

CITY COUNCIL REPORT



Meeting Date: May 19, 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 March 2026.

BACKGROUND

Each month, the city publishes a year-to-date financial summary of revenues and expenditures by major categories for the General Fund, which also includes the Ambulance Service Fund, highlighting significant variances. 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 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 March 2026 to prior years was sent in an email by the City Treasurer to the City Council on April 21, 2026.

ANALYSIS & ASSESSMENT

There are no proposed FY 2025/26 budget adjustments or use of contingency requested for the March 2026 Quarterly Financial Report.

OPTIONS & STAFF RECOMMENDATION

Staff recommends the acceptance of the Fiscal Year 2025/26 Quarterly Financial Report as of March 2026.

Action Taken _____

RESPONSIBLE DIVISION(S)

City Treasurer

STAFF CONTACT(S)

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

APPROVED BY

Sonia Andrews

5/5/26

Sonia Andrews, City Treasurer/Chief Financial Officer

Date

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

ATTACHMENTS

1. Quarterly Financial Report Fiscal Year-to-Date as of March 2026.

Monthly Financial Report

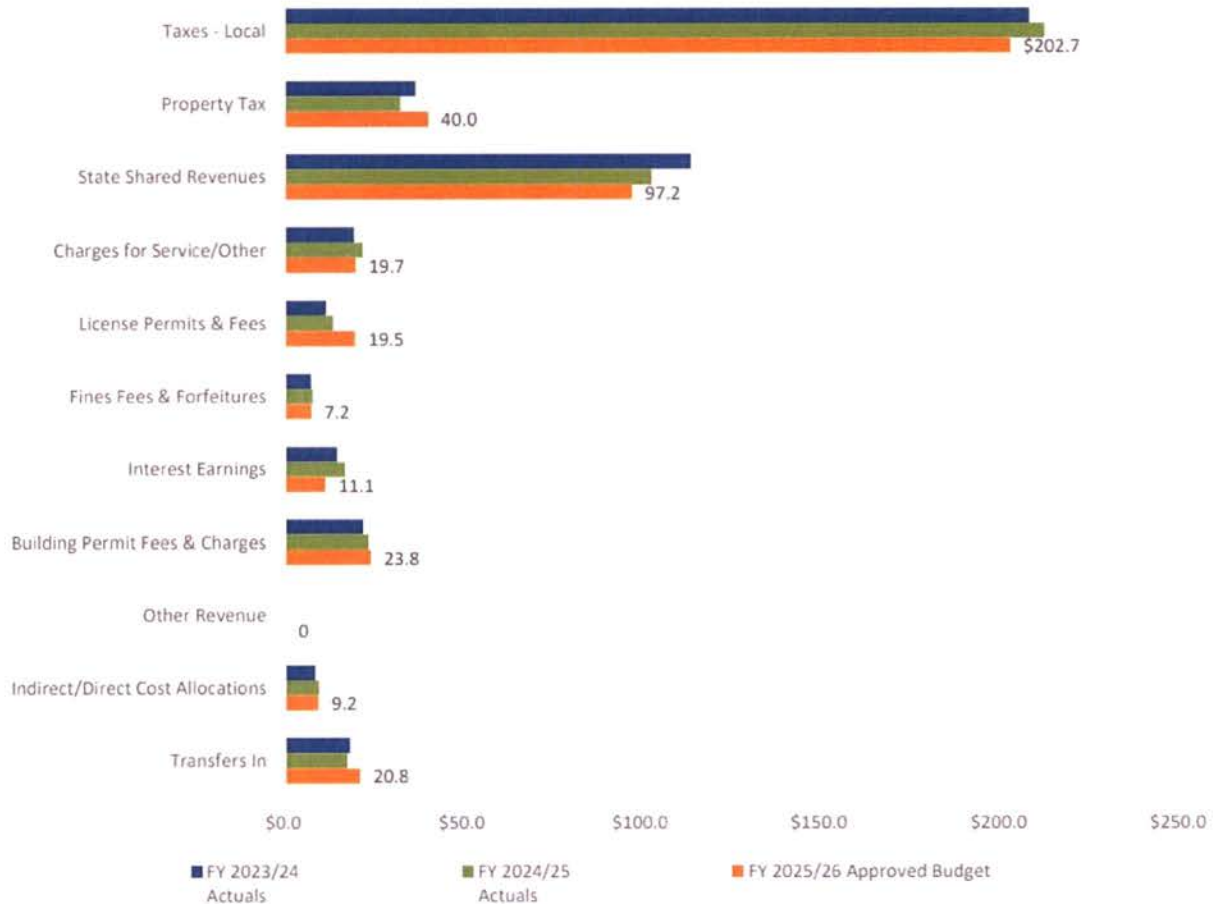
**Fiscal Year to Date as of
March 31, 2026**

Report to the City Council
Prepared by the City Treasurer's Office
May 19, 2026

ATTACHMENT 1

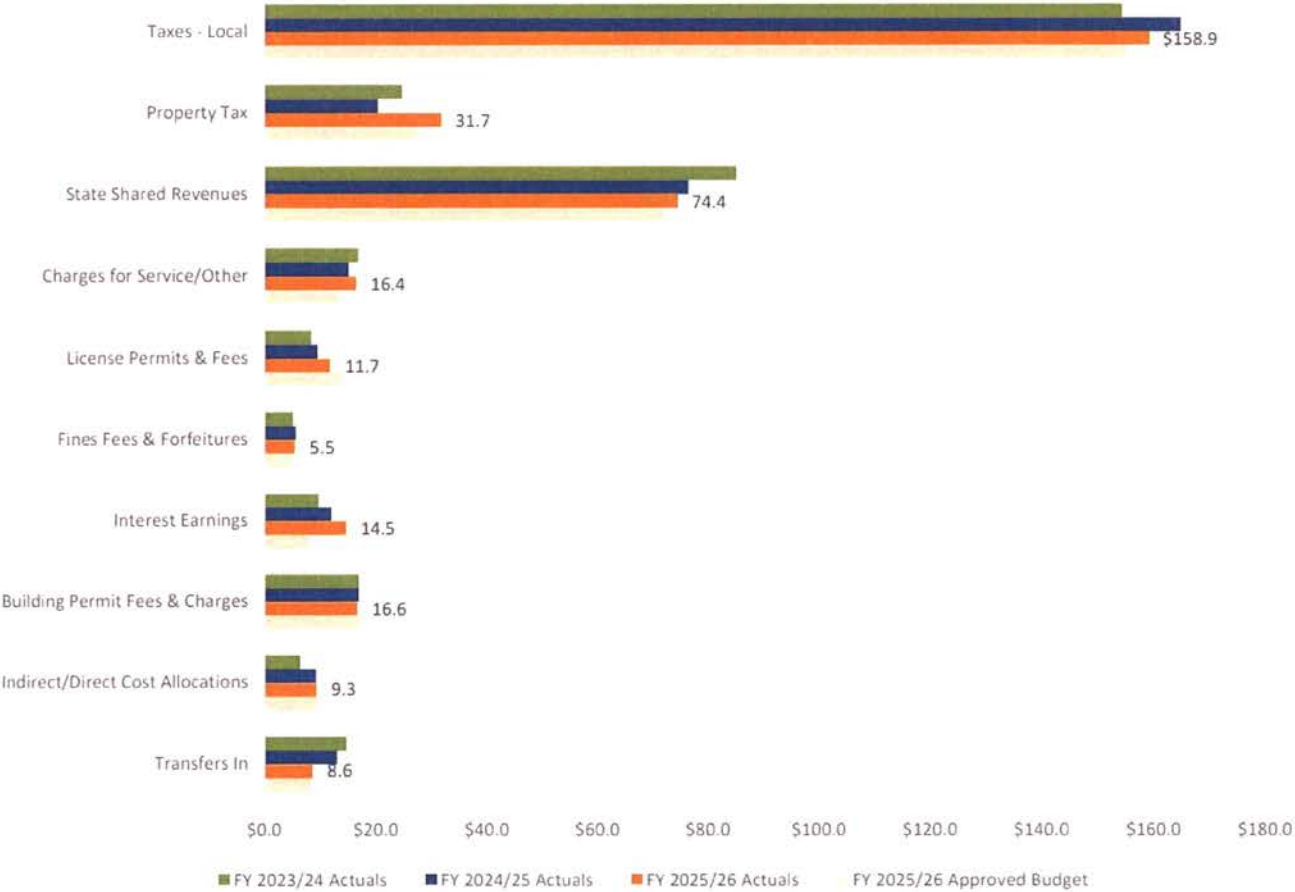
Sources

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	19.7
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	\$451.2

Sources (Fiscal Year to Date: March 2026)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Taxes - Local	\$154.0	\$164.5	\$158.9	\$154.7	\$4.3	3%
Property Tax	24.6	20.3	31.7	27.4	4.2	15%
State Shared Revenues	84.9	76.3	74.4	72.1	2.2	3%
Charges for Service/Other	16.7	15.0	16.4	13.5	2.8	21%
License Permits & Fees	8.4	9.4	11.7	14.2	(2.5)	(17%)
Fines Fees & Forfeitures	5.1	5.6	5.5	5.2	0.2	4%
Interest Earnings	9.6	11.9	14.5	8.1	6.4	80%
Building Permit Fees & Charges	16.8	16.8	16.6	17.7	(1.1)	(6%)
Indirect/Direct Cost Allocations	6.3	9.2	9.3	9.3	-	-
Transfers In	14.6	12.9	8.6	8.6	-	-
Total Sources	\$341.0	\$341.9	\$347.4	\$330.9	\$16.6	5%

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

Taxes - Local (Fiscal Year to Date: March 2026)

	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%	\$143.8	\$153.8	\$148.4	\$144.8	\$3.6	2%
Electric & Gas Franchise	7.8	8.4	8.2	7.6	0.6	8%
Cable TV License Fee	1.7	1.6	1.5	1.4	0.0	2%
Salt River Project In Lieu	0.1	0.1	0.1	0.1	-	-
Stormwater Fee	0.7	0.7	0.7	0.7	-	-
Taxes - Local Total	\$154.0	\$164.5	\$158.9	\$154.7	\$4.3	3%

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

Actual to Approved Budget variance of \$4.3 million or 3%:

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 lower than anticipated gas usage.

Sales Tax 1.10% (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Automotive	\$16.8	\$18.5	\$17.2	\$18.8	(\$1.6)	(9%)
Construction	14.9	16.2	16.4	15.9	0.5	3%
Dining/Entertainment	13.4	13.7	13.6	12.7	0.9	7%
Food Stores	8.0	8.6	8.0	8.5	(0.5)	(6%)
Hotel/Motel	7.4	8.2	8.3	7.8	0.6	7%
Major Dept Stores	10.0	10.4	9.9	10.5	(0.7)	(6%)
Misc Retail Stores	31.5	35.0	35.5	34.5	1.0	3%
Other Activity*	18.0	20.4	22.3	18.9	3.4	18%
Rental	19.1	17.9	12.6	12.3	0.3	3%
Utilities	4.6	5.0	4.7	5.0	(0.3)	(7%)
Sales Tax Total	\$143.8	\$153.8	\$148.4	\$144.8	\$3.6	2%

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 \$3.6 million or 2%:

The favorable variance primarily is due to 1) Other Activity - businesses in Services with Retail are generating higher revenues than anticipated, the Manufacturing category has seen an increase in purchases that are subject to use tax, and the receipt of one-time audit payments; 2) Misc Retail Stores - some businesses have reported higher revenues; 3) Construction - this fiscal year has seen an increase in residential/commercial construction and one-time audit payments; and 4) Dining/Entertainment - restaurants are reporting higher revenue than anticipated. The favorable variance is partially offset by 1) Automotive - businesses in this category have reported lower revenues as well as timing differences when tax returns were filed this year versus last year; and 2) Major Dept Stores - businesses in these category have generated less taxable revenue than anticipated.

Property Tax (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Property Tax	\$24.6	\$20.3	\$31.7	\$27.4	\$4.2	15%
Property Tax Total	\$24.6	\$20.3	\$31.7	\$27.4	\$4.2	15%

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

Actual to Approved Budget variance of \$4.2 million or 15%:

The favorable variance is due to a reporting error from Maricopa County that allocated the secondary property tax to the primary property tax. The variance will be corrected in the upcoming month.

State Shared Revenues (Fiscal Year to Date: March 2026)

	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	\$27.5	\$27.7	\$28.3	\$28.5	(\$0.2)	(1%)
State Shared Income Tax	48.3	39.0	36.0	34.7	1.3	4%
Auto Lieu Tax	9.1	9.5	10.0	8.9	1.1	13%
State Shared Revenues Total	\$84.9	\$76.3	\$74.4	\$72.1	\$2.2	3%

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

Actual to Approved Budget variance of \$2.2 million or 3%:

The favorable variance is primarily due to 1) State Shared Income Tax - the final calculation of State Shared Income Tax distribution resulted in revenues to Scottsdale being higher than originally budgeted by a total of \$1.7 million during FY 2025/26 due to a tax credit adjustment, and 2) Auto Lieu Tax - Statewide collections have been higher than originally forecasted.

Charges for Service/Other (Fiscal Year to Date: March 2026)

	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	\$4.2	\$5.0	\$5.0	\$3.7	\$1.3	36%
Intergovernmental	3.6	4.4	4.8	4.6	0.2	5%
Miscellaneous	4.8	1.4	1.5	1.1	0.4	35%
Property Rental	4.0	4.2	5.0	4.1	0.9	21%
Charges for Service/Other Total	\$16.7	\$15.0	\$16.4	\$13.5	\$2.8	21%

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

Actual to Approved Budget variance of \$2.8 million or 21%:

The favorable variance is primarily due to 1) WestWorld Equestrian Facility Fees - payment was received for WestWorld RV rental earlier than budgeted; 2) Miscellaneous - timing of receiving expense recovery from Phoenix Dispatch services; and 3) Property Rental - higher than anticipated cell tower lease payments and increased golf course revenues.

License Permits & Fees (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Business & Liquor Licenses	\$2.3	\$2.3	\$2.3	\$2.3	\$ -	-
Fire Charges For Services	2.1	3.0	5.3	7.8	(2.5)	(32%)
Recreation Fees	3.9	4.0	4.1	4.1	-	-
License Permits & Fees Total	\$8.4	\$9.4	\$11.7	\$14.2	(\$2.5)	(17%)

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

Actual to Approved Budget variance of (\$2.5) million or (17%):

The unfavorable variance is due to Fire Charges For Services - Ambulance Services Program revenues have come in lower than budgeted due to the revenue projections in the adopted budget being projected based on net billings rather than cash collections. The revenue forecast methodology has been revised in the FY 2026/27 Proposed Budget to reflect anticipated cash collections.

Fines Fees & Forfeitures (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Court Fines	\$2.5	\$3.2	\$3.1	\$3.0	\$0.0	2%
Library	-	-	-	-	-	-
Parking Fines	0.2	0.2	0.1	0.2	-	-
Photo Radar	2.1	2.0	2.0	1.9	0.1	5%
Jail Dormitory	0.2	0.2	0.2	0.1	0.1	>100%
Fines Fees & Forfeitures Total	\$5.1	\$5.6	\$5.5	\$5.2	\$0.2	4%

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

Actual to Approved Budget variance of \$0.2 million or 4%:

The favorable variance is due to 1) Photo Radar - higher than anticipated revenue from defensive driving fees in the City Court; and 2) Jail Dormitory - higher than anticipated participation in the City Jail Dormitory program. The Jail Dormitory program paused beginning March 2026 due to the temporary closure of the jail for completion of capital improvements. It is anticipated that revenues will gradually decrease to zero until the Jail reopens in FY 2027/28.

Interest Earnings (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Interest Earnings	\$9.6	\$11.9	\$14.5	\$8.1	\$6.4	80%
Interest Earnings Total	\$9.6	\$11.9	\$14.5	\$8.1	\$6.4	80%

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

Actual to Approved Budget variance of \$6.4 million or 80%:

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

Building Permit Fees & Charges (Fiscal Year to Date: March 2026)

	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	\$16.8	\$16.8	\$16.6	\$17.7	(\$1.1)	(6%)
Building Permit Fees & Charges Total	\$16.8	\$16.8	\$16.6	\$17.7	(\$1.1)	(6%)

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

Actual to Approved Budget variance of (\$1.1) million or (6%):

The unfavorable variance is due to lower than anticipated revenue generated from plan review fees in the Planning and Development Services Department; the variance is partially offset by higher than anticipated building permit and encroachment permit fees resulting from increased permit activities and development trends in the Planning and Development Services Department.

Indirect/Direct Cost Allocations (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Indirect Costs	\$5.8	\$8.8	\$8.8	\$8.8	\$ -	-
Direct Cost Allocation (Fire)	0.4	0.4	0.5	0.5	-	-
Indirect/Direct Cost Allocations Total	\$6.3	\$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 Allocations are aligned with budget through March 2026.

Transfers In (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Operating	\$7.5	\$5.0	\$0.5	\$0.5	\$ -	-
Enterprise Franchise Fees	7.1	7.9	8.0	8.1	-	-
Transfers In Total	\$14.6	\$12.9	\$8.6	\$8.6	\$0.0	0%

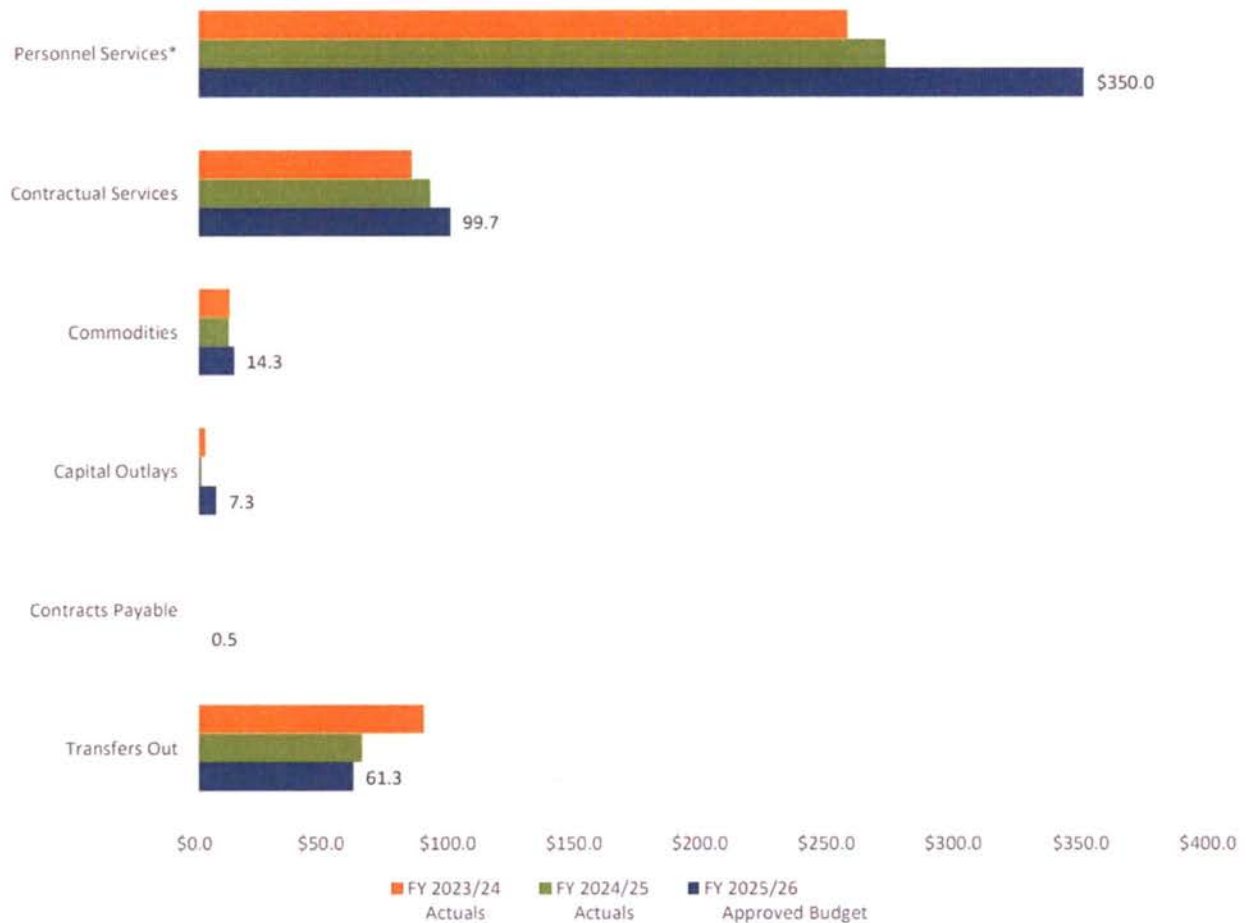
Note: \$ in millions/rounding differences and blank lines may occur.

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

Transfers in are aligned with budget through March 2026.

Uses

Twelve Months: Fiscal Year

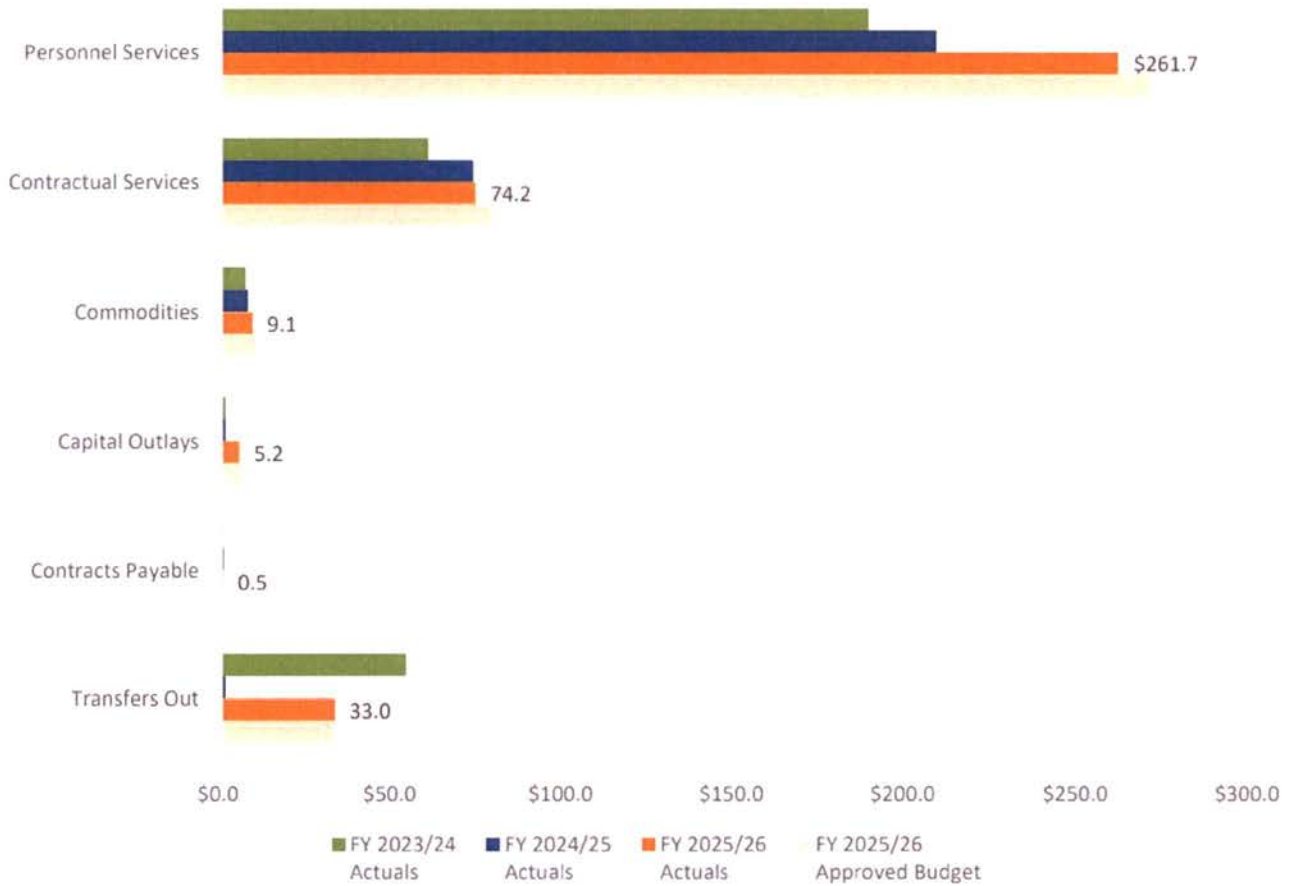


	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Approved Budget
Personnel Services*	\$257.3	\$272.2	\$350.0
Contractual Services	84.4	91.7	99.7
Commodities	12.5	12.3	14.3
Capital Outlays	2.9	1.4	7.3
Contracts Payable	0.4	0.5	0.5
Transfers Out	89.1	64.7	61.3
Total Uses	\$446.7	\$442.8	\$533.1

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 paydown.

Uses (Fiscal Year to Date: March 2026)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$189.2	\$209.0	\$261.7	\$271.3	\$9.7	4%
Contractual Services	60.2	73.5	74.2	79.6	5.4	7%
Commodities	6.9	7.6	9.1	10.5	1.4	14%
Capital Outlays	1.0	1.0	5.2	6.4	1.2	19%
Contracts Payable	0.4	0.5	0.5	0.5	-	-
Transfers Out	53.7	1.0	33.0	33.0	-	-
Total Uses	\$311.5	\$292.5	\$383.6	\$401.3	\$17.7	4%

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

Personnel Services (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Salaries	\$122.4	\$135.5	\$145.9	\$154.1	\$8.2	5%
Overtime	10.7	12.4	13.4	11.8	(1.6)	(13%)
Health/Dental	17.0	18.2	20.1	20.6	0.5	2%
Fringe Benefits	8.5	9.3	9.8	10.5	0.7	6%
Retirement	30.0	33.0	71.6	74.0	2.4	3%
Contract Workers	0.6	0.7	0.9	0.4	(0.5)	>(100%)
Personnel Services Total	\$189.2	\$209.1	\$261.7	\$271.3	\$9.7	4%

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

Actual to Approved Budget variance of \$9.7 million or 4%:

The favorable variance is primarily in the Salaries and Retirement categories due to vacancy and other personnel savings across city departments, mostly within the Police Department and the Fire Department. The favorable variance is partially offset by higher than anticipated overtime and contract worker expenses resulting from the vacancies.

Contractual Services (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Professional Services	\$13.5	16.2	\$14.9	\$15.7	\$0.8	5%
Communications	3.1	3.2	3.0	3.5	0.5	13%
Travel Training and Conferences	0.7	1.0	0.9	1.6	0.8	47%
Printing Duplication and Filming	0.8	0.8	0.8	0.8	-	-
Maintenance and Repair	11.1	13.0	12.4	15.5	3.1	20%
Insurance	9.7	14.7	15.7	15.6	-	-
Rents	0.8	1.4	1.5	1.4	-	-
Transportation Services	10.7	12.5	14.1	13.6	(0.5)	(4%)
Utilities	7.1	7.8	7.8	8.5	0.7	8%
Miscellaneous Services and Charges	2.7	2.9	3.1	3.3	0.2	5%
Contractual Services Total	\$60.2	\$73.5	\$74.2	\$79.6	\$5.4	7%

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

Actual to Approved Budget variance of \$5.4 million or 7%:

The favorable variance is due to 1) Maintenance and Repair - delay in expenses for a system implementation in the Planning and Development Department, timing of invoices for the Enterprise Resources Planning system in the City Treasurer's Office, and project schedule adjustments due to process delays associated with financial system transition in Facilities Management Department; 2) Professional Services - timing of expenses for the real crime center upgrades and lower than expected security contracts cost in the Police Department, and the billing contract for the ambulance service is less than anticipated in the Fire Department; 3) Travel Training and Conferences - delay in expenses due to the paramedic school starting later than budgeted; and 4) Utilities - electricity usage has been less than anticipated across the city due to milder temperatures through February when compared to historical trends. The positive variance is partially offset by Transportation Services - higher than anticipated number of vehicles requiring repair and higher than anticipated services cost by third party contract provider in the Police and Fire Departments.

Commodities (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Operating Supplies	\$4.3	\$5.1	\$6.1	\$7.3	\$1.2	17%
Purchased for Resale	0.4	0.4	0.5	0.5	-	-
Library Materials	0.3	0.3	0.3	0.3	-	-
Maintenance and Repair Supplies	1.9	1.7	2.2	2.5	0.2	10%
Commodities Total	\$6.9	\$7.6	\$9.1	\$10.5	\$1.4	14%

Actual to Approved Budget variance of \$1.4 million or 14%:

The favorable variance is primarily due to Operating Supplies - timing of receiving clothing, personal equipment, and emergency medical supplies in the Fire Department. The variance should resolve itself during the final quarter of FY 2025/26, as ordered products are received and payments are issued.

Capital Outlays (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Buildings and Improvements	\$0.4	\$0.3	\$0.0	\$0.3	\$0.3	91%
Machinery and Equipment	0.6	0.7	5.1	6.0	0.9	15%
Capital Outlays Total	\$1.0	\$1.0	\$5.2	\$6.4	\$1.2	19%

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

Actual to Approved Budget variance of \$1.2 million or 19%:

The favorable variance is due to 1) Buildings and Improvements - facility projects have been delayed since the beginning of the fiscal year, but are now in the process of completion, and 2) Machinery and Equipment - budgeted expenditures for equipment replacement within the Police Department have not yet occurred.

Contracts Payable (Fiscal Year to Date: March 2026)

	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Contracts Payable	\$0.4	\$0.5	\$0.5	\$0.5	\$0.0	0%
Contracts Payable	\$0.4	\$0.5	\$0.5	\$0.5	\$0.0	0%

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

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

The contracts payable is aligned with budget through March 2026.

Transfers Out (Fiscal Year to Date: March 2026)

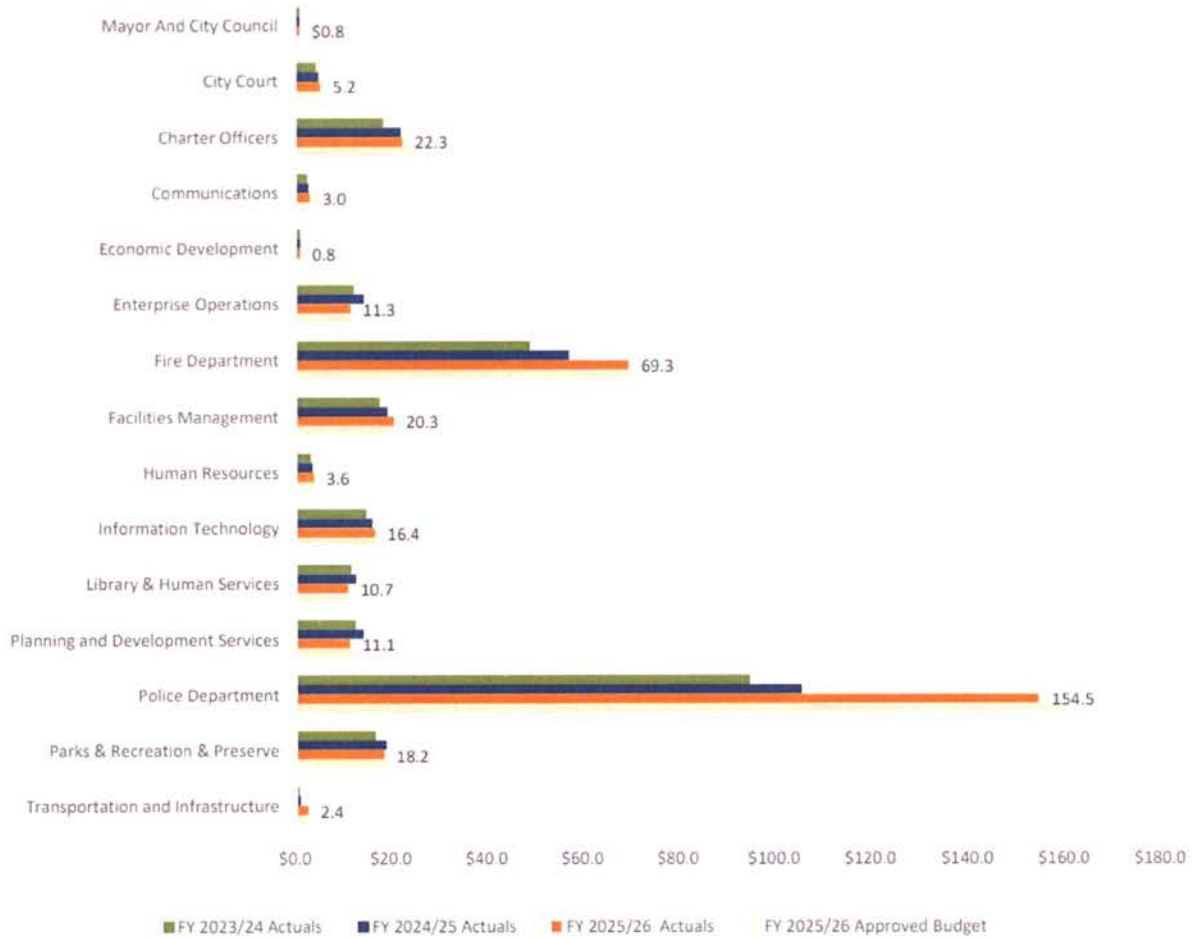
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Other	\$ -	\$1.0	\$ -	\$ -	\$ -	-
CIP	53.7	-	33.0	33.0	-	-
Transfers Out Total	\$53.7	\$1.0	\$33.0	\$33.0	\$ -	-

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 March 2026.

Department Expenditures (Fiscal Year to Date: March 2026)



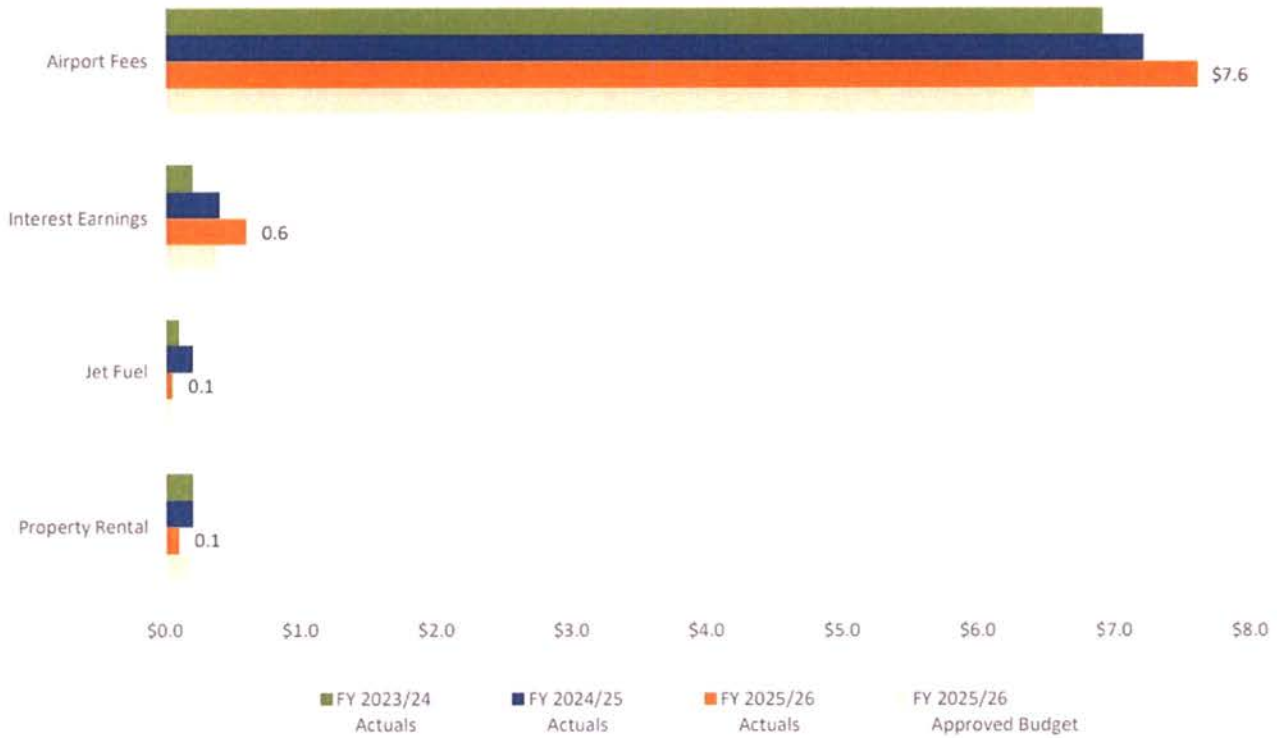
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Mayor And City Council	\$0.8	\$0.8	\$0.8	\$0.9	\$0.1	8%
City Court	4.2	4.7	5.2	5.1	(0.1)	(2%)
Charter Officers	18.2	21.9	22.3	25.5	3.2	13%
Communications	2.3	2.6	3.0	3.2	0.2	6%
Economic Development	0.9	0.9	0.8	1.0	0.2	21%
Enterprise Operations	12.0	14.1	11.3	11.7	0.4	3%
Fire Department	48.7	56.9	69.3	72.1	2.8	4%
Facilities Management	17.4	19.0	20.3	20.7	0.4	2%
Human Resources	3.0	3.3	3.6	4.1	0.5	11%
Information Technology	14.5	15.8	16.4	17.3	0.9	5%
Library & Human Services	11.3	12.4	10.7	11.7	1.0	9%
Planning and Development Services	12.3	13.9	11.1	13.0	1.9	15%
Police Department	94.7	105.4	154.5	160.0	5.5	3%
Parks & Recreation & Preserve	16.4	18.6	18.2	18.9	0.7	4%
Transportation and Infrastructure	0.5	0.7	2.4	2.5	0.2	7%
Total	\$257.4	\$291.0	\$350.1	\$367.8	17.7	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 \$17.7 million or 5%.

Sources (Fiscal Year to Date: March 2026)



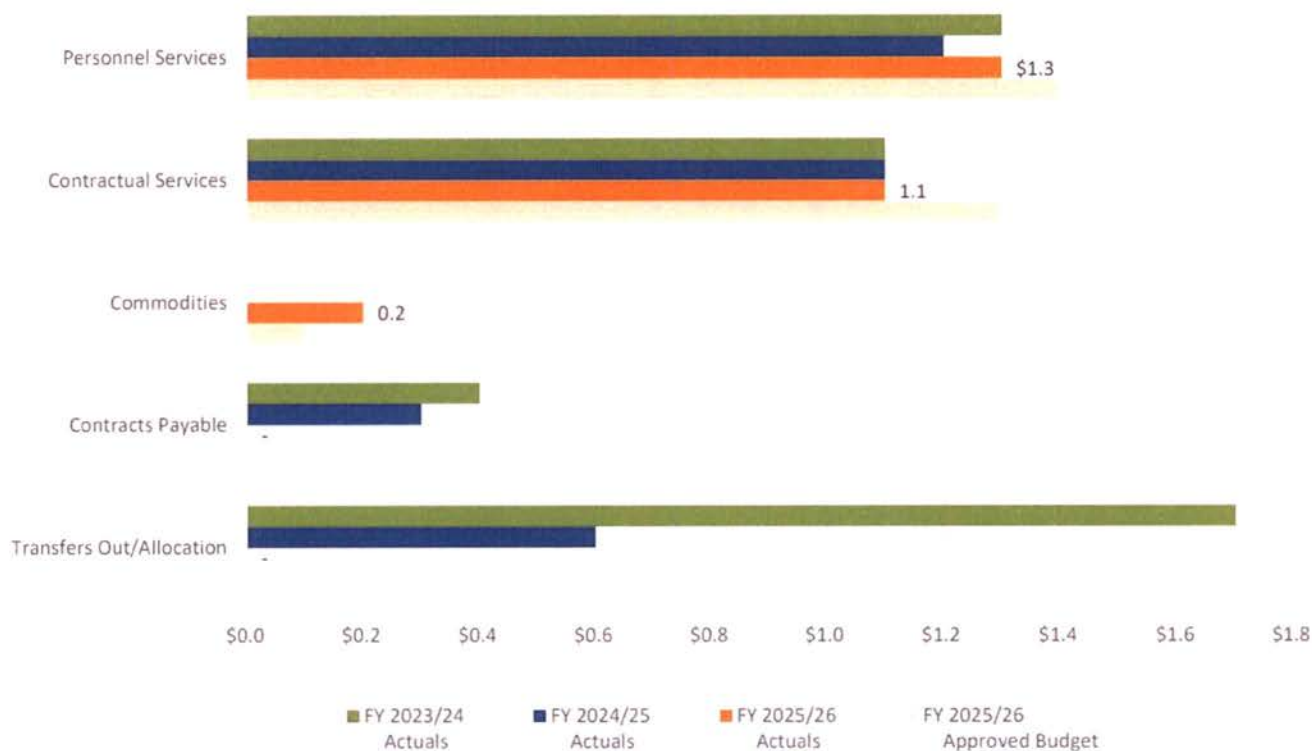
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance percent
Airport Fees	\$6.9	\$7.2	\$7.6	\$6.4	\$1.2	19%
Interest Earnings	0.2	0.4	0.6	0.4	0.2	41%
Jet Fuel	0.1	0.2	0.1	0.1	(0.0)	(10%)
Property Rental	0.2	0.2	0.1	0.2	(0.1)	(52%)
Total Sources	\$7.4	\$8.0	\$8.5	\$7.2	\$1.3	18%

Actual to Approved Budget variance of \$1.3 million or 18%:

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 is due to higher than forecasted fund balance.

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

Uses (Fiscal Year to Date: March 2026)



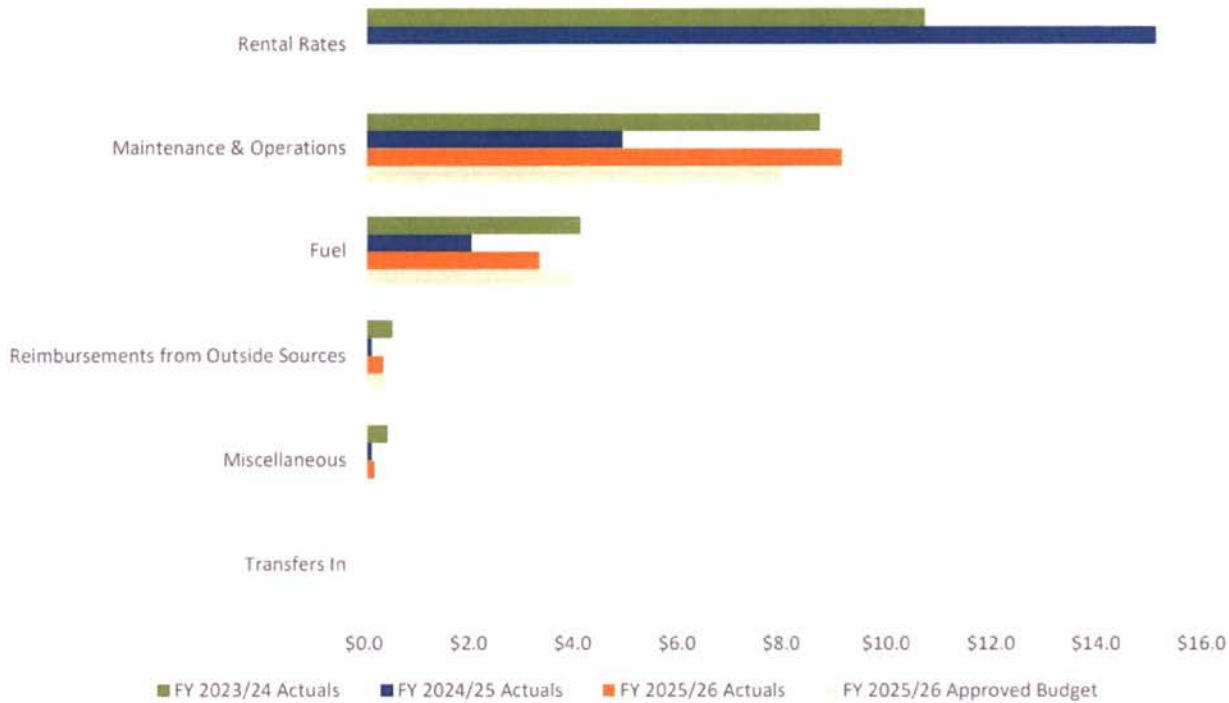
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$1.3	\$1.2	\$1.3	\$1.4	\$0.1	10%
Contractual Services	1.1	1.1	1.1	1.3	0.2	17%
Commodities	-	-	0.2	0.1	(0.1)	>(100%)
Contracts Payable	0.4	0.3	0.3	0.3	-	-
Transfers Out/Allocation	1.7	0.6	0.6	0.6	-	-
Total Uses	\$4.5	\$3.2	\$3.5	\$3.7	\$0.2	7%

Actual to Approved Budget variance of \$0.2 million or 7%:

The positive variance is due to: 1) Personnel Services - savings from vacancies and unused overtime; and 2) 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: March 2026)



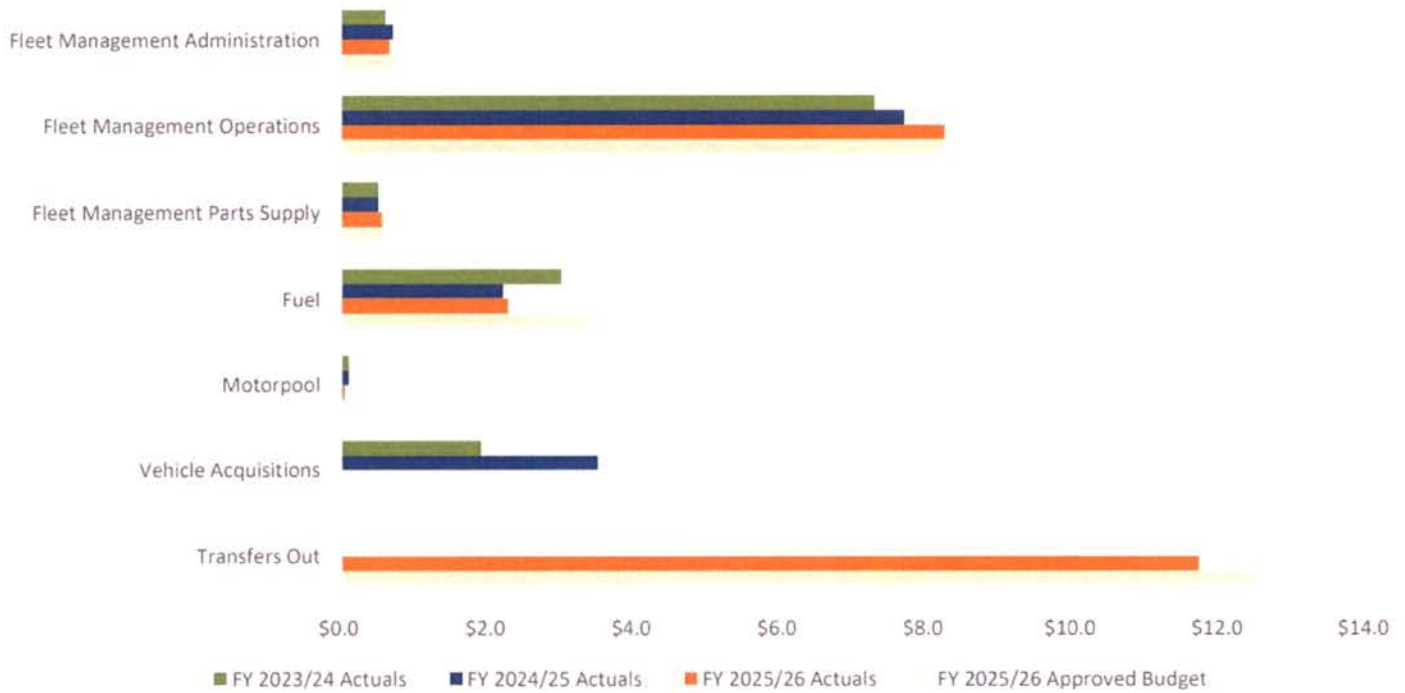
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Rental Rates	\$10.7	\$15.1	\$ -	\$ -	\$ -	-
Maintenance & Operations	8.7	4.9	9.1	8.0	1.1	14%
Fuel	4.1	2.0	3.3	4.0	(0.7)	(18%)
Reimbursements from Outside Sources	0.5	0.1	0.3	0.4	(0.1)	(28%)
Miscellaneous	0.4	0.1	0.2	0.0	0.1	>100%
Transfers In	-	-	-	-	-	-
Total Sources	\$24.5	\$22.3	\$12.9	\$12.5	\$0.4	3%

Actual to Approved Budget variance of \$0.4 million or 3%:

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 to replace the older 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. The positive variance is partially offset by: 1) Fuel - lower charges to City departments due to fuel prices being lower than the estimated average during the first three quarters of the fiscal year. Fuel prices have been increasing, and the department expects this negative variance to decrease over the remainder of the fiscal year; 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: March 2026)



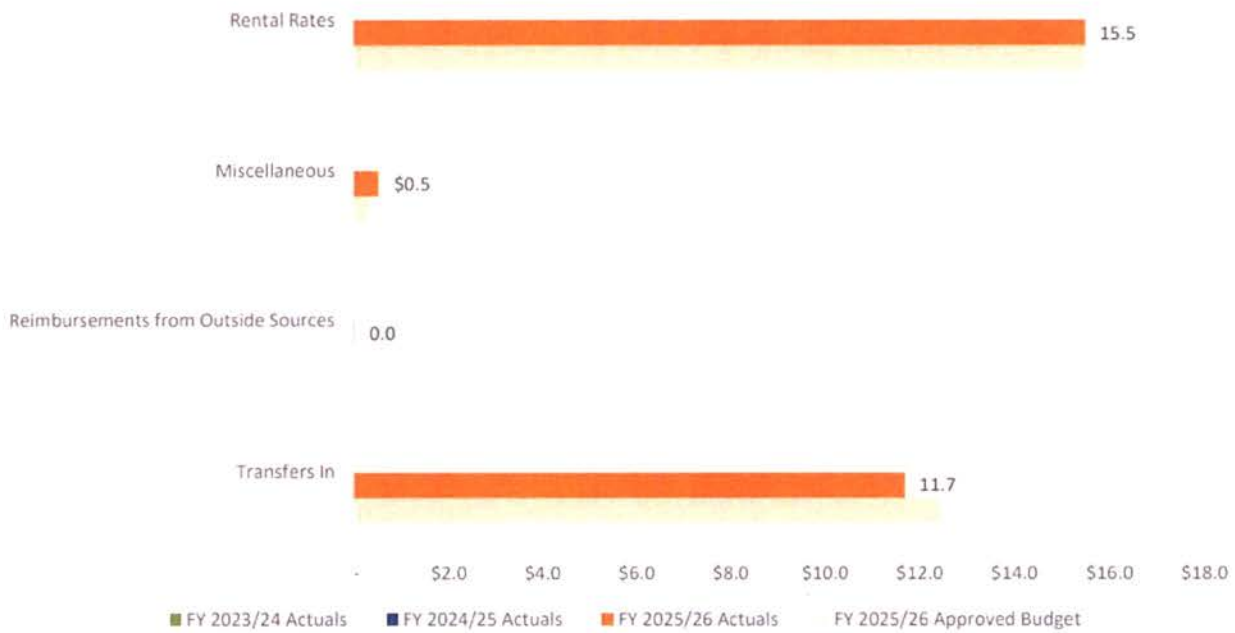
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Fleet Management Administration	\$0.6	\$0.7	\$0.7	\$0.7	\$0.1	11%
Fleet Management Operations	7.3	7.7	8.3	8.3	0.0	<1%
Fleet Management Parts Supply	0.5	0.5	0.6	0.6	0.1	8%
Fuel	3.0	2.2	2.3	3.4	1.2	34%
Motorpool	0.1	0.1	0.0	0.1	0.0	37%
Vehicle Acquisitions	1.9	3.5	-	-	-	-
Transfers Out	-	-	11.7	12.5	0.8	6%
Total Uses	\$13.4	\$14.7	\$23.5	\$25.6	\$2.1	8%

Actual to Approved Budget variance of \$2.1 million or 8%:

The favorable variance is primarily due to: 1) Fuel - prices have been lower than the estimated average during the first three quarters of the fiscal year. Prices have been increasing, and the department anticipates higher fuel costs over the remainder of the fiscal year; 2) Transfers Out - the original budget overestimated how much needed to be transferred 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: March 2026)



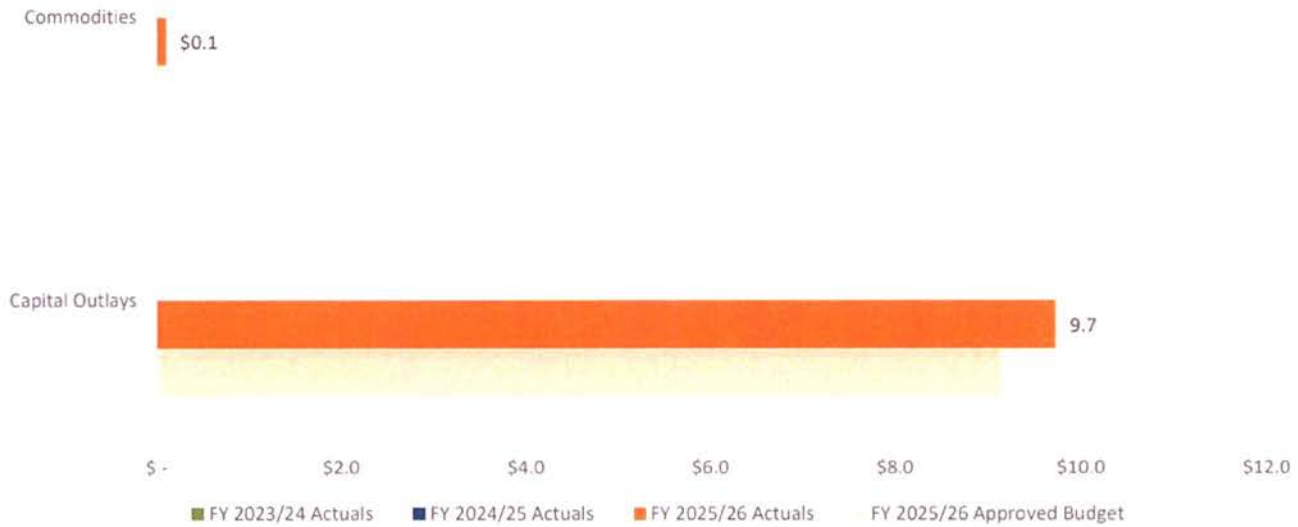
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Rental Rates	-	-	15.5	15.5	(0.0)	(0%)
Miscellaneous	\$ -	\$ -	\$0.5	\$0.4	\$0.2	46%
Reimbursements from Outside Sources	-	-	0.0	-	0.0	-
Transfers In	-	-	11.7	12.5	(0.8)	(6%)
Total Sources	\$ -	\$ -	\$12.3	\$12.9	(\$0.6)	(5%)

Actual to Approved Budget variance of \$(0.6) million or (5%):

The unfavorable variance is primarily due to Transfers In – the budget assumed a larger transfer from the Fleet Management Fund for vehicle purchases deferred from FY 2024/25; however, after Fleet recalculated the actual amount needed, the planned transfer was reduced, resulting in less revenue to the Fleet Replacement Fund than budgeted. It is partially offset by Miscellaneous - auctions of surplus vehicles occurring at a pace faster than anticipated, and more revenue is being received from auctioned vehicles than expected.

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

Uses (Fiscal Year to Date: March 2026)



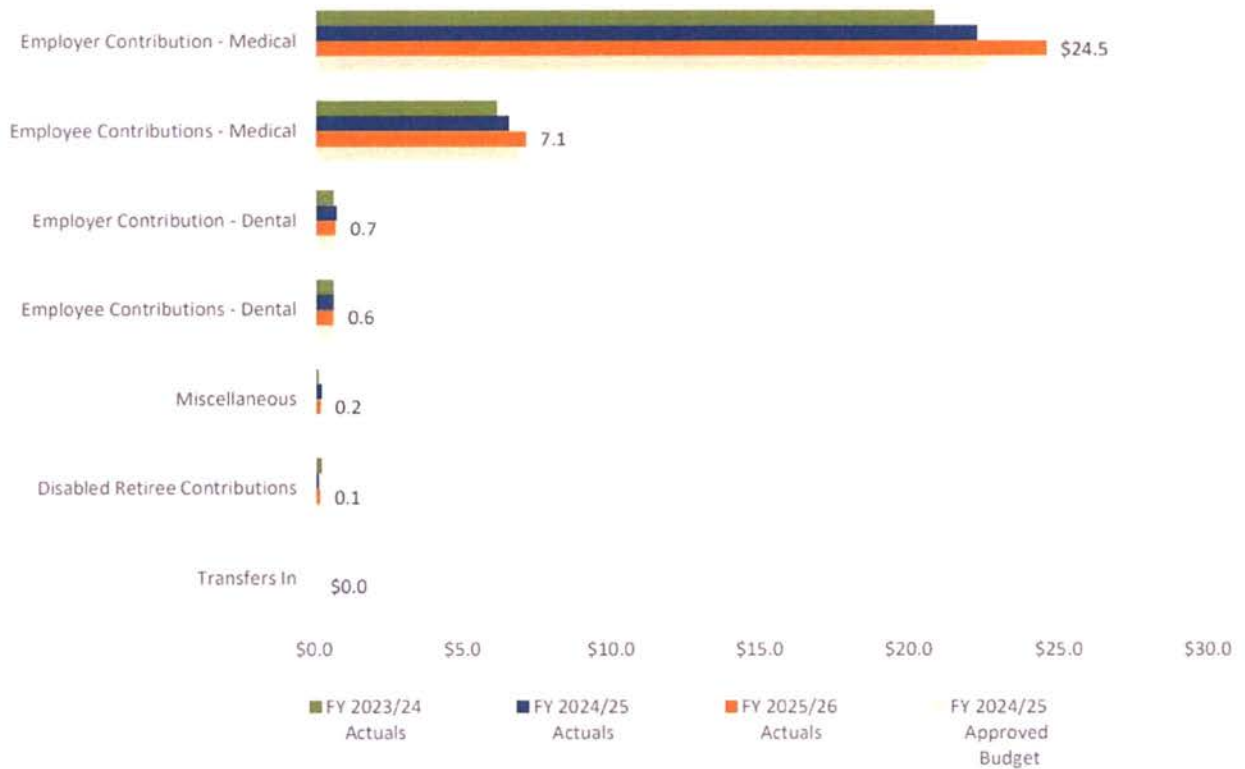
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Commodities	\$ -	\$ -	\$0.1	\$0.1	(\$0.0)	0%
Capital Outlays	-	-	9.7	9.2	(0.6)	(6%)
Total Uses	\$ -	\$ -	\$9.8	\$9.2	(\$0.6)	(61%)

Actual to Approved Budget variance of \$(0.6) million or (61%):

The unfavorable variance is due to Capital Outlays - vehicles purchased earlier in the year than budgeted, but this line is projected to be within budget by the close of the fiscal year.

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

Sources (Fiscal Year to Date: March 2026)



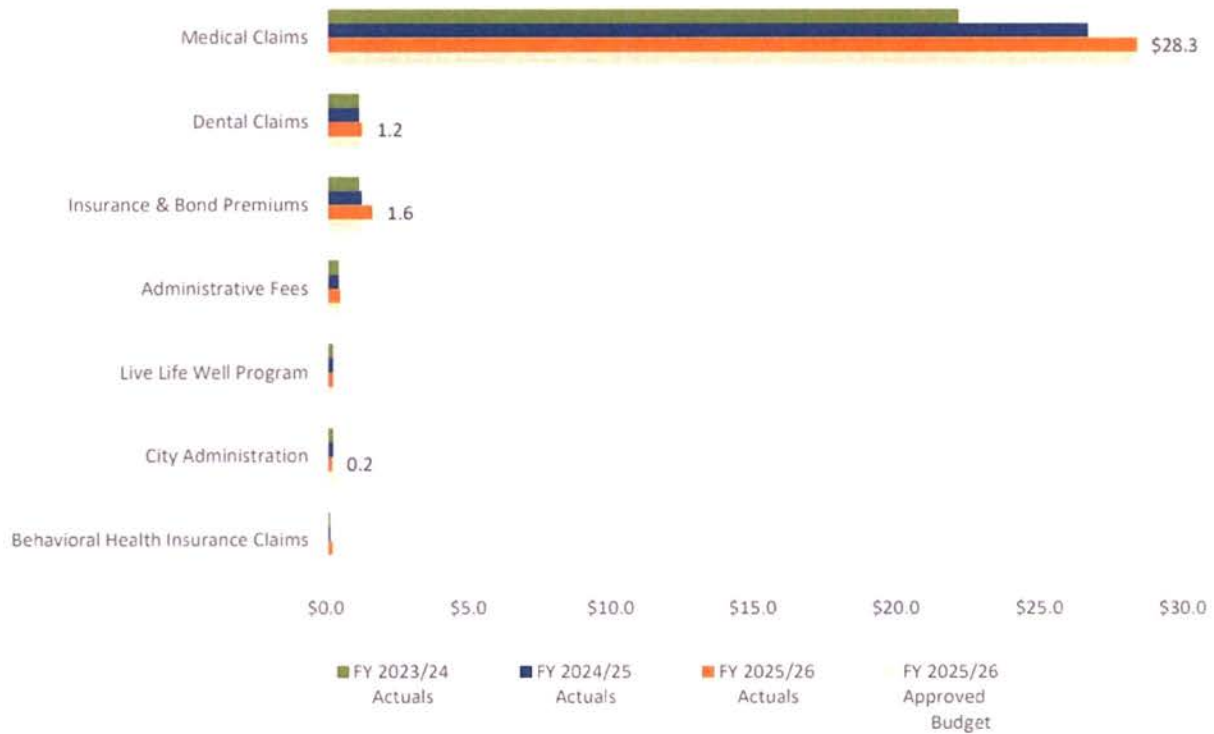
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2024/25 Approved Budget	Variance Amount	Variance percentage
Employer Contribution - Medical	\$20.8	\$22.2	\$24.5	\$22.6	\$1.9	8%
Employee Contributions - Medical	6.1	6.5	7.1	6.9	0.2	3%
Employer Contribution - Dental	0.6	0.7	0.7	0.7	0.0	1%
Employee Contributions - Dental	0.6	0.6	0.6	0.6	0.0	1%
Miscellaneous	0.1	0.2	0.2	0.1	0.0	27%
Disabled Retiree Contributions	0.2	0.1	0.1	0.2	(0.0)	(11%)
Transfers In	-	-	-	-	-	-
Total Sources	\$28.4	\$30.3	\$33.2	\$31.1	\$2.1	7%

Actual to Approved Budget variance of \$2.1 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: March 2026)



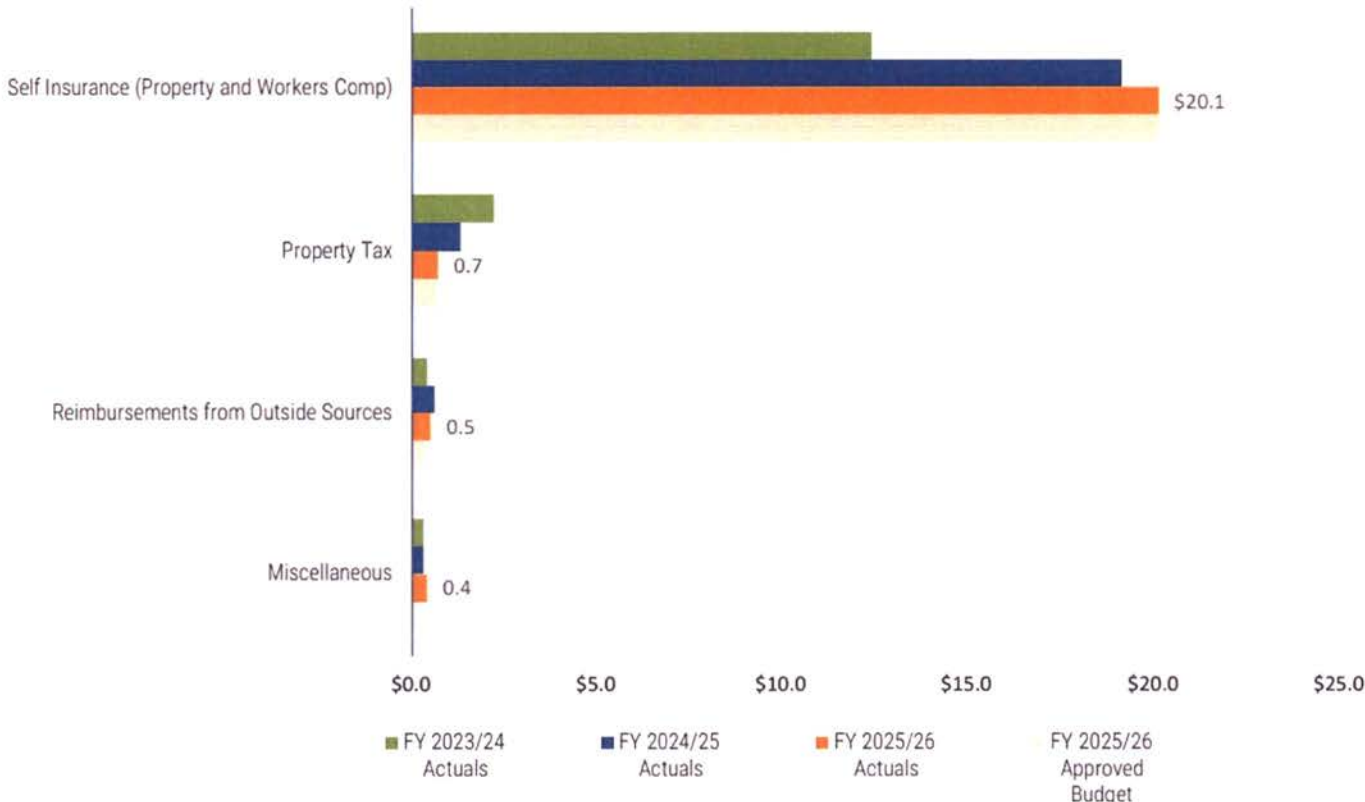
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Medical Claims	\$22.1	\$26.6	\$28.3	\$28.2	(\$0.1)	(0%)
Dental Claims	1.1	1.1	1.2	1.2	(0.0)	(3%)
Insurance & Bond Premiums	1.1	1.2	1.6	1.2	(0.3)	(27%)
Administrative Fees	0.4	0.4	0.4	0.4	(0.0)	(0%)
Live Life Well Program	0.2	0.2	0.2	0.2	0.0	2%
City Administration	0.2	0.2	0.2	0.4	0.3	61%
Behavioral Health Insurance Claims	0.1	0.1	0.2	0.1	(0.1)	(62%)
Total Uses	\$25.2	\$29.8	\$32.1	\$31.9	(\$0.3)	(1%)

Actual to Approved Budget variance of (\$0.3) million or (1%):

The unfavorable variance is due to Insurance and Bond Premiums monthly payment is higher than budgeted. The favorable variance in City Administration is due to delay in expenses for the employee health clinic project implementation.

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

Sources (Fiscal Year to Date: March 2026)



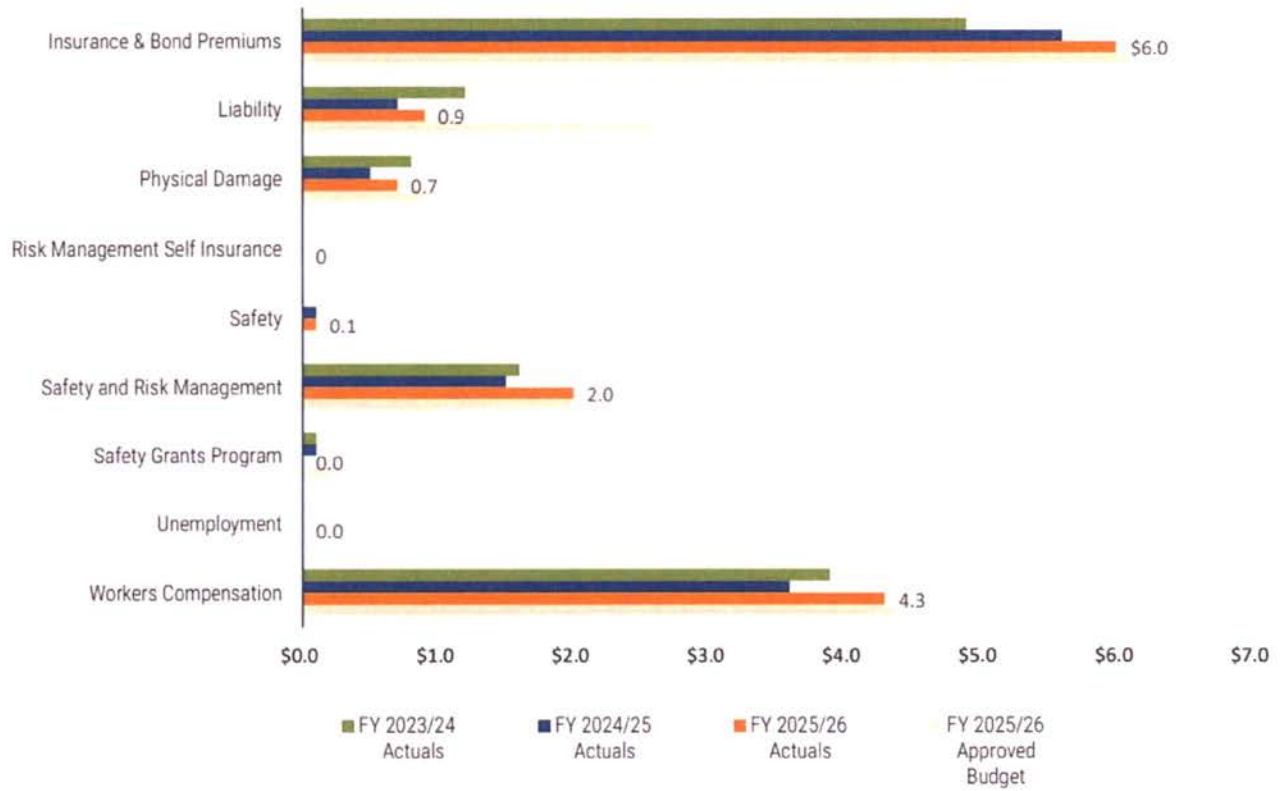
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Self Insurance (Property and Workers Comp)	\$12.4	\$19.1	\$20.1	\$20.1	\$ -	- %
Property Tax	2.2	1.3	0.7	0.7	-	-
Reimbursements from Outside Sources	0.4	0.6	0.5	0.4	0.1	25%
Miscellaneous	0.3	0.3	0.4	0.2	0.2	100%
Total Sources	\$15.3	\$21.3	\$21.7	\$21.4	\$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: March 2026)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Insurance & Bond Premiums	\$4.9	\$5.6	\$6.0	\$6.1	\$0.1	2%
Liability	1.2	0.7	0.9	2.6	1.7	65%
Physical Damage	0.8	0.5	0.7	0.9	0.2	22%
Risk Management Self Insurance	-	0.0	-	-	-	-
Safety	-	0.1	0.1	-	(0.1)	(100%)
Safety and Risk Management	1.6	1.5	2.0	2.0	0.0	0%
Safety Grants Program	0.1	0.1	0.0	0.2	0.1	50%
Unemployment	0.0	0.0	0.0	-	(0.0)	0%
Workers Compensation	3.9	3.6	4.3	4.4	0.1	2%
Total Uses	\$12.5	\$12.1	\$14.0	\$16.2	\$2.2	14%

Actual to Revised Budget variance of \$2.2 million or 14%:

The favorable variance is largely driven by 1) Liability - anticipated payments associated with general liability claims have not occurred to date due to pending litigation; and 2) Physical Damage - anticipated payments of large property damage claims are still pending.

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

Sources (Fiscal Year to Date: March 2026)



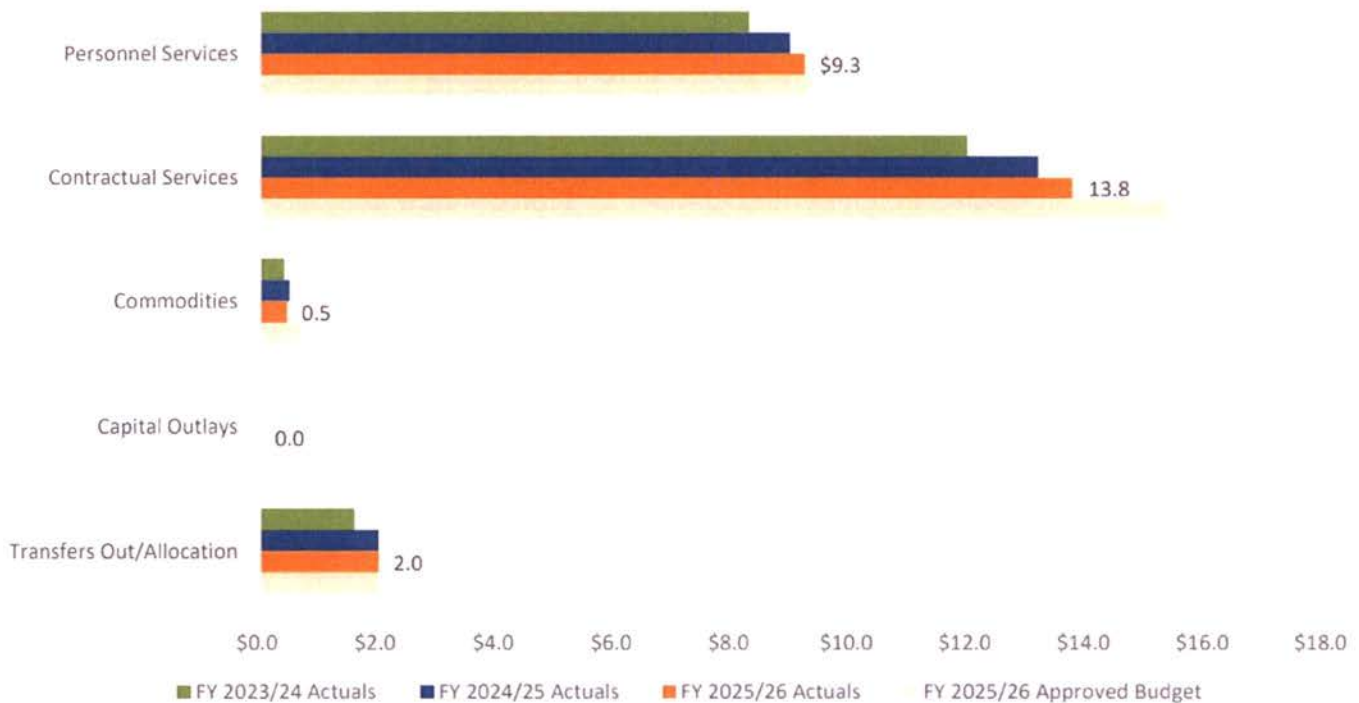
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Solid Waste Service Charges - Residential	\$21.9	\$23.9	\$25.2	\$25.1	\$0.1	<1%
Solid Waste Service Charges - Commercial	3.1	3.5	3.7	3.5	0.2	5%
Interest Earnings	0.2	0.2	0.9	0.2	0.7	>100%
Transfers In	0.3	-	-	-	-	-
Total Sources	\$25.5	\$27.6	\$29.8	\$28.8	\$1.0	3%

Actual to Approved Budget variance of \$1.0 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: March 2026)



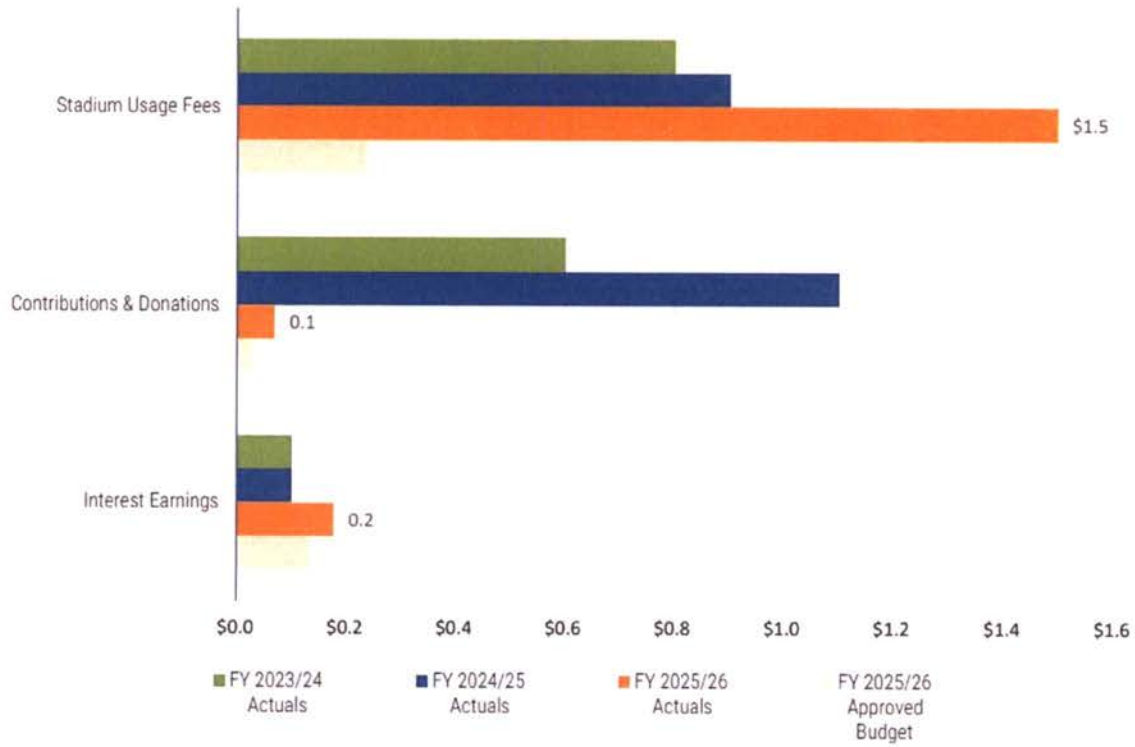
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$8.3	\$9.0	\$9.3	\$9.4	\$0.1	1%
Contractual Services	12.0	13.2	13.8	15.4	1.6	10%
Commodities	0.4	0.5	0.5	0.7	0.2	32%
Capital Outlays	-	-	0.0	0.0	0.0	-
Transfers Out/Allocation	1.6	2.0	2.0	2.0	-	-
Total Uses	\$22.3	\$24.7	\$25.5	\$27.4	\$1.9	7%

Actual to Approved Budget variance of \$1.9 million or 7%:

The favorable variance is primarily due to: 1) Contractual Services - reduced landfill contract expenses and recycling processing fees due to lower than anticipated tonnage volume, along with lower fuel costs, and delayed household hazardous waste (HHW) collection invoices; and 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: March 2026)



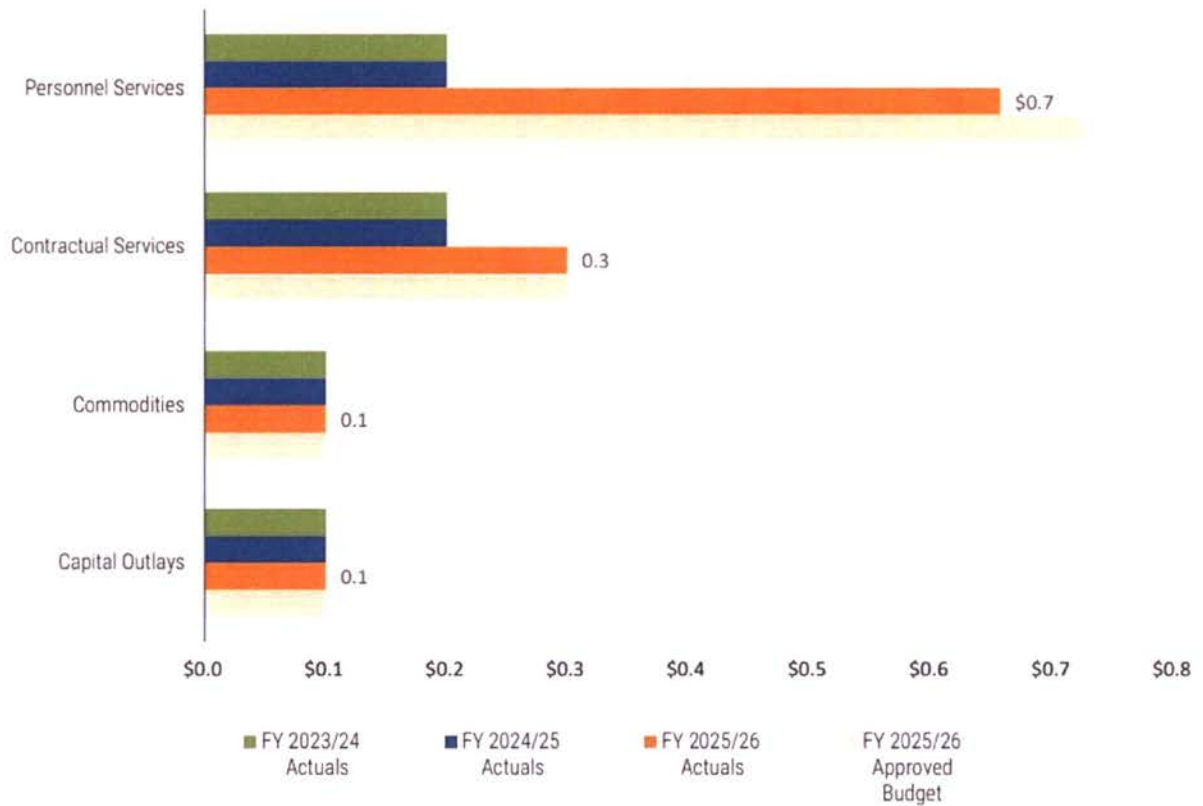
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Stadium Usage Fees	\$0.8	\$0.9	\$1.5	\$0.2	\$1.3	>100%
Contributions & Donations	0.6	1.1	0.1	0.0	0.0	>100%
Interest Earnings	0.1	0.1	0.2	0.1	0.0	31%
Total Sources	\$1.5	\$2.1	\$1.7	\$0.4	\$1.3	>100%

Actual to Revised Budget variance of \$1.3 million or >100%:

The favorable variance is largely driven by Stadium Usage Fees - increased Stadium bookings and receiving Delaware North concession proceeds and Giants fees earlier than budgeted.

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

Uses (Fiscal Year to Date: March 2026)



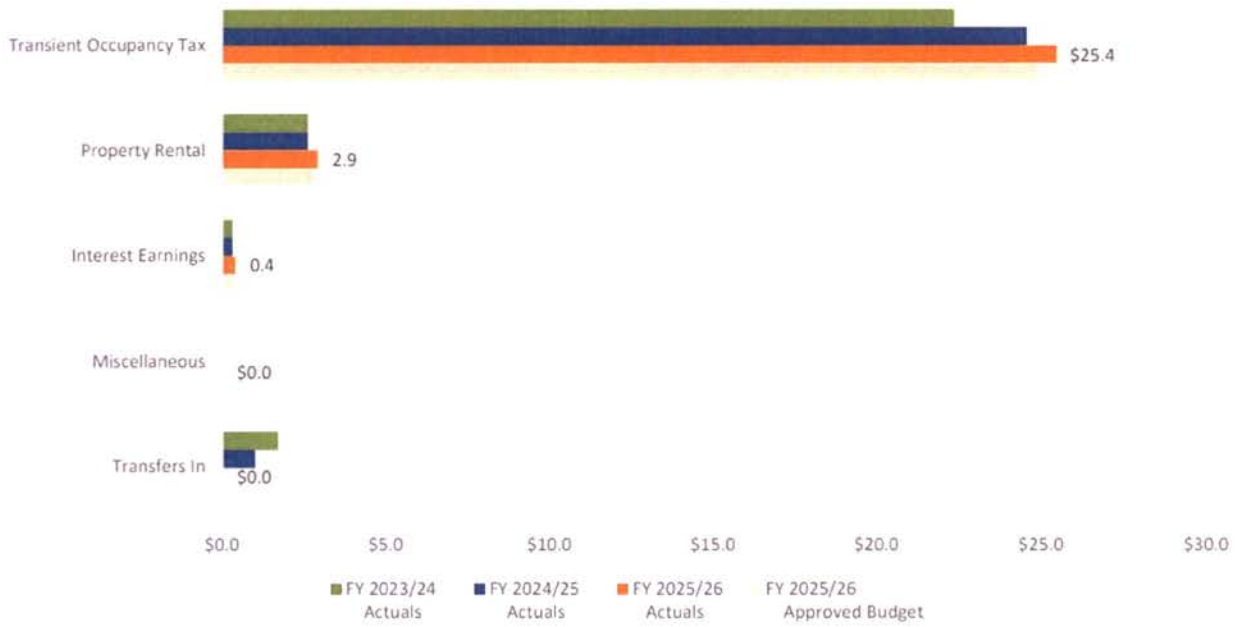
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Personnel Services	\$0.2	\$0.2	\$0.7	\$0.7	\$0.1	10%
Contractual Services	0.2	0.2	0.3	0.3	0.0	0%
Commodities	0.1	0.1	0.1	0.1	0.0	0%
Capital Outlays	0.1	0.1	0.1	0.1	0.0	0%
Total Uses	\$0.6	\$0.6	\$1.2	\$1.2	\$0.1	8%

Actual to Revised Budget variance of \$0.1 million or 8%:

The favorable variance is mainly due to Personnel Services - vacancy savings.

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

Sources (Fiscal Year to Date: March 2026)



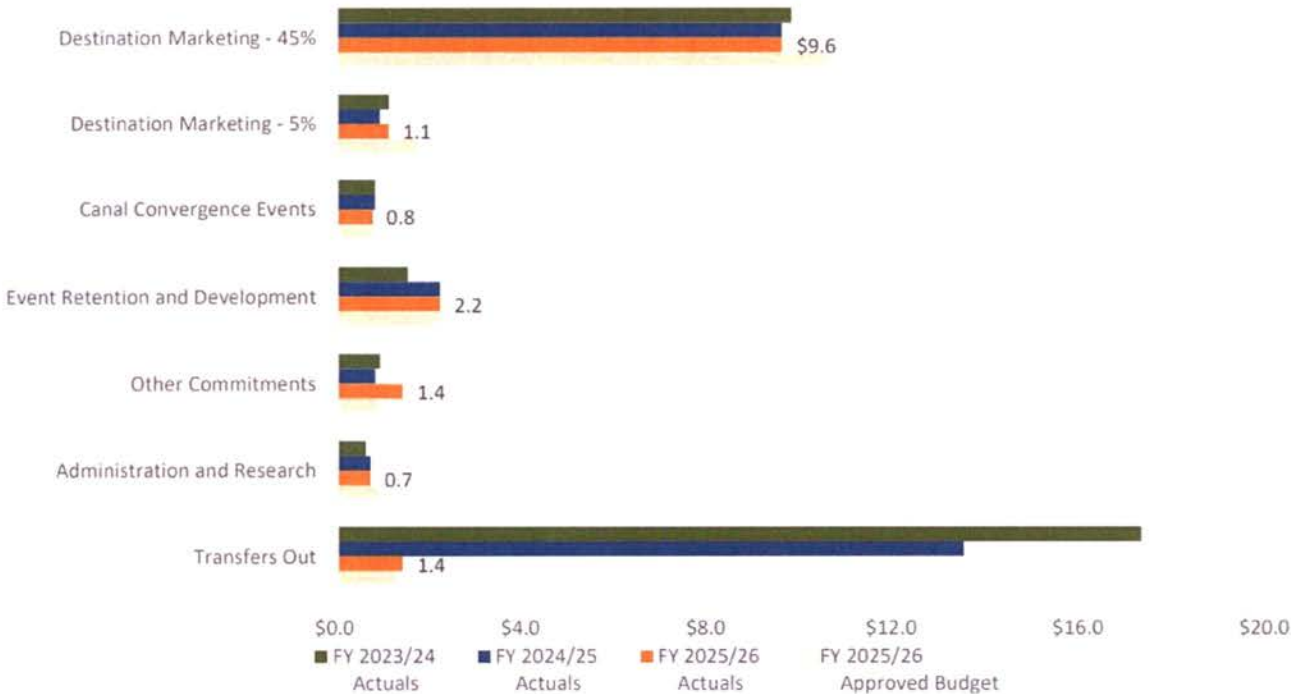
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Transient Occupancy Tax	\$22.3	\$24.5	\$25.4	\$24.9	\$0.5	2%
Property Rental	2.6	2.6	2.9	2.8	0.1	4%
Interest Earnings	0.3	0.3	0.4	0.4	-	-
Miscellaneous	-	-	-	\$0.0	0.0	0%
Transfers In	1.7	1.0	-	-	-	-
Total Sources	\$26.9	\$28.4	\$28.7	\$28.1	\$0.6	2%

Actual to Revised Budget variance of \$0.6 million or 2%:

The favorable variance in both Transient Occupancy Tax and Property Rental are largely due to a high performing events season in Scottsdale.

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

Uses (Fiscal Year to Date: March 2026)



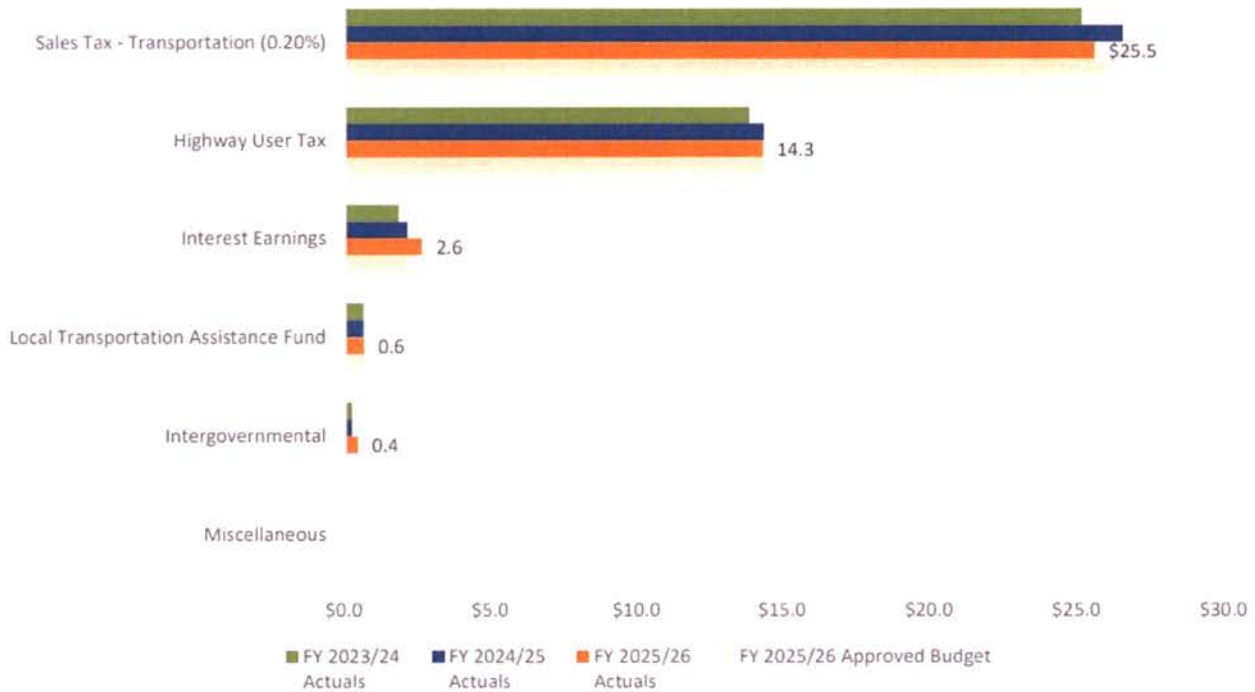
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Destination Marketing - 45%	\$9.8	\$9.6	\$9.6	\$10.6	\$1.0	9%
Destination Marketing - 5%	1.1	0.9	1.1	1.7	0.6	36%
Canal Convergence Events	0.8	0.8	0.8	0.8	0.1	6%
Event Retention and Development	1.5	2.2	2.2	2.2	0.0	0%
Other Commitments	0.9	0.8	1.4	0.9	(0.5)	(56%)
Administration and Research	0.6	0.7	0.7	0.9	0.2	22%
Transfers Out	17.3	13.5	1.4	1.3	(0.1)	(8%)
Total Uses	\$31.8	\$28.4	\$17.2	\$18.4	\$1.3	7%

Actual to Revised Budget variance of \$1.3 million or 7%:

The favorable variance in Destination Marketing - 45% is due to lower than budgeted contract payment to Destination Marketing due to the distribution of bed tax receipts, although this variance has narrowed significantly over the last quarter. 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: March 2026)



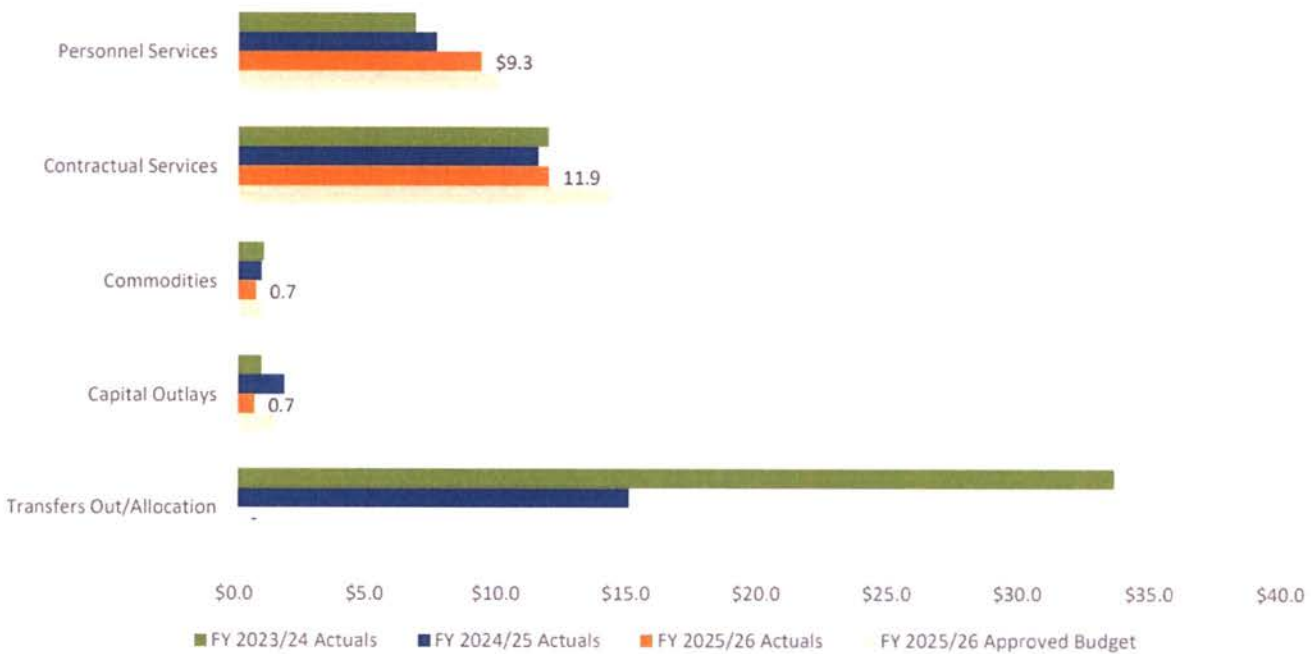
	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Sales Tax - Transportation (0.20%)	\$25.1	\$26.5	\$25.5	\$26.0	(\$0.5)	(2%)
Highway User Tax	13.8	14.3	14.3	14.4	(0.1)	<(1%)
Interest Earnings	1.8	2.1	2.6	2.1	0.4	21%
Local Transportation Assistance Fund	0.6	0.6	0.6	0.6	0.0	<1%
Intergovernmental	0.2	0.2	0.4	0.1	0.3	>100%
Miscellaneous	0.1	0.1	0.2	0.0	0.2	>100%
Total Sources	\$41.6	\$43.8	\$43.7	\$43.3	\$0.4	1%

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

The favorable variance is due to: 1) Interest Earnings - returns higher than anticipated, driven by invested balances that exceed what had been budgeted; 2) Intergovernmental - reimbursements from Valley Metro for ADA Cab Connection rides exceeding budgeted levels, reflecting greater program usage; and 3) Miscellaneous - a refund from the purchase of a right-of-entry from the Arizona State Land Department. It is partially offset by the unfavorable variance due to: Sales Tax - Transportation (0.20%) - a higher proportion of sales tax collections is 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

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

Uses (Fiscal Year to Date: March 2026)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percent
Personnel Services	\$6.8	\$7.6	\$9.3	\$10.1	\$0.8	7%
Contractual Services	11.9	11.5	11.9	14.4	2.4	17%
Commodities	1.0	0.9	0.7	1.1	0.4	33%
Capital Outlays	0.9	1.8	0.7	1.5	0.9	57%
Transfers Out/Allocation	33.6	15.0	-	-	-	-
Total Uses	\$54.2	\$36.7	\$22.6	\$27.0	\$4.4	16%

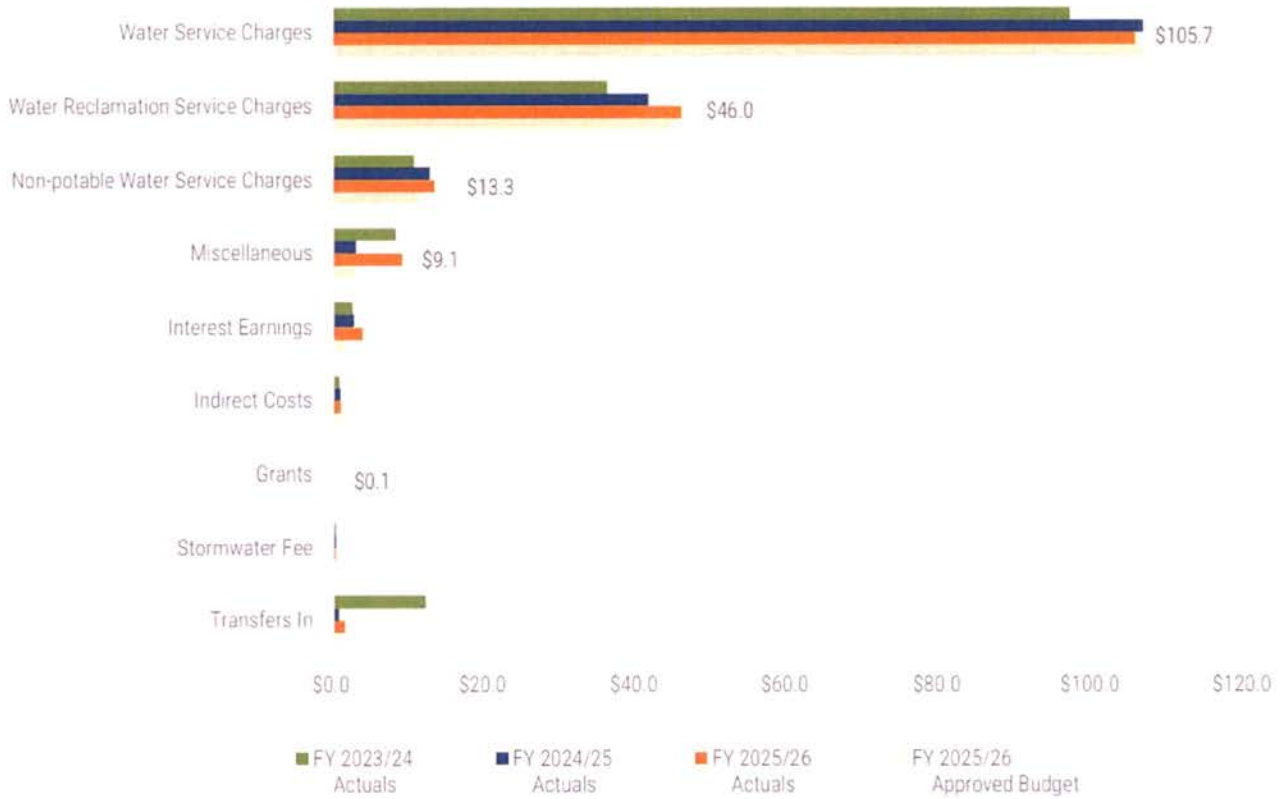
Actual to Approved Budget variance of \$4.4 million or 16%:

The favorable variance is primarily due to: 1) Personnel Services - vacancy savings; 2) Contractual Services - lower contractor spending due to fall schedule adjustments tied to shifting the Street Overlay work to the new in-house Liquid Road Program, rather than using contractors; 3) Commodities - delayed material purchases, including materials for the re-lamping of multiuse path lighting. The delay is due to project schedule adjustments while Purchasing finalizes the invitation for bid (IFB) contract needed to proceed; and 4) Capital Outlays - the favorable variance is due to fall schedule adjustments made to support the transition of the Liquid Road Program from contracted services to in-house delivery. As part of this transition, the department will use the budget authority later in the fiscal year to purchase equipment, contract with Infrastructure Management Services (IMS) for pavement evaluation and reporting, and acquire materials such as hot-mix.

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

Water & Water Reclamation Funds

Sources (Fiscal Year to Date: March 2026)



	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2025/26 Actuals	FY 2025/26 Approved Budget	Variance Amount	Variance Percentage
Water Service Charges	\$97.1	\$106.7	\$105.7	\$107.0	(\$1.3)	(1%)
Water Reclamation Service Charges	36.2	41.6	46.0	45.1	0.8	2%
Non-potable Water Service Charges	10.6	12.7	13.3	11.4	1.9	17%
Miscellaneous	8.2	3.0	9.1	3.0	6.1	>100%
Interest Earnings	2.5	2.7	3.9	1.8	2.1	>100%
Indirect Costs	0.8	0.9	1.0	0.9	0.1	10%
Grants	-	0.1	0.1	0.2	(0.2)	(71%)
Stormwater Fee	0.3	0.3	0.3	0.3	-	-
Transfers In	12.1	0.7	1.5	0.9	0.6	67%
Total Sources	\$167.8	\$168.7	\$180.8	\$170.7	\$10.1	6%

Actual to Approved Budget variance of \$10.1 million or 6%:

The favorable variance is due to 1) Miscellaneous - a one time settlement payment received; 2) Non-potable Water Service Charges - higher demand for reclaimed water and one-time revenue recovery for IWDS FY 2024/25 settlements with multiple golf courses; and 3) Transfers In - higher than anticipated internal transfers for RWDS, these transfers are offset on the Water and Water Reclamation Uses side. The favorable variance is offset by lower than expected Water Service Charges due to higher than expected rainfall.

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

	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 ^{11,12}	\$3,834,129	\$5,198,940	\$4,195,551	\$4,195,551	\$4,674,551
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	511,324
Other Income ¹²	132,588	513,337	188,822	188,822	188,822
Equidome Project Use Fee	360,000	360,000	360,000	360,000	360,000
Operating Transfer In ¹³	250,000	250,000	500,000	500,000	500,000
Operating Revenue	\$6,504,832	\$8,576,583	\$7,200,259	\$7,200,259	\$7,729,259
Operating Expenses¹²					
Personnel Services					
Wages/Salaries/Benefits	\$2,630,783	\$2,826,943	\$3,254,024	\$3,254,024	\$2,956,654
Overtime	114,282	146,131	131,191	131,191	128,663
Contractual Services					
Contractual Workers	420,805	420,944	459,719	459,719	459,719
Utilities ¹⁴	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
Other Expenses	100,967	61,397	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	\$10,342,259	\$10,342,259	\$10,042,361
Operating Income Before Debt Service and One-Time Expenses	(\$1,767,988)	(\$308,425)	(\$3,142,000)	(\$3,142,000)	(\$2,313,102)
Debt Service (Less contributions)¹⁵					
Debt Service - (52 & 17 acres) ¹⁶	\$2,255,480	\$5,978,230	\$311,443	\$311,443	\$311,443
Debt Service - TNEC (\$41.935M)	1,283,136	1,289,529	1,291,321	1,291,321	1,291,321
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)	(\$4,793,424)	(\$4,793,424)	(\$3,964,526)

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's 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 rather than two in FY 2024/25 due to the settlement of the January 2024 event not occurring until FY 2024/25.

¹³ The Operating Transfers In is a contribution from the Tourism Development Fund for operational support.

¹⁴ Increased utility costs are mainly due to higher electricity consumption required to support events.

¹⁵ The 2021B MPC bond issue was distributed across 11 purposes and designed to achieve consistent annual savings on an aggregate basis. Of the Tony Nelssen Equestrian Center debt refinanced through this issuance, \$1.2 million was attributed to the Tourism Development Fund contribution. The debt service varies depending on how allocations were made among the refunded bond issues to maintain overall level savings.

¹⁶ Debt related to the 2014 MPC Refunding Bonds was paid off in FY 2024/25.

City of Scottsdale
WestWorld
Statement of Operations for March 2026 - General Fund

	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 ^{11,12}	\$2,446,775	\$3,058,344	\$3,224,114	\$2,305,211	\$918,903	40%
RV Rental	382,932	503,870	356,977	289,275	67,702	23%
Feed/Bedding Sales	722,125	729,674	613,059	622,787	(9,728)	(2%)
Labor Fees	213,596	273,448	259,787	216,324	43,463	20%
Other Income ¹²	79,355	248,302	173,394	109,324	64,070	59%
Equidome Project Use Fee	360,000	360,000	240,000	240,000	-	-
Operating Transfer In ¹³	250,000	250,000	500,000	500,000	-	-
Operating Revenue	\$4,454,784	\$5,423,638	\$5,371,476	\$4,282,921	\$1,088,555	25%
Operating Expenses¹²						
Personnel Services						
Wages/Salaries/Benefits	\$2,003,609	\$2,151,336	\$2,122,723	\$2,502,418	\$379,695	15%
Overtime	85,706	114,094	76,339	124,077	47,738	38%
Contractual Services						
Contractual Workers	182,334	198,622	328,178	344,495	16,317	5%
Utilities ¹⁴	1,128,959	1,364,369	1,273,058	1,584,279	311,221	20%
Maintenance & Equipment Rental & Fleet	515,783	788,515	842,817	833,198	(9,619)	(1%)
Property, Liability & Workers' Comp	144,892	231,311	378,677	377,671	(1,006)	(0%)
Advertising/Marketing Contract	86,460	61,028	269,354	265,323	(4,031)	(2%)
Landfill Contract & Waste Disposal	68,571	63,404	114,291	101,656	(12,635)	(12%)
Other	137,240	149,438	213,760	160,644	(53,116)	(33%)
Commodities and Capital Outlays						
Agriculture & Horticulture & Other Supply	94,659	47,698	72,918	107,725	34,807	32%
Maintenance & Repairs Supply, Equipment	137,721	98,954	164,813	61,085	(103,728)	<(100%)
Inventory Purchased for Resale	404,662	378,109	423,063	435,921	12,858	3%
Other Expenses	25,766	53,366	31,332	40,221	8,889	<(100%)
BOR Admin						
BOR Admin/WestWorld	218,287	229,202	240,662	240,662	-	-
Allocated Expenses						
COS Indirect Costs	355,221	411,948	405,470	405,470	-	-
Operating Expenses	\$5,589,872	\$6,341,393	\$6,957,455	\$7,584,845	\$627,391	8%
Operating Income Before Debt Service and One-Time Expenses	(\$1,135,088)	(\$917,755)	(\$1,585,979)	(\$3,301,924)	\$1,715,945	52%
Debt Service (Less contributions)¹⁵						
Debt Service - (52 & 17 acres) ¹⁶	\$501,496	\$423,554	\$154,330	\$154,330	\$-	-%
Debt Service - TNEC (\$41.935M)	380,229	293,136	284,529	284,529	-	-
Net Debt Service	\$881,725	\$716,690	\$438,859	\$438,859	\$-	-%
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)	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	(\$2,221,641)	(\$1,634,445)	(\$2,024,838)	(\$3,789,443)	\$1,764,605	47%

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's 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 rather than two in FY 2024/25 due to the settlement of the January 2024 event not occurring until FY 2024/25.

¹³ The Operating Transfers In is a contribution from the Tourism Development Fund for operational support.

¹⁴ Increased utility costs are mainly due to higher electricity consumption required to support events.

¹⁵ The 2021B MPC bond issue was distributed across 11 purposes and designed to achieve consistent annual savings on an aggregate basis. Of the Tony Nelssen Equestrian Center debt refinanced through this issuance, \$1.2 million was attributed to the Tourism Development Fund contribution. The debt service varies depending on how allocations were made among the refunded bond issues to maintain overall level savings.

¹⁶ Debt related to the 2014 MPC Refunding Bonds was paid off in FY 2024/25.

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	\$1,461,364
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	\$2,261,790
Expenses					
Contractual Services					
Advertising/Marketing Contract	\$180,119	\$161,015	\$285,000	\$285,000	\$285,000
BOR	-	-	100,000	100,000	100,000
Other	-	26,799	6	6	6
WestWorld Master Plan Projects ¹³	-	51,096	-	-	-
Transfer Out to CIP ^{12,14,15}	-	-	4,242,389	4,242,389	2,399,814
Expenses	\$180,119	\$238,909	\$4,627,395	\$4,627,395	\$2,784,820
Debt Service (Less contributions)¹⁶					
Debt Service - TNEC Tourism Funded	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Bed Tax Contributions - TNEC	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Net Debt Service	\$-	\$-	\$-	\$-	\$-
Operating Income After Expenses and Debt Service	\$1,430,933	\$1,332,050	(\$2,540,605)	(\$2,540,605)	(\$523,030)

¹¹ The contribution for marketing efforts is spent within the Tourism Development Fund instead of being transferred to the General Fund.

¹² Bureau of Reclamation (BOR) funds for FY 2025/26 BOR funded projects include a \$400,000 Transfer Out to CIP for the Monterra Improvements Project.

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

¹⁴ Transfers Out to CIP in FY 2025/26 include the following projects: PD2304 - WestWorld Parking Access Plan, PD2501 - WestWorld Trail Parking Access Improvements, PD2607 - WestWorld Polo Field Renovation (amended to design only in the FY 2025/26 forecast), PP2501 - Scottsdale Sports Complex Turf Replacement, PP2608 - Scottsdale Sports Complex - Replace Pump Station, and PD2605 Monterra Improvements (BOR funded).

¹⁵ In FY 2025/26, the Special Event Parking (WestWorld Per Attendee Fee) fund balance was used to fund \$2 million of the total \$2.4 million Transfer Out to CIP.

¹⁶ The 2021B MPC bond issue was distributed across 11 purposes and designed to achieve consistent annual savings on an aggregate basis. Of the Tony Nelssen Equestrian Center debt refinanced through this issuance, \$1.2 million was attributed to the Tourism Development Fund contribution.

City of Scottsdale
WestWorld
Statement of Operations for March 2026 - 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	\$375,347	\$441,817	\$428,360	\$379,906	\$48,454	13%
Bed Tax Contribution - Marketing ¹¹	-	161,015	110,000	195,000	(85,000)	(44%)
BOR Funds ¹²	-	-	-	15,426	(15,426)	(100%)
Revenue	\$375,347	\$602,832	\$538,360	\$590,332	(\$51,972)	(9%)
Expenses						
Contractual Services						
Advertising/Marketing Contract	\$-	\$161,015	\$110,000	\$195,000	\$85,000	44%
BOR	-	-	88	-	(88)	(100%)
Other	9,908	11,311	-	6	6	100%
WestWorld Master Plan Projects	-	51,096	-	-	-	-
Expenses	\$9,908	\$223,422	\$110,088	\$195,006	\$84,918	44%
Operating Income After Expenses	\$365,439	\$379,410	\$428,272	\$395,326	\$32,946	8%

¹¹ The contribution for marketing efforts is spent within the Tourism Development Fund instead of being transferred to the General Fund.

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



Privilege (Sales) & Use Tax Collections For March 2026 (For Business Activity in February 2026)

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 3 percent compared to the Budget, and decreased 12 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

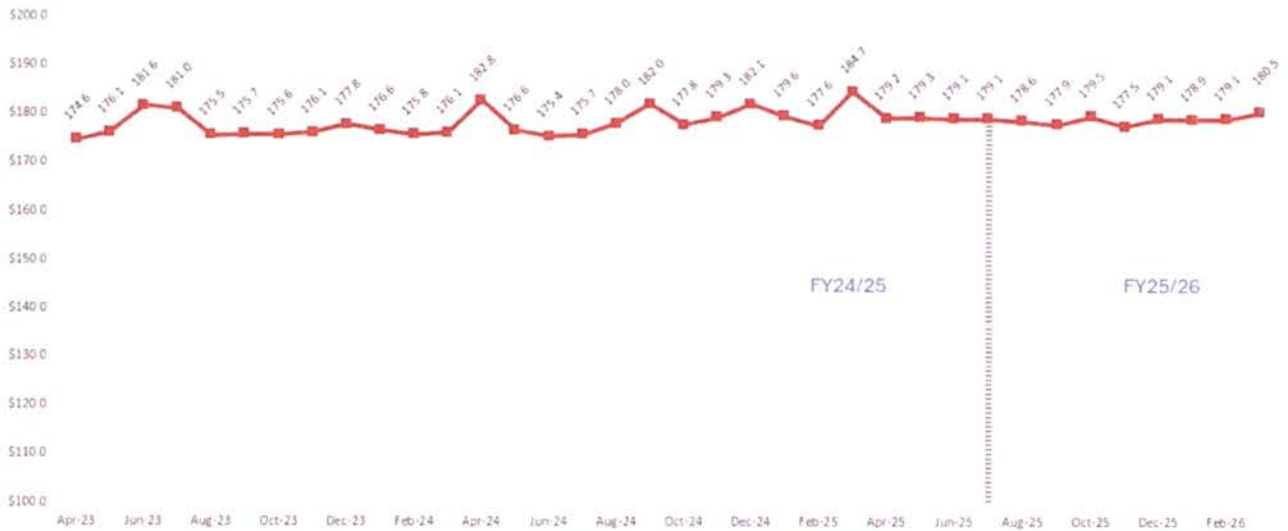
Privilege (Sales) & Use Tax by Category and Fund

Fiscal Year-to-Date: March 2026						
	2023/24	2024/25	2025/26	2025/26	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Favorable/(Unfavorable) Amount	Percent
1.00% General Purpose						
Amusement	n/a	\$2.1	\$2.1	\$2.0	\$0.1	6%
Automotive	15.3	16.8	15.6	17.0	(1.4)	-8%
Construction	13.6	14.7	14.9	14.4	0.5	3%
Dining/ Entertainment	12.2	12.5	12.4	11.5	0.8	7%
Food Stores	7.3	7.8	7.3	7.7	(0.4)	-6%
Hotel/Motel	6.8	7.5	7.6	7.1	0.5	7%
Major Dept. Stores	9.1	9.5	9.0	9.5	(0.6)	-6%
Manufacturing	n/a	2.0	2.5	1.7	0.7	42%
Misc. Retail Stores	28.6	31.8	32.3	31.2	1.1	3%
Other Activity	16.6	5.2	5.5	4.8	0.6	13%
Rentals	17.4	16.3	11.4	11.1	0.4	3%
Service with Retail	n/a	6.3	7.4	5.9	1.4	24%
Utilities	4.1	4.5	4.3	4.5	(0.3)	-6%
Wholesale	n/a	3.1	3.1	2.8	0.3	10%
Subtotal	\$130.9	\$140.0	\$135.1	\$131.3	\$3.8	3%
0.10% Public Safety	\$12.9	\$13.7	\$13.3	\$13.5	(\$0.2)	-2%
0.20% Transportation 1990	25.1	26.5	25.5	26.0	(0.5)	-2%
0.10% Transportation 2019	12.9	13.7	13.3	13.0	0.2	2%
0.20% McDowell Preserve 1995	25.7	27.5	3.4	-	3.4	-
0.15% Parks & Preserve 2025	n/a	n/a	17.4	19.4	(2.0)	-10%
0.15% McDowell Preserve 2004	19.3	20.6	19.9	19.5	0.4	2%
Total	\$226.7	\$242.2	\$212.3	\$222.7	\$5.1	2%
% Change vs. Prior Year	0%	7%	-12%	-8%		
Top 20 Taxpayers	\$45.4	\$49.4	\$47.6			
% of Total	20%	20%	22%			
% Change vs. Prior Year	3%	9%	-4%			

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 \$0.1 million or 6%: This is due in part to timing issue of when tax returns were filed this year versus last year in addition to the businesses in this category are doing better than anticipated.

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 (\$1.4) million or (8%): 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 activities; commercial and residential; new and re-model. It also includes landscaping, painting, flooring installation, siding, roofing, concrete, plumbing, heating, electrical, framing, drywall, infrastructure, masonry, finish carpentry, etc.

Actual to Revised Budget variance of \$0.5 million or 3%: 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 \$0.8 million or 7%: The variance is due in part to the businesses in this category doing 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 (\$0.4) million or (6%): The variance is due in part to a decrease in sales.

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 7%: The variance is due in part to the businesses in this category doing better than anticipated.

Major Department Stores Sales Taxes

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

Actual to Revised Budget variance of (\$0.6) million or (6%): 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 \$0.7 million or 42%: 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 \$1.1 million or 3%: The variance is due in part to timing issue of when tax returns were filed this year versus last year in addition to some businesses 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 13%: The variance is due in part to the businesses in this category doing better than anticipated and one-time audit payments.

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 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 \$1.4 million or 24%: 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 (\$0.3) million or (6%): 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 10%: 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.