

CITY COUNCIL REPORT



Meeting Date: February 24, 2026
Charter Provision: *Provide for the orderly government and administration of the affairs of the City*
Objective: *Adopt Budgets*

ACTION

Accept the Fiscal Year 2025/26 Quarterly Financial Report showing activity through December 2025.

BACKGROUND

Each month, the city publishes a year-to-date financial summary of the city for the General Fund, which also includes the Ambulance Service Fund. Quarterly, the summary is expanded to include the Transportation Fund, Tourism Development Fund, Enterprise Funds, Fleet Management Fund, Fleet Replacement Fund, Risk Management Fund, Healthcare Self Insurance Fund, Stadium Facility Fund, and WestWorld Statement of Operations.

The report includes a summary of revenues and expenditures by major categories, highlighting significant variances.

The FY 2025/26 budget was adopted June 10, 2025, by Ordinance No. 4670 and No. 4671.

A monthly update comparing General Fund actual results for fiscal year-to-date through December 2025 to prior years was sent in an email by the City Treasurer to the City Council on January 23, 2026.

ANALYSIS & ASSESSMENT

There are no proposed FY 2025/26 budget adjustments or use of contingency requested for the December 2025 Quarterly Financial Report.

OPTIONS & STAFF RECOMMENDATION

Staff recommends the acceptance of the Fiscal Year 2025/26 Quarterly Financial Report as of December 2025.

RESPONSIBLE DIVISION(S)

City Treasurer

STAFF CONTACT(S)

Scott Selin, Budget Director, (480) 312-2603, sselin@scottsdaleaz.gov

APPROVED BY



Sonia Andrews, City Treasurer/Chief Financial Officer

(480) 312-2364, sandrews@scottsdaleaz.gov



Date

ATTACHMENTS

1. Quarterly Financial Report Fiscal Year-to-Date as of December 2025.

Monthly Financial Report

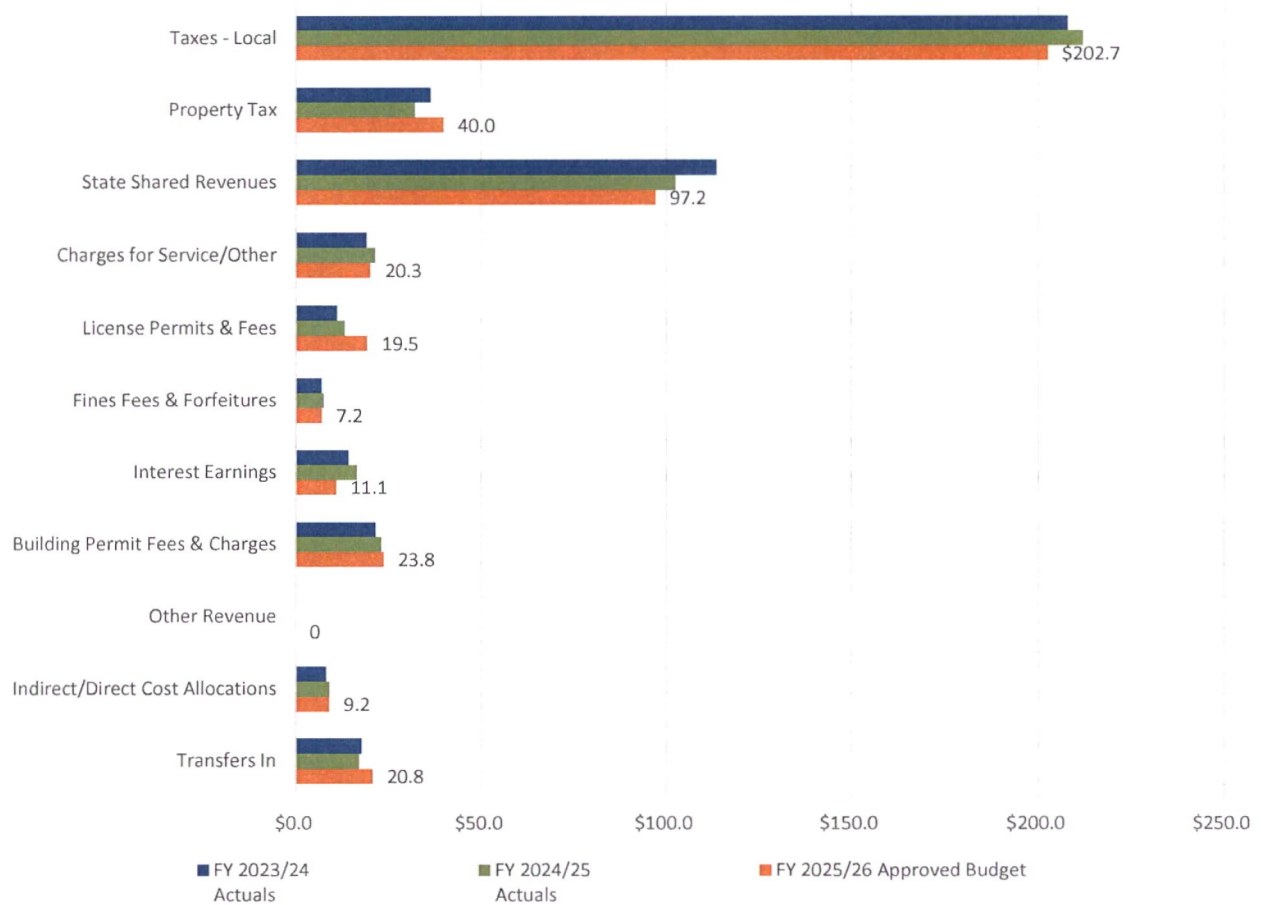
**Fiscal Year to Date as of
December 31, 2025**

Report to the City Council
Prepared by the City Treasurer
February 24, 2026

ATTACHMENT 1

Sources

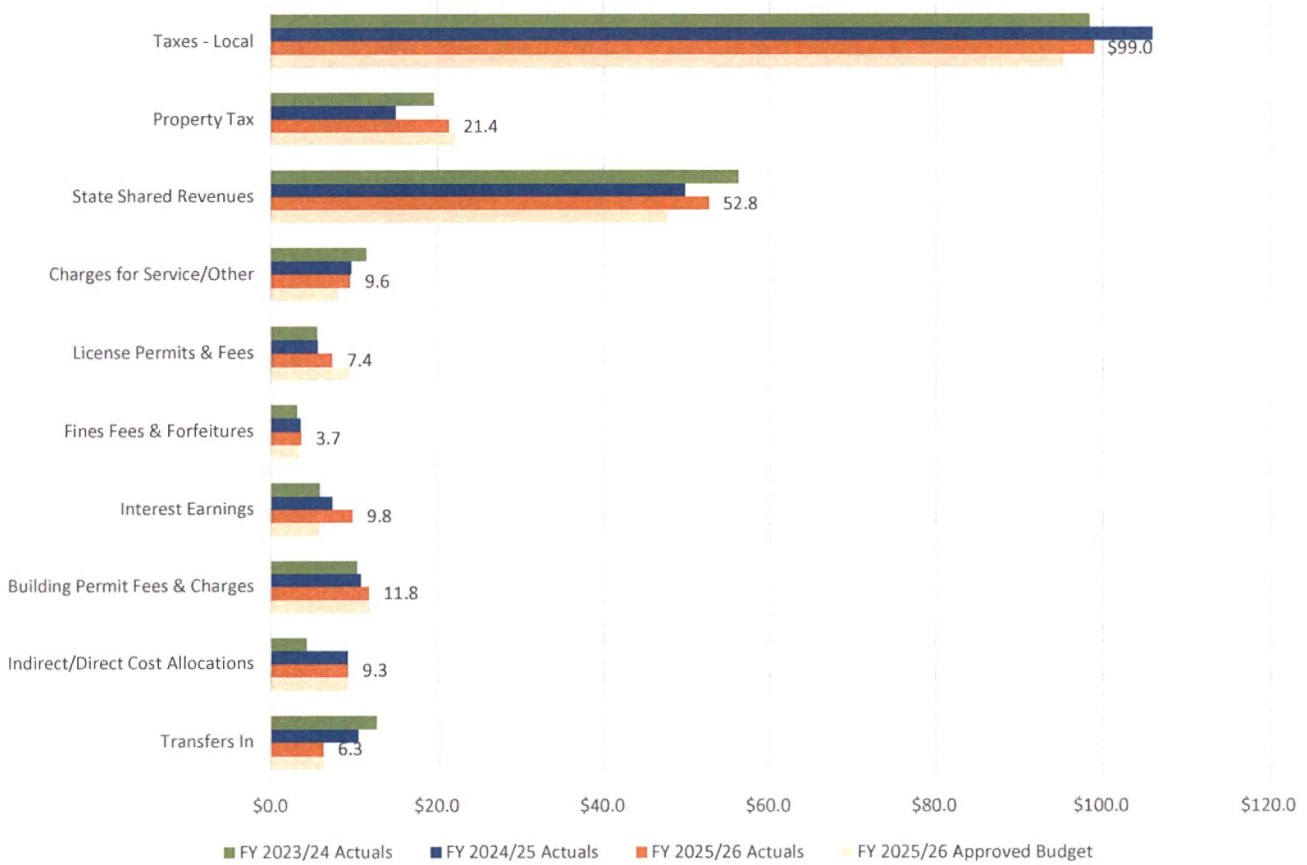
Twelve Months: Fiscal Year



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Approved Budget
Taxes - Local	\$208.0	\$212.1	\$202.7
Property Tax	36.5	32.3	40.0
State Shared Revenues	113.7	102.7	97.2
Charges for Service/Other	19.2	21.6	20.3
License Permits & Fees	11.3	13.3	19.5
Fines Fees & Forfeitures	7.1	7.7	7.2
Interest Earnings	14.4	16.6	11.1
Building Permit Fees & Charges	21.7	23.2	23.8
Other Revenue	0.1	-	-
Indirect/Direct Cost Allocations	8.3	9.3	9.2
Transfers In	18.0	17.2	20.8
Total Sources	\$458.3	\$456.1	\$451.9

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

Sources (Fiscal Year to Date: December 2025)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Taxes - Local	\$98.4	\$105.9	\$99.0	\$95.3	\$3.7	4%
Property Tax	19.6	15.0	21.4	22.2	(0.7)	(3%)
State Shared Revenues	56.3	49.9	52.8	47.8	4.9	10%
Charges for Service/Other	11.5	9.7	9.6	8.1	1.5	18%
License Permits & Fees	5.6	5.7	7.4	9.4	(2.0)	(22%)
Fines Fees & Forfeitures	3.2	3.6	3.7	3.4	0.3	8%
Interest Earnings	5.9	7.4	9.8	5.9	3.9	65%
Building Permit Fees & Charges	10.3	10.8	11.8	11.8	(0.1)	(0%)
Indirect/Direct Cost Allocations	4.3	9.2	9.3	9.3	-	-
Transfers In	12.7	10.5	6.3	6.4	(0.1)	(2%)
Total Sources	\$227.7	\$227.9	\$230.9	\$219.6	\$11.3	5%

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

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

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Sales Tax 1.10%	\$91.6	\$98.7	\$91.9	\$88.7	\$3.2	4%
Electric & Gas Franchise	5.4	5.8	5.7	5.2	0.5	10%
Cable TV License Fee	0.8	0.8	0.7	0.7	-	-
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	\$98.4	\$105.9	\$99.0	\$95.3	\$3.7	4%

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

Actual to Approved Budget variance of \$3.7 million or 4%:

The favorable variance is primarily due to Sales Tax. See detailed information regarding Sales Tax in the Sales Tax 1.10% section. The favorable variance in Electric & Gas Franchises Fees is due to higher than anticipated electricity usage; the positive variance is partially offset by the lower than anticipated gas usage.

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

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Automotive	\$10.9	\$12.0	\$10.4	\$11.6	(\$1.3)	(11%)
Construction	10.2	10.8	11.3	10.3	1.0	9%
Dining/Entertainment	8.4	8.4	8.0	7.3	0.7	9%
Food Stores	5.0	5.3	4.6	4.6	-	-
Hotel/Motel	4.4	4.6	4.6	4.3	0.3	8%
Major Dept Stores	6.5	6.8	6.2	6.5	(0.3)	(5%)
Misc Retail Stores	19.4	22.2	21.3	20.8	0.5	2%
Other Activity*	11.6	13.1	14.0	11.3	2.7	24%
Rental	12.5	12.5	8.2	8.5	(0.4)	(4%)
Utilities	3.1	3.5	3.2	3.4	(0.2)	(5%)
Sales Tax Total	\$91.6	\$98.7	\$91.9	\$88.7	\$3.2	4%

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

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

Actual to Approved Budget variance of \$3.2 million or 4%:

The favorable variance primarily is due to 1) Other Activity - businesses in this category are doing better than anticipated, new businesses have been established in this category during the Fiscal Year, and receipt of a one-time audit payment; 2) Construction - this Fiscal Year has seen an increase in residential/commercial construction as well as some one-time audit payments; and 3) Dining/Entertainment - restaurant sales are performing better than anticipated. The favorable variance is offset by 1) Automotive - timing difference in tax filings by tax payer this year versus last year and some car dealers reporting a decrease in sales; and 2) Rental - businesses in this category not performing as well as last Fiscal Year.

Property Tax (Fiscal Year to Date: December 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Property Tax	\$19.6	\$15.0	\$21.4	\$22.2	(\$0.7)	(3%)
Property Tax Total	\$19.6	\$15.0	\$21.4	\$22.2	(\$0.7)	(3%)

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

Actual to Approved Budget variance of (\$0.7) million or (3%):

The unfavorable variance is due to timing differences for when taxpayers paid property taxes last year versus this year. Over the upcoming months, actuals are expected to align with budgeted revenues.

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

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
State Shared Sales Tax	\$18.1	\$17.7	\$18.4	\$18.8	(\$0.4)	(2%)
State Shared Income Tax	32.2	26.0	28.0	23.2	4.8	21%
Auto Lieu Tax	6.0	6.2	6.4	5.9	0.5	9%
State Shared Revenues Total	\$56.3	\$49.9	\$52.8	\$47.8	\$4.9	10%

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

Actual to Approved Budget variance of \$4.9 million or 10%:

The favorable variance is primarily due to State Shared Income Tax - an inadvertent duplicate entry that has been corrected in January. Additionally, the State Shared Sales Tax is showing a negative variance partially due to the incorporation of San Tan Valley during the summer of 2025. Upon incorporation, San Tan Valley became eligible to receive State Shared Sales Tax distributions proportional to its share of the State's population. The Arizona Department of Revenue began distributing San Tan Valley's share of State Shared Sales Tax for the months of September through December 2025 during the month of December. This resulted in a reduction of Scottsdale's share of State Shared Revenues as compared to the budget. The trend will be monitored over future months to determine if forecast adjustments are necessary.

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

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Westworld Equestrian Facility Fees	\$2.0	\$2.8	\$2.6	\$1.6	\$1.0	66%
Intergovernmental	2.4	2.9	2.7	3.1	(0.4)	(14%)
Miscellaneous	4.3	1.1	1.0	0.5	0.5	85%
Property Rental	2.8	2.9	3.3	2.9	0.4	14%
Charges for Service/Other Total	\$11.5	\$9.7	\$9.6	\$8.1	\$1.5	18%

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

Actual to Approved Budget variance of \$1.5 million or 18%:

The favorable variance is primarily due to: 1) WestWorld Equestrian Facility Fees - the allocation of budget did not reflect actual receipts; 2) Miscellaneous - unexpected revenue from the sale of a Fire Department vehicle; and 3) Property Rental – higher than anticipated cell tower lease payments and increased golf course revenues. The favorable variance is offset by Intergovernmental - delays in receiving a quarterly payment for services due to the timing of a contract renewal in the Police Department.

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

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Business & Liquor Licenses	\$1.7	\$1.7	\$1.9	\$1.7	\$0.2	12%
Fire Charges For Services	1.4	1.5	2.9	5.2	(2.3)	(44%)
Recreation Fees	2.4	2.5	2.6	2.5	-	-
License Permits & Fees Total	\$5.6	\$5.7	\$7.4	\$9.4	(\$2.0)	(22%)

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

Actual to Approved Budget variance of (\$2.0) million or (22%):

The unfavorable variance is due to Fire Charges For Services - Ambulance Services Program revenues have come in lower than budgeted due to a delay between billing and cash receipts, and also delay in receiving payments from a contract agreement with Maricopa County.

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

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Court Fines	\$1.6	\$2.0	\$2.0	\$2.0	\$ -	-
Library	-	-	-	-	-	-
Parking Fines	0.1	0.1	0.1	0.1	-	-
Photo Radar	1.3	1.4	1.4	1.2	0.2	16%
Jail Dormitory	0.2	0.1	0.1	0.1	0.1	>100%
Fines Fees & Forfeitures Total	\$3.2	\$3.6	\$3.7	\$3.4	\$0.3	8%

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

Actual to Approved Budget variance of \$0.3 million or 8%:

The favorable variance is due to 1) Photo Radar - higher than anticipated revenue from traffic ticket filings and defensive driving fees, and 2) Jail Dormitory - higher than anticipated participants in the City Jail Dormitory program.

Interest Earnings (Fiscal Year to Date: December 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Interest Earnings	\$5.9	\$7.4	\$9.8	\$5.9	\$3.9	65%
Interest Earnings Total	\$5.9	\$7.4	\$9.8	\$5.9	\$3.9	65%

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

Actual to Approved Budget variance of \$3.9 million or 65%:

The favorable variance in Interest Earnings is due to greater than forecasted fund balance.

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

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Building Permit Fees & Charges	\$10.3	\$10.8	\$11.8	\$11.8	(\$0.1)	0%
Building Permit Fees & Charges Total	\$10.3	\$10.8	\$11.8	\$11.8	(\$0.1)	(0%)

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

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

The Building Permit Fees & Charges are generally aligned with budget through December 2025.

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

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Indirect Costs	\$3.9	\$8.8	\$8.8	\$8.8	\$ -	-
Direct Cost Allocation (Fire)	0.4	0.4	0.5	0.5	-	-
Indirect/Direct Cost Allocations Total	\$4.3	\$9.2	\$9.3	\$9.3	\$ -	-

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

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

Indirect/Direct Cost Allocation are aligned with budget through December 2025.

Transfers In (Fiscal Year to Date: December 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Operating	\$7.5	\$4.8	\$0.5	\$0.5	\$ -	-
Enterprise Franchise Fees	5.2	5.7	5.8	5.9	(0.1)	(2%)
Transfers In Total	\$12.7	\$10.5	\$6.3	\$6.4	(\$0.1)	(2%)

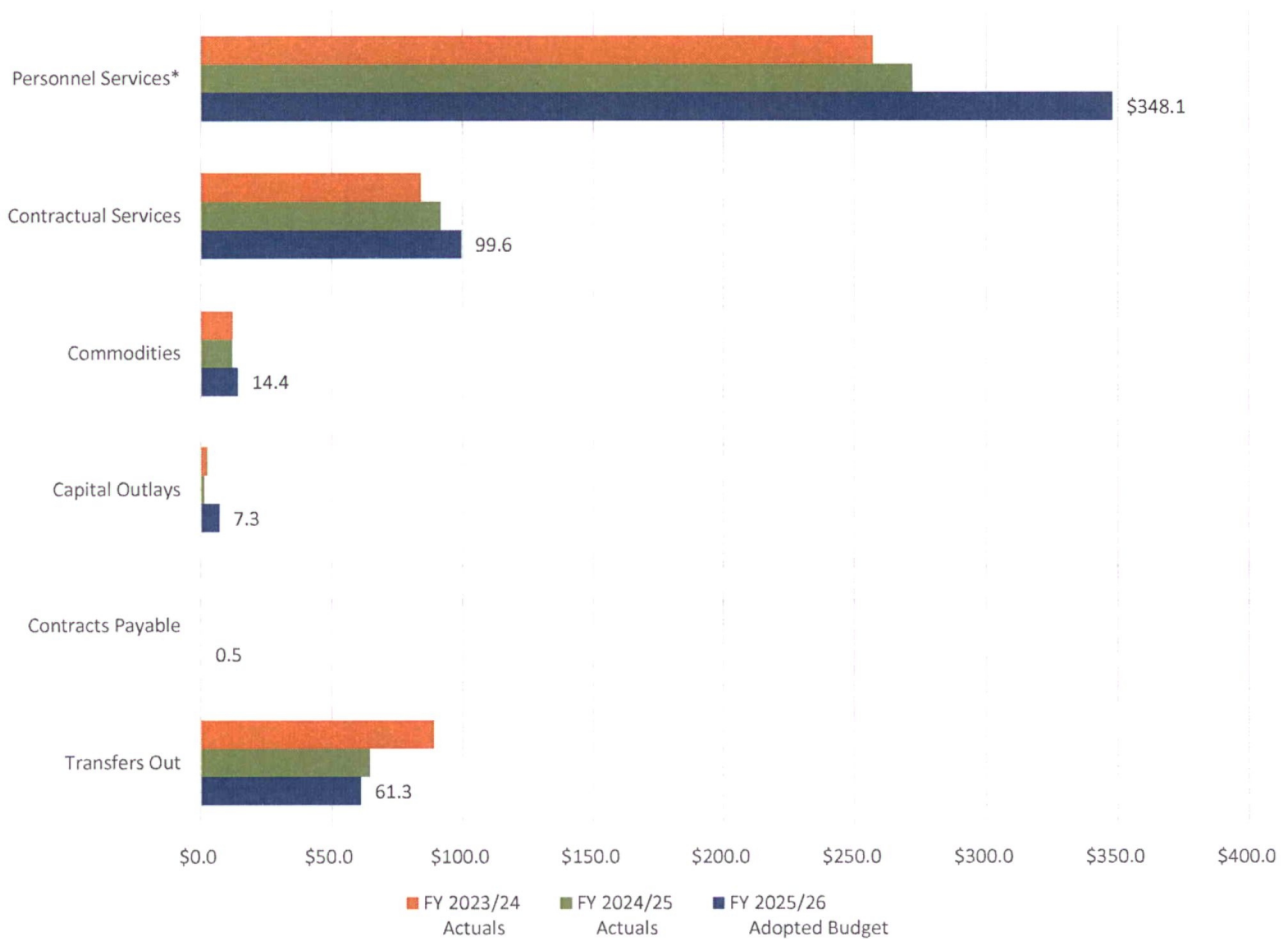
Note: \$ in millions/rounding differences and blank lines may occur.

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

The unfavorable variance in Transfers In is due to Enterprise Franchise Fees - slightly lower than anticipated revenues from water services charges through December 2025.

Uses

Twelve Months: Fiscal Year

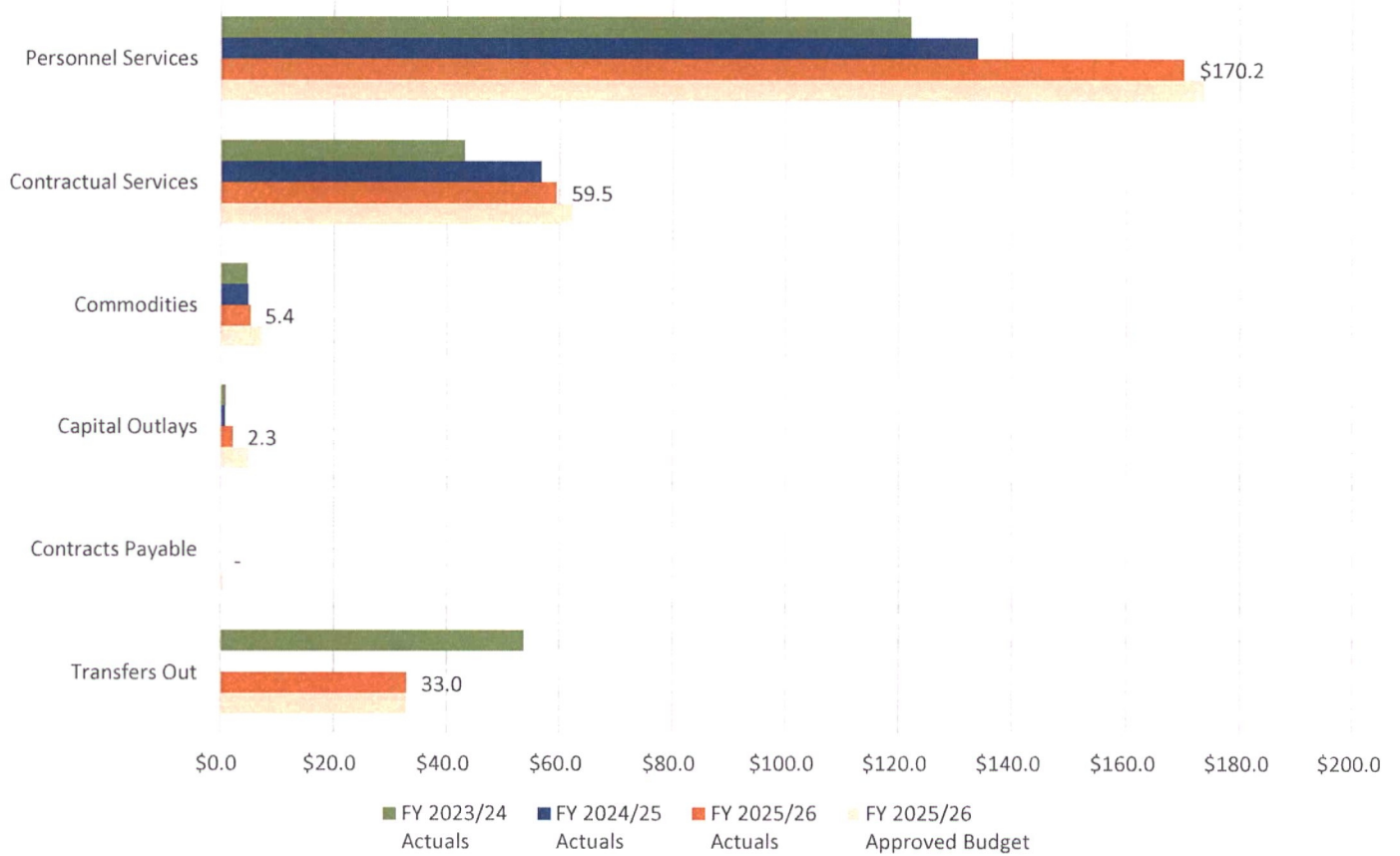


	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Adopted Budget
Personnel Services*	\$257.3	\$272.2	\$348.1
Contractual Services	84.4	91.7	99.6
Commodities	12.5	12.3	14.4
Capital Outlays	2.9	1.4	7.3
Contracts Payable	0.4	0.5	0.5
Transfers Out	89.1	64.7	61.3
Total Uses	\$446.7	\$442.8	\$531.2

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

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

Uses (Fiscal Year to Date: December 2025)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$122.3	\$134.0	\$170.2	\$173.8	\$3.6	2%
Contractual Services	43.2	56.8	59.5	62.4	2.9	5%
Commodities	4.8	4.9	5.4	7.5	2.1	29%
Capital Outlays	1.0	0.8	2.3	5.1	2.8	55%
Contracts Payable	-	-	-	0.5	0.5	100%
Transfers Out	53.7	-	33.0	33.0	-	-
Total Uses	\$225.0	\$196.5	\$270.4	\$282.3	\$11.9	4%

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

Personnel Services (Fiscal Year to Date: December 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Salaries	\$80.1	\$87.5	\$95.6	\$98.8	\$3.2	3%
Overtime	6.0	7.1	7.7	6.7	(1.0)	(15%)
Health/Dental	11.1	12.1	13.3	13.6	0.3	3%
Fringe Benefits	5.4	5.9	6.3	6.6	0.3	5%
Retirement	19.1	21.0	46.8	47.9	1.1	2%
Contract Workers	0.5	0.4	0.4	0.2	(0.2)	(114%)
Personnel Services Total	\$122.3	\$134.0	\$170.2	\$173.8	\$3.6	2%

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

Actual to Approved Budget variance of \$3.6 million or 2%:

The favorable variance is primarily in the Salaries and Retirement categories due to vacancy savings across city departments, mostly in the Uniform Services and Communications teams within the Police Department. The favorable variance is partially offset by higher than anticipated overtime and contract worker expenses resulting from the vacancies. The overall personnel expenses are expected to align with the budget at year-end.

Contractual Services (Fiscal Year to Date: December 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Professional Services	\$8.9	\$9.1	\$10.0	\$10.3	\$0.3	3%
Communications	2.5	2.6	2.5	2.9	0.4	14%
Travel Training and Conferences	0.5	0.6	0.6	1.0	0.5	43%
Printing Duplication and Filming	0.7	0.6	0.7	0.7	-	-
Maintenance and Repair	9.5	9.8	9.6	10.8	1.2	11%
Insurance	6.5	14.7	15.6	15.6	-	-
Rents	0.6	0.9	1.0	1.0	-	-
Transportation Services	7.0	10.8	12.1	11.8	-	-
Utilities	4.9	5.4	5.5	5.9	0.4	7%
Miscellaneous Services and Charges	2.0	2.2	2.0	2.4	0.4	17%
Fleet Replacement	-	-	-	-	-	-
Contractual Services Total	\$43.2	\$56.8	\$59.5	\$62.4	\$2.9	5%

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

Actual to Approved Budget variance of \$2.9 million or 5%:

The favorable variance is due to 1) Maintenance and Repair - there have been delays in receiving invoices for the annual subscriptions for system renewal in the Planning Department, and processing of purchase orders has been delayed for software licensing renewal in the Police Department and Facilities Management Department; and 2) Travel Training and Conferences - the paramedic program starts later than budgeted in the Fire Department, resulting in training expenditures taking place later than originally budgeted.

Commodities (Fiscal Year to Date: December 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Operating Supplies	\$3.2	\$3.4	\$3.7	\$5.2	\$1.6	30%
Purchased for Resale	0.2	0.2	0.2	0.2	-	-
Library Materials	0.2	0.2	0.2	0.2	-	-
Maintenance and Repair Supplies	1.3	1.1	1.3	1.9	0.6	32%
Commodities Total	\$4.8	\$4.9	\$5.4	\$7.5	\$2.1	29%

The favorable variance is due to timing differences between the budgeted and actual payment dates to the Bureau of Reclamation for the use of land at WestWorld and the Tournament Players Club. The payment has historically been made in February.

Actual to Approved Budget variance of \$2.1 million or 29%:

The favorable variance is due to delays in receiving purchased operating equipment, supplies, personal protective uniforms and tools in the Fire Department. The variance is expected to decrease in the next few months once items are received and payments are issued.

Capital Outlays (Fiscal Year to Date: December 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Buildings and Improvements	\$0.3	\$0.1	\$ -	\$0.2	\$0.2	100%
Machinery and Equipment	0.7	0.7	2.3	4.8	2.5	52%
Capital Outlays Total	\$1.0	\$0.8	\$2.3	\$5.1	\$2.8	55%

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

Actual to Approved Budget variance of \$2.8 million or 55%:

The favorable variance is primarily due to Machinery and Equipment - delays in receiving invoices for the radio equipment for law enforcement communication and delays in spending for the laboratory equipment replacement, access control systems upgrade, and delay in purchasing and receiving motor vehicles and upfitting in the Police Department. The variance is expected to decrease in the next few months once items are received and payments are issued.

Contracts Payable (Fiscal Year to Date: December 2025)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Contracts Payable	\$0.0	\$0.0	\$0.0	\$0.5	\$0.5	100%
Contracts Payable	\$0.0	\$0.0	\$0.0	\$0.5	\$0.5	100%

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

Actual to Approved Budget variance of \$0.5 million or 100%:

The favorable variance is due to timing differences between the budgeted and actual payment dates to the Bureau of Reclamation for the use of land at WestWorld and the Tournament Players Club. The payment has historically been made in February. This variance will resolve itself in the future months.

Transfers Out (Fiscal Year to Date: December 2025)

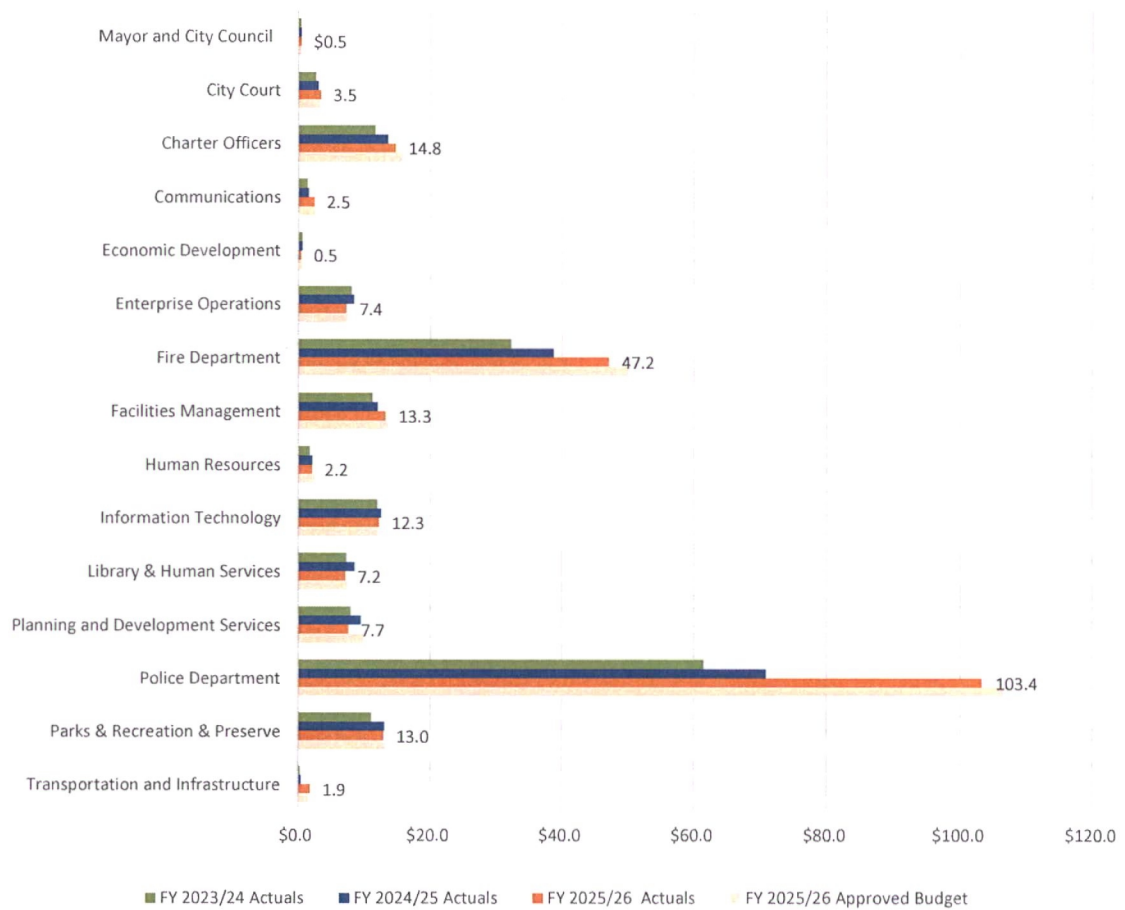
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Other	\$ -	\$ -	\$ -	\$ -	\$ -	-
Debt Service Fund	-	-	-	-	-	-
CIP	53.7	-	33.0	33.0	-	-
CIP Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
Transfers Out Total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

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

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

Transfers out are the authorized movements of cash to other funds and/or capital projects. The Transfers Out are aligned with budget through December 2025.

Department Expenditures (Fiscal Year to Date: December 2025)



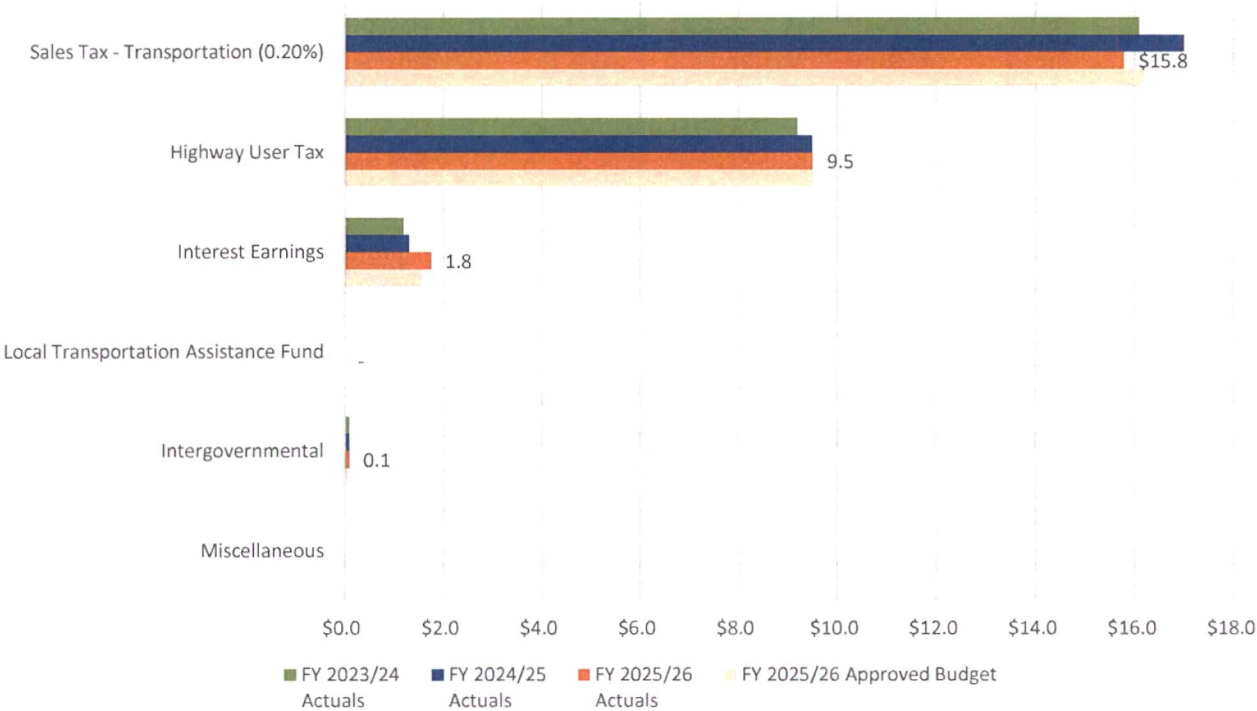
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Mayor and City Council	\$0.5	\$0.6	\$0.5	\$0.6	\$0.0	5%
City Court	\$2.8	\$3.1	3.5	3.3	(0.2)	(5%)
Charter Officers	\$11.7	\$13.7	14.8	15.9	1.1	7%
Communications	1.5	1.7	2.5	2.7	0.2	8%
Economic Development	0.7	0.7	0.5	0.7	0.1	22%
Enterprise Operations	8.2	8.5	7.4	7.6	0.2	2%
Fire Department	32.3	38.7	47.2	50.2	3.0	6%
Facilities Management	11.3	12.1	13.3	13.8	0.4	3%
Human Resources	1.8	2.1	2.2	2.6	0.4	16%
Information Technology	12.0	12.6	12.3	12.3	(0.1)	(1%)
Library & Human Services	7.4	8.6	7.2	7.7	0.5	7%
Planning and Development Services	8.0	9.6	7.7	10.0	2.3	23%
Police Department	61.5	71.0	103.4	106.7	3.3	3%
Parks & Recreation & Preserve	11.2	13.1	13.0	13.3	0.3	2%
Transportation and Infrastructure	0.4	0.5	1.9	1.6	(0.2)	(14%)
Total	\$171.3	\$196.5	\$237.4	\$248.9	\$11.4	5%

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

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

Actual to Approved Budget variance of \$11.4 million or 5%.

Sources (Fiscal Year to Date: December 2025)



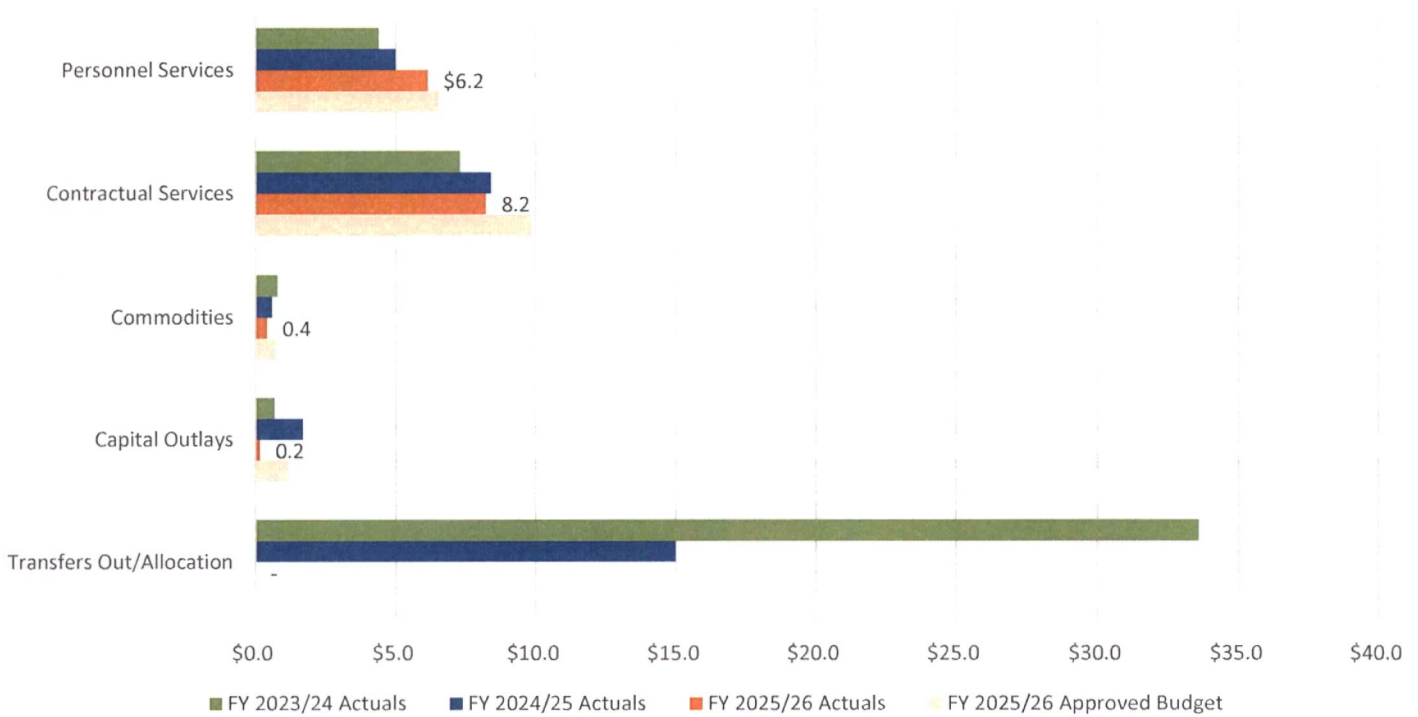
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Sales Tax - Transportation (0.20%)	\$16.1	\$17.0	\$15.8	\$16.2	(\$0.4)	3%
Highway User Tax	9.2	9.5	9.5	9.5	-	-
Interest Earnings	1.2	1.3	1.8	1.6	0.2	(12%)
Local Transportation Assistance Fund	-	-	-	-	-	-
Intergovernmental	0.1	0.1	0.1	0.1	-	(72%)
Miscellaneous	0.1	-	0.2	-	0.2	-
Total Sources	\$26.6	\$28.0	\$27.4	\$27.4	\$-	-

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

Overall, Transportation Fund Sources are aligned with budget through December 2025. There is a noteworthy unfavorable variance in the Sales Tax - Transportation (0.20%) - a higher proportion of sales tax collections being classified as use tax, which is not subject to the 0.2% transportation tax, and the budgeted allocation assumed a higher percentage of eligible transactions than has occurred year-to-date. It is offset by the favorable variances due to: 1) Interest Earnings - higher than anticipated driven by invested balances that exceed what had been budgeted, and 2) Miscellaneous revenue - a refund from the purchase of a right-of-entry from the Arizona State Land Department.

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

Uses (Fiscal Year to Date: December 2025)



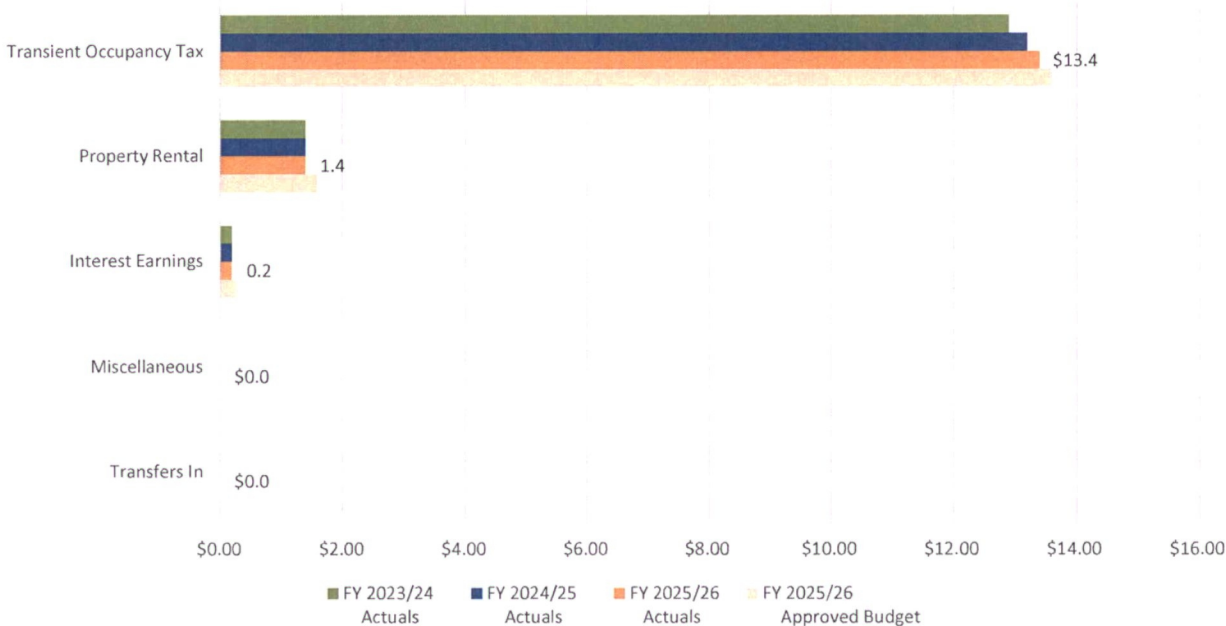
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$4.4	\$5.0	\$6.2	\$6.6	\$0.4	6%
Contractual Services	7.3	8.4	8.2	9.9	1.6	16%
Commodities	0.8	0.6	0.4	0.7	0.3	43%
Capital Outlays	0.7	1.7	0.2	1.2	1.0	85%
Transfers Out/Allocation	33.6	15.0	-	-	-	-
Total Uses	\$46.9	\$30.8	\$15.0	\$18.4	\$3.3	18%

Actual to Approved Budget variance of 3.3 million or 18%:

The favorable variance is primarily due to: 1) Personnel Services - vacancy savings; 2) Contractual Services - adjustments to the fall projects schedule, resulting in delayed expenses; 3) Commodities - delayed office renovation activities; and 4) Capital Outlays - adjustments to the fall projects schedule, resulting in delayed expenses.

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

Sources (Fiscal Year to Date: December 2025)

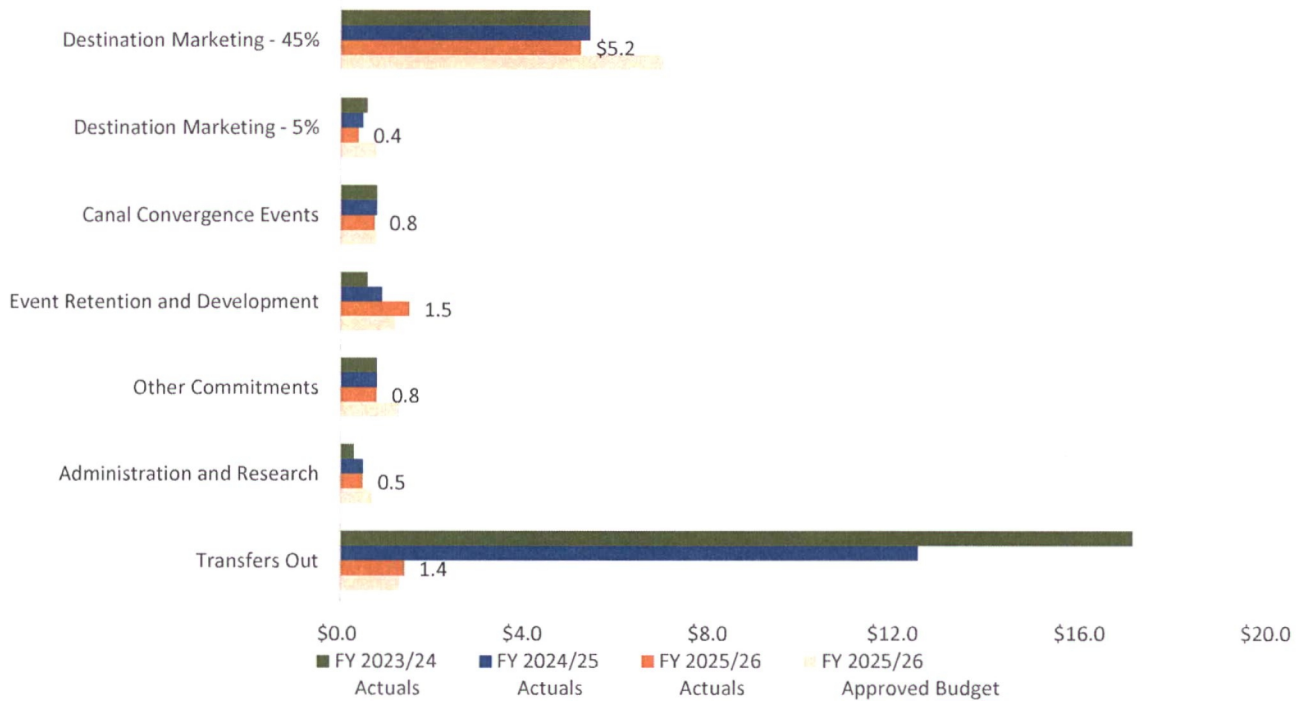


	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Transient Occupancy Tax	\$12.9	\$13.2	\$13.4	\$13.6	(\$0.2)	(1%)
Property Rental	1.4	1.4	1.4	1.6	(0.2)	(13%)
Interest Earnings	0.2	0.2	0.2	0.3	(0.1)	(33%)
Miscellaneous	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$14.5	\$14.8	\$15.0	\$15.5	(\$0.5)	(3%)

Actual to Revised Budget variance of (\$0.5) million or (3%):
 The unfavorable variance is due to lower than budgeted collections in 1) Transient Occupancy Tax , 2) Property Rental, and 3) Interest Earnings.

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

Uses (Fiscal Year to Date: December 2025)



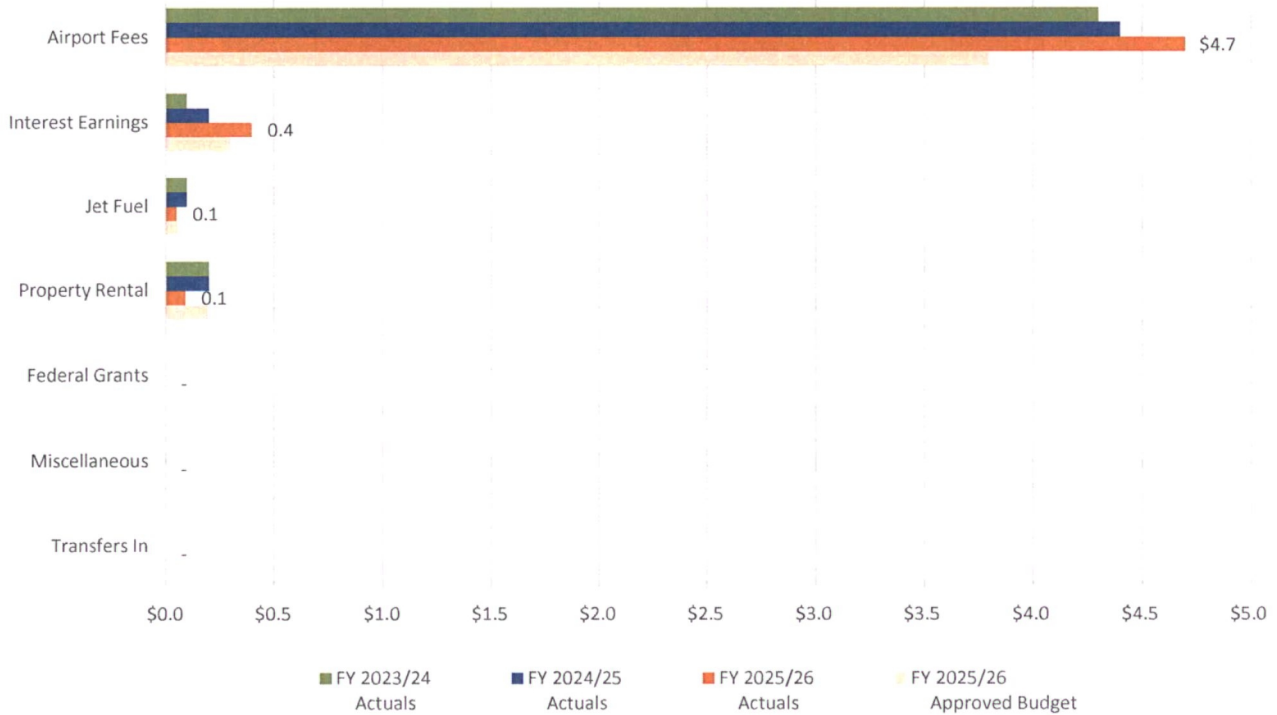
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Destination Marketing - 45%	\$5.4	\$5.4	\$5.2	\$7.0	\$1.8	26%
Destination Marketing - 5%	0.6	0.5	0.4	0.8	0.4	50%
Canal Convergence Events	0.8	0.8	0.8	0.8	0.1	6%
Event Retention and Development	0.6	0.9	1.5	1.2	(0.3)	(25%)
Other Commitments	0.8	0.8	0.8	1.3	0.5	38%
Administration and Research	0.3	0.5	0.5	0.7	0.2	29%
Transfers Out	17.1	12.5	1.4	1.3	(0.1)	(8%)
Total Uses	\$25.5	\$21.2	\$10.6	\$13.1	\$2.6	19%

Actual to Revised Budget variance of \$2.6 million or 19%:

The favorable variance in Destination Marketing - 45% is due to lower than budgeted contract payment to Destination Marketing resulting from lower bed tax collection. Additionally a significant disbursement for the Destination Marketing contract has not yet been recorded. The favorable variance is partially offset by Other Commitments - the invoice for the Scottsdale's Museum of the West renovations was paid earlier than budgeted.

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

Sources (Fiscal Year to Date: December 2025)



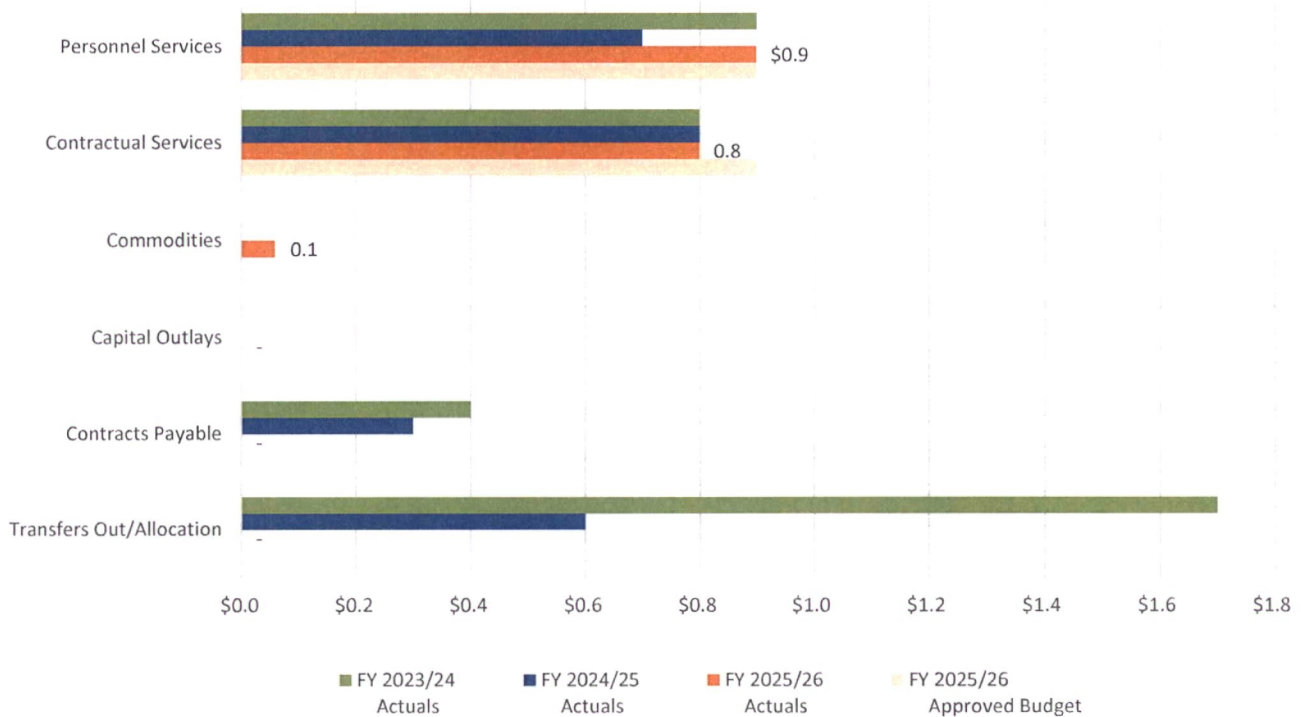
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance percent
Airport Fees	\$4.3	\$4.4	\$4.7	\$3.8	\$0.9	24%
Interest Earnings	0.1	0.2	0.4	0.3	0.1	33%
Jet Fuel	0.1	0.1	0.1	0.1	-	-
Property Rental	0.2	0.2	0.1	0.2	(0.1)	(52%)
Federal Grants	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$4.7	\$4.9	\$5.2	\$4.4	\$0.9	20%

Actual to Approved Budget variance of \$0.9 million or 20%:

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

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

Uses (Fiscal Year to Date: December 2025)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$0.9	\$0.7	\$0.9	\$0.9	-	-
Contractual Services	0.8	0.8	0.8	0.9	0.1	11%
Commodities	-	-	0.1	-	(0.1)	>(100%)
Capital Outlays	-	-	-	-	-	-
Contracts Payable	0.4	0.3	-	-	-	-
Transfers Out/Allocation	1.7	0.6	-	-	-	-
Total Uses	\$3.8	\$2.4	\$1.8	\$1.8	\$0.0	2%

Actual to Approved Budget variance of \$0.0 million or 2%:

Overall expenditures within the Aviation Fund are aligned with the budget. There is a positive variance in 1)Contractual Services - a budgeted software subscription purchase has not yet occurred. The favorable variance is partially offset by Commodities, which exceeded budget due to unbudgeted purchases of firefighting foam.

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

Sources (Fiscal Year to Date: December 2025)



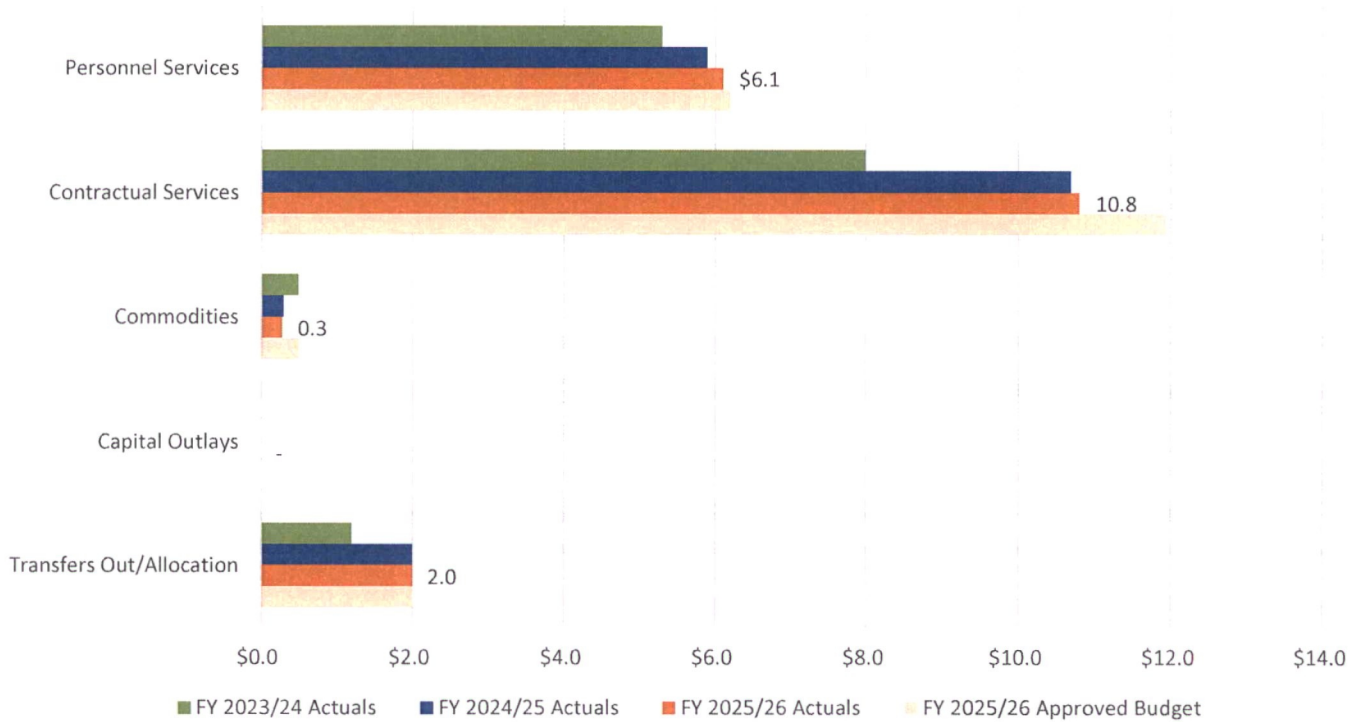
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Solid Waste Service Charges - Residential	\$14.6	\$15.9	\$16.8	\$16.7	\$0.1	<1%
Solid Waste Service Charges - Commercial	2.1	2.4	2.5	2.4	0.1	5%
Interest Earnings	0.1	0.1	0.6	0.2	0.4	>100%
Miscellaneous	-	-	-	-	-	-
Transfers In	0.3	-	-	-	-	-
Total Sources	\$17.1	\$18.4	\$19.9	\$19.3	\$0.6	3%

Actual to Approved Budget variance of \$0.6 million or 3%:

The favorable variance is primarily due to: 1) Interest Earnings - higher than anticipated returns driven by higher than budgeted invested balances; and 2) Solid Waste Service Charges - Commercial - turnover in customer accounts, with new customers purchasing more services than those they replaced.

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

Uses (Fiscal Year to Date: December 2025)



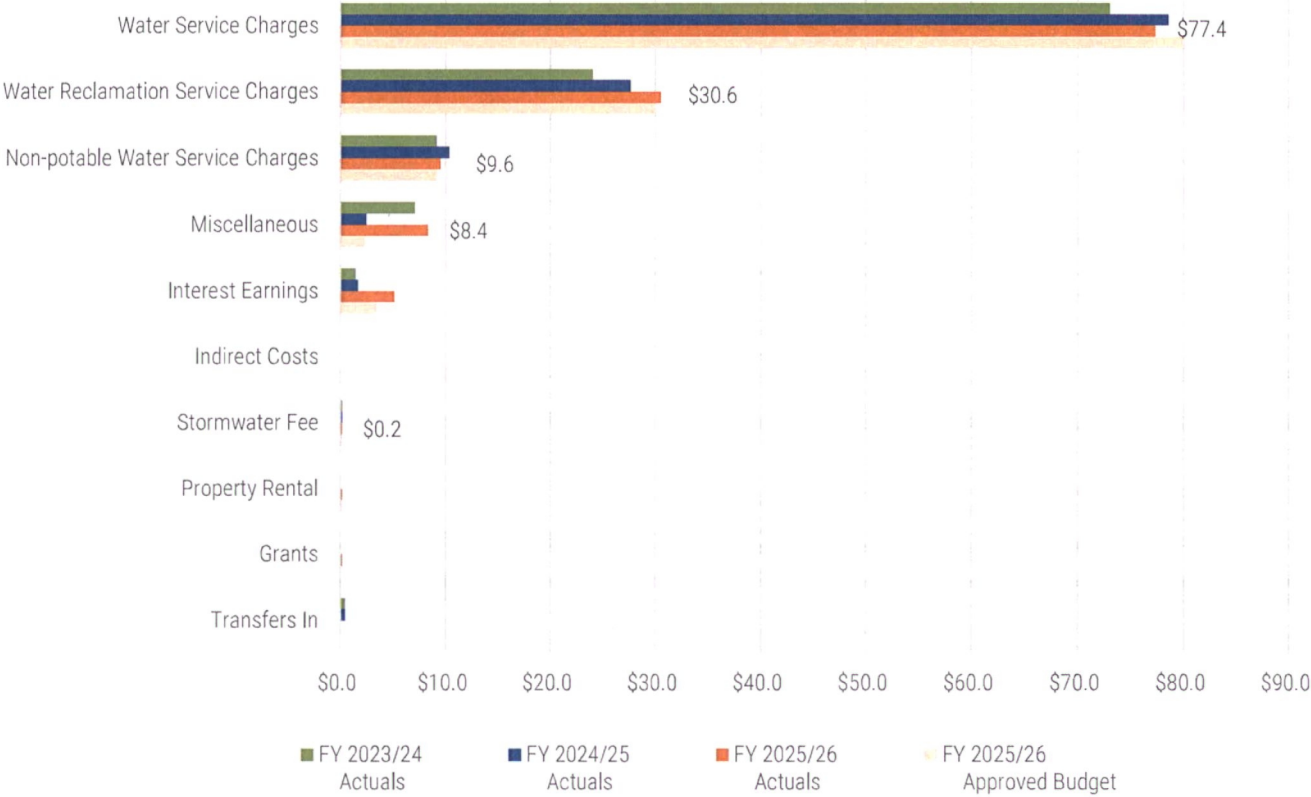
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$5.3	\$5.9	\$6.1	\$6.2	\$0.1	1%
Contractual Services	8.0	10.7	10.8	12.0	1.1	10%
Commodities	0.5	0.3	0.3	0.5	0.2	43%
Capital Outlays	-	-	-	-	-	-
Transfers Out/Allocation	1.2	2.0	2.0	2.0	-	-
Total Uses	\$15.0	\$18.9	\$19.2	\$20.7	\$1.5	7%

Actual to Approved Budget variance of \$1.5 million or 7%:

The favorable variance is primarily due to: 1) Contractual Services - lower compressed natural gas (CNG) fuel costs, reduced recycling processing fees driven by lower tonnage, and delayed household hazardous waste (HHW) collection invoices; as well as 2) Commodities - production delays for refuse containers that have deferred expenses.

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

Sources (Fiscal Year to Date: Decemeber 2025)

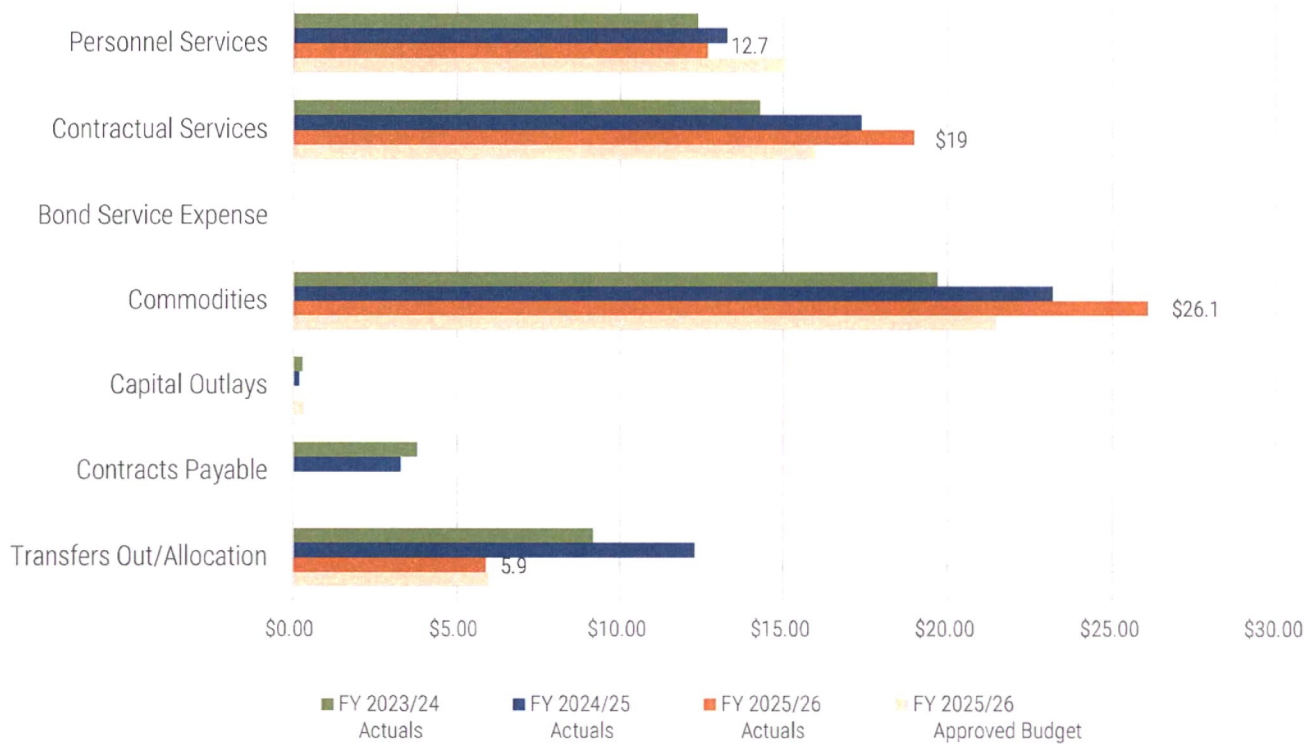


	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Water Service Charges	\$73.1	\$78.6	\$77.4	\$80.0	(\$2.6)	(3%)
Water Reclamation Service Charges	\$24.1	\$27.7	\$30.6	\$30.1	0.5	2%
Non-potable Water Service Charges	\$9.2	\$10.4	\$9.6	\$9.3	0.3	3%
Miscellaneous	\$7.1	\$2.5	\$8.4	\$2.4	6.0	>100%
Interest Earnings	\$1.5	\$1.7	\$5.2	\$3.5	1.7	49%
Indirect Costs	-	-	-	-	-	-
Stormwater Fee	\$0.2	\$0.2	\$0.2	\$0.2	-	-
Property Rental	-	-	\$0.2	\$0.2	-	-
Grants	-	\$0.1	\$0.2	-	-	-
Transfers In	\$0.5	\$0.5	-	-	-	-
Total Sources	\$115.5	\$121.6	\$131.8	\$125.7	\$6.1	5%

Actual to Approved Budget variance of \$6.1 million or 5%:
 The favorable variance is due to Miscellaneous - higher compensation from Central Arizona Project and Arizona Department of Water Resources of water received for reducing usage from Lake Mead. The favorable variance is offset by lower than expected Water Service Charges due to higher than expected rainfall.

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

Uses (Fiscal Year to Date: December 2025)



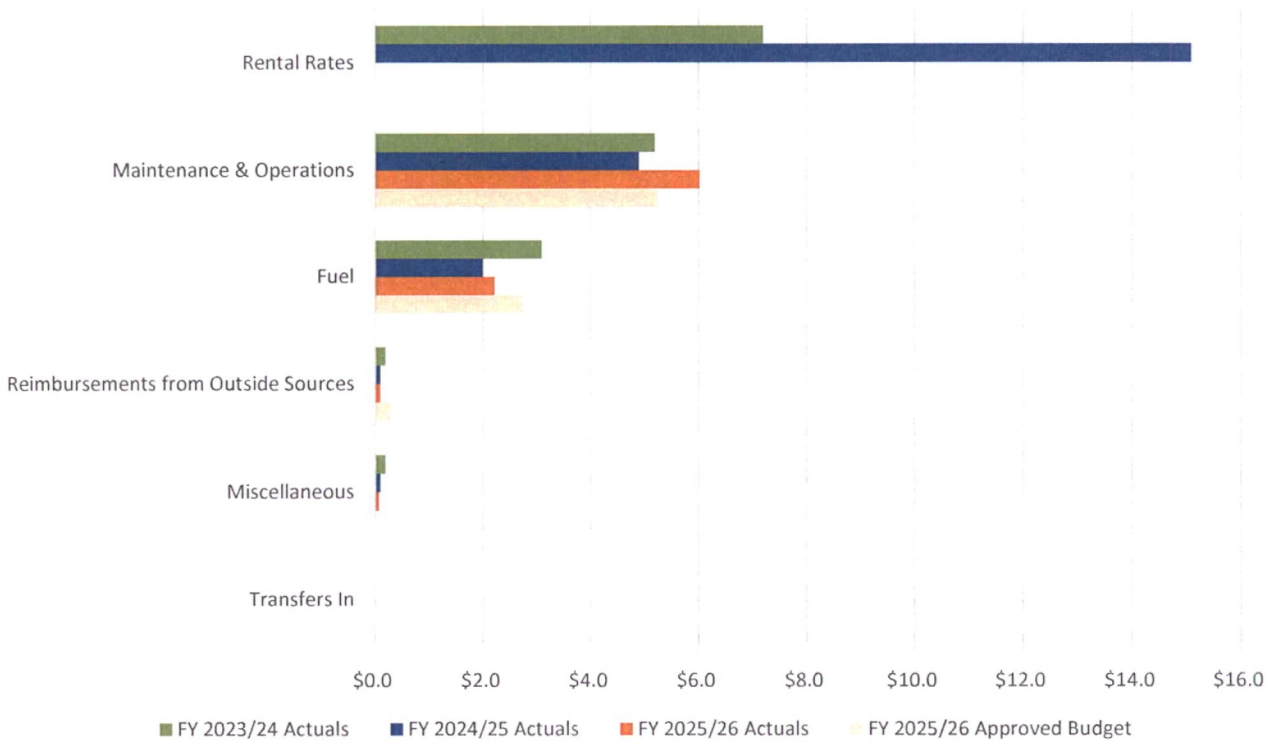
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Personnel Services	\$12.40	\$13.30	\$12.7	\$15.1	\$2.4	16%
Contractual Services	14.3	17.4	19.0	16.0	(3.0)	(19%)
Bond Service Expense	-	-	-	-	-	-
Commodities	19.7	23.2	26.1	21.5	(4.6)	(21%)
Capital Outlays	0.3	0.2	0.0	0.4	0.3	95%
Contracts Payable	3.8	3.3	-	-	-	-
Transfers Out/Allocation	9.2	12.3	5.9	6.0	-	-
Total Uses	\$59.7	\$69.6	\$63.7	\$59.0	(\$4.8)	(8%)

Actual to Approved Budget variance of (\$4.8) million or (8%):

The unfavorable variance is mainly due to 1) Contractual Services - an unbudgeted reimbursement as part of a contract agreement, timing of expenses for utilities, and higher than anticipated operating and maintenance expenditures for the Sub-Regional Operating Group (SROG); and 2) Commodities - timing of purchases such as water treatment filters and chemicals. The variance would be larger, but was offset by 1) Capital Outlays - timing of purchases; and 2) Personnel Services - vacancy and salary savings from new staff being hired at a lower rate than the employee who retired or left. The negative variance will resolve itself in the future months when the budget allocation starts to align with actuals.

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

Sources (Fiscal Year to Date: December 2025)



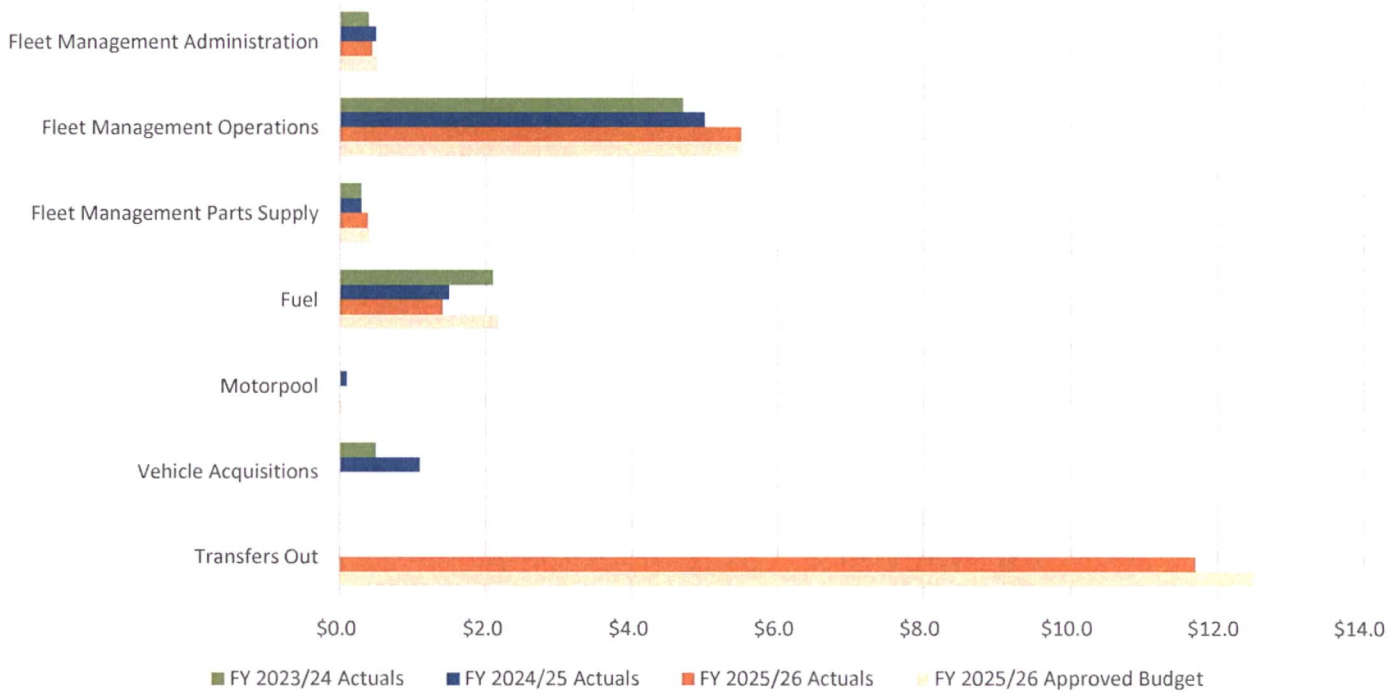
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Rental Rates	\$7.2	\$15.1	\$ -	\$ -	\$ -	-
Maintenance & Operations	5.2	4.9	6.0	5.2	0.8	15%
Fuel	3.1	2.0	2.2	2.7	(0.5)	(19%)
Reimbursements from Outside Sources	0.2	0.1	0.1	0.3	(0.2)	(65%)
Miscellaneous	0.2	0.1	0.1	-	0.1	-
Transfers In	-	-	-	-	-	-
Total Sources	\$16.0	\$22.3	\$8.4	\$8.3	\$0.2	2%

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

The positive variance is primarily due to: 1) Maintenance & Operations - increased internal service charges to city departments for repairing older vehicles because of delays on receipt of new vehicles; and 2) Miscellaneous – receipt of unbudgeted revenue from the sale of compressed natural gas credits under a new contract with Shell Oil executed in August 2025, which was not known at the time the budget was prepared. It is partially offset by: 1) Fuel - lower charges to city departments for fuel due to fuel prices being lower than anticipated; and 2) Reimbursements from Outside Sources - lag time in the filing of accident claims.

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

Uses (Fiscal Year to Date: December 2025)



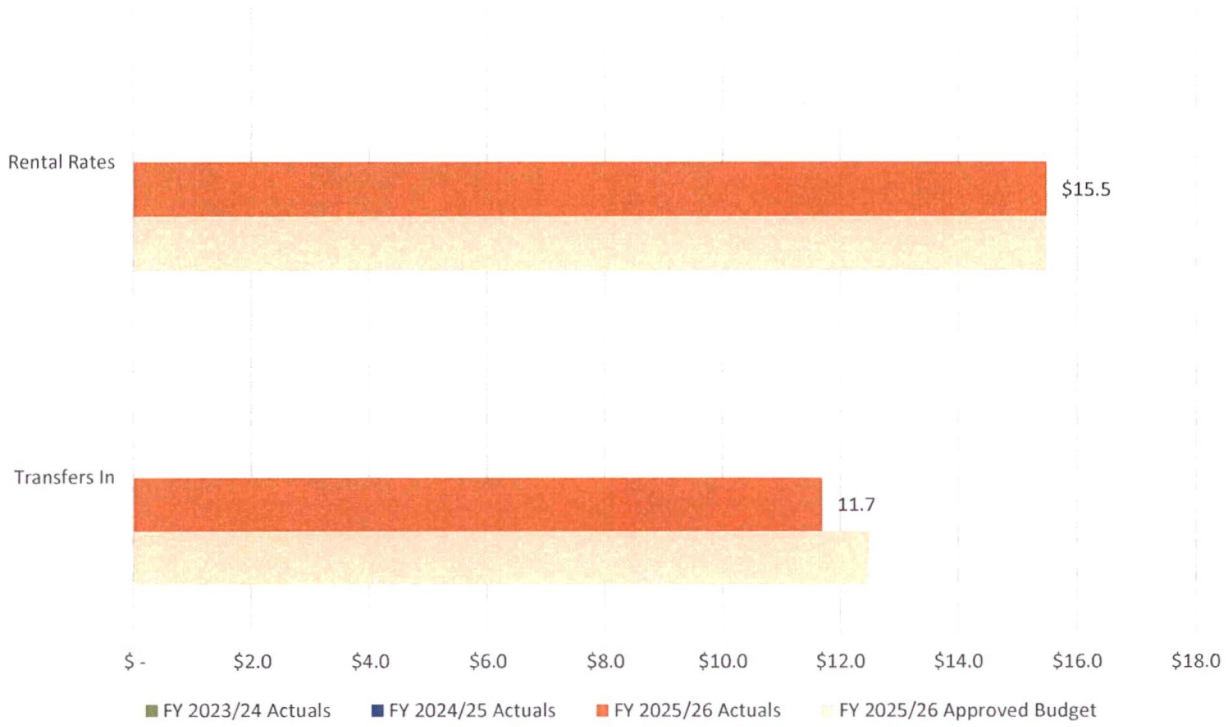
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Fleet Management Administration	\$0.4	\$0.5	\$0.5	\$0.5	\$0.1	12%
Fleet Management Operations	4.7	5.0	5.5	5.5	-	-
Fleet Management Parts Supply	0.3	0.3	0.4	0.4	-	6%
Fuel	2.1	1.5	1.4	2.2	0.8	35%
Motorpool	-	0.1	-	0.1	0.1	100%
Vehicle Acquisitions	0.5	1.1	-	-	-	-
Transfers Out	-	-	11.7	12.5	0.8	6%
Total Uses	\$8.1	\$8.4	\$19.5	\$21.2	\$1.7	8%

Actual to Approved Budget variance of \$1.7 million or 8%:

The favorable variance is primarily due to: 1) Fuel - lower than estimated fuel prices; 2) Transfers Out - the original budget overestimated how much needed to be moved for vehicle purchases delayed from FY2024/25. Fleet recalculated the carryover needed and the transfer from the Fleet Management Fund to the Fleet Replacement Fund was reduced.

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

Sources (Fiscal Year to Date: December 2025)



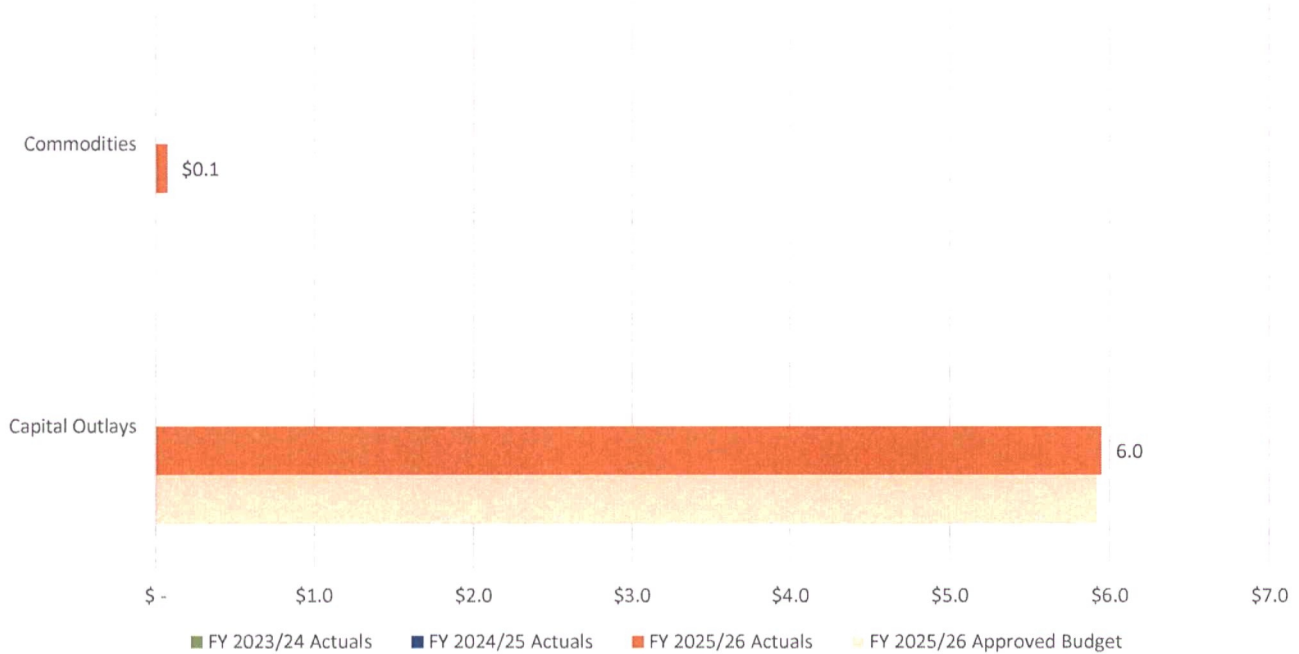
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Rental Rates	\$ -	\$ -	\$15.5	\$15.5	\$ -	-
Transfers In	-	-	11.7	12.5	(0.8)	(6%)
Total Sources	\$ -	\$ -	\$27.2	\$28.0	(\$0.8)	(3%)

Actual to Approved Budget variance of \$(0.8) million or (3%):

The unfavorable variance is primarily due to Transfers In - the budget assumed a larger transfer from the Fleet Management Fund for vehicle purchases delayed from FY2024/25, but after Fleet recalculated how much was actually needed, the transfer amount was reduced, so less revenue came into the Fleet Replacement Fund than budgeted.

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

Uses (Fiscal Year to Date: December 2025)



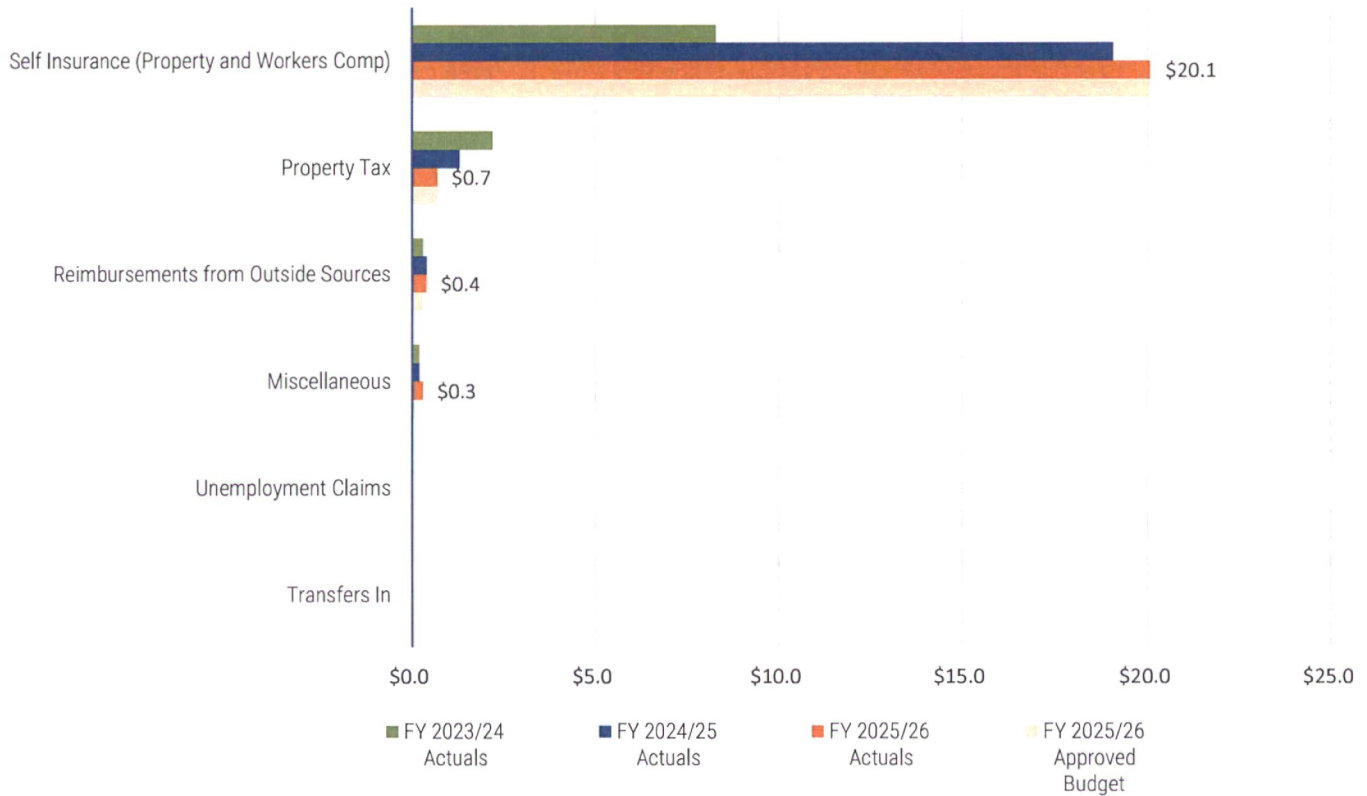
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Commodities	\$ -	\$ -	\$0.1	\$ -	(\$0.1)	<(100%)
Capital Outlays	-	-	6.0	5.9	-	(1%)
Total Uses	\$ -	\$ -	\$6.0	\$5.9	(\$0.1)	(11%)

Actual to Approved Budget variance of \$(0.1) million or (11%):

The unfavorable variance is due to Commodities - some small unbudgeted vehicle upfits occurred. The negative variance will resolve itself in the future months when budget allocation starts to align with actuals.

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

Sources (Fiscal Year to Date: December 2025)



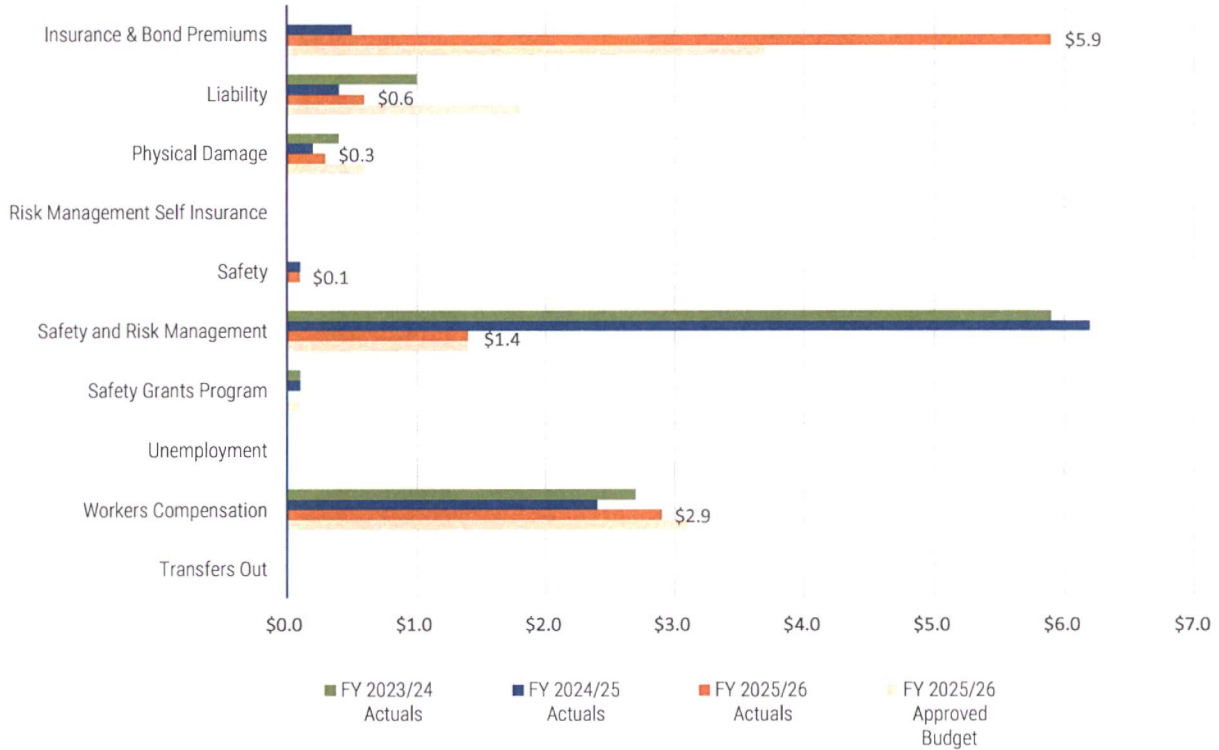
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Self Insurance (Property and Workers Comp)	\$8.3	\$19.1	\$20.1	\$20.1	\$ -	- %
Property Tax	2.2	1.3	0.7	0.7	-	-
Reimbursements from Outside Sources	0.3	0.4	0.4	0.3	0.1	33%
Miscellaneous	0.2	0.2	0.3	0.1	0.2	>100%
Unemployment Claims	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$11.0	\$21.0	\$21.5	\$21.2	\$0.3	1%

Actual to Revised Budget variance of \$0.3 million or 1%:

The favorable variance is largely driven by 1) Miscellaneous - higher subrogation recoveries than projected in the budget; and 2) Reimbursements from Outside Services on prior claims paid.

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

Uses (Fiscal Year to Date: December 2025)



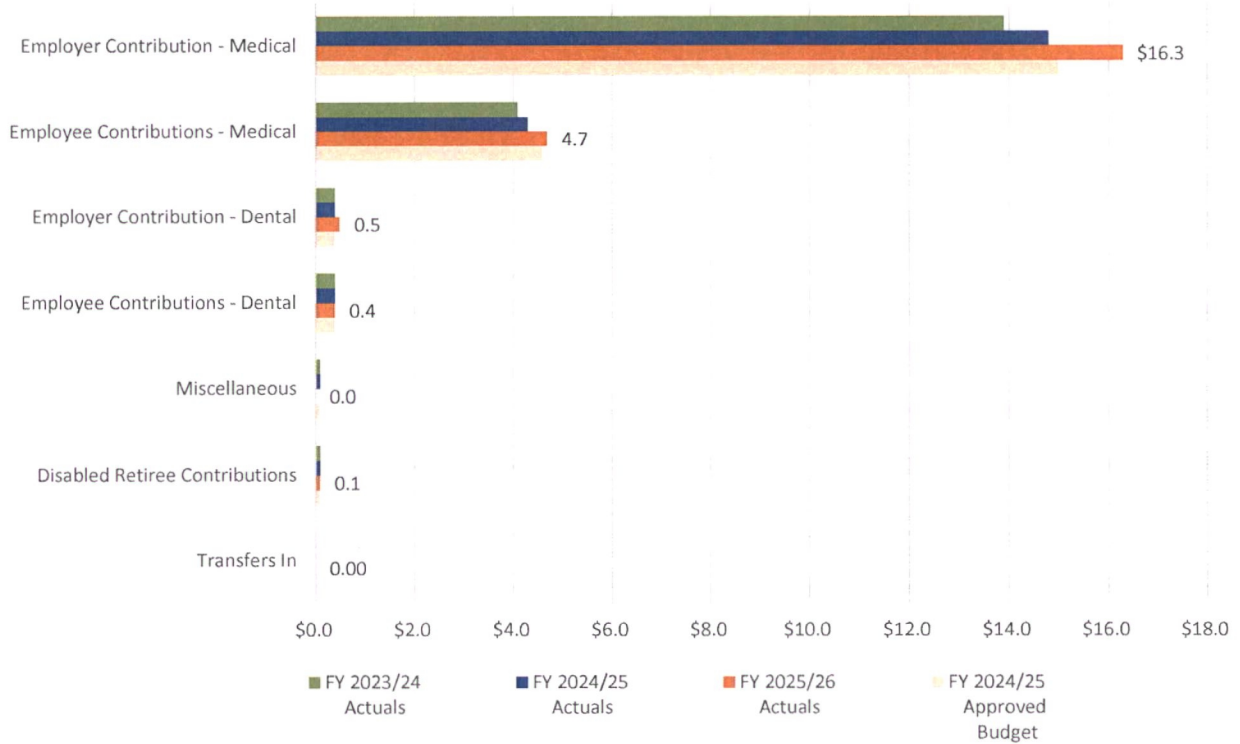
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Insurance & Bond Premiums	\$-	\$0.5	\$5.9	\$3.7	(\$2.2)	(59%)
Liability	1.0	0.4	0.6	1.8	1.2	67%
Physical Damage	0.4	0.2	0.3	0.6	0.3	50%
Risk Management Self Insurance	-	-	-	-	-	-
Safety	-	0.1	0.1	-	(0.1)	(100%)
Safety and Risk Management	5.9	6.2	1.4	1.4	-	-
Safety Grants Program	0.1	0.1	-	0.1	0.1	100%
Unemployment	-	-	-	-	-	-
Workers Compensation	2.7	2.4	2.9	3.1	0.2	6%
Transfers Out	-	-	-	-	-	-
Total Uses	\$10.1	\$9.9	\$11.2	\$10.7	(\$0.5)	(5%)

Actual to Revised Budget variance of (\$0.5) million or (5%):

The unfavorable variance is largely driven by Insurance & Bond Premiums - the premium is paid in July and the remaining budget authority is in March. The negative variance is partially offset by 1) Liability - anticipated payments associated with general liability claims have not occurred due to pending litigation; and 2) Physical Damage - anticipated payments of large property damage claims are still pending. The negative variance will resolve itself in the future months when budget allocation starts to align with actuals.

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

Sources (Fiscal Year to Date: December 2025)



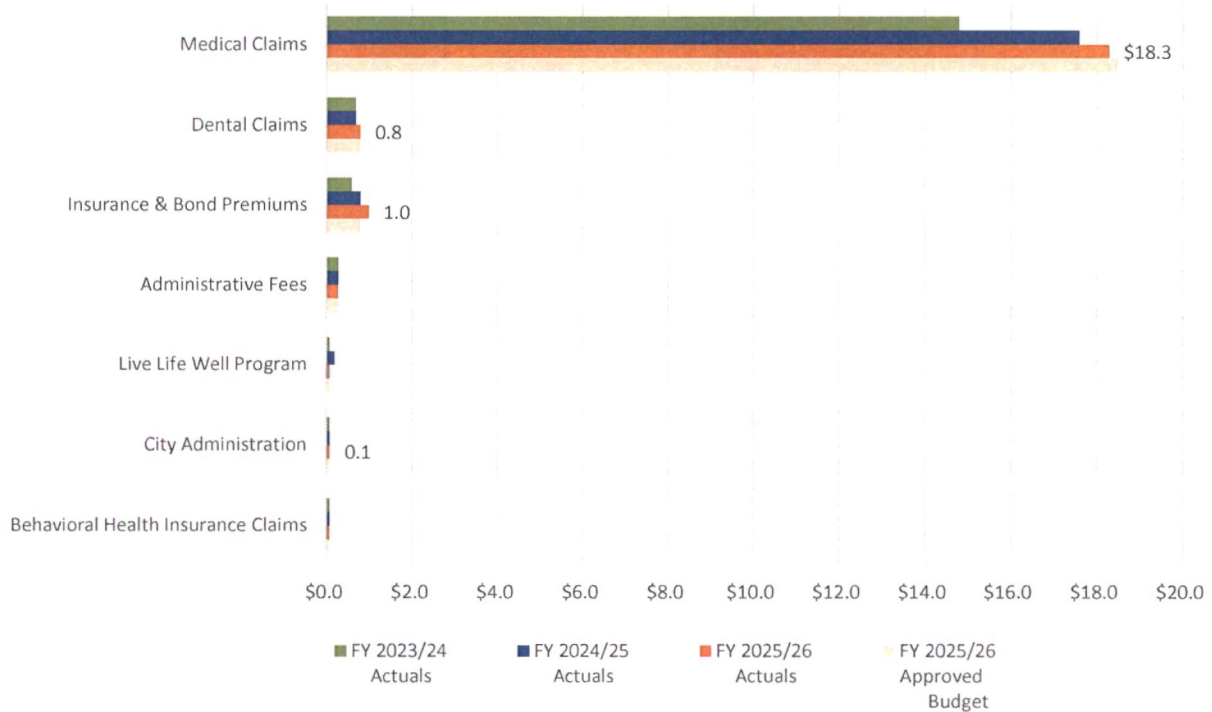
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2024/25 Approved Budget	Variance Amount	Variance percentage
Employer Contribution - Medical	\$13.9	\$14.8	\$16.3	\$15.0	\$1.3	9%
Employee Contributions - Medical	4.1	4.3	4.7	4.6	0.1	2%
Employer Contribution - Dental	0.4	0.4	0.5	0.4	0.1	25%
Employee Contributions - Dental	0.4	0.4	0.4	0.4	-	-
Miscellaneous	0.1	0.1	-	0.1	-	-
Disabled Retiree Contributions	0.1	0.1	0.1	0.1	-	-
Transfers In	-	-	-	-	-	-
Total Sources	\$9.5	\$20.1	\$22.0	\$20.6	\$1.4	7%

Actual to Approved Budget variance of \$1.4 million or 7%:

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

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

Uses (Fiscal Year to Date: December 2025)



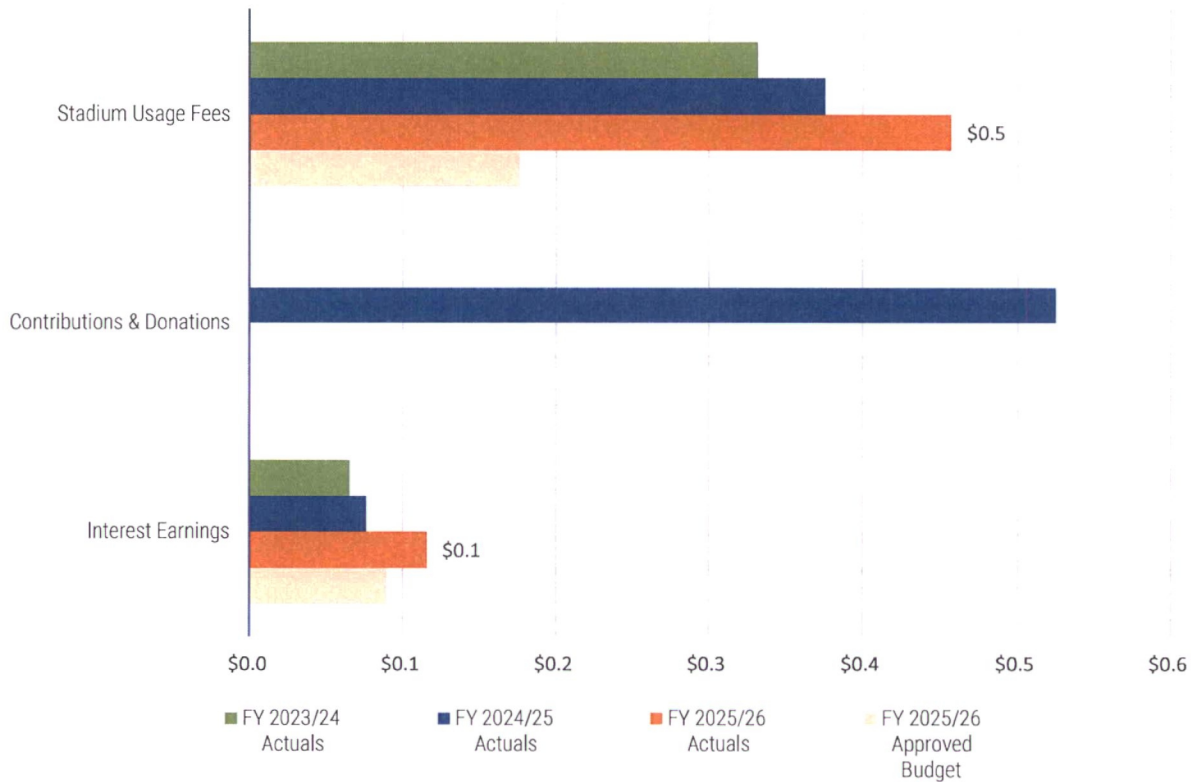
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Medical Claims	\$14.8	\$17.6	\$18.3	\$18.5	\$0.2	1%
Dental Claims	0.7	0.7	0.8	0.8	-	-
Insurance & Bond Premiums	0.6	0.8	1.0	0.8	(\$0.2)	(25%)
Administrative Fees	0.3	0.3	0.3	0.3	-	-
Live Life Well Program	0.1	0.2	0.1	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	\$16.8	\$19.8	\$20.7	\$20.7	-	-

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

Overall, Healthcare Fund expenditures are aligned with budget through December 2025.

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

Sources (Fiscal Year to Date: December 2025)



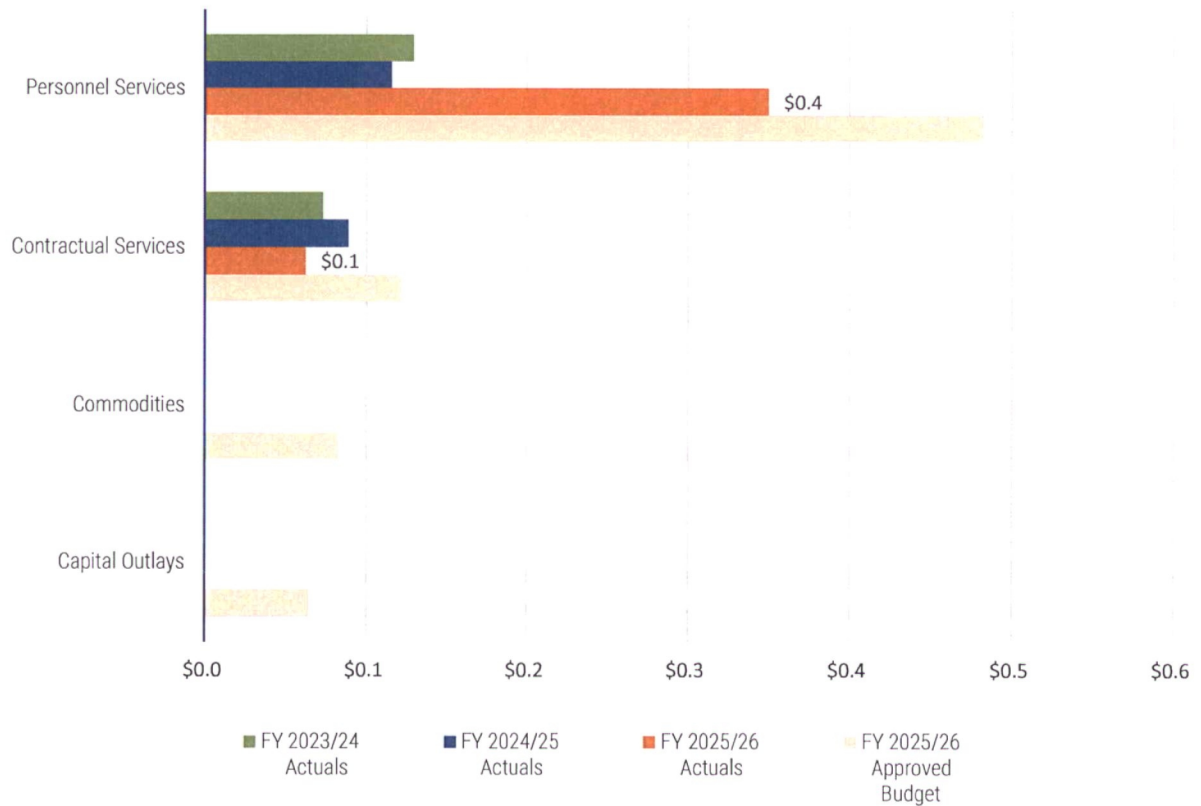
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Stadium Usage Fees	\$0.3	\$0.4	\$0.5	\$0.2	\$0.3	>100%
Contributions & Donations	-	0.5	-	-	-	-
Interest Earnings	0.1	0.1	0.1	0.1	-	-
Total Sources	\$0.4	\$1.0	\$0.6	\$0.3	\$0.3	>100%

Actual to Revised Budget variance of \$0.3 million or >100%:

The favorable variance is largely driven by Stadium Usage Fees - increased Stadium bookings and receipt of concession proceeds.

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

Uses (Fiscal Year to Date: December 2025)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Personnel Services	\$0.1	\$0.1	\$0.4	\$0.5	\$0.1	27%
Contractual Services	0.1	0.1	0.1	0.1	-	-
Commodities	-	-	-	0.1	0.1	100%
Capital Outlays	-	-	-	0.1	0.1	100%
Total Uses	\$0.2	\$0.2	\$0.4	\$0.8	\$0.3	45%

Actual to Revised Budget variance of \$0.3 million or 45%:

The favorable variance is largely driven by 1) Personnel Services - vacancy savings due to one full-time vacancy that was filled in December and eliminating part-time positions; 2) Commodities - timing of purchases and pending purchases for supplies that were not yet available; and 3) Capital Outlays - cost savings were utilized to fund necessary fence repair in Right Field within the ballpark and improved fencing on Drinkwater Boulevard.

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

**City of Scottsdale
WestWorld
Statement of Operations - General Fund¹¹**

	Twelve Months: Fiscal Year				
	FY 2023/24 Actual	FY 2024/25 Actual	2025/26 Adopted Budget	2025/26 Approved Budget	2025/26 Forecast Budget
Operating Revenue					
Rental Facilities ¹²	\$3,834,129	\$5,198,940	\$4,195,551	\$4,195,551	\$4,195,551
RV Rental	513,000	672,343	529,275	529,275	529,275
Feed/Bedding Sales	965,820	994,043	965,287	965,287	965,287
Labor Fees	449,295	587,920	461,324	461,324	461,324
Concession Fees	3,524	2,205	3,500	3,500	3,500
Other Income ^{12 13}	129,064	511,132	185,322	185,322	185,322
Equidome Project Use Fee	360,000	360,000	360,000	360,000	360,000
Operating Transfer In ¹⁴	250,000	250,000	500,000	500,000	500,000
Operating Revenue	\$6,504,832	\$8,576,583	\$7,200,259	\$7,200,259	\$7,200,259
Operating Expenses^{12 15}					
Personnel Services					
Wages/Salaries/Benefits	\$2,630,783	\$2,826,943	\$3,256,654	\$3,256,654	\$3,256,654
Overtime	114,282	146,131	128,663	128,663	128,663
Contractual Services					
Contractual Workers	420,805	420,944	459,719	459,719	459,719
Utilities ¹⁶	1,619,654	1,890,462	2,184,581	2,184,581	2,184,581
Maintenance & Equipment Rental & Fleet	824,986	1,008,397	1,067,598	1,067,598	1,067,598
Property, Liability & Workers' Comp	192,906	231,311	377,671	377,671	377,671
Advertising/Marketing Contract	90,960	108,302	313,524	313,524	313,524
Landfill Contract & Waste Disposal	187,067	190,889	334,135	334,135	334,135
Other	259,297	279,433	415,575	415,575	415,575
Commodities and Capital Outlays					
Agriculture & Horticulture & Other Supply	284,572	127,672	151,127	151,127	151,127
Maintenance & Repairs Supply, Equipment	229,186	141,910	145,429	145,429	145,429
Inventory Purchased for Resale	625,440	672,751	629,521	629,521	629,521
Construction - Other	2,851	36,700	-	-	-
Other Expenses	98,116	24,697	96,875	96,875	96,875
BOR Admin					
BOR Admin/WestWorld	218,287	229,202	240,662	240,662	240,662
Allocated Expenses					
COS Indirect Costs	473,628	549,264	540,627	540,627	540,627
Operating Expenses	\$8,272,820	\$8,885,008	\$10,342,361	\$10,342,361	\$10,342,361
Operating Income Before Debt Service and One-Time Expenses	(\$1,767,988)	(\$308,425)	(\$3,142,102)	(\$3,142,102)	(\$3,142,102)
Debt Service (Less contributions)					
Debt Service - (52 & 17 acres) ¹⁷	\$2,255,480	\$5,978,230	\$311,443	\$311,443	\$311,443
Debt Service - TNEC (\$41.935M) ¹⁸	1,283,136	1,289,529	1,291,321	1,291,321	1,291,321
Debt Service - TNEC Tourism Funded ¹⁸	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Bed Tax Contributions - TNEC	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Net Debt Service	\$3,538,616	\$7,267,759	\$1,602,764	\$1,602,764	\$1,602,764
One-Time Expenses					
Monterra Contract Termination	\$-	\$2,000,000	\$-	\$-	\$-
General Fund Operating Contingency - Monterra	-	(2,000,000)	-	-	-
One-time repairs (barns, bleachers, machinery & equipment, message board)	309,787	-	48,660	48,660	48,660
One-Time Expenses	\$309,787	\$-	\$48,660	\$48,660	\$48,660
Operating Income After Debt Service and One-Time Expenses	(\$5,616,391)	(\$7,576,184)	(\$4,793,526)	(\$4,793,526)	(\$4,793,526)

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

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

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

¹⁴ Contribution from the Tourism Development Fund for operational support.

¹⁵ All years include WestWorld Polo Field Maintenance expenses, which were inadvertently excluded in previous reports.

¹⁶ Increased utility costs are mainly due to higher electricity consumption required to support events.

¹⁷ Debt related to the 2014 MPC Refunding Bonds was paid off in FY 2024/25.

¹⁸ 2021B refunding bonds were issued February 2021.

**City of Scottsdale
WestWorld
Statement of Operations for December 2025 - General Fund¹¹**

	FY 2023/24 YTD Actual	FY 2024/25 YTD Actual	FY 2025/26 YTD Actual	FY 2025/26 Approved YTD Budget	Variance Amount	Variance Percentage
Operating Revenue						
Rental Facilities ¹²	\$1,379,748	\$2,025,341	\$1,726,958	\$1,114,151	\$612,807	55%
RV Rental	147,841	291,728	122,884	119,275	3,609	3%
Feed/Bedding Sales	268,047	238,988	190,219	244,610	(54,391)	(22%)
Labor Fees	159,662	197,256	139,655	86,324	53,331	62%
Concession Fees	1,309	457	30,549	1,746	28,803	>100%
Other Income ^{12 13}	51,592	218,110	79,354	86,784	(7,430)	(9%)
Equidome Project Use Fee	-	-	240,000	-	240,000	100%
Operating Transfer In ¹⁴	250,000	250,000	500,000	500,000	-	-
Operating Revenue	\$2,258,199	\$3,221,880	\$3,033,763	\$2,152,890	\$880,873	41%
Operating Expenses^{12 15}						
Personnel Services						
Wages/Salaries/Benefits	\$1,305,574	\$1,356,845	\$1,323,630	\$1,670,227	\$346,597	21%
Overtime	27,387	47,047	33,978	105,663	71,685	68%
Contractual Services						
Contractual Workers	114,393	128,189	181,702	183,985	2,283	1%
Utilities ¹⁶	647,372	799,369	784,071	941,828	157,757	17%
Maintenance & Equipment Rental & Fleet	357,659	574,878	633,421	633,466	45	0%
Property, Liability & Workers' Comp	95,928	231,311	378,671	377,671	(1,000)	(0%)
Advertising/Marketing Contract	73,960	85,803	255,767	213,858	(41,909)	(20%)
Landfill Contract & Waste Disposal	42,839	45,442	43,728	31,128	(12,600)	(40%)
Other	28,013	48,278	102,215	95,638	(6,577)	(7%)
Commodities and Capital Outlays						
Agriculture & Horticulture & Other Supply	70,664	12,732	27,807	88,320	60,513	69%
Maintenance & Repairs Supply, Equipment	49,721	61,277	35,682	33,285	(2,397)	(7%)
Inventory Purchased for Resale	177,405	203,379	177,595	213,545	35,950	17%
Construction - Other	-	200	1,457	-	(1,457)	(100%)
Other Expenses	16,210	14,430	15,771	5,271	(10,500)	<(100%)
BOR Admin						
BOR Admin/WestWorld	-	-	-	240,662	240,662	100%
Allocated Expenses						
COS Indirect Costs	236,814	274,632	270,314	270,314	-	-
Operating Expenses	\$3,243,940	\$3,883,812	\$4,265,808	\$5,104,860	\$839,052	16%
Operating Income Before Debt Service and One-Time Expenses	(\$985,741)	(\$661,932)	(\$1,232,044)	(\$2,951,970)	\$1,719,926	58%
Debt Service (Less contributions)						
Debt Service - (52 & 17 acres) ¹⁷	\$501,496	\$423,554	\$154,330	\$154,330	\$-	-%
Debt Service - TNEC (\$41.935M) ¹⁸	380,229	293,136	284,529	284,529	-	-
Debt Service - TNEC Tourism Funded ¹⁸	-	-	-	-	-	-
Bed Tax Contributions - TNEC	-	-	-	-	-	-
Net Debt Service	\$881,725	\$716,690	\$438,859	\$438,859	\$-	-%
One-Time Expenses						
One-time repairs (barns, bleachers, machinery & equipment, message board)	\$204,828	\$-	\$-	\$48,660	\$48,660	100%
One-Time Expenses	\$204,828	\$-	\$-	\$48,660	\$48,660	100%
Operating Income After Debt Service and One-Time Expenses	(\$2,072,294)	(\$1,378,622)	(\$1,670,903)	(\$3,439,489)	\$1,768,586	51%

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

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

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

¹⁴ Contribution from the Tourism Development Fund for operational support.

¹⁵ All years include WestWorld Polo Field Maintenance expenses, which were inadvertently excluded in previous reports.

¹⁶ Increased utility costs are mainly due to higher electricity consumption required to support events.

¹⁷ Debt related to the 2014 MPC Refunding Bonds was paid off in FY 2024/25.

¹⁸ 2021B refunding bonds were issued February 2021.

City of Scottsdale
WestWorld
Statement of Operations - Other Funds

	Twelve Months: Fiscal Year				
	2023/24 Actual	2024/25 Actuals	2025/26 Adopted Budget	2025/26 Approved Budget	2025/26 Forecast Budget
Revenue					
Parking	\$1,430,933	\$1,409,944	\$1,286,364	\$1,286,364	\$1,286,364
Bed Tax Contribution - Marketing ¹¹	180,119	161,015	285,000	285,000	285,000
BOR Funds ¹²	-	-	515,426	515,426	515,426
Revenue	\$1,611,052	\$1,570,959	\$2,086,790	\$2,086,790	\$2,086,790
Expenses					
Contractual Services					
Advertising/Marketing Contract	\$180,119	\$161,015	\$-	\$-	\$-
BOR	-	-	100,000	100,000	100,000
Other	-	26,799	6	6	6
WestWorld Master Plan Projects ¹³	-	51,096	-	-	-
Transfer Out to CIP ¹⁴	-	-	4,242,389	4,242,389	4,242,389
Expenses	\$180,119	\$238,909	\$4,342,395	\$4,342,395	\$4,342,395
Operating Income After Expenses¹⁵	\$1,430,933	\$1,332,050	(\$2,255,605)	(\$2,255,605)	(\$2,255,605)

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. In prior years, the contribution was recorded in General Fund Operating Transfers In.

¹² Bureau of Reclamation (BOR) funds for BOR funded projects including a \$400K Transfer Out to CIP for the Monterra Improvements Project.

¹³ WestWorld Master Plan budget was moved to the CIP for FY 2025/26.

¹⁴ PD2304 - Westworld Parking Access Plan, PD2501 - Westworld Trail Parking Access Improvements, PD2607 - Westworld Polo Field Renovation, PP2501 - Scottsdale Sports Complex Turf Replacement, PP2608 - Scottsdale Sports Complex - Replace Pump Station, and PD2605 Monterra Improvements (BOR funded).

¹⁵ In FY 2025/26, Special Event Parking (WestWorld Per Attendee Fee) fund balance was used for \$3.8M of the total Transfer Out to CIP.

**City of Scottsdale
WestWorld
Statement of Operations for December 2025 - Other Funds**

	FY 2023/24 YTD Actual	FY 2024/25 YTD Actual	FY 2025/26 YTD Actual	FY 2025/26 Approved YTD Budget	Variance Amount	Variance Percentage
Revenue						
Parking	\$297,310	\$261,103	\$259,135	\$134,359	\$124,776	93%
Bed Tax Contribution - Marketing ¹¹	-	61,015	10,000	-	10,000	100%
BOR Funds ¹²	-	-	-	15,426	(15,426)	(100%)
Revenue	\$297,310	\$322,118	\$269,135	\$149,785	\$119,350	80%
Expenses						
Contractual Services						
Advertising/Marketing Contract	\$-	\$61,015	\$10,000	\$-	(\$10,000)	(100%)
BOR	-	-	18,227	-	(18,227)	(100%)
Other	2,996	11,311	6	6	-	-
WestWorld Master Plan Projects	-	51,096	-	-	-	-
Expenses	\$2,996	\$123,422	\$28,233	\$6	(\$28,227)	<(100%)
Operating Income After Expenses	\$294,314	\$198,696	\$240,901	\$149,779	\$91,122	61%

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. In prior years, the contribution was recorded in General Fund Operating Transfers In.

¹² Bureau of Reclamation (BOR) funds for BOR funded projects.



Privilege (Sales) & Use Tax Collections For December 2025

(For Business Activity in November 2025)

Appendix 1 contains information regarding the “actual” revenue collections from the 1.0 percent Privilege and Use Tax reflected in the General Fund, 0.2 percent dedicated Transportation Privilege Tax, 0.1 percent additional dedicated to Transportation Privilege and Use Taxes, 0.2 percent dedicated Preserve Privilege and Use Taxes (expired June 30, 2025), 0.15 percent additional dedicated Preserve Privilege and Use Taxes, 0.15 percent Parks and Preserve Privilege and Use Taxes (effective July 1, 2025), and 0.1 percent dedicated Public Safety Privilege and Use Taxes, including adjustments for related license revenues, late collections and audits. While the report includes the actual year-to-date tax collections for the funds previously noted, only the General Fund portion (1.0 percent) of the tax is unrestricted and available for general government purposes.

The fiscal year to date Privilege and Use Tax (1.0 percent General Purpose) collections increased 4 percent compared to the Budget, and decreased 18 percent compared to the same period a year ago.

Privilege (Sales) & Use Tax by Category and Fund

	Fiscal Year: Twelve Months				
	2023/24	2024/25	2025/26	2025/26	2025/26
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised Budget</u>	<u>Approved Adjustments</u>
<u>1.00% General Purpose</u>					
Amusement	n/a	\$3.0	\$2.9	\$2.9	\$0.0
Automotive	20.7	21.7	21.9	21.9	0.0
Construction	17.3	19.6	18.6	18.6	0.0
Dining/ Entertainment	16.8	9.5	15.7	15.7	0.0
Food Stores	9.7	9.5	9.3	9.3	0.0
Hotel/Motel	10.3	10.5	10.0	10.0	0.0
Major Dept. Stores	11.7	12.0	12.2	12.2	0.0
Manufacturing	n/a	2.6	2.2	2.2	0.0
Misc. Retail Stores	38.5	40.0	40.5	40.5	0.0
Other Activity	22.1	4.6	6.0	6.0	0.0
Rentals	22.8	19.0	14.4	14.4	0.0
Service with Retail	n/a	8.5	7.8	7.8	0.0
Utilities	5.4	5.8	5.8	5.8	0.0
Wholesale	n/a	4.0	3.5	3.5	0.0
Subtotal	\$175.4	\$179.1	\$170.8	\$170.8	\$0.0
0.10% Public Safety	\$17.3	\$35.8	\$17.4	\$17.4	\$0.0
0.20% Transportation 1990	33.6	34.1	33.6	33.6	0.0
0.10% Transportation 2019	17.3	17.6	16.8	16.8	0.0
0.20% McDowell Preserve 1995	34.5	35.2	-	-	0.0
0.15% Parks & Preserve 2025	n/a	n/a	25.2	25.2	0.0
0.15% McDowell Preserve 2004	25.9	26.4	25.2	25.2	0.0
Total	\$304.0	\$310.0	\$289.1	\$289.1	\$0.0

Rounding differences may occur

Privilege (Sales) & Use Tax by Category and Fund

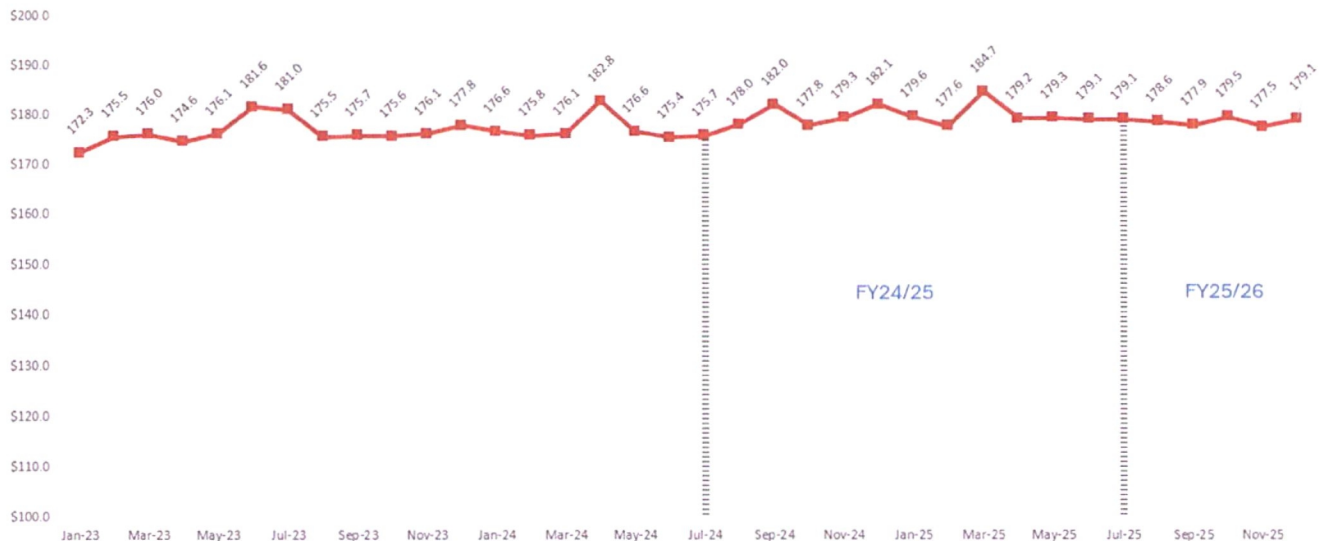
Fiscal Year-to-Date: December 2025						
	2023/24 <u>Actual</u>	2024/25 <u>Actual</u>	2025/26 <u>Actual</u>	2025/26 <u>Budget</u>	Actual vs. Budget	
					Favorable/(Unfavorable) <u>Amount</u>	<u>Percent</u>
1.00% General Purpose						
Amusement	n/a	\$1.2	\$1.1	\$1.1	\$0.0	0%
Automotive	9.9	10.9	9.4	10.5	(1.1)	-10%
Construction	9.3	9.8	10.2	9.3	0.9	10%
Dining/ Entertainment	7.6	7.6	7.3	6.7	0.7	10%
Food Stores	4.5	4.8	4.2	4.1	0.1	1%
Hotel/Motel	4.0	4.2	4.2	3.9	0.3	8%
Major Dept. Stores	5.9	6.2	5.7	5.9	(0.2)	-4%
Manufacturing	n/a	1.3	1.6	1.1	0.6	55%
Misc. Retail Stores	17.6	20.2	19.4	18.8	0.6	3%
Other Activity	10.5	3.5	3.7	3.1	0.6	18%
Rentals	11.4	11.4	7.4	7.7	(0.3)	-4%
Service with Retail	n/a	4.1	4.7	3.6	1.1	31%
Utilities	2.8	3.2	2.9	3.1	(0.1)	-4%
Wholesale	n/a	1.8	1.8	1.5	0.3	18%
Subtotal	\$83.4	\$89.9	\$83.7	\$80.3	\$3.4	4%
0.10% Public Safety						
	\$8.2	\$8.8	\$8.2	\$8.4	(\$0.2)	-3%
0.20% Transportation 1990						
	16.1	17.0	15.8	16.2	(0.4)	-3%
0.10% Transportation 2019						
	8.2	8.8	8.2	8.1	0.1	1%
0.20% McDowell Preserve 1995						
	16.4	17.6	3.3	-	3.3	-
0.15% Parks & Preserve 2025						
	n/a	n/a	9.8	11.9	(2.0)	-17%
0.15% McDowell Preserve 2004						
	12.3	13.2	12.3	12.2	0.1	1%
Total	\$144.5	\$155.5	\$141.2	\$137.1	\$4.2	3%
% Change vs. Prior Year	1%	8%	-9%	-12%		
Top 20 Taxpayers						
	\$29.2	\$32.5	\$29.8			
% of Total	20%	21%	21%			
% Change vs. Prior Year	4%	11%	-8%			

Rounding differences may occur.

Privilege (Sales) & Use Tax

12 Month Rolling

1.00% General Fund in Millions



Amusement Sales Taxes

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

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

Automotive Sales Taxes

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

Actual to Revised Budget variance of (\$1.1) million or (10%); This is due in part to timing issue of when tax returns were filed this year versus last year in addition to some car dealers reporting a decrease in sales.

Construction Sales Taxes

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

Actual to Revised Budget variance of \$0.9 million or 10%; 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 \$0.7 million or 10%; The variance is due in part to the businesses in this category doing better than anticipated, and new businesses.

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 1%; The variance is due in part to timing issue of when tax returns were filed this year versus last year and the businesses in this category doing better than anticipated.

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 \$0.3 million or 8%; This is due in part to timing issue of when tax returns were filed this year versus last year, and new businesses.

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 (4%); This is due in part to timing issue of when tax returns were filed this year versus last year, and a decrease in sales.

Manufacturing Sales Taxes

This category includes businesses that have identified themselves as manufacturers.

Actual to Revised Budget variance of \$0.6 million or 55%; The variance is due in part to a large one-time audit payment and an increase in purchases subject to use tax.

Miscellaneous Retail Stores Sales Taxes

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

Actual to Revised Budget variance of \$0.6 million or 3%: The variance is due in part to the businesses in this category doing better than anticipated.

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 \$0.6 million or 18%: The variance is due in part to the businesses in this category doing better than anticipated.

Rental Sales Taxes

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

Actual to Revised Budget variance of (\$0.3) million or (4%): The variance is due in part to the businesses in this category not doing as good as last year.

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 \$1.1 million or 31%: The variance is due in part to the businesses in this category doing better than anticipated and a one-time audit payment.

Utilities Sales Taxes

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

Actual to Revised Budget variance of (\$0.1) million or (4%): The variance is due in part to timing issue of when tax returns were filed this year versus last year.

Wholesale Sales Taxes

This category includes businesses that have identified themselves as wholesalers.

Actual to Revised Budget variance of \$0.3 million or 18%: The variance is due in part to the businesses in this category doing better than anticipated.



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

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

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

GENERAL FUND SOURCES

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

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

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

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

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

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

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

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

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

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



GENERAL FUND USES

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

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

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

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

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

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

OTHER FUNDS

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

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

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

Water & Water Reclamation Funds

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

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



Aviation Fund

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

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

Solid Waste Fund

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

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

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

Fleet Management Fund

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

Risk Management Fund

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

Healthcare Self Insurance Fund

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

PC Replacement Fund

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