Preliminary Financial Update
General Fund
Fiscal Year 2025

CITY OF SCOTTSDALE

City Treasurer's Office
City Council Meeting – September 30, 2025

FY25/26 Year-End Financial Report Timeline

June 30, 2025

Fiscal Year-End

September 2025

Preliminary Results

September to November 2025

Year-end Audit

December 2025

Audit Committee

January 2025

Council Presentation

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Year- End Closing Process

August - September

Year – End Closing Entries

September - November

Financial Audit
Single Audit (Federal Grants)
HURF Audit
CFD Audits & Reports

October

Complete Annual Financial Reports

December - January

Expenditure Limitation Audit & Report

Preliminary Results Subject to Change with Year End Closing Process

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Preliminary General Fund Highlights

Revenues

- ❑ Moderate growth in most sales tax categories partially offset by significant decline in the Rental* category.
- ❑ State shared income tax revenues showed significant reduction from previous year due to implementation of flat tax, decline in estimated tax payments, and loss of large capital gains tax revenue that was realized in FY 2023/24.
- ❑ Property tax revenues declined due to the impact of the Qasimyar lawsuit.

Expenditures

- ❑ Overall expenditures were 2% below budget.

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*The elimination of residential rental taxation became effective January 1, 2025 per Laws 2023, Chapter 204.

General Fund Sales Tax – FY25 Preliminary Results

- Overall sales tax collections showed a year-over-year increase of 2%
- Most categories showed growth; Rental showed significant decline
  - Large one-time audit payments occurred in Automotive, Construction, Retail categories
  - New car dealership, fall auction and general increase in sales bolstered Automotive category
  - Construction and Retail showed solid growth
  - Elimination of taxation on residential rental income resulted in Rental category decline

(in millions)	FY24 Actuals	FY25 Actuals	% Change from PY	FY25 Budget	Budget Variance	Budget Variance %
Retail	$55.2	$57.2	4%	$52.5	$4.7	9%
Rental	$25.0	$21.6	-14%	$20.8	$0.8	4%
Automotive	$22.8	$24.0	5%	$21.7	$2.3	11%
Construction	$19.0	$21.0	10%	$19.1	$1.9	10%
Dining/Entertainment	$18.5	$18.7	1%	$17.6	$1.0	6%
Hotel/Motel	$11.3	$11.6	3%	$10.7	$0.9	9%
Food Stores	$10.7	$10.6	-1%	$11.6	($1.0)	-9%
Other	$30.1	$32.4	8%	$29.0	$3.4	12%
Total	**$192.7**	**$197.1**	**2%**	**$183.0**	**$14.1**	**8%**

General Fund – FY25 Preliminary Results

- State Shared Income tax showed a significant year-over-year decline as a result of the flat tax implementation and loss of capital gains tax revenue that occurred in FY 2024/25.
- Both State Shared Sales Tax and State Shared Vehicle Tax showed moderate increases.

(in millions)	FY24 Actuals	FY25 Actuals	% Change from PY	FY25 Budget	Budget Variance	Budget Variance %
State Shared Sales Tax	$36.7	$37.5	2%	$37.1	$0.4	1%
State Shared Income Tax	$64.4	$52.0	-19%	$51.8	$0.2	0%
State Shared Vehicle Tax	$12.6	$13.2	5%	$12.3	$0.9	7%
Total State Share	**$113.7**	**$102.7**	**-10%**	**$101.2**	**$1.5**	**1%**
Primary Property Tax	$36.5	$32.3	-12%	$38.4	($6.1)	-16%

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General Fund – FY25 Preliminary Results

- The primary drivers for year-over-year growth in Charges for Service:
  - Fire Insurance Premium Tax revenue distribution was higher than budgeted
  - Facility rental fees at WestWorld due to timing in receiving payments
  - Revenue recovery from vendors for damage to the WestWorld facility

(in millions)	FY24 Actuals	FY25 Actuals	% Change from PY	FY25 Budget	Budget Variance	Budget Variance %
WestWorld	$6.2	$7.9	27%	$6.2	$1.7	27%
TPC	$3.6	$3.7	3%	$3.3	$0.4	12%
Other	$9.4	$10.0	6%	$7.8	$2.2	28%
Total Charges for Services	**$19.2**	**$21.6**	**13%**	**$17.3**	**$4.3**	**25%**

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General Fund Revenue– FY 25 Preliminary Results

(in millions)	FY24 Actuals	FY25 Actuals	% Change from PY	FY25 Budget	Budget Variance	Budget Variance %
Local Taxes*	$208.0	$212.5	2%	$197.8	$14.7	7%
Property Tax	$36.5	$32.3	-12%	$38.4	($6.1)	-16%
State Shared	$113.7	$102.7	-10%	$101.2	$1.5	1%
Charges for Services	$19.2	$21.6	13%	$17.3	$4.3	25%
Interest Earnings	$14.4	$16.6	15%	$15.6	$1.0	6%
Other	$48.6	$53.1	9%	$53.6	($0.5)	-1%
Transfers In	$17.9	$15.7	-12%	$15.8	($0.1)	-1%
Total	**$458.3**	**$454.5**	**-1%**	**$439.7**	**$14.8**	**3%**

*Includes Local Sales Tax, Utility Taxes, Cable TV License Fee, Stormwater Fee, and SRP In-Lieu Fee

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General Fund Expenditures – FY25 Preliminary Results

- Transfers Out is currently under budget due to transfers to the Capital Improvement Plan that had not yet been completed as of 3rd close; these transfers will be completed by final closing.

(in millions)	FY24 Actuals	FY25 Actuals	% Change from PY	FY25 Budget	Budget Variance	Budget Variance %
Personnel Costs	$257.3	$272.2	6%	$280.9	$8.7	3%
Commodities and Services	$96.9	$103.7	7%	$102.4	($1.3)	-1%
Contracts Payable	$0.4	$0.5	-	$0.5	$0.0	-
Other	$2.9	$1.5	-48%	$1.4	($0.1)	-5%
Subtotal	**$357.5**	**$377.9**	**6%**	**$385.2**	**$7.3**	**2%**
Transfers Out	$89.1	$36.1	-59%	$60.7	$24.5	40%
Total Expenditures	**$ 446.7**	**$ 414.0**	**-7%**	**$ 445.9**	**$ 31.9**	**7%**

General Fund Division Expenditures – FY25Preliminary Results

(in millions)	FY24 Actuals	FY25 Actuals	% Change from PY	FY25 Budget	Budget Variance	Budget Variance %
Mayor/Council/Charter Officers	$30.6	$34.1	12%	$36.4	$2.2	6%
Administrative Services	$25.5	$27.7	9%	$28.3	$0.6	2%
Comm & Ec Dev	$23.9	$25.0	5%	$26.4	$1.4	5%
Community Services	$48.5	$53.5	10%	$54.4	$0.9	2%
Public Safety - Fire	$65.3	$74.1	13%	$74.2	$0.1	0%
Public Safety - Police	$137.2	$135.7	-1%	$136.1	$0.5	0%
Public Works	$26.2	$27.3	4%	$28.9	$1.6	6%
Total	**$357.1**	**$377.4**		**$384.8**	**$7.3**	**2%**

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*Totals exclude Contracts Payable

Questions?

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September 2025 Project Budget Overview

Project	Total Project Budget	Funds Spent (in millions)	Remaining Budget	Funding Sources
Water Campus Administrative Building Expansion and New Regulatory Lab	23.6	2.1	21.5	Water Rates
Old Town Pavement Improvement	7	0	7	Transportation Sales Tax 0.2%
McCormick Stillman Roundhouse	11.8	9.5	2.3	General Fund, Tourism and Development Funds, Special Revenue Fund
28 – Build a New Fire Station near Hayden Road and Loop 101	13.7	11.5	2.2	Bond 2019, General Fund, Bond 2019 Interest

Note: The Funds Committed column that typically is found in this report is still being updated as a result of the transition to the new ERP system. It will be included in future reports once finalized.