

Monthly Financial Report

July 2016



CITY OF SEDONA

May 26, 2017

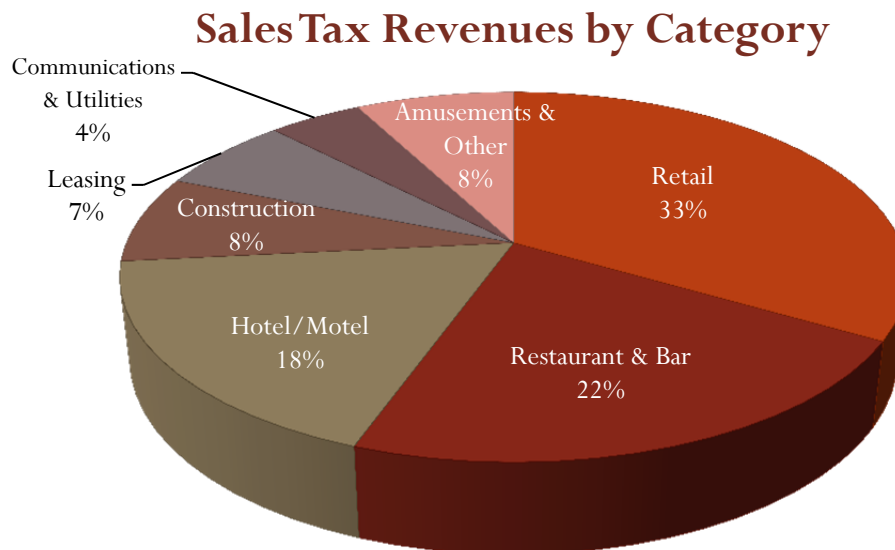
Monthly Financial Report

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Executive Summary

The City's sales and bed tax revenues continue to see significant increases. **City sales taxes are 24% higher** than the prior year and **bed taxes are 46% higher** than the prior year. A portion of the increase in bed taxes represents an increase in late payments (collection of taxes for prior taxing periods) and payments made on time in FY 2017 that were made late in FY 2016.

The highest increases in sales taxes were in the Restaurant & Bar, Hotel/Motel, and Amusements & Other categories. These increases can be attributed to increases in tourism.



Revenues

All revenue categories are expected to be generally on target by the end of the fiscal year, with the exception of fines and forfeitures. The largest decrease in fines and forfeitures is related to court fines, which are 45% lower than the prior fiscal year. There are a number of variables that could explain the decrease. Examples include (1) lower cash collections on outstanding balances which would result in an increase in receivables and/or (2) a change in the types of case filings that result in lower fine amounts. Preliminary analysis also shows that there has been a decrease in the caseload.

Expenditures

Expenditures are expected to be on or under target by the end of the fiscal year. General Services, Information Technology and Parks & Recreation expenditures are high for one month but are on track due to the nature of semiannual payments for community contracts, annual software maintenance contracts, and the seasonality of the aquatics program.

Expenditures for capital improvements and streets maintenance are not incurred consistently throughout the year and, as of July 2016, are under targets for the fiscal year.

Report Format

The format for the City of Sedona Monthly Financial Report has been modified to provide both summarized financial information and additional historical information. The City's fiscal year (FY) is July 1 through June 30. This report for July 2016 is the first month of the current fiscal year, FY2017, and represents 8.33% of the fiscal year.

The report consists of the following sections:

- **Executive Summary** – This summary includes a narrative discussion of the most significant information in this report.
- **Table of Contents** – The table of contents includes hyperlinks to the sections and tables in this report. It also includes the status for the City's expenditures and revenues, highlighted as follows:
 - **Green** represents a status favorable, including expenditures on or under target and revenues on or exceeding target. Comments have been included regarding any significant favorable status, better than the target by more than 10%.
 - **Yellow** represents a cautionary status indicating that the particular category should be observed but is expected to be on target by the end of the fiscal year. Comments have been included regarding the cautionary status.
 - **Red** represents an unfavorable status indicating that particular category is not expected to be on target by more than 10% by the end of the fiscal year. Comments have been included regarding the unfavorable status.
- **Expenditures and Revenues** – Expenditure and revenue Information has been provided both by fund (including the two Community Facilities Districts managed by the City) and by department for non capital improvement expenditures and by type for revenues. The information includes:
 - Year-to-date (YTD) expenditures and revenues for the current fiscal year and the three previous fiscal years
 - Total annual expenditures and revenues, excluding contingencies, for the three previous fiscal years and budget amounts for the current fiscal year
 - Comparison of YTD amounts to annual amounts, which is used to determine if current year YTD amounts are on target, and any applicable comments regarding the status compared to targets
 - Increases and decreases in YTD and annual amounts and color-coded explanations of significant increases and decreases
- **Sales & Bed Tax Revenues** – The revenues are the most significant funding sources for the City and historically have been susceptible to fluctuations in the economy. The information includes comparisons by taxing category and by month.
- **Fund Summaries** – The City's two most significant funds, the General Fund and the Wastewater Enterprise Fund, are presented with detailed comparisons of YTD amounts to the budgets and prior fiscal year. A summary of all City funds, plus the two Community Facilities Districts, is also included. The schedules include encumbrances, which represents the balance of purchase orders not yet fulfilled.
- **Bonds Outstanding** – A table of the City's outstanding bonds has been presented by fund with the remaining principal and interest payments for each. Bond payments are made on July 1 and January 1 in accordance with the bond debt repayment schedules.
- **Capital Projects Summary** – A table of the current fiscal year capital improvement projects has been presented with the total project amounts for projects spanning more than one fiscal year.

For questions or additional information, contact:

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	Page	% YTD	Status	Comments
Total Expenditures by Fund				
General Fund	5	11%	On Target for FY 2017	While expenditures are high for one month, they are deemed on track due to the significant semiannual payments made in July.
Special Revenue Funds:				
Streets Fund	6	0%	Under Target for FY 2017	Paving and maintenance projects do not occur consistently throughout the fiscal year.
Grants, Donations & Other Funds	6	4%	Under Target for FY 2017	Expenditures do not occur consistently throughout the fiscal year.
Capital Projects Funds:				
Development Impact Fees Funds	7	<1%	Under Target for FY 2017	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Capital Improvements Fund	7	<1%	Under Target for FY 2017	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Art in Public Places Fund	8	N/A	On Target for FY 2017	No projects planned for FY 2017.
Wastewater Enterprise Fund	9	5%	Under Target for FY 2017	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Community Facilities Districts:				
Sedona Summit II	10	0%	Under Target for FY 2017	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Fairfield	10	0%	Under Target for FY 2017	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Total Non-Capital Improvement Expenditures by Department				
City Council	11	1%	Under Target for FY 2017	
City Manager's Office	11	4%	Under Target for FY 2017	
Human Resources	12	5%	Under Target for FY 2017	
Financial Services	12	5%	Under Target for FY 2017	
Information Technology	13	14%	On Target for FY 2017	While expenditures are high for one month, they are on track due to the significant annual payments made in July.
City Attorney's Office	14	5%	Under Target for FY 2017	
City Clerk's Office	14	4%	Under Target for FY 2017	
Parks & Recreation	15	11%	On Target for FY 2017	While expenditures are high for one month, they are on track due to the seasonal nature of the aquatics program.
General Services	16	31%	On Target for FY 2017	While expenditures are high for one month, they are on track due to the significant semiannual payments made in July.
Community Development	17	3%	Under Target for FY 2017	
Public Works	18	3%	Under Target for FY 2017	
Police	19	6%	Under Target for FY 2017	
Municipal Court	20	5%	Under Target for FY 2017	
Wastewater Administration	21	8%	On Target for FY 2017	
Wastewater Capital	22	6%	Under Target for FY 2017	
Wastewater Operations	23	3%	Under Target for FY 2017	
Total Revenues by Fund				
General Fund	24	7%	Under Target for FY 2017	While revenues are low for one month, franchise fees are received quarterly and in-lieu fees are typically received during the last quarter of the fiscal year. Revenues are expected to be on target by the end of the fiscal year.
Special Revenue Funds:				
Streets Fund	25	10%	Exceeds Target for FY 2017	
Grants, Donations & Other Funds	25	7%	Under Target for FY 2017	Revenues do not occur consistently throughout the fiscal year but are expected to be on target by the end of the fiscal year.
Capital Projects Funds:				
Development Impact Fees Funds	26	10%	Exceeds Target for FY 2017	
Capital Improvements Fund	26	<1%	Under Target for FY 2017	Revenues do not occur consistently throughout the fiscal year but are expected to be on target by the end of the fiscal year.
Art in Public Places Fund	27	∞	Exceeds Target for FY 2017	
Wastewater Enterprise Fund	28	8%	On Target for FY 2017	
Community Facilities Districts:				
Sedona Summit II	29	<1%	Under Target for FY 2017	While revenues are low for one month, in-lieu fees are received quarterly and are expected to be on target by the end of the fiscal year.
Fairfield	29	<1%	Under Target for FY 2017	While revenues are low for one month, in-lieu fees are received quarterly and are expected to be on target by the end of the fiscal year.
Total Revenues by Type				
City Sales Taxes	30	8%	On Target for FY 2017	
Bed Taxes	30	9%	Exceeds Target for FY 2017	A portion of the increase represents an increase in late payments (collection of taxes for prior taxing periods) and payments made on time in FY 2017 that were made late in FY 2016.
In-Lieu	31	0%	On Target for FY 2017	While revenues are low for one month, in-lieu fees are received quarterly and are expected to be on target by the end of the fiscal year.
Franchise Fees	31	0%	On Target for FY 2017	While revenues are low for one month, franchise fees are received quarterly and are expected to be on target by the end of the fiscal year.
State Sales Taxes	32	8%	Under Target for FY 2017	There is some seasonality to the sales tax revenues collected state-wide and the revenues can fluctuate from month to month. YTD revenues are low but expected to be on target by the end of the fiscal year.
Urban Revenue Sharing	32	8%	On Target for FY 2017	
Vehicle License Taxes	33	8%	Under Target for FY 2017	There is some seasonality to the vehicle license taxes and the revenues can fluctuate from month to month. YTD revenues are low but expected to be on target by the end of the fiscal year.
Highway User	33	10%	Exceeds Target for FY 2017	
Other Intergovernmental	34	3%	Under Target for FY 2017	Revenues do not occur consistently throughout the fiscal year but are expected to be on target by the end of the fiscal year.
Licenses & Permits	35	5%	Under Target for FY 2017	Annual business license renewals are primarily received in November to December. In addition, building permit revenues are not necessarily consistent from month to month. Revenues are low but expected to be on target by the end of the fiscal year.
Charges for Services	35	8%	On Target for FY 2017	
Fines & Forfeitures	36	5%	Under Target for FY 2017	If the placeholder for the paid parking program revenues is excluded, YTD revenues represent 7% of annual revenues, which is under target for the fiscal year-to-date. This is primarily a result of a decrease in court fines collected. This revenue category will not significantly impact the overall operations of the City; however, we will continue to monitor these revenues to identify whether revenue estimates should be changed.
Development Impact Fees	36	10%	Exceeds Target for FY 2017	
Capacity Fees	37	12%	Exceeds Target for FY 2017	
Other Miscellaneous	37	4%	Under Target for FY 2017	Revenues do not occur consistently throughout the fiscal year but are expected to be on target by the end of the fiscal year.
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Total Expenditures by Fund

Total General Fund Expenditures

On Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 635,654	\$ 12,520,234	5%		
2015	\$ 1,386,548	\$ 14,282,455	10%	118%	14%
2016	\$ 1,971,360	\$ 14,907,362	13%	42%	4%
2017	\$ 2,019,966	\$ 18,013,460	11%	2%	21%

YTD Increase from FY 2014 to FY 2015:

- (1) Starting FY 2015, debt service costs are accrued monthly. Previously, debt service costs were recorded on a cash basis semiannually in December and June.
- (2) The Council increased its commitment to destination marketing.
- (3) Payments to the Sedona Chamber of Commerce for the Visitor Center and destination marketing were made in July in FY 2015 compared to August in FY 2014.

YTD Increase from FY 2015 to FY 2016:

- (1) Salaries and benefits represent the largest expenditure in the General Fund, and the increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.
- (2) Other differences are a result of timing of annual and semi-annual payments made earlier in the year, including some of the software license agreements and some of the community support payments.

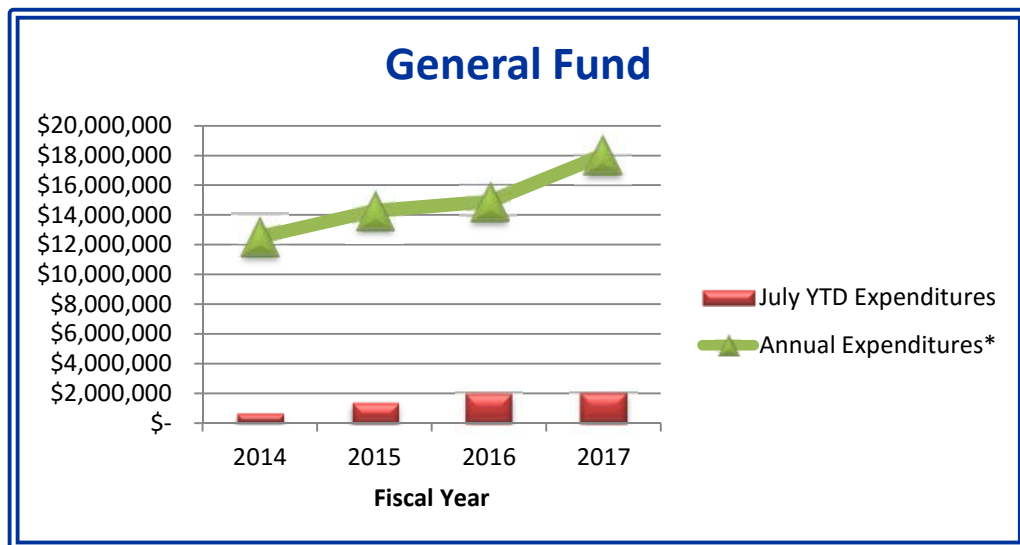
Annual Increase from FY 2014 to FY 2015:

- (1) Information Technology hardware and software expenditures increased approximately \$277,000 due largely to the replacement of mobile data equipment and software upgrades for the Police Department.
- (2) The Council increased the commitment to destination marketing, resulting in an increase of approximately \$860,000.
- (3) Salary and benefits increased approximately \$575,000. The increase in salaries was primarily due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increases in benefits were an increase of 27% to the required contributions to the Public Safety Personnel Retirement System (PSPRS) and a 9% increase to health insurance premiums.

Annual Increase from FY 2016 to FY 2017:

- (1) For FY 2017, Council approved the transfer of all streets related expenditures other than rehabilitation and pavement preservation to the General Fund. This increase to the General Fund was approximately \$818,000.
- (2) Three new full-time positions and two part-time positions were added at a cost of approximately \$327,000.
- (3) Other salary and benefit increases were approximately \$660,000. The increase in salaries was primarily due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increases in benefits were an increase of 3% to the required contributions to the Public Safety Personnel Retirement System (PSPRS) and a 2% increase to health insurance premiums.
- (4) Capital outlay expenditures increased approximately \$241,000 due primarily to budgeted vehicle replacements, computer and hardware upgrades, and the implementation of an assigned vehicle program for the Police Department.
- (5) A comprehensive update of the Land Development Code was budgeted as \$200,000 in FY 2017.

On Target for FY 2017: The percentage of annual expenditures is high for one month of the fiscal year (11% actual compared to one month budget of 8%). This is primarily due to the upfront costs for the community service contracts and the destination marketing program that are paid semiannually and the annual software maintenance contracts. Based on the timing and size of these payments, the General Fund expenditures are on track for FY 2017.



* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies. For the prior years, the Annual Expenditures represent total actual expenditures.

Total Expenditures by Fund

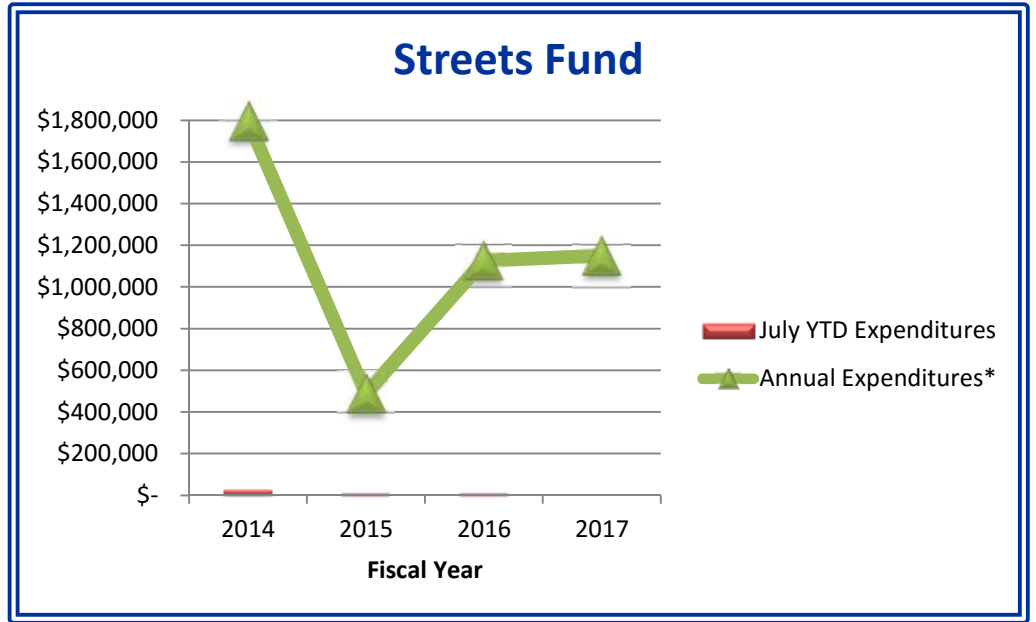
Total Streets Fund Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 24,264	\$ 1,799,340	1%		
2015	\$ 9,168	\$ 488,072	2%	-62%	-73%
2016	\$ 9,405	\$ 1,126,227	1%	3%	131%
2017	\$ -	\$ 1,150,000	0%	-100%	2%

Increases/Decreases: Much of the activity in the Streets Fund is from paving and maintenance projects so spending will not necessarily be consistent from month to month or year to year.

For FY 2017, the Council approved the transfer of all streets related expenditures other than rehabilitation and pavement preservation to the General Fund and increased the annual maintenance expectations to approximately 4.5 to 5.0 miles per year.

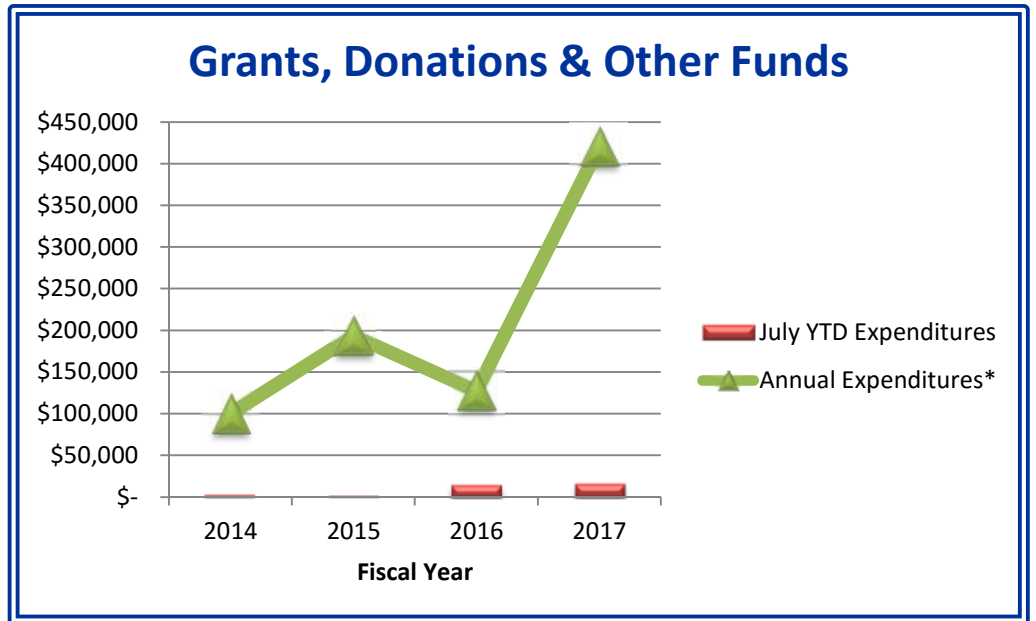


Total Grants, Donations & Other Exp.

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 3,145	\$ 99,837	3%		
2015	\$ 1,015	\$ 193,488	1%	-68%	94%
2016	\$ 15,000	\$ 127,230	12%	1378%	-34%
2017	\$ 16,673	\$ 420,500	4%	11%	231%

Increases/Decreases: The activity of the Grants & Donations Funds is based on the funding awarded and received during the year so spending will not necessarily be consistent from month to month or year to year.



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Total Expenditures by Fund

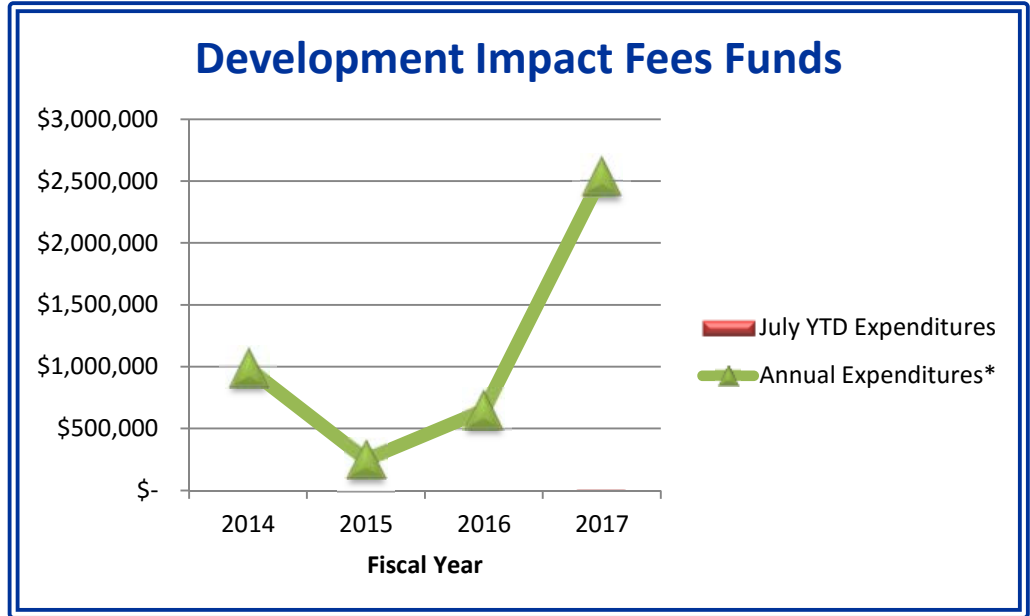
Total Develop. Impact Fees Exp.

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ -	\$ 988,600	0%		
2015	\$ -	\$ 247,614	0%	N/A	-75%
2016	\$ -	\$ 647,006	0%	N/A	161%
2017	\$ 1,766	\$ 2,538,318	<1%	∞	292%

Increases/Decreases: The activity of the Development Impact Fees Funds is based on the timing of budgeted capital improvement projects so spending will not necessarily be consistent from month to month or year to year.

For FY 2017, budgeted expenditures includes \$1.5 million specifically designated for the acquisition of park/open space land. If Council does not decide to purchase property in FY 2017, it will be re-appropriated in future fiscal years.

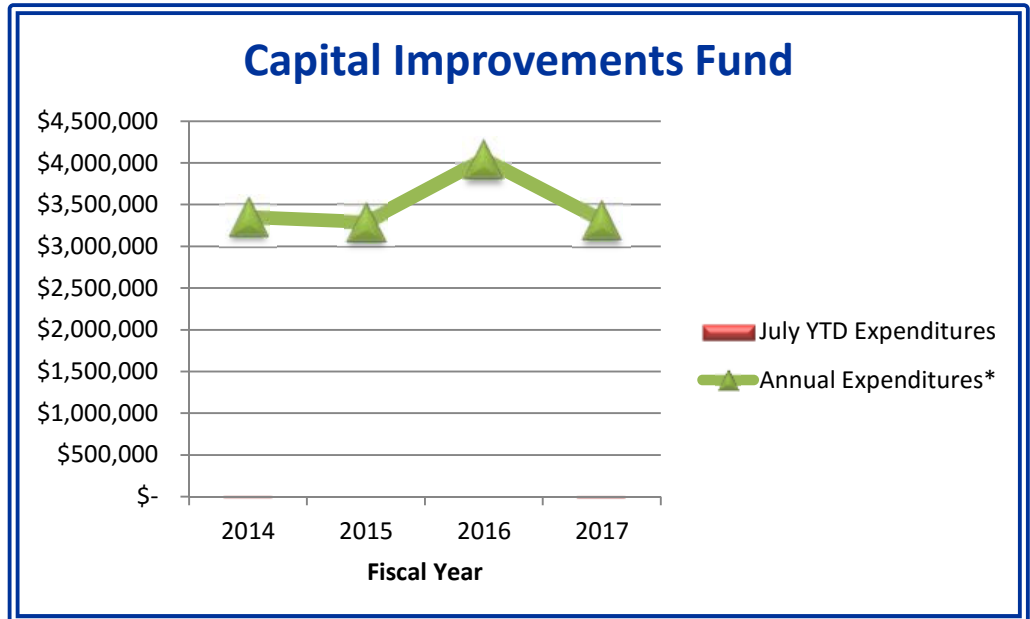


Total Capital Improvements Fund Exp.

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 4,841	\$ 3,348,961	<1%		
2015	\$ -	\$ 3,293,016	0%	-100%	-2%
2016	\$ -	\$ 4,045,969	0%	N/A	23%
2017	\$ (4,557)	\$ 3,312,786	<1%	∞	-18%

Increases/Decreases: The activity of the Capital Improvements Fund is based on the timing of budgeted capital improvement projects so spending will not necessarily be consistent from month to month or year to year.



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Total Expenditures by Fund

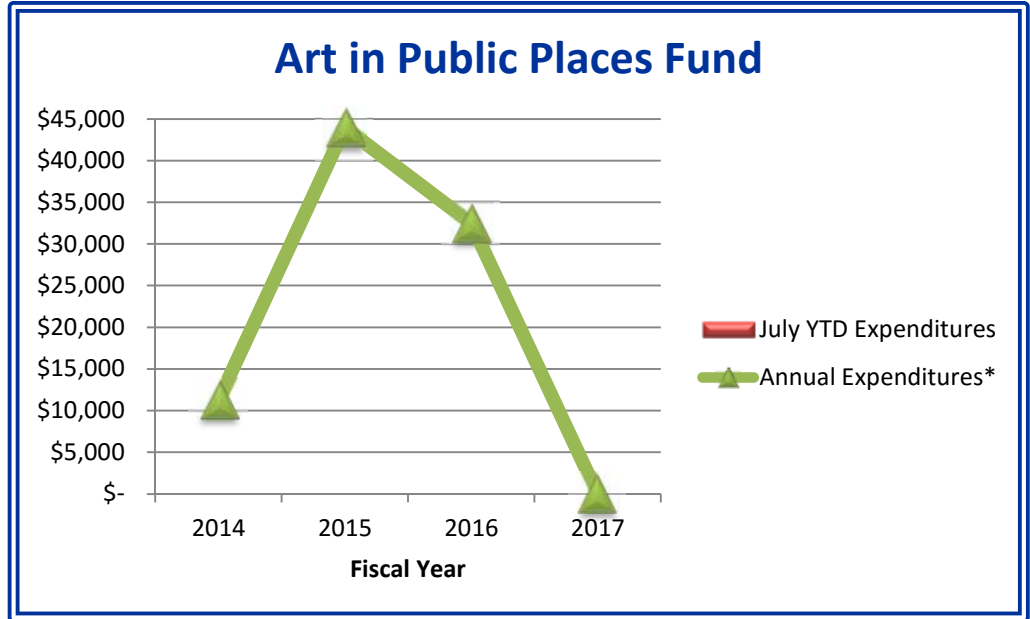
Total Art in Public Places Fund Exp.

On Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ -	\$ 11,255	0%		
2015	\$ -	\$ 43,975	0%	N/A	291%
2016	\$ -	\$ 32,500	0%	N/A	-26%
2017	\$ -	-	N/A	N/A	-100%

Increases/Decreases: The activity of the Art in Public Places Fund is based on the timing of budgeted arts projects so spending will not necessarily be consistent from month to month or year to year.

For FY 2017, no arts projects are planned to allow the balance in the Art in Public Places Fund to accumulate for additional projects in future fiscal years.



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Total Expenditures by Fund

Total Wastewater Enterprise Fund Exp. Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 144,334	\$ 9,927,837	1%		
2015	\$ 536,959	\$ 11,055,429	5%	272%	11%
2016	\$ 657,491	\$ 14,367,467	5%	22%	30%
2017	\$ 580,385	\$ 12,019,062	5%	-12%	-16%

YTD Increase from FY 2014 to FY 2015:

Starting FY 2015, debt service costs are accrued monthly. Previously, debt service costs were recorded on a cash basis semiannually in December and June.

YTD Increase from FY 2015 to FY 2016:

- (1) Salaries and benefits increased approximately \$52,000 and is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.
- (2) Due to the timing of utility payments, approximately \$42,000 additional was recorded in July 2015 as compared to July 2014.

YTD Decrease from FY 2016 to FY 2017:

- (1) Salaries and benefits decreased approximately \$21,000 and is largely a result of reallocations of the interdepartmental charges.
- (2) Debt service costs are approximately \$22,000 lower and are based on the monthly accruals of scheduled bond principal and interest payments.
- (3) Other differences were a result of timing of other costs including wetlands maintenance, postage refills, and solid waste disposal.

Annual Increase from FY 2014 to FY 2015:

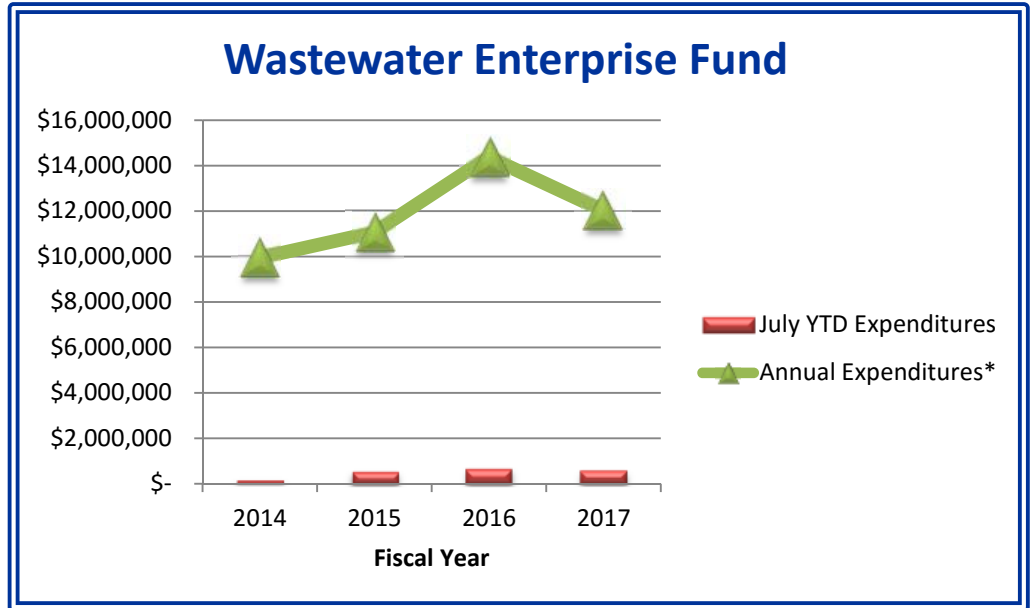
Capital improvement expenditures increased by approximately \$1.2 million due to the wastewater treatment plant capacity enhancement upgrades and drilling of injection wells performed in FY 2015.

Annual Increase from FY 2015 to FY 2016:

Capital improvement expenditures increased by approximately \$3.2 million due to the wastewater treatment plant capacity enhancement upgrades and drilling of injection wells performed in FY 2016.

Annual Decrease from FY 2016 to FY 2017:

Budgeted capital improvement expenditures decreased by approximately \$2.4 million due to the completion of the wastewater treatment plant capacity enhancement upgrades performed in FY 2016.



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Total Expenditures by Fund

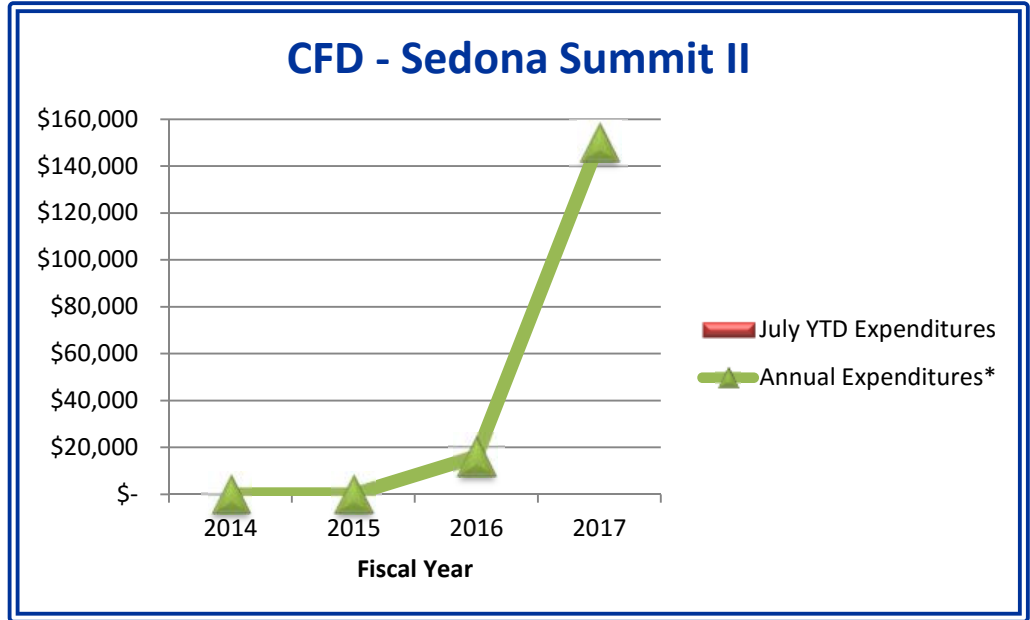
Total CFD - Sedona Summit II Exp.

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ -	\$ 16,064	0%	N/A	∞
2017	\$ -	\$ 150,000	0%	N/A	834%

Increases/Decreases: The activity of the Sedona Summit II Community Facilities District is based on the timing of budgeted capital improvement projects so spending will not necessarily be consistent from month to month or year to year.

For FY 2107, planned capital improvement projects include demolition and design for future development of the Brewer Road property and construction of an amphitheater at Barbara Antonsen Park.



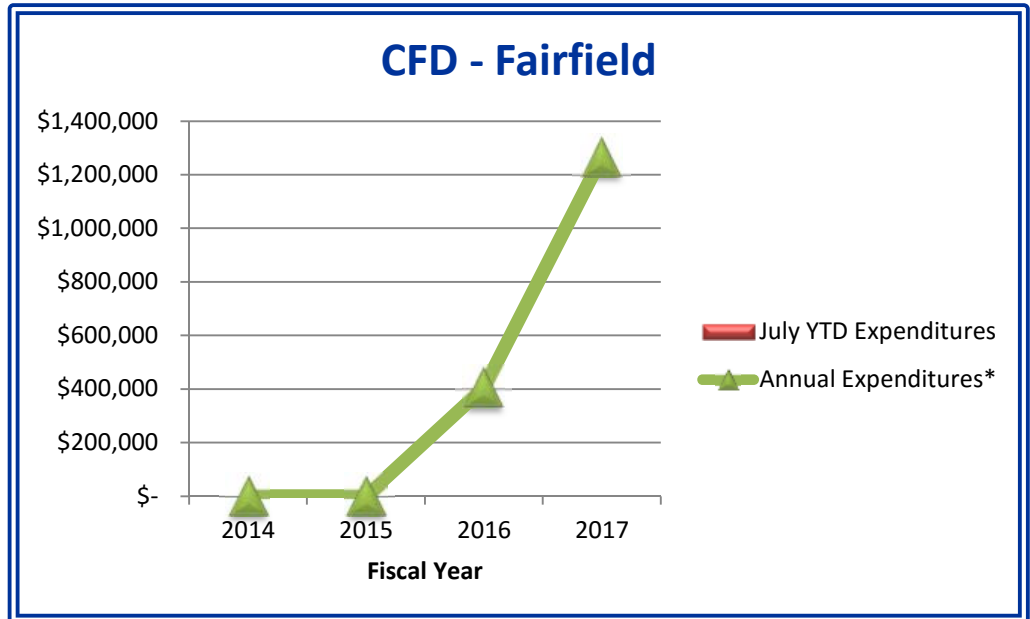
Total CFD - Fairfield Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ -	\$ 404,998	0%	N/A	∞
2017	\$ -	\$ 1,264,749	0%	N/A	212%

Increases/Decreases: The activity of the Fairfield Community Facilities District is based on the timing of budgeted capital improvement projects so spending will not necessarily be consistent from month to month or year to year.

For FY 2107, planned capital improvement projects include demolition and design for future development of the Brewer Road property and construction of an amphitheater at Barbara Antonsen Park.



* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies. For the prior years, the Annual Expenditures represent total actual expenditures.

Total Non-Capital Improvement Expenditures by Department

City Council Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 1,600	\$ 53,561	3%		
2015	\$ 627	\$ 66,995	1%	-61%	25%
2016	\$ 401	\$ 63,123	1%	-36%	-6%
2017	\$ 401	\$ 78,585	1%	<1%	24%

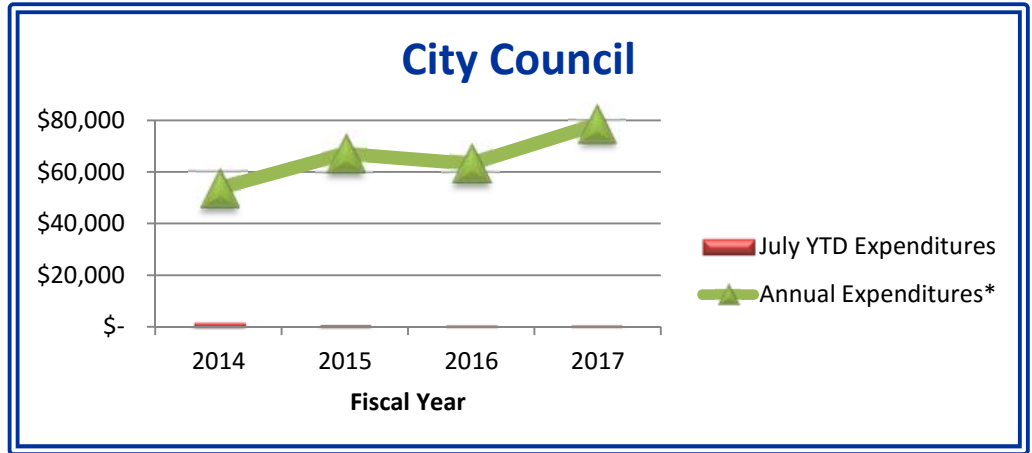
Annual Increase from FY 2014 to FY 2015:

- (1) Moved Travel & Training costs to departments from General Services in FY 2015.
- (2) Increase in meals costs for City Manager interviews.
- (3) Replacement of office furniture.

Annual Increase from FY 2016 to FY 2017:

FY 2107 includes budget capacity available for Travel & Training and Special Programs.

Other Increases/Decreases: Other increases and decreases are a result of timing of expenditures.



City Manager's Office Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 33,736	\$ 696,483	5%		
2015	\$ 35,003	\$ 704,983	5%	4%	1%
2016	\$ 44,774	\$ 745,235	6%	28%	6%
2017	\$ 38,938	\$ 1,060,540	4%	-13%	42%

YTD Increase from FY 2015 to FY 2016:

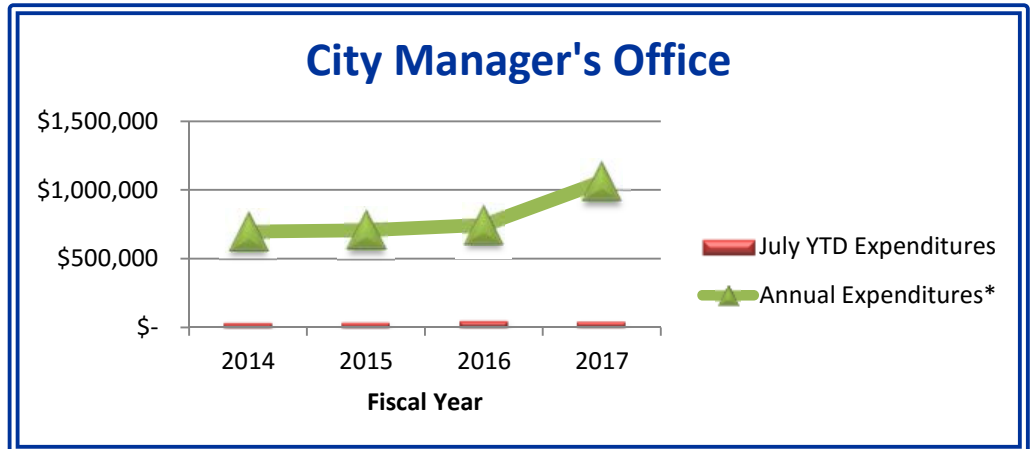
The increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.

YTD Decrease from FY 2016 to FY 2017:

The decrease is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2016 includes activity for one and a half pay periods, while July 2015 includes activity for two pay periods.

Annual Increase from FY 2016 to FY 2017:

- (1) The Economic Development program totaling approximately \$188,000 was transferred from the Community Development Department and the position upgraded to an Economic Development Director.
- (2) Prior to FY 2017, salary allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (3) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.



* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies and capital improvements. For the prior years, the Annual Expenditures represent total actual expenditures.

Total Non-Capital Improvement Expenditures by Department

Human Resources Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 8,643	\$ 178,106	5%		
2015	\$ 8,127	\$ 191,432	4%	-6%	7%
2016	\$ 13,072	\$ 217,866	6%	61%	14%
2017	\$ 11,721	\$ 256,592	5%	-10%	18%

YTD Increase from FY 2015 to FY 2016:

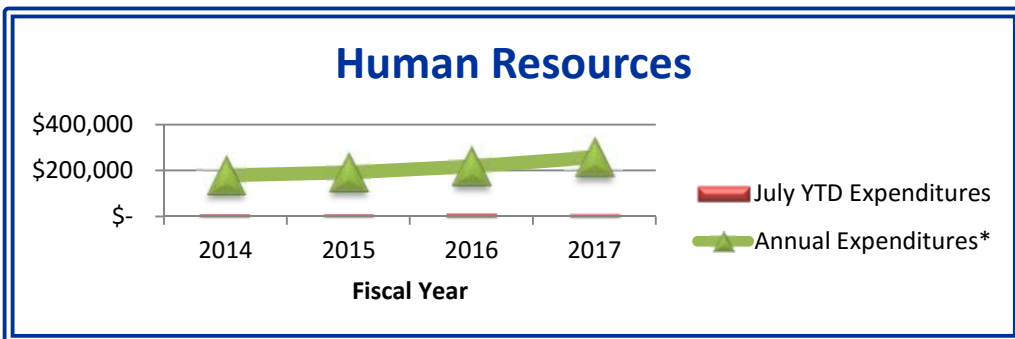
The increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.

Annual Increase from FY 2015 to FY 2016:

- (1) Increase in recruitment expenditures of \$6,500.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.3% and average merit increases of 2.5%. The most significant increase in benefits was a 7% increase to health insurance premiums.

Annual Increase from FY 2016 to FY 2017:

- (1) Prior to FY 2017, salary allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (2) Budgeted Recruitment/Relocation costs were increased by approximately \$11,500 to account for the increases in recruitment costs and the transfers of costs from other departments.
- (3) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.



Financial Services Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 14,314	\$ 448,475	3%		
2015	\$ 13,201	\$ 416,550	3%	-8%	-7%
2016	\$ 24,836	\$ 450,225	6%	88%	8%
2017	\$ 42,558	\$ 941,285	5%	71%	109%

YTD Increase from FY 2015 to FY 2016:

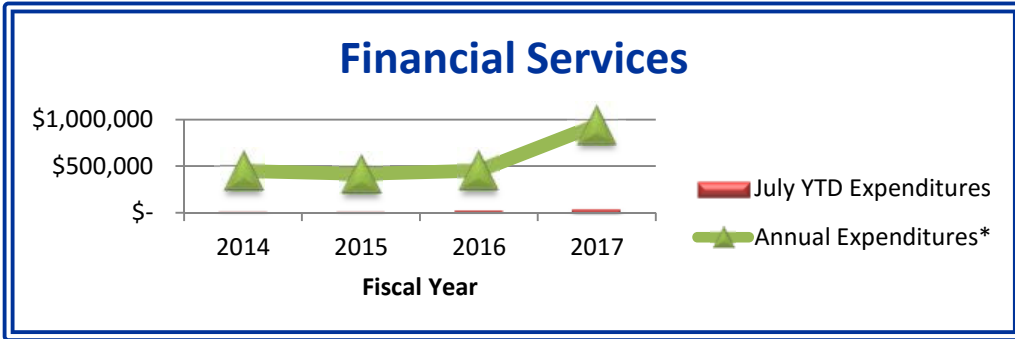
The increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.

YTD Increase from FY 2016 to FY 2017:

Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund. The Utility Billing function in Financial Services is a significant part of these allocations.

Annual Increase from FY 2016 to FY 2017:

- (1) Prior to FY 2017, salary allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund. The Utility Billing function in Financial Services is a significant part of these allocations.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.



* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies and capital improvements. For the prior years, the Annual Expenditures represent total actual expenditures.

Total Non-Capital Improvement Expenditures by Department

Information Technology Expenditures

On Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 163,431	\$ 713,547	23%		
2015	\$ 133,768	\$ 1,058,766	13%	-18%	48%
2016	\$ 184,658	\$ 853,746	22%	38%	-19%
2017	\$ 179,138	\$ 1,284,655	14%	-3%	50%

YTD Decrease from FY 2014 to FY 2015:

- (1) Timing difference in when payments of annual software maintenance contracts were made.
- (2) Purchase of new computers and software in FY 2014.

YTD Increase from FY 2015 to FY 2016:

- (1) The increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.
- (2) Increases in annual software maintenance contracts were a result of timing differences of when payments were made.

Annual Increase from FY 2014 to FY 2015:

- (1) Hardware and software expenditures increased approximately \$277,000 due largely to the replacement of mobile data equipment and software upgrades for the Police Department.
- (2) Annual software maintenance contracts increased approximately \$19,000.
- (3) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.
- (4) Increase in internet service of approximately \$18,000 to improve connectivity.

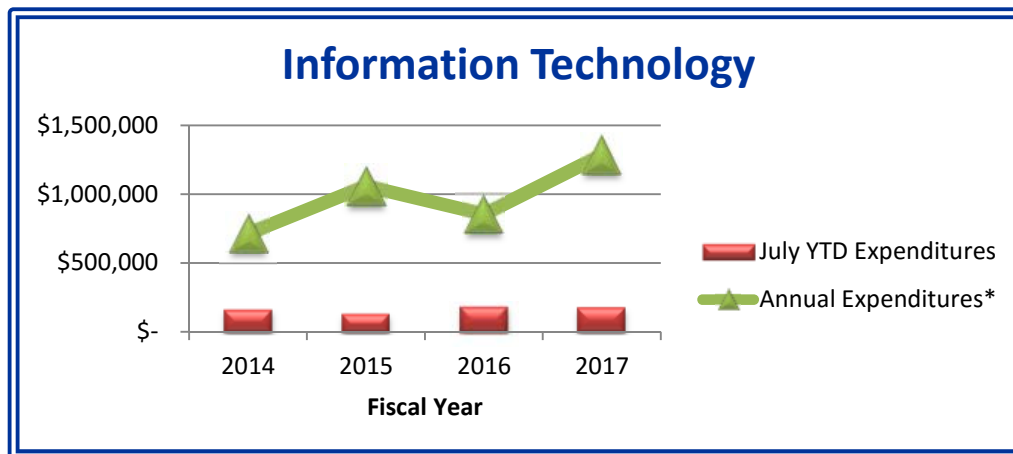
Annual Decrease from FY 2015 to FY 2016:

The decrease is primarily due to the hardware and software upgrades performed in FY 2015.

Annual Increase from FY 2016 to FY 2017:

- (1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.
- (3) A part-time Support/Help Desk Technician and supporting equipment was budgeted at a cost of approximately \$41,000.
- (4) Budgeted communications costs previously recorded in the General Services Department of approximately \$32,500 were transferred to Information Technology.
- (5) A budgeted city-wide upgrade to Microsoft Office 365 was included for \$40,000.
- (6) The following budgeted hardware and software upgrades were included: 9-1-1 phone system maintenance for \$15,000, e-citations upgrade for \$70,000, digital evidence logger recorder upgrade for \$38,000, storage area network upgrade/replacement for \$85,000.

On Target for FY 2017: The percentage of annual expenditures is high for one month of the fiscal year (14% actual compared to one month budget of 8%). Since approximately 22% of the budget represents annual software maintenance contracts and many of those are paid early in the fiscal year, the Information Technology Department expenditures are on track for FY 2017.



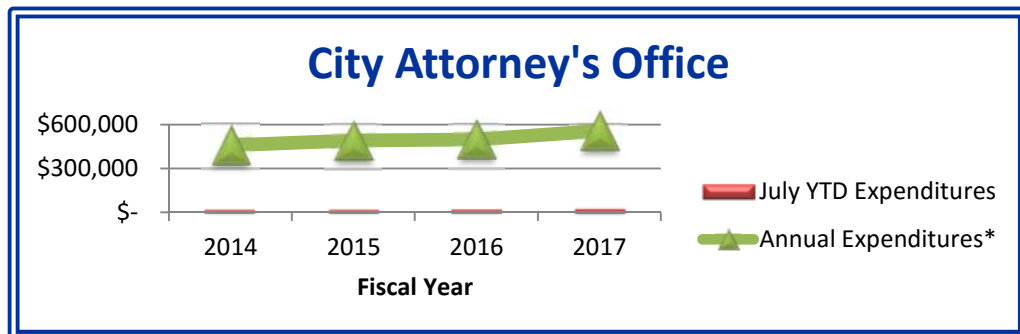
* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies and capital improvements. For the prior years, the Annual Expenditures represent total actual expenditures.

Total Non-Capital Improvement Expenditures by Department

City Attorney's Office Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 20,870	\$ 458,932	5%		
2015	\$ 22,242	\$ 490,736	5%	7%	7%
2016	\$ 23,641	\$ 496,564	5%	6%	1%
2017	\$ 27,378	\$ 555,545	5%	16%	12%



YTD Increase from FY 2016 to FY 2017:

(1) Prior to FY 2017, salary allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

(2) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.

Annual Increase from FY 2016 to FY 2017:

(1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

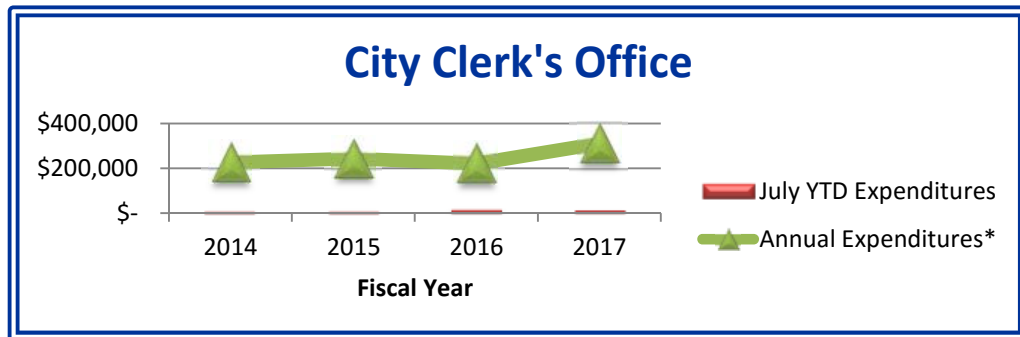
(2) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.

(3) Budgeted amounts for payment of legal claims of \$25,000 was transferred from the General Services Department.

City Clerk's Office Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 7,171	\$ 226,818	3%		
2015	\$ 6,799	\$ 243,829	3%	-5%	7%
2016	\$ 13,979	\$ 219,942	6%	106%	-10%
2017	\$ 12,087	\$ 310,369	4%	-14%	41%



YTD Increase from FY 2015 to FY 2016:

The increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.

YTD Decrease from FY 2016 to FY 2017:

The decrease is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2016 includes activity for one and a half pay periods, while July 2015 includes activity for two pay periods.

Annual Increase from FY 2016 to FY 2017:

(1) FY 2017 is an election year. Budgeted costs of \$65,100 were included for biennial election costs and renewals of two franchise agreements.

(2) Prior to FY 2017, salary allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

(3) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.

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Total Non-Capital Improvement Expenditures by Department

Parks & Recreation Expenditures

On Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 20,816	\$ 378,165	6%		
2015	\$ 23,762	\$ 506,788	5%	14%	34%
2016	\$ 68,614	\$ 493,305	14%	189%	-3%
2017	\$ 70,302	\$ 619,257	11%	2%	26%

YTD Increase from FY 2014 to FY 2015:

- (1) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.
- (2) Approximately 30% of the salary and benefit costs are associated with part-time positions. The timing of the part-time hours during the year can fluctuate based on needs for special events and aquatics activity.

YTD Increase from FY 2015 to FY 2016:

- (1) The increase in Salaries and Benefits is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.
- (2) There were timing differences in when payments for the July 4th special event were recognized. FY 2016 includes \$15,000 of city-funded costs and \$15,000 of donation-funded costs.

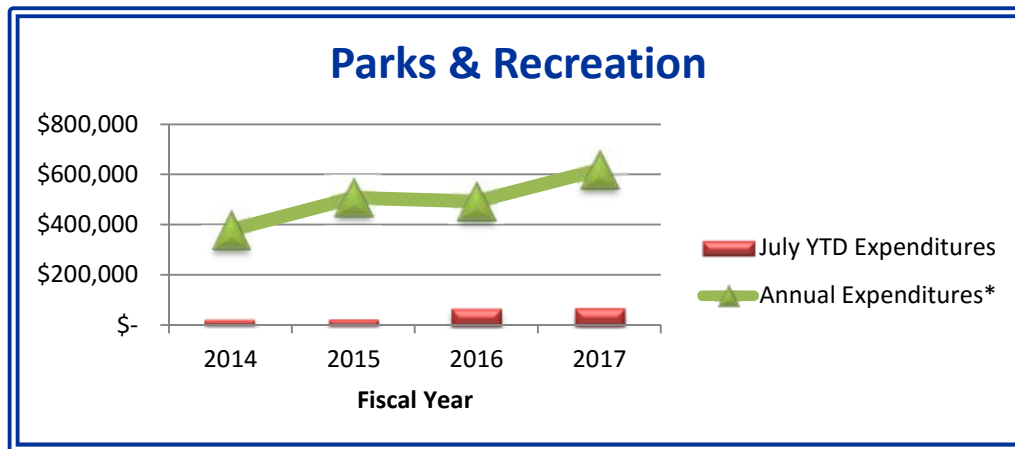
Annual Increase from FY 2014 to FY 2015:

- (1) A part-time Administrative Assistant position was increased to full-time.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.
- (3) An increase of \$62,500 was added to special events.

Annual Increase from FY 2016 to FY 2017:

- (1) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.
- (2) An increase of \$39,000 was budgeted for special events.
- (3) Grant funding of \$30,000 for Wetlands Viewing Piers was budgeted.
- (4) FY 2017 includes budget capacity for swimming pool operations.

On Target for FY 2017: The percentage of annual expenditures is high for one month of the fiscal year (12% actual compared to one month budget of 8%). Approximately 32% of the budget represents costs of the Aquatics program, and those costs are incurred seasonally (early in the fiscal year and late in the fiscal year). In addition, the Special Events program represents 42% of the budget, and those costs are not spent evenly during the year. The July 4th event is one of the large events for the year. Based on these factors, the Parks & Recreation Department expenditures are on track for FY 2017.



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Total Non-Capital Improvement Expenditures by Department

General Services Expenditures

On Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 55,624	\$ 3,082,440	2%		
2015	\$ 809,889	\$ 3,889,467	21%	1356%	26%
2016	\$ 1,065,392	\$ 4,071,785	26%	32%	5%
2017	\$ 1,236,844	\$ 4,020,593	31%	16%	-1%

YTD Increase from FY 2014 to FY 2015:

- (1) Starting FY 2015, debt service costs are accrued monthly. Previously, debt service costs were recorded on a cash basis semiannually in December and June.
- (2) The Council increased its commitment to destination marketing.
- (3) Payments to the Sedona Chamber of Commerce for the Visitor Center and destination marketing were made in July in FY 2015 compared to August in FY 2014.
- (4) There were timing differences in when payments for the City's property and casualty insurance were made.

YTD Increase from FY 2015 to FY 2016:

The increase was a result of timing of some of the community support payments.

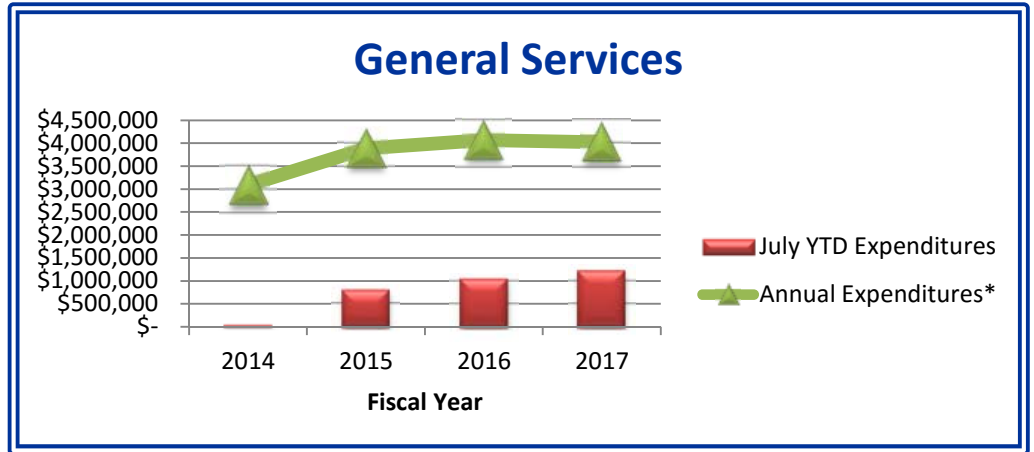
YTD Increase from FY 2016 to FY 2017:

- (1) The support for the Sedona Chamber of Commerce Visitor Center and the destination marketing program were increased.
- (2) There were timing differences in when some of the community support payments were made.

Annual Increase from FY 2014 to FY 2015:

The Council increased the commitment to destination marketing, resulting in an increase of approximately \$860,000.

On Target for FY 2017: The percentage of annual expenditures is high for one month of the fiscal year (30% actual compared to one month budget of 8%). Approximately 69% of the budget represents costs for the community service contracts and destination marketing program, and those costs are paid semiannually. One half of these contracts are generally paid in either July or August. Based on the timing and size of these payments, the General Services Department expenditures are on track for FY 2017.



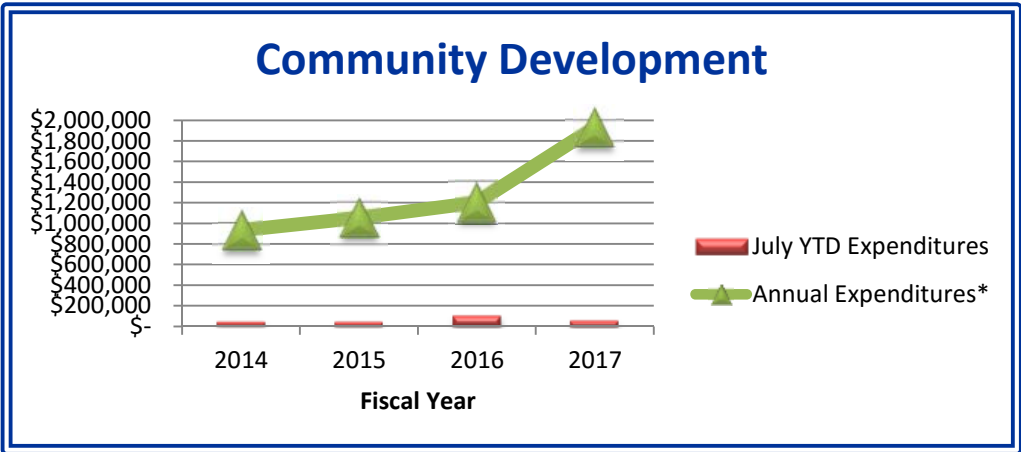
* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies and capital improvements. For the prior years, the Annual Expenditures represent total actual expenditures.

Total Non-Capital Improvement Expenditures by Department

Community Development Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 44,839	\$ 931,021	5%		
2015	\$ 46,981	\$ 1,054,199	4%	5%	13%
2016	\$ 107,036	\$ 1,201,326	9%	128%	14%
2017	\$ 62,244	\$ 1,931,608	3%	-42%	61%



YTD Increase from FY 2015 to FY 2016:

- (1) The increase in Salaries and Benefits is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.
- (2) The increase was also the result of the purchase of a replacement vehicle for Code Enforcement.

YTD Decrease from FY 2016 to FY 2017:

- (1) The decrease in Salaries and Benefits is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2016 includes activity for one and a half pay periods, while July 2015 includes activity for two pay periods.
- (2) The decrease was also the result of the purchase of a replacement vehicle for Code Enforcement during FY 2016.

Annual Increase from FY 2014 to FY 2015:

Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.

Annual Increase from FY 2015 to FY 2016:

- (1) A part-time Administrative Assistant was transferred from the Public Works & Engineering Department.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.3% and average merit increases of 2.5%. The most significant increase in benefits was a 7% increase to health insurance premiums.
- (3) A replacement vehicle for Code Enforcement was purchased for approximately \$24,000..
- (4) CDBG administration costs of approximately \$22,000 were incurred in FY 2016.

Annual Increase from FY 2016 to FY 2017:

- (1) A Chief Building Official position eliminated during the recession was reinstated.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.
- (3) A new file storage system was budgeted for approximately \$21,000.
- (4) A comprehensive update of the Land Development Code was budgeted as \$200,000 in FY 2017.
- (5) A wireless communications plan was budgeted as \$60,000 in FY 2017.
- (6) An allocation of \$20,000 was budgeted for Historic Preservation Grants.
- (7) Postage was increased by approximately \$15,000 for the mailing of major amendments to the Community Plan.

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Total Non-Capital Improvement Expenditures by Department

Public Works Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 113,759	\$ 3,642,185	3%		
2015	\$ 77,390	\$ 2,278,004	3%	-32%	-37%
2016	\$ 133,733	\$ 3,214,005	4%	73%	41%
2017	\$ 139,567	\$ 4,826,451	3%	4%	50%

YTD Decrease from FY 2014 to FY 2015:

- (1) Due to the timing of utility payments, approximately \$23,000 additional was recorded in July 2013 as compared to July 2014.
- (2) Salaries and Benefits were approximately \$10,000 lower due to vacancies in the department.

YTD Increase from FY 2015 to FY 2016:

- (1) The increase in Salaries and Benefits is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.
- (2) Due to the timing of utility payments, approximately \$29,000 additional was recorded in July 2015 as compared to July 2014.

Annual Decrease from FY 2014 to FY 2015:

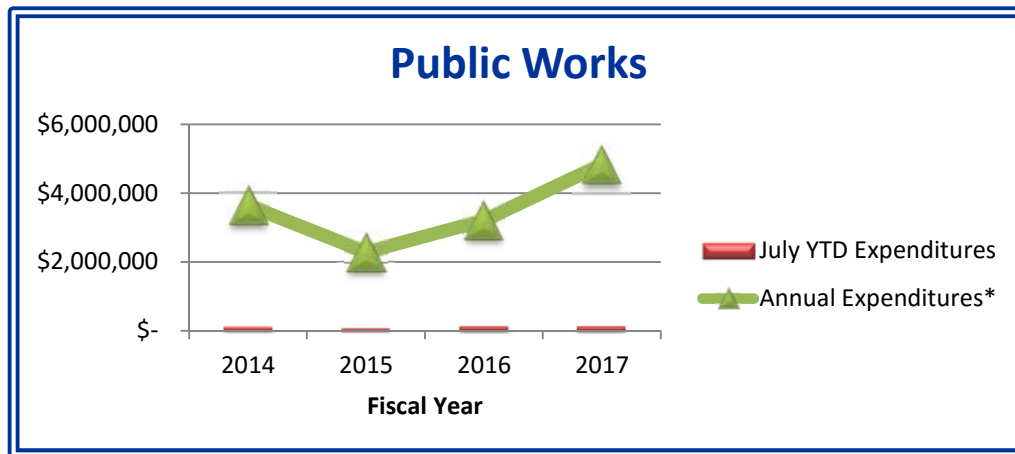
- (1) Due to the nature and timing of streets projects, expenditures are not always consistent from year to year. Expenditures for road rehabilitation, drainage maintenance, and pavement preservation were approximately \$1.2 million less in FY 2015 than in FY 2014.
- (2) Utility costs decreased by approximately \$50,000.

Annual Increase from FY 2015 to FY 2016:

- (1) Due to the nature and timing of streets projects, expenditures are not always consistent from year to year. Expenditures for road rehabilitation, drainage maintenance, and pavement preservation were approximately \$616,000 more in FY 2016 than in FY 2015.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.3% and average merit increases of 2.5%. The most significant increase in benefits was a 7% increase to health insurance premiums.
- (3) An Assistant Engineer position and an Associate Engineer position were added in FY 2016.
- (4) Utility costs increased by approximately \$52,000.
- (5) Additional maintenance projects were completed, including the roof installations for the City Hall parking structure and improvements to the Teen Center.

Annual Increase from FY 2016 to FY 2017:

For FY 2017, Council approved an increase in the annual streets maintenance expectations to approximately 4.5 to 5.0 miles per year. The total increase to the Streets program was approximately \$932,000.



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Total Non-Capital Improvement Expenditures by Department

Police Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 166,822	\$ 3,338,557	5%		
2015	\$ 206,117	\$ 3,770,582	5%	24%	13%
2016	\$ 297,073	\$ 3,826,416	8%	44%	1%
2017	\$ 255,642	\$ 4,382,329	6%	-14%	15%

YTD Increase from FY 2014 to FY 2015:

- (1) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increases in benefits were an increase of 27% to the required contributions to the Public Safety Personnel Retirement System (PSPRS) and a 9% increase to health insurance premiums.
- (2) The Community Service Aides (CSAs) program was enhanced, and the hours for the part-time CSAs was increased.

YTD Increase from FY 2015 to FY 2016:

The increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.

YTD Decrease from FY 2016 to FY 2017:

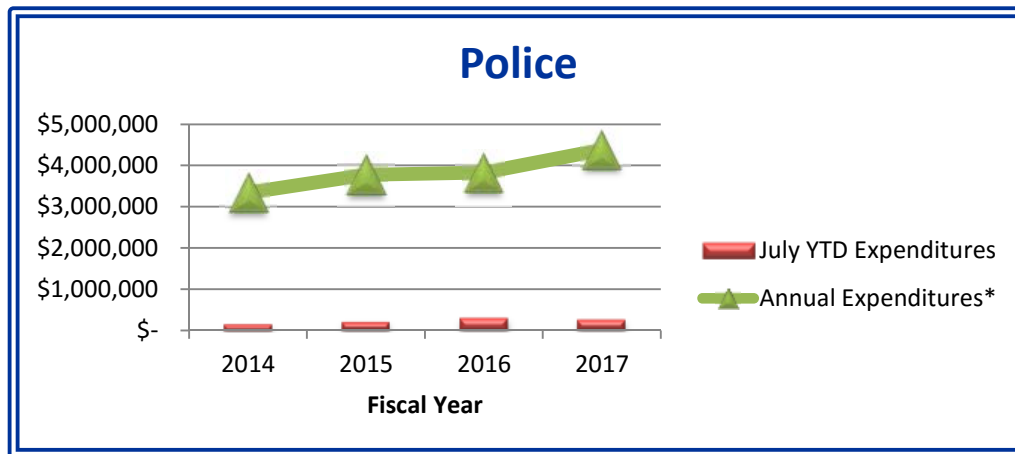
The decrease is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2016 includes activity for one and a half pay periods, while July 2015 includes activity for two pay periods.

Annual Increase from FY 2014 to FY 2015:

- (1) Salaries were increased due to budgeted cost-of-living adjustments of 1.3% and average merit increases of 2.5%. The most significant increases in benefits were an increase of 27% to the required contributions to the Public Safety Personnel Retirement System (PSPRS) and a 9% increase to health insurance premiums.
- (2) The Community Service Aides (CSAs) program was enhanced, and the hours for the part-time CSAs was increased.

Annual Increase from FY 2016 to FY 2017:

- (1) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increases in benefits were an increase of 3% to the required contributions to the Public Safety Personnel Retirement System (PSPRS) and a 2% increase to health insurance premiums.
- (2) A Police Sergeant position eliminated during the recession was reinstated.
- (3) An assigned patrol vehicle program was budgeted as \$120,000 in FY 2017.



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Total Non-Capital Improvement Expenditures by Department

Municipal Court Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 11,438	\$ 271,121	4%		
2015	\$ 12,823	\$ 291,684	4%	12%	8%
2016	\$ 18,556	\$ 307,281	6%	45%	5%
2017	\$ 15,573	\$ 342,950	5%	-16%	12%

YTD Increase from FY 2014 to FY 2015:

Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.

YTD Increase from FY 2015 to FY 2016:

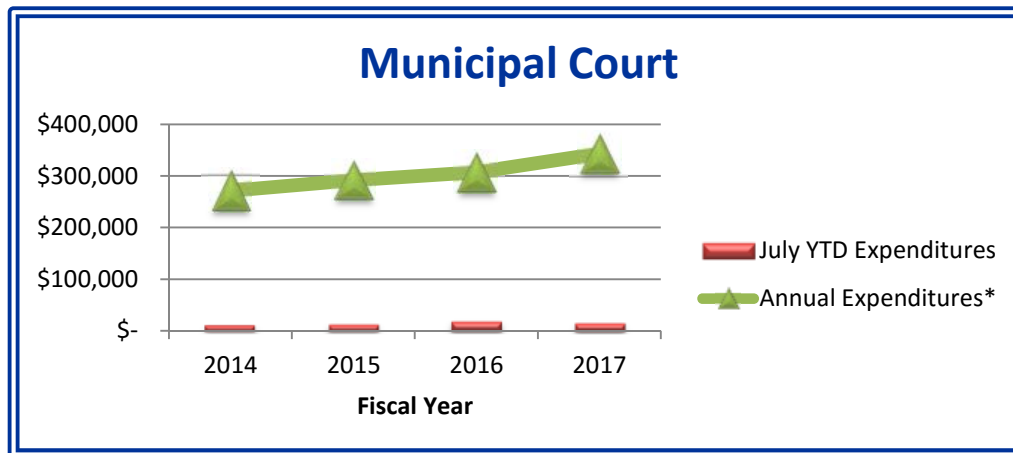
The increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.

YTD Decrease from FY 2016 to FY 2017:

The decrease is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2016 includes activity for one and a half pay periods, while July 2015 includes activity for two pay periods.

Annual Increase from FY 2016 to FY 2017:

- (1) A Court Clerk position eliminated during the recession was partially reinstated as a part-time position.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.
- (3) FY 2107 includes budget capacity available for court appointed attorney costs.



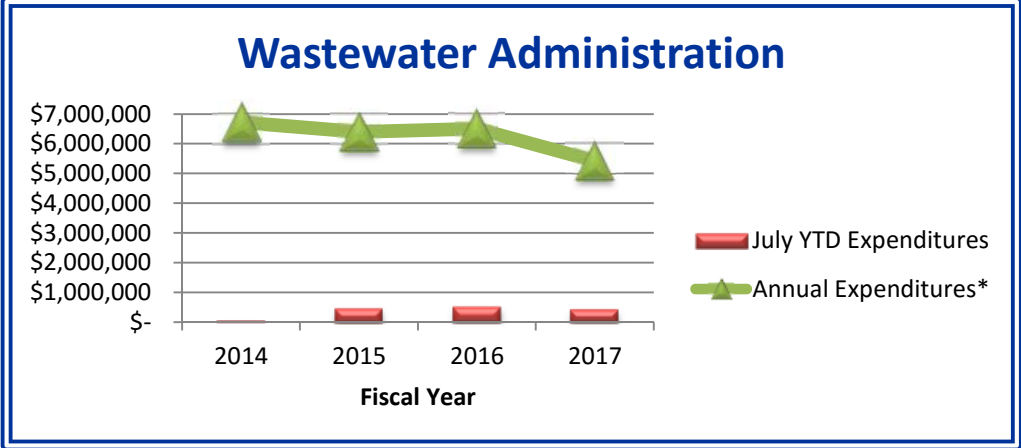
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Total Non-Capital Improvement Expenditures by Department

Wastewater Administration Expenditures

On Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 50,552	\$ 6,723,060	1%		
2015	\$ 483,015	\$ 6,394,431	8%	855%	-5%
2016	\$ 533,395	\$ 6,503,494	8%	10%	2%
2017	\$ 438,933	\$ 5,423,041	8%	-18%	-17%



YTD Increase from FY 2014 to FY 2015:

Starting FY 2015, debt service costs are accrued monthly. Previously, debt service costs were recorded on a cash basis semiannually in December and June.

YTD Increase from FY 2015 to FY 2016:

- (1) The increase in Salaries and Benefits is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.
- (2) Debt service costs are approximately \$18,000 higher and are based on the monthly accruals of scheduled bond principal and interest payments.
- (3) Other differences were a result of timing of other costs including annual software maintenance contracts and postage refills.

YTD Decrease from FY 2016 to FY 2017:

- (1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (2) Debt service costs are approximately \$22,000 lower and are based on the monthly accruals of scheduled bond principal and interest payments.

Annual Decrease from FY 2016 to FY 2017:

- (1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (2) Debt service costs are approximately \$261,000 lower and are based on the monthly accruals of scheduled bond principal and interest payments.

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Total Non-Capital Improvement Expenditures by Department

Wastewater Capital Projects Mgmt Exp.

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 6,465	\$ 104,228	6%		
2015	\$ 6,104	\$ 131,783	5%	-6%	26%
2016	\$ 8,234	\$ 176,040	5%	35%	34%
2017	\$ 3,987	\$ 65,200	6%	-52%	-63%

YTD Increase from FY 2015 to FY 2016:

The increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.

YTD Decrease from FY 2016 to FY 2017:

Prior to FY 2017, salary allocations for Capital Projects Management to the Wastewater Enterprise Fund were coded to the Wastewater Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

Annual Increase from FY 2014 to FY 2015:

Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.

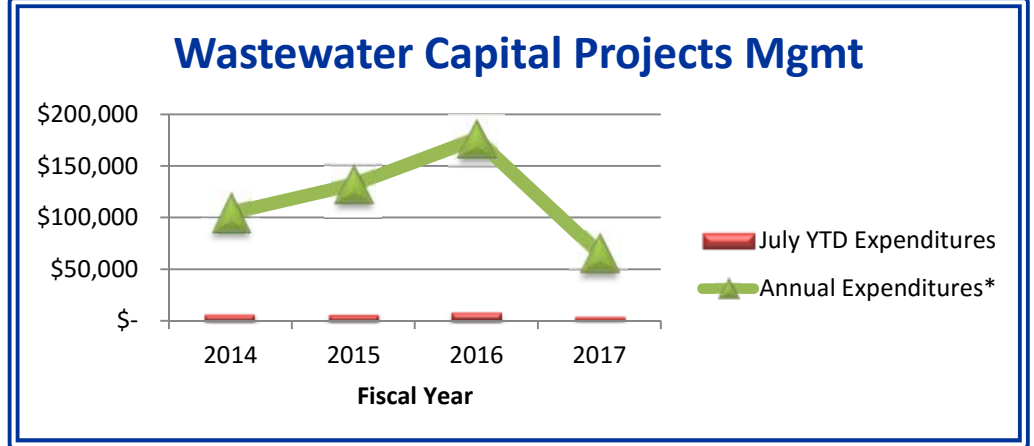
Annual Increase from FY 2015 to FY 2016:

(1) Salaries were increased due to budgeted cost-of-living adjustments of 1.3% and average merit increases of 2.5%. The most significant increase in benefits was a 7% increase to health insurance premiums.

(2) A master plan was started during FY 2016 for the wastewater collection system.

Annual Decrease from FY 2016 to FY 2017:

Prior to FY 2017, salary and other cost allocations for Capital Projects Management to the Wastewater Enterprise Fund were coded to the Wastewater Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.



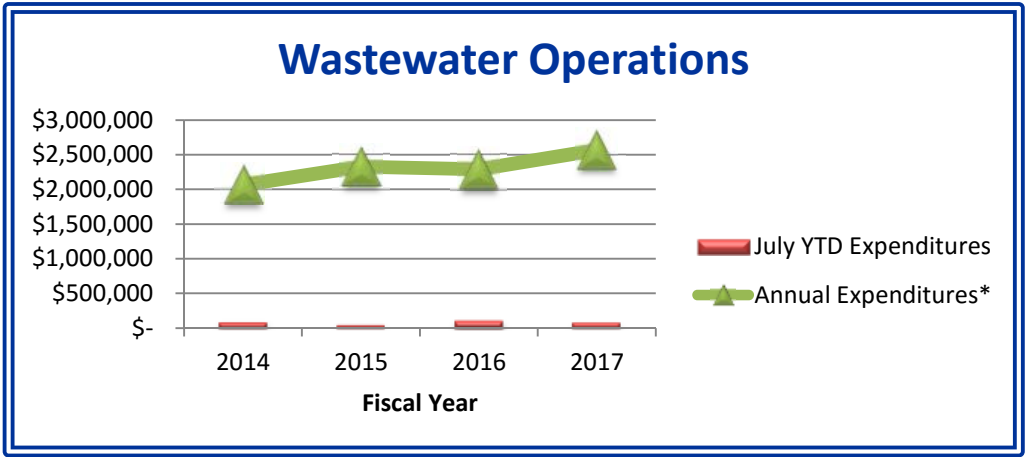
* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies and capital improvements. For the prior years, the Annual Expenditures represent total actual expenditures.

Total Non-Capital Improvement Expenditures by Department

Wastewater Operations Expenditures

Under Target for FY 2017

FY	July YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - July YTD	% Increase - Annual
2014	\$ 87,317	\$ 2,064,537	4%		
2015	\$ 47,841	\$ 2,328,173	2%	-45%	13%
2016	\$ 115,862	\$ 2,291,483	5%	142%	-2%
2017	\$ 81,711	\$ 2,568,472	3%	-29%	12%



YTD Decrease from FY 2014 to FY 2015:

Due to the timing of utility payments, approximately \$33,000 less was recorded in July 2014 as compared to July 2013.

YTD Increase from FY 2015 to FY 2016:

- (1) The increase in Salaries and Benefits is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.
- (2) Due to the timing of utility payments, approximately \$41,000 additional was recorded in July 2015 as compared to July 2014.
- (3) Other differences were a result of timing of other costs including wetlands maintenance.

YTD Decrease from FY 2016 to FY 2017:

- (1) The decrease in Salaries and Benefits is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2016 includes activity for one and a half pay periods, while July 2015 includes activity for two pay periods.
- (2) Other differences were a result of timing of other costs including wetlands maintenance and solid waste disposal.

Annual Increase from FY 2014 to FY 2015:

- (1) Bad debt expense was increased by approximately \$65,000.
- (2) Lift station upgrades and drawings were performed for approximately \$159,000.

Annual Increase from FY 2016 to FY 2017:

- (1) Replacement of two vehicles and the purchase of a water truck was budgeted as \$110,000 for FY 2017.
- (2) FY 2017 includes budget capacity available for equipment repairs and maintenance, septic maintenance reimbursements, equipment replacements, wetlands maintenance, and other operational systems maintenance.

* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies and capital improvements. For the prior years, the Annual Expenditures represent total actual expenditures.

Total Revenues by Fund

Total General Fund Revenues

Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 1,025,517	\$ 15,535,678	7%		
2015	\$ 1,479,152	\$ 17,191,008	9%	44%	11%
2016	\$ 1,208,246	\$ 18,612,738	6%	-18%	8%
2017	\$ 1,788,647	\$ 23,858,606	7%	48%	28%

YTD Increase from FY 2014 to FY 2015:

- (1) An accounting entry was recorded in July 2014 to accrue sales tax audit revenue that was deferred in the prior year for approximately \$343,000.
- (2) Bed tax revenues increased 19%, mostly due to the increase in the tax rate from 3% to 3.5% effective January 1, 2014.
- (3) Excluding the accounting entry for sales tax audits, City sales taxes increased 8%, primarily due to the reduction in the Wastewater Fund subsidy from 35% in FY 2014 to 30% in FY 2015.

YTD Decrease from FY 2015 to FY 2016:

An accounting entry was recorded in July 2014 to accrue sales tax audit revenue that was deferred in the prior year for approximately \$343,000.

YTD Increase from FY 2016 to FY 2017:

- (1) An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue in the Wastewater Fund. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the Wastewater Fund is recorded as a transfer. In addition, the subsidy was reduced from 30% to 25%.
- (2) Bed tax revenues increased 46%. Of this amount, 10% represents an increase in late payments (collection of taxes for prior taxing periods) and 29% represents payments made on time in FY 2017 that were made late in FY 2016.

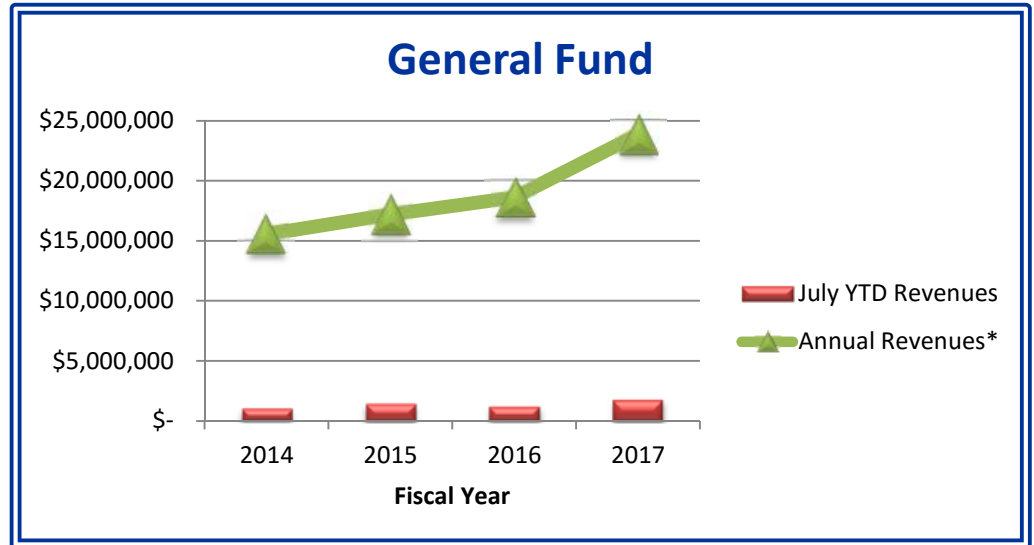
Annual Increase from FY 2014 to FY 2015:

- (1) City sales taxes increased 18%. Of this amount, approximately 8% is due to the reduction in the Wastewater Fund subsidy from 35% in FY 2014 to 30% in FY 2015. The remaining increase is largely due to the effects of the implementation of the destination marketing program.
- (2) Bed tax revenues increased 27%. A portion of the increase was the result of the increase in the tax rate from 3% to 3.5% effective January 1, 2014. Adjusting the increase in the tax rate, bed tax revenues were up 17% over FY 2014. The remaining increase is largely due to the effects of the implementation of the destination marketing program.

Annual Increase from FY 2016 to FY 2017:

- (1) An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue in the Wastewater Fund. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the Wastewater Fund is recorded as a transfer. In addition, the subsidy was reduced from 30% to 25%. In addition, a factor was included to estimate an increase in sales tax revenues due to growth in economy and new businesses opening. The total effect of the changes represents an increase in revenues of approximately \$5.0 million.
- (2) Bed tax revenues are projected to increase approximately \$162,000, primarily due to growth in the economy, new facilities, and the continued impacts of the destination marketing program.
- (3) The revenue projections include \$100,000 as a placeholder for estimated revenues of the new paid parking program.

Under Target for FY 2017: Franchise fees are received and accrued quarterly, with the first accrual occurring in September. In lieu fees are typically received during the last quarter of the fiscal year. Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Fund

Total Streets Fund Revenues

Exceeds Target for FY 2017

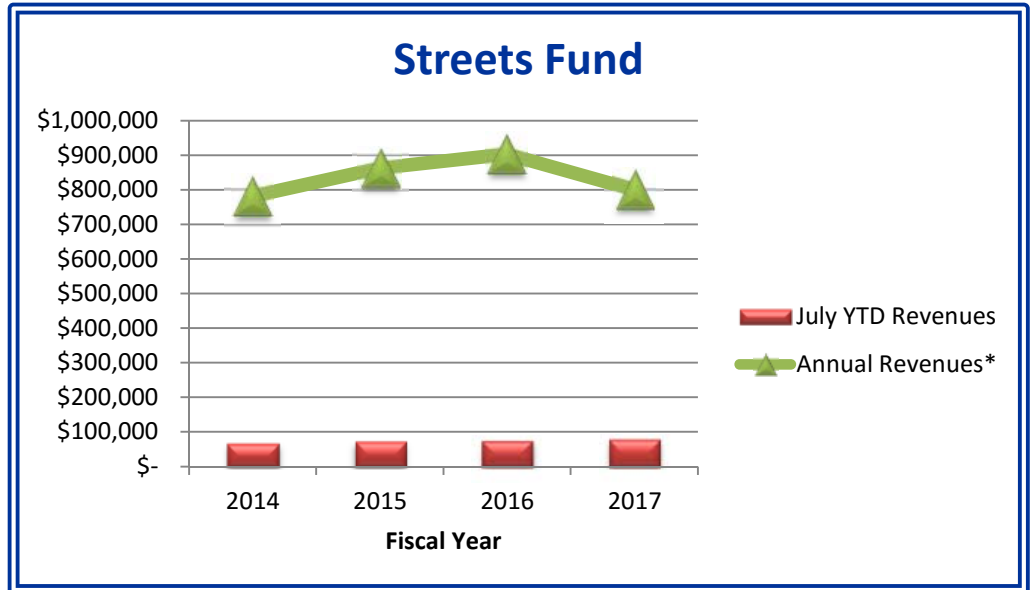
FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 67,196	\$ 780,913	9%		
2015	\$ 72,881	\$ 862,099	8%	8%	10%
2016	\$ 75,010	\$ 902,994	8%	3%	5%
2017	\$ 80,077	\$ 799,000	10%	7%	-12%

Annual Increase from FY 2014 to FY 2015:

The revenues of the Streets Fund are primarily Highway User Revenue Fund (HURF) monies. HURF revenues are the gas tax monies distributed by the State based on population and the gallons of gas sold within Sedona. The HURF distributions received increase approximately \$76,000.

Annual Decrease from FY 2016 to FY 2017:

Based on the estimates provided by the State, HURF revenues are estimated to decrease approximately \$98,000. Population is one of the factors used in the State formula for distribution of HURF revenues. Since the City's population has been relatively flat while many other cities in Arizona are increasing, the City's share of the distributions are expected to decrease.



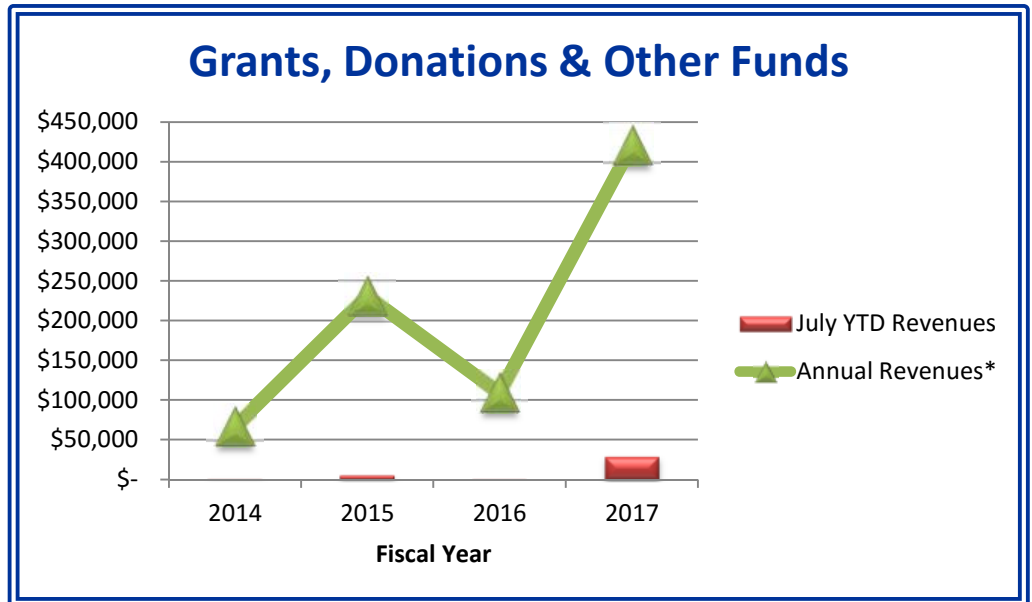
Total Grants, Donations & Other Rev.

Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 1,010	\$ 66,852	2%		
2015	\$ 5,517	\$ 230,824	2%	446%	245%
2016	\$ 142	\$ 108,649	<1%	-97%	-53%
2017	\$ 28,650	\$ 420,500	7%	20051%	287%

Increases/Decreases: The activity of the Grants & Donations Funds is based on the funding awarded and received during the year so revenues will not necessarily be consistent from month to month or year to year.

Under Target for FY 2017: Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Fund

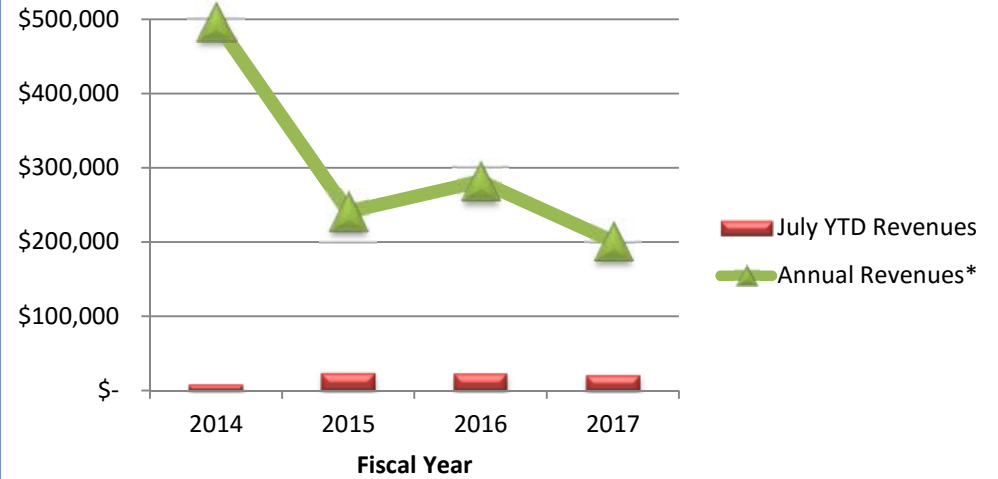
Total Develop. Impact Fees Revenues

Exceeds Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 9,027	\$ 495,662	2%		
2015	\$ 23,228	\$ 240,561	10%	157%	-51%
2016	\$ 22,882	\$ 281,497	8%	-1%	17%
2017	\$ 21,047	\$ 201,000	10%	-8%	-29%

Increases/Decreases: The activity of the Development Impact Fees Funds is based on development and permitting so revenues will not necessarily be consistent from month to month or year to year. As the City approaches build-out, these revenues are expected to decrease.

Development Impact Fees Funds



Total Capital Improvements Fund Rev.

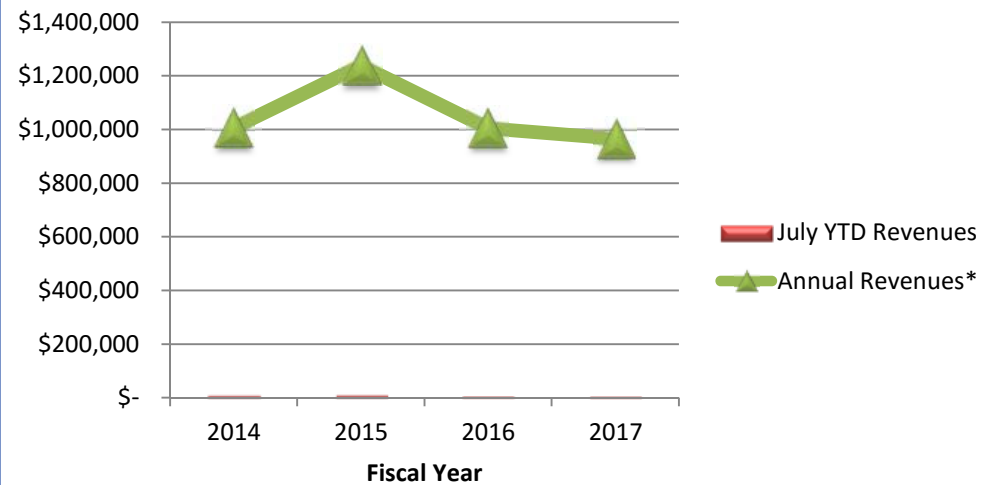
Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 5,417	\$ 1,006,174	1%		
2015	\$ 6,863	\$ 1,238,120	1%	27%	23%
2016	\$ 2,897	\$ 1,003,733	<1%	-58%	-19%
2017	\$ 1,911	\$ 965,976	<1%	-34%	-4%

Increases/Decreases: The activity of the Capital Improvements Fund is based on the timing of budgeted capital improvement projects and the receipt of funding designated for those projects so revenues will not necessarily be consistent from month to month or year to year.

Under Target for FY 2017: Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.

Capital Improvements Fund



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

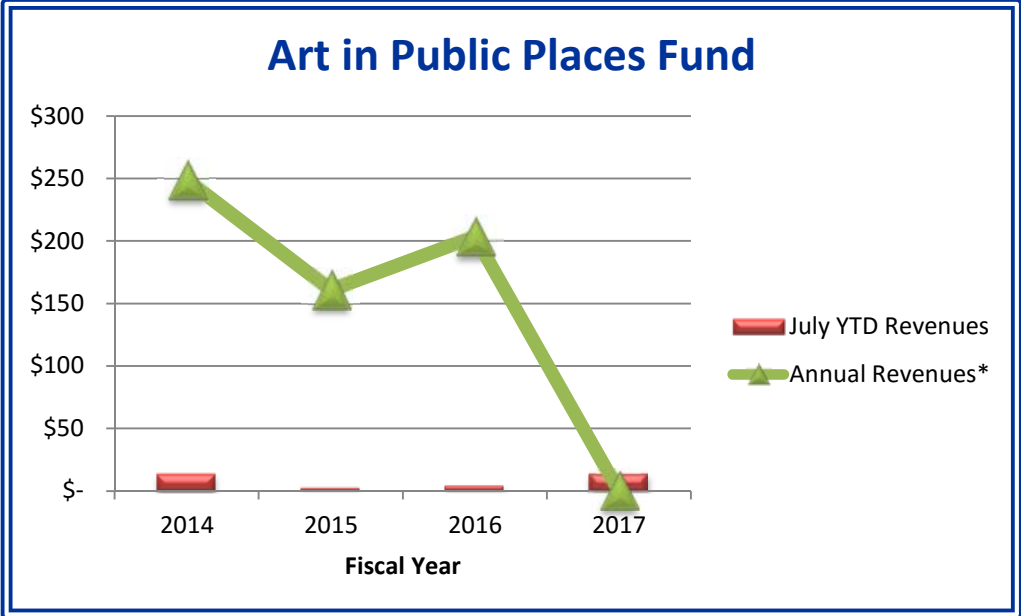
Total Revenues by Fund

Total Art in Public Places Fund Rev.

Exceeds Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 14	\$ 249	6%		
2015	\$ 2	\$ 161	1%	-83%	-35%
2016	\$ 4	\$ 204	2%	77%	27%
2017	\$ 14	-	∞	233%	-100%

Increases/Decreases: The Art in Public Places Fund relies primarily on transfers from other funds. Minimal revenues are received, and for several years have only consisted of interest earnings.



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Fund

Total Wastewater Enterprise Fund Rev.

On Target for FY 2017

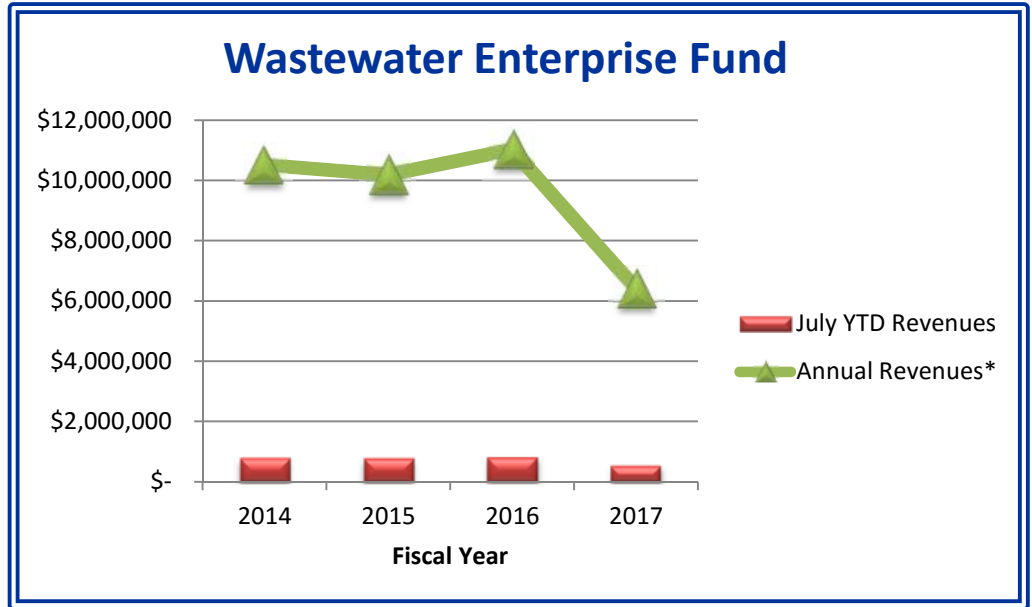
FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 791,814	\$ 10,512,709	8%		
2015	\$ 789,827	\$ 10,190,631	8%	<-1%	-3%
2016	\$ 813,130	\$ 11,026,791	7%	3%	8%
2017	\$ 541,126	\$ 6,403,864	8%	-33%	-42%

YTD Decrease from FY 2016 to FY 2017:

- (1) An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the Wastewater Fund is recorded as a transfer. In addition, the subsidy was reduced from 30% to 25%.
- (2) An adjustment was made to eliminate receivables recorded for capacity fees for certain properties not connected to the sewer. Since the property owners have not given notice that the connections will be made, these fees are not currently due. When connections are made, the capacity fees will be owed at the current rate.

Annual Decrease from FY 2016 to FY 2017:

- (1) An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the Wastewater Fund is recorded as a transfer. In addition, the subsidy was reduced from 30% to 25%.
- (2) In FY 2016, the City received approximately \$112,000 from APS as incentive payments for implementation of energy savings measures on projects.



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Total Revenues by Fund

Total CFD - Sedona Summit II Revenues Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 2	\$ 160,904	<1%		
2015	\$ 3	\$ 54,429	<1%	66%	-66%
2016	\$ 105	\$ 52,969	<1%	3544%	-3%
2017	\$ 20	\$ 37,000	<1%	-81%	-30%

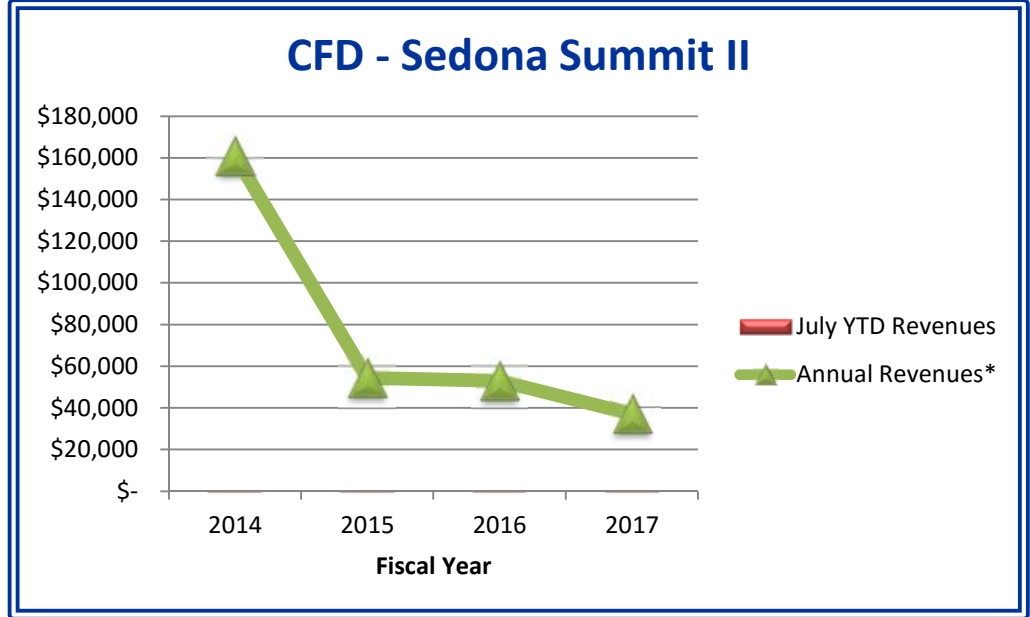
Annual Decrease from FY 2014 to FY 2015:

The FY 2014 revenues include amounts resulting from an audit.

Annual Decrease from FY 2016 to FY 2017:

The FY 2017 revenue projections were based on conservative estimates.

Under Target for FY 2017: The CFD in lieu fees are received quarterly, with the largest payments typically in the second and third quarters of the fiscal year. Due to the effect of the timing of these revenues, year-to-date revenues are low but on target for this point in the fiscal year.



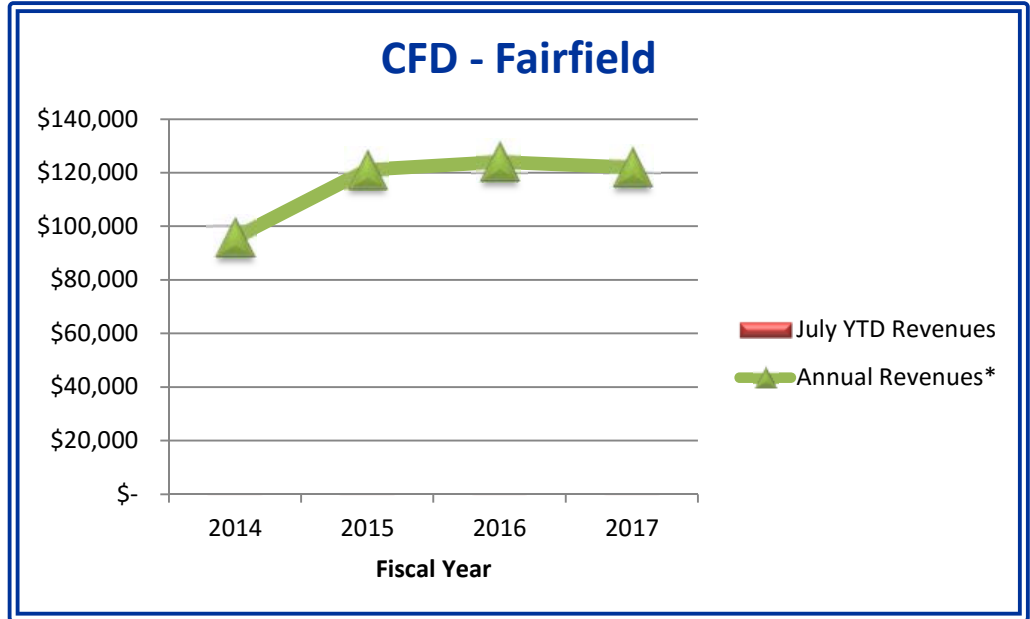
Total CFD - Fairfield Revenues Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 13	\$ 95,839	<1%		
2015	\$ 22	\$ 121,137	<1%	66%	26%
2016	\$ 39	\$ 123,983	<1%	72%	2%
2017	\$ 157	\$ 122,000	<1%	307%	-2%

Annual Increase from FY 2014 to FY 2015:

The CFD in lieu fees increased approximately \$26,000, and calculations are based on the amounts paid by the timeshareowners.

Under Target for FY 2017: The CFD in lieu fees are received quarterly. Due to the effect of the timing of these revenues, year-to-date revenues are low but on target for this point in the fiscal year.



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Type

City Sales Tax Revenues

On Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 956,261	\$ 12,593,025	8%		
2015	\$ 1,306,232	\$ 13,613,056	10%	37%	8%
2016	\$ 983,225	\$ 14,999,612	7%	-25%	10%
2017	\$ 1,219,320	\$ 15,526,670	8%	24%	4%

YTD Increase from FY 2014 to FY 2015:

An accounting entry was recorded in July 2014 to accrue sales tax audit revenue that was deferred in the prior year for approximately \$343,000.

YTD Decrease from FY 2015 to FY 2016:

An accounting entry was recorded in July 2014 to accrue sales tax audit revenue that was deferred in the prior year for approximately \$343,000.

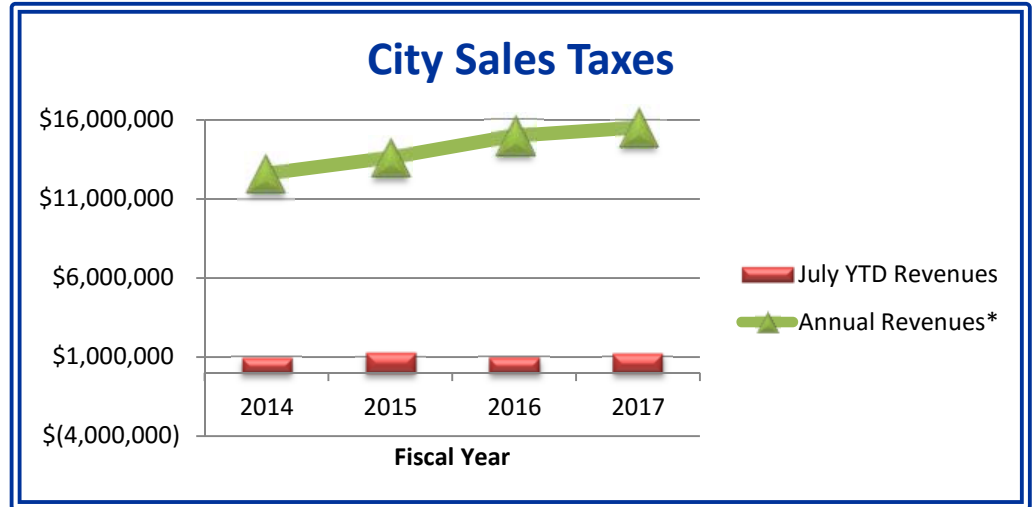
YTD Increase from FY 2016 to FY 2017:

Most of the increase was attributable to the Restaurant & Bar and Hotel/Motel categories. A portion of these increases were a result of new businesses and increases in activity, but a portion was also related to collection of timely payments in FY 2017 that were paid late in FY 2016.

Annual Increase from FY 2015 to FY 2016:

The increase was mostly attributable to increases in the Restaurant & Bar, Hotel/Motel, and Retail categories. These are largely impacted by the level of tourism activity.

See [City Sales Tax Revenues by Category](#) and [City Sales Taxes by Month](#) for more information.



Bed Tax Revenues

Exceeds Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 148,900	\$ 2,097,290	7%		
2015	\$ 177,362	\$ 2,659,290	7%	19%	27%
2016	\$ 187,568	\$ 3,010,334	6%	6%	13%
2017	\$ 273,893	\$ 3,172,200	9%	46%	5%

YTD Increase from FY 2014 to FY 2015:

The increase was mostly due to the increase in the tax rate from 3% to 3.5% effective January 1, 2014.

YTD Increase from FY 2016 to FY 2017:

A portion of the increase represents an increase in late payments (collection of taxes for prior taxing periods) and payments made on time in FY 2017 that were made late in FY 2016.

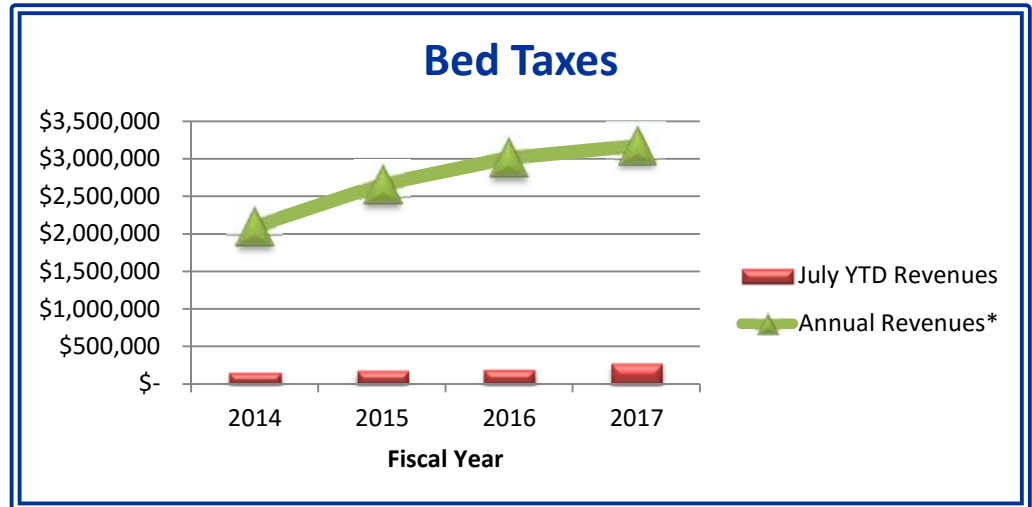
Annual Increase from FY 2014 to FY 2015:

A portion of the increase was the result of the increase in the tax rate from 3% to 3.5% effective January 1, 2014. Adjusting the increase in the tax rate, bed tax revenues were up 17% over FY 2014. The remaining increase is largely due to the effects of the implementation of the destination marketing program.

Annual Increase from FY 2015 to FY 2016:

The continued increase in the bed tax revenues are largely due to the effects of the implementation of the destination marketing program.

See [Bed Taxes by Month](#) for more information.



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Type

In Lieu Revenues

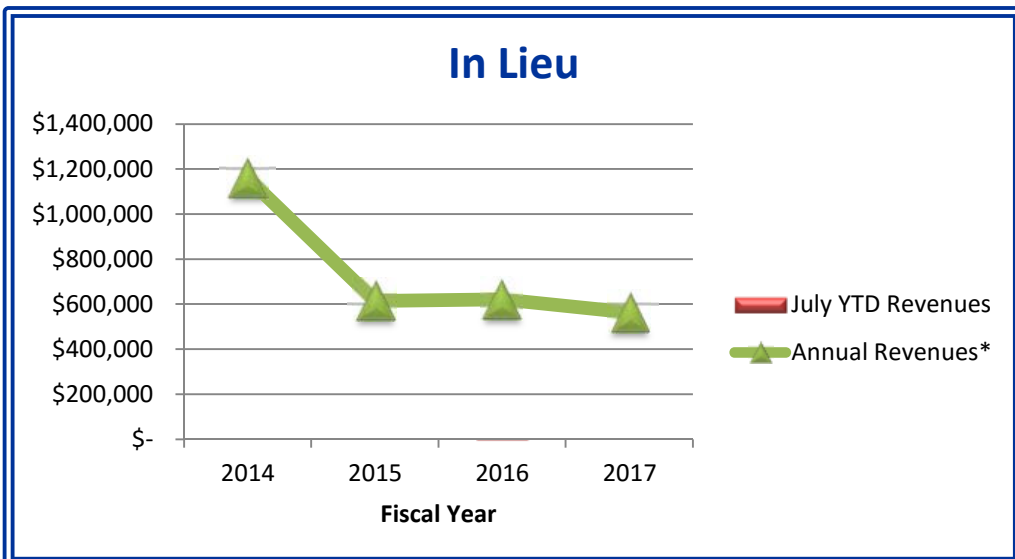
On Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ -	\$ 1,160,221	0%		
2015	\$ -	\$ 613,430	0%	N/A	-47%
2016	\$ 100	\$ 621,391	<1%	∞	1%
2017	\$ -	\$ 562,500	0%	-100%	-9%

Annual Decrease from FY 2014 to FY 2015:

The FY 2014 revenues include amounts resulting from an audit.

On Target for FY 2017: The in lieu fees are received quarterly, with the largest payments typically in the second and third quarters of the fiscal year. Due to the effect of the timing of these revenues, year-to-date revenues are low but on target for this point in the fiscal year.

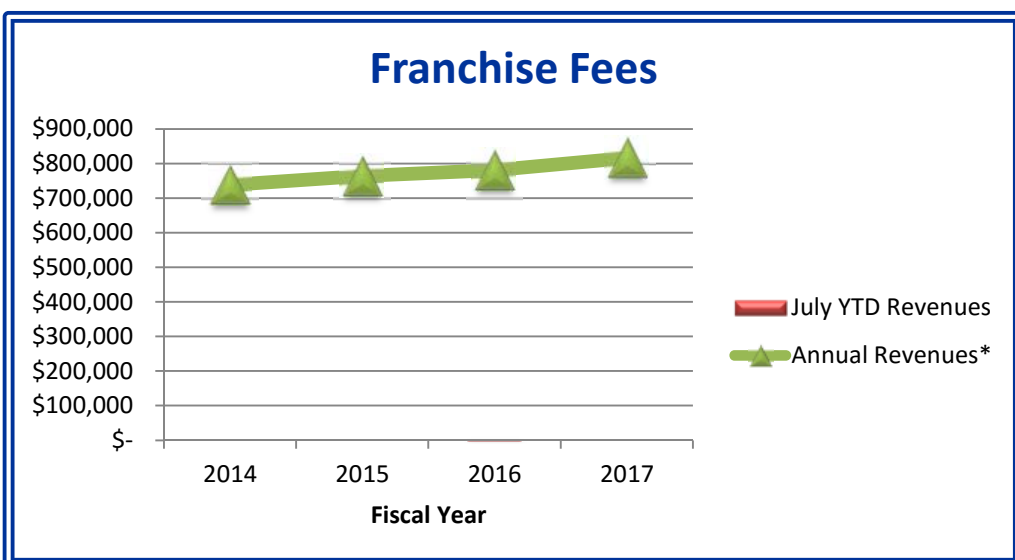


Franchise Fee Revenues

On Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ -	\$ 738,631	0%		
2015	\$ -	\$ 764,473	0%	N/A	3%
2016	\$ 2,500	\$ 781,223	<1%	∞	2%
2017	\$ -	\$ 816,060	0%	-100%	4%

On Target for FY 2017: The franchise fees are received quarterly. Due to the effect of the timing of these revenues, year-to-date revenues are low but on target for this point in the fiscal year.



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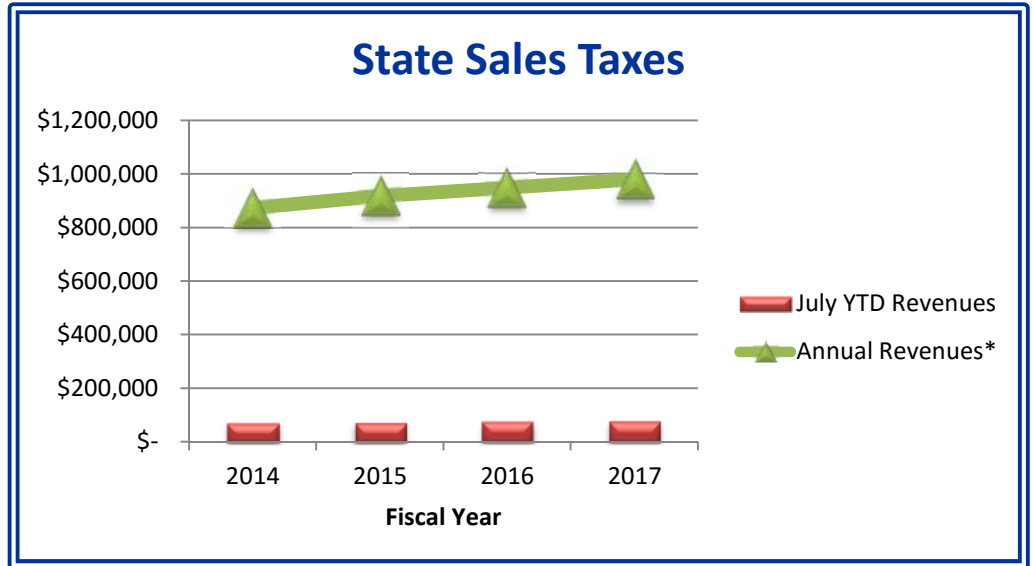
Total Revenues by Type

State Sales Tax Revenues

Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 70,280	\$ 873,126	8%		
2015	\$ 71,673	\$ 916,721	8%	2%	5%
2016	\$ 75,535	\$ 948,696	8%	5%	3%
2017	\$ 76,552	\$ 979,400	8%	1%	3%

Under Target for FY 2017: State sales taxes are based on state-wide sales tax collections allocated to each of the cities and towns primarily based on population. There is some seasonality to the sales tax revenues collected state-wide and the revenues can fluctuate from month to month. Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.

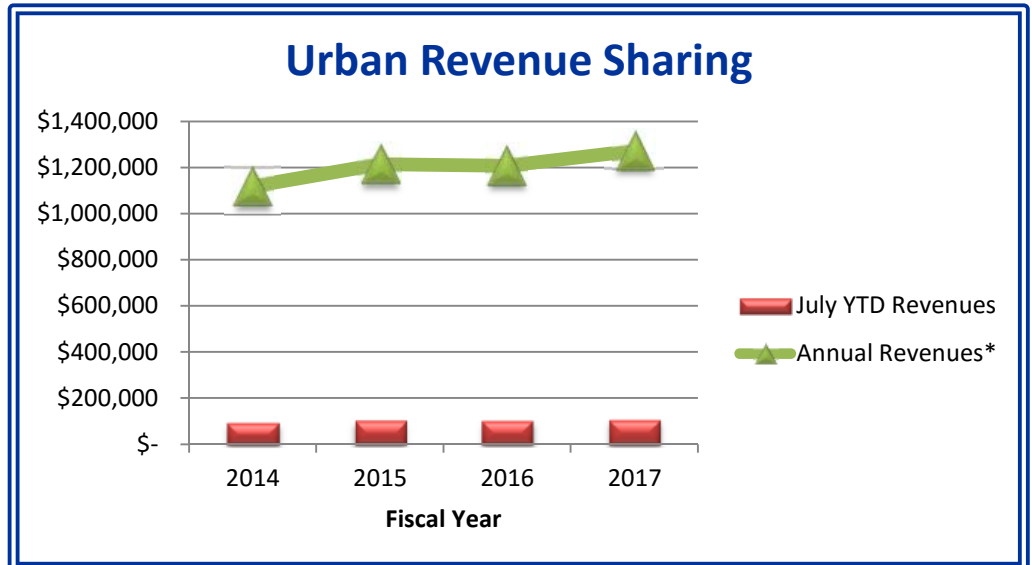


Urban Revenue Sharing Revenues

On Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 93,259	\$ 1,118,082	8%		
2015	\$ 101,193	\$ 1,214,315	8%	9%	9%
2016	\$ 100,644	\$ 1,207,731	8%	-1%	-1%
2017	\$ 105,976	\$ 1,273,001	8%	5%	5%

On Target for FY 2017: Urban Revenue Sharing is state-shared income taxes. The State provides a preliminary estimate of each city's and town's allocation, which is primarily based on population. The final allocation for the year will be \$1,271,709 or \$1,292 less than originally estimated. Since the difference is less than 1%, we have considered this revenue source to be on target for FY 2017.



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Type

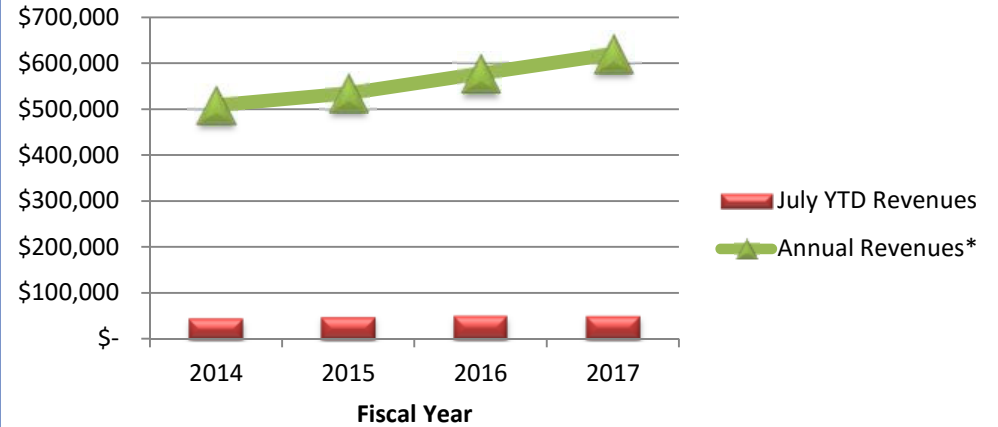
Vehicle License Tax Revenues

Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 44,114	\$ 508,519	9%		
2015	\$ 48,060	\$ 534,404	9%	9%	5%
2016	\$ 49,933	\$ 577,681	9%	4%	8%
2017	\$ 49,612	\$ 620,300	8%	-1%	7%

Under Target for FY 2017: Vehicle license taxes are based on collections within each county and allocated to each of the cities and towns within the county primarily based on population. Year-to-date revenues are slightly low but expected to be on target by the end of the fiscal year.

Vehicle License Taxes



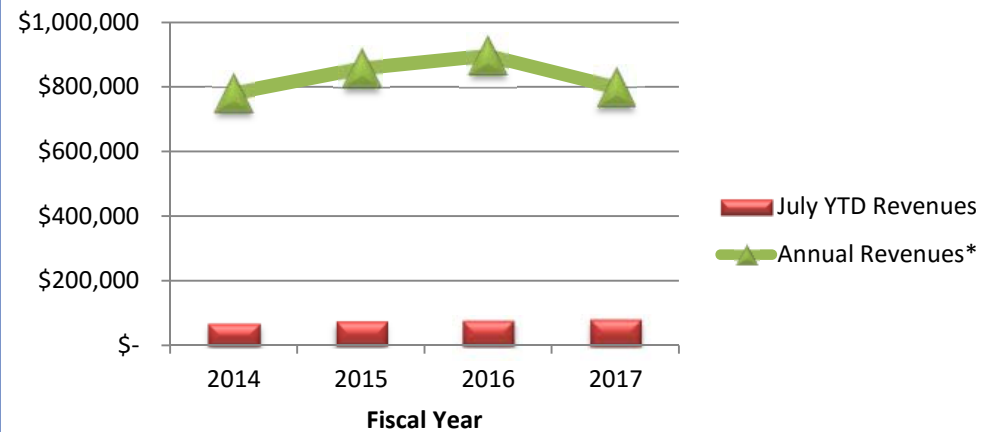
Highway User Revenues

Exceeds Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 67,196	\$ 780,913	9%		
2015	\$ 72,881	\$ 857,363	9%	8%	10%
2016	\$ 75,010	\$ 897,406	8%	3%	5%
2017	\$ 80,077	\$ 799,000	10%	7%	-11%

Increases/Decreases: The activity of the Highway User revenues is based on gasoline sales within each county and across the state and allocated primarily based on population. The amount can fluctuate based on the portion that the legislature appropriates to the state Highway User Revenue Fund.

Highway User



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Type

Other Intergovernmental Revenues

Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 4,884	\$ 951,316	1%		
2015	\$ 16,539	\$ 1,347,854	1%	239%	42%
2016	\$ 330	\$ 874,083	<1%	-98%	-35%
2017	\$ 27,311	\$ 1,065,976	3%	8186%	22%

YTD Increase from FY 2014 to FY 2015:

The increase is primarily due to grant activity, which is based on the funding awarded and received so revenues will not necessarily be consistent from month to month or year to year.

YTD Decrease from FY 2015 to FY 2016:

The increase is primarily due to grant activity, which is based on the funding awarded and received so revenues will not necessarily be consistent from month to month or year to year.

YTD Increase from FY 2016 to FY 2017:

The increase is primarily due to grant activity, which is based on the funding awarded and received so revenues will not necessarily be consistent from month to month or year to year.

Annual Increase from FY 2014 to FY 2015:

The increase was primarily due to an intergovernmental agreement with Yavapai County for reconstruction of Airport Road.

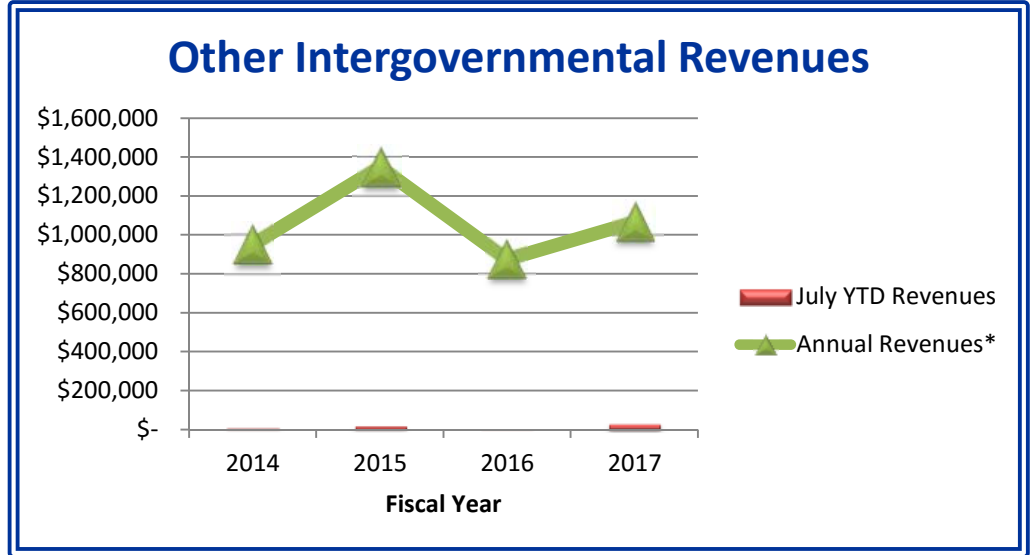
Annual Decrease from FY 2015 to FY 2016:

The decrease was primarily due to an intergovernmental agreement with Yavapai County for reconstruction of Airport Road in the prior fiscal year.

Annual Increase from FY 2016 to FY 2017:

The increase is primarily due to a budgeted contingency for additional grant revenues.

Under Target for FY 2017: Grants and intergovernmental agreements tied to various projects are received as awarded or based on the timing of the project. Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Type

License & Permit Revenues

Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 23,645	\$ 434,251	5%		
2015	\$ 30,295	\$ 473,367	6%	28%	9%
2016	\$ 51,634	\$ 496,777	10%	70%	5%
2017	\$ 24,279	\$ 448,425	5%	-53%	-10%

YTD Increase from FY 2014 to FY 2015:

The increase was primarily a result of increased in building permits and temporary use permits.

YTD Increase from FY 2015 to FY 2016:

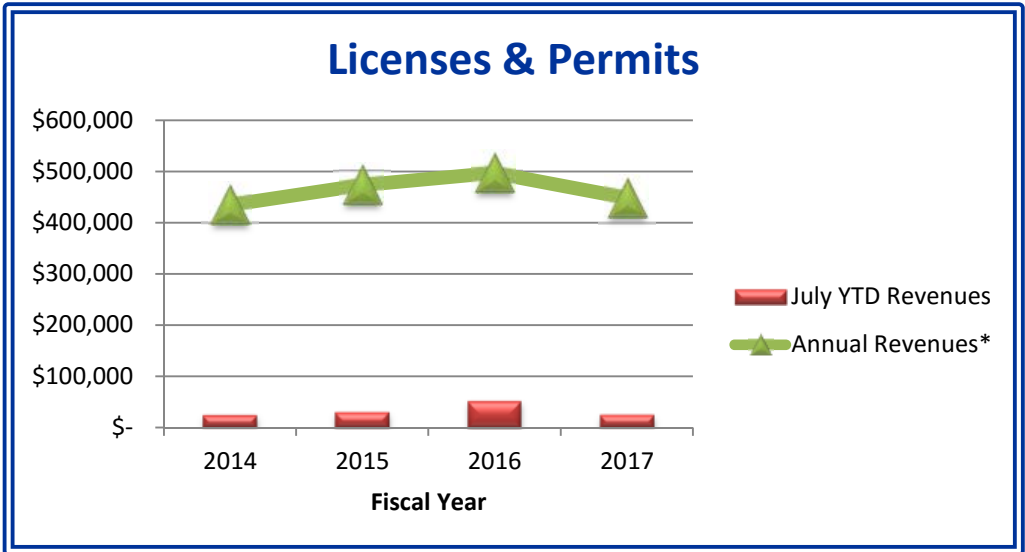
The increase was primarily a result of increased in building permits.

YTD Decrease from FY 2016 to FY 2017:

The decrease was primarily a result of decreased in building permits.

Annual Decrease from FY 2016 to FY 2017:

projections were based on conservative estimates.

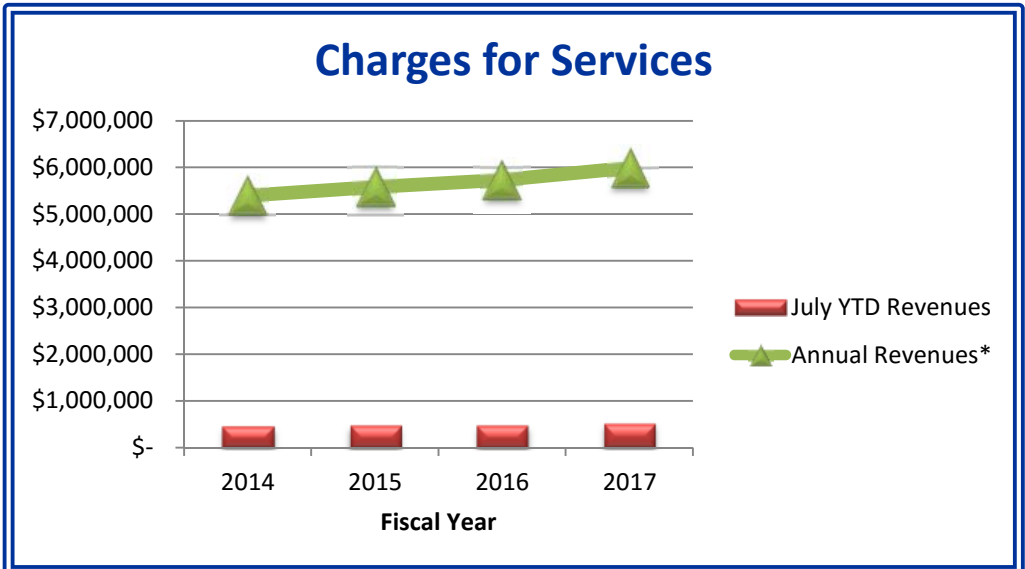


Under Target for FY 2017: Annual business license renewals are primarily received in November to December. In addition, building permit revenues are not necessarily consistent from month to month. Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.

Charges for Services Revenues

On Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 451,788	\$ 5,396,208	8%		
2015	\$ 478,920	\$ 5,580,031	9%	6%	3%
2016	\$ 482,317	\$ 5,729,286	8%	1%	3%
2017	\$ 506,224	\$ 5,995,294	8%	5%	5%



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Type

Fines & Forfeitures Revenues

Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 23,066	\$ 254,533	9%		
2015	\$ 25,409	\$ 277,682	9%	10%	9%
2016	\$ 26,723	\$ 241,071	11%	5%	-13%
2017	\$ 17,494	\$ 350,720	5%	-35%	45%

YTD Increase from FY 2014 to FY 2015:

The increase was primarily due to an increase in court fines collected.

YTD Decrease from FY 2016 to FY 2017:

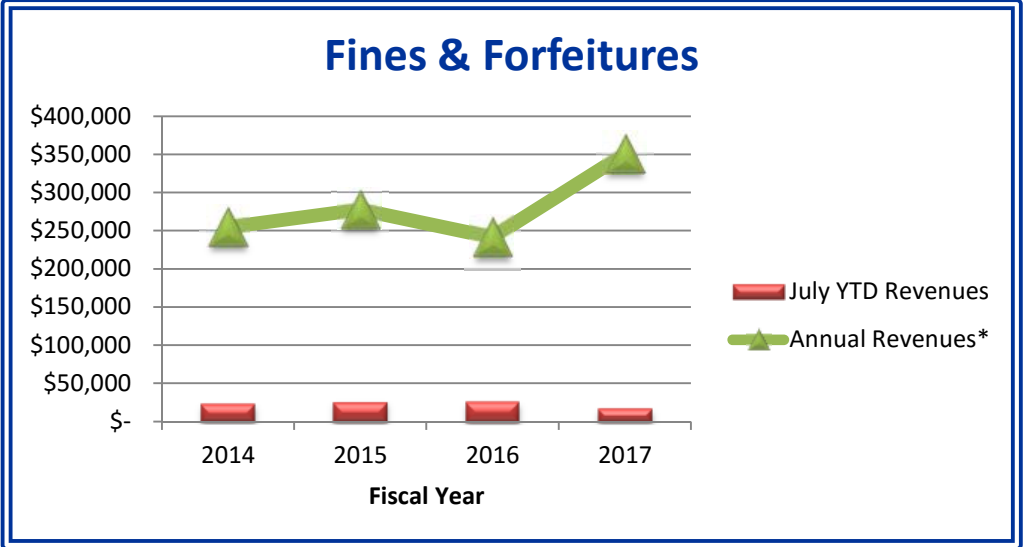
The decrease was primarily due to an decrease in court fines collected.

Annual Decrease from FY 2015 to FY 2016:

The decrease was primarily due to an decrease in court fines collected.

Annual Increase from FY 2016 to FY 2017:

The increase is primarily a due to a placeholder included in fines and forfeitures for estimated revenue from the paid parking program to be implemented during the fiscal year.



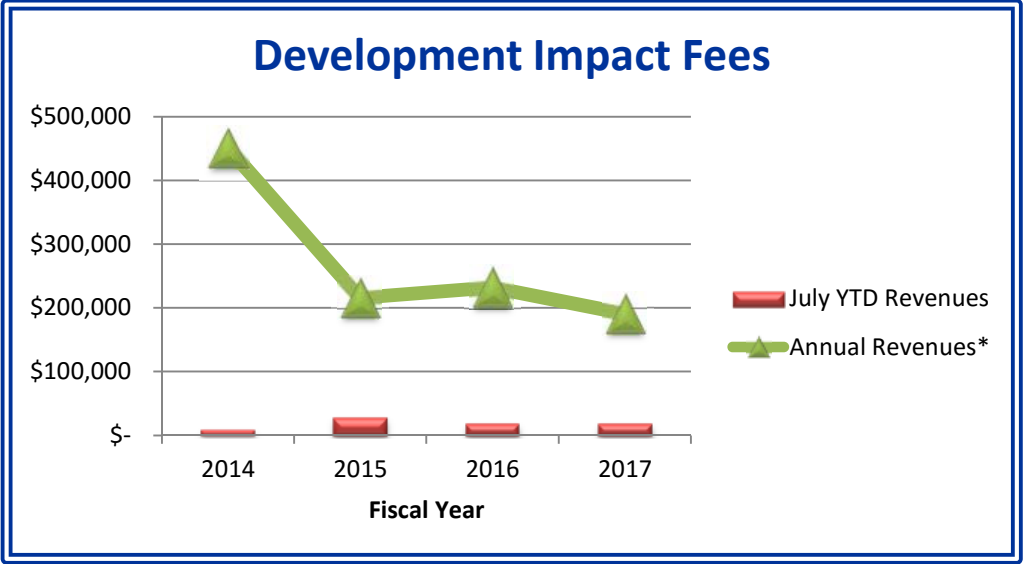
Under Target for FY 2017: If the placeholder for the paid parking program revenues is excluded, July 2016 revenues represent 7% of annual revenues, which is under target for the fiscal year-to-date. This is primarily a result of a decrease in court fines collected. This revenue category will not significantly impact the overall operations of the City; however, we will continue to monitor these revenues to identify whether revenue estimates should be changed.

Development Impact Fee Revenues

Exceeds Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 8,951	\$ 450,798	2%		
2015	\$ 27,836	\$ 216,039	13%	211%	-52%
2016	\$ 18,548	\$ 231,772	8%	-33%	7%
2017	\$ 18,401	\$ 191,000	10%	-1%	-18%

Increases/Decreases: The activity of the development impact fees is based on development and permitting so revenues will not necessarily be consistent from month to month or year to year. As the City approaches build-out, these revenues are expected to decrease.



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

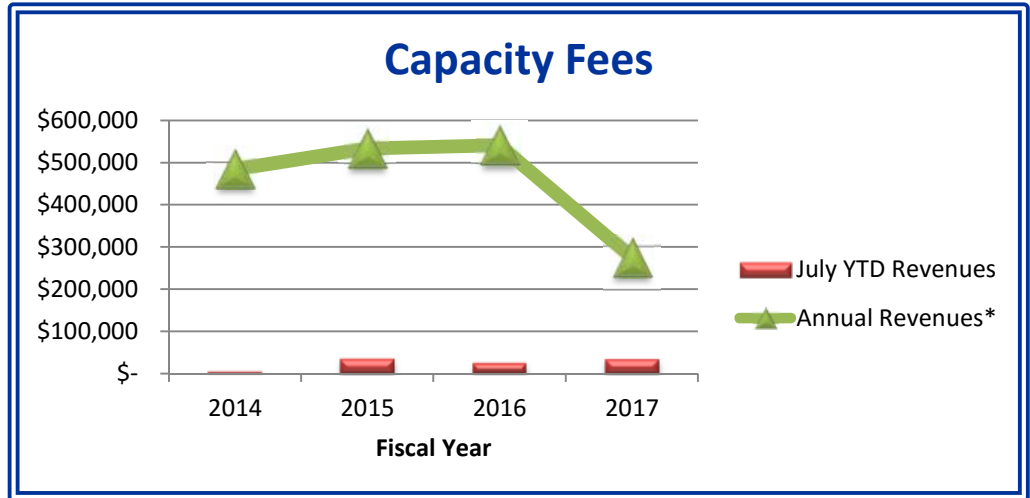
Total Revenues by Type

Capacity Fee Revenues

Exceeds Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 4,099	\$ 484,100	1%		
2015	\$ 35,464	\$ 533,054	7%	765%	10%
2016	\$ 24,422	\$ 541,045	5%	-31%	1%
2017	\$ 34,312	\$ 275,000	12%	40%	-49%

Increases/Decreases: The activity of the capacity fees is based on development and permitting so revenues will not necessarily be consistent from month to month or year to year. As the City approaches build-out, these revenues are expected to decrease.



Other Miscellaneous Revenues

Under Target for FY 2017

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 3,565	\$ 813,968	<1%		
2015	\$ (14,368)	\$ 527,894	<1%	-503%	-35%
2016	\$ 43,966	\$ 955,449	5%	406%	81%
2017	\$ 28,198	\$ 732,400	4%	-36%	-23%

YTD Decrease from FY 2014 to FY 2015:

The decrease was primarily due to a loss incurred in the LGIP accounts.

YTD Increase from FY 2015 to FY 2016:

The increase was primarily due to an increase in the interest earnings in LGIP accounts.

YTD Decrease from FY 2016 to FY 2017:

The decrease was primarily due to a decrease in the interest earnings in LGIP accounts.

Annual Decrease from FY 2014 to FY 2015:

The decrease was primarily due to losses incurred in the LGIP accounts and lower interest earnings received on sales tax audits.

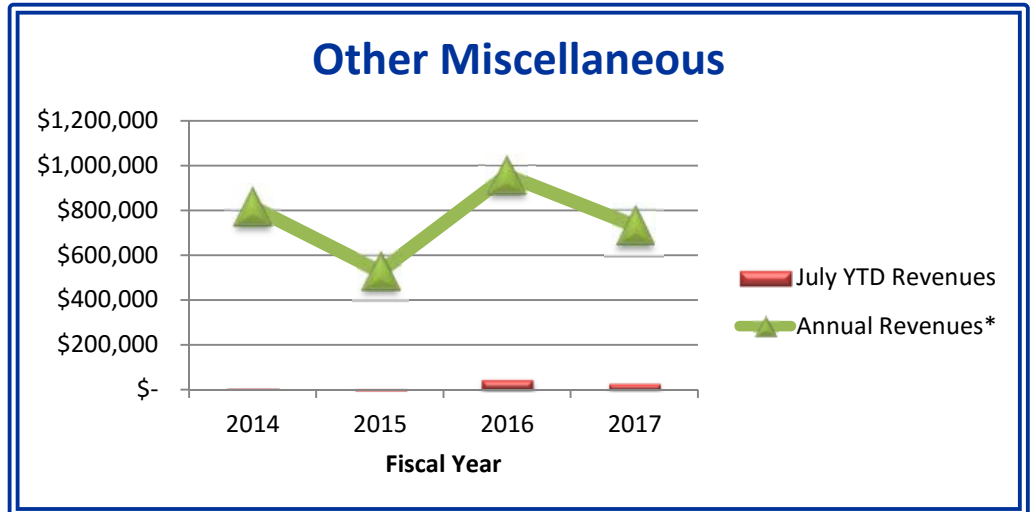
Annual Increase from FY 2015 to FY 2016:

The increase was primarily due to increases in interest earnings in LGIP accounts, outside participation in capital projects and incentive payments received from APS.

Annual Decrease from FY 2016 to FY 2017:

The decrease is primarily due to one-time incentive payments received from APS during FY 2016 and conservative revenue projections.

Under Target for FY 2017: Most of the revenues in this category are not consistent from month to month. Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.



* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Sales Tax Revenues by Category

Month	Retail	Restaurant & Bar	Hotel/Motel	Construction	Leasing	Communi- cations & Utilities	Amusements & Other	Totals
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City Sales Tax Revenues by Category and by Month

July 2015	\$ 371,114	\$ 156,708	\$ 159,972	\$ 86,736	\$ 80,562	\$ 55,914	\$ 72,219	\$ 983,225
August 2015	477,727	228,483	207,430	106,371	93,421	54,643	69,564	1,237,639
September 2015	430,651	159,186	173,676	87,724	81,077	53,225	50,520	1,036,059
October 2015	409,331	190,820	174,625	113,767	73,685	49,842	87,621	1,099,691
November 2015	536,612	245,825	281,686	145,471	93,529	44,714	70,032	1,417,869
December 2015	435,059	165,029	143,307	111,103	59,446	50,296	69,384	1,033,624
January 2016	467,839	243,136	153,427	97,329	67,278	64,730	17,375	1,111,114
February 2016	451,252	222,964	182,877	132,497	81,356	44,206	71,735	1,186,887
March 2016	558,680	307,702	302,861	162,479	96,333	42,583	129,307	1,599,945
April 2016	472,233	325,869	310,421	133,722	82,697	43,412	84,205	1,452,559
May 2016	489,736	337,278	234,931	113,474	113,009	44,187	75,233	1,407,848
June 2016	452,098	246,512	284,019	174,585	136,297	49,136	90,505	1,433,152
Total FY 2016	\$ 5,552,332	\$ 2,829,512	\$ 2,609,232	\$ 1,465,258	\$ 1,058,690	\$ 596,888	\$ 887,700	\$ 14,999,612

July 2016	\$ 406,688	\$ 270,380	\$ 217,869	\$ 93,020	\$ 80,638	\$ 55,936	\$ 94,789	\$ 1,219,320
August 2016	-	-	-	-	-	-	-	-
September 2016	-	-	-	-	-	-	-	-
October 2016	-	-	-	-	-	-	-	-
November 2016	-	-	-	-	-	-	-	-
December 2016	-	-	-	-	-	-	-	-
January 2017	-	-	-	-	-	-	-	-
February 2017	-	-	-	-	-	-	-	-
March 2017	-	-	-	-	-	-	-	-
April 2017	-	-	-	-	-	-	-	-
May 2017	-	-	-	-	-	-	-	-
June 2017	-	-	-	-	-	-	-	-
Total Year-to-Date FY 2017	\$ 406,688	\$ 270,380	\$ 217,869	\$ 93,020	\$ 80,638	\$ 55,936	\$ 94,789	\$ 1,219,320

Current Month Comparison to Same Month Last Year

July 2016 vs. July 2017	\$ 35,574	\$ 113,672	\$ 57,897	\$ 6,284	\$ 76	\$ 22	\$ 22,570	\$ 236,095
Change from July to July	10%	73%	36%	7%	0%	0%	31%	24%

Year-to-Date Comparison to Year-to-Date Last Year

Difference in YTD	\$ 35,574	\$ 113,672	\$ 57,897	\$ 6,284	\$ 76	\$ 22	\$ 22,570	\$ 236,095
% Change from Prior YTD	10%	73%	36%	7%	0%	0%	31%	24%

Sales & Bed Tax Revenues by Month

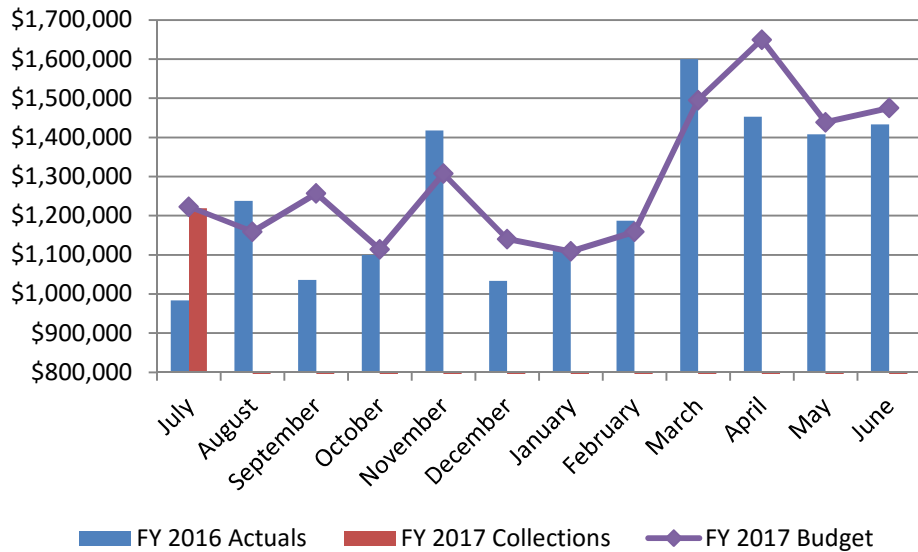
City Sales Tax Revenues

Month	FY 2016 Actuals	FY 2017 Collections	Actual Variance	FY 2017 Budget	Budget Variance
July	\$ 983,225	\$ 1,219,320	24%	\$ 1,223,020	0%
August	1,237,638	-	-	1,159,160	-
September	1,036,059	-	-	1,256,660	-
October	1,099,691	-	-	1,114,070	-
November	1,417,869	-	-	1,307,650	-
December	1,033,624	-	-	1,140,150	-
January	1,111,114	-	-	1,108,890	-
February	1,186,887	-	-	1,158,720	-
March	1,599,944	-	-	1,495,190	-
April	1,452,560	-	-	1,649,480	-
May	1,407,848	-	-	1,438,650	-
June	1,433,152	-	-	1,475,030	-
Totals	\$ 14,999,612	\$ 1,219,320	24%	\$ 15,526,670	0%

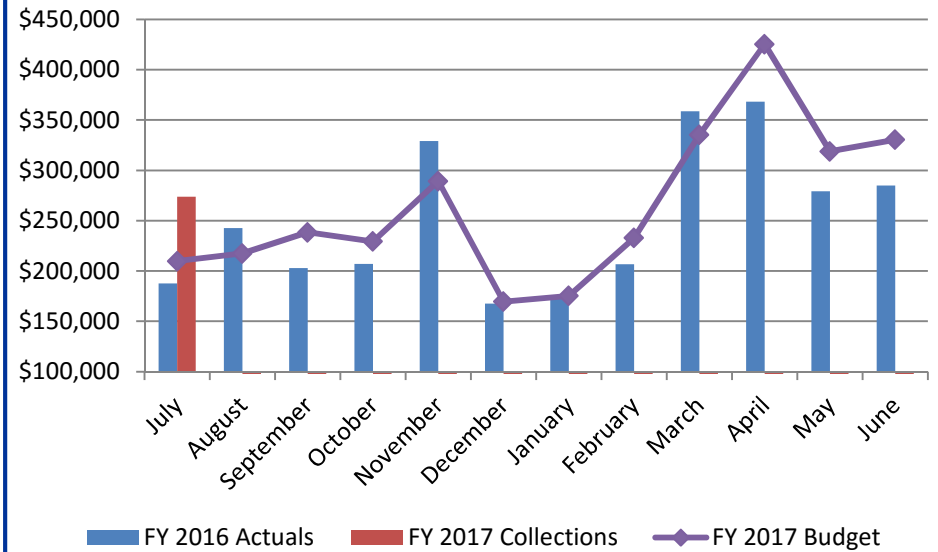
Bed Tax Revenues

Month	FY 2016 Actuals	FY 2017 Collections	Actual Variance	FY 2017 Budget	Budget Variance
July	\$ 187,568	\$ 273,893	46%	\$ 209,860	31%
August	242,636	-	-	217,500	-
September	203,054	-	-	238,490	-
October	207,133	-	-	229,420	-
November	329,119	-	-	289,250	-
December	167,743	-	-	169,640	-
January	175,583	-	-	175,270	-
February	206,576	-	-	232,940	-
March	358,560	-	-	335,200	-
April	368,272	-	-	425,270	-
May	279,152	-	-	318,920	-
June	284,938	-	-	330,440	-
Totals	\$ 3,010,334	\$ 273,893	46%	\$ 3,172,200	31%

City Sales Tax Revenues



Bed Tax Revenues



General Fund Summary

	FY 2017 Budget	FY 2017 YTD Actuals	Encum- brances	FY 2017 YTD Including Encumbrances	% of Budget	FY 2016 YTD Actuals	Actual Variance
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Revenues

Taxes:							
City Sales Taxes	\$ 15,526,670	\$ 1,219,320		\$ 1,219,320	8%	\$ 688,258	77%
Bed Taxes	3,172,200	273,893		273,893	9%	187,568	46%
Contingent Bed Taxes	550,000	-		-	0%	-	N/A
Franchise Fees	816,060	-		-	0%	2,500	-100%
State Shared Revenues:							
State Shared Sales Taxes	979,400	76,552		76,552	8%	75,535	1%
Urban Revenue Sharing	1,273,001	105,976		105,976	8%	100,644	5%
Vehicle License Taxes	620,300	49,612		49,612	8%	49,933	-1%
Other Intergovernmental:							
Grants	20,000	-		-	0%	-	N/A
Other	-	-		-	N/A	331	-100%
In Lieu Fees	406,000	-		-	0%	-	N/A
Licenses & Permits	448,425	24,279		24,279	5%	51,634	-53%
Charges for Services	108,950	13,000		13,000	12%	10,775	21%
Fines & Forfeitures	262,300	10,098		10,098	4%	19,586	-48%
Other Revenues:							
Interest Earnings	122,500	11,179		11,179	9%	18,248	-39%
Donations & Contributions	400	100		100	25%	-	∞
Rental Income	27,400	3,830		3,830	14%	2,398	60%
Miscellaneous	75,000	809		809	1%	836	-3%
Total Revenues	\$ 24,408,606	\$ 1,788,647		\$ 1,788,647	7%	\$ 1,208,246	48%

Expenditures

General Government:							
City Council	\$ 78,585	\$ 401	\$ -	\$ 401	1%	\$ 401	<1%
City Manager's Office	740,819	30,042	-	30,042	4%	44,774	-33%
Human Resources	237,045	10,656	-	10,656	4%	13,072	-18%
Financial Services	534,765	21,745	8,135	29,880	6%	24,836	-12%
Information Technology	1,197,077	164,476	14,513	178,988	15%	184,658	-11%
City Attorney's Office	534,455	26,244	-	26,244	5%	23,641	11%
City Clerk's Office	297,719	11,430	-	11,430	4%	13,979	-18%
General Services	661,806	23,215	15,885	39,099	6%	36,693	-37%
Community Development	961,717	33,497	11,032	44,529	5%	86,553	-61%
Public Works	568,494	21,426	-	21,426	4%	40,206	-47%
Municipal Court	342,950	15,573	-	15,573	5%	18,556	-16%
Public Safety:							
General Services	54,178	-	48,678	48,678	90%	24,059	-100%
Community Development	631,361	26,640	11,032	37,672	6%	20,483	30%
Police	4,304,779	254,508	-	254,508	6%	297,073	-14%
Public Works & Streets:							
Public Works	2,116,798	70,362	136,209	206,571	10%	38,091	85%
Culture & Recreation:							
City Manager's Office	92,940	3,419	-	3,419	4%	-	∞
Parks & Recreation	548,757	54,762	-	54,762	10%	53,614	2%
General Services	486,075	247,638	196,966	444,604	91%	231,471	7%
Community Development	66,080	2,107	-	2,107	3%	-	∞
Public Works	560,426	32,978	-	32,978	6%	46,031	-28%
Economic Development:							
City Manager's Office	178,100	2,855	-	2,855	2%	-	∞
General Services	1,734,919	860,000	860,000	1,720,000	99%	709,500	21%
Health & Welfare:							
General Services	236,997	36,000	200,997	236,997	100%	-	∞
Public Transportation:							
General Services	160,450	12,725	12,725	25,450	16%	-	∞
Debt Service	686,168	57,267	-	57,267	8%	63,668	-10%
Contingencies	810,000	-	-	-	0%	-	N/A
Total Expenditures	\$ 18,823,460	\$ 2,019,966	\$ 1,516,170	\$ 3,536,136	19%	\$ 1,971,360	2%

Other Financing Sources (Uses)

Transfers to Capital Improvements Fund	\$ (8,569,787)	\$ -		\$ -	0%	\$ -	N/A
Transfers to Wastewater Fund	(3,881,668)	(310,694)		(310,694)	8%	-	∞
Transfers to Streets Fund	(351,000)	(29,250)		(29,250)	8%	(42,208)	31%
Total Other Financing Sources (Uses)	\$ (12,802,455)	\$ (339,944)		\$ (339,944)	3%	\$ (42,208)	<-1%

Fund Balances

Beginning Fund Balance, July 1, as restated	\$ 17,650,256	\$ 9,283,138		\$ 9,283,138	53%	\$ 12,883,223	-28%
Ending Fund Balance, July 31:							
Operating Reserve	\$ 8,610,855	\$ 8,610,855		\$ 8,610,855	100%	\$ 7,646,839	13%
Debt Service Reserve	1,300,000	1,300,000		1,300,000	100%	1,300,000	<1%
Unrestricted Fund Balance	522,092	(1,198,980)		(1,198,980)	<1%	3,131,062	-138%
Total Ending Fund Balance, July 31	\$ 10,432,947	\$ 8,711,875		\$ 7,195,705	69%	\$ 12,077,901	-28%

Wastewater Enterprise Fund Summary

	FY 2017 Budget	FY 2017 YTD Actuals	Encum- brances	FY 2017 YTD Including Encumbrances	% of Budget	FY 2016 YTD Actuals	Actual Variance
Revenues							
<u>Taxes:</u>							
City Sales Taxes	\$ -	\$ -		\$ -	N/A	\$ 294,968	-100%
Charges for Services	5,880,844	493,080		493,080	8%	471,403	5%
Capacity Fees	275,000	34,312		34,312	12%	24,422	40%
Fines & Forfeitures	88,420	6,206		6,206	7%	7,136	-13%
<u>Other Revenues:</u>							
Interest Earnings	155,100	7,528		7,528	5%	11,212	-33%
Miscellaneous	4,500	-		-	0%	3,989	-100%
Total Revenues	\$ 6,403,864	\$ 541,126		\$ 541,126	8%	\$ 813,130	-33%
Expenditures							
<u>Wastewater Administration:</u>							
Salaries & Benefits	\$ 55,260	\$ 7,644	\$ -	\$ 7,644	14%	\$ 38,701	-80%
Other Expenditures	216,456	14	-	14	<1%	28,557	-100%
<u>Wastewater Operations:</u>							
Salaries & Benefits	707,480	37,834	-	37,834	5%	48,250	-22%
Utilities	592,200	33,035	-	33,035	6%	41,712	-21%
Maintenance	731,679	5,810	18,807	24,617	3%	17,175	-66%
Other Expenditures	537,113	5,032	15,675	20,707	4%	8,725	-42%
<u>Wastewater Capital Projects:</u>							
Salaries & Benefits	149,410	8,672	-	8,672	6%	8,234	5%
Other Expenditures	150,000	-	162,857	162,857	109%	-	N/A
Capital Improvement Projects	2,935,550	-	6,690,387	6,690,387	228%	402	-100%
<u>Departmental Allocations:</u>							
City Manager's Office	48,681	2,622	-	2,622	5%	-	∞
Human Resources	19,547	1,065	-	1,065	5%	-	∞
Financial Services	406,520	20,814	6,670	27,483	7%	-	∞
Information Technology	87,578	14,662	-	14,662	17%	-	∞
City Attorney's Office	21,090	1,134	-	1,134	5%	-	∞
City Clerk's Office	12,650	657	-	657	5%	-	∞
Public Works & Engineering	196,523	10,116	-	10,116	5%	-	∞
Departmental Allocations	-	-	-	-	N/A	12,736	-100%
Debt Service	5,151,325	431,274	-	431,274	8%	453,401	-5%
Contingencies	100,000	-	-	-	0%	-	N/A
Total Expenditures	\$ 12,119,062	\$ 580,385	\$ 6,894,395	\$ 7,474,780	62%	\$ 657,893	-12%
Other Financing Sources (Uses)							
Transfers from General Fund	\$ 3,881,668	\$ 310,694		\$ 310,694	8%	\$ -	∞
Total Other Financing Sources (Uses)	\$ 3,881,668	\$ 310,694		\$ 310,694	8%	\$ -	∞
Fund Balances							
Beginning Fund Balance, July 1, as restated	\$ 14,792,117	\$ 13,597,903		\$ 13,597,903	92%	\$ 17,098,425	-20%
<u>Ending Fund Balance, July 31:</u>							
Operating Reserve	\$ 2,317,773	\$ 2,317,773		\$ 2,317,773	100%	\$ 4,015,316	-42%
Debt Service Reserve	4,870,195	4,870,195		4,870,195	100%	4,637,253	5%
Unrestricted Fund Balance	5,770,619	6,681,370		6,681,370	116%	8,601,094	-22%
Total Ending Fund Balance, July 31	\$ 12,958,587	\$ 13,869,338		\$ 6,974,943	54%	\$ 17,253,663	-20%

All Funds Summary

	Beginning Fund Balance, July 1, 2016	Revenues	Budgeted Expenditures	Actual Expenditures	Encumbrances	Expenditures Including Encumbrances	% of Budget	Net Interfund Transfers	Ending Fund Balance, July 31, 2016
General Fund	\$ 9,283,138	\$ 1,788,647	\$ 18,823,460	\$ 2,019,966	\$ 1,516,170	\$ 3,536,136	19%	\$ (339,944)	\$ 8,711,875
<i>Special Revenue Funds</i>									
Streets Fund	\$ 659,946	\$ 80,077	\$ 1,150,000	\$ -	\$ -	\$ -	0%	\$ 29,250	\$ 769,272
Grants, Donations & Other Funds	\$ 625,402	\$ 28,650	\$ 420,500	\$ 16,673	\$ -	\$ 16,673	4%	\$ -	\$ 637,379
<i>Capital Projects Funds</i>									
Development Impact Fees Funds	\$ 2,724,011	\$ 21,047	\$ 2,538,318	\$ 1,766	\$ 600,875	\$ 602,642	24%	\$ -	\$ 2,743,291
Capital Improvements Fund	\$ 11,827,244	\$ 1,911	\$ 2,538,318	\$ (4,557)	\$ 444,671	\$ 440,114	17%	\$ 46	\$ 11,833,757
Art in Public Places Fund	\$ 53,667	\$ 14	\$ -	\$ -	\$ -	\$ -	N/A	\$ (46)	\$ 53,635
Wastewater Enterprise Fund	\$ 13,597,903	\$ 541,126	\$ 12,119,062	\$ 580,385	\$ 6,894,395	\$ 7,474,780	62%	\$ 310,694	\$ 13,869,338
Total All City Funds	\$ 38,771,310	\$ 2,461,471	\$ 37,589,658	\$ 2,614,234	\$ 9,456,111	\$ 12,070,345	32%	\$ -	\$ 38,618,548
<i>Community Facilities Districts</i>									
Sedona Summitt II	\$ 313,379	\$ 20	\$ 150,000	\$ -	\$ 32,450	\$ 32,450	22%	\$ -	\$ 313,399
Fairfield	\$ 781,780	\$ 157	\$ 1,264,749	\$ -	\$ 841,138	\$ 841,138	67%	\$ -	\$ 781,936

Bonds Outstanding

Bond Issue	Maturity Dates	Interest Rates	General Fund			Development Impact Fee Funds			Wastewater Fund			Grand Totals		
			Remaining Principal Payments	Remaining Interest Payments	Total	Remaining Principal Payments	Remaining Interest Payments	Total	Remaining Principal Payments	Remaining Interest Payments	Total	Remaining Principal Payments	Remaining Interest Payments	Total
City Excise Tax Revenue Bonds														
Series 2007	7/1/2017-2019	4.0-5.0%	\$ 1,460,000	\$ 149,394	\$ 1,609,394	\$ -	\$ -	\$ -	\$ 1,070,000	\$ 53,500	\$ 1,123,500	\$ 2,530,000	\$ 202,894	\$ 2,732,894
Series 2012	7/1/2025-2026	4.5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,395,000	\$ 3,593,025	\$ 11,988,025	\$ 8,395,000	\$ 3,593,025	\$ 11,988,025
Series 2014	7/1/2017-2019	0.66%	\$ 1,125,456	\$ 14,889	\$ 1,140,345	\$ 64,244	\$ 850	\$ 65,094	\$ 1,195,300	\$ 7,889	\$ 1,203,189	\$ 2,385,000	\$ 23,628	\$ 2,408,628
Series 2015	7/1/2017-2019	1.3%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,220,000	\$ 287,820	\$ 10,507,820	\$ 10,220,000	\$ 287,820	\$ 10,507,820
Second Series 2015	7/1/2017-2027	1.94%	\$ 7,860,000	\$ 1,124,715	\$ 8,984,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,860,000	\$ 1,124,715	\$ 8,984,715
Sedona Wastewater Municipal Property Corporation Excise Tax Revenue Bonds														
Series 1998*	7/1/2020-2024	5.20-5.24%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,305,000	\$ 15,245,000	\$ 21,550,000	\$ 6,305,000	\$ 15,245,000	\$ 21,550,000
Grand Totals			\$ 10,445,456	\$ 1,288,998	\$ 11,734,454	\$ 64,244	\$ 850	\$ 65,094	\$ 27,185,300	\$ 19,187,234	\$ 46,372,534	\$ 37,695,000	\$ 20,477,082	\$ 58,172,082

* The Series 1998 bonds are comprised of capital appreciation bonds (CABs). CABs offer an investment return on an initial principal amount and are reinvested at a stated compounded rate until maturity. At maturity, the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return. The next maturity date is not until July 1, 2020.

Capital Projects Summary

Project	Funding Source	Total Project			FY 2017 to Date		
		Budget	Actuals	% of Budget	Budget	Actuals	% of Budget
Community Development							
Brewer Road Property - Future Development	CFD - Sedona Summit II	\$ 127,500	\$ 2,327	2%	\$ 100,000	\$ -	0%
	CFD - Fairfield	\$ 127,500	\$ -	0%	\$ 100,000	\$ -	0%
	Project Total	\$ 255,000	\$ 2,327	1%	\$ 200,000	\$ -	0%
Parks & Recreation							
Barbara Antonsen Park	CFD - Sedona Summit II	\$ 83,737	\$ 33,737	40%	\$ 50,000	\$ -	0%
	CFD - Fairfield	\$ 1,589,747	\$ 424,998	27%	\$ 1,164,749	\$ -	0%
	Development Impact Fees	\$ 2,210	\$ 2,210	100%	\$ -	\$ -	N/A
	Capital Reserves	\$ 231,962	\$ 231,962	100%	\$ -	\$ -	N/A
	Project Total	\$ 1,907,655	\$ 692,906	36%	\$ 1,214,749	\$ -	0%
Park Land Acquisition	Development Impact Fees	\$ 1,500,000	\$ -	0%	\$ 1,500,000	\$ -	0%
Fitness Trail	Development Impact Fees	\$ 860	\$ -	0%	\$ 860	\$ -	0%
	Grant	\$ 75,376	\$ -	0%	\$ 75,376	\$ -	0%
	Project Total	\$ 76,236	\$ -	0%	\$ 76,236	\$ -	0%
Dog Park Upgrade	Development Impact Fees	\$ 207,375	\$ 16,375	8%	\$ 201,000	\$ -	0%
Bike Skills Park	Development Impact Fees	\$ 104,000	\$ -	0%	\$ 104,000	\$ -	0%
	Outside Participation	\$ 37,096	\$ 40,096	108%	\$ -	\$ -	N/A
	Grant	\$ 20,600	\$ -	0%	\$ 15,600	\$ -	0%
	Capital Reserves	\$ 110,000	\$ 120,901	110%	\$ -	\$ -	N/A
	Project Total	\$ 271,696	\$ 160,997	59%	\$ 119,600	\$ -	0%
Police							
Uptown Parking Meters on Main Street	Capital Reserves	\$ 301,000	\$ 25,918	9%	\$ 275,000	\$ -	0%
	General Fund	\$ 50,000	\$ 42,489	85%	\$ -	\$ -	N/A
	Project Total	\$ 351,000	\$ 68,407	19%	\$ 275,000	\$ -	0%
Shooting Range Improvements	RICO Monies	\$ 155,000	\$ 5,043	3%	\$ 50,000	\$ -	0%
	Development Impact Fees	\$ 95,000	\$ 95,000	100%	\$ 220,000	\$ -	0%
	Capital Reserves	\$ 470,000	\$ 321,754	68%	\$ 220,000	\$ -	0%
	Project Total	\$ 720,000	\$ 421,797	59%	\$ 490,000	\$ -	0%
Police Facility Renovations	Capital Reserves	\$ 300,000	\$ 11,385	4%	\$ 150,000	\$ -	0%
	RICO Monies	\$ 8,000	\$ 6,199	77%	\$ -	\$ -	N/A
	Project Total	\$ 308,000	\$ 17,585	6%	\$ 150,000	\$ -	0%
Radio Communications Enhancement	Capital Reserves	\$ 161,000	\$ 93,173	58%	\$ 40,000	\$ -	0%
Public Works							
Uptown Pedestrian Access Improvements	Development Impact Fees	\$ 600,000	\$ 37,877	6%	\$ 550,000	\$ -	0%
	Capital Reserves	\$ 624,000	\$ 395,794	63%	\$ 304,000	\$ -	0%
	Project Total	\$ 1,224,000	\$ 433,670	35%	\$ 854,000	\$ -	0%
Jordan Road Sidewalk Extension	Development Impact Fees	\$ 134,500	\$ 123,215	92%	\$ 55,500	\$ -	0%
	Outside Participation	\$ 2,500	\$ -	0%	\$ 2,500	\$ -	0%
	Project Total	\$ 137,000	\$ 123,215	90%	\$ 58,000	\$ -	0%
Dry Creek Road Overlay	Capital Reserves	\$ 605,399	\$ 71,580	12%	\$ 50,000	\$ -	0%
Sanborn Drive/Thunder Mountain Road Overlay	Capital Reserves	\$ 738,820	\$ -	0%	\$ 151,000	\$ -	0%
Transportation Study	Capital Reserves	\$ 225,000	\$ 25,245	11%	\$ 200,000	\$ -	0%
	Outside Participation	\$ 25,000	\$ 25,000	100%	\$ -	\$ -	N/A
	Project Total	\$ 250,000	\$ 50,245	20%	\$ 200,000	\$ -	0%
Transportation Study - Project Implementation	Capital Reserves	\$ 100,000	\$ -	0%	\$ 100,000	\$ -	0%
Cathedral Rock Trailhead	Capital Reserves	\$ 200,000	\$ 174,981	87%	\$ 100,000	\$ -	0%
Drainage							
Coffee Pot Drainage Basin - Coffee Pot Road Crossing	Development Impact Fees	\$ 50,000	\$ -	0%	\$ 50,000	\$ -	0%
	Yavapai County Flood Control	\$ 325,000	\$ -	0%	\$ 325,000	\$ -	0%
	Capital Reserves	\$ 65,000	\$ -	0%	\$ 65,000	\$ -	0%
	Project Total	\$ 440,000	\$ -	0%	\$ 440,000	\$ -	0%
Coffee Pot Drainage Basin - Grasshopper Area	Capital Reserves	\$ 1,325,000	\$ -	0%	\$ 30,000	\$ -	0%
Brewer Road/Tlaquepaque Drainage Improvements	Coconino County Flood Control	\$ 2,196,667	\$ 1,116,057	51%	\$ 936,810	\$ (4,557)	<1%
	Outside Participation	\$ 713,333	\$ 165,103	23%	\$ 125,000	\$ -	0%
	Project Total	\$ 2,910,000	\$ 1,281,160	44%	\$ 1,061,810	\$ (4,557)	<1%
Brewer Road Crossing Improvements	Coconino County Flood Control	\$ 850,000	\$ -	0%	\$ 150,000	\$ -	0%
Storm Drainage Easement Acquisition	Development Impact Fees	\$ 50,000	\$ -	0%	\$ 50,000	\$ -	0%
Wastewater							
WW Master Plan	Wastewater Fees	\$ 200,000	\$ 37,585	19%	\$ 150,000	\$ -	0%
Wastewater Effluent Management	Wastewater Fees	\$ 12,181,000	\$ 3,289,909	27%	\$ 2,059,750	\$ -	0%
WWRP Bar Screen and Filter System Upgrades	Wastewater Fees	\$ 500,000	\$ 22,657	5%	\$ 350,000	\$ -	0%
WWRP Odor Control	Wastewater Fees	\$ 25,000	\$ -	0%	\$ 25,000	\$ -	0%
WWRP Headworks Replacement	Wastewater Fees	\$ 480,000	\$ -	0%	\$ 480,000	\$ -	0%
Grand Totals		\$ 29,020,181	\$ 7,218,024	25%	\$ 11,259,145	\$ (4,557)	<1%