



Financial Report
Fiscal Year-to-Date
As of March 2016

Report to the City Council
Prepared by City Treasurer
April 19, 2016



FINANCIAL REPORT YEAR-TO-DATE MARCH 2016

The following report is a summary of financial results for the City's General Fund (which is the primary operating fund of the City), Transportation Fund, Tourism Development Fund, major Enterprise Funds, Fleet Fund, Risk Fund and Benefits Self-Insurance Fund. The report also includes detailed information on the City's privilege (sales) tax by major category. Financial statements summarize sources and uses by major categories. Significant budget to actual variances are highlighted and explained. Additionally, the report includes a Statement of Operations for WestWorld. The statement summarizes operating revenue and expenses (before and after debt service).

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General Fund- Summary**FY 2015/16 - GENERAL FUND**

(\$ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted vs. Revised Favorable/(Unfavorable)	
			Amount	Percent
Sources	\$263.9	\$263.9	\$0.0	0%
Uses	263.8	264.3	(0.5)	0%
Change in Fund Balance	\$0.1	(\$0.4)	(\$0.5)	
Beginning Fund Balance	\$46.2	\$50.3	\$4.1	
Ending Fund Balance	\$46.3	\$49.9	\$3.6	
Reserved*	\$24.6	\$24.6	\$0.0	
Contingency	\$3.0	\$2.5	(\$0.5)	
Unreserved	\$18.7	\$22.8	\$4.1	

*General Fund Reserved equals 10% of operating expenses for the General Fund per Financial Policy No. 36.

March 2016: Current Month and YTD

(\$ in millions: Rounding differences may occur)

	March Actual	March Revised Budget	YTD Actuals	YTD Revised Budget	Actual vs. Budget Favorable/(Unfavorable)	
					Amount	Percent
Sources	\$21.3	\$19.3	\$197.2	\$189.9	\$7.3	4%
Uses	17.6	18.8	185.2	187.5	2.3	1%
Change in Fund Balance	\$3.6	\$0.5	\$12.0	\$2.4	\$9.6	

Sources

(\$ in millions: Rounding differences may occur)

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
1.1% Sales Taxes	\$104.9	\$110.4	\$110.0	\$110.0
State-Shared Revenues	50.9	54.5	55.5	55.5
Property Taxes	25.3	25.5	26.0	26.0
Franchise Fees/In-Lieu Taxes	12.2	12.4	12.0	12.0
Charges for Services/Other	24.3	29.5	30.1	30.1
Building Permit Fees & Charges	14.4	14.8	14.3	14.3
Interest Earnings *	0.8	0.9	0.9	0.9
Indirect/Direct Cost Allocation	6.6	6.5	6.0	6.0
Total Revenue	\$239.4	\$254.3	\$254.8	\$254.8
Transfers In	12.5	10.0	9.1	9.1
Total Sources	\$251.9	\$264.4	\$263.9	\$263.9
% Change vs. Prior Year	-5%	5%	0%	0%

	One Month: March 2016				Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
1.1% Sales Taxes	\$9.1	\$9.4	\$9.9	\$9.4	\$0.4	5%
State-Shared Revenues	4.5	4.5	5.0	4.5	0.5	10%
Property Taxes	1.0	0.9	1.0	1.0	-	-
Franchise Fees/In-Lieu Taxes	-	-	-	-	-	-
Charges for Services/Other	2.1	2.3	2.8	2.1	0.7	32%
Building Permit Fees & Charges	1.3	1.2	1.2	1.1	0.1	7%
Interest Earnings *	0.2	0.2	0.3	0.1	0.3	nm
Indirect/Direct Cost Allocation	0.5	0.5	0.5	0.5	-	-
Total Revenue	\$18.6	\$19.1	\$20.7	\$18.8	\$1.9	10%
Transfers In	0.5	0.5	0.5	0.5	-	-
Total Sources	\$19.2	\$19.5	\$21.3	\$19.3	\$1.9	10%
% Change vs. Prior Year	11%	2%	9%	-1%		

	Fiscal Year-to-Date: March 2016				Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
1.1% Sales Taxes	\$76.4	\$81.4	\$84.8	\$81.0	\$3.8	5%
State-Shared Revenues	37.9	40.0	41.5	40.8	0.7	2%
Property Taxes	16.4	15.9	16.6	16.8	(0.3)	-2%
Franchise Fees/In-Lieu Taxes	8.4	8.3	8.5	8.1	0.4	5%
Charges for Services/Other	16.5	18.4	23.2	21.0	2.1	10%
Building Permit Fees & Charges	11.6	11.1	10.0	9.9	0.1	1%
Interest Earnings *	1.4	0.7	1.2	0.7	0.6	84%
Indirect/Direct Cost Allocation	4.9	4.8	4.5	4.5	-	-
Total Revenue	\$173.4	\$180.6	\$190.1	\$182.8	\$7.3	4%
Transfers In	5.4	6.7	7.1	7.1	-	-
Total Sources	\$178.8	\$187.3	\$197.2	\$189.9	\$7.3	4%
% Change vs. Prior Year	-10%	5%	5%	1%		

* Beginning in September 2014, the timing when gains/losses on investments were recognized was retrospectively changed.

Sales Taxes

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
	Actual	Actual	Budget	Budget
General Purpose Sales Tax (1.00%)	\$95.6	\$100.6	\$100.2	\$100.2
Public Safety Sales Tax (0.10%)	9.3	9.8	9.8	9.8
Total General Fund Sales Taxes	\$104.9	\$110.4	\$110.0	\$110.0
% Change vs. Prior Year	7%	5%	0%	0%

	Fiscal Year-to-Date: March 2016				Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
	Actual	Actual	Actual	Budget	Amount	Percent
General Purpose Sales Tax (1.00%)	\$69.6	\$74.1	\$77.2	\$73.8	\$3.4	5%
Public Safety Sales Tax (0.10%)	6.8	7.2	7.6	7.2	0.4	5%
Total General Fund Sales Taxes	\$76.4	\$81.4	\$84.8	\$81.0	\$3.8	5%
% Change vs. Prior Year	8%	7%	4%	0%		

Actual to Revised Budget variance of \$3.8 million or 5%:

The favorable variance is primarily due to low gas prices and overall improved economy, which is reflected in increases in miscellaneous retail, automotive sales, computer hardware/software wholesalers, and sales from websites. Additionally, there were several large one-time audit payments recorded, and two large self-reported spec sales of apartment buildings.

State-Shared Revenues

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
	Actual	Actual	Budget	Budget
State Shared Sales Tax	\$18.9	\$19.9	\$20.8	\$20.8
State Shared Income Tax	24.2	26.3	26.2	26.2
Auto Lieu Tax	7.8	8.3	8.6	8.6
Total State Shared Revenues	\$50.9	\$54.5	\$55.5	\$55.5
% Change vs. Prior Year	8%	7%	2%	2%

	Fiscal Year-to-Date: March 2016				Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
	Actual	Actual	Actual	Budget	Amount	Percent
State Shared Sales Tax	\$14.0	\$14.5	\$15.3	\$15.3	\$ -	-
State Shared Income Tax	18.2	19.7	19.6	19.6	-	-
Auto Lieu Tax	5.8	5.7	6.6	5.9	0.7	12%
Total State Shared Revenues	\$37.9	\$40.0	\$41.5	\$40.8	\$0.7	2%
% Change vs. Prior Year	9%	6%	4%	2%		

Actual to Revised Budget variance of \$0.7 million or 2%:

The favorable variance is due to timing of receipts, which should come in as expected at year end.

Property Taxes

Actual to Revised Budget variance of (\$0.3) million or (2%):

The unfavorable variance is due to timing of receipts, which should come in as expected at year end.

Franchise Fees and In-Lieu Taxes

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
Electric and Gas Franchise	\$8.2	\$8.4	\$8.3	\$8.3
Cable TV License Fee	3.7	3.7	3.4	3.4
Salt River Project Lieu Tax	0.3	0.3	0.2	0.2
Total Franchise Fees/In-Lieu Taxes	\$12.2	\$12.4	\$12.0	\$12.0
% Change vs. Prior Year	1%	2%	-3%	-3%

	Fiscal Year-to-Date: March 2016					Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)		
	Actual	Actual	Actual	Revised Budget	Amount	Percent	
Electric and Gas Franchise	\$6.5	\$6.3	\$6.5	\$6.3	\$0.2	3%	
Cable TV License Fee	1.8	1.8	1.9	1.7	0.2	13%	
Salt River Project Lieu Tax	0.1	0.1	0.1	0.1	-	-	
Total Franchise Fees/In-Lieu Taxes	\$8.4	\$8.3	\$8.5	\$8.1	\$0.4	5%	
% Change vs. Prior Year	4%	-2%	2%	-2%			

Actual to Revised Budget variance of \$0.4 million or 5%:

The favorable variance is primarily driven by aggressive cable TV campaigns to maintain or to grow market share while facing a strong competition from online TV providers.

Charges for Services/Other

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
<i>Licenses, Permits & Fees</i>				
Recreation Fees	\$3.7	\$3.9	\$3.6	\$3.6
WestWorld	3.4	4.2	5.1	5.1
Fire Service Charges	0.7	0.9	0.8	0.8
Business Licenses & Fees	1.8	1.9	1.8	1.8
<i>Fines & Forfeitures</i>				
Court Fines	4.2	4.1	4.2	4.2
Photo Enforcement Revenue	1.9	2.9	2.9	2.9
Parking Fines	0.2	0.2	0.2	0.2
Library Fines & Fees	0.3	0.3	0.3	0.3
<i>Miscellaneous</i>				
Stormwater Water Quality Charge	0.9	0.9	0.9	0.9
Property Rental	2.2	2.9	3.0	3.0
Intergovernmental Revenue	1.2	1.2	1.2	1.2
Contributions/Donations	0.1	0.0	-	-
Miscellaneous	1.9	4.3	4.9	4.9
Reimbursements	1.8	1.8	1.1	1.1
Total Charges for Services/Other	\$24.3	\$29.5	\$30.1	\$30.1
% Change vs. Prior Year	-4%	21%	2%	2%

	Fiscal Year-to-Date: March 2016				Actual vs. Budget	
	2013/14	2014/15	2015/16	2015/16	Favorable/(Unfavorable)	
	Actual	Actual	Actual	Revised Budget	Amount	Percent
<i>Licenses, Permits & Fees</i>						
Recreation Fees	\$2.6	\$2.6	\$2.9	\$2.4	\$0.5	22%
WestWorld	1.9	2.8	2.3	2.3	-	-
Fire Service Charges	0.6	0.6	0.7	0.5	0.2	35%
Business Licenses & Fees	1.5	1.6	1.6	1.6	-	-
<i>Fines & Forfeitures</i>						
Court Fines	3.1	3.0	2.8	2.9	(0.2)	-5%
Photo Enforcement	1.2	2.1	2.7	2.2	0.5	25%
Parking Fines	0.2	0.2	0.2	0.2	-	-
Library Fines & Fees	0.2	0.3	0.3	0.2	-	-
<i>Miscellaneous</i>						
Stormwater Water Quality Charge	0.7	0.7	0.7	0.7	-	-
Property Rental	1.1	1.5	1.8	1.5	0.2	15%
Intergovernmental Revenue	1.0	0.9	0.7	0.9	(0.2)	-22%
Contributions/Donations	0.0	0.0	-	-	-	-
Miscellaneous	1.3	1.0	5.5	4.7	0.8	16%
Reimbursements	1.2	1.2	1.0	0.8	0.2	21%
Total Charges for Services/Other	\$16.5	\$18.4	\$23.2	\$21.0	\$2.1	10%
% Change vs. Prior Year	-6%	12%	26%	14%		

Actual to Revised Budget variance of \$2.1 million or 10%:

Recreation fees are trending ahead thanks to strong revenues in July, November and December. Accruals of unpaid FY2014/15's invoices and some additional fees for non-compliance to the ambulance contract contributed to the favorable variance in Fire Service Charges. The decline in Court Fines filings is offset by the favorable variance in Photo Enforcement. The favorable variance in Property Rental is mainly driven by timing of receipt of the Charros payment for the Stadium rental. The unfavorable variance in Intergovernmental Revenue is primarily due to the reduction to the School Resource Officer Program intergovernmental agreement authorized by City Council after the FY 2015/16 budget adoption. The favorable variance in Miscellaneous is primarily due to the unbudgeted sale of a DC Ranch property. Finally, the favorable variance in Reimbursements is explained by the one-time reimbursement of expenses for 1 FTE Fire Captain-Paramedic for the Mobile Integrated Health Program, according to the contract signed with Honor Health at the beginning of this fiscal year for which there was no budget.

Building Permit Fees and Charges

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

The favorable variance is driven by building valuations for single family residential, which continues to remain strong.

Interest Earnings

Actual to Revised Budget variance of \$0.6 million or 84%:

The favorable variance is due mainly to higher than expected rates as well as having \$40 million more in investment funds than budgeted. The city is required to record potential gains/losses that result from changes in fair value of investments. However, these may or may not materialize as it will depend on the activity in the portfolio.

Indirect/Direct Cost Allocations

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

No explanation is necessary.

Transfers In

	Twelve Months: Fiscal Year			
	2013/14	2014/15	2015/16	2015/16
	Actual	Actual	Adopted Budget	Revised Budget
Enterprise In Lieu Franchise Fees	\$7.0	\$6.8	\$7.2	\$7.2
Debt Stabilization	-	1.1	-	-
Tourism Development - Bed Tax	3.1	1.5	1.5	1.5
Tourism Development - WW	2.1	-	-	-
SW Gas Agreement (Excess Rev)	-	0.2	-	-
Transfers-In - CIP	-	-	-	-
Miscellaneous	-	0.1	-	-
30 Day Tow	0.3	0.4	0.4	0.4
Total Transfers In	\$12.5	\$10.0	\$9.1	\$9.1
% Change vs. Prior Year	18%	-20%	-9%	-9%

	Fiscal Year-to-Date: March 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget		
	Actual	Actual	Actual	Revised Budget	Favorable/(Unfavorable) Amount	Percent	
Enterprise In Lieu Franchise Fees	\$5.1	\$4.9	\$5.2	\$5.3	(\$0.1)	-2%	
Tourism Development - Bed Tax	-	1.5	1.5	1.5	-	-	
Tourism Development - WW	0.0	-	-	-	-	-	
Transfers-In - CIP	-	-	0.0	-	-	-	
30 Day Tow	0.2	0.3	0.3	0.3	-	-	
Fire	-	-	-	-	-	-	
Total Transfers In	\$5.4	\$6.7	\$7.1	\$7.1	-	-	
% Change vs. Prior Year	-3%	25%	5%	6%			

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

No explanation is necessary.

Uses

(\$ in millions: Rounding differences may occur)

	Twelve Months: Fiscal Year				
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	\$163.6	\$169.6	\$177.8 *	\$177.8 *	\$ -
Contractual	53.3	54.1	56.6	56.6	-
Commodities	7.6	7.8	7.9	8.4	0.5
Capital Outlays	0.6	0.5	0.5	0.5	-
Total Operating Expenses	\$225.0	\$232.0	\$242.8	\$243.3	\$0.5
Debt Service & Contracts Payable	15.7	15.4	14.8	14.8	-
Transfers Out	6.3	13.0	6.2	6.2	-
Total Uses	\$247.0	\$260.3	\$263.8 *	\$264.3 *	\$0.5
% Change vs. Prior Year	-8%	5%	1%	1%	

	One Month: March 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)		
					Amount	Percent	
Expenses:							
Personnel Services	\$12.4	\$13.2	\$13.2	\$13.5	\$0.3	2%	
Contractual	3.7	3.8	3.7	4.5	0.8	19%	
Commodities	0.9	0.6	0.7	0.9	0.1	15%	
Capital Outlays	-	-	-	-	-	-	
Total Operating Expenses	\$17.0	\$17.6	\$17.6	\$18.8	\$1.3	7%	
Debt Service & Contracts Payable	-	-	-	-	-	-	
Transfers Out	-	-	-	-	-	-	
Total Uses	\$17.0	\$17.6	\$17.6	\$18.8	\$1.3	7%	
% Change vs. Prior Year	-24%	4%	0%	7%			

	Fiscal Year-to-Date: March 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)		
					Amount	Percent	
Expenses:							
Personnel Services	\$126.0	\$130.7	\$133.7	\$135.0	\$1.3	1%	
Contractual	38.8	40.1	41.0	42.9	2.0	5%	
Commodities	5.0	5.3	5.0	5.8	0.8	14%	
Capital Outlays	0.1	0.2	0.2	0.1	(0.1)	-41%	
Total Operating Expenses	\$169.9	\$176.3	\$179.8	\$183.9	\$4.1	2%	
Debt Service & Contracts Payable	1.6	1.6	1.6	1.6	-	-	
Transfers Out	0.4	-	3.7	2.0	(1.7)	-85%	
Total Uses	\$172.0	\$177.9	\$185.2	\$187.5	\$2.3	1%	
% Change vs. Prior Year	-14%	3%	4%	5%			

	Fiscal Year-to-Date: March 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)		
					Amount	Percent	
Expenses:							
Mayor & Council and Charter Officers	\$13.6	\$13.9	\$15.3	\$15.3	\$ -	-	
Administrative Services	11.4	11.6	12.1	12.2	0.1	1%	
Community & Economic Dev	18.4	18.6	18.6	19.2	0.6	3%	
Community Services	24.5	25.2	25.3	26.2	0.9	3%	
Public Safety - Fire	23.9	25.1	26.3	26.2	(0.1)	0%	
Public Safety - Police	64.4	68.6	69.5	71.5	2.0	3%	
Public Works	13.6	13.2	12.8	13.3	0.5	4%	
Total Operating Expenses	\$169.9	\$176.3	\$179.8	\$183.9	\$4.1	2%	

*Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance and compensation adjustments.

Personnel Services

	Twelve Months: Fiscal Year				
	2013/14	2014/15	2015/16	2015/16	2015/16
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised Budget</u>	<u>Approved Adjustments</u>
Salaries and Wages	\$115.6	\$119.3	\$122.3 *	\$123.0 *	\$0.8
Overtime	7.2	8.0	7.1	7.0	-
FICA	7.9	8.1	8.5	8.4	(0.1)
Retirement	17.2	18.4	22.3	22.1	(0.2)
Health/Dental/Miscellaneous	15.6	15.8	17.7	17.2	(0.5)
Total Personnel Services	\$163.6	\$169.6	\$177.8 *	\$177.8 *	\$ -
% Change vs. Prior Year	4%	4%	5%	5%	

	Fiscal Year-to-Date: March 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget		
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	Favorable / (Unfavorable)	Amount	Percent
Salaries and Wages	\$88.9	\$91.9	\$93.1	\$94.0	\$0.9	1%	
Overtime	5.9	6.4	5.5	5.5	-	-	
FICA	6.1	6.3	6.3	6.4	0.1	1%	
Retirement	13.3	14.2	16.2	16.3	0.2	1%	
Health/Dental/Miscellaneous	11.7	11.8	12.6	12.8	0.2	2%	
Total Personnel Services	\$126.0	\$130.7	\$133.7	\$135.0	\$1.3	1%	
% Change vs. Prior Year	4%	4%	2%	3%			
Pay Periods	20	20	20				

*Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance and compensation adjustments.

Actual to Revised Budget variance of \$1.3 million or 1%:

The favorable variance in Personnel Services is due primarily to savings in Full and Part-Time Wages in Community Services. The division has hired a number of new incumbents at rates less than the existing budget and has also maximized the hours worked and scheduling of part-time staff to allow for greater coverage with existing staff. There is also significant savings in both Fire and City Attorney due to retirements and existing employees promoting into positions with budget amounts that exceed their current earnings. Additionally, while Overtime has no notable citywide variance the Fire Division is unfavorable by \$433K due to increased leave usage for staff trained in Advanced Life Support (ALS - paramedics) and during March there were a number of firefighters on light duty and other various leaves for medical and other injuries. This is fully offset by the Police Division which is favorable by \$434K in their various Overtime lines. The favorable variance in Retirement is related to the Police Division DROP (Deferred Retirement Option Program). The city does not pay retirement for those sworn employees in the DROP program and, therefore, a retirement budget is not programmed for DROP employees. However, there was a larger number of employees than originally anticipated who entered the DROP program after the budget was adopted, so for those DROP employees their retirement budget will go unspent and a favorable variance will result. Finally, the favorable variance in Health/Dental/Miscellaneous is due to citywide turnover through normal attrition and retirements with new employees at the City choosing benefit plans that do not align with the existing budget.

Macro Personnel Adjustments

	2013/14	2014/15	2015/16	2015/16	
	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Saved/(Used)</u>	<u>Remaining</u>
Pay for Performance	\$2.8	\$4.6	\$3.1	(\$3.0)	\$0.1
Retirement Savings	-	-	-	0.4	0.4
Compensation Adjustments	0.6	-	-	-	-
Vacancy Savings	(3.8)	(3.8)	(3.8)	3.6	(0.2)
Vacation Leave Payouts	0.5	0.7	0.9	(0.6)	0.3
Medical Leave Payouts	0.8	1.6	1.0	(0.8)	0.2
Total Vacancy Savings/Payouts	\$0.9	\$3.1	\$1.2	(\$0.4)	\$0.8

Total Saved/(Used) YTD of (\$0.4) million:

The City has achieved \$3.6 million in vacancy savings year-to-date offset by (\$1.4) million in vacation and medical leave payouts. In July, the Citywide Pay Program was funded and implemented initiating the use of ongoing dollars for compensation. Additionally, Arizona State Retirement System (ASRS) rates were budgeted higher than the actual rates. Therefore, the ASRS budget within divisions was reduced to the actual need and the savings was placed in a macro holding account and will go unused for FY 2015/16. Similarly, for Public Safety Personnel Retirement System (PSPRS), all 3 pay periods in July were budgeted at the new year rate of 35.53% when the first pay period should have been budgeted at FY 2015/16's 28.38% so a budget transfer occurred to modify the month of July and to reduce division budgets.

Contractual Services

Actual to Revised Budget variance of \$2.0 million or 5%:

The favorable variance is attributable to fewer callouts for building maintenance in city buildings than was anticipated based on previous activity levels. This variance also relates to contracts that did not receive the expected invoices during this period including invoices for Public Safety and various other invoices such as computer hardware and software related updates. Although the budget for these items is in the period where staff believed the payment would exist there have been delays in the timely receipt of these and other invoices.

Commodities

Actual to Revised Budget variance of \$0.8 million or 14%:

The favorable variance is primarily the result of the timing and receipt of pending invoices. In certain instances budget adjustments have occurred to minimize this variance moving forward. In addition, the favorable variance is a result of various accounts, such as operating supplies, maintenance services and repair materials, education and recreation supplies, and office supplies which are difficult to budget in the appropriate period as they do not have a predictable spending pattern across all periods throughout the year.

Capital Outlays

Actual to Revised Budget variance of (\$0.1) million or (41%):

The unfavorable variance is due to invoice timing.

Debt Service & Contracts Payable

	Twelve Months: Fiscal Year						
	2013/14	2014/15	2015/16	2015/16	2015/16		
	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Approved Adjustments</u>		
MPC Excise Debt Fund	\$12.8	\$12.6	\$11.9	\$11.9	\$ -		
Contracts Payable	0.3	0.3	0.3	0.3	-		
COP - Radio Financing	2.5	2.5	2.5	2.5	-		
Debt Service & Contracts Payable	<u>\$15.7</u>	<u>\$15.4</u>	<u>\$14.8</u>	<u>\$14.8</u>	<u>\$ -</u>		
% Change vs. Prior Year	4%	-2%	-4%	-4%			

	Fiscal Year-to-Date: March 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget		
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>	
MPC Excise Debt Fund	\$ -	\$ -	\$ -	\$ -	\$ -	-	
Contracts Payable	0.3	0.3	0.3	0.3	-	-	
COP - Radio Financing	1.3	1.3	1.3	1.3	-	-	
Debt Service & Contracts Payable	<u>\$1.6</u>	<u>\$1.6</u>	<u>\$1.6</u>	<u>\$1.6</u>	<u>\$ -</u>	<u>-</u>	
% Change vs. Prior Year	-95%	4%	0%	0%			

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

No explanation is necessary.

Transfers-Out

	Twelve Months: Fiscal Year				
	2013/14	2014/15	2015/16	2015/16	2015/16
	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Approved Adjustments</u>
CIP - Stadium	\$0.1	\$0.1	\$0.1	\$0.1	\$ -
CIP - PAYGO	5.8	12.8	6.1	6.1	-
Healthcare - Disabled and Retiree	-	-	-	-	-
Spec Pgms Fund - Planning & Dev	0.1	0.1	0.1	0.1	-
Grants Fund - CDBG	0.4	-	-	-	-
Total Transfers Out	<u>\$6.3</u>	<u>\$13.0</u>	<u>\$6.2</u>	<u>\$6.2</u>	<u>\$ -</u>
% Change vs. Prior Year	-28%	nm	-52%	-52%	

	Fiscal Year-to-Date: March 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget		
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>(Unfavorable) Percent</u>	
CIP - Stadium	\$0.1	\$ -	\$ -	\$ -	\$ -	-	
CIP - PAYGO	-	-	2.7	2.0	(0.7)	-35%	
Healthcare - Disabled and Retiree	-	-	1.0	-	(1.0)	n/a	
Spec Pgms Fund - Planning & Dev	-	-	-	-	-	-	
Grants Fund - CDBG	0.4	-	-	-	-	-	
Total Transfers Out	<u>\$0.4</u>	<u>\$ -</u>	<u>\$3.7</u>	<u>\$2.0</u>	<u>(\$1.7)</u>	<u>-85%</u>	
% Change vs. Prior Year	-88%	-100%	0%	0%			

Actual to Revised Budget variance of (\$1.7) million or (85%):

The CIP- PAYGO unfavorable variance is due to the sale of city (DC Ranch) property per Council Resolution No. 10271 on December 2, 2015. These proceeds while collected in the General Fund were transferred to the Capital Improvement Program (CIP). Additionally the City Council approved Resolution No.10336 on January 23, 2016 authorizing the transfer of approximately \$1.0 million from the General Fund to the Benefits Self Insurance Fund. This is to reimburse the Fund for it's proportional share for health related expenditures which accumulated due to offering coverage to retirees in previous years (\$0.7 million). A portion is also related to a subsidy authorized by City Council to offer ongoing health benefits to disabled Public Safety retirees (\$0.3 million) and will be included in future budgets.

FY 2015/16 - TRANSPORTATION FUND				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted vs. Revised Favorable / (Unfavorable) Amount	Percent
Sources	\$35.1	\$35.1	\$ -	-
Uses	39.1	39.1	-	-
Change in Fund Balance	(\$4.0)	(\$4.0)	\$ -	
Beginning Fund Balance	\$9.2	\$10.5	\$1.3	
Ending Fund Balance	<u>\$5.1</u>	<u>\$6.4</u>	<u>\$1.3</u>	
Reserved*	\$2.6	\$2.6	\$ -	
Unreserved Fund Balance	2.1	3.4	1.3	
Contingency	0.5	0.5	-	
Ending Fund Balance	<u>\$5.1</u>	<u>\$6.4</u>	<u>\$1.3</u>	

* Transportation Fund Stabilization Reserve equals 10% of operating expenses per Financial Policy No. 35.

Twelve Months: Fiscal Year					
	2013/14 <u>Actual</u>	2014/15 <u>Actual</u>	2015/16 <u>Adopted Budget</u>	2015/16 <u>Revised Budget</u>	2015/16 <u>Approved Adjustments</u>
Revenues:					
HURF Taxes	\$12.3	\$13.5	\$13.6	\$13.6	\$ -
0.20% City Sales Tax	18.1	19.1	19.0	19.0	-
Other	2.3	1.7	2.5	2.5	-
Total Revenues	<u>\$32.7</u>	<u>\$34.3</u>	<u>\$35.1</u>	<u>\$35.1</u>	<u>\$ -</u>
Transfers In	-	-	-	-	-
Total Sources	<u>\$32.7</u>	<u>\$34.3</u>	<u>\$35.1</u>	<u>\$35.1</u>	<u>\$ -</u>
% Change vs. Prior Year	<u>1%</u>	<u>5%</u>	<u>2%</u>	<u>2%</u>	

Twelve Months: Fiscal Year					
	2013/14 <u>Actual</u>	2014/15 <u>Actual</u>	2015/16 <u>Adopted Budget</u>	2015/16 <u>Revised Budget</u>	2015/16 <u>Approved Adjustments</u>
Expenses:					
Personnel Services	\$5.4	\$5.7	\$6.0 **	\$6.0 **	\$ -
Contractual	15.7	17.3	18.4	18.4	-
Commodities	0.8	0.9	0.9	0.9	-
Capital Outlays	-	-	0.3	0.3	-
Total Operating Expenses	<u>\$21.9</u>	<u>\$23.9</u>	<u>\$25.6</u>	<u>\$25.6</u>	<u>\$ -</u>
Transfers Out					
CIP Fund	9.1	9.6	13.6	13.6	-
Total Uses	<u>\$31.0</u>	<u>\$33.5</u>	<u>\$39.1 **</u>	<u>\$39.1 **</u>	<u>\$ -</u>
% Change vs. Prior Year	<u>6%</u>	<u>8%</u>	<u>17%</u>	<u>17%</u>	

**Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance and compensation adjustments.

March 2016: Current Month and YTD						
(\$ in millions: Rounding differences may occur)						
	March Actual	March Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	vs. Budget (Unfavorable) Percent
Sources	\$2.9	\$2.8	\$25.7	\$25.8	(\$0.1)	0%
Uses	2.0	1.8	16.7	18.2	1.5	8%
Change in Fund Balance	\$0.9	\$1.0	\$9.0	\$7.5	\$1.5	

One Month: March 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	vs. Budget (Unfavorable) Percent
Revenues:						
HURF Taxes	\$1.0	\$1.1	\$1.1	\$1.1	\$ -	-
0.20% City Sales Tax	1.6	1.6	1.7	1.6	0.1	5%
Other	0.1	0.1	0.1	0.1	-	-
Total Revenues	\$2.6	\$2.8	\$2.9	\$2.8	\$0.1	4%
Transfers In	-	-	-	-	-	-
Total Sources	\$2.6	\$2.8	\$2.9	\$2.8	\$0.1	4%
% Change vs. Prior Year	0%	8%	3%	0%		

Fiscal Year-to-Date: March 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	vs. Budget (Unfavorable) Percent
Revenues:						
HURF Taxes	\$8.7	\$9.6	\$10.1	\$10.2	(\$0.1)	-1%
0.20% City Sales Tax	13.1	14.0	14.6	14.0	0.6	5%
Other	0.9	0.9	1.0	1.6	(0.6)	-40%
Total Revenues	\$22.8	\$24.5	\$25.7	\$25.8	(\$0.1)	0%
Transfers In	-	-	-	-	-	-
Total Sources	\$22.8	\$24.5	\$25.7	\$25.8	(\$0.1)	0%
% Change vs. Prior Year	0%	8%	5%	5%		

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

The favorable variance in 0.20% City Sales Tax is driven by higher than expected collections. See Appendix 1 for a detailed breakdown of Sales Tax by category. The unfavorable variance in Other is due to the timing of receipts of Arizona Lottery funds thru Valley Metro.

One Month: March 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
Expenses:	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Personnel Services	\$0.2	\$0.5	\$0.3	\$0.3	\$ -	-
Contractual	1.7	1.8	1.5	1.4	(0.1)	-8%
Commodities	-	-	0.1	0.1	-	-
Capital Outlays	-	-	-	-	-	-
Total Operating Expenses	\$2.0	\$2.4	\$1.9	\$1.8	(\$0.1)	-7%
Transfers Out						
CIP Fund	-	-	-	-	-	-
Total Uses	\$2.0	\$2.4	\$2.0	\$1.8	(\$0.2)	-9%
% Change vs. Prior Year	-8%	20%	-17%	-24%		

Fiscal Year-to-Date: March 2016						
	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
Expenses:	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Personnel Services	\$4.1	\$4.7	\$4.6	\$4.6	\$ -	-
Contractual	11.0	11.4	11.1	12.7	1.6	13%
Commodities	0.5	0.6	0.7	0.6	-	-
Capital Outlays	-	-	0.2	0.2	-	-
Total Operating Expenses	\$15.7	\$16.7	\$16.6	\$18.2	\$1.6	9%
Transfers Out						
CIP Fund	-	-	0.1	-	(0.1)	n/a
Total Uses	\$15.7	\$16.7	\$16.7	\$18.2	\$1.5	8%
% Change vs. Prior Year	7%	6%	0%	9%		

Actual to Revised Budget variance of \$1.5 million or 8%:

The favorable variance in Contractual is driven by the decrease of the cost of two transit service Intergovernmental Agreements. The first one, signed with the Regional Public Transit Authority (\$1.1 million reduction - Resolution No.10304) and the second one, with the City of Phoenix (\$0.1 million reduction - Resolution No.10250).

FY 2015/16 - TOURISM DEVELOPMENT FUND				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$18.5	\$18.5	\$ -	-
Uses	17.3	17.3	-	-
Change in Fund Balance	\$1.3	\$1.3	\$ -	
Beginning Fund Balance	\$6.9	\$9.5	\$2.6	
Ending Fund Balance	<u>\$8.1</u>	<u>\$10.8</u>	<u>\$2.6</u>	
Operating Contingency	\$2.5	\$2.5	\$ -	
Unreserved Fund Balance	5.6	8.3	2.6	
Ending Fund Balance	<u>\$8.1</u>	<u>\$10.8</u>	<u>\$2.6</u>	

	Twelve Months: Fiscal Year				
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Bed Taxes	\$15.3	\$16.9	\$16.9	\$16.9	\$ -
Miscellaneous Revenue	-	0.2	-	-	-
Princess Hotel Lease	1.7	1.8	1.6	1.6	-
Total Revenues	<u>\$17.0</u>	<u>\$18.9</u>	<u>\$18.5</u>	<u>\$18.5</u>	<u>\$ -</u>
Transfers In	0.1	-	-	-	-
Transfers In - CIP	-	-	-	-	-
Total Sources	<u>\$17.1</u>	<u>\$18.9</u>	<u>\$18.5</u>	<u>\$18.5</u>	<u>\$ -</u>
% Change vs. Prior Year	<u>-7%</u>	<u>10%</u>	<u>-2%</u>	<u>-2%</u>	

	Twelve Months: Fiscal Year				
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Marketing (CVB)	\$7.7	\$8.5	\$8.5	\$8.5	\$ -
Events & Event Development	1.1	1.9	2.2	2.2	-
Downtown Trolley	-	-	0.3	0.3	-
Hospitality Trolley	0.1	0.2	-	-	-
Admin/Research	0.4	1.2	0.5	0.5	-
Mayor and City Council	-	0.1	0.1	0.1	-
Capital Outlays	-	-	0.5	0.5	-
Total Operating Expenses	<u>\$9.3</u>	<u>\$11.9</u>	<u>\$12.0</u>	<u>\$12.0</u>	<u>\$ -</u>
Transfers Out					
CIP	0.2	2.2	0.2	0.2	-
Debt Service	1.8	2.7	3.6	3.6	-
General Fund	3.7	1.5	1.5	1.5	-
Total Uses	<u>\$15.1</u>	<u>\$18.3</u>	<u>\$17.3</u>	<u>\$17.3</u>	<u>\$ -</u>
% Change vs. Prior Year	<u>34%</u>	<u>22%</u>	<u>-6%</u>	<u>-6%</u>	

March 2016: Current Month and YTD						
(\$ in millions: Rounding differences may occur)						
	March Actual	March Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	vs. Budget (Unfavorable) Percent
Sources	\$2.4	\$2.4	\$12.1	\$11.8	\$0.3	3%
Uses	1.2	0.8	11.8	8.9	(2.9)	-32%
Change in Fund Balance	\$1.2	\$1.6	\$0.3	\$2.8	(\$2.5)	

One Month: March 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Bed Taxes	\$2.0	\$2.2	\$2.3	\$2.2	\$0.1	4%
Miscellaneous Revenue	-	-	-	-	-	-
Princess Hotel Lease	0.1	0.1	0.1	0.1	-	-
Total Revenues	\$2.1	\$2.3	\$2.4	\$2.4	\$0.1	4%
Transfers In	-	-	-	-	-	-
Transfers In - CIP	-	-	-	-	-	-
Total Sources	\$2.1	\$2.3	\$2.4	\$2.4	\$0.1	4%
% Change vs. Prior Year	21%	7%	7%	3%		

Fiscal Year-to-Date: March 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Bed Taxes	\$9.6	\$11.1	\$11.1	\$10.6	\$0.4	4%
Miscellaneous Revenue	-	-	-	-	-	-
Princess Hotel Lease	1.2	1.3	1.0	1.1	(0.1)	-5%
Total Revenues	\$10.8	\$12.4	\$12.1	\$11.8	\$0.3	3%
Transfers In	-	-	-	-	-	-
Transfers In - CIP	-	0.1	-	-	-	-
Total Sources	\$10.8	\$12.5	\$12.1	\$11.8	\$0.3	3%
% Change vs. Prior Year	-31%	16%	-3%	-6%		

Actual to Revised Budget variance of \$0.3 million or 3%:

The favorable variance in Bed Taxes revenue is due to normal business fluctuations. The unfavorable variance in the Princess Hotel Lease is due to timing.

One Month: March 2016						
Expenses:	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Marketing (CVB)	\$0.6	\$0.7	\$0.7	\$0.7	\$ -	-
Events & Event Development	-	0.1	0.3	-	(0.3)	nm
Downtown Trolley	-	-	-	-	-	-
Hospitality Trolley	-	0.1	-	-	-	-
Admin/Research	0.1	-	-	-	-	-
Mayor and City Council	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Total Operating Expenses	\$0.6	\$0.8	\$1.1	\$0.8	(\$0.3)	-34%
Transfers Out						
CIP	-	-	0.2	-	(0.2)	n/a
Debt Service	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
Total Uses	\$0.7	\$0.8	\$1.2	\$0.8	(\$0.4)	-53%
% Change vs. Prior Year	13%	22%	52%	-		

Fiscal Year-to-Date: March 2016						
Expenses:	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Marketing (CVB)	\$5.2	\$5.9	\$6.3	\$6.3	\$ -	-
Events & Event Development	0.7	0.8	1.3	0.5	(0.8)	nm
Downtown Trolley	-	-	0.2	0.2	-	-
Hospitality Trolley	0.1	0.1	-	-	-	-
Admin/Research	0.3	1.0	0.3	0.3	-	-
Mayor and City Council	-	0.1	0.1	0.1	-	-
Capital Outlays	-	-	-	-	-	-
Total Operating Expenses	\$6.2	\$8.0	\$8.2	\$7.4	(\$0.8)	-11%
Transfers Out						
CIP	0.2	2.2	1.8	-	(1.8)	n/a
Debt Service	-	-	0.2	-	(0.2)	n/a
General Fund	-	1.5	1.5	1.5	-	-
Total Uses	\$6.5	\$11.7	\$11.8	\$8.9	(\$2.9)	-32%
% Change vs. Prior Year	12%	79%	1%	-24%		

Actual to Revised Budget variance of (\$2.9) million or (32%):

The unfavorable variance in Events & Event Development is due to timing. The unfavorable variance in Transfers Out CIP is due to the unbudgeted transfer for the Desert Discovery Center business plan and feasibility analysis approved by Council per Resolution 10261. The unfavorable variance in Transfers Out Debt Service is due to timing for the MPC 2015 Debt service related to the Museum of the West that was budgeted for a later period.

FY 2015/16 - WATER AND WATER RECLAMATION FUNDS				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$163.5	\$163.5	\$ -	-
Uses	160.5	160.5	-	-
Change in Fund Balance	\$3.0	\$3.0	\$ -	
Beginning Fund Balance ^a	\$63.0	\$84.9	\$21.9	
Ending Fund Balance	<u>\$65.9</u>	<u>\$87.9</u>	<u>\$21.9</u>	
60 to 90 Day Operating Reserve	\$15.0	\$15.0	\$ -	
Repair/Replacement Reserve	38.2	38.2	-	
Revenue Bond Debt Reserve	4.6	4.6	-	
Special Contractual	8.1	3.1	(5.0)	
Unreserved Fund Balance	-	26.9	26.9	
Ending Fund Balance	<u>\$65.9</u>	<u>\$87.9</u>	<u>\$21.9</u>	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Water Service Charges	\$90.1	\$85.6	\$92.2	\$92.2	\$ -
Water Reclamation Charges	38.4	38.7	39.2	39.2	-
Non-Potable Water Fees	10.9	11.4	12.6	12.6	-
Stormwater Charges Fee	-	-	0.1	0.1	-
Interest Earnings ^b	0.5	0.5	0.6	0.6	-
Miscellaneous Revenue	1.8	2.1	1.8	1.8	-
Department Indirect Cost Allocation	-	-	0.9	0.9	-
Total Revenues	<u>\$141.7</u>	<u>\$138.3</u>	<u>\$147.4</u>	<u>\$147.4</u>	<u>\$ -</u>
Transfers In	16.9	16.1	16.1	16.1	-
Bond Proceeds	-	-	-	-	-
Total Sources	<u>\$158.6</u>	<u>\$154.4</u>	<u>\$163.5</u>	<u>\$163.5</u>	<u>\$ -</u>
% Change vs. Prior Year	2%	-3%	6%	6%	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	17.4	18.1	19.3 ^c	19.3 ^c	-
Contractual	25.1	26.9	30.7	30.7	-
Commodities	24.2	21.8	27.6	27.6	-
Capital Outlays	0.3	-	0.1	0.1	-
Indirect/Direct Charges	5.0	4.9	4.4	4.4	-
Department Indirect Cost Allocation	-	-	0.9	0.9	-
Total Operating Expenses	<u>\$72.1</u>	<u>\$71.7</u>	<u>\$83.1</u>	<u>\$83.1</u>	<u>\$ -</u>
Debt Service & Contracts Payable	28.8	28.4	29.9	29.9	-
Transfers Out					
CIP Fund	49.5	32.3	40.3	40.3	-
Franchise Fees	7.0	6.8	7.2	7.2	-
Operating	-	-	-	-	-
Total Uses	<u>\$157.3</u>	<u>\$139.1</u>	<u>\$160.5^c</u>	<u>\$160.5^c</u>	<u>\$ -</u>
% Change vs. Prior Year	3%	-12%	15%	15%	

^a Beginning balance was adjusted to reflect the appropriate recording of a FY2014/15 transfer out to CIP that had been originally recorded as a transfer out to enterprise funds and therefore not affecting the year's ending balance.

^b In FY 2014/15, the timing when gains/losses on investments were recognized was retrospectively changed, which affects prior periods.

^c Includes budgeted vacancy savings net of leave accrual payouts, up to 3% for performance and compensation adjustments.

March 2016: Current Month and YTD
(\$ in millions: Rounding differences may occur)

	March Actual	March Revised Budget	YTD Actual	YTD Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Sources	\$10.5	\$9.8	\$109.2	\$124.8	(\$15.6)	-12%
Uses	5.6	7.1	66.9	73.0	6.0	8%
Change in Fund Balance	\$4.9	\$2.7	\$42.3	\$51.8	(\$9.5)	

One Month: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Water Service Charges	\$5.5	\$5.2	\$6.0	\$5.7	\$0.4	6%
Water Reclamation Charges	3.2	3.2	3.3	3.3	-	-
Non-Potable Water Fees	0.6	0.5	0.8	0.6	0.1	23%
Stormwater Charges Fee	-	-	-	-	-	-
Interest Earnings	0.1	0.1	0.2	0.1	0.2	nm
Miscellaneous Revenue	0.1	0.1	0.1	0.1	-	-
Department Indirect Cost Allocation	-	-	-	-	-	-
Total Revenues	\$9.5	\$9.2	\$10.4	\$9.7	\$0.7	7%
Transfers In	16.0	0.1	0.1	0.1	-	-
Bond Proceeds	-	-	-	-	-	-
Total Sources	\$25.6	\$9.3	\$10.5	\$9.8	\$0.7	7%
% Change vs. Prior Year	4%	-64%	13%	6%		

Fiscal Year-to-Date: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Water Service Charges	\$67.3	\$64.4	\$67.9	\$68.4	(\$0.5)	-1%
Water Reclamation Charges	28.7	28.8	29.1	29.2	(0.1)	-
Non-Potable Water Fees	7.7	6.9	8.8	8.9	(0.2)	-2%
Stormwater Charges Fee	-	-	0.1	0.1	-	-
Interest Earnings	0.9	0.4	0.8	0.5	0.3	64%
Miscellaneous Revenue	1.1	1.1	1.9	0.9	1.0	nm
Department Indirect Cost Allocation	-	-	-	0.9	(0.9)	-100%
Total Revenues	\$105.6	\$101.5	\$108.5	\$108.9	(\$0.4)	-
Transfers In	16.6	0.7	0.7	15.9	(15.2)	-96%
Bond Proceeds	-	-	-	-	-	-
Total Sources	\$122.3	\$102.3	\$109.2	\$124.8	(\$15.6)	-12%
% Change vs. Prior Year	2%	-16%	7%	22%		

Actual vs Revised Budget variance at (\$15.6) million or (12%):

The unfavorable variance for Water Service Charges is a result of lower than forecasted water sales. The unfavorable variance for Non-Potable Water fees is a result of lower than historical deliveries of reverse osmosis water. The favorable variance for Interest Earnings is driven by change in fair value of investments. The favorable variance for Miscellaneous Revenue is driven by an unforecasted vendor reimbursement. The unfavorable variance for Department Indirect Cost Allocation is due to a timing issue. The unfavorable variance for Transfers In is a result of March debt service transfers that were budgeted in March, but postponed to April.

One Month: March 2016						
Expenses:	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Personnel Services	\$1.3	\$1.5	\$1.4	\$1.5	\$ -	-
Contractual	1.2	2.5	1.7	2.4	0.6	26%
Commodities	1.8	2.2	1.5	2.4	0.9	39%
Capital Outlays	-	-	-	-	-	-
Indirect/Direct Charges	0.4	0.4	0.4	0.4	-	-
Department Indirect Cost Allocation	-	-	-	-	-	-
Total Operating Expenses	\$4.7	\$6.5	\$5.0	\$6.6	\$1.6	24%
Debt Service & Contracts Payable	-	-	-	-	-	-
Transfers Out						
CIP Fund	-	0.1	0.1	-	(0.1)	n/a
Franchise Fees	0.5	0.4	0.5	0.5	-	-
Operating	-	-	-	-	-	-
Total Uses	\$5.2	\$7.1	\$5.6	\$7.1	\$1.4	20%
% Change vs. Prior Year	52%	36%	-20%	0%		

Fiscal Year-to-Date: March 2016						
Expenses:	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Personnel Services	\$13.4	\$14.1	\$14.6	\$ 14.7	\$0.1	-
Contractual	16.7	18.1	17.5	21.2	3.7	17%
Commodities	17.5	17.5	18.5	19.9	1.5	7%
Capital Outlays	0.1	-	-	-	-	-
Indirect/Direct Charges	3.8	3.6	3.3	3.3	-	-
Department Indirect Cost Allocation	-	-	-	0.9	0.9	100%
Total Operating Expenses	\$51.4	\$53.4	\$53.9	\$60.1	\$6.2	10%
Debt Service & Contracts Payable	7.9	7.6	7.6	7.6	-	-
Transfers Out						
CIP Fund	-	0.2	0.1	-	(0.1)	n/a
Franchise Fees	5.1	4.9	5.2	5.3	0.1	2%
Operating	-	-	0.1	-	(0.1)	n/a
Total Uses	\$64.4	\$66.1	\$66.9	\$73.0	\$6.0	8%
% Change vs. Prior Year	-20%	3%	1%	10%		

Actual vs Revised Budget Variance at \$6.0 million or 8%:

The favorable variance for Contractual is driven by a FY2014/15 settlement from multi-city water reclamation plant and lower than forecasted expenses for equipment maintenance, other professional services, and electricity. The favorable variance for Commodities is driven by less treatment chemical expense and timing on payments for treatment filter media. The favorable variance for Department Indirect Cost Allocation is due to timing.

FY 2015/16 - AVIATION FUND				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$4.0	\$4.0	\$ -	-
Uses	3.0	3.0	-	-
Change in Fund Balance	<u>\$1.1</u>	<u>\$1.1</u>	<u>\$ -</u>	
Beginning Fund Balance	\$6.9	\$5.8	(\$1.1)	
Ending Fund Balance	<u><u>\$7.9</u></u>	<u><u>\$6.9</u></u>	<u><u>(\$1.1)</u></u>	
60 to 90 Day Operating Reserve	\$0.7	\$0.7	\$ -	
Fleet Replacement Reserve	1.6	1.6	-	
Repair/Replacement Reserve	1.1	1.1	-	
Unreserved	4.5	3.4	(1.1)	
Ending Fund Balance	<u><u>\$7.9</u></u>	<u><u>\$6.9</u></u>	<u><u>(\$1.1)</u></u>	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Aviation Fees	\$3.5	\$3.8	\$3.6	\$3.6	\$ -
Privilege and Use Tax – Jet Fuel	0.2	0.2	0.2	0.2	-
Interest Earnings ^a	0.1	-	-	-	-
Miscellaneous Revenue	0.1	0.1	0.1	0.1	-
Total Revenues	<u>\$3.8</u>	<u>\$4.1</u>	<u>\$3.9</u>	<u>\$3.9</u>	<u>\$ -</u>
Transfers In	0.8	0.1	-	-	-
Transfers In - CIP	1.1	0.4	0.1	0.1	-
Total Sources	<u><u>\$5.7</u></u>	<u><u>\$4.7</u></u>	<u><u>\$4.0</u></u>	<u><u>\$4.0</u></u>	<u><u>\$ -</u></u>
% Change vs. Prior Year	52%	-18%	-13%	-13%	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	\$1.1	\$1.1	\$1.2 *	\$1.2 *	\$ -
Contractual	0.7	0.7	0.9	0.9	-
Commodities	0.1	0.1	0.1	0.1	-
Indirect/Direct Charges	0.5	0.5	0.5	0.5	-
Total Operating Expenses	<u>\$2.3</u>	<u>\$2.4</u>	<u>\$2.6</u>	<u>\$2.6</u>	<u>\$ -</u>
Debt Service & Contracts Payable	-	-	0.4	0.4	-
Transfers Out					
CIP Fund	1.1	2.1	-	-	-
Total Uses	<u><u>\$3.4</u></u>	<u><u>\$4.5</u></u>	<u><u>\$3.0</u></u> *	<u><u>\$3.0</u></u> *	<u><u>\$ -</u></u>
% Change vs. Prior Year	-46%	32%	-34%	-34%	

^a In FY 2014/15, the timing when gains/losses on investments were recognized was retrospectively changed which affects prior periods.

*Includes up to 3% pay for performance and compensation.

March 2016: Current Month and YTD
(\$ in millions: Rounding differences may occur)

	March Actual	March Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sources	\$ -	\$0.4	\$3.0	\$2.9	\$0.1	4%
Uses	(0.1)	0.2	1.8	2.0	0.3	13%
Change in Fund Balance	\$0.1	\$0.2	\$1.2	\$0.8	\$0.4	

One Month: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Revenues:						
Aviation Fees	\$0.4	\$0.4	\$0.4	\$0.4	\$ -	-
Privilege and Use Tax – Jet Fuel	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Total Revenues	\$0.4	\$0.4	\$0.5	\$0.4	\$ -	-
Transfers In	-	-	(0.4)	-	(0.4)	n/a
Transfers In - CIP	-	-	(0.1)	-	(0.1)	n/a
Total Sources	\$0.4	\$0.4	\$ -	\$0.4	(\$0.4)	-92%
% Change vs. Prior Year	0%	16%	-92%	0%		

Fiscal Year-to-Date: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Revenues:						
Aviation Fees	\$2.5	\$2.8	\$2.8	\$2.6	\$0.2	6%
Privilege and Use Tax – Jet Fuel	0.1	0.1	0.1	0.1	-	-
Miscellaneous Revenue	0.1	0.1	0.1	0.1	-	-
Total Revenues	\$2.8	\$3.0	\$3.0	\$2.9	\$0.2	6%
Transfers In	0.8	-	-	-	-	-
Transfers In - CIP	-	0.4	(0.1)	-	(0.1)	n/a
Total Sources	\$3.5	\$3.5	\$3.0	\$2.9	\$0.1	4%
% Change vs. Prior Year	39%	0%	-15%	-18%		

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

The favorable variance for Aviation Fees is driven by higher than expected revenues for transient parking fees, customs fees, and transient landing fees.

One Month: March 2016						
Expenses:	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$0.1	\$0.1	\$0.1	\$0.1	\$ -	-
Contractual	0.1	0.1	0.1	-	-	-
Commodities	-	-	-	-	-	-
Indirect/Direct Charges	-	-	-	-	-	-
Total Operating Expenses	\$0.1	\$0.2	\$0.2	\$0.2	\$ -	-
Debt Service & Contracts Payable	-	-	-	-	-	-
Transfers Out						
CIP Fund	-	-	(0.3)	-	0.3	n/a
Total Uses	\$0.2	\$0.2	(\$0.1)	\$0.2	\$0.2	nm
% Change vs. Prior Year	-96%	0%	nm	0%		

Fiscal Year-to-Date: March 2016						
Expenses:	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$0.8	\$0.9	\$0.8	\$0.9	\$0.1	9%
Contractual	0.5	0.5	0.5	0.7	0.2	23%
Commodities	0.1	-	-	0.1	-	-
Indirect/Direct Charges	0.3	0.3	0.4	0.4	-	-
Total Operating Expenses	\$1.6	\$1.8	\$1.8	\$2.0	\$0.3	13%
Debt Service & Contracts Payable	-	-	-	-	-	-
Transfers Out						
CIP Fund	-	2.1	-	-	-	-
Total Uses	\$1.6	\$3.9	\$1.8	\$2.0	\$0.3	13%
% Change vs. Prior Year	-72%	nm	-54%	-47%		

Actual to Revised Budget variance of \$0.3 million or 13%:

The favorable variance in Personnel Services is driven by vacant positions. The favorable variance in Contractual is driven by the Airport quarterly payment to the U.S. Customs, which is less than forecasted.

FY 2015/16 - SOLID WASTE FUND
(\$ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$22.0	\$22.0	\$ -	-
Uses	23.5	23.5	-	-
Change in Fund Balance	<u>(\$1.5)</u>	<u>(\$1.5)</u>	<u>\$ -</u>	
Beginning Fund Balance	\$10.5	\$10.6	\$0.1	
Ending Fund Balance	<u>\$9.0</u>	<u>\$9.1</u>	<u>\$0.1</u>	
60 to 90 Day Operating Reserve	\$5.8	\$5.8	\$ -	
Unreserved Fund Balance	3.2	3.3	0.1	
Ending Fund Balance	<u>\$9.0</u>	<u>\$9.1</u>	<u>\$0.1</u>	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Solid Waste Charges	\$20.2	\$20.2	\$20.0	\$20.0	\$ -
Interest Earnings ^a	0.1	0.1	0.1	0.1	-
Miscellaneous Revenue ^b	-	(0.5)	-	-	-
Total Revenues	<u>\$20.2</u>	<u>\$19.8</u>	<u>\$20.1</u>	<u>\$20.1</u>	<u>\$ -</u>
Transfers In	-	-	-	-	-
Transfers In - CIP	0.8	-	1.9	1.9	-
Total Sources	<u>\$21.0</u>	<u>\$19.8</u>	<u>\$22.0</u>	<u>\$22.0</u>	<u>\$ -</u>
% Change vs. Prior Year	3%	-6%	11%	11%	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	\$6.7	\$7.1	\$7.0 ^c	\$7.0 ^c	\$ -
Contractual	10.7	11.1	12.0	12.0	-
Commodities	0.7	0.8	0.7	0.7	-
Capital Outlays	-	-	0.1	0.1	-
Indirect/Direct Charges	1.6	1.6	1.6	1.6	-
Total Operating Expenses	<u>\$19.7</u>	<u>\$20.7</u>	<u>\$21.4</u>	<u>\$21.4</u>	<u>\$ -</u>
Transfers Out					
CIP Fund	1.7	0.1	2.1	2.1	-
Total Uses	<u>\$21.4</u>	<u>\$20.8</u>	<u>\$23.5 ^c</u>	<u>\$23.5 ^c</u>	<u>\$ -</u>
% Change vs. Prior Year	12%	-3%	13%	13%	

^a In FY 2014/15, the timing when gains/losses on investments were recognized was retrospectively changed, which affects prior periods.

^b In FY 2014/15, the negative revenue is due to an asset loss for recycling barrels that were retired out of service, but were not completely depreciated.

^c Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance and compensation adjustments.

March 2016: Current Month and YTD
(\$ in millions: Rounding differences may occur)

	March Actual	March Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sources	\$3.6	\$1.7	\$17.1	\$15.1	\$2.0	13%
Uses	3.7	1.8	17.2	15.9	(1.4)	-9%
Change in Fund Balance	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.8)	\$0.7	

One Month: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Revenues:						
Solid Waste Charges	\$1.7	\$1.7	\$1.7	\$1.7	\$ -	-
Interest Earnings ^a	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Total Revenues	\$1.7	\$1.7	\$1.7	\$1.7	\$ -	-
Transfers In	-	-	-	-	-	-
Transfers In - CIP	-	-	1.9	-	1.9	n/a
Total Sources	\$1.7	\$1.7	\$3.6	\$1.7	\$1.9	nm
% Change vs. Prior Year	0%	0%	nm	0%		

Fiscal Year-to-Date: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Revenues:						
Solid Waste Charges	\$15.2	\$15.2	\$15.2	\$15.0	\$0.1	1%
Interest Earnings ^a	0.1	0.1	0.1	0.1	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Total Revenues	\$15.3	\$15.3	\$15.2	\$15.1	\$0.2	1%
Transfers In	-	-	-	-	-	-
Transfers In - CIP	-	-	1.9	-	1.9	n/a
Total Sources	\$15.3	\$15.3	\$17.1	\$15.1	\$2.0	13%
% Change vs. Prior Year	0%	0%	12%	-1%		

^a In FY 2014/15, the timing when gains/losses on investments were recognized was retrospectively changed, which affects prior periods.

Actual vs Revised Budget Variance at \$2.0 million or 13%:

The favorable variance for Transfers in - CIP is due to a reduction of the Transfer Station Expansion project's expense estimate for FY 2015/16.

One Month: March 2016						
Expenses:	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Personnel Services	\$0.5	\$0.5	\$0.5	\$0.5	\$ -	-
Contractual	0.9	0.8	0.9	1.0	-	-
Commodities	0.1	-	-	0.2	0.1	93%
Capital Outlays	-	-	-	-	-	-
Indirect/Direct Charges	0.1	0.1	0.1	0.1	-	-
Total Operating Expenses	\$1.6	\$1.5	\$1.6	\$1.8	\$0.2	10%
Transfers Out						
CIP Fund	-	-	2.1	-	(2.1)	n/a
Total Uses	\$1.6	\$1.5	\$3.7	\$1.8	(\$1.9)	nm
% Change vs. Prior Year	-19%	-9%	nm	19%		

Fiscal Year-to-Date: March 2016						
Expenses:	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Personnel Services	\$5.1	\$5.5	\$5.6	\$5.4	(\$0.2)	-4%
Contractual	7.6	8.0	8.0	8.6	0.7	8%
Commodities	0.6	0.5	0.3	0.7	0.3	51%
Capital Outlays	-	-	-	-	-	-
Indirect/Direct Charges	1.2	1.2	1.2	1.2	-	-
Total Operating Expenses	\$14.6	\$15.2	\$15.1	\$15.9	\$0.8	5%
Transfers Out						
CIP Fund	-	-	2.1	-	(2.1)	n/a
Total Uses	\$14.6	\$15.2	\$17.2	\$15.9	(\$1.4)	-9%
% Change vs. Prior Year	2%	4%	14%	5%		

Actual vs Revised Budget Variance at (\$1.4) millions or (9%):

The unfavorable variance in Personnel Services is primarily due to the overtime needed to respond to the increased demand for Brush and Bulk services, and to fill staff vacancies across all programs. The favorable variance for Contractual is a result of reduced usage of fuel and maintenance costs for collection vehicles. In addition, the favorable variance in Commodities results from a delay in upcoming large purchase of replacement containers. The unfavorable variance for Transfers Out - CIP Fund is the result of timing.

FY 2015/16 - FLEET FUND				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$20.7	\$20.7	\$ -	-
Uses	21.2	21.2	-	-
Change in Fund Balance	(\$0.5)	(\$0.5)	\$ -	
Beginning Fund Balance	\$9.1	\$10.0	\$0.8	
Ending Fund Balance	<u>\$8.6</u>	<u>\$9.5</u>	<u>\$0.8</u>	
Contingency Reserve	\$0.8	\$0.8	\$ -	
Future Acquisition	5.5	5.5	-	
Unreserved, Undesignated	2.3	3.2	0.8	
Ending Fund Balance	<u>\$8.6</u>	<u>\$9.5</u>	<u>\$0.8</u>	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Maintenance/Operation Rates	\$7.4	\$7.4	\$7.7	\$7.7	\$ -
Replacement Rates	6.9	7.1	7.5	7.5	-
Fuel Rates	4.3	3.8	5.0	5.0	-
Other Revenue	0.5	1.0	0.4	0.4	-
Total Revenues	<u>\$19.1</u>	<u>\$19.3</u>	<u>\$20.7</u>	<u>\$20.7</u>	<u>\$ -</u>
Transfers In	-	-	-	-	-
Total Sources	<u>\$19.1</u>	<u>\$19.3</u>	<u>\$20.7</u>	<u>\$20.7</u>	<u>\$ -</u>
% Change vs. Prior Year	<u>6%</u>	<u>1%</u>	<u>7%</u>	<u>7%</u>	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	\$3.2	\$3.4	\$3.5 *	\$3.5 *	\$ -
Contractual	1.5	1.6	1.6	1.6	-
Commodities	7.1	6.6	7.8	7.8	-
Capital Outlays	5.2	8.1	7.5	7.5	-
Total Operating Expenses	<u>\$17.0</u>	<u>\$19.6</u>	<u>\$20.4</u>	<u>\$20.4</u>	<u>\$ -</u>
Transfers Out					
Transfer Out CIP	-	0.3	0.8	0.8	-
Transfers to Operating Funds	0.8	-	-	-	-
Total Uses	<u>\$17.7</u>	<u>\$19.9</u>	<u>\$21.2 *</u>	<u>\$21.2 *</u>	<u>\$ -</u>
% Change vs. Prior Year	<u>-2%</u>	<u>12%</u>	<u>6%</u>	<u>6%</u>	

* Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance and compensation adjustments.

March 2016: Current Month and YTD
(\$ in millions: Rounding differences may occur)

	March Actual	March Revised Budget	YTD Actual	YTD Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sources	\$1.6	\$1.7	\$13.9	\$15.5	(\$1.6)	-10%
Uses	1.9	1.3	13.9	14.9	0.9	6%
Change in Fund Balance	(\$0.3)	\$0.4	\$ -	\$0.6	(\$0.7)	

One Month: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Revenues:						
Maintenance/Operation Rates	\$0.6	\$0.6	\$0.7	\$0.6	\$ -	-
Replacement Rates	0.6	0.6	0.6	0.6	-	-
Fuel Rates	0.4	0.3	0.2	0.4	(0.2)	-50%
Other Revenue	-	0.1	0.1	-	-	-
Total Revenues	\$1.6	\$1.5	\$1.6	\$1.7	(\$0.1)	-7%
Transfers In	-	-	-	-	-	-
Total Sources	\$1.6	\$1.5	\$1.6	\$1.7	(\$0.1)	-7%
% Change vs. Prior Year	3%	-4%	6%	13%		

Fiscal Year-to-Date: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Revenues:						
Maintenance/Operation Rates	\$5.5	\$5.5	\$5.6	\$5.8	(\$0.2)	-3%
Replacement Rates	5.1	5.4	5.6	5.6	-	-
Fuel Rates	3.2	2.9	2.2	3.8	(1.6)	-42%
Other Revenue	0.3	0.5	0.5	0.3	0.2	63%
Total Revenues	\$14.1	\$14.3	\$13.9	\$15.5	(\$1.6)	-10%
Transfers In	-	-	-	-	-	-
Total Sources	\$14.1	\$14.3	\$13.9	\$15.5	(\$1.6)	-10%
% Change vs. Prior Year	5%	1%	-3%	8%		

Actual to Revised Budget variance of (\$1.6) million or (10%):

The unfavorable variance in Maintenance/Operation Rates is partly due to newer vehicles requiring less maintenance. The unfavorable variance in Fuel Rates is due to lower than anticipated fuel prices. Finally, the favorable variance in Other Revenue is due to subrogation recoveries by Risk for vehicles.

One Month: March 2016						
Expenses:	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Personnel Services	\$0.2	\$0.3	\$0.3	\$0.3	\$ -	-
Contractual	0.1	0.1	0.2	0.1	-	-
Commodities	0.5	0.4	0.6	0.7	-	-
Capital Outlays	0.3	-	-	0.3	0.3	100%
Total Operating Expenses	\$1.3	\$0.8	\$1.1	\$1.3	\$0.3	19%
Transfers Out						
Transfer Out CIP	-	-	0.8	-	(0.8)	n/a
Transfers to Operating Funds	-	-	-	-	-	-
Total Uses	\$1.3	\$0.8	\$1.9	\$1.3	(\$0.5)	-40%
% Change vs. Prior Year	19%	-35%	nm	64%		

Fiscal Year-to-Date: March 2016						
Expenses:	2013/14	2014/15	2015/16	2015/16	Actual vs. Budget	
	Actual	Actual	Actual	Revised Budget	Favorable / (Unfavorable) Amount	(Unfavorable) Percent
Personnel Services	\$2.5	\$2.6	\$2.7	\$2.7	\$ -	-
Contractual	1.1	1.2	1.2	1.2	-	-
Commodities	4.5	4.4	3.7	5.7	2.1	36%
Capital Outlays	1.2	4.9	5.0	5.3	0.3	5%
Total Operating Expenses	\$9.3	\$13.1	\$12.5	\$14.9	\$2.3	16%
Transfers Out						
Transfer Out CIP	-	0.2	1.4	-	(1.4)	n/a
Transfers to Operating Funds	0.8	-	-	-	-	-
Total Uses	\$10.0	\$13.3	\$13.9	\$14.9	\$0.9	6%
% Change vs. Prior Year	-15%	33%	5%	12%		

Actual to Revised Budget variance of \$0.9 million or 6%:

The favorable variance in Commodities continues to be due to the lower than estimated average price of diesel and unleaded fuel. The favorable variance in Capital Outlays is due to timing of invoices. The unfavorable variance in Transfers Out CIP is also driven by timing.

FY 2015/16 - RISK FUND				
(\$ in millions: Rounding differences may occur)				
	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$11.4	\$11.4	\$ -	-
Uses	8.8	8.8	-	-
Change in Fund Balance	\$2.6	\$2.6	\$ -	
Beginning Fund Balance	\$14.9	\$14.1	(\$0.8)	
Ending Fund Balance	<u>\$17.4</u>	<u>\$16.7</u>	<u>(\$0.8)</u>	
Accruals (short term)	\$5.1	\$5.1	\$ -	
Accruals (long term)	9.1	9.0	(0.1)	
Property Casualty Reserve	0.7	-	(0.7)	
Contingency	2.5	2.5	-	
Ending Fund Balance	<u>\$17.4</u>	<u>\$16.7</u>	<u>(\$0.8)</u>	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Property, Liability, Work Comp Rates	\$6.5	\$9.2	\$9.6	\$9.6	\$ -
Unemployment Taxes	0.1	0.1	0.1	0.1	-
Property Tax (Tort Claims)	0.1	2.1	1.3	1.3	-
Insurance/Claims Recoveries	0.4	0.5	0.3	0.3	-
Other/Miscellaneous Revenue	0.1	0.1	0.1	0.1	-
Total Revenues	<u>\$7.3</u>	<u>\$12.0</u>	<u>\$11.4</u>	<u>\$11.4</u>	<u>\$ -</u>
Transfers In	-	-	-	-	-
Total Sources	<u>\$7.3</u>	<u>\$12.0</u>	<u>\$11.4</u>	<u>\$11.4</u>	<u>\$ -</u>
% Change vs. Prior Year	<u>53%</u>	<u>66%</u>	<u>-5%</u>	<u>-5%</u>	

Twelve Months: Fiscal Year					
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services	\$0.7	\$0.8	\$0.8 *	\$0.8 *	\$ -
Contractual	6.8	9.0	7.9	7.9	-
Commodities	0.1	0.1	0.1	0.1	-
Total Operating Expenses	<u>\$7.6</u>	<u>\$9.8</u>	<u>\$8.8</u>	<u>\$8.8</u>	<u>\$ -</u>
Transfers Out					
Total Uses	<u>\$7.6</u>	<u>\$9.8</u>	<u>\$8.8 *</u>	<u>\$8.8 *</u>	<u>\$ -</u>
% Change vs. Prior Year	<u>-5%</u>	<u>28%</u>	<u>-10%</u>	<u>-10%</u>	

*Includes up to 3% pay for performance and compensation adjustments.

March 2016: Current Month and YTD
(\$ in millions: Rounding differences may occur)

	March Actual	March Revised Budget	YTD Actual	YTD Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Sources	\$0.8	\$0.8	\$9.1	\$8.9	\$0.2	2%
Uses	0.6	0.5	7.0	7.1	0.1	1%
Change in Fund Balance	\$0.3	\$0.3	\$2.1	\$1.8	\$0.3	

One Month: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Property, Liability, Work Comp Rates	\$0.5	\$0.8	\$0.8	\$0.8	\$ -	-
Unemployment Taxes	-	-	-	-	-	-
Property Tax (Tort Claims)	-	-	-	-	-	-
Insurance/Claims Recoveries	-	-	-	-	-	-
Other/Miscellaneous Revenue	-	-	-	-	-	-
Total Revenues	\$0.6	\$0.8	\$0.8	\$0.8	\$ -	-
Transfers In	-	-	-	-	-	-
Total Sources	\$0.6	\$0.8	\$0.8	\$0.8	\$ -	-
% Change vs. Prior Year	51%	35%	0%	0%		

Fiscal Year-to-Date: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Property, Liability, Work Comp Rates	\$4.9	\$6.9	\$7.2	\$7.2	\$ -	-
Unemployment Taxes	0.1	0.1	0.1	0.1	-	-
Property Tax (Tort Claims)	0.1	2.1	1.3	1.3	-	-
Insurance/Claims Recoveries	0.3	0.3	0.4	0.2	0.2	nm
Other/Miscellaneous Revenue	0.1	0.1	0.1	0.1	-	-
Total Revenues	\$5.5	\$9.4	\$9.1	\$8.9	\$0.2	2%
Transfers In	-	-	-	-	-	-
Total Sources	\$5.5	\$9.4	\$9.1	\$8.9	\$0.2	2%
% Change vs. Prior Year	50%	73%	-4%	-6%		

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

The favorable variance in Insurance/Claims Recoveries is related to subrogation recoveries. When possible the City will seek reimbursement by third parties and their insurance companies for accidents or damages, and the Risk Management department has continued to pursue these reimbursements.

One Month: March 2016						
	2013/14	2014/15	2015/16	2015/16	Actual	vs. Budget
	Actual	Actual	Actual	Revised	Favorable /	(Unfavorable)
				Budget	Amount	Percent
Expenses:						
Personnel Services	\$0.1	\$0.1	\$0.1	\$0.1	\$ -	-
Contractual	0.8	0.4	0.5	0.5	-	-
Commodities	-	-	-	-	-	-
Total Operating Expenses	\$0.9	\$0.5	\$0.6	\$0.5	\$ -	-
Transfers Out						
Total Uses	\$0.9	\$0.5	\$0.6	\$0.5	\$ -	-
% Change vs. Prior Year	42%	-46%	23%	15%		

Fiscal Year-to-Date: March 2016						
	2013/14	2014/15	2015/16	2015/16	Actual	vs. Budget
	Actual	Actual	Actual	Revised	Favorable /	(Unfavorable)
				Budget	Amount	Percent
Expenses:						
Personnel Services	\$0.6	\$0.6	\$0.6	\$0.6	\$ -	-
Contractual	4.7	7.6	6.3	6.4	0.1	1%
Commodities	-	-	-	0.1	-	-
Total Operating Expenses	\$5.3	\$8.2	\$7.0	\$7.1	\$0.1	1%
Transfers Out						
Total Uses	\$5.3	\$8.2	\$7.0	\$7.1	\$0.1	1%
% Change vs. Prior Year	27%	54%	-15%	-14%		

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

The favorable variance in Contractual is related to ongoing litigation that was expected to settle in the beginning of this fiscal year but settled at the end of the prior fiscal year. Due to the ongoing expenses of this fund and the nature in which these expenses are recognized, the existing budget was not pushed to a later period and the favorable variance could be eliminated by year end.

FY 2015/16 - BENEFITS SELF INSURANCE

(\$ in millions: Rounding differences may occur)

	Adopted Budget	Revised Budget	Adopted Favorable / Amount	vs. Revised (Unfavorable) Percent
Sources	\$28.9	\$28.9	\$ -	-
Uses	28.6	28.6	-	-
Change in Fund Balance	\$0.3	\$0.3	\$ -	
Beginning Fund Balance	\$6.7	\$5.6	(\$1.1)	
Ending Fund Balance	\$7.0	\$5.9	(\$1.1)	

	Twelve Months: Fiscal Year				
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Revenues:					
Medical Premiums - COS	\$18.6	\$19.0	\$20.7	\$20.7	\$ -
Dental Premiums - COS	0.8	0.8	0.8	0.8	-
Medical Premiums - EE	5.9	6.0	5.9	5.9	-
Dental Premiums - EE	0.8	0.8	0.7	0.7	-
Medical Premiums - Retiree	0.6	0.2	0.3	0.3	-
Other Revenue	0.1	0.1	0.5	0.5	-
Total Revenues	\$26.9	\$26.9	\$28.9	\$28.9	\$ -
Transfers In	-	-	-	-	-
Total Sources	\$26.9	\$26.9	\$28.9	\$28.9	\$ -
% Change vs. Prior Year	1%	0%	8%	8%	

	Twelve Months: Fiscal Year				
	2013/14 Actual	2014/15 Actual	2015/16 Adopted Budget	2015/16 Revised Budget	2015/16 Approved Adjustments
Expenses:					
Personnel Services - COS	\$0.2	\$0.1	\$0.1 *	\$0.1 *	\$ -
Contractual - COS	0.1	0.1	0.1	0.1	-
Medical Claims	21.2	24.0	24.3	24.3	-
Medical Claims - Retirees	0.7	0.2	-	-	-
Dental Claims	1.4	1.3	1.6	1.6	-
Provider Admin Fees	1.3	0.8	0.8	0.8	-
Behavioral Health Claims	0.7	0.1	0.7	0.7	-
Stop Loss Insurance	0.6	0.7	0.8	0.8	-
Wellness Incentive	0.1	0.2	0.2	0.2	-
Total Uses	\$26.2	\$27.3	\$28.6 *	\$28.6 *	\$ -
% Change vs. Prior Year	5%	4%	5%	5%	

* Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance and compensation adjustments.

March 2016: Current Month and YTD
(\$ in millions: Rounding differences may occur)

	March Actual	March Revised Budget	YTD Actual	YTD Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Sources	\$2.3	\$2.5	\$22.4	\$21.7	\$0.7	3%
Uses	1.8	2.3	21.6	21.6	-	-
Change in Fund Balance	\$0.5	\$0.1	\$0.8	\$0.1	\$0.7	

One Month: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Medical Premiums -COS	\$1.5	\$1.6	\$1.7	\$1.7	(\$0.1)	-3%
Dental Premiums - COS	0.1	0.1	0.1	0.1	-	-
Medical Premiums - EE	0.5	0.5	0.5	0.5	-	-
Dental Premiums - EE	0.1	0.1	0.1	0.1	-	-
Medical Premiums - Retiree	-	-	-	-	-	-
Other Revenue	-	-	-	0.1	(0.1)	-92%
Total Revenues	\$2.2	\$2.2	\$2.3	\$2.5	(\$0.1)	-5%
Transfers In	-	-	-	-	-	-
Total Sources	\$2.2	\$2.2	\$2.3	\$2.5	(\$0.1)	-5%
% Change vs. Prior Year	3%	0%	4%	9%		

Fiscal Year-to-Date: March 2016

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Revenues:						
Medical Premiums -COS	\$14.0	\$14.3	\$15.2	\$15.5	(\$0.4)	-2%
Dental Premiums - COS	0.6	0.6	0.6	0.6	-	-
Medical Premiums - EE	4.4	4.5	4.6	4.4	0.2	5%
Dental Premiums - EE	0.6	0.6	0.6	0.5	-	-
Medical Premiums - Retiree	0.5	-	0.2	0.2	-	-
Other Revenue	0.1	0.1	0.1	0.4	(0.3)	-67%
Total Revenues	\$20.2	\$19.9	\$21.2	\$21.7	(\$0.5)	-2%
Transfers In	-	-	1.2	-	1.2	n/a
Total Sources	\$20.2	\$19.9	\$22.4	\$21.7	\$0.7	3%
% Change vs. Prior Year	2%	-1%	11%	8%		

Actual to Revised Budget variance of \$0.7 million or 3%:

The unfavorable variance in Medical Premiums - COS is due to self-insurance coming in slightly lower than estimated due to plan participation and migration. Plans are budgeted and adopted prior to participants plan selection for the fiscal year which causes differences between employees actual selection of plans and the assumption of what plans they would choose. The Medical Premiums - EE favorable variance is due to an unplanned state subsidy health contribution slightly offset by plan migration and participation. The unfavorable variance in Other Revenue is related to how various healthcare and prescription rebates the city receives were budgeted for, these were received in March as expected but were a reduction in expenses not an increase to revenue. The large favorable variance in Transfers In is due to the approval of Council Resolution 10336 on January 23, 2016 which reimburses the Benefits Self Insurance Fund for the coverage of Retirees and Public Safety Disabled Retirees. While there are no regular retirees currently on the City's healthcare plan anymore there were continued run-off claims and the accumulated impacts of offering coverage in previous years, which these transfers mitigated.

One Month: March 2016						
Expenses:	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Personnel Services - COS	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contractual - COS	-	-	-	-	-	-
Medical Claims	1.4	2.2	1.6	2.0	0.4	22%
Medical Claims - Retirees	0.1	-	-	-	-	-
Dental Claims	0.1	0.1	0.1	0.1	-	-
Provider Admin Fees	0.2	-	-	-	-	-
Behavioral Health Claims	0.1	-	-	0.1	0.1	91%
Stop Loss Insurance	0.1	0.1	-	0.1	-	-
Wellness Incentive	-	-	-	-	-	-
Total Uses	\$2.1	\$2.4	\$1.8	\$2.3	\$0.5	23%
% Change vs. Prior Year	-17%	19%	-26%	-4%		

Fiscal Year-to-Date: March 2016						
Expenses:	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Revised Budget	Actual Favorable / Amount	vs. Budget (Unfavorable) Percent
Personnel Services - COS	\$0.2	\$0.1	\$0.1	\$0.1	\$ -	-
Contractual - COS	-	-	-	0.1	-	-
Medical Claims	15.5	17.3	19.2	18.2	(0.9)	-5%
Medical Claims - Retirees	0.4	0.2	-	-	-	-
Dental Claims	0.9	0.9	1.0	1.2	0.1	11%
Provider Admin Fees	1.0	0.6	0.6	0.6	0.1	8%
Behavioral Health Claims	0.5	0.1	0.1	0.6	0.5	91%
Stop Loss Insurance	0.5	0.5	0.4	0.6	0.2	31%
Wellness Incentive	0.1	0.2	0.1	0.2	0.1	33%
Total Uses	\$19.1	\$19.9	\$21.6	\$21.6	\$ -	-
% Change vs. Prior Year	2%	4%	8%	9%		

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

The unfavorable variance in Medical Claims is due to a spike in the number of claims exceeding large thresholds caused by unavoidable treatments and care. While these claims are not uncommon, the number of them seen during this fiscal year have far surpassed historical trends. While this variance is currently unfavorable the funding loss ratio of the various health plans is trending more favorable as the year progresses. The favorable variance in Behavioral Health Claims is due to actual activities being less than expected. Also, a large prescription rebate was received in the month of March which offset expenses incurred this fiscal year amounting to \$0.6 million.

City of Scottsdale
WestWorld
Statement of Operations

Statement of Operations - WestWorld

	Twelve Months: Fiscal Year					
	2011/12 Actual	2012/13 Actual	2013/14 Actual ^c	2014/15 Actual ^c	2015/16 Adopted Budget	2015/16 Revised Budget
<u>Operating Revenue</u>						
Rental Facilities	\$1,405,932	\$1,617,444	\$2,050,602	\$2,134,970	\$2,632,000	\$2,632,000
RV Rental	230,161	257,509	232,802	270,661	455,900	455,900
Feed/Bedding Sales	474,133	499,264	548,330	499,691	813,100	813,100
Labor Fees	240,871	233,486	266,860	240,173	343,100	343,100
Concession Fees	230,728	223,836	191,380	354,902	366,600	366,600
Parking	44,004	48,834	58,591	110,931	75,200	75,200
Other Income	55,923	105,121	142,732	135,192	44,300	44,300
Council Approved Authorized Carryover ^a	-	-	2,048,000	-	-	-
Operating Revenue	\$2,681,751	\$2,985,494	\$5,539,297	\$3,746,520	\$4,730,200	\$4,730,200
<u>Operating Expenses</u>						
<u>Personnel Services</u>						
Wages/Salaries/Benefits	\$1,466,780	\$1,527,275	\$1,564,608	\$1,616,913	\$1,832,763	\$1,833,674
Overtime	17,498	28,259	21,195	25,558	20,883	21,507
<u>Contractual Services</u>						
Contractual Workers	63,530	74,914	84,004	92,292	75,000	75,000
Telephone	35,063	25,637	32,164	30,650	37,488	37,488
Utilities	429,769	558,010	1,016,731	1,219,326	967,290	967,290
Maintenance & Equipment Rental & Fleet	422,247	591,505	601,739	652,492	714,648	714,648
License and Permits	73,499	124,251	73,018	73,356	126,155	126,155
Property, Liability & Workers' Comp	16,951	18,114	30,724	37,376	51,525	51,525
Advertising/Marketing Contract	11,932	11,492	212,869	208,815	350,000	350,000
Other	192,989	212,162	232,224	268,443	300,325	300,325
<u>Commodities and Capital Outlays</u>						
Agriculture & Horticulture & Other Supply	107,537	125,040	128,597	71,411	131,545	131,545
Maintenance & Repairs Supply, Equipment	66,997	68,781	74,067	84,344	135,035	135,035
Inventory Purchased for Resale	229,795	258,927	260,507	304,481	495,000	495,000
Construction - Other	55,349	94,323	10,695		17,000	17,000
Other Expenses	33,462	39,526	35,951	45,959	33,690	33,690
<u>BOR Admin</u>						
BOR Admin/WestWorld	121,551	127,628	134,010	140,710	147,746	147,746
<u>Allocated Expenses ^b</u>						
Facilities Maintenance	319,572	402,988	402,988	713,808	670,566	670,566
COS Indirect Costs	458,880	241,136	255,887	276,504	338,575	338,575
Operating Expenses	\$4,123,402	\$4,529,966	\$5,171,979	\$5,862,440	\$6,445,234	\$6,446,769
Operating Income	(\$1,441,651)	(\$1,544,472)	\$367,317	(\$2,115,919)	(\$1,715,034)	(\$1,716,569)
<u>Debt Service (Less contributions)</u>						
Debt Service - (52 & 17 acres)	\$2,352,373	\$2,364,123	\$2,012,576	\$2,250,353	\$2,273,677	\$2,273,677
Debt Service - TNEC	-	588,503	2,746,675	2,743,925	2,724,125	2,724,125
Bed Tax Contributions - TNEC	-	(588,503)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Equidome Project Use Fee	-	-	(75,000)	(555,000)	(360,000)	(360,000)
Net Debt Service	\$2,352,373	\$2,364,123	\$3,484,251	\$3,239,278	\$3,437,802	\$3,437,802
Operating Income After Debt Service	(\$3,794,024)	(\$3,908,595)	(\$3,116,934)	(\$5,355,197)	(\$5,152,836)	(\$5,154,371)

^a One-time Council Authorized transfer from Tourism Fund using available carryover to offset lost revenue during TNEC construction.

^b Allocated expenses are not budgeted for in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations.

^c Certain account activities were adjusted due to reconciliation of prior years.

Statement of Operations for March 2016 / 9 Months YTD

	FY 2011/12 YTD Actual	FY 2012/13 YTD Actual	FY 2013/14 YTD Actual ^c	FY 2014/15 YTD Actual ^c	FY 2015/16 YTD Actual	FY 2015/16 Approved YTD Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Revenue								
Rental Facilities	\$790,060	\$768,370	\$1,054,167	\$1,224,615	\$1,169,401	\$810,000	\$359,401	44%
RV Rental	144,194	160,991	166,497	174,727	148,624	217,600	(68,976)	-32%
Feed/Bedding Sales	391,295	403,294	433,323	456,367	482,807	634,953	(152,146)	-24%
Labor Fees	88,489	78,555	103,672	97,959	113,150	115,600	(2,450)	-2%
Concession Fees	120,542	117,355	99,118	224,601	300,458	150,100	150,358	100%
Parking	42,423	20,665	49,360	62,843	30,653	31,000	(347)	-1%
Other Income	9,789	9,429	5,704	4,468	10,370	6,122	4,248	69%
Council Approved Authorized Carryover ^a	-	-	-	-	-	-	-	-
Operating Revenue	\$1,586,792	\$1,558,659	\$1,911,841	\$2,245,580	\$2,255,463	\$1,965,375	\$290,088	15%
Operating Expenses								
Personnel Services								
Wages/Salaries/Benefits	\$1,132,352	\$1,159,098	\$1,194,267	\$1,255,967	\$1,333,238	\$1,391,103	\$57,865	4%
Overtime	16,133	26,618	18,952	23,949	23,368	19,621	(3,747)	-19%
Contractual Services								
Contractual Workers	30,651	28,727	68,464	73,170	59,558	33,000	(26,558)	-80%
Telephone	27,624	18,382	23,848	24,745	14,149	26,465	12,316	47%
Utilities	321,612	310,716	655,392	908,999	851,959	611,449	(240,510)	-39%
Maintenance & Equipment Rental & Fleet	305,968	454,606	425,163	475,302	521,915	526,046	4,131	1%
License and Permits	73,318	123,765	72,852	73,549	76,650	123,850	47,200	38%
Property, Liability & Workers' Comp	12,717	13,590	23,040	28,035	38,646	38,646	-	-
Advertising/Marketing Contract	5,784	9,183	211,819	207,504	252,328	209,171	(43,157)	-21%
Other	167,252	172,322	181,591	193,105	178,284	222,365	44,081	20%
Commodities and Capital Outlays								
Agriculture & Horticulture & Other Supply	89,073	110,786	93,903	69,317	90,978	99,914	8,936	9%
Maintenance & Repairs Supply, Equipment	59,650	54,377	57,207	72,866	73,448	87,178	13,730	16%
Inventory Purchased for Resale	198,913	212,540	237,513	237,145	261,370	378,000	116,630	31%
Construction - Other	52,424	4,480	10,695	-	21,466	-	(21,466)	n/a
Other Expenses	26,225	30,354	29,833	38,032	51,418	18,437	(32,981)	nm
BOR Admin								
BOR Admin/WestWorld	121,551	127,628	134,010	140,710	147,746	147,746	0	0%
Allocated Expenses ^b								
Facilities Maintenance	239,679	302,238	302,238	535,356	502,929	502,929	-	-
COS Indirect Costs	344,160	180,855	191,916	207,378	253,935	253,935	-	-
Operating Expenses	\$3,225,086	\$3,340,265	\$3,932,703	\$4,565,129	\$4,753,385	\$4,689,855	(\$63,528)	-1%
Operating Income	(\$1,638,294)	(\$1,781,606)	(\$2,020,862)	(\$2,319,549)	(\$2,497,922)	(\$2,724,480)	\$226,560	8%
Debt Service (Less contributions)								
Debt Service - (52 & 17 acres)	\$700,547	\$681,297	\$661,297	\$280,279	\$617,374	\$617,374	\$ -	-
Equidome Project Use Fee	-	-	-	(525,000)	(90,000)	(360,000)	(270,000)	-75%
Debt Service - TNEC	-	-	767,713	749,463	724,563	724,563	-	-
Bed Tax Contributions - TNEC	-	-	-	-	-	-	-	-
Net Debt Service	\$700,547	\$681,297	\$1,429,010	\$504,742	\$1,251,937	\$981,937	(\$270,000)	88%
Operating Income After Debt Service	(\$2,338,841)	(\$2,462,903)	(\$3,449,872)	(\$2,824,291)	(\$3,749,859)	(\$3,706,417)	(\$43,442)	1%

^a One-time Council Authorized transfer from Tourism Fund using available carryover to offset lost revenue during TNEC construction.

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^c Certain account activities were adjusted due to reconciliation of prior years.



Privilege (Sales) & Use Tax Collections For March 2016

(For Business Activity in February 2016)

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

The fiscal year to date Privilege and Use Tax (1.0 percent General Purpose) collections increased 5 percent compared to the Budget, and increased 4 percent compared to the same period a year ago.

Privilege (Sales) & Use Tax by Category and Fund

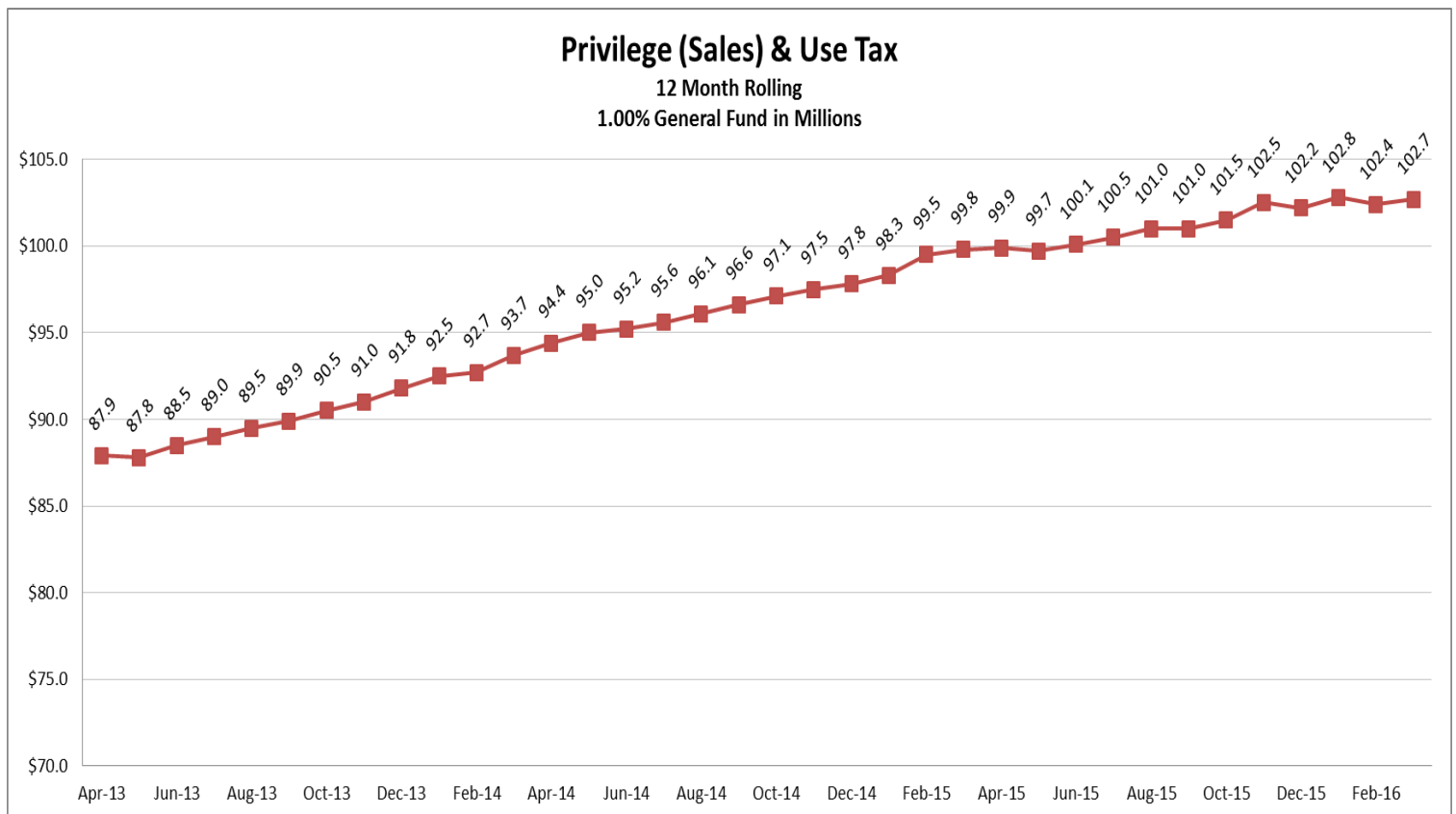
	Fiscal Year: Twelve Months				
	2013/14	2014/15	2015/16	2015/16	2015/16
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>Approved</u> <u>Adjustments</u>
1.00% General Purpose					
Rentals	\$12.4	\$13.0	\$13.2	\$13.2	\$0.0
Misc. Retail Stores	16.1	17.1	17.8	17.8	0.0
Major Dept. Stores	9.2	9.5	9.9	9.9	0.0
Automotive	12.4	13.8	14.4	14.4	0.0
Food Stores	6.6	7.0	7.0	7.0	0.0
Construction	11.1	11.1	8.3	8.3	0.0
Dining/ Entertainment	8.5	9.4	9.7	9.7	0.0
Other Taxable Activity	7.6	7.9	7.8	7.8	0.0
Hotel/Motel	5.0	5.3	5.5	5.5	0.0
Utilities	4.4	4.4	4.5	4.5	0.0
License fees, Penalty & Interest	2.3	2.2	2.2	2.2	0.0
Subtotal	<u>\$95.6</u>	<u>\$100.6</u>	<u>\$100.2</u>	<u>\$100.2</u>	<u>\$0.0</u>
0.10% Public Safety	\$9.3	\$9.8	\$9.8	\$9.8	\$0.0
0.20% Transportation	18.1	19.1	19.0	19.0	0.0
0.20% McDowell Preserve 1995	18.7	19.7	19.6	19.6	0.0
0.15% McDowell Preserve 2004	14.0	14.8	14.7	14.7	0.0
Total	<u>\$155.7</u>	<u>\$164.0</u>	<u>\$163.4</u>	<u>\$163.4</u>	<u>\$0.0</u>
% Change vs. Prior Year	7%	5%	0%	0%	

Rounding differences may occur.

Privilege (Sales) & Use Tax by Category and Fund

Fiscal Year-to-Date: March 2016						
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2015/16 Budget	Actual vs. Budget	
					Favorable/(Unfavorable) Amount	Percent
1.00% General Purpose						
Rentals	\$9.3	\$9.6	\$10.8	\$9.9	\$0.9	10%
Misc. Retail Stores	11.5	12.3	13.5	12.9	0.5	4%
Major Dept. Stores	6.8	7.0	7.0	7.3	(0.3)	-4%
Automotive	9.0	10.0	10.7	10.5	0.2	2%
Food Stores	4.9	5.1	5.3	5.2	0.1	1%
Construction	8.0	9.0	7.8	6.5	1.3	19%
Dining/ Entertainment	6.0	6.6	6.9	6.8	0.1	2%
Other Taxable Activity	5.5	5.7	6.4	5.7	0.7	12%
Hotel/Motel	3.2	3.5	3.7	3.6	0.1	2%
Utilities	3.4	3.4	3.4	3.4	0.0	0%
License fees, Penalty & Interest	2.0	1.8	1.7	1.9	(0.2)	-10%
Subtotal	\$69.6	\$74.1	\$77.2	\$73.8	\$3.4	5%
0.10% Public Safety	\$6.8	\$7.2	\$7.6	\$7.2	\$0.4	5%
0.20% Transportation	13.1	14.0	14.6	14.0	0.6	5%
0.20% McDowell Preserve 1995	13.5	14.5	15.1	14.4	0.7	5%
0.15% McDowell Preserve 2004	10.1	10.8	11.3	10.8	0.5	5%
Total	\$113.2	\$120.7	\$125.7	\$120.1	\$5.7	5%
% Change vs. Prior Year		7%	4%	0%		

Rounding differences may occur.



Rental Sales Taxes

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

Actual to Revised Budget variance of \$0.9 million or 10%: The increase is a result of a sale of two apartment complexes and a large audit payment.

Miscellaneous Retail Stores Sales Taxes

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

Actual to Revised Budget variance of \$0.5 million or 4%: The increase is due in part to increased sales in home furnishings, building supplies, computer software/hardware, and sales from websites.

Major Department Stores Sales Taxes

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

Actual to Revised Budget variance of (\$0.3) million or (4%): This is due to lower sales than expected.

Automotive Sales Taxes

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

Actual to Revised Budget variance of \$0.2 million or 2%: This is due to increased sales of new and used motor vehicles in addition to a new Mazda dealership. However, in recent months the sales are slowing and in some cases decreasing.

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%: Normal business fluctuations.

Construction Sales Taxes

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

Actual to Revised Budget variance of \$1.3 million or 19%: This is due to several large one-time audit payments and a sale of a commercial building.

Dining/Entertainment Sales Taxes

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

Actual to Revised Budget variance of \$0.1 million or 2%: Normal business fluctuations.

Other Taxable Activity Sales Taxes

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

Actual to Revised Budget variance of \$0.7 million or 12%: This is due in part to increase in taxable sales from computer hardware/software wholesalers.

Hotel/Motel Sales Taxes

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

Actual to Revised Budget variance of \$0.1 million or 2%: Normal business fluctuations

Utilities Sales Taxes

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

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

License Fees, Penalty & Interest

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

Actual to Revised Budget variance of (\$0.2) million or (10%): This is due to a decrease in penalties and interest and due to fewer license renewals from the change in the law for construction contractors.

Glossary

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

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

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

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

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.

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

Transfers In – Transfers in reflects funds received from the Enterprise Funds (In-Lieu Franchise Fees and In-Lieu Property Tax), Special Programs (30 Day Tow) and Tourism Development Fund.

GENERAL FUND USES

Personnel Services category includes the salaries and wages (pay for time worked, overtime premium, vacation, and sick leave) 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 category includes expenditures for services performed by firms, individuals, or other city divisions.

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

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

Glossary

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

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

OTHER FUNDS

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

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 Princess Hotel. 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 (RO) and effluent treated to irrigation standards. These different water types are delivered to 23 Reclaimed Water Distribution System (RWDS) golf courses, 3 Irrigation Water Distribution System (IWDS) golf courses, the Gainey Ranch Golf Club, the WestWorld golf course and the Inlet/Silverado golf course.
- Miscellaneous Revenue includes rental income, miscellaneous reimbursements and other minor fees.

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 (ABPs), Custom Fees and miscellaneous other charges.
- Privilege and Use Tax-Jet Fuel are charges earned from jet fuel sales by Fixed Based Operators (FBOs) in accordance with the Scottsdale Revised Code, Article IV, Section 422.

Glossary

Solid Waste Fund

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

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

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

Fleet 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 Fund.

Risk 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

Benefits 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 division programs, 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.