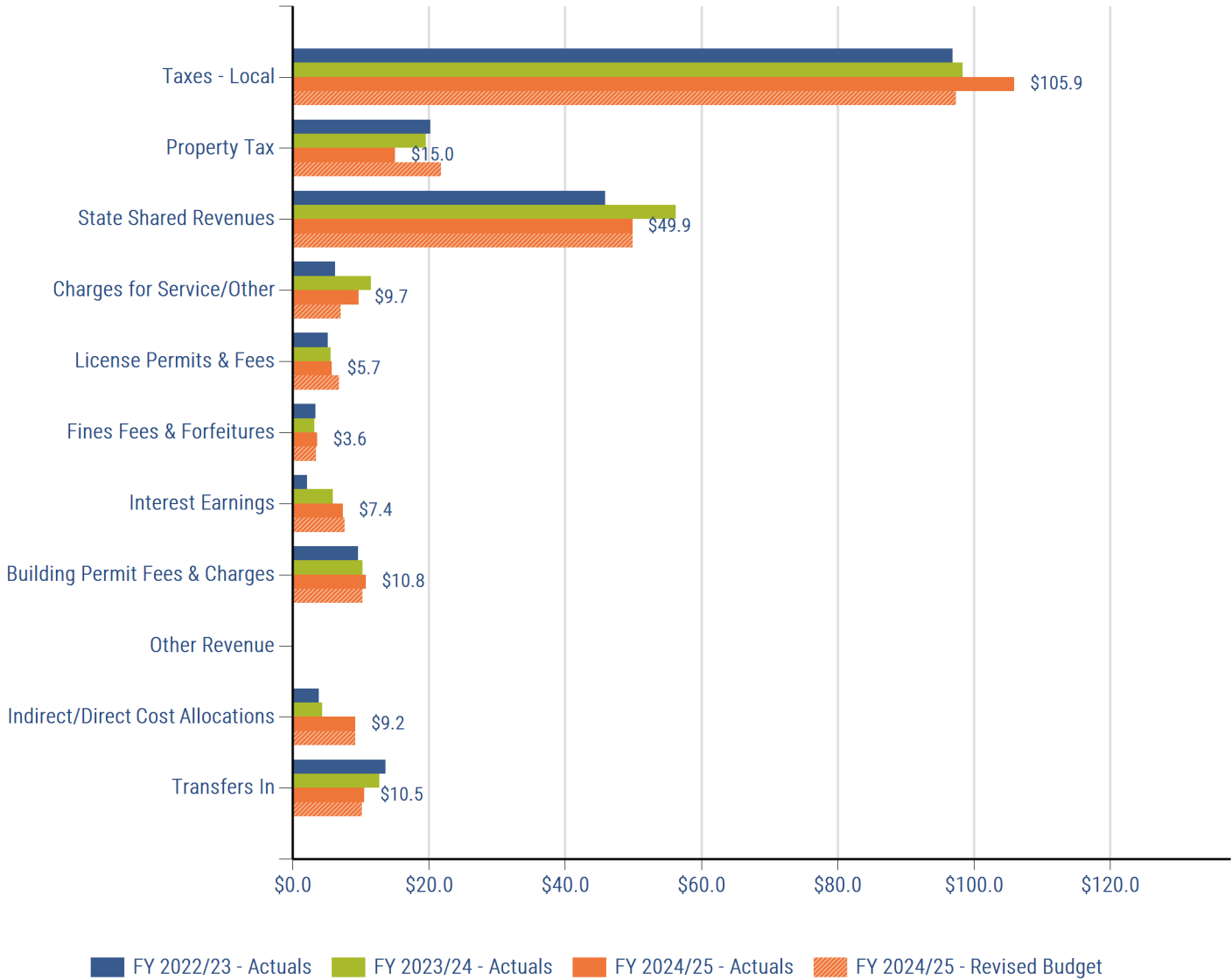


■ FY 2022/23 - Actuals
 ■ FY 2023/24 - Actuals
 ▨ FY 2024/25 - Revised Budget

| | FY 2022/23 <u>Actuals</u> | FY 2023/24 <u>Actuals</u> | FY 2024/25 <u>Revised Budget</u> |
|----------------------------------|------------------------------|------------------------------|---|
| Taxes - Local | \$214.1 | \$208.0 | \$197.8 |
| Property Tax | 35.8 | 36.5 | 38.4 |
| State Shared Revenues | 94.0 | 113.7 | 101.3 |
| Charges for Service/Other | 17.0 | 19.2 | 17.2 |
| License Permits & Fees | 10.8 | 11.3 | 15.5 |
| Fines Fees & Forfeitures | 7.0 | 7.1 | 7.2 |
| Interest Earnings | 6.9 | 14.4 | 15.6 |
| Building Permit Fees & Charges | 17.6 | 21.7 | 21.8 |
| Other Revenue | 21.2 | 0.1 | - |
| Indirect/Direct Cost Allocations | 7.2 | 8.3 | 9.2 |
| Transfers In | 19.4 | 18.0 | 15.8 |
| Total Sources | \$450.9 | \$458.3 | \$439.7 |

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

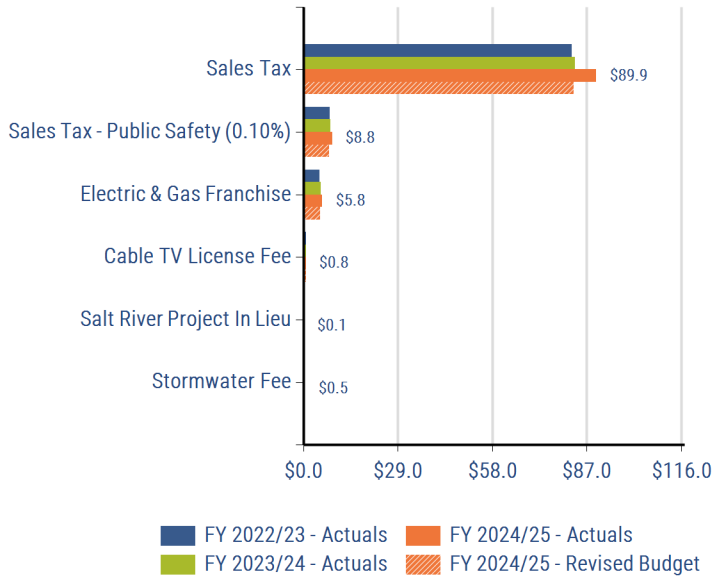
Sources (Fiscal Year to Date: December 2024)



| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Taxes - Local | \$96.9 | \$98.4 | \$105.9 | \$97.4 | \$8.5 | 9% |
| Property Tax | 20.2 | 19.6 | 15.0 | 21.8 | (6.7) | (31%) |
| State Shared Revenues | 45.9 | 56.3 | 49.9 | 49.9 | - | - |
| Charges for Service/Other | 6.2 | 11.5 | 9.7 | 7.0 | 2.7 | 38% |
| License Permits & Fees | 5.2 | 5.6 | 5.7 | 6.8 | (1.1) | (16%) |
| Fines Fees & Forfeitures | 3.4 | 3.2 | 3.6 | 3.4 | 0.2 | 7% |
| Interest Earnings | 2.1 | 5.9 | 7.4 | 7.6 | (0.2) | (3%) |
| Building Permit Fees & Charges | 9.6 | 10.3 | 10.8 | 10.3 | 0.5 | 5% |
| Other Revenue | - | - | - | - | - | - |
| Indirect/Direct Cost Allocations | 3.8 | 4.3 | 9.2 | 9.2 | - | - |
| Transfers In | 13.7 | 12.7 | 10.5 | 10.2 | 0.3 | 3% |
| Total Sources | \$206.9 | \$227.7 | \$227.9 | \$223.7 | \$4.2 | 2% |

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

Taxes - Local (Fiscal Year to Date: December 2024)

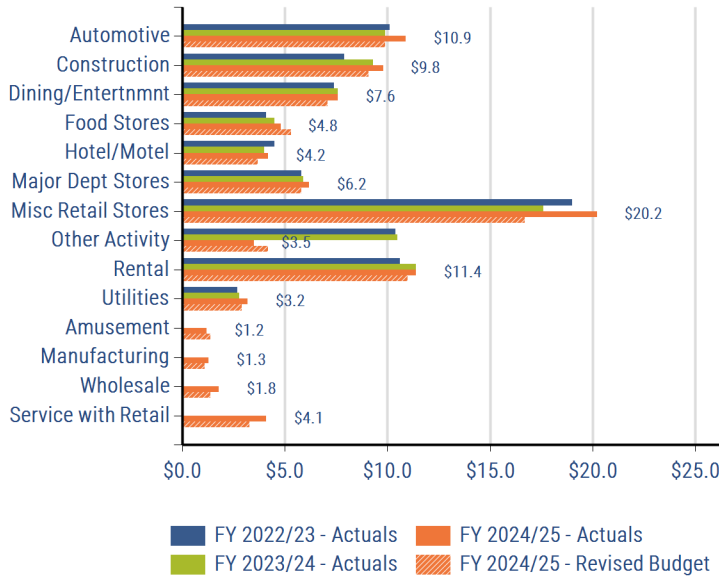


Actual to Revised Budget variance of \$8.5 million or 9%:
 The favorable variance is primarily due to Sales Tax and Electric & Gas Franchise. See detailed Sales Tax information on page 5. The favorable variance in Electric & Gas Franchise is due to higher than expected electricity usage.

| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Sales Tax | \$82.4 | \$83.4 | \$89.9 | \$82.9 | \$7.0 | 8% |
| Sales Tax - Public Safety (0.10%) | 8.1 | 8.2 | 8.8 | 7.9 | 0.9 | 11% |
| Electric & Gas Franchise | 4.9 | 5.4 | 5.8 | 5.1 | 0.7 | 14% |
| Cable TV License Fee | 0.9 | 0.8 | 0.8 | 0.9 | (0.1) | (12%) |
| Salt River Project In Lieu | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Stormwater Fee | 0.5 | 0.5 | 0.5 | 0.5 | - | - |
| Taxes - Local Total | \$96.9 | \$98.4 | \$105.9 | \$97.4 | \$8.5 | 9% |

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

Sales Tax (Fiscal Year to Date: December 2024)



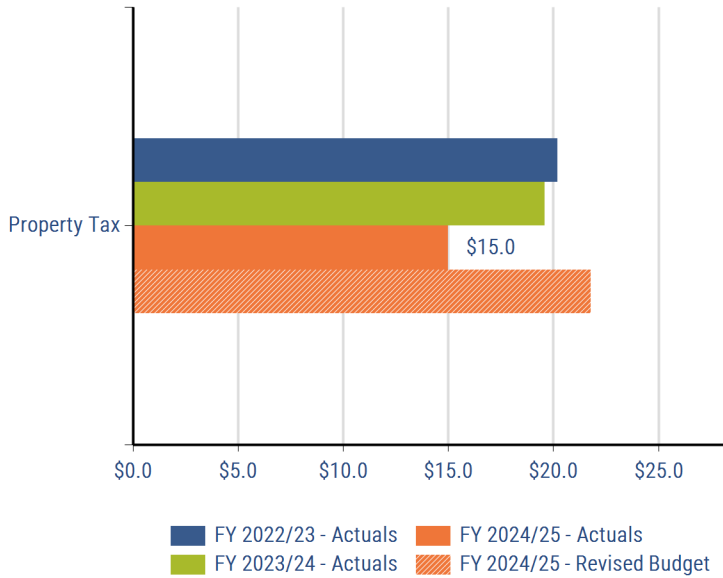
Actual to Revised Budget variance of \$7.0 million or 8%:
 The favorable variance is primarily due to: 1)Automotive - a large one-time audit payment, a new car dealership, and a fall car auction; 2)Construction - an increase in residential/commercial construction and one-time audit payment; and 3) Misc. Retail Stores - a large one-time audit payment and businesses doing better than expected. The variance would be greater, but is being offset by Food Stores - some businesses not doing as well as anticipated, increased usage in supplemental nutrition assistance program, and some timing differences of when taxes were filed last year versus this year.

| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Automotive | \$10.1 | \$9.9 | \$10.9 | \$9.9 | \$1.0 | 10% |
| Construction | 7.9 | 9.3 | 9.8 | 9.1 | 0.7 | 8% |
| Dining/Entertainment | 7.4 | 7.6 | 7.6 | 7.1 | 0.5 | 7% |
| Food Stores | 4.1 | 4.5 | 4.8 | 5.3 | (0.6) | (11%) |
| Hotel/Motel | 4.5 | 4.0 | 4.2 | 3.7 | 0.5 | 12% |
| Major Dept Stores | 5.8 | 5.9 | 6.2 | 5.8 | 0.4 | 7% |
| Misc Retail Stores | 19.0 | 17.6 | 20.2 | 16.7 | 3.5 | 21% |
| Other Activity | 10.4 | 10.5 | 3.5 | 4.2 | (0.7) | (17%) |
| Rental | 10.6 | 11.4 | 11.4 | 11.0 | 0.4 | 3% |
| Utilities | 2.7 | 2.8 | 3.2 | 2.9 | 0.3 | 10% |
| Amusement | - | - | 1.2 | 1.4 | (0.2) | (17%) |
| Manufacturing | - | - | 1.3 | 1.1 | 0.2 | 17% |
| Wholesale | - | - | 1.8 | 1.4 | 0.4 | 27% |
| Service with Retail | - | - | 4.1 | 3.3 | 0.8 | 23% |
| Sales Tax Total | \$82.4 | \$83.4 | \$89.9 | \$82.9 | \$7.0 | 8% |

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

Property Tax (Fiscal Year to Date: December 2024)

Actual to Revised Budget variance of (\$6.7) million or (31%): The unfavorable variance in property tax is due to the impact of the Qasimyar v. Maricopa County property tax judgement.

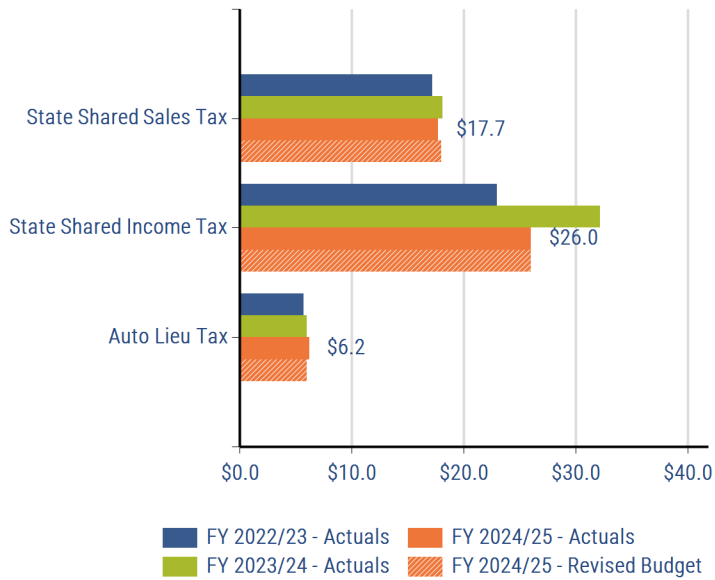


| | <u>FY 2022/23</u> <u>Actuals</u> | <u>FY 2023/24</u> <u>Actuals</u> | <u>FY 2024/25</u> <u>Actuals</u> | <u>FY 2024/25</u> <u>Revised Budget</u> | <u>Actual vs. Budget</u> <u>Favorable / (Unfavorable)</u> <u>Amount</u> | <u>Percent</u> |
|--------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|---|----------------|
| Property Tax | \$20.2 | \$19.6 | \$15.0 | \$21.8 | (\$6.7) | (31%) |
| Property Tax Total | \$20.2 | \$19.6 | \$15.0 | \$21.8 | (\$6.7) | (31%) |

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

State Shared Revenues (Fiscal Year to Date: December 2024)

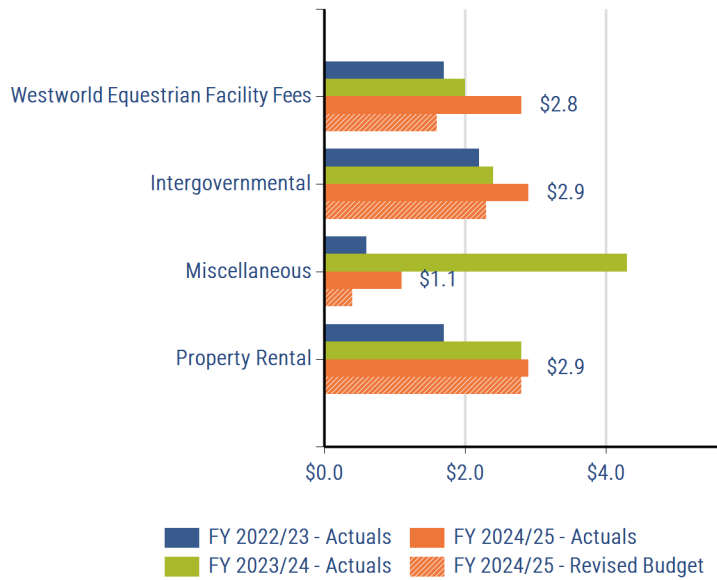
Actual to Revised Budget variance of \$0.0 million or 0%: No significant variances.



| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|----------|
| State Shared Sales Tax | \$17.2 | \$18.1 | \$17.7 | \$18.0 | (\$0.2) | (1%) |
| State Shared Income Tax | 23.0 | 32.2 | 26.0 | 26.0 | - | - |
| Auto Lieu Tax | 5.7 | 6.0 | 6.2 | 6.0 | 0.2 | 4% |
| State Shared Revenues Total | \$45.9 | \$56.3 | \$49.9 | \$49.9 | \$ - | - |

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

Charges for Service/Other (Fiscal Year to Date: December 2024)

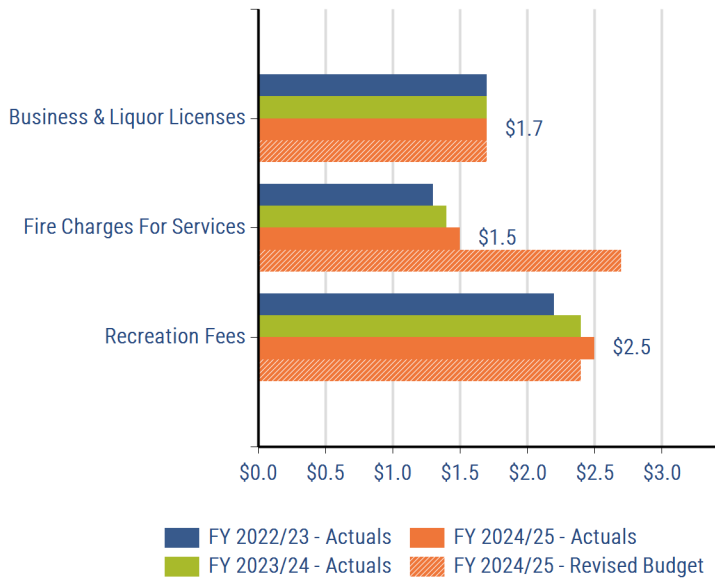


Actual to Revised Budget variance of \$2.7 million or 38%:
 The favorable variance is due to 1) Westworld Equestrian Facility Fees - timing in receiving payments for facilities rental and labor; 2) Intergovernmental - higher than expected fire insurance premium tax reimbursement in Public Safety - Fire division; and 3) Miscellaneous - timing in receiving recovery payments in WestWorld and reimbursements for state fire deployments in Public Safety - Fire division.

| | <u>FY 2022/23 Actuals</u> | <u>FY 2023/24 Actuals</u> | <u>FY 2024/25 Actuals</u> | <u>FY 2024/25 Revised Budget</u> | <u>Actual vs. Budget Favorable / (Unfavorable) Amount</u> | <u>Percent</u> |
|--|---------------------------|---------------------------|---------------------------|----------------------------------|---|----------------|
| Westworld Equestrian Facility Fees | \$1.7 | \$2.0 | \$2.8 | \$1.6 | \$1.2 | 77% |
| Intergovernmental | 2.2 | 2.4 | 2.9 | 2.3 | 0.6 | 28% |
| Miscellaneous | 0.6 | 4.3 | 1.1 | 0.4 | 0.7 | >100% |
| Property Rental | 1.7 | 2.8 | 2.9 | 2.8 | 0.2 | 6% |
| Charges for Service/Other Total | \$6.2 | \$11.5 | \$9.7 | \$7.0 | \$2.7 | 38% |

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

License Permits & Fees (Fiscal Year to Date: December 2024)

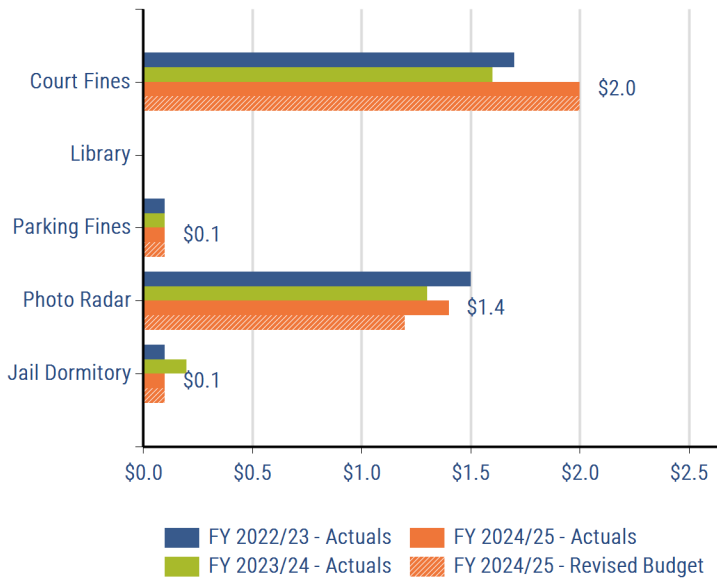


Actual to Revised Budget variance of (\$1.1) million or (16%): The unfavorable variance is due to Fire Charges For Services - the ambulance transportation services started later than expected.

| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|--------------|
| Business & Liquor Licenses | \$1.7 | \$1.7 | \$1.7 | \$1.7 | \$0.1 | 3% |
| Fire Charges For Services | 1.3 | 1.4 | 1.5 | 2.7 | (1.2) | (45%) |
| Recreation Fees | 2.2 | 2.4 | 2.5 | 2.4 | 0.1 | 4% |
| License Permits & Fees Total | \$5.2 | \$5.6 | \$5.7 | \$6.8 | (\$1.1) | (16%) |

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

Fines Fees & Forfeitures (Fiscal Year to Date: December 2024)



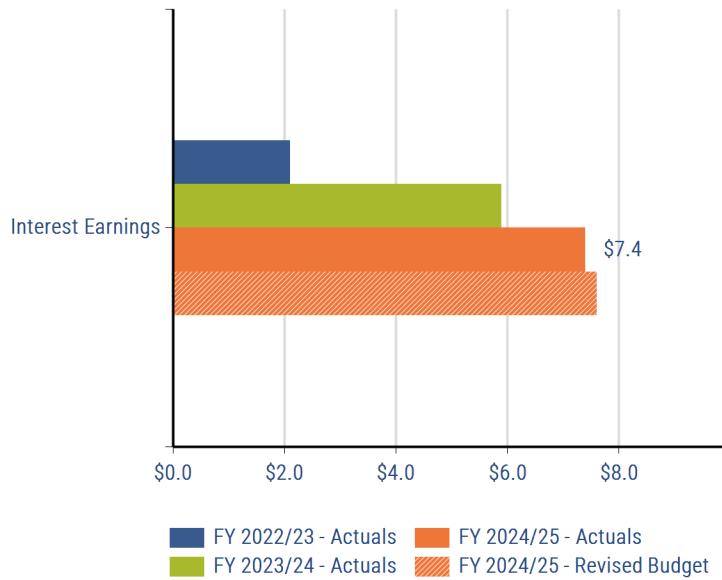
Actual to Revised Budget variance of \$0.2 million or 7%:
 The favorable variance is due to 1) Photo Radar - higher than anticipated filings for traffic photo enforcement; and 2) Jail Dormitory - higher than anticipated participation in the Jail Dormitory program.

| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Court Fines | \$1.7 | \$1.6 | \$2.0 | \$2.0 | \$ - | - |
| Library | - | - | - | - | - | - |
| Parking Fines | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Photo Radar | 1.5 | 1.3 | 1.4 | 1.2 | 0.1 | 10% |
| Jail Dormitory | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 | >100% |
| Fines Fees & Forfeitures Total | \$3.4 | \$3.2 | \$3.6 | \$3.4 | \$0.2 | 7% |

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

Interest Earnings (Fiscal Year to Date: December 2024)

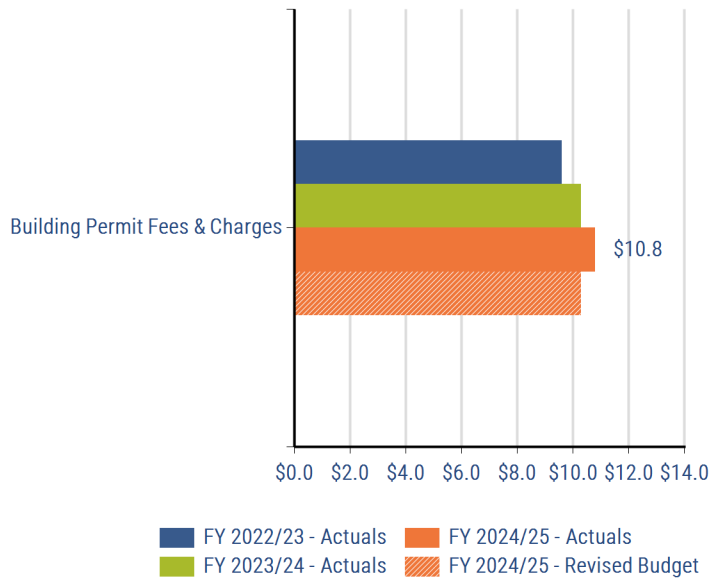
Actual to Revised Budget variance of (\$0.2) million or (3%):
The unfavorable variance in interest earnings is due to lower than expected interest rate.



| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|---------|
| Interest Earnings | \$2.1 | \$5.9 | \$7.4 | \$7.6 | (\$0.2) | (3%) |
| Interest Earnings Total | \$2.1 | \$5.9 | \$7.4 | \$7.6 | (\$0.2) | (3%) |

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

Building Permit Fees & Charges (Fiscal Year to Date: December 2024)



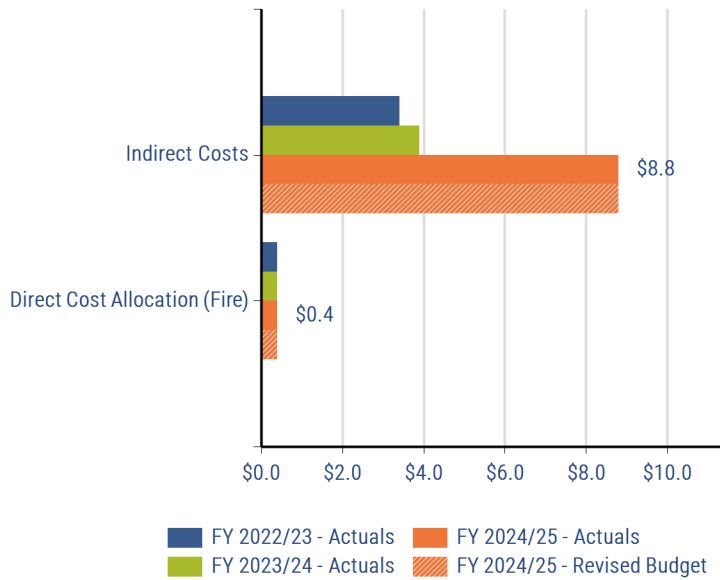
Actual to Revised Budget variance of \$0.5 million or 5%:
 The favorable variance is due to a one-time large payment for an encroachment permit fee and higher than expected revenues from plan review activities. The favorable variance would be greater, but is being offset by special event fees that were budgeted in October but are now not expected until later in the fiscal year for the Public Safety - Police division.

| | <u>FY 2022/23</u> <u>Actuals</u> | <u>FY 2023/24</u> <u>Actuals</u> | <u>FY 2024/25</u> <u>Actuals</u> | <u>FY 2024/25</u> <u>Revised Budget</u> | <u>Actual vs. Budget</u> <u>Favorable / (Unfavorable)</u> <u>Amount</u> | <u>Percent</u> |
|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|---|----------------|
| Building Permit Fees & Charges | \$9.6 | \$10.3 | \$10.8 | \$10.3 | \$0.5 | 5% |
| Building Permit Fees & Charges Total | \$9.6 | \$10.3 | \$10.8 | \$10.3 | \$0.5 | 5% |

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

Indirect/Direct Cost Allocations (Fiscal Year to Date: December 2024)

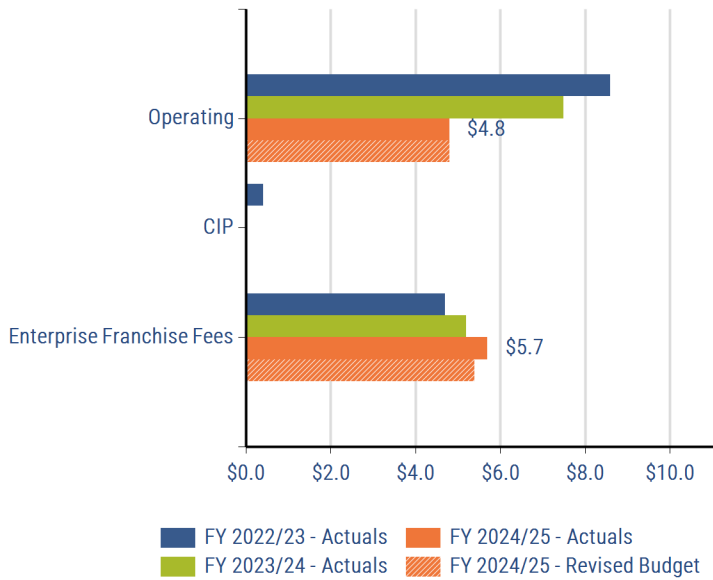
Actual to Revised Budget variance of \$0.0 million or 0%:
Indirect/Direct Cost Allocations are aligned with budget.



| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|----------|
| Indirect Costs | \$3.4 | \$3.9 | \$8.8 | \$8.8 | \$ - | - |
| Direct Cost Allocation (Fire) | 0.4 | 0.4 | 0.4 | 0.4 | - | - |
| Indirect/Direct Cost Allocations Total | \$3.8 | \$4.3 | \$9.2 | \$9.2 | \$ - | - |

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

Transfers In (Fiscal Year to Date: December 2024)



Actual to Revised Budget variance of \$0.3 million or 3%:
 Transfers In is the authorized movement of cash or other resources from other funds to support the General Fund. The favorable variance is due to higher than expected Enterprise Franchise Fees being transferred from the Water and Water Reclamation Funds.

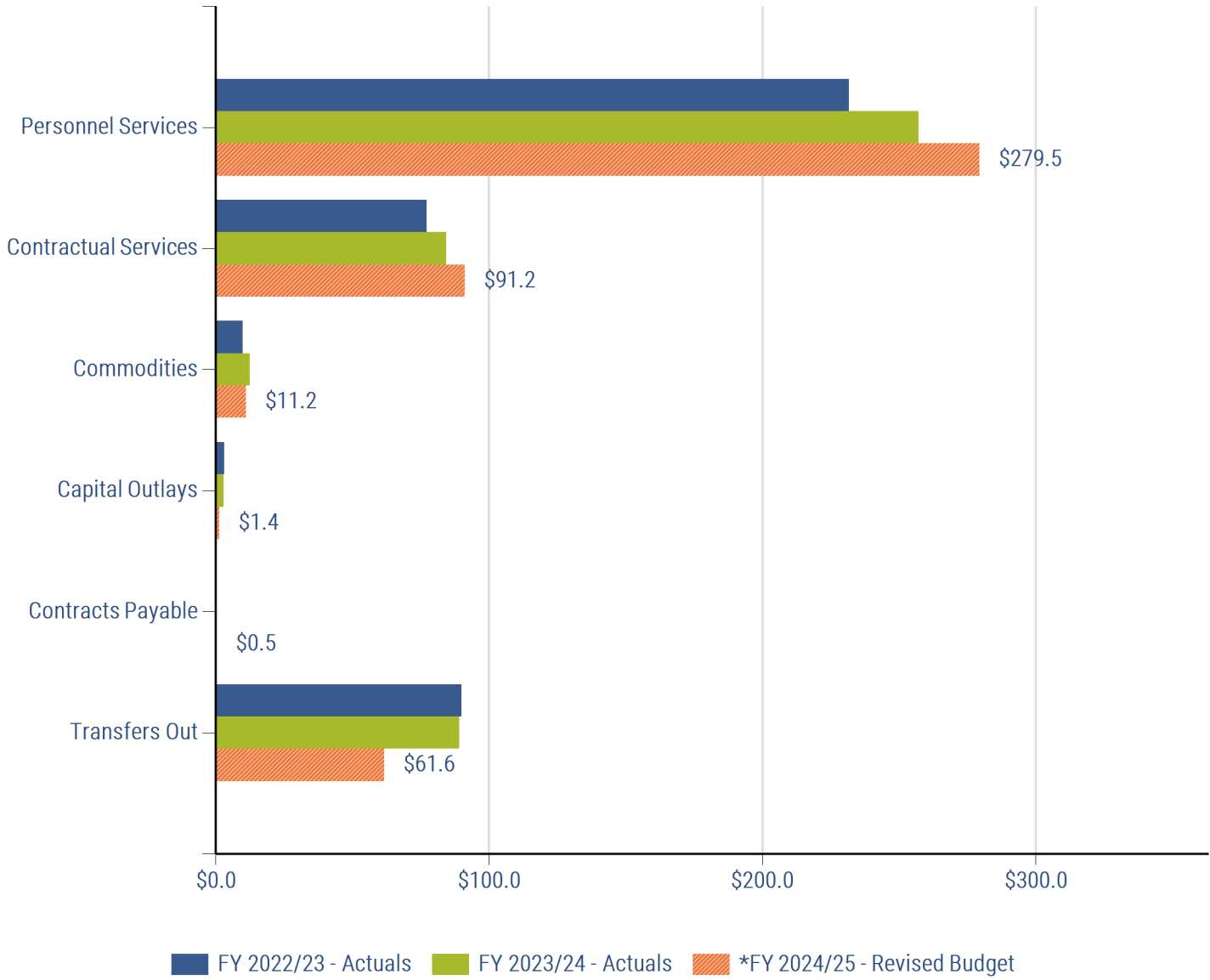
| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Operating | \$8.6 | \$7.5 | \$4.8 | \$4.8 | \$ - | - |
| CIP | 0.4 | - | - | - | - | - |
| Enterprise Franchise Fees | 4.7 | 5.2 | 5.7 | 5.4 | 0.3 | 6% |
| Transfers In Total | \$13.7 | \$12.7 | \$10.5 | \$10.2 | \$0.3 | 3% |

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

Uses

General Fund

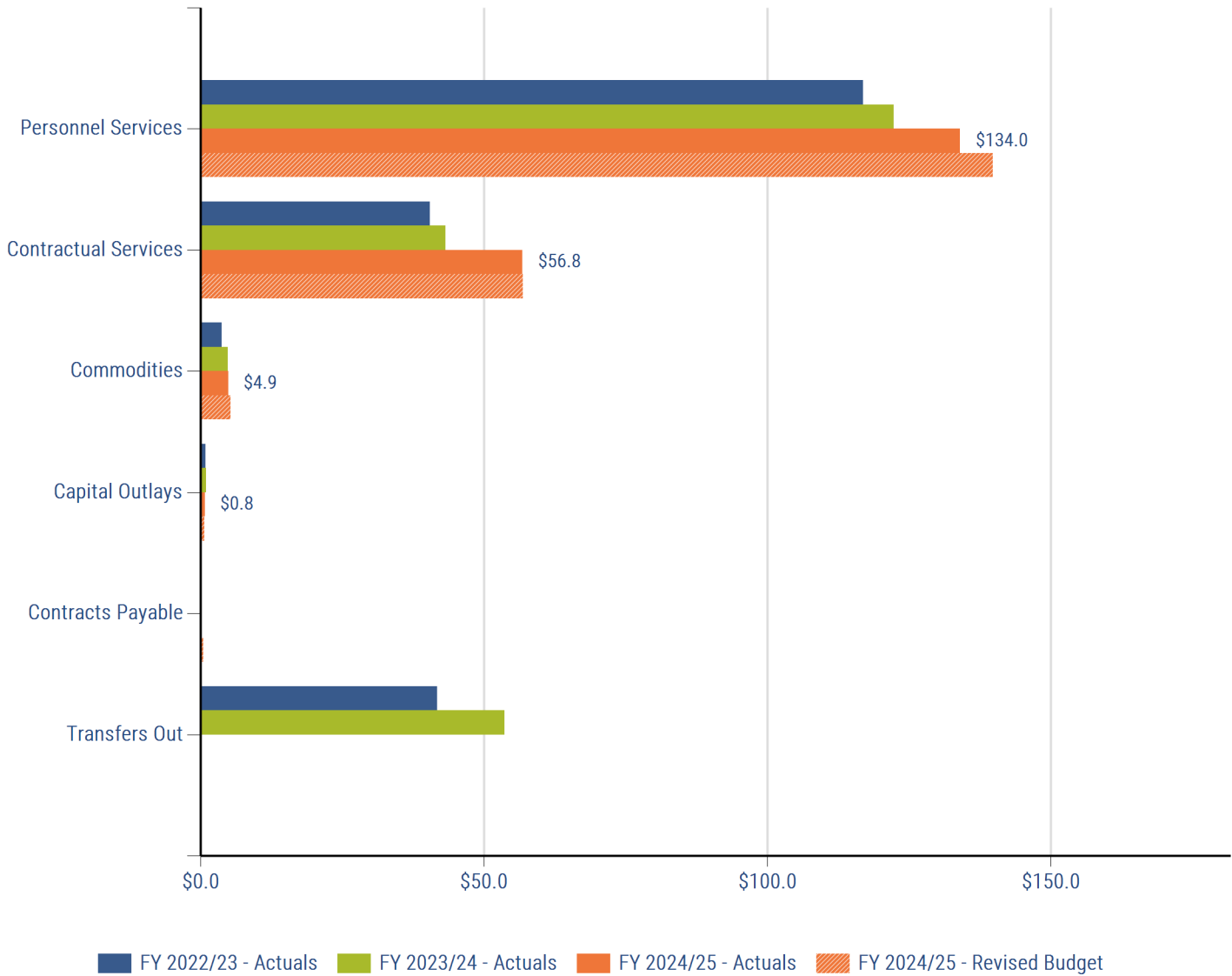
Twelve Months: Fiscal Year



| | FY 2022/23 <u>Actuals</u> | FY 2023/24 <u>Actuals</u> | FY 2024/25 <u>Revised Budget</u> |
|----------------------|------------------------------|------------------------------|---|
| Personnel Services | \$231.7 | \$257.3 | \$279.5 |
| Contractual Services | 77.3 | 84.4 | 91.2 |
| Commodities | 9.9 | 12.5 | 11.2 |
| Capital Outlays | 3.2 | 2.9 | 1.4 |
| Contracts Payable | 0.4 | 0.4 | 0.5 |
| Transfers Out | 89.9 | 89.1 | 61.6 |
| Total Uses | \$412.3 | \$446.7 | \$445.3 |

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

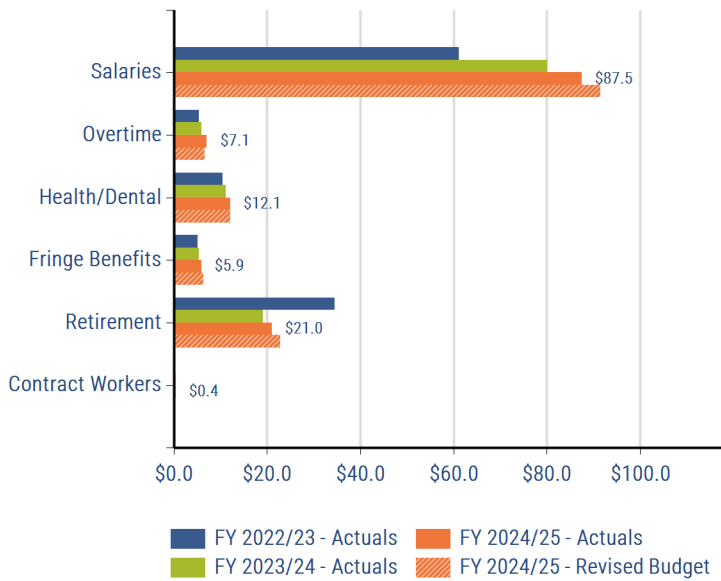
Uses (Fiscal Year to Date: December 2024)



| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|----------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Personnel Services | \$116.9 | \$122.3 | \$134.0 | \$139.8 | \$5.8 | 4% |
| Contractual Services | 40.4 | 43.2 | 56.8 | 56.9 | 0.1 | 0% |
| Commodities | 3.8 | 4.8 | 4.9 | 5.3 | 0.5 | 9% |
| Capital Outlays | 0.9 | 1.0 | 0.8 | 0.6 | (0.1) | (16%) |
| Contracts Payable | - | - | - | 0.5 | 0.5 | 100% |
| Transfers Out | 41.8 | 53.7 | - | - | - | - |
| Total Uses | \$203.8 | \$225.0 | \$196.5 | \$203.2 | \$6.7 | 3% |

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

Personnel Services (Fiscal Year to Date: December 2024)

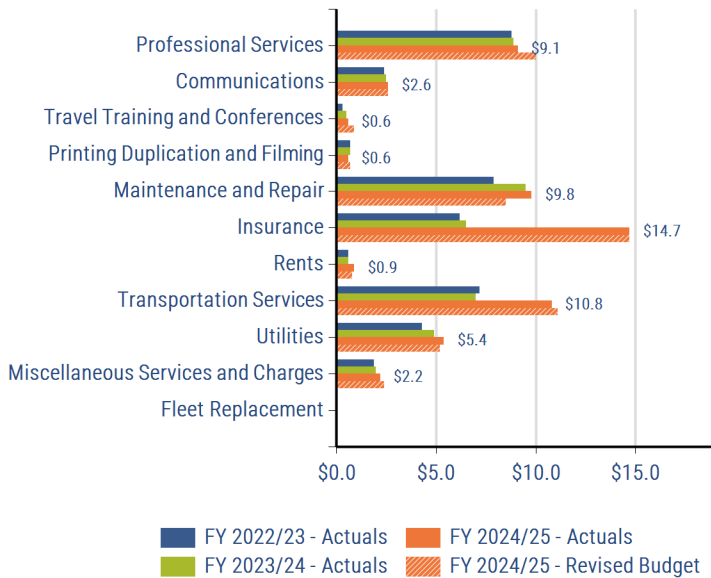


Actual to Revised Budget variance of \$5.8 million or 4%:
 The favorable variance is due to: 1) Salaries - vacancy savings and new staff hired at a lower rate than the employee who retired or left, mostly in Public Safety - Police, Community Services and Public Works divisions; and 2) Retirement - new Public Safety staff being hired at a different tier than the employees who retired or left, which resulted in lower retirement contributions. The unfavorable variance in Overtime is due to higher than expected staffing needs and significant events in Public Safety - Police division, and training for specialty assignments and state deployments in Public Safety - Fire division.

| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Salaries | \$61.1 | \$80.1 | \$87.5 | \$91.5 | \$4.0 | 4% |
| Overtime | 5.4 | 6.0 | 7.1 | 6.6 | (0.5) | (8%) |
| Health/Dental | 10.5 | 11.1 | 12.1 | 12.1 | - | - |
| Fringe Benefits | 5.1 | 5.4 | 5.9 | 6.4 | 0.5 | 8% |
| Retirement | 34.5 | 19.1 | 21.0 | 22.9 | 1.9 | 8% |
| Contract Workers | 0.3 | 0.5 | 0.4 | 0.3 | (0.1) | (45%) |
| Personnel Services Total | \$116.9 | \$122.3 | \$134.0 | \$139.8 | \$5.8 | 4% |

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

Contractual Services (Fiscal Year to Date: December 2024)

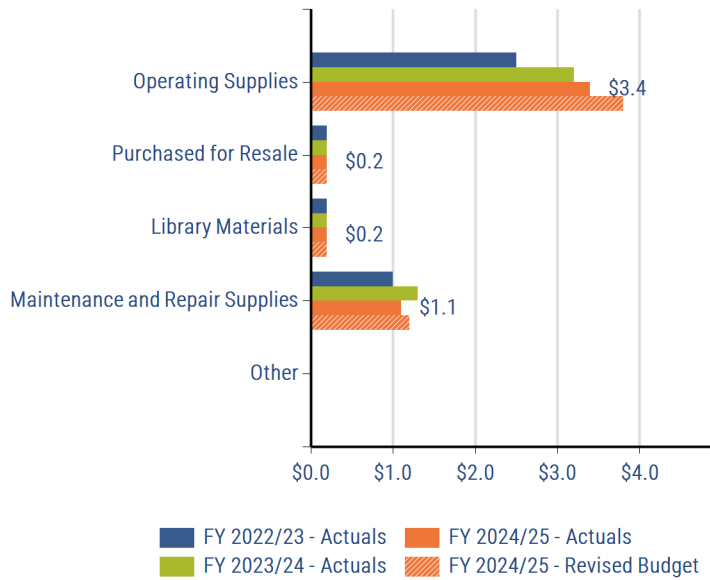


Actual to Revised Budget variance of \$0.1 million or 0%:
 Contractual Services are overall within Budget. The favorable variance in Professional Services is due to less expenses in custodial services resulting from delayed invoices, less demand resulting from temporary facility closures and canceled events, and timing of expenses for contractual services in the Public Safety - Fire division. The unfavorable variance in Maintenance and Repair is due to higher than expected major repairs, fire system upgrades, unplanned projects, and early filter replacements in the Public Works division.

| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Professional Services | \$8.8 | \$8.9 | \$9.1 | \$10.0 | \$0.9 | 9% |
| Communications | 2.4 | 2.5 | 2.6 | 2.6 | - | - |
| Travel Training and Conferences | 0.3 | 0.5 | 0.6 | 0.9 | 0.3 | 31% |
| Printing Duplication and Filming | 0.7 | 0.7 | 0.6 | 0.7 | 0.1 | 9% |
| Maintenance and Repair | 7.9 | 9.5 | 9.8 | 8.5 | (1.3) | (16%) |
| Insurance | 6.2 | 6.5 | 14.7 | 14.7 | - | - |
| Rents | 0.6 | 0.6 | 0.9 | 0.8 | (0.1) | (15%) |
| Transportation Services | 7.2 | 7.0 | 10.8 | 11.1 | 0.3 | 2% |
| Utilities | 4.3 | 4.9 | 5.4 | 5.2 | (0.2) | (4%) |
| Miscellaneous Services and Charges | 1.9 | 2.0 | 2.2 | 2.4 | 0.2 | 9% |
| Fleet Replacement | - | - | - | - | - | - |
| Contractual Services Total | \$40.4 | \$43.2 | \$56.8 | \$56.9 | \$0.1 | 0% |

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

Commodities (Fiscal Year to Date: December 2024)

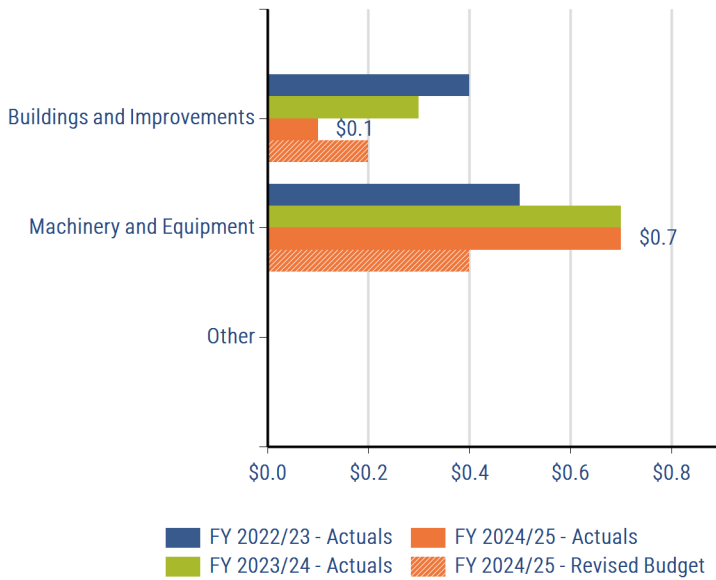


Actual to Revised Budget variance of \$0.5 million or 9%:
 The favorable variance is due to Operating Supplies - timing differences in purchasing equipment and medical supplies resulting from the ambulance transportation services starting later than expected in the Public Safety - Fire Division.

| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Operating Supplies | \$2.5 | \$3.2 | \$3.4 | \$3.8 | \$0.4 | 11% |
| Purchased for Resale | 0.2 | 0.2 | 0.2 | 0.2 | - | - |
| Library Materials | 0.2 | 0.2 | 0.2 | 0.2 | (0.1) | (40%) |
| Maintenance and Repair Supplies | 1.0 | 1.3 | 1.1 | 1.2 | 0.1 | 8% |
| Other | - | - | - | - | - | - |
| Commodities Total | \$3.8 | \$4.8 | \$4.9 | \$5.3 | \$0.5 | 9% |

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

Capital Outlays (Fiscal Year to Date: December 2024)



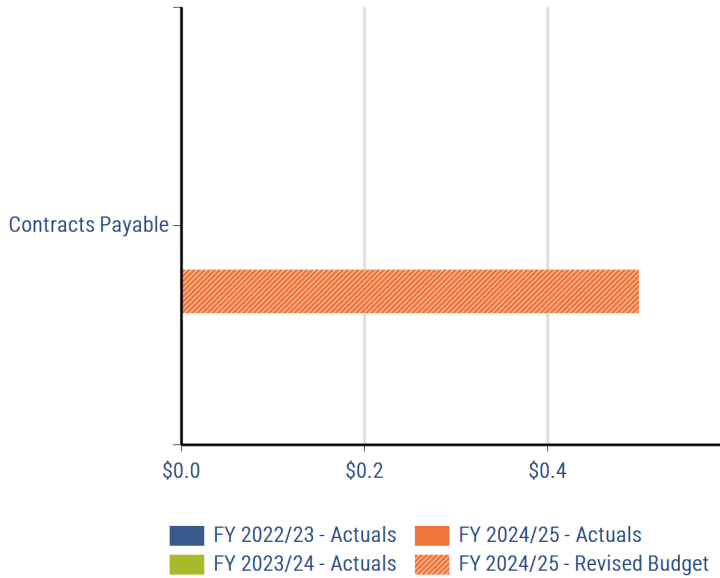
Actual to Revised Budget variance of (\$0.1) million or (16%): The unfavorable variance is due to Machinery and Equipment - one-time unexpected furniture replacement expense in the Public Works division, and delay of receiving motor vehicles for police officers in the Public Safety - Police division which was budgeted in FY 2023/24.

| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|--------------|
| Buildings and Improvements | \$0.4 | \$0.3 | \$0.1 | \$0.2 | \$0.2 | 76% |
| Machinery and Equipment | 0.5 | 0.7 | 0.7 | 0.4 | (0.3) | (73%) |
| Other | - | - | - | - | - | - |
| Capital Outlays Total | \$0.9 | \$1.0 | \$0.8 | \$0.6 | (\$0.1) | (16%) |

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

Contracts Payable (Fiscal Year to Date: December 2024)

Actual to Revised Budget variance of \$0.5 million or 100%: The favorable variance is due to the timing of payments for debt services.

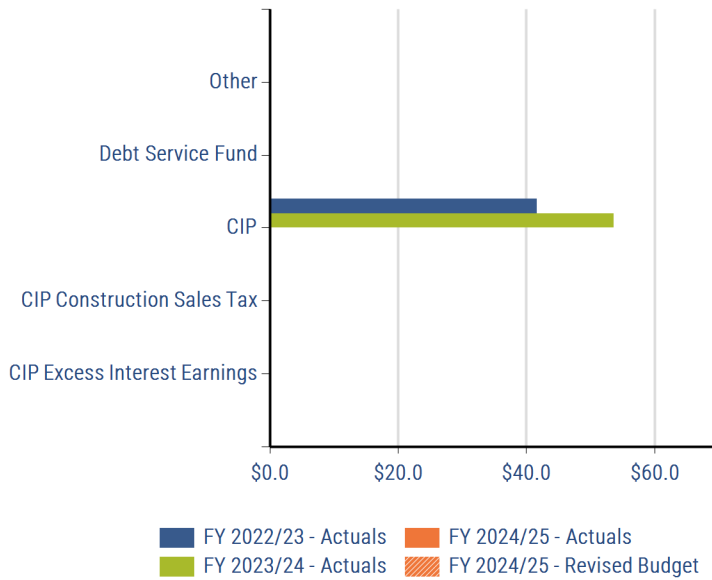


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|---------|
| Contracts Payable | \$ - | \$ - | \$ - | \$0.5 | \$0.5 | 100% |
| Contracts Payable Total | \$0.0 | \$0.0 | \$0.0 | \$0.5 | \$0.5 | 100% |

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

Transfers Out (Fiscal Year to Date: December 2024)

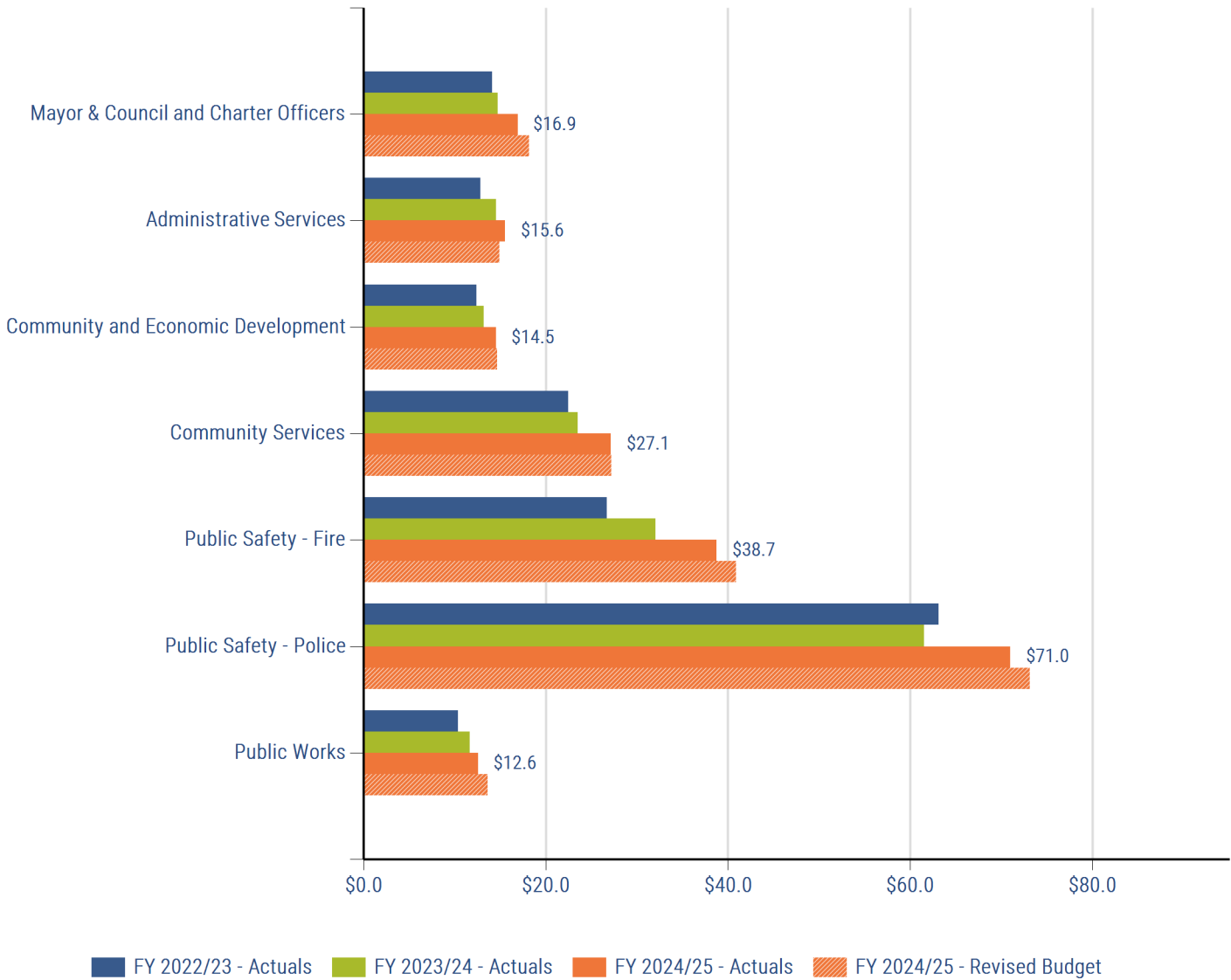
Actual to Revised Budget variance of \$0.0 million or 0%:
Transfers Out are the authorized movement of cash to other funds and/or capital projects. Transfers Out are aligned with budget.



| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|----------|
| Other | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| Debt Service Fund | - | - | - | - | - | - |
| CIP | 41.7 | 53.7 | - | - | - | - |
| CIP Construction Sales Tax | - | - | - | - | - | - |
| CIP Excess Interest Earnings | - | - | - | - | - | - |
| Transfers Out Total | \$41.8 | \$53.7 | \$0.0 | \$0.0 | \$ - | - |

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

Division Expenditures (Fiscal Year to Date: December 2024)

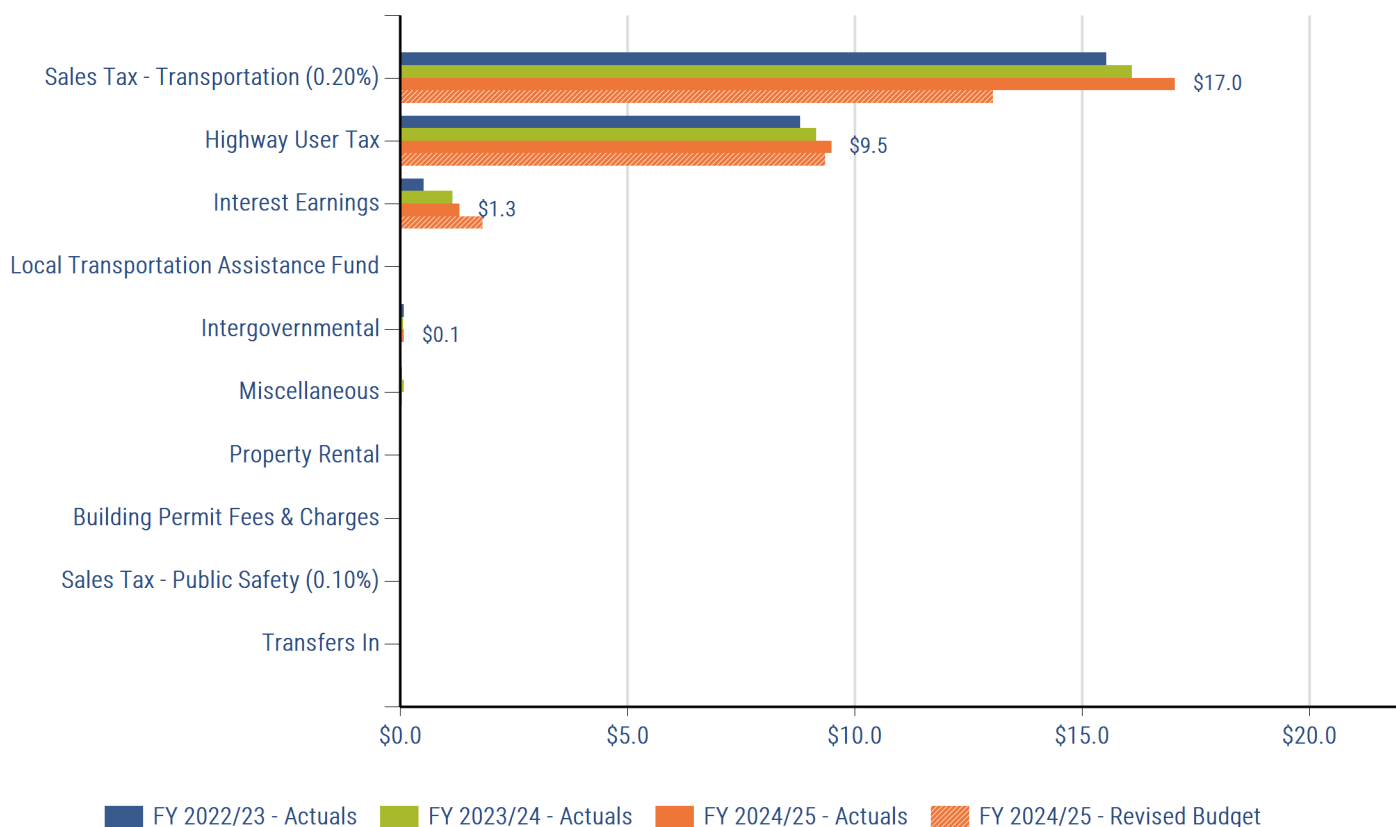


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Mayor & Council and Charter Officers | \$14.1 | \$14.7 | \$16.9 | \$18.2 | \$1.3 | 7% |
| Administrative Services | 12.8 | 14.6 | 15.6 | 15.0 | (0.6) | (4%) |
| Community and Economic Development | 12.4 | 13.2 | 14.5 | 14.7 | 0.2 | 1% |
| Community Services | 22.5 | 23.5 | 27.1 | 27.2 | - | - |
| Public Safety - Fire | 26.7 | 32.1 | 38.7 | 40.9 | 2.2 | 5% |
| Public Safety - Police | 63.1 | 61.5 | 71.0 | 73.1 | 2.1 | 3% |
| Public Works | 10.4 | 11.7 | 12.6 | 13.7 | 1.1 | 8% |
| Total | \$162.0 | \$171.3 | \$196.5 | \$202.7 | \$6.2 | 3% |

Actual to Revised Budget variance of \$6.2 million or 3%:

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

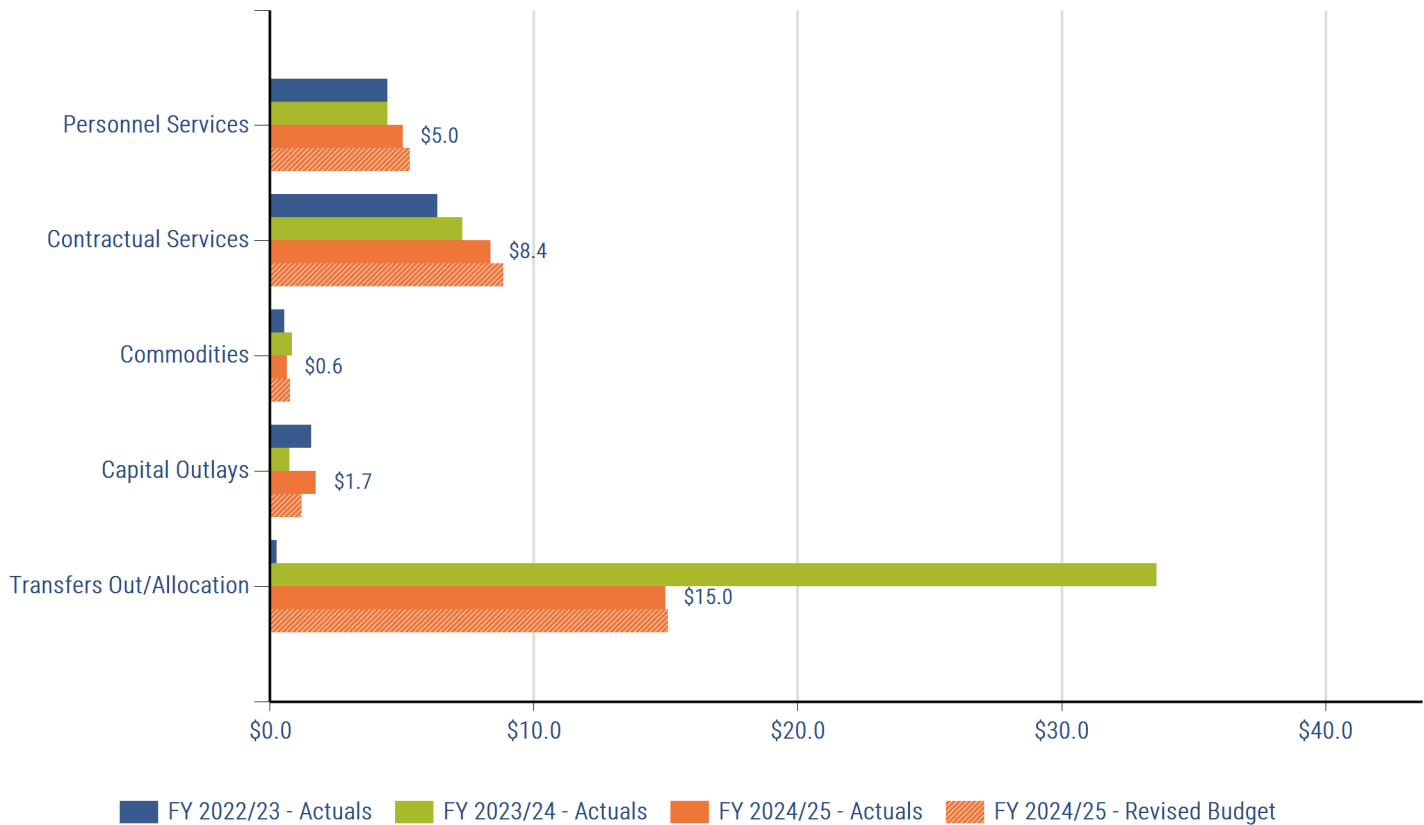
Sources (Fiscal Year to Date: December 2024)



| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Sales Tax - Transportation (0.20%) | \$15.5 | \$16.1 | \$17.0 | \$13.1 | \$4.0 | 31% |
| Highway User Tax | 8.8 | 9.2 | 9.5 | 9.4 | 0.1 | 2% |
| Interest Earnings | 0.5 | 1.2 | 1.3 | 1.8 | (0.5) | (27%) |
| Local Transportation Assistance Fund | - | - | - | - | - | - |
| Intergovernmental | 0.1 | 0.1 | 0.1 | - | 0.1 | >100% |
| Miscellaneous | - | 0.1 | - | - | - | - |
| Property Rental | - | - | - | - | - | - |
| Building Permit Fees & Charges | - | - | - | - | - | - |
| Sales Tax - Public Safety (0.10%) | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - |
| Total Sources | \$25.0 | \$26.6 | \$28.0 | \$24.3 | \$3.8 | 16% |

Actual to Revised Budget variance of \$3.8 million or 16%: The favorable variance is primarily due to Sales Tax - Transportation (0.20%) - larger than anticipated sales tax collections, see page 5 for explanations by category. The favorable variance is slightly offset by Interest Earnings - rate of return is lower than expected.

Uses (Fiscal Year to Date: December 2024)

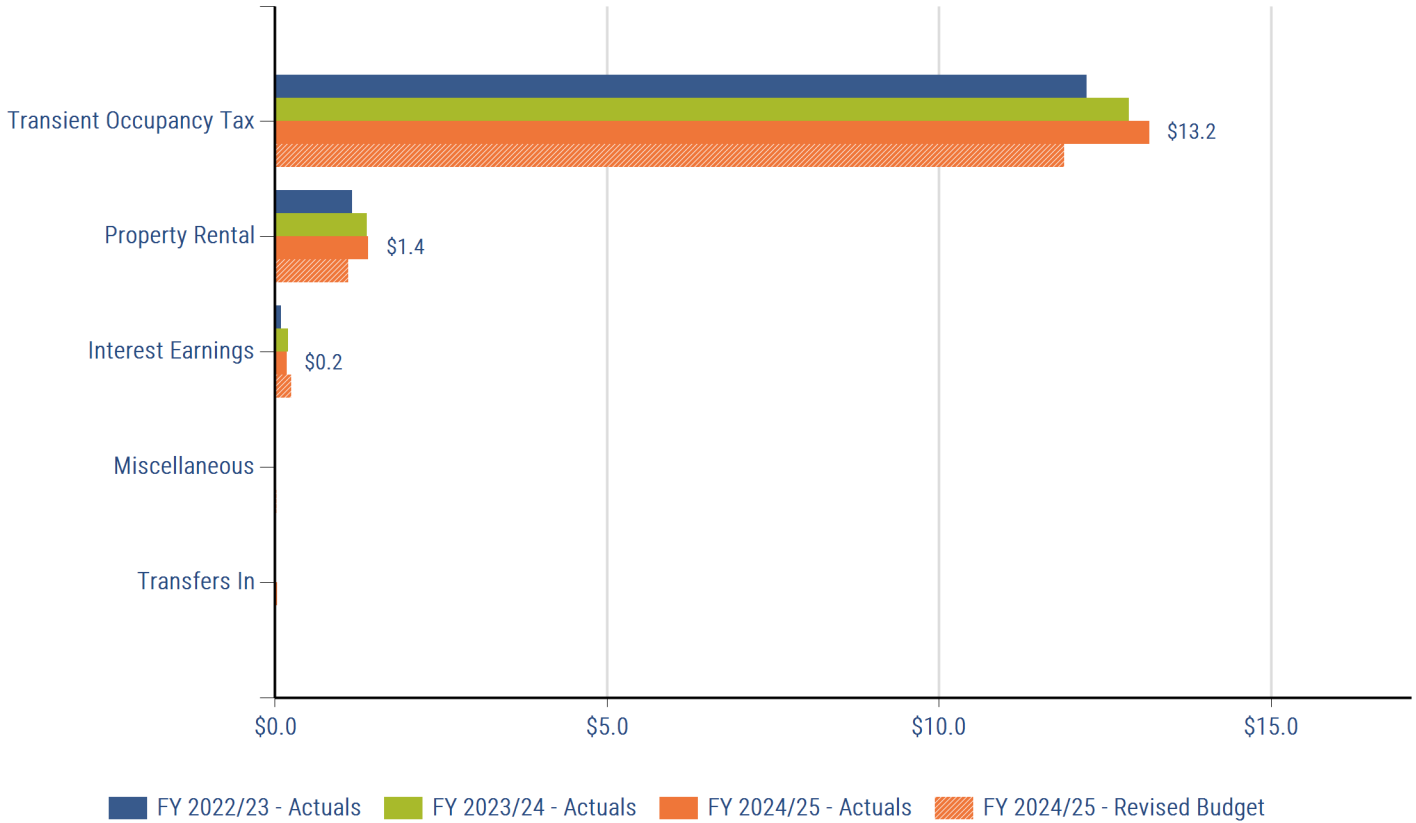


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Personnel Services | \$4.5 | \$4.4 | \$5.0 | \$5.3 | \$0.3 | 5% |
| Contractual Services | 6.3 | 7.3 | 8.4 | 8.9 | 0.5 | 5% |
| Commodities | 0.5 | 0.8 | 0.6 | 0.8 | 0.1 | 18% |
| Capital Outlays | 1.6 | 0.7 | 1.7 | 1.2 | (0.5) | (44%) |
| Transfers Out/Allocation | 0.3 | 33.6 | 15.0 | 15.1 | 0.1 | 1% |
| Total Uses | \$13.2 | \$46.9 | \$30.8 | \$31.2 | \$0.4 | 1% |

Actual to Revised Budget variance of \$0.4 million or 1%: The favorable variance is due to 1) Personnel Services - vacancy savings and 2) Contractual Services - delay in reactivating weekend trolley service. The favorable variance is largely offset by Capital Outlays - delay in receiving equipment.

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

Sources (Fiscal Year to Date: December 2024)

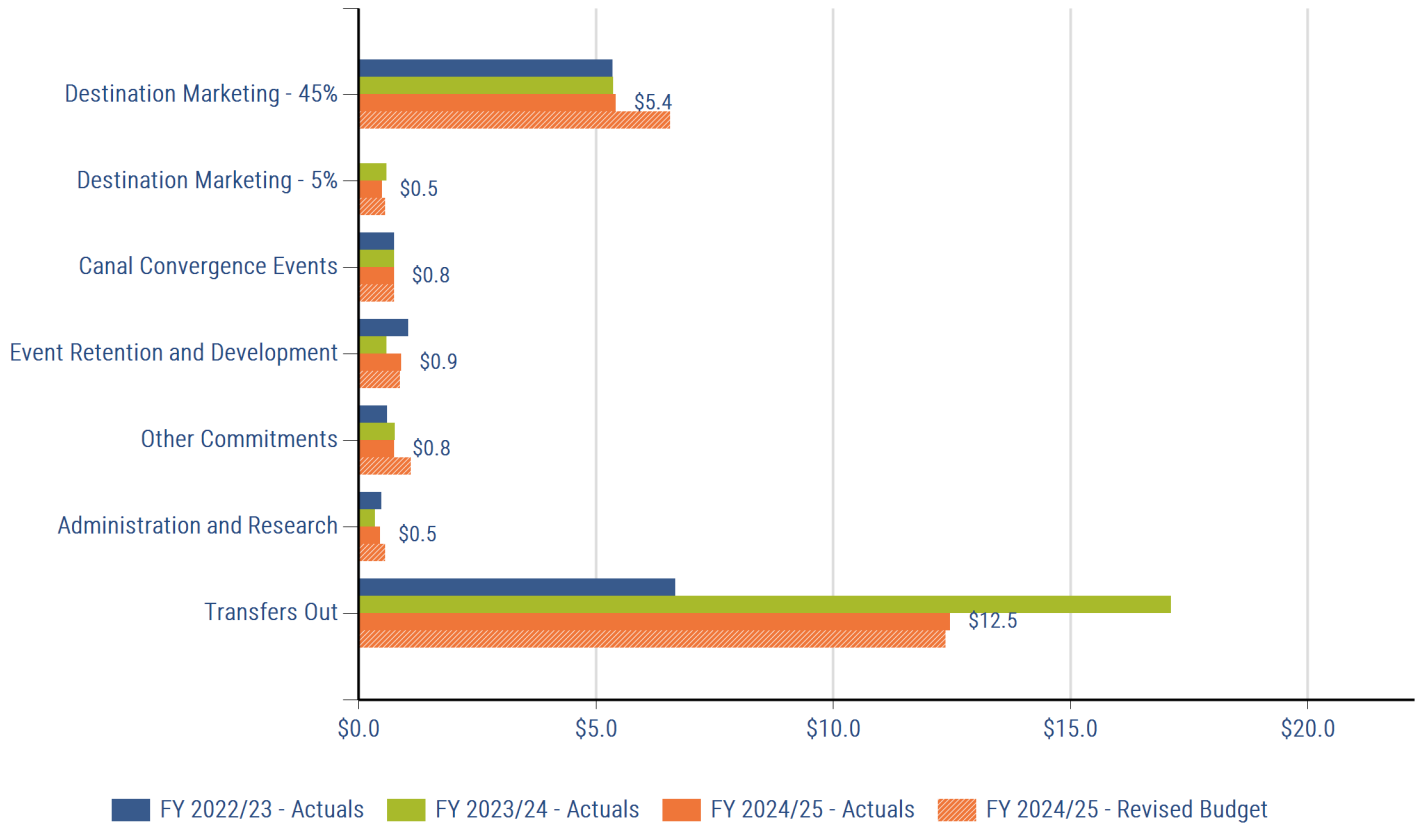


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Transient Occupancy Tax | \$12.2 | \$12.9 | \$13.2 | \$11.9 | \$1.3 | 11% |
| Property Rental | 1.2 | 1.4 | 1.4 | 1.1 | 0.3 | 27% |
| Interest Earnings | 0.1 | 0.2 | 0.2 | 0.2 | (0.1) | (30%) |
| Miscellaneous | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - |
| Total Sources | \$13.5 | \$14.5 | \$14.8 | \$13.3 | \$1.5 | 11% |

Actual to Revised Budget variance of \$1.5 million or 11%: Favorable variance is mainly driven by Transient Occupancy Tax where bed tax collections were slightly higher than anticipated for the second quarter of the fiscal year.

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

Uses (Fiscal Year to Date: December 2024)

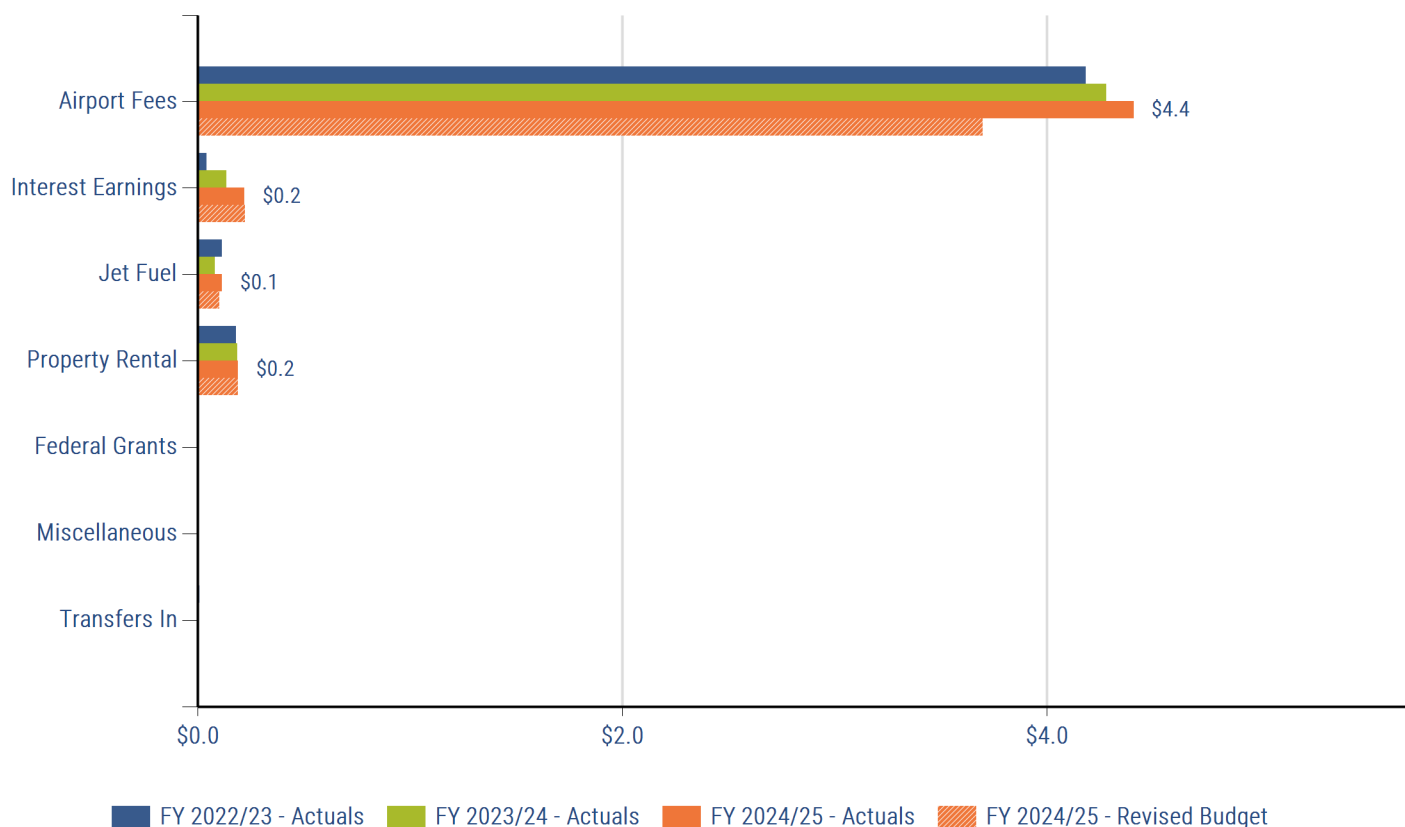


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Destination Marketing - 45% | \$5.3 | \$5.4 | \$5.4 | \$6.6 | \$1.1 | 17% |
| Destination Marketing - 5% | - | 0.6 | 0.5 | 0.6 | 0.1 | 14% |
| Canal Convergence Events | 0.8 | 0.8 | 0.8 | 0.8 | - | - |
| Event Retention and Development | 1.0 | 0.6 | 0.9 | 0.9 | - | - |
| Other Commitments | 0.6 | 0.8 | 0.8 | 1.1 | 0.4 | 32% |
| Administration and Research | 0.5 | 0.3 | 0.5 | 0.6 | 0.1 | 19% |
| Transfers Out | 6.7 | 17.1 | 12.5 | 12.4 | (0.1) | (1%) |
| Total Uses | \$14.9 | \$25.5 | \$21.2 | \$22.8 | \$1.6 | 7% |

Actual to Revised Budget variance of \$1.6 million or 7%: The favorable variance in Dest. Marketing - Contract is mostly due to the monthly budget spread that has been updated for the remainder of the year. Bed tax collections for the second quarter of the fiscal year were slightly over the anticipated collections.

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

Sources (Fiscal Year to Date: December 2024)

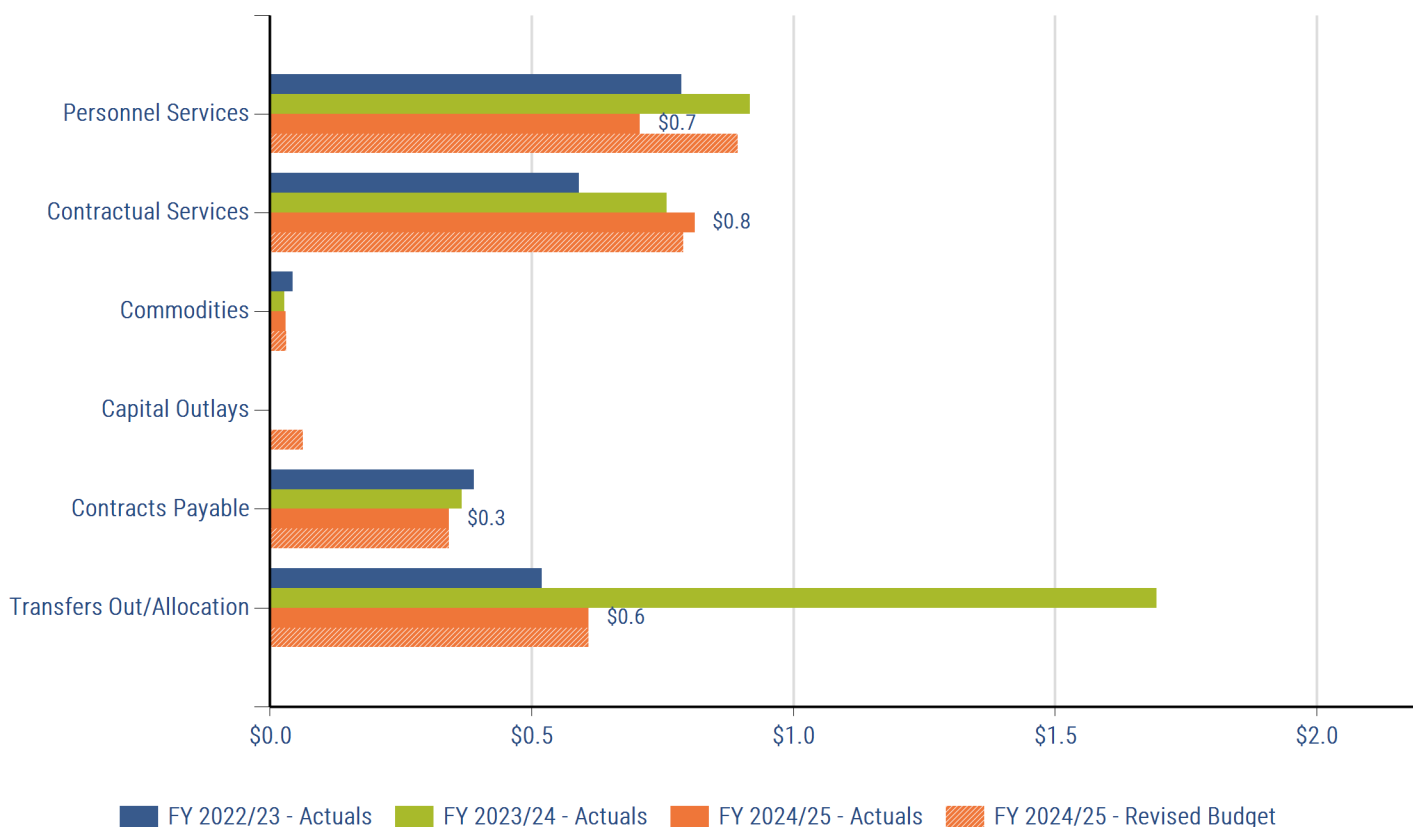


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|----------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Airport Fees | \$4.2 | \$4.3 | \$4.4 | \$3.7 | \$0.7 | 19% |
| Interest Earnings | - | 0.1 | 0.2 | 0.2 | - | - |
| Jet Fuel | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Property Rental | 0.2 | 0.2 | 0.2 | 0.2 | - | - |
| Federal Grants | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - |
| Total Sources | \$4.5 | \$4.7 | \$4.9 | \$4.2 | \$0.7 | 17% |

Actual to Revised Budget variance of \$0.7 million or 17%: The favorable variance in Airport Fees is due to the timing of tenant rent payments.

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

Uses (Fiscal Year to Date: December 2024)

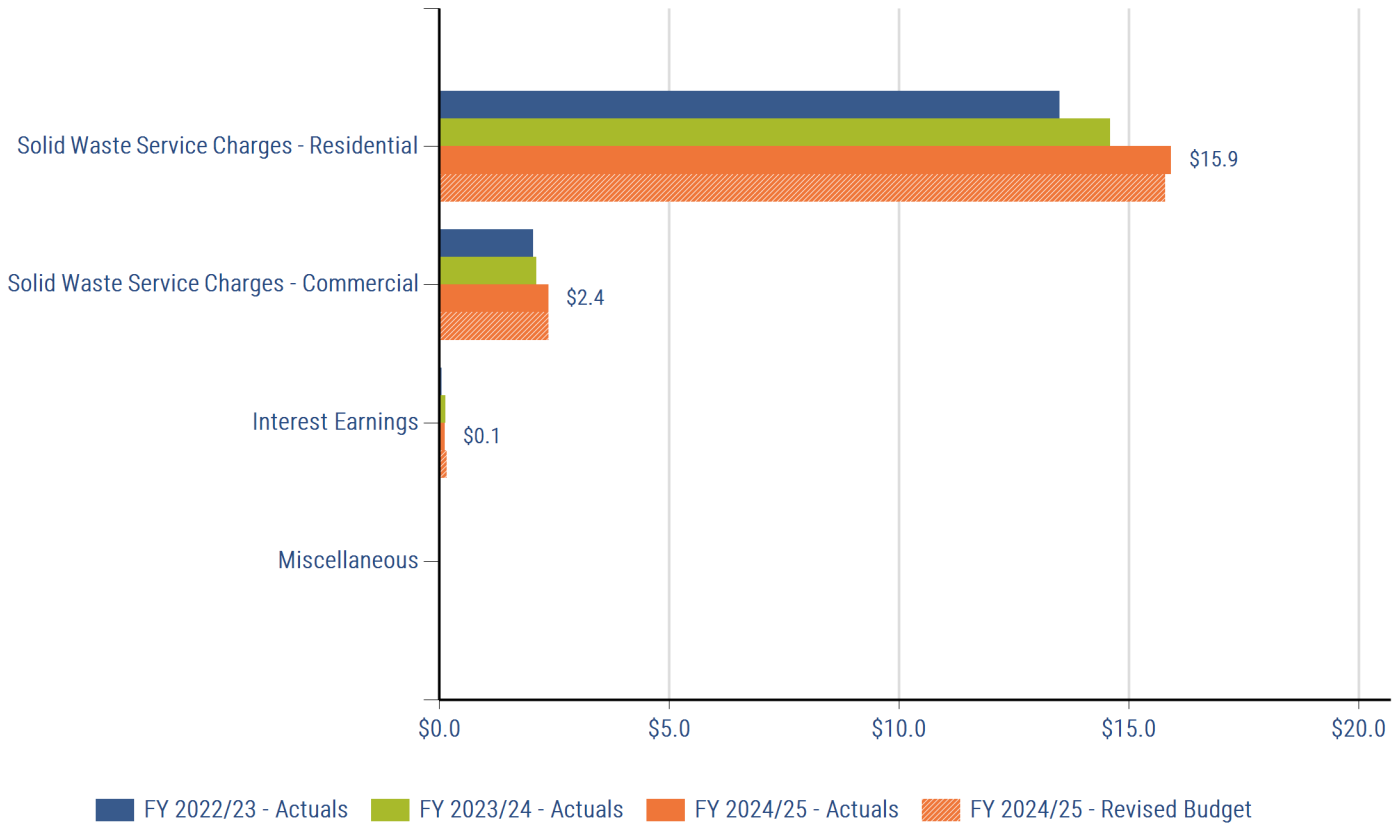


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Personnel Services | \$0.8 | \$0.9 | \$0.7 | \$0.9 | \$0.2 | 21% |
| Contractual Services | 0.6 | 0.8 | 0.8 | 0.8 | - | - |
| Commodities | - | - | - | - | - | - |
| Capital Outlays | - | - | - | 0.1 | 0.1 | 100% |
| Contracts Payable | 0.4 | 0.4 | 0.3 | 0.3 | - | - |
| Transfers Out/Allocation | 0.5 | 1.7 | 0.6 | 0.6 | - | - |
| Total Uses | \$2.3 | \$3.8 | \$2.5 | \$2.7 | \$0.2 | 8% |

Actual to Revised Budget variance of \$0.2 million or 8%: The favorable variance is mostly due to vacancy savings of Airport Operations staff at different points this fiscal year.

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

Sources (Fiscal Year to Date: December 2024)

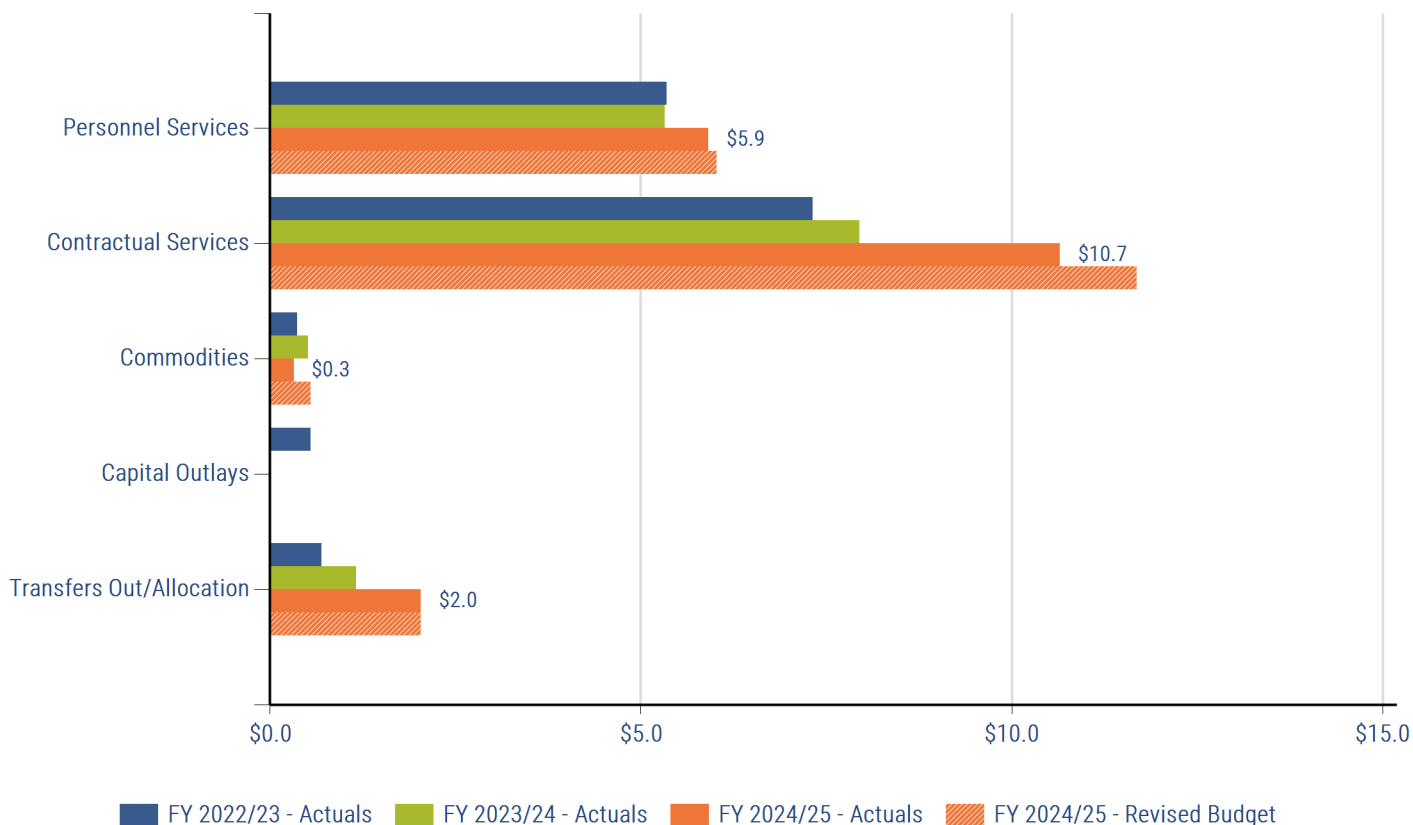


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Solid Waste Service Charges - Residential | \$13.5 | \$14.6 | \$15.9 | \$15.8 | \$0.1 | 1% |
| Solid Waste Service Charges - Commercial | 2.0 | 2.1 | 2.4 | 2.4 | - | - |
| Interest Earnings | 0.1 | 0.1 | 0.1 | 0.2 | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total Sources | \$15.6 | \$16.9 | \$18.4 | \$18.3 | \$0.1 | 0% |

Actual to Revised Budget variance of \$0.1 million or 0%: The favorable variance is due to Solid Waste Service Charges - Residential - increased usage.

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

Uses (Fiscal Year to Date: December 2024)

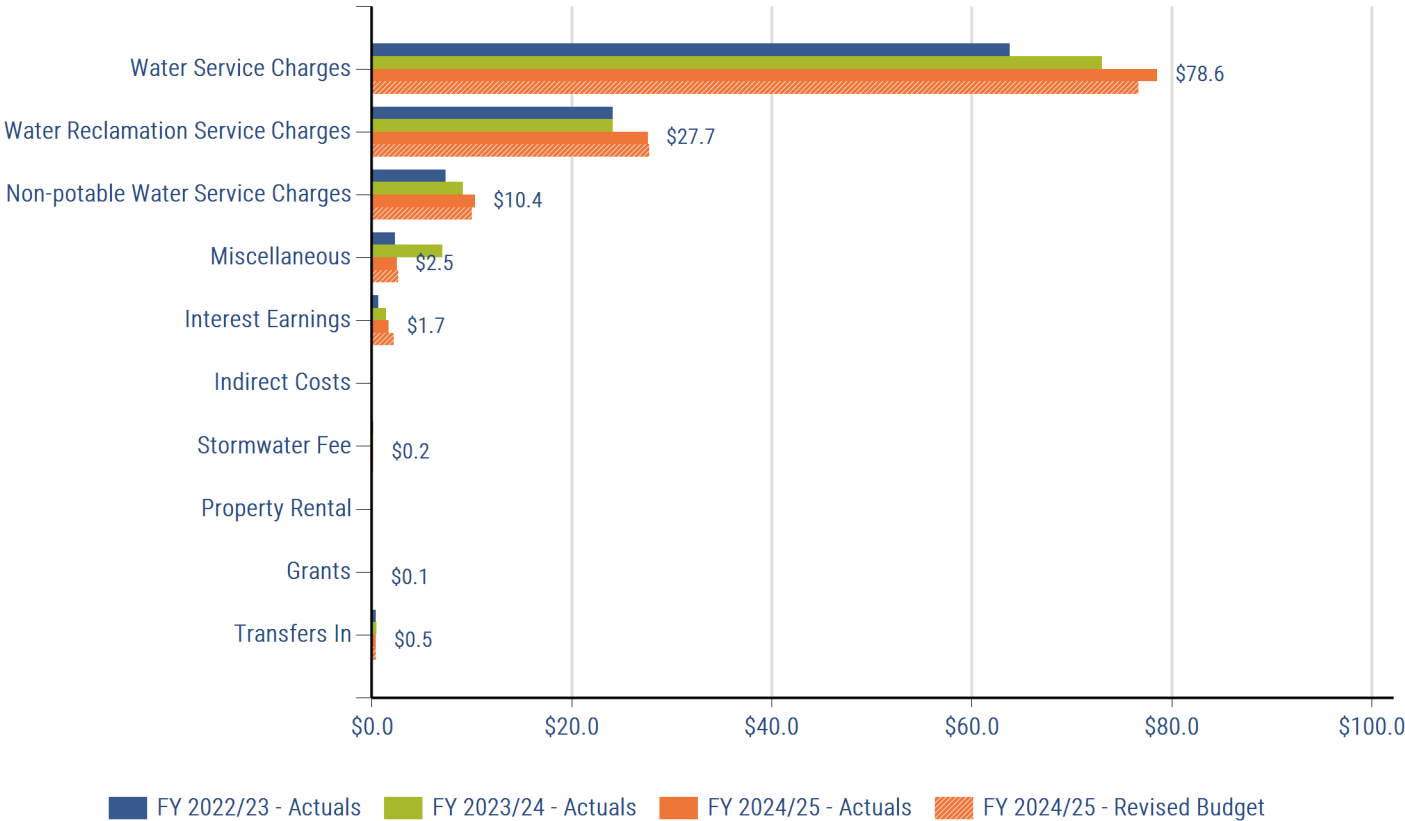


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Budget Percent |
|--------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-------------------|
| Personnel Services | \$5.3 | \$5.3 | \$5.9 | \$6.0 | \$0.1 | 2% |
| Contractual Services | 7.3 | 8.0 | 10.7 | 11.7 | 1.0 | 9% |
| Commodities | 0.4 | 0.5 | 0.3 | 0.5 | 0.2 | 41% |
| Capital Outlays | 0.5 | - | - | - | - | - |
| Transfers Out/Allocation | 0.7 | 1.2 | 2.0 | 2.0 | - | - |
| Total Uses | \$14.3 | \$15.0 | \$18.9 | \$20.3 | \$1.4 | 7% |

Actual to Revised Budget variance of \$1.4 million or 7%: The favorable variance is primarily due to Contractual Services - 1) Landfill Contract - less material was collected and processed than anticipated and 2) Recycling Processing Fee - unpredictable material market, currently receiving revenue instead of having to pay.

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

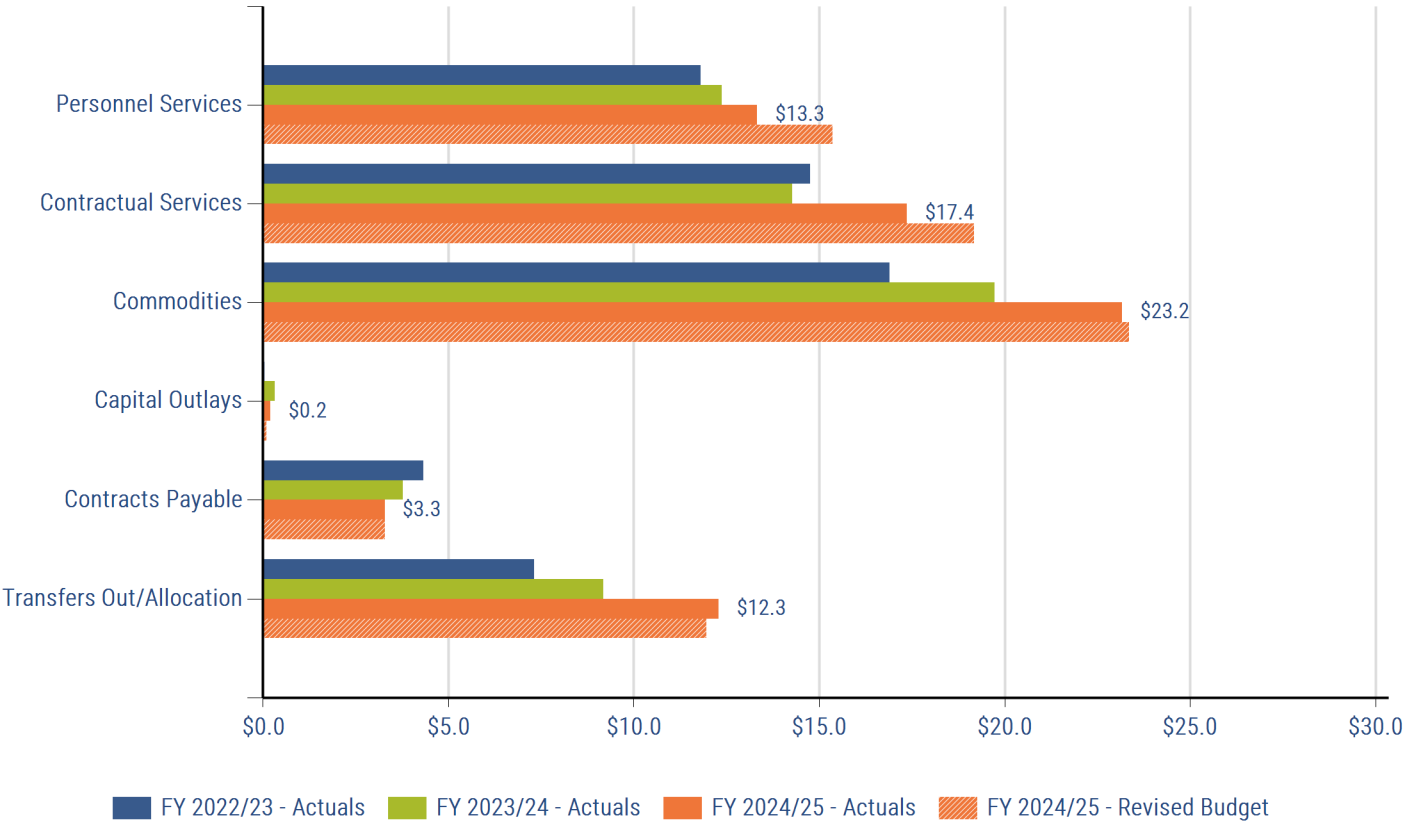
Sources (Fiscal Year to Date: December 2024)



| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Water Service Charges | \$63.8 | \$73.1 | \$78.6 | \$76.7 | \$1.9 | 2% |
| Water Reclamation Service Charges | 24.1 | 24.1 | 27.7 | 27.7 | (0.1) | 0% |
| Non-potable Water Service Charges | 7.4 | 9.2 | 10.4 | 10.0 | 0.3 | 3% |
| Miscellaneous | 2.4 | 7.1 | 2.5 | 2.7 | (0.1) | (5%) |
| Interest Earnings | 0.7 | 1.5 | 1.7 | 2.2 | (0.5) | (22%) |
| Indirect Costs | - | - | - | - | - | - |
| Stormwater Fee | 0.2 | 0.2 | 0.2 | 0.2 | - | - |
| Property Rental | - | - | - | - | - | - |
| Grants | - | - | 0.1 | - | 0.1 | - |
| Transfers In | 0.5 | 0.5 | 0.5 | 0.5 | - | - |
| Total Sources | \$99.0 | \$115.5 | \$121.6 | \$120.0 | \$1.6 | 1% |

Actual to Revised Budget variance of \$1.6 million or 1%: The favorable variance is largely due to Water Service Charges caused by less rain during the monsoon season compared to the prior three-year average which leads to more water usage.

Uses (Fiscal Year to Date: December 2024)

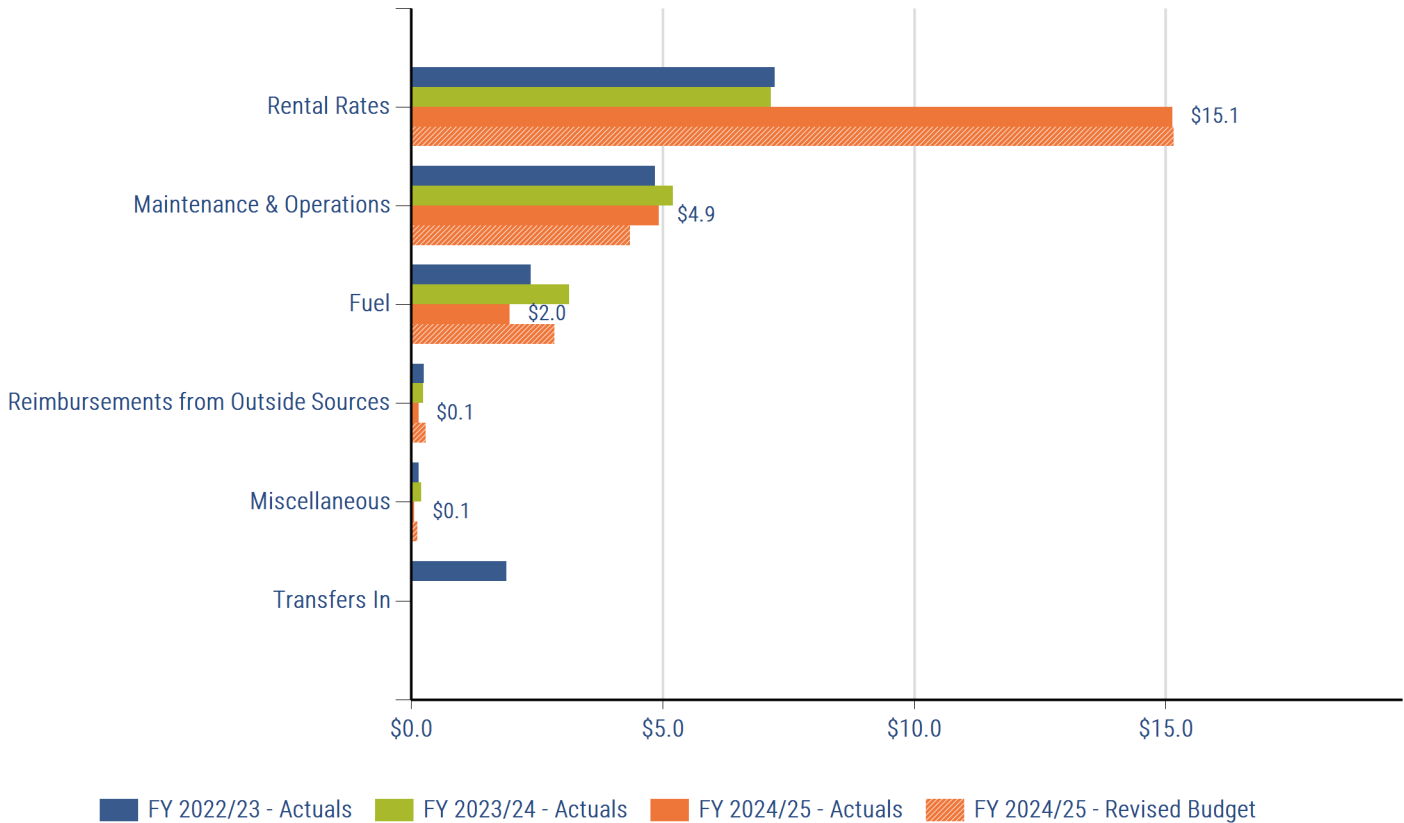


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Personnel Services | \$11.8 | \$12.4 | \$13.3 | \$15.4 | \$2.0 | 13% |
| Contractual Services | 14.8 | 14.3 | 17.4 | 19.2 | 1.8 | 9% |
| Commodities | 16.9 | 19.7 | 23.2 | 23.3 | 0.2 | 1% |
| Capital Outlays | - | 0.3 | 0.2 | 0.1 | (0.1) | (94%) |
| Contracts Payable | 4.3 | 3.8 | 3.3 | 3.3 | - | - |
| Transfers Out/Allocation | 7.3 | 9.2 | 12.3 | 12.0 | (0.3) | (3%) |
| Total Uses | \$55.1 | \$59.7 | \$69.6 | \$73.2 | \$3.6 | 5% |

Actual to Revised Budget variance of \$3.6 million or 5%: The favorable variance is largely due to vacancy savings and salary savings from new staff being hired at a lower rate than the employee who retired or left. The favorable variance in Contractual Services is due to a bill error from APS-Electric which will now be paid in January.0

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

Sources (Fiscal Year to Date: December 2024)

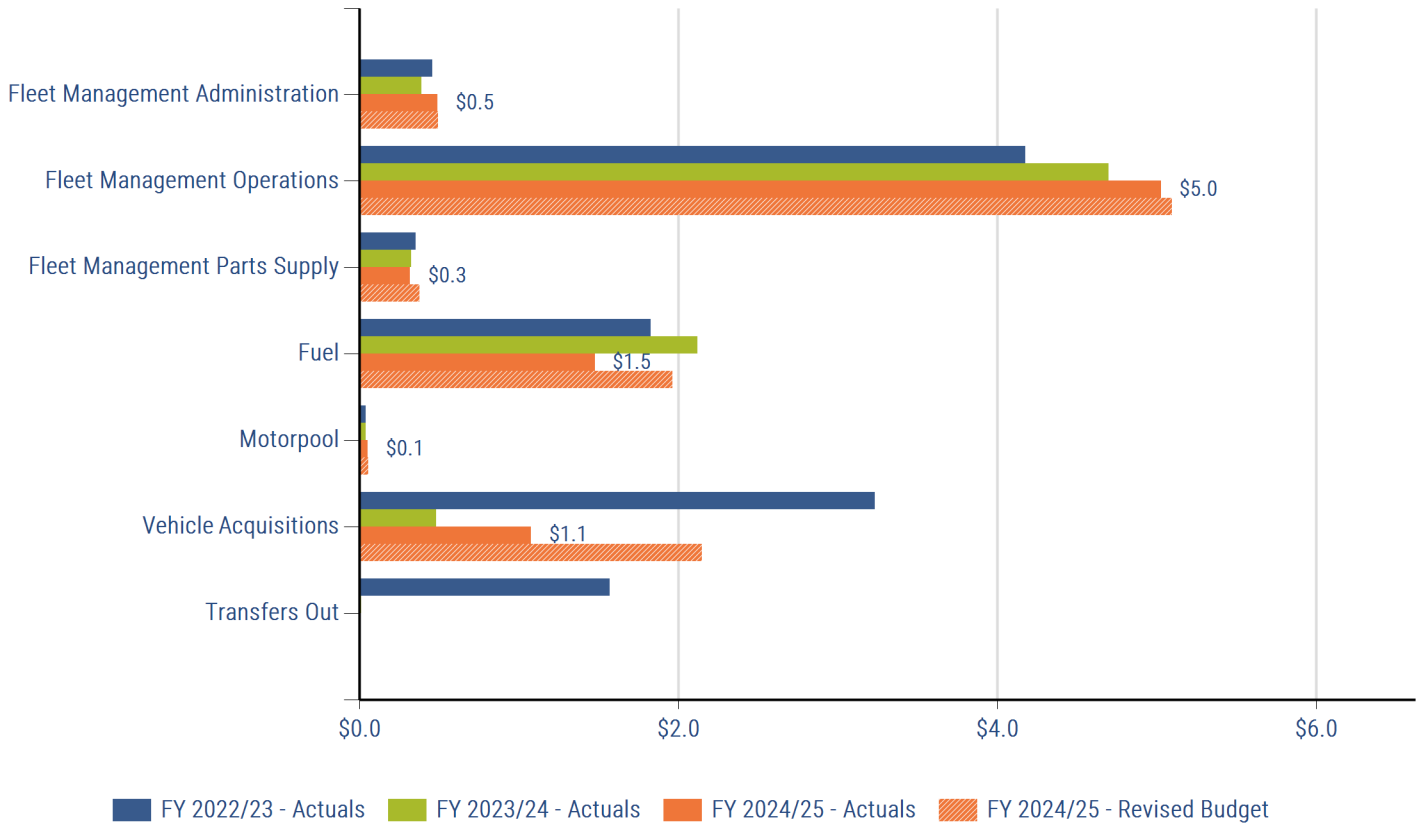


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-------------|
| Rental Rates | \$7.2 | \$7.2 | \$15.1 | \$15.2 | \$ - | - |
| Maintenance & Operations | 4.9 | 5.2 | 4.9 | 4.4 | 0.6 | 13% |
| Fuel | 2.4 | 3.1 | 2.0 | 2.8 | (0.9) | (31%) |
| Reimbursements from Outside Sources | 0.3 | 0.2 | 0.1 | 0.3 | (0.1) | (50%) |
| Miscellaneous | 0.1 | 0.2 | 0.1 | 0.1 | (0.1) | (43%) |
| Transfers In | 1.9 | - | - | - | - | - |
| Total Sources | \$16.8 | \$16.0 | \$22.3 | \$22.8 | (\$0.5) | (2%) |

Actual to Revised Budget variance of (\$0.5) million or (2%): The unfavorable variance is primarily due to Fuel - lower fuel prices than anticipated, leading to reduced internal fleet fuel fees being collected, these reduced collections are reflected with savings for Fleet Uses. The unfavorable variance is partially offset by Maintenance & Operations - repairs on older vehicles caused by delays on receiving new acquisitions and timing on upfitting.

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

Uses (Fiscal Year to Date: December 2024)

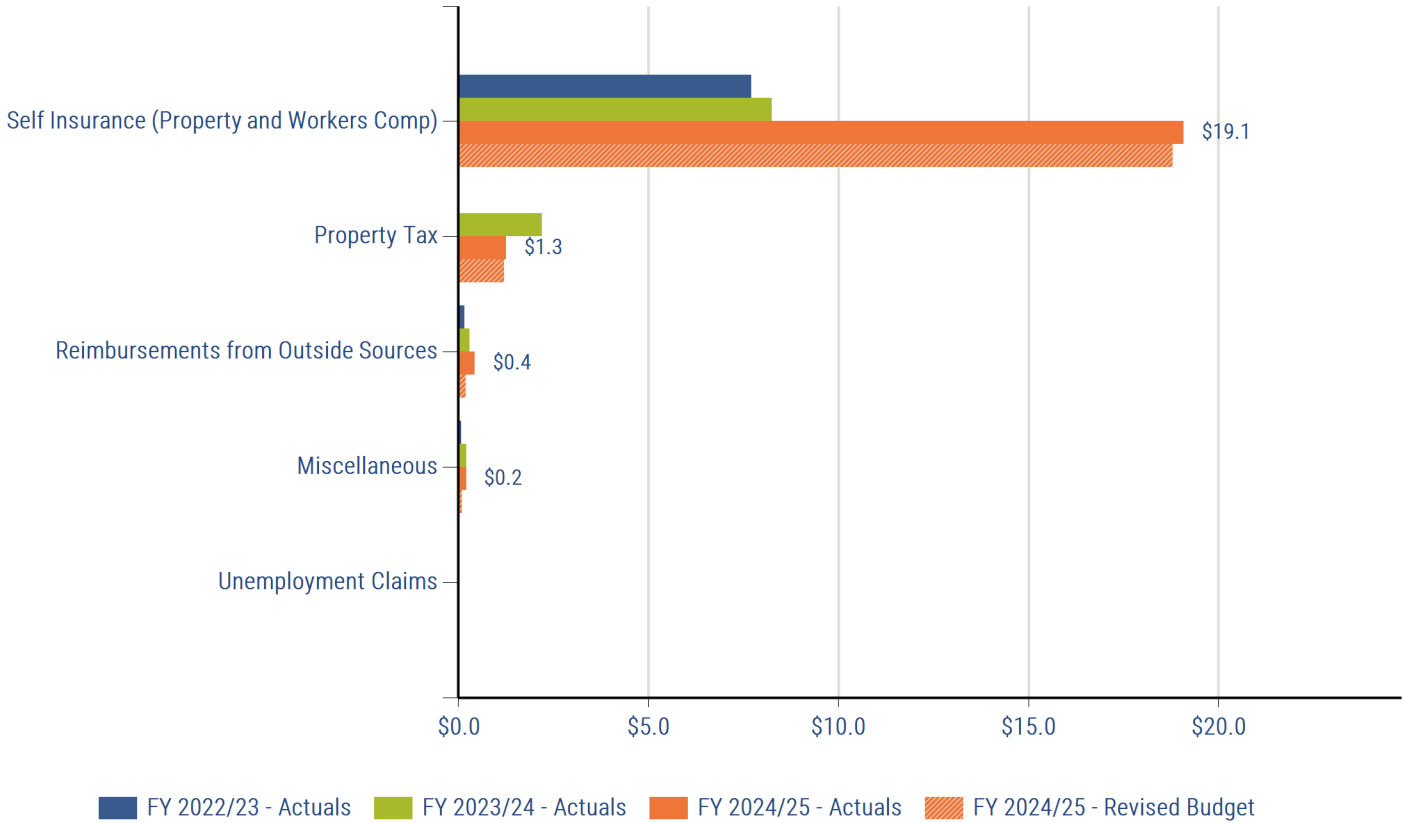


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Fleet Management Administration | \$0.5 | \$0.4 | \$0.5 | \$0.5 | \$ - | - |
| Fleet Management Operations | 4.2 | 4.7 | 5.0 | 5.1 | 0.1 | 1% |
| Fleet Management Parts Supply | 0.4 | 0.3 | 0.3 | 0.4 | 0.1 | 16% |
| Fuel | 1.8 | 2.1 | 1.5 | 2.0 | 0.5 | 25% |
| Motorpool | - | - | 0.1 | 0.1 | - | - |
| Vehicle Acquisitions | 3.2 | 0.5 | 1.1 | 2.1 | 1.1 | 50% |
| Transfers Out | 1.6 | - | - | - | - | - |
| Total Uses | \$11.7 | \$8.1 | \$8.4 | \$10.1 | \$1.7 | 17% |

Actual to Revised Budget variance of \$1.7 million or 17%: The favorable variance is due to 1) Vehicle Acquisitions - long lead times on vehicle acquisitions which have delayed expenditures and 2) Fuel - lower fuel prices than anticipated.

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

Sources (Fiscal Year to Date: December 2024)

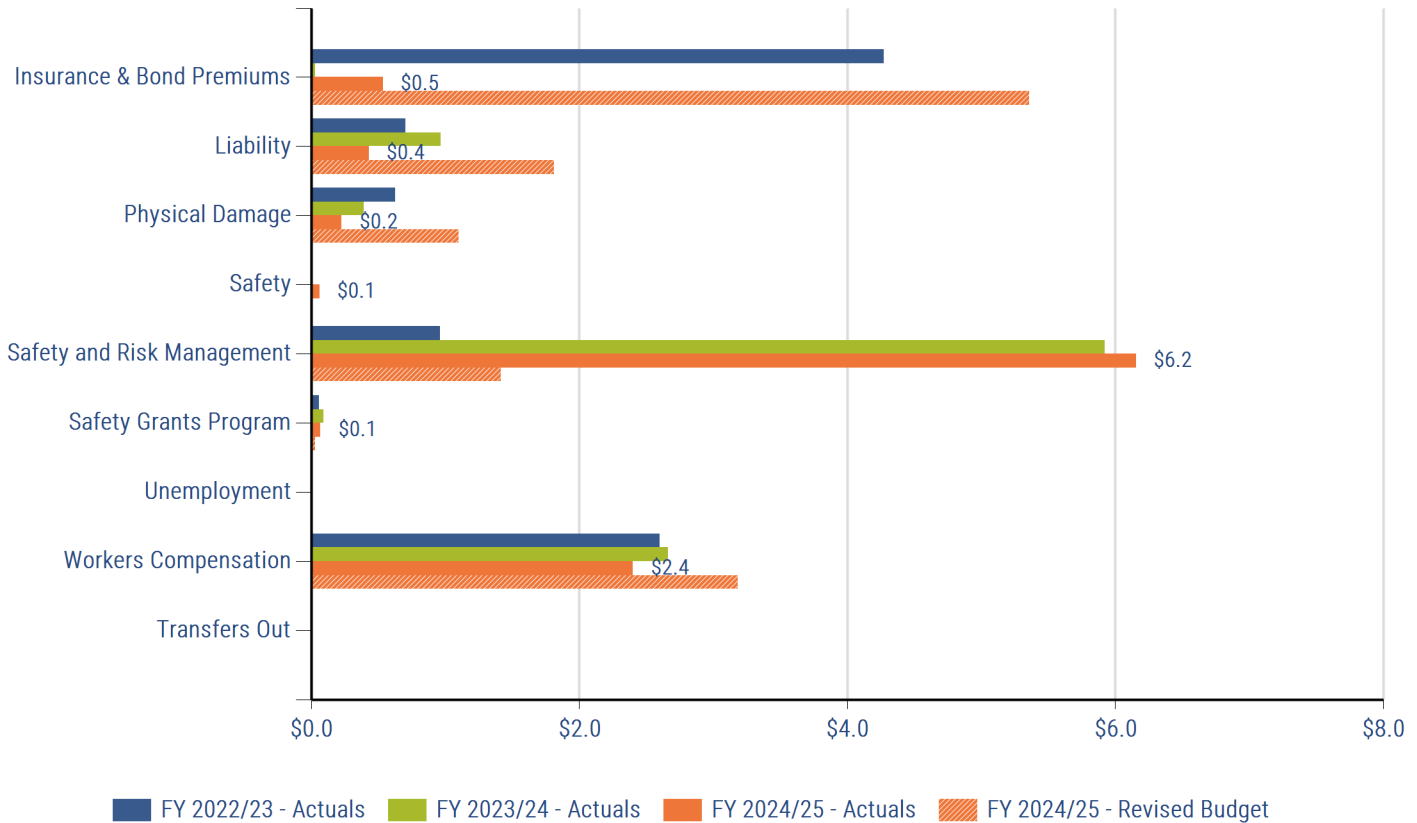


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Self Insurance (Property and Workers Comp) | \$7.7 | \$8.3 | \$19.1 | \$18.8 | \$0.3 | 2% |
| Property Tax | - | 2.2 | 1.3 | 1.2 | 0.1 | 5% |
| Reimbursements from Outside Sources | 0.2 | 0.3 | 0.4 | 0.2 | 0.2 | >100% |
| Miscellaneous | 0.1 | 0.2 | 0.2 | 0.1 | 0.1 | >100% |
| Unemployment Claims | - | - | - | - | - | - |
| Total Sources | \$8.0 | \$11.0 | \$21.0 | \$20.3 | \$0.7 | 3% |

Actual to Revised Budget variance of \$0.7 million or 3%: The favorable variance is largely driven by higher subrogation recoveries than estimated.

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

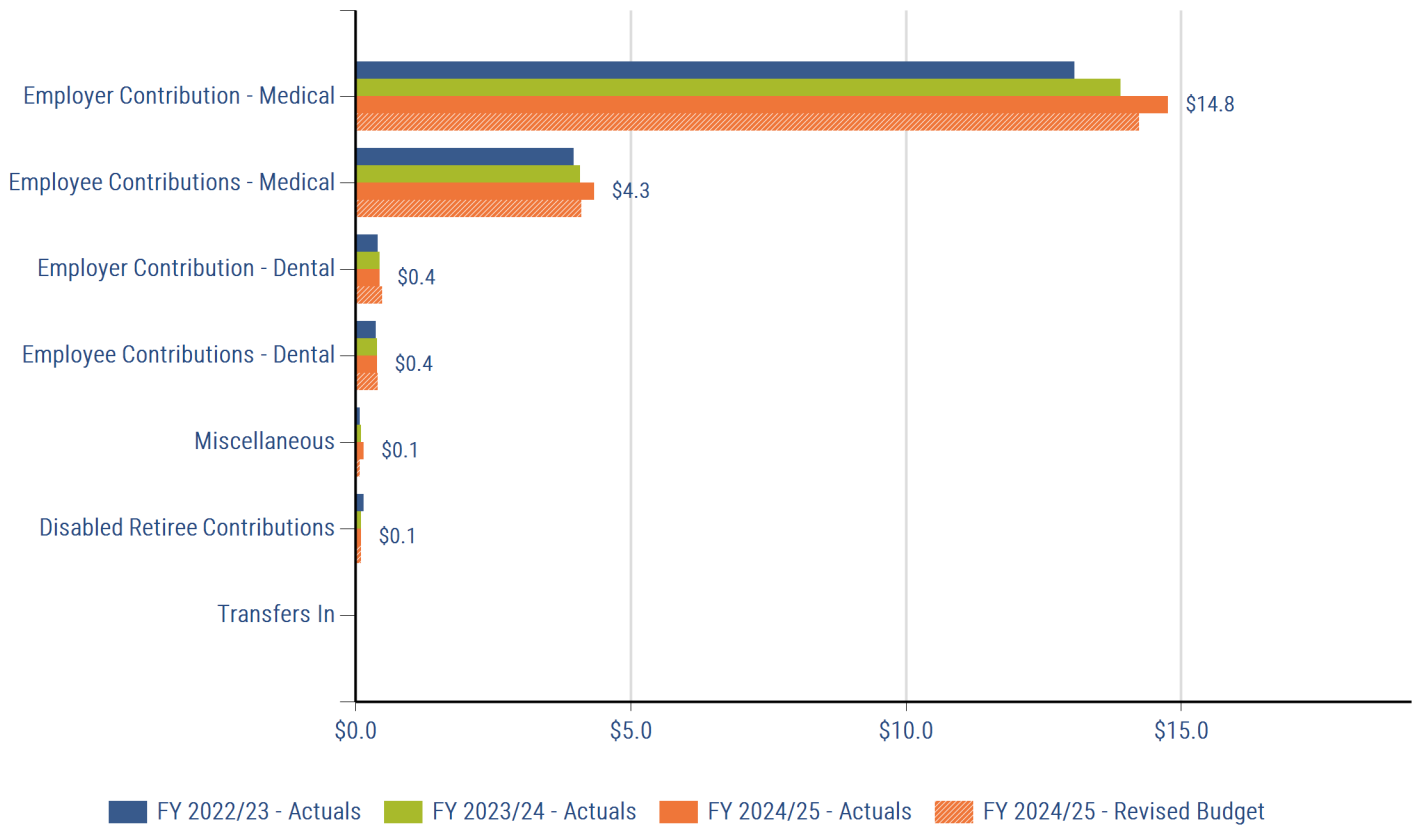
Uses (Fiscal Year to Date: December 2024)



| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|----------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Insurance & Bond Premiums | \$4.3 | \$ - | \$0.5 | \$5.4 | \$4.8 | 90% |
| Liability | 0.7 | 1.0 | 0.4 | 1.8 | 1.4 | 76% |
| Physical Damage | 0.6 | 0.4 | 0.2 | 1.1 | 0.9 | 79% |
| Safety | - | - | 0.1 | - | (0.1) | - |
| Safety and Risk Management | 1.0 | 5.9 | 6.2 | 1.4 | (4.7) | >(100%) |
| Safety Grants Program | 0.1 | 0.1 | 0.1 | - | - | - |
| Unemployment | - | - | - | - | - | - |
| Workers Compensation | 2.6 | 2.7 | 2.4 | 3.2 | 0.8 | 25% |
| Transfers Out | - | - | - | - | - | - |
| Total Uses | \$9.2 | \$10.1 | \$9.9 | \$12.9 | \$3.0 | 23% |

Actual to Revised Budget variance of \$3.0 million or 23%: The favorable variance is largely driven by 1) Liability - fewer instances of general liability claims, 2) Physical Damage - fewer instances of general liability claims and property damage; and 3) Workers Compensation - fewer medical claims. It should be noted that the variance in Safety and Risk Management is due to expenses that should have been recorded under Insurance & Bond Premiums, this nets out the variance between the two categories.

Sources (Fiscal Year to Date: December 2024)

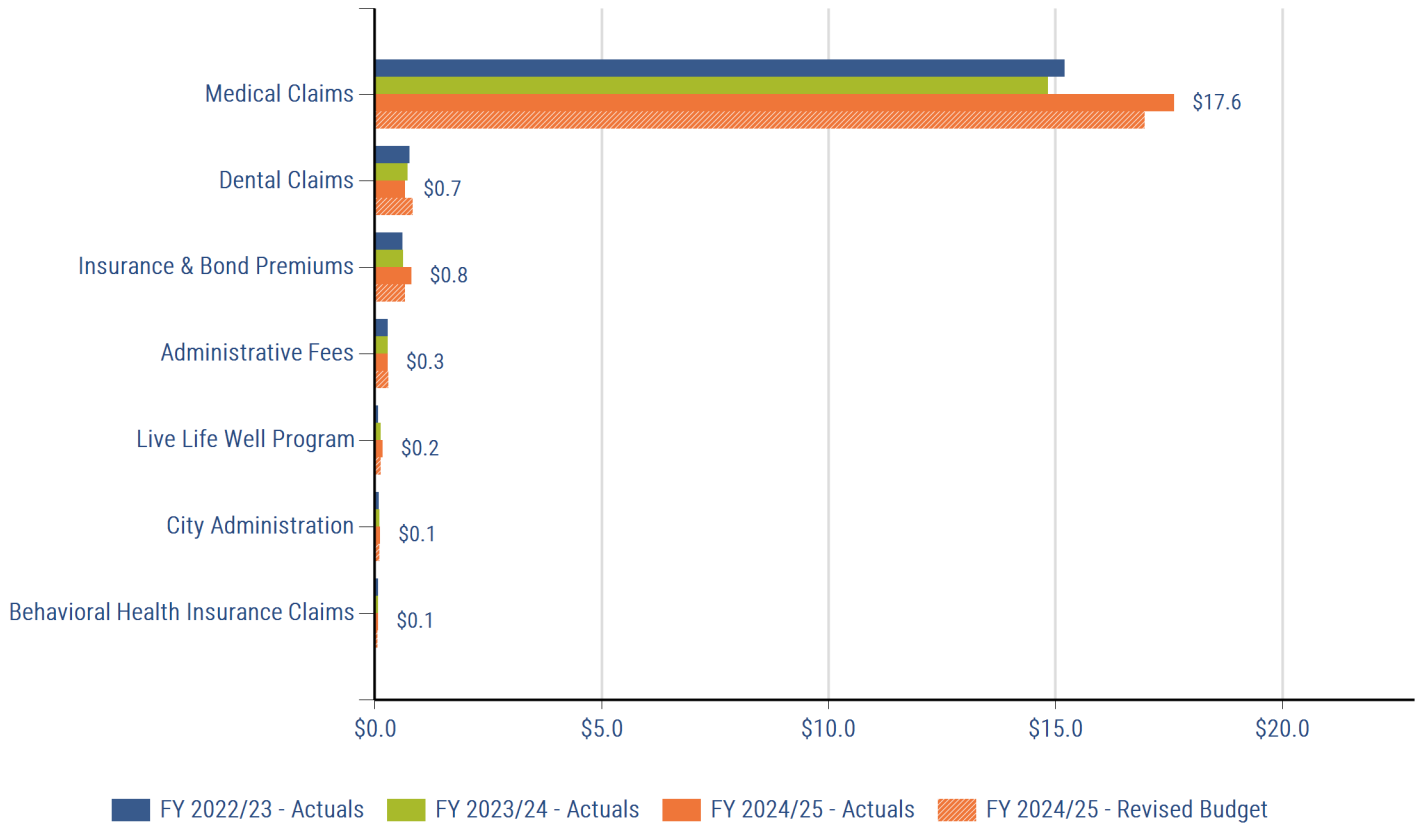


| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Employer Contribution - Medical | \$13.1 | \$13.9 | \$14.8 | \$14.2 | \$0.5 | 4% |
| Employee Contributions - Medical | 4.0 | 4.1 | 4.3 | 4.1 | 0.2 | 6% |
| Employer Contribution - Dental | 0.4 | 0.4 | 0.4 | 0.5 | - | - |
| Employee Contributions - Dental | 0.4 | 0.4 | 0.4 | 0.4 | - | - |
| Miscellaneous | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 75% |
| Disabled Retiree Contributions | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Transfers In | - | - | - | - | - | - |
| Total Sources | \$18.0 | \$19.0 | \$20.2 | \$19.4 | \$0.7 | 4% |

Actual to Revised Budget variance of \$0.7 million or 4%: The favorable variance in Employer Contribution - Medical and Employee Contribution -Medical is due to plan selection difference, which occurs after the budget has been prepared.

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

Uses (Fiscal Year to Date: December 2024)



| | FY 2022/23 Actuals | FY 2023/24 Actuals | FY 2024/25 Actuals | FY 2024/25 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Budget (Unfavorable) Percent |
|------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------------------------------|
| Medical Claims | \$15.2 | \$14.8 | \$17.6 | \$17.0 | (\$0.7) | (4%) |
| Dental Claims | 0.8 | 0.7 | 0.7 | 0.8 | 0.2 | 20% |
| Insurance & Bond Premiums | 0.6 | 0.6 | 0.8 | 0.7 | (0.1) | (22%) |
| Administrative Fees | 0.3 | 0.3 | 0.3 | 0.3 | - | - |
| Live Life Well Program | 0.1 | 0.1 | 0.2 | 0.1 | - | - |
| City Administration | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Behavioral Health Insurance Claims | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Total Uses | \$17.1 | \$16.8 | \$19.8 | \$19.1 | (\$0.7) | (4%) |

Actual to Revised Budget variance of (\$0.7) million or (4%): The unfavorable variance in Medical Claims is due to higher than expected primary care office visits used by employees and difficulty in predicting the timing of claims.

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

**City of Scottsdale
WestWorld**

| | Twelve Months: Fiscal Year | | | | | | |
|---|----------------------------|----------------------|----------------------|----------------------|------------------------------|-------------------------------|-------------------------------|
| | 2020/21 Actual | 2021/22 Actual | 2022/23 Actual | 2023/24 Actual | 2024/25 Adopted Budget | 2024/25 Approved Budget | 2024/25 Forecast Budget |
| Operating Revenue | | | | | | | |
| Rental Facilities | \$3,601,497 | \$3,675,360 | \$3,781,955 | \$3,834,129 | \$3,720,000 | \$3,720,000 | \$3,720,000 |
| RV Rental | 496,017 | 544,481 | 672,101 | 513,000 | 620,000 | 620,000 | 620,000 |
| Feed/Bedding Sales | 919,338 | 898,455 | 931,865 | 965,820 | 909,952 | 909,952 | 909,952 |
| Labor Fees | 473,148 | 543,222 | 560,580 | 449,295 | 500,000 | 500,000 | 500,000 |
| Concession Fees | 2,942 | 2,780 | 1,349 | 3,524 | 1,668 | 1,668 | 1,668 |
| Parking | 177,065 | 987,581 | 1,133,051 | 1,430,933 | 1,233,438 | 1,233,438 | 1,233,438 |
| Other Income | 132,338 | 302,018 | 198,564 | 129,034 | 150,400 | 150,400 | 150,400 |
| Bed Tax Contribution - Marketing ¹¹ | - | - | - | 180,119 | 75,000 | 150,000 | 150,000 |
| Equidome Project Use Fee | 360,000 | 360,000 | 360,000 | 360,000 | 360,000 | 360,000 | 360,000 |
| Operating Transfer In ¹¹ | 100,000 | 121,734 | 100,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Total Revenue | \$6,262,345 | \$7,435,631 | \$7,739,465 | \$8,115,853 | \$7,820,458 | \$7,895,458 | \$7,895,458 |
| Operating Expenses | | | | | | | |
| Personnel Services | | | | | | | |
| Wages/Salaries/Benefits | \$1,903,738 | \$2,262,683 | \$2,293,413 | \$2,630,783 | \$2,748,220 | \$3,073,531 | \$3,073,531 |
| Overtime | 43,649 | 55,758 | 126,018 | 114,282 | 115,432 | 121,102 | 121,102 |
| Contractual Services | | | | | | | |
| Contractual Workers | 157,624 | 290,978 | 349,006 | 420,805 | 461,331 | 461,331 | 461,331 |
| Telephone | 13,169 | 12,514 | 16,246 | 18,375 | 17,100 | 17,100 | 17,100 |
| Utilities | 1,208,499 | 1,319,139 | 1,525,760 | 1,601,279 | 1,537,488 | 1,537,488 | 1,537,488 |
| Maintenance & Equipment Rental & Fleet | 551,765 | 741,930 | 967,613 | 810,456 | 968,242 | 968,242 | 968,242 |
| License and Permits | 220,259 | 133,340 | 6,000 | 1,202 | 1,094 | 1,094 | 1,094 |
| Property, Liability & Workers' Comp | 110,087 | 145,776 | 221,880 | 192,906 | 230,311 | 230,311 | 230,311 |
| Advertising/Marketing Contract ¹¹ | 194,981 | 234,459 | 235,496 | 271,079 | 338,524 | 488,524 | 488,524 |
| Other | 211,735 | 389,423 | 667,652 | 442,887 | 670,959 | 670,959 | 670,959 |
| Commodities and Capital Outlays | | | | | | | |
| Agriculture & Horticulture & Other Supply | 122,494 | 81,132 | 213,693 | 272,440 | 131,655 | 131,655 | 131,655 |
| Maintenance & Repairs Supply, Equipment | 138,694 | 104,716 | 228,122 | 222,542 | 145,429 | 145,429 | 145,429 |
| Inventory Purchased for Resale | 488,953 | 633,988 | 622,282 | 625,440 | 629,521 | 629,521 | 629,521 |
| Construction - Other | 11,679 | 35,648 | 1,819 | 2,851 | - | - | - |
| Other Expenses | 34,270 | 29,468 | 16,213 | 98,116 | 46,875 | 46,875 | 46,875 |
| BOR Admin | | | | | | | |
| BOR Admin/WestWorld | 188,565 | 197,993 | 207,893 | 218,287 | 229,202 | 229,202 | 229,202 |
| Allocated Expenses | | | | | | | |
| COS Indirect Costs | 371,073 | 384,276 | 422,524 | 473,628 | 549,264 | 549,264 | 549,264 |
| Operating Transfer Out | | | | | | | |
| Operating Transfer Out | - | 21,734 | - | - | - | - | - |
| Total Operating Expenses | \$5,971,234 | \$7,074,955 | \$8,121,630 | \$8,417,358 | \$8,820,647 | \$9,301,628 | \$9,301,628 |
| Operating Income Before Debt Service and One-Time Expenses | \$291,111 | \$360,676 | (\$382,165) | (\$301,505) | (\$1,000,189) | (\$1,406,170) | (\$1,406,170) |
| Debt Service (Less contributions) | | | | | | | |
| Debt Service - (52 & 17 acres) ¹² | \$2,238,918 | \$2,570,986 | \$2,211,196 | \$2,306,975 | \$5,657,663 | \$5,657,663 | \$5,657,663 |
| Debt Service - TNEC (\$41.935M) | 1,255,864 | 1,999,476 | 1,380,230 | 1,283,136 | 1,283,136 | 1,283,136 | 1,283,136 |
| 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 | \$3,494,782 | \$4,570,462 | \$3,591,426 | \$3,590,111 | \$6,940,799 | \$6,940,799 | \$6,940,799 |
| One-Time Expenses | | | | | | | |
| Monterra Contract Termination | \$- | \$- | \$- | \$- | \$- | \$2,000,000 | \$2,000,000 |
| WestWorld Master Plan | - | - | - | - | 1,150,000 | 1,150,000 | 1,150,000 |
| One-time repairs (barns, roof, message board, truck) | - | - | 623,230 | 309,787 | - | - | - |
| One-Time Expenses | \$- | \$- | \$623,230 | \$309,787 | \$1,150,000 | \$3,150,000 | \$3,150,000 |
| Operating Income After Debt Service and One-Time Expenses | (\$3,203,671) | (\$4,209,786) | (\$4,596,821) | (\$4,201,403) | (\$9,090,988) | (\$11,496,969) | (\$11,496,969) |

¹¹ Beginning in FY 2023/24, the contribution for marketing efforts is spent within the Tourism Development Fund instead of being transferred to the General Fund.

¹² Debt to be paid off in FY 2024/25.

City of Scottsdale
WestWorld
Statement of Operations for December 2024 / 6 Months YTD

| | FY 2020/21 YTD Actual | FY 2021/22 YTD Actual | FY 2022/23 YTD Actual | FY 2023/24 YTD Actual | FY 2024/25 YTD Actual | FY 2024/25 Approved YTD Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------------|--|------------|
| Operating Revenue | | | | | | | | |
| Rental Facilities | \$1,164,733 | \$1,023,678 | \$1,119,459 | \$1,379,748 | \$2,025,341 | \$1,036,455 | \$988,886 | 95% |
| RV Rental | 146,765 | 145,845 | 194,309 | 147,841 | 291,728 | 213,942 | 77,786 | 36% |
| Feed/Bedding Sales | 335,229 | 221,316 | 225,825 | 268,047 | 238,988 | 237,395 | 1,593 | 1% |
| Labor Fees | 125,520 | 129,490 | 155,675 | 159,662 | 197,256 | 68,482 | 128,774 | >100% |
| Concession Fees | 9,331 | 224 | 1,190 | 1,309 | 457 | 664 | -207 | (31%) |
| Parking | 33,590 | 74,332 | 220,811 | 297,310 | 261,103 | 92,839 | 168,264 | >100% |
| Other Income | 42,157 | 156,545 | 43,347 | 51,592 | 218,110 | 16,619 | 201,491 | >100% |
| Bed Tax Contribution - Marketing ¹ | - | - | - | - | 61,015 | 127,750 | 66,735 | 52% |
| Equidome Project Use Fee | - | - | - | - | - | - | - | - |
| Operating Transfer In | 100,000 | 121,734 | 100,000 | 250,000 | 250,000 | 250,000 | - | - |
| Operating Revenue | \$1,957,326 | \$1,873,164 | \$2,060,616 | \$2,555,509 | \$3,543,997 | \$2,044,146 | \$1,633,321 | 73% |
| Operating Expenses | | | | | | | | |
| Personnel Services | | | | | | | | |
| Wages/Salaries/Benefits | \$1,005,388 | \$1,069,715 | \$1,047,847 | \$1,305,574 | \$1,356,845 | \$1,537,702 | \$180,857 | 12% |
| Overtime | 11,144 | 12,613 | 31,442 | 27,387 | 47,047 | 39,589 | (7,458) | (19%) |
| Contractual Services | | | | | | | | |
| Contractual Workers | 51,932 | 76,414 | 104,898 | 114,393 | 128,189 | 141,864 | 13,675 | 10% |
| Telephone | 14,570 | 16,198 | 12,713 | 12,726 | 14,054 | 14,446 | 392 | 3% |
| Utilities | 620,401 | 496,428 | 549,050 | 634,646 | 785,315 | 768,744 | (16,571) | (2%) |
| Maintenance & Equipment Rental & Fleet | 216,059 | 310,387 | 411,327 | 357,659 | 574,878 | 487,435 | (87,443) | (18%) |
| License and Permits | 219,722 | 640 | - | - | 300 | 61 | (239) | >(100%) |
| Property, Liability & Workers' Comp | 55,044 | 72,888 | 111,442 | 95,928 | 231,311 | 230,311 | (1,000) | (0%) |
| Advertising/Marketing Contract ¹ | 119,724 | 196,959 | 156,746 | 73,960 | 207,833 | 365,500 | 157,667 | 43% |
| Other | 93,665 | 97,144 | 124,465 | 73,849 | 155,826 | 132,497 | (23,329) | (18%) |
| Commodities and Capital Outlays | | | | | | | | |
| Agriculture & Horticulture & Other Supply | 47,266 | 38,876 | 54,548 | 70,664 | 12,732 | 42,891 | 30,159 | 70% |
| Maintenance & Repairs Supply, Equipment | 53,478 | 23,967 | 121,823 | 49,721 | 61,277 | 38,511 | (22,766) | (59%) |
| Inventory Purchased for Resale | 159,304 | 160,886 | 187,607 | 177,405 | 203,379 | 186,045 | (17,334) | (9%) |
| Construction - Other | 9,501 | 436 | 400 | 204,828 | 200 | - | (200) | - |
| Other Expenses | 11,338 | 15,206 | 6,729 | 16,210 | 14,430 | 13,298 | (1,132) | (9%) |
| BOR Admin | | | | | | | | |
| BOR Admin/WestWorld | - | - | - | - | - | 229,202 | 229,202 | 100% |
| Allocated Expenses | | | | | | | | |
| COS Indirect Costs | 185,532 | 192,138 | 211,260 | 236,812 | 274,632 | 274,632 | - | - |
| Operating Transfer Out | | | | | | | | |
| Operating Transfer Out | - | 21,734 | - | - | - | - | - | - |
| Operating Expenses | \$2,874,067 | \$2,802,628 | \$3,132,297 | \$3,451,762 | \$4,068,248 | \$4,502,728 | \$434,480 | 10% |
| Operating Income | (\$916,741) | (\$929,464) | (\$1,071,681) | (\$896,253) | (\$524,251) | (\$2,458,582) | \$2,067,801 | 84% |
| Debt Service (Less contributions) | | | | | | | | |
| Debt Service - (52 & 17 acres) | \$771,513 | \$585,086 | \$250,748 | \$66,821 | \$395,263 | \$395,263 | \$ - | - |
| Debt Service - TNEC (\$41.935M) | - | - | 190,115 | - | 293,136 | 293,136 | - | - |
| Debt Service - TNEC Tourism Funded | - | - | - | - | - | - | - | - |
| Bed Tax Contributions - TNEC | - | - | - | - | - | - | - | - |
| Net Debt Service | \$771,513 | \$585,086 | \$440,863 | \$66,821 | \$688,399 | \$688,399 | \$ - | - |
| Operating Income After Debt Service | (\$1,688,254) | (\$1,514,550) | (\$1,512,544) | (\$963,074) | (\$1,212,650) | (\$3,146,981) | \$2,067,801 | 66% |

¹ Beginning in FY 2023/24, the contribution for marketing efforts is spent within the Tourism Development Fund instead of being transferred to the General Fund.



Privilege (Sales) & Use Tax Collections For December 2024 (For Business Activity in November 2024)

Appendix 1 contains information regarding the “actual” revenue collections from the 1.0 percent Privilege and Use Tax reflected in the General Fund, 0.2 percent dedicated Transportation Privilege Tax, 0.1 percent additional dedicated to Transportation Privilege and Use Taxes, 0.2 percent dedicated Preserve Privilege and Use Taxes, 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 8 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

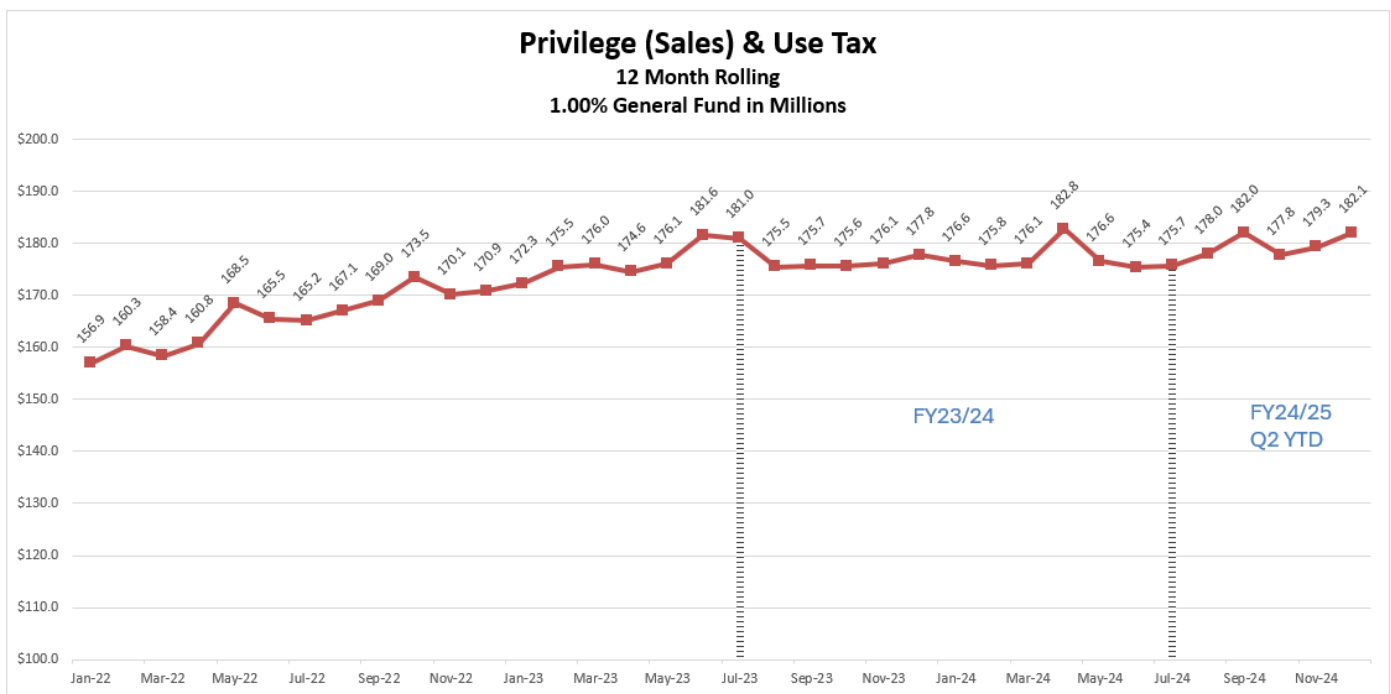
| | Fiscal Year: Twelve Months | | | | |
|------------------------------|----------------------------|--------------------------|--------------------------------------|--------------------------------------|--|
| | 2022/23 <u>Actual</u> | 2023/24 <u>Actual</u> | 2024/25 <u>Adopted Budget</u> | 2024/25 <u>Revised Budget</u> | 2024/25 <u>Approved Adjustments</u> |
| <u>1.00% General Purpose</u> | | | | | |
| Amusement | n/a | n/a | \$0.0 | \$2.9 | \$2.9 |
| Automotive | 21.1 | 20.7 | 19.7 | 19.7 | 0.0 |
| Construction | 16.8 | 17.3 | 17.3 | 17.3 | 0.0 |
| Dining/ Entertainment | 17.7 | 9.7 | 16.0 | 16.0 | 0.0 |
| Food Stores | 9.9 | 9.7 | 10.5 | 10.5 | 0.0 |
| Hotel/Motel | 11.5 | 10.3 | 9.7 | 9.7 | 0.0 |
| Major Dept. Stores | 12.7 | 11.7 | 12.1 | 12.1 | 0.0 |
| Manufacturing | n/a | n/a | 0.0 | 2.4 | 2.4 |
| Misc. Retail Stores | 40.3 | 38.5 | 35.7 | 35.7 | 0.0 |
| Other Activity | 22.8 | 22.1 | 21.1 | 5.5 | (15.6) |
| Rentals | 23.3 | 22.8 | 18.6 | 18.6 | 0.0 |
| Service with Retail | n/a | n/a | 0.0 | 3.1 | 3.1 |
| Utilities | 5.5 | 5.4 | 5.5 | 5.5 | 0.0 |
| Wholesale | n/a | n/a | 0.0 | 7.2 | 7.2 |
| Subtotal | <u>\$181.6</u> | <u>\$175.4</u> | <u>\$166.3</u> | <u>\$166.3</u> | <u>\$0.0</u> |
| 0.10% Public Safety | \$17.9 | 17.3 | \$16.4 | \$16.4 | \$0.0 |
| 0.20% Transportation 1990 | 34.6 | 33.6 | 31.7 | 31.7 | 0.0 |
| 0.10% Transportation 2019 | 17.8 | 17.3 | 16.3 | 16.3 | 0.0 |
| 0.20% McDowell Preserve 1995 | 35.7 | 34.5 | 32.8 | 32.8 | 0.0 |
| 0.15% McDowell Preserve 2004 | 26.8 | 25.9 | 24.6 | 24.6 | 0.0 |
| Total | <u>\$314.3</u> | <u>\$304.0</u> | <u>\$288.1</u> | <u>\$288.1</u> | <u>\$0.0</u> |
| % Change vs. Prior Year | 10% | -3% | -5% | -5% | |

Rounding differences may occur

Privilege (Sales) & Use Tax by Category and Fund

| Fiscal Year-to-Date: December 2024 | | | | | | |
|------------------------------------|---------|---------|---------|---------|-----------------------------------|---------|
| | 2022/23 | 2023/24 | 2024/25 | 2024/25 | Actual vs. Budget | |
| | Actual | Actual | Actual | Budget | Favorable/(Unfavorable) Amount | Percent |
| 1.00% General Purpose | | | | | | |
| Amusement | n/a | n/a | \$1.2 | \$1.4 | (\$0.2) | -17% |
| Automotive | 10.1 | 9.9 | 10.9 | 9.9 | 1.0 | 10% |
| Construction | 7.9 | 9.3 | 9.8 | 9.1 | 0.7 | 8% |
| Dining/ Entertainment | 7.4 | 7.6 | 7.6 | 7.1 | 0.5 | 7% |
| Food Stores | 4.1 | 4.5 | 4.8 | 5.3 | (0.6) | -11% |
| Hotel/Motel | 4.5 | 4.0 | 4.2 | 3.7 | 0.5 | 12% |
| Major Dept. Stores | 5.8 | 5.9 | 6.2 | 5.8 | 0.4 | 7% |
| Manufacturing | n/a | n/a | 1.3 | 1.1 | 0.2 | 17% |
| Misc. Retail Stores | 19.0 | 17.6 | 20.2 | 16.7 | 3.5 | 21% |
| Other Activity | 10.4 | 10.5 | 3.5 | 4.2 | (0.7) | -17% |
| Rentals | 10.6 | 11.4 | 11.4 | 11.0 | 0.4 | 3% |
| Service with Retail | n/a | n/a | 4.1 | 3.3 | 0.8 | 23% |
| Utilities | 2.7 | 2.8 | 3.2 | 2.9 | 0.3 | 10% |
| Wholesale | n/a | n/a | 1.8 | 1.4 | 0.4 | 27% |
| Subtotal | \$82.4 | \$83.4 | \$89.9 | \$82.9 | \$7.0 | 8% |
| 0.10% Public Safety | \$8.1 | \$8.2 | \$8.8 | \$7.9 | \$0.9 | 11% |
| 0.20% Transportation 1990 | 15.5 | 16.1 | 17.0 | 13.1 | 4.0 | 31% |
| 0.10% Transportation 2019 | 8.0 | 8.2 | 8.8 | 7.1 | 1.7 | 24% |
| 0.20% McDowell Preserve 1995 | 16.2 | 16.4 | 17.6 | 18.8 | (1.2) | -6% |
| 0.15% McDowell Preserve 2004 | 12.2 | 12.3 | 13.2 | 11.1 | 2.1 | 19% |
| Total | \$142.4 | \$144.5 | \$155.5 | \$141.0 | \$14.5 | 10% |
| % Change vs. Prior Year | 8% | 1% | 8% | -2% | | |
| Top 20 Taxpayers | \$28.0 | \$29.2 | \$32.5 | | | |
| % of Total | 20% | 20% | 21% | | | |
| % Change vs. Prior Year | 1% | 4% | 11% | | | |

Rounding differences may occur.



Amusement Sales Taxes

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

Actual to Revised Budget variance of (\$0.2) million or (17%): The variance is due in part to some businesses not doing as well as expected.

Automotive Sales Taxes

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

Actual to Revised Budget variance of \$1.0 million or 10%: This is due in part a large one-time audit payment, a new car dealership, and a fall car auction.

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 \$0.7 million or 8%: This is due in part to an increase in residential/commercial construction and one-time audit payments.

Dining/Entertainment Sales Taxes

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

Actual to Revised Budget variance of \$0.5 million or 7%: This is due in part to restaurants performing better than anticipated.

Food Stores Sales Taxes

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

Actual to Revised Budget variance of (\$0.6) million or (11%): The variance is due in part to some businesses not doing as well as anticipated, an increase in supplemental nutrition assistance program (SNAP) use, and some timing differences of when tax returns were filed last year versus this year.

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 \$0.5 million or 12%: This is due in part to a new hotel opening in the last year and some timing differences of when tax returns were filed last year versus this 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 \$0.4 million or 7%: This is due in part to major department stores doing better than anticipated.

Manufacturing Sales Taxes

This category includes businesses that have identified themselves as manufacturers.

Actual to Revised Budget variance of \$0.2 million or 17%: The variance is due in part to an increase in use taxable purchases.

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 \$3.5 million or 21%: This is due in part to retailers doing better than anticipated, some timing differences of when tax returns were filed last year versus this year, and a large one-time audit payment.

Other Activity Sales Taxes

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

Actual to Revised Budget variance of (\$0.7) million or (17%): The variance is due in part to moving budget to the new categories of amusements, manufacturing, services with retail, and wholesale. Part of the variance is also due to correcting the category for a few businesses that were incorrectly placed into this category by the taxpayer due to the business type selection during the application process with the Arizona Department of Revenue.

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 \$0.4 million or 3%: The variance is due in part to timing differences of when tax returns were filed last year versus this year and a large one-time audit payment.

Services with Retail Sales Taxes

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

Actual to Revised Budget variance of \$0.8 million or 23%: The variance is due in part to the businesses doing better than anticipated.

Utilities Sales Taxes

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

Actual to Revised Budget variance of \$0.3 million or 10%: This is due in part to utilities doing better than anticipated and some timing differences of when tax returns were filed last year versus this year.

Wholesale Sales Taxes

This category includes businesses that have identified themselves as wholesalers.

Actual to Revised Budget variance of \$0.4 million or 27%: This is due in part to businesses doing better than anticipated.



To ensure legal compliance and financial management for the various restricted revenues and expenditures, the city's accounting and budget structure is segregated into various funds. This approach is unique to the government sector. Fund accounting segregates functions and activities into separate self-balancing funds that are created and maintained for specific purposes.

A **fund** is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The General Fund is the city's chief operating fund and is used to account for all financial resources, except those that are legally required to be accounted for in another fund.

GENERAL FUND SOURCES

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

Property Taxes - Property taxes are comprised only of the "Primary" property taxes levied on the assessed value of all property within the city to help pay for basic operations of the city. Secondary property taxes are not included in the General Fund as they must be used solely for General Obligation bond debt service payments. Increases in revenue from year to year reflect new property additions to the tax roll and Council actions to increase total revenue as legally allowed.

State Shared Revenues - These revenues are derived from state shared sales taxes, income taxes, and vehicle license taxes (auto lieu). On a per capita basis, state sales taxes generated in Scottsdale tend to be higher than most other cities/towns due to higher wealth, consumer spending habits, and larger amounts of visitor/tourist spending. As directed by statute, the State distributes the shared portion of State sales taxes back to local governments based on population, not by the amount of sales taxes collected within the local jurisdiction.

Charges for Services/Other - Charges for Services include miscellaneous charges that do not fall into any other category such as property rentals, cell tower leases and stadium usage fees.

License Permits & Fees - These charges include those for fees and licenses associated with specific services and programs offered by the city.

Fines Fees & Forfeitures - These are charges penalizing individuals for violating a law or policy of the city or paying for services and facilities designed to support this punishment, such as the Court, Library and Public Safety - Police.

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

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

Indirect/Direct Cost Allocations - Indirect cost allocations charged to the Enterprise Funds for specific central administrative functions which benefit the Enterprise operations (e.g. Information Technology, Payroll and Human Resources). Direct cost allocations represent Aviation Fund charges for the direct cost of fire service at the airport performed by General Fund personnel.

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



GENERAL FUND USES

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

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

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

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

Contracts Payable includes payments required contractually for leases, other contractual obligations, and certificates of participation which are a funding mechanism similar to bonds utilized for the purchase of capital items.

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

OTHER FUNDS

Transportation Fund is considered a Special Revenue Fund, which is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Transportation Fund receives and expends the city's allocation of the Arizona Highway User Revenue Tax (HURF) as well as other transportation related revenues. The amount of HURF available to each city is allocated based on population. These monies must be used for street construction, reconstruction, and maintenance. The State of Arizona requires the city to establish and maintain an accounting for Highway User Revenue Funds. The fund also accounts for the 1989 voter approved Transportation Privilege (Sales) Tax of 0.20 percent which is dedicated to funding transportation improvements and operations. Fifty percent of the Sales Tax - Transportation (0.20%) is transferred to the Capital Improvement Plan (CIP) for transportation related capital improvement projects, while 100 percent of the Sales Tax - Transportation (0.10%) is collected and reported in the CIP.

Tourism Development Fund is a Special Revenue Fund to account for the sources and uses related to tourism. Revenues consist of transient lodging tax (bed tax) and lease rental earnings from the Fairmont Scottsdale Princess Resort. Bed Tax is the largest portion of this fund and is derived from lodging room charges for stays of 29 days or less in hotels or short-term rentals.

Enterprise Funds are used to account for operations, which are financed and operated similarly to private businesses, where the intent is that the service is self-sufficient, with all costs including debt service supported predominantly by user charges. The city maintains three Enterprise Funds to account for Water & Water Reclamation, Aviation, and Solid Waste activities.

Water & Water Reclamation Funds

This fund accounts for the transactions related to the city's water and water reclamation business activities, including operating revenue, expenditures, and debt service payments.

- Water Service Charges are monthly water billings which consist of a base charge according to meter size and a variable charge for the amount of water consumed.
- Water Reclamation Service Charges are monthly charges based on the volume and strength of the sewage discharge.
- Non-Potable Water Fees include the sale of surface water, reverse osmosis and effluent treated to irrigation standards. These different water types are delivered to 22 Reclaimed Water Distribution System golf courses, 3 Irrigation Water Distribution System golf courses, the Gainey Ranch Golf Club, the WestWorld golf course and the Inlet/Silverado golf course.
- Miscellaneous Revenue includes rental income, miscellaneous reimbursements and other minor fees.



Aviation Fund

This fund accounts for the transactions related to the city's aviation business activity at the Scottsdale Airport.

- Aviation Fees are charges for a variety of services provided to airport customers including landing fees, airport/airpark fuel fees, transient parking fees, fixed tenant rents, percentage fees for aeronautical business permits, custom fees, and miscellaneous other charges.
- Privilege and Use Tax-Jet Fuel are charges earned from jet fuel sales by fixed based operators in accordance with the Scottsdale Revised Code, Article IV, Section 422.

Solid Waste Fund

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

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

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

Fleet Management Fund

This fund is used to account for the expenditures associated with purchasing and maintaining the city's vehicles. Replacement and operation of vehicles are charged to the city departments as internal operating costs to each program based on the quantity and type of vehicle used. The department charges become revenue to the Fleet Management Fund.

Risk Management Fund

This fund is used to account for the city's self-insurance, safety and risk management functions. Revenue to this fund is derived from internal charges to division programs and is captured as internal rates. Payments for unemployment, workers' compensation, and property and liability claims are made from this fund.

Healthcare Self Insurance Fund

This fund is used to account for the city's self-insured medical and dental benefits. Revenue to this fund is derived from premiums collected through charges to divisions, which consists of both city and employee components. Revenue is also collected through pharmacy rebates and stop loss insurance recoveries. This fund provides payment of actual healthcare expenses (medical, prescription and dental claims) as well as claims administration and other benefit plan expenses.