

Monthly Financial Report

June 2017



CITY OF SEDONA

October 11, 2017

Monthly Financial Report

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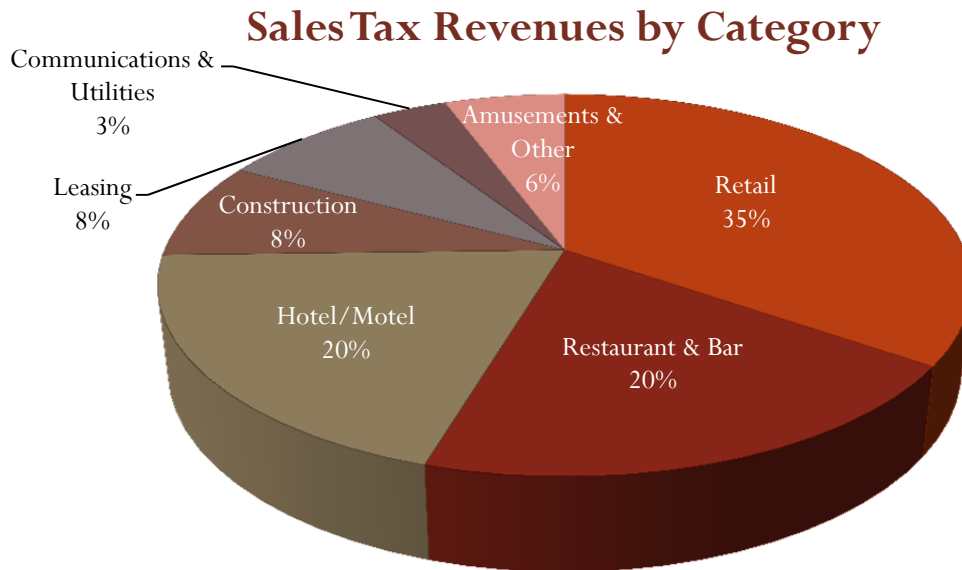
Executive Summary

The City's largest revenue sources are sales and bed tax revenues, and these continue to see significant increases. **City sales taxes are 9% higher** than the prior year and **bed taxes are 27% higher** than the prior year.

FY 2017 Increase Over Prior Year	
City Sales Taxes	\$1,288,931
Bed Taxes	801,393
Total	\$2,090,324

The largest increase for the month of June was in the Retail (24%) category. The Leasing (-18%) category showed a significant decrease for the month.

For year-to-date (YTD), the Restaurant & Bar (16%), Hotel/Motel (24%), and Leasing (23%) categories all show increases over the prior year. A portion of the increase in the Hotel/Motel category, as well as bed taxes, is related to the allowability of short-term residential rentals effective January 1, 2017.



At the end of the year, the **General Fund had a surplus in excess of required reserves of \$2.75 million** that was transferred to the Capital Improvements Fund for future capital projects. The ending balance of the Capital Improvements Fund is \$12.8 million, with \$11.3 million unrestricted and \$1.5 million restricted for storm drainage projects.

The numbers in this report are unaudited and subject to change. The final audited comprehensive annual financial report will be made available once it is complete.

Revenues

In total, General Fund revenues are up 35% over last year, and Wastewater Fund revenues are down 35% over last year. Adjusting for the difference in how the sales tax subsidy for the Wastewater Fund is recorded between FY 2016 and FY2017, the **adjusted General Fund revenues are up 9%** over last year, and **adjusted Wastewater Fund revenues are up 10%** over last year.

FY 2017 Revenue Increase Over Prior Year (Adjusted for Sales Tax Subsidy)	
General Fund	\$2,069,289
Wastewater Fund	\$664,437

All revenue categories are **generally on target or exceeded targets**, with the exception of the following:

- Franchise Fees (4% under target)
 - Certain franchise fees were not recognized in FY2017 due to the lateness of receipt. In addition, certain franchise fees experienced a decrease instead of the increase projected.
- Other Intergovernmental (10% under target)
 - Grant revenues match grant expenditures. When grant expenditures are lower, the grant revenues are also lower. The effect is no net impact to the City's financial position.
- Fines and Forfeitures (47% under target)
 - A portion of the decrease in fines and forfeitures is related to court fines, which are 5% lower than the prior fiscal year. The status of the court fines has improved significantly over the course of the year.¹
 - Fines and forfeitures are also low due to the delayed implementation of the paid parking program. Since the delay in revenues will be offset by a delay in the costs of the program, this has no impact to the other operations of the City.
 - The amount under target is also related to a decrease in late fees due to a reduction in delinquent wastewater accounts and a significant write-off of late fees.
- Miscellaneous Revenues (10% under YTD target)
 - Miscellaneous revenues are low due to agreements made regarding outside participation in a storm drainage project that allows the participants to make their contributions over multiple years.
 - In addition, lower interest earnings and losses in the LGIP accounts were not fully recouped during FY2017.

These decreases in anticipated revenues are offset by other increases and did not impact the overall operations of the City since total revenues of all funds, except the Grants, Donations & Other Funds, were on target or exceeded targets.

¹ In September, the decrease for the year-to-date was 38%.

Expenditures

In total, **General Fund expenditures are 19% under budget**, and **Wastewater Fund expenditures are 12% under budget**.

Fund	Expenditures Under Budget	Appropriations Carried Over to FY 2018
General Fund	\$2,020,994	\$718,050
Wastewater Fund	\$1,493,152	\$1,028,032 ²

Expenditures are **generally on or under target**. Wastewater Administration expenditures (101%) appear over budget because the budgeted amount includes a negative offset of \$75,000 for estimated vacancy savings for the entire Wastewater Fund; however, the vacancy savings are not always experienced within the Administration portion of the Wastewater Fund budget. Excluding the impact of the vacancy savings offset, the percentage of budget for Wastewater Administration was 99%.

Expenditures for capital improvements (64%) were overall under targets for the fiscal year. The FY2017 budget included \$1.5 million set aside for potential park land acquisition, which did not occur during the year. Excluding the park land acquisition, the remaining **capital projects represented 74% of the budget**. The more significant variances were as follows:

Project	Expenditures Under Budget	Status
Barbara Antonsen Park	\$325,605	Completed and under budget
Dog Park Upgrade	\$181,992	Not complete and carried over to FY 2018
Shooting Range Improvements	\$245,265	Not complete and a portion carried over to FY 2018
Wastewater Effluent Management	\$255,710	Not complete and carried over to FY 2018
WWRP Bar Screen and Filter System Upgrades	\$283,047	Not complete and carried over to FY 2018
WWRP Headworks Replacement	\$480,000	Not complete and a portion carried over to FY 2018

One project, the Fitness Trail, was slightly over budget (\$1,908) due to additional excavation work needed.

² Includes \$32,500 of operating costs carried over and \$995,532 of capital project costs carried over.

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 June 2017 is the final month of the current fiscal year, FY2017.

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%. Revenues are considered on target if they are within 3% of the budgeted amount.
 - **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.

Additional Detail

This report provides broad summary information and analysis of the City's financial data. Additional detailed information is offered on the City's website at www.sedonaaz.gov/transparency. It is a searchable, user-friendly site that citizens and other interested parties can use to access real time financial data.

For questions or additional information, contact:

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	Page	% YTD	Status	Comments
Portion of Fiscal Year Complete = 100.00%				
Total Expenditures by Fund				
General Fund	7	91%	Under Target for FY 2017	
Special Revenue Funds:				
Streets Fund	8	100%	On Target for FY 2017	
Grants, Donations & Other Funds	8	75%	Under Target for FY 2017	
Capital Projects Funds:				
Development Impact Fees Funds	9	33%	Under Target for FY 2017	
Capital Improvements Fund	9	81%	Under Target for FY 2017	
Art in Public Places Fund	10	N/A	On Target for FY 2017	No projects planned for FY 2017.
Wastewater Enterprise Fund	10	88%	Under Target for FY 2017	
Community Facilities Districts:				
Sedona Summit II	11	79%	Under Target for FY 2017	
Fairfield	11	74%	Under Target for FY 2017	
Total Non-Capital Improvement Expenditures by Department				
City Council	12	77%	Under Target for FY 2017	
City Manager's Office	12	83%	Under Target for FY 2017	
Human Resources	13	100%	On Target for FY 2017	
Financial Services	13	91%	Under Target for FY 2017	
Information Technology	14	84%	Under Target for FY 2017	
City Attorney's Office	15	99%	On Target for FY 2017	
City Clerk's Office	15	86%	Under Target for FY 2017	
Parks & Recreation	16	98%	On Target for FY 2017	
General Services	16	96%	Under Target for FY 2017	
Community Development	17	82%	Under Target for FY 2017	
Public Works	18	94%	Under Target for FY 2017	
Police	19	91%	Under Target for FY 2017	
Municipal Court	19	94%	Under Target for FY 2017	
Wastewater Administration	20	101%	Exceeds Target for FY 2017	Excluding vacancy savings offset for entire Wastewater Fund budget, expenditures represent 99% of budget.
Wastewater Capital	20	99%	On Target for FY 2017	
Wastewater Operations	21	87%	Under Target for FY 2017	
Total Revenues by Fund				
General Fund	22	106%	Exceeds Target for FY 2017	
Special Revenue Funds:				
Streets Fund	22	119%	Exceeds Target for FY 2017	Revenues are high due to conservative estimates for the year and one-time additional State funding.
Grants, Donations & Other Funds	23	74%	Under Target for FY 2017	Revenues are low partly due to lower than estimated spending of grant funds.
Capital Projects Funds:				
Development Impact Fees Funds	23	326%	Exceeds Target for FY 2017	Revenues are significantly high due to fees assessed with the permitting of the new Marriott facility and the new CVS.
Capital Improvements Fund	24	102%	On Target for FY 2017	
Art in Public Places Fund	24	∞	Exceeds Target for FY 2017	
Wastewater Enterprise Fund	25	112%	Exceeds Target for FY 2017	Revenues are high due to fees assessed with the permitting of the new Marriott facility and the new CVS.
Community Facilities Districts:				
Sedona Summit II	25	133%	Exceeds Target for FY 2017	
Fairfield	26	126%	Exceeds Target for FY 2017	
Total Revenues by Type				
City Sales Taxes	27	105%	On Target for FY 2017	
Bed Taxes	27	120%	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. The increase is also partly due to the change in legislation regarding short-term residential rentals.
In-Lieu	28	122%	Exceeds Target for FY 2017	Revenues are high partly due to unanticipated in lieu fees for Arts and Affordable Housing.
Franchise Fees	28	96%	Under Target for FY 2017	
State Sales Taxes	29	97%	On Target for FY 2017	
Urban Revenue Sharing	29	100%	On Target for FY 2017	
Vehicle License Taxes	30	98%	On Target for FY 2017	
Highway User	30	119%	Exceeds Target for FY 2017	Revenues are high due to conservative estimates for the year and one-time additional State funding.
Other Intergovernmental	31	90%	Under Target for FY 2017	Revenues are low partly due to lower than estimated spending of grant funds.
Licenses & Permits	32	107%	Exceeds Target for FY 2017	
Charges for Services	32	101%	On Target for FY 2017	
Fines & Forfeitures	33	53%	Under Target for FY 2017	If the placeholder for the paid parking program revenues is excluded, YTD revenues represent 74% of budgeted revenues. This is primarily a result of a decrease in court fines collected, a reduction in delinquent wastewater accounts resulting in lower late fees on wastewater billings, and a significant writeoff of late fees.
Development Impact Fees	33	324%	Exceeds Target for FY 2017	Revenues are significantly high due to fees assessed with the permitting of the new Marriott facility and the new CVS.
Capacity Fees	34	425%	Exceeds Target for FY 2017	Revenues are significantly high due to fees assessed with the permitting of the new Marriott facility and the new CVS.
Other Miscellaneous	34	90%	Under Target for FY 2017	Agreements were made regarding the outside participation in a storm drainage project that allows the participants to make their contributions over time. Approximately \$188,000 will not be received during FY 2017. In addition, the lower interest earnings and losses in LGIP accounts were not fully recouped during FY 2017.
Sales Tax Revenues by Category				
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Total Expenditures by Fund

Total General Fund Expenditures

Under Target for FY 2017

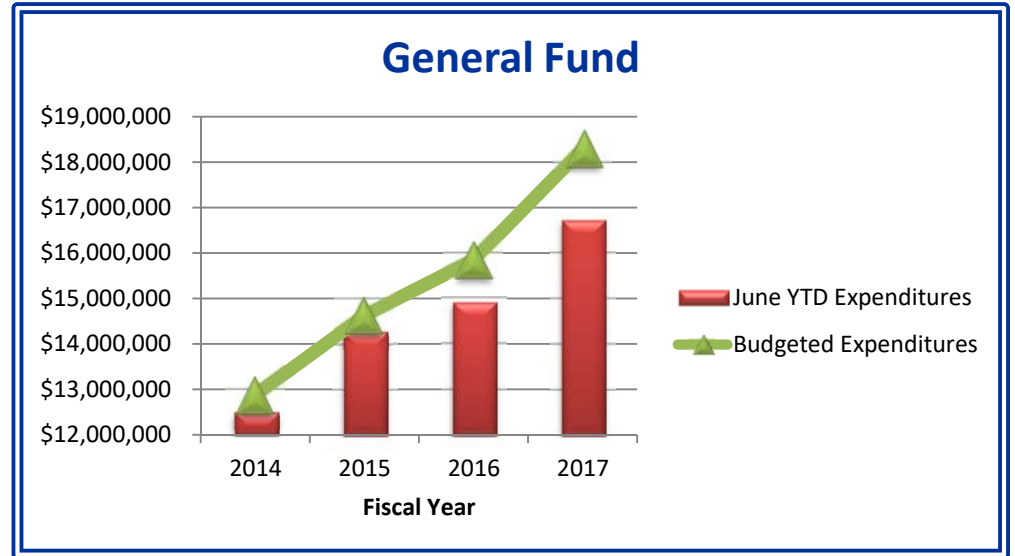
FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 12,520,234	\$ 12,874,204	97%		
2015	\$ 14,282,455	\$ 14,629,608	98%	14%	14%
2016	\$ 14,907,362	\$ 15,847,820	94%	4%	8%
2017	\$ 16,725,871	\$ 18,298,397	91%	12%	15%

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.

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 \$907,000.
- (2) The allocation to the destination marketing program increased approximately \$365,000 as a result of higher bed tax revenue collections.
- (3) Salaries and benefit costs increased approximately \$410,000. This was partly due to three new full-time positions and two part-time positions were added in the budget process. In addition, salaries increased due to cost-of-living adjustments of 1.8% and average merit increases of 2.5%, as well as increases in benefits due to a 3% increase to the required contributions to the Public Safety Personnel Retirement System (PSPRS) and a 2% increase to health insurance premiums.



* 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

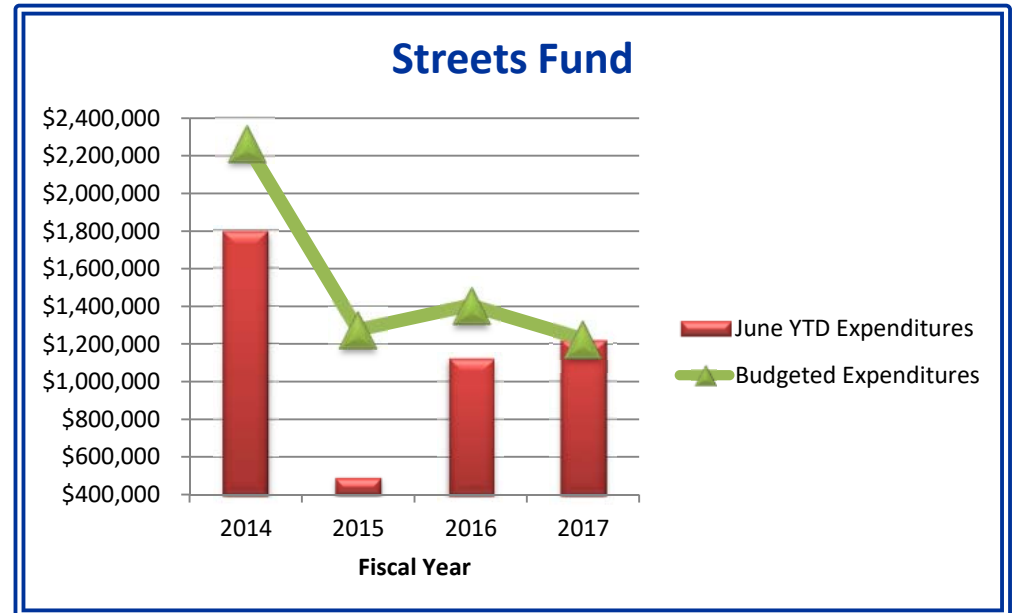
Total Streets Fund Expenditures

On Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 1,799,340	\$ 2,266,077	79%		
2015	\$ 488,072	\$ 1,275,140	38%	-73%	-44%
2016	\$ 1,126,227	\$ 1,404,689	80%	131%	10%
2017	\$ 1,226,595	\$ 1,226,594	100%	9%	-13%

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.

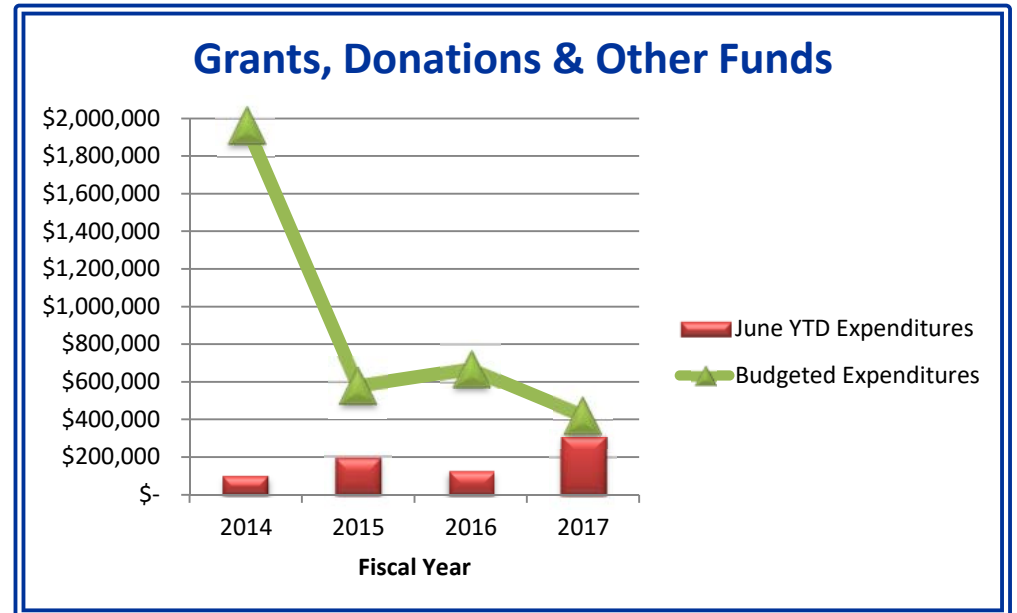


Total Grants, Donations & Other Exp.

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 99,837	\$ 1,965,056	5%		
2015	\$ 193,488	\$ 579,705	33%	94%	-70%
2016	\$ 127,230	\$ 669,749	19%	-34%	16%
2017	\$ 314,560	\$ 420,500	75%	147%	-37%

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.



* 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 Develop. Impact Fees Exp.

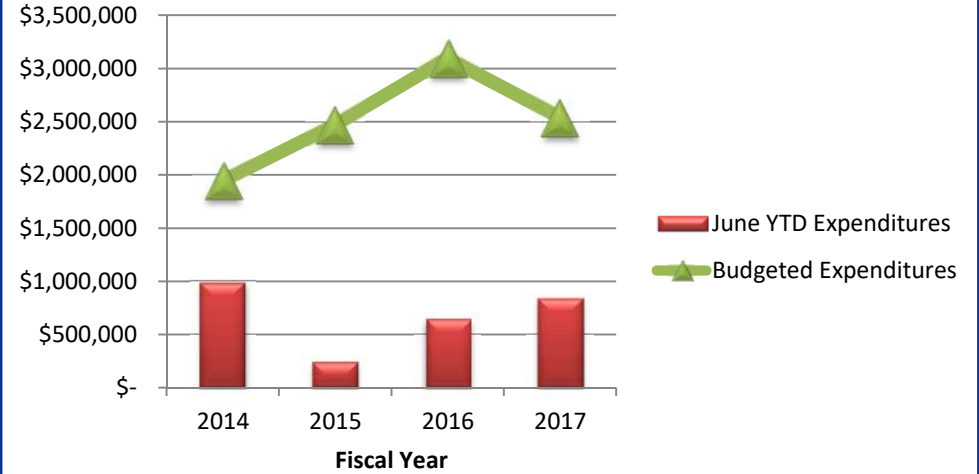
Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 988,600	\$ 1,943,000	51%		
2015	\$ 247,614	\$ 2,474,092	10%	-75%	27%
2016	\$ 647,006	\$ 3,094,170	21%	161%	25%
2017	\$ 839,927	\$ 2,538,318	33%	30%	-18%

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, which did not occur.

Development Impact Fees Funds



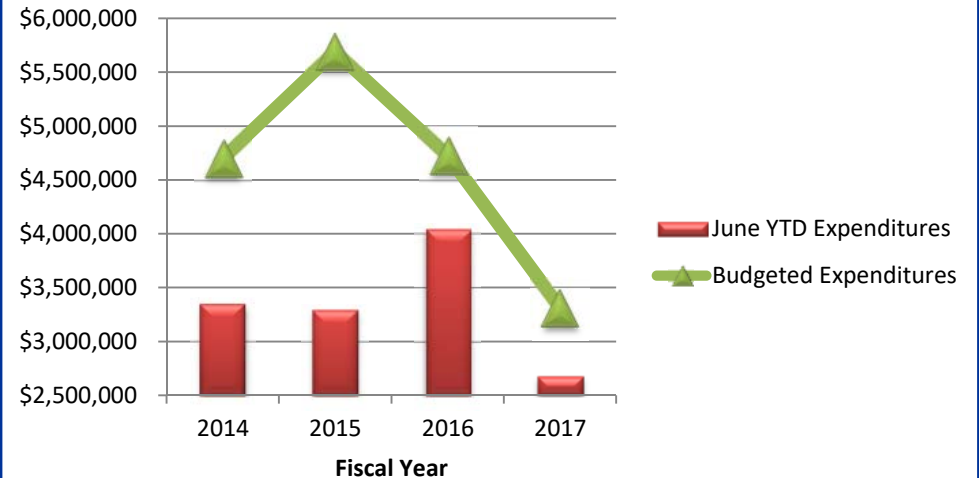
Total Capital Improvements Fund Exp.

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 3,348,961	\$ 4,703,301	71%		
2015	\$ 3,293,016	\$ 5,692,269	58%	-2%	21%
2016	\$ 4,045,969	\$ 4,727,893	86%	23%	-17%
2017	\$ 2,677,559	\$ 3,312,786	81%	-34%	-30%

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.

Capital Improvements Fund



* 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 Art in Public Places Fund Exp.

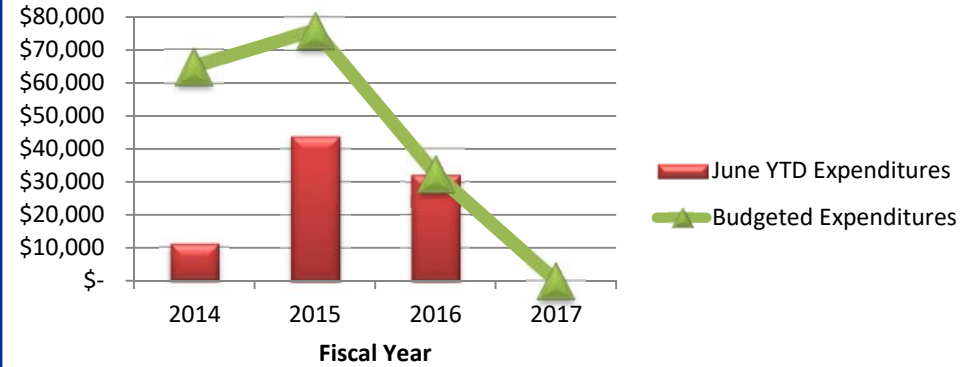
On Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 11,255	\$ 65,000	17%		
2015	\$ 43,975	\$ 76,000	58%	291%	17%
2016	\$ 32,500	\$ 32,500	100%	-26%	-57%
2017	\$ -	\$ -	N/A	-100%	-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.

Art in Public Places Fund



Total Wastewater Enterprise Fund Exp.

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 9,927,837	\$ 11,793,287	84%		
2015	\$ 11,055,429	\$ 13,339,140	83%	11%	13%
2016	\$ 14,367,467	\$ 17,383,332	83%	30%	30%
2017	\$ 10,625,910	\$ 12,019,062	88%	-26%	-31%

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.

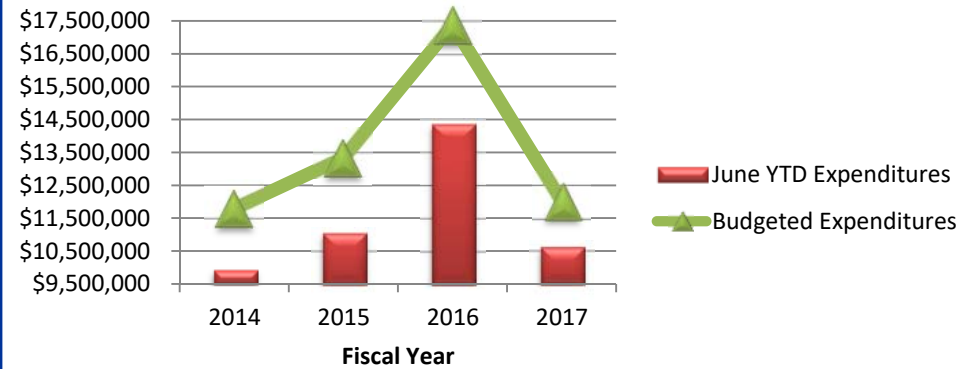
Increase from FY 2015 to FY 2016:

The increase is primarily due to expenditures incurred for the plant upgrade and injection well drilling.

Decrease from FY 2016 to FY 2017:

The decrease is primarily due to expenditures incurred for the plant upgrade and injection well drilling in the prior year.

Wastewater Enterprise Fund



* 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 CFD - Sedona Summit II Exp.

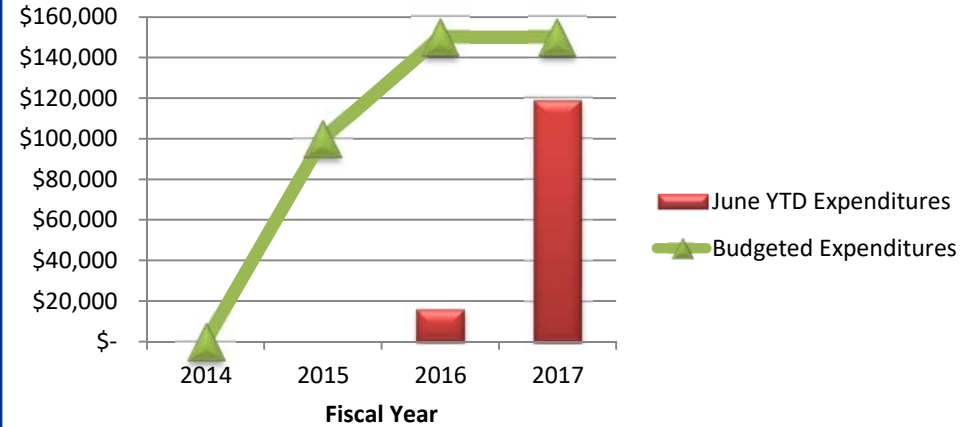
Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ 100,000	0%	N/A	∞
2016	\$ 16,064	\$ 150,000	11%	∞	50%
2017	\$ 119,131	\$ 150,000	79%	642%	<1%

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 2017, capital improvement projects include demolition and design for future development of the Brewer Road property and construction of an amphitheater at Barbara Antonsen Park.

CFD - Sedona Summit II



Total CFD - Fairfield Expenditures

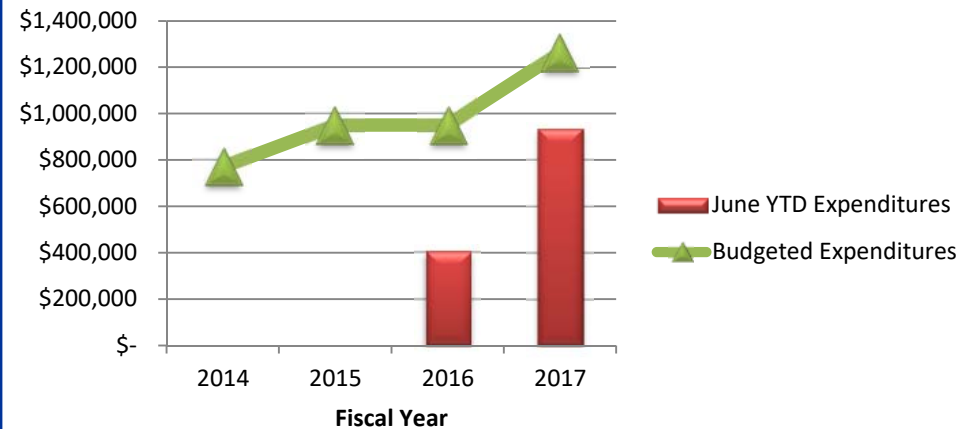
Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ -	\$ 770,000	0%		
2015	\$ -	\$ 950,000	0%	N/A	23%
2016	\$ 404,998	\$ 950,000	43%	∞	<1%
2017	\$ 934,239	\$ 1,264,749	74%	131%	33%

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 2017, capital improvement projects include demolition and design for future development of the Brewer Road property and construction of an amphitheater at Barbara Antonsen Park.

CFD - Fairfield



* 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

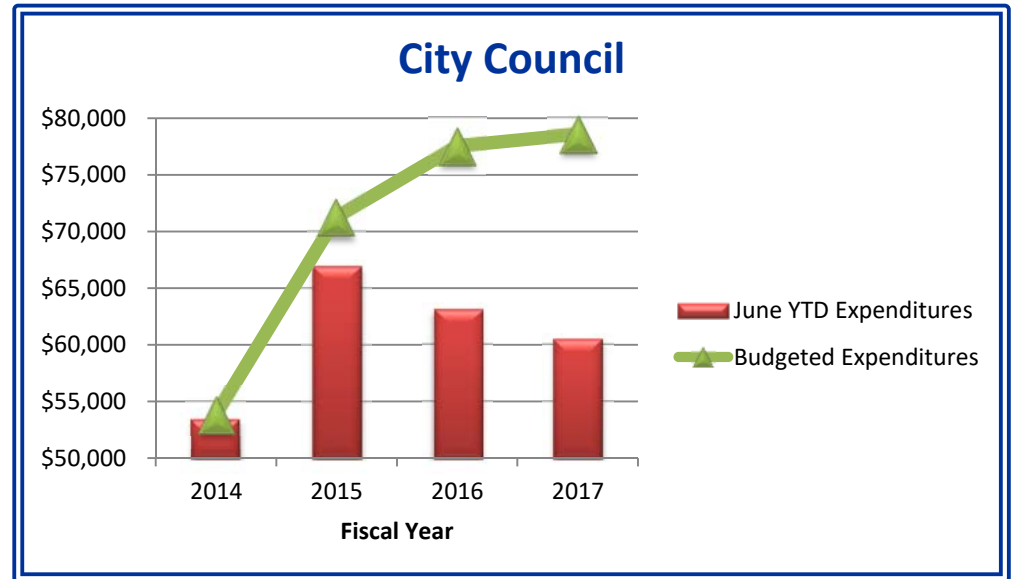
City Council Expenditures

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 53,561	\$ 53,840	99%		
2015	\$ 66,995	\$ 71,276	94%	25%	32%
2016	\$ 63,123	\$ 77,543	81%	-6%	9%
2017	\$ 60,524	\$ 78,585	77%	-4%	1%

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.



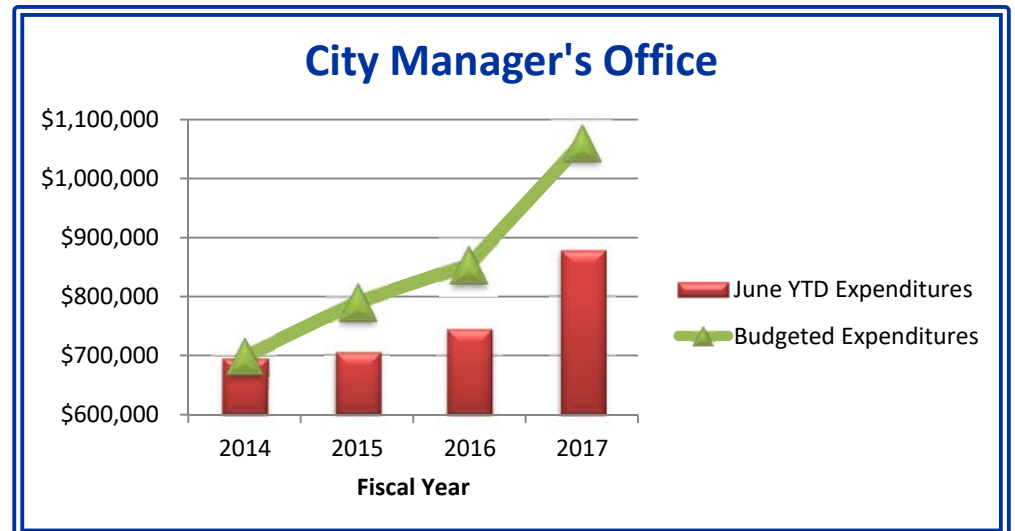
City Manager's Office Expenditures

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 696,483	\$ 698,982	100%		
2015	\$ 704,983	\$ 790,854	89%	1%	13%
2016	\$ 745,235	\$ 854,638	87%	6%	8%
2017	\$ 878,130	\$ 1,060,540	83%	18%	24%

Increase from FY 2016 to FY 2017:

The Economic Development program totaling approximately \$165,000 was initiated.



Total Non-Capital Improvement Expenditures by Department

Human Resources Expenditures

On Target for FY 2017

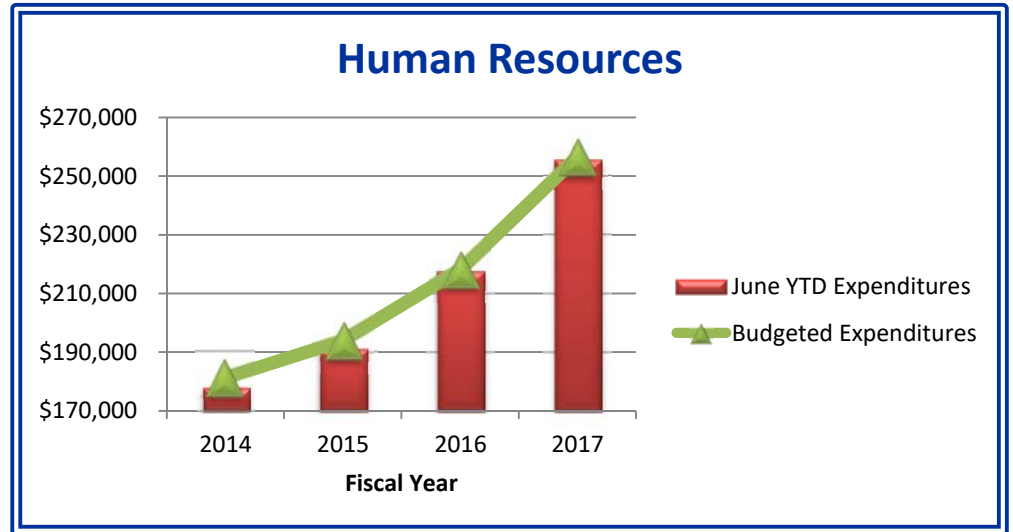
FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 178,106	\$ 181,238	98%		
2015	\$ 191,432	\$ 193,966	99%	7%	7%
2016	\$ 217,866	\$ 218,049	100%	14%	12%
2017	\$ 255,942	\$ 256,592	100%	17%	18%

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.

Increase from FY 2016 to FY 2017:

- (1) The increase is partly due to increases in recruitment and relocations costs.
- (2) Special programs costs are higher due to an increase in costs for the volunteer appreciation event.
- (3) 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.



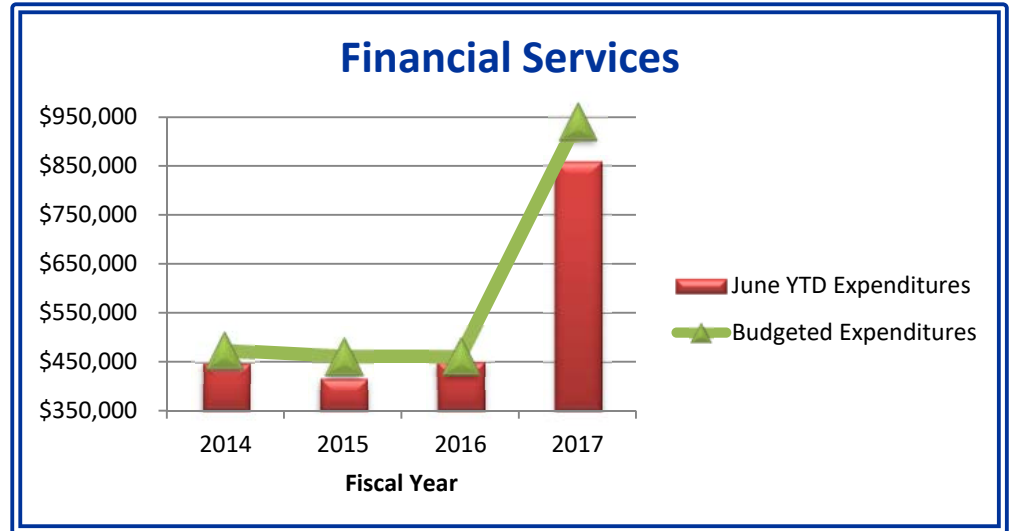
Financial Services Expenditures

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 448,475	\$ 473,470	95%		
2015	\$ 416,550	\$ 460,678	90%	-7%	-3%
2016	\$ 450,225	\$ 460,954	98%	8%	<1%
2017	\$ 859,666	\$ 941,285	91%	91%	104%

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. 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.



Total Non-Capital Improvement Expenditures by Department

Information Technology Expenditures

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 713,547	\$ 747,277	95%		
2015	\$ 1,058,766	\$ 1,146,051	92%	48%	53%
2016	\$ 853,746	\$ 974,467	88%	-19%	-15%
2017	\$ 1,083,123	\$ 1,284,655	84%	27%	32%

Increase from FY 2014 to FY 2015:

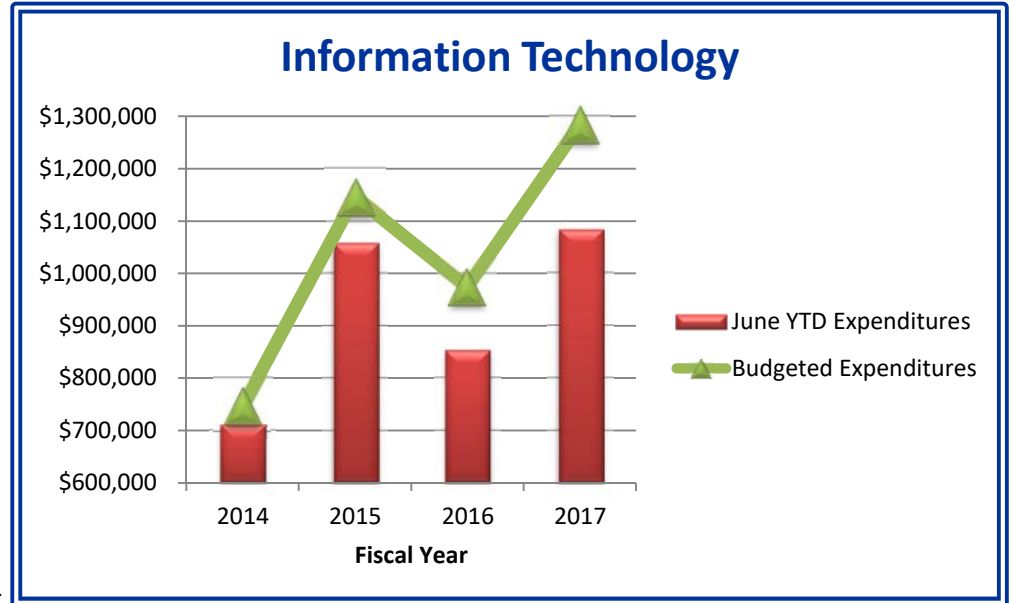
- (1) Hardware and software expenditures increased due largely to the replacement of mobile data equipment and software upgrades for the Police Department.
- (2) The increase is also partly due to increases in annual software maintenance contracts.
- (3) Salaries were increased due to budgeted cost-of-living 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) Internet service costs increased due to an improvement to connectivity.

Decrease from FY 2015 to FY 2016:

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

Increase from FY 2016 to FY 2017:

- (1) The increase is partly due to the replacement and upgrade of the storage area network and upgrade of a digital evidence logger recorder.
- (2) 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.
- (3) A part-time Support/Help Desk Technician position was added.
- (4) Communications costs previously recorded in the General Services Department were transferred to Information Technology.



Total Non-Capital Improvement Expenditures by Department

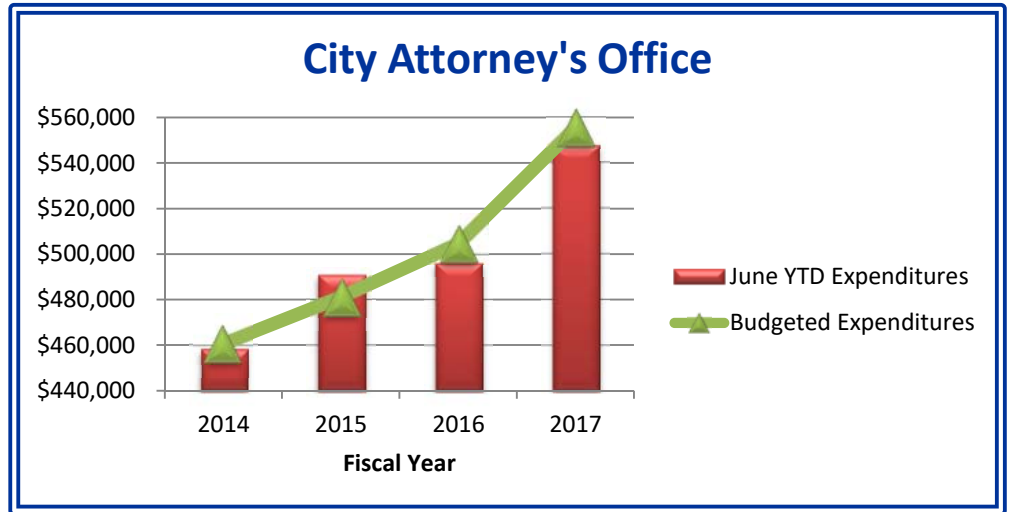
City Attorney's Office Expenditures

On Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 458,932	\$ 460,686	100%		
2015	\$ 490,736	\$ 481,027	102%	7%	4%
2016	\$ 496,564	\$ 504,523	98%	1%	5%
2017	\$ 548,304	\$ 555,545	99%	10%	10%

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) Budgeted amounts for payment of legal claims was transferred from the General Services Department.



City Clerk's Office Expenditures

Under Target for FY 2017

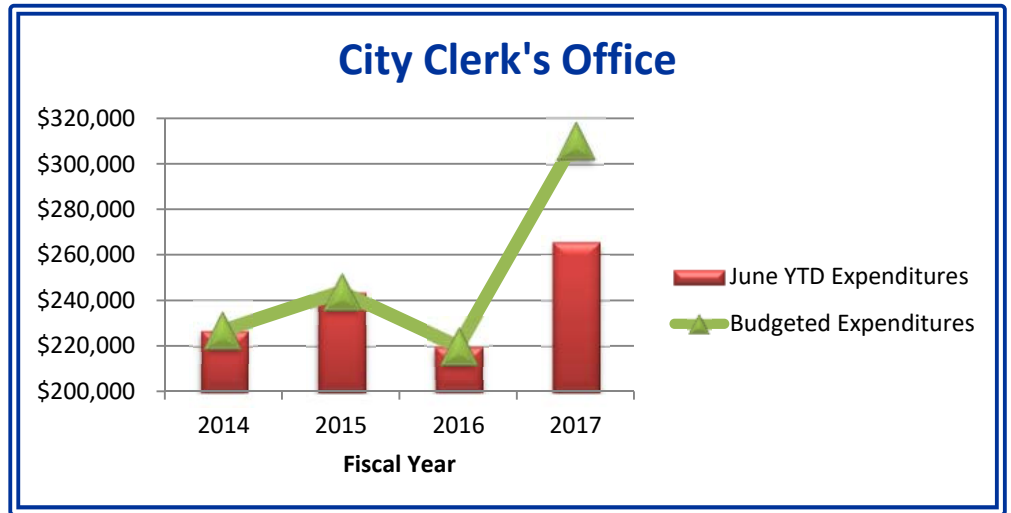
FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 226,818	\$ 226,818	100%		
2015	\$ 243,829	\$ 243,829	100%	7%	7%
2016	\$ 219,942	\$ 219,942	100%	-10%	-10%
2017	\$ 265,657	\$ 310,369	86%	21%	41%

Decrease from FY 2015 to FY 2016:

FY 2015 was an election year.

Increase from FY 2016 to FY 2017:

- (1) FY 2017 is an election year. Costs included the biennial election and the renewals of two franchise agreements.
- (2) Costs related to the City's electronics recycling event increased due to an increase in participation.
- (3) 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.
- (4) 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.



Total Non-Capital Improvement Expenditures by Department

Parks & Recreation Expenditures

On Target for FY 2017

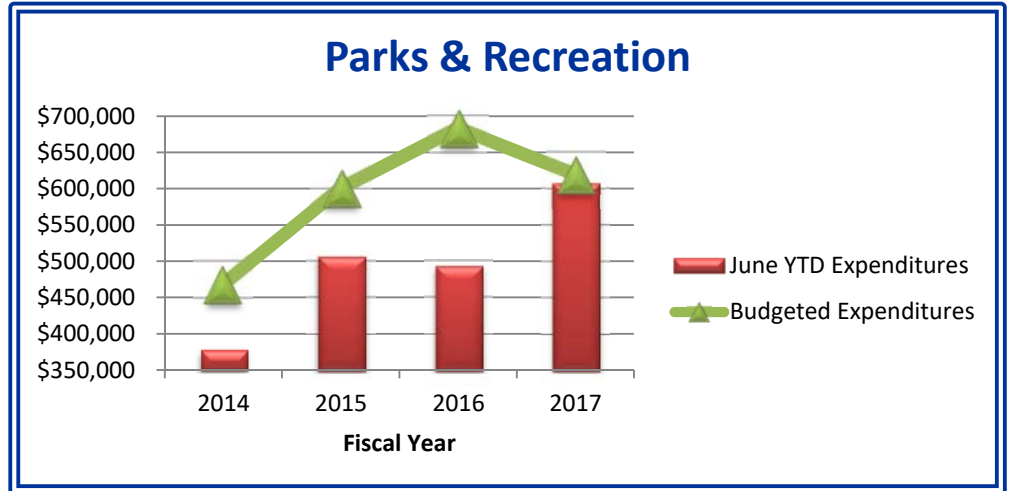
FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 378,165	\$ 468,249	81%		
2015	\$ 506,788	\$ 600,715	84%	34%	28%
2016	\$ 493,305	\$ 683,073	72%	-3%	14%
2017	\$ 608,478	\$ 619,257	98%	23%	-9%

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.
- (4) A viewing deck was constructed at the Wetlands Park.

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) Special events were increased approximately \$33,000 for additional events and enhancement of existing events.
- (3) Grant funding for the Wetlands Viewing Piers and the Sunset Park Tot Lot was included.



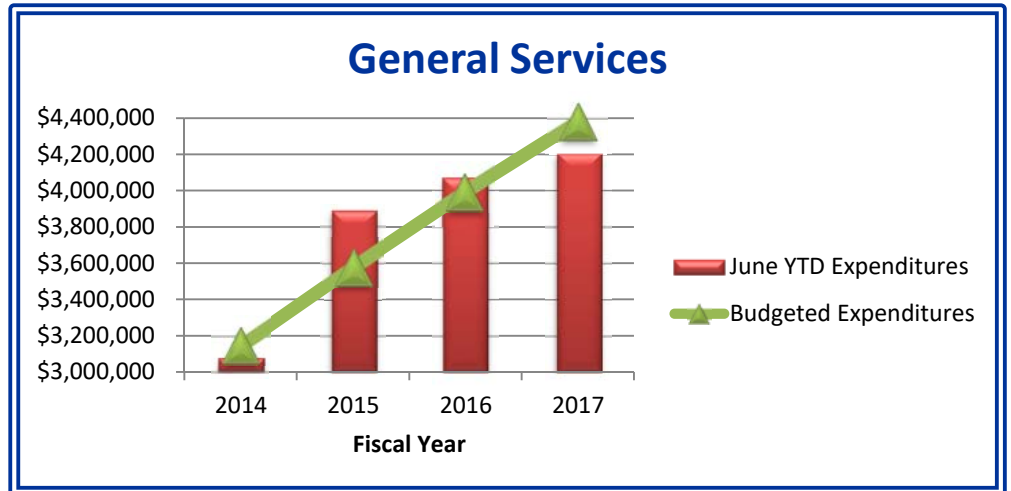
General Services Expenditures

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 3,082,440	\$ 3,146,810	98%		
2015	\$ 3,889,467	\$ 3,577,556	109%	26%	14%
2016	\$ 4,071,785	\$ 3,991,053	102%	5%	12%
2017	\$ 4,209,363	\$ 4,382,124	96%	3%	10%

YTD and Annual Increase from FY 2014 to FY 2015:

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



Total Non-Capital Improvement Expenditures by Department

Community Development Expenditures

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 931,021	\$ 1,790,286	52%		
2015	\$ 1,054,199	\$ 1,428,336	74%	13%	-20%
2016	\$ 1,201,326	\$ 1,658,955	72%	14%	16%
2017	\$ 1,576,171	\$ 1,931,608	82%	31%	16%

Increase from FY 2014 to FY 2015:

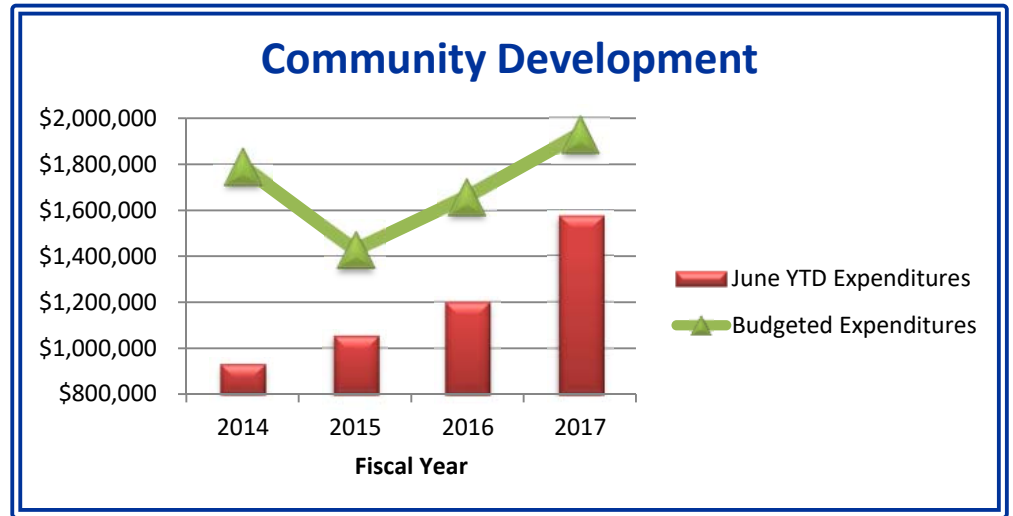
Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.

Increase from FY 2015 to FY 2016:

- (1) A part-time Administrative Assistant was transferred from the Public Works Department.
- (2) A Senior Planner position was added.
- (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.

Increase from FY 2016 to FY 2017:

- (1) A significant portion of the increase is due to Community Development Block Grant (CDBG) expenditures. The City has typically received CDBG awards every three years.
- (2) The increase is also related to the update of the Land Development Code, amendments to the Community Plan, and development of a wireless master plan.
- (3) A new file storage system was purchased for approximately \$22,000.
- (4) Historic Preservation Grants were included for \$20,000.
- (5) 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.



Total Non-Capital Improvement Expenditures by Department

Public Works Expenditures

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 3,642,185	\$ 4,702,041	77%		
2015	\$ 2,278,004	\$ 3,193,321	71%	-37%	-32%
2016	\$ 3,214,005	\$ 3,775,611	85%	41%	18%
2017	\$ 4,397,351	\$ 4,676,451	94%	37%	24%

Decrease from FY 2014 to FY 2015:

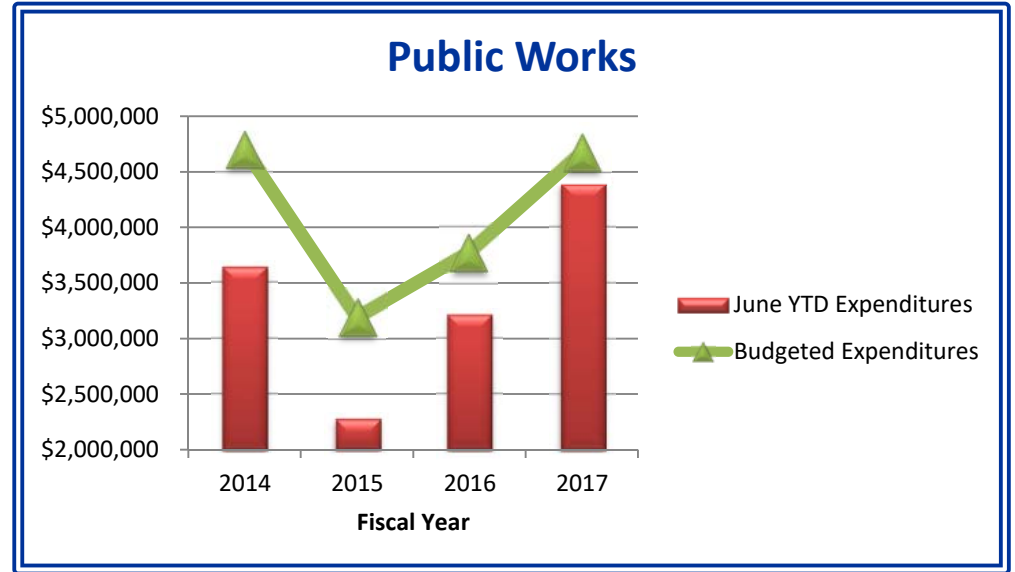
- (1) Due to the nature and timing of streets projects, expenditures are not always consistent from year to year. Expenditures for road rehabilitation, drainage maintenance, and pavement preservation were approximately \$1.2 million less in FY 2015 than in FY 2014.
- (2) Utility costs decreased by approximately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

Increase from FY 2015 to FY 2016:

- (1) The increase was partly due to increased expenditures for road rehabilitation and maintenance.
- (2) An Assistant Engineer position and an Associate Engineer position were added in FY 2016.
- (3) The increase was partly due to increases in utility costs.
- (4) Improvements were made to the Teen Center and roof installations were made for the City Hall parking structure.

Increase from FY 2016 to FY 2017:

- (1) The increase was primarily due to increased expenditures for road rehabilitation and maintenance.
- (2) 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.
- (3) Salaries and benefits increased due to the implementation of a traffic control services program, vacancy savings in the prior year, and budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%.



Total Non-Capital Improvement Expenditures by Department

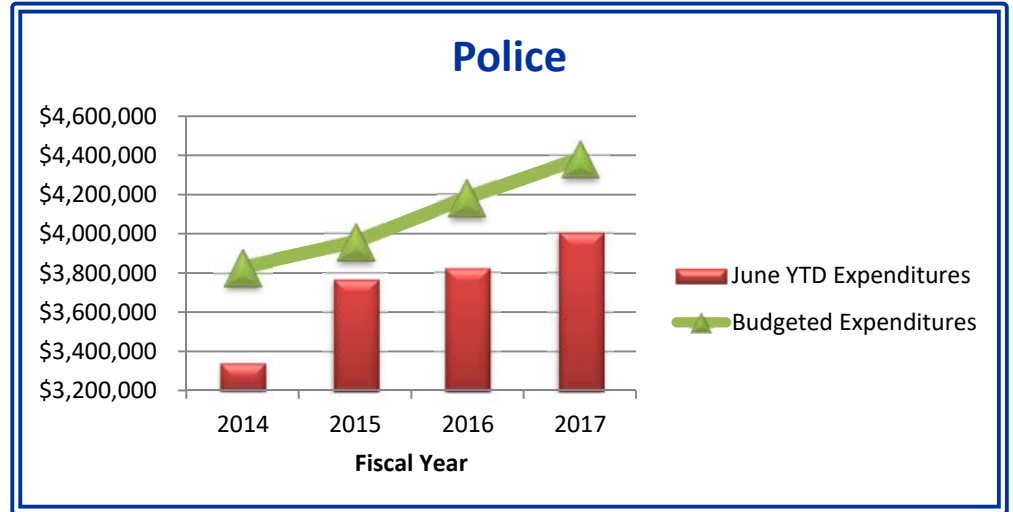
Police Expenditures

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 3,338,557	\$ 3,830,808	87%		
2015	\$ 3,770,582	\$ 3,957,294	95%	13%	3%
2016	\$ 3,826,416	\$ 4,183,711	91%	1%	6%
2017	\$ 4,007,347	\$ 4,382,329	91%	5%	5%

Increase from FY 2014 to FY 2015:

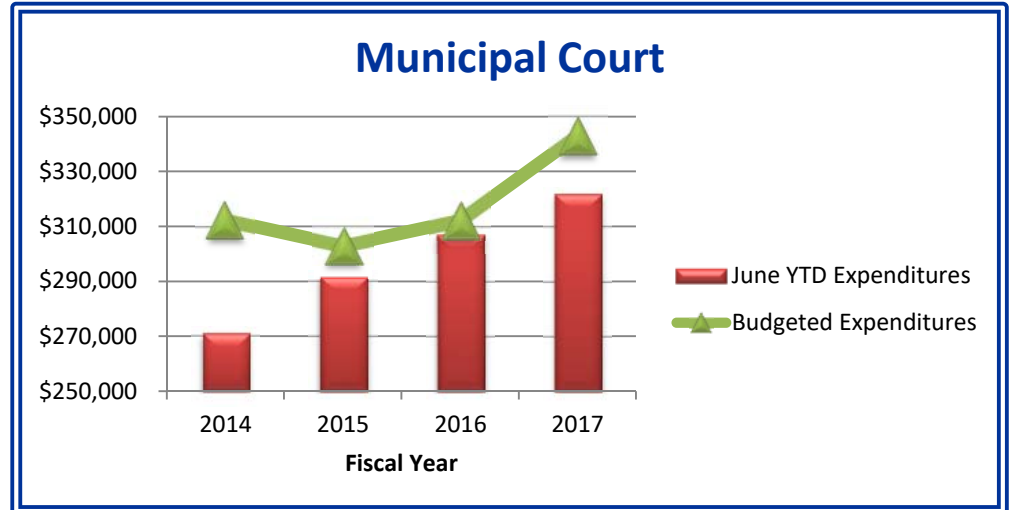
- (1) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increases in benefits were an increase of 27% to the required contributions to the Public Safety Personnel Retirement System (PSPRS) and a 9% increase to health insurance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



Municipal Court Expenditures

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 271,121	\$ 312,344	87%		
2015	\$ 291,684	\$ 302,881	96%	8%	-3%
2016	\$ 307,281	\$ 312,073	98%	5%	3%
2017	\$ 322,022	\$ 342,950	94%	5%	10%



Total Non-Capital Improvement Expenditures by Department

Wastewater Administration Expenditures

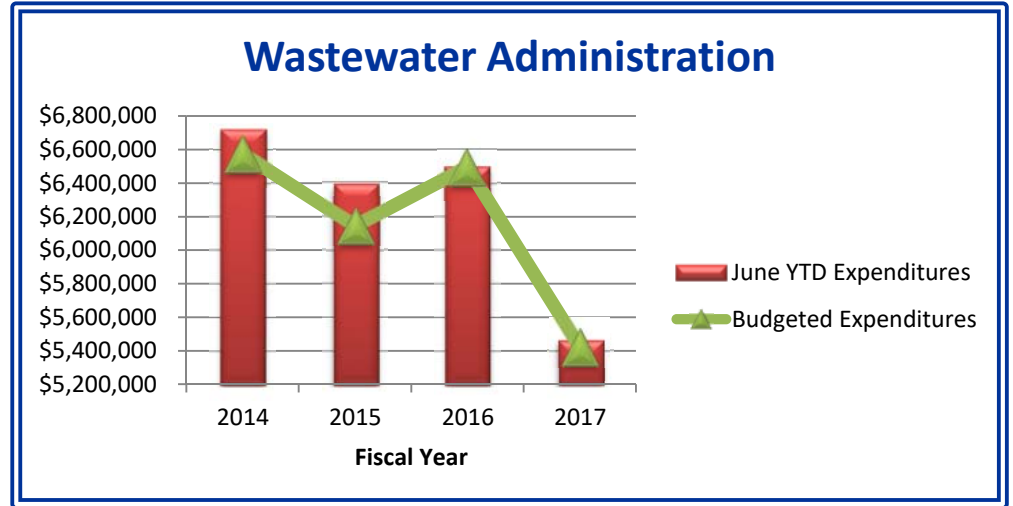
Exceeds Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 6,723,060	\$ 6,575,481	102%		
2015	\$ 6,394,431	\$ 6,143,758	104%	-5%	-7%
2016	\$ 6,503,494	\$ 6,495,639	100%	2%	6%
2017	\$ 5,465,854	\$ 5,423,041	101%	-16%	-17%

Decrease 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.
- Debt service costs are approximately \$261,000 lower.

Exceeds Target for FY 2017: The Wastewater Administration budget includes a negative offset of \$75,000 for estimated vacancy savings for the entire Wastewater Fund; however, the vacancy savings are not always experienced within the Administration portion of the Wastewater Fund budget. Excluding the impact of the vacancy savings offset, the percentage of budget was 99%.



Wastewater Capital Projects Mgmt Exp.

On Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 104,228	\$ 112,186	93%		
2015	\$ 131,783	\$ 126,141	104%	26%	12%
2016	\$ 176,040	\$ 406,427	43%	34%	222%
2017	\$ 64,796	\$ 65,200	99%	-63%	-84%

Increase from FY 2014 to FY 2015:

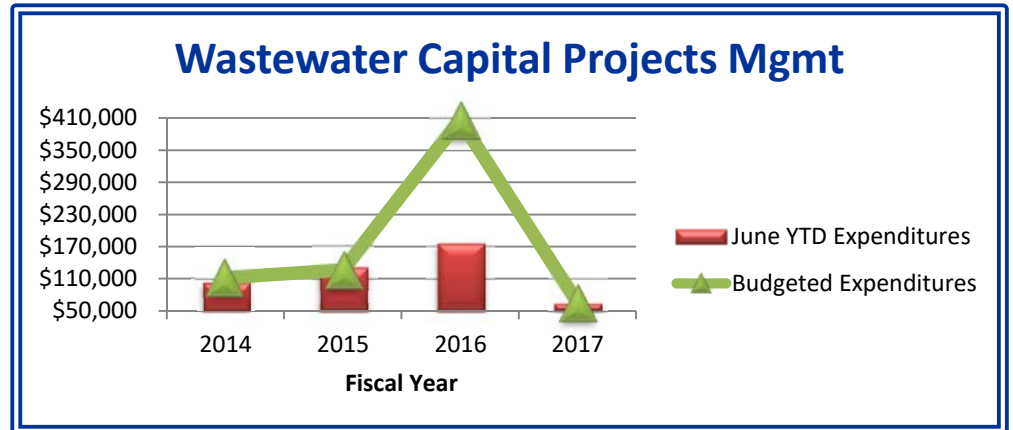
Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.

Increase from FY 2015 to FY 2016:

- 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.
- A master plan was started during FY 2016 for the wastewater collection system.

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.



Total Non-Capital Improvement Expenditures by Department

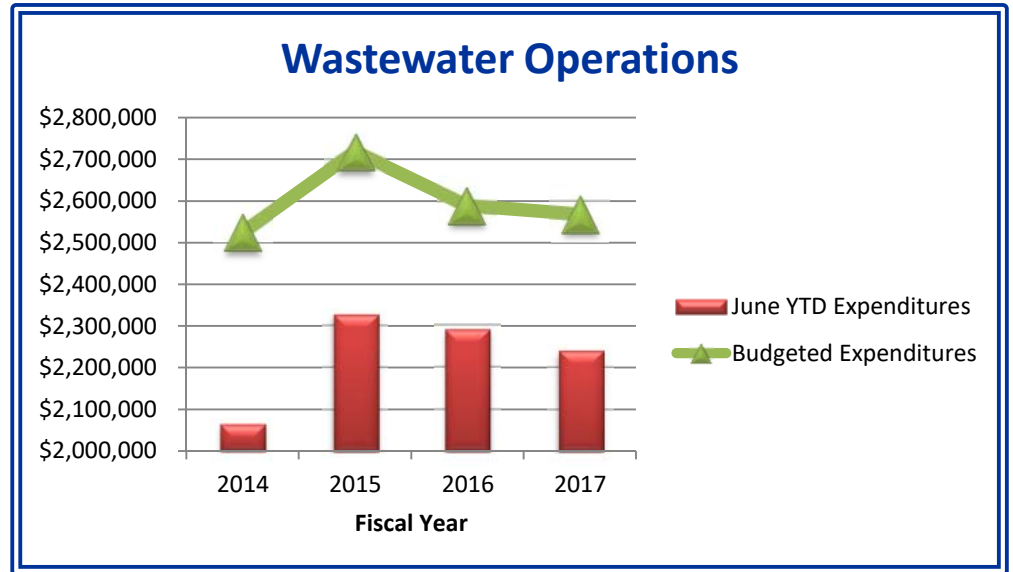
Wastewater Operations Expenditures

Under Target for FY 2017

FY	June YTD Expenditures	Budgeted Expenditures	% of Budgeted Exp.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 2,064,537	\$ 2,524,986	82%		
2015	\$ 2,328,173	\$ 2,717,516	86%	13%	8%
2016	\$ 2,291,483	\$ 2,589,148	89%	-2%	-5%
2017	\$ 2,241,279	\$ 2,568,472	87%	-2%	-1%

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.



Total Revenues by Fund

Total General Fund Revenues

Exceeds Target for FY 2017

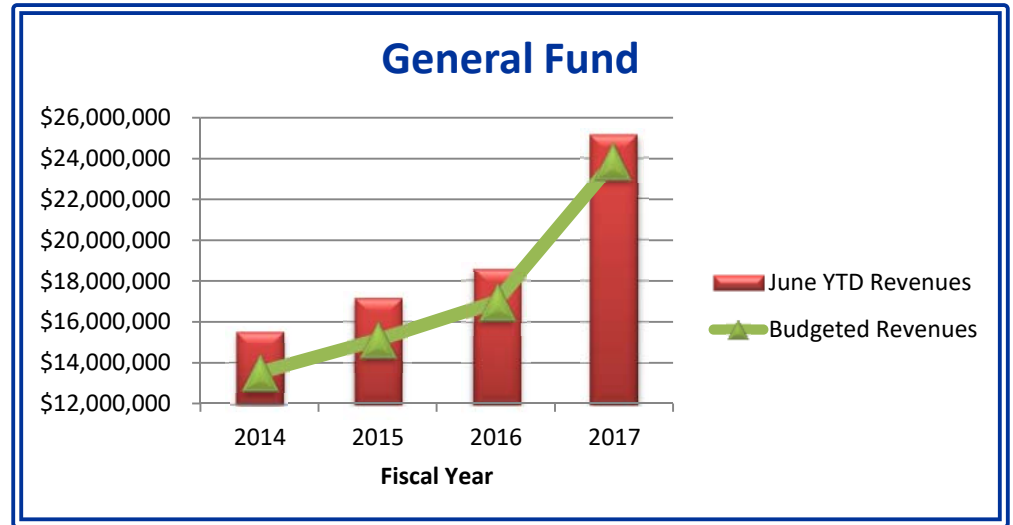
FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 15,535,678	\$ 13,514,884	115%		
2015	\$ 17,191,008	\$ 15,127,642	114%	11%	12%
2016	\$ 18,612,738	\$ 16,984,831	110%	8%	12%
2017	\$ 25,179,577	\$ 23,858,606	106%	35%	40%

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.

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 27%, and City sales tax revenues increased 9%.



Total Streets Fund Revenues

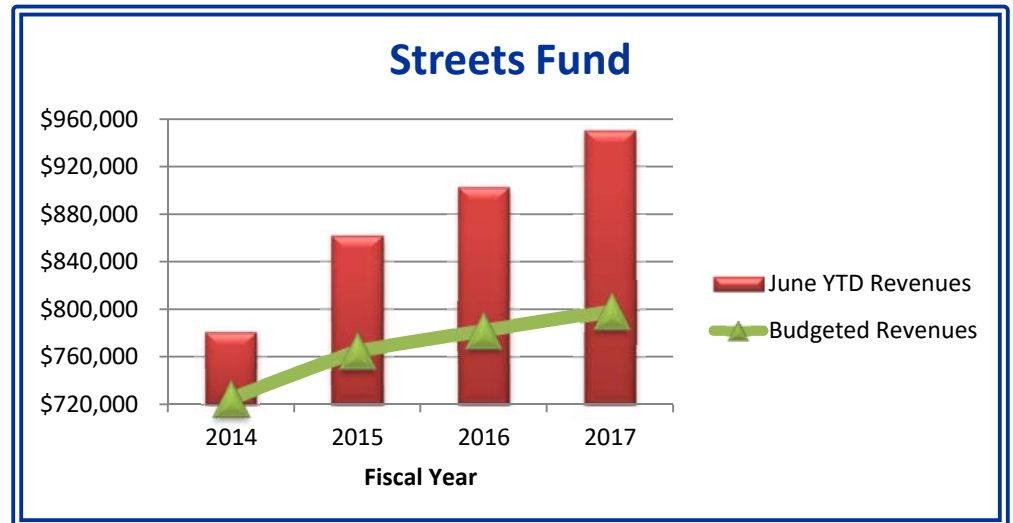
Exceeds Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 780,913	\$ 725,084	108%		
2015	\$ 862,099	\$ 765,140	113%	10%	6%
2016	\$ 902,994	\$ 782,238	115%	5%	2%
2017	\$ 950,751	\$ 799,000	119%	5%	2%

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.

Exceeds Target for FY 2017: Highway User revenues are high partly due to conservative estimates for the year, and partly due to one-time additional State funding resulting in an extra \$35,631 for Sedona.



Total Revenues by Fund

Total Grants, Donations & Other Rev.

Under Target for FY 2017

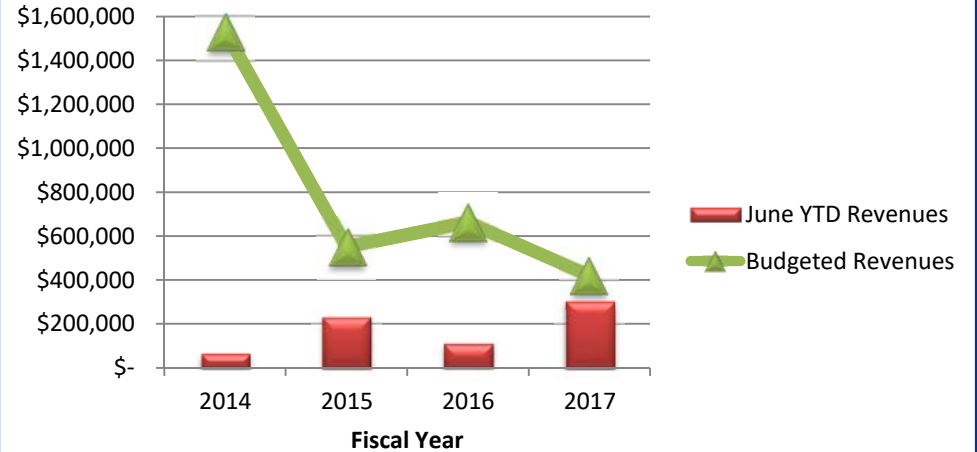
FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 66,852	\$ 1,532,000	4%		
2015	\$ 230,824	\$ 550,000	42%	245%	-64%
2016	\$ 108,649	\$ 662,500	16%	-53%	20%
2017	\$ 309,408	\$ 420,500	74%	185%	-37%

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: Revenues are low due to lower than estimated spending of grant funds and the lateness of receipt of certain grant funds.*

*Revenues are recognized when they are measurable and available. The period of availability is defined as 60 days. These revenues were received after the period of availability.

Grants, Donations & Other Funds



Total Develop. Impact Fees Revenues

Exceeds Target for FY 2017

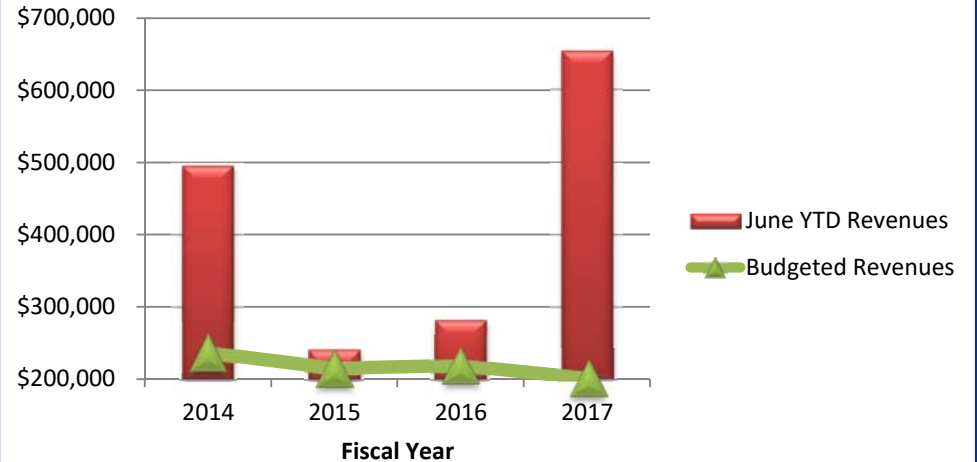
FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 495,662	\$ 236,459	210%		
2015	\$ 240,561	\$ 214,845	112%	-51%	-9%
2016	\$ 281,497	\$ 218,800	129%	17%	2%
2017	\$ 654,256	\$ 201,000	326%	132%	-8%

Increase from FY 2016 to FY 2017:

The increase was primarily due to fees assessed with the permitting of the new Marriott facility and the new CVS.

Other 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 Revenues by Fund

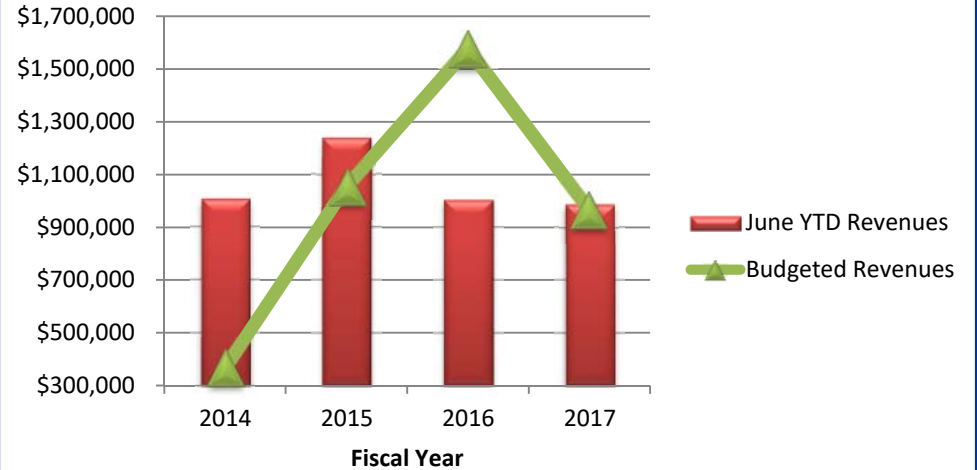
Total Capital Improvements Fund Rev.

On Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 1,006,174	\$ 367,059	274%		
2015	\$ 1,238,120	\$ 1,054,387	117%	23%	187%
2016	\$ 1,003,733	\$ 1,576,667	64%	-19%	50%
2017	\$ 988,346	\$ 965,976	102%	-2%	-39%

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.

Capital Improvements Fund



Total Art in Public Places Fund Rev.

Exceeds Target for FY 2017

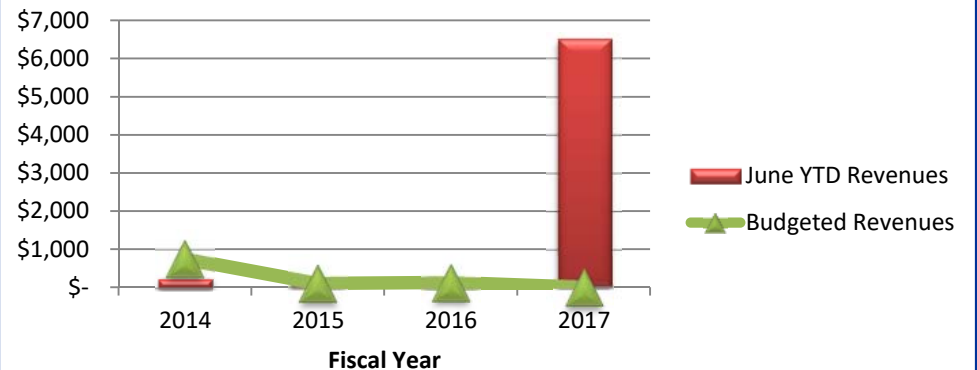
FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 249	\$ 750	33%		
2015	\$ 161	\$ 100	161%	-35%	-87%
2016	\$ 204	\$ 125	163%	27%	25%
2017	\$ 6,528	\$ -	∞	3106%	-100%

Increase from FY 2016 to FY 2017:

The increase was primarily due to contributions in lieu of the City's public art requirement.

Other 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.

Art in Public Places Fund



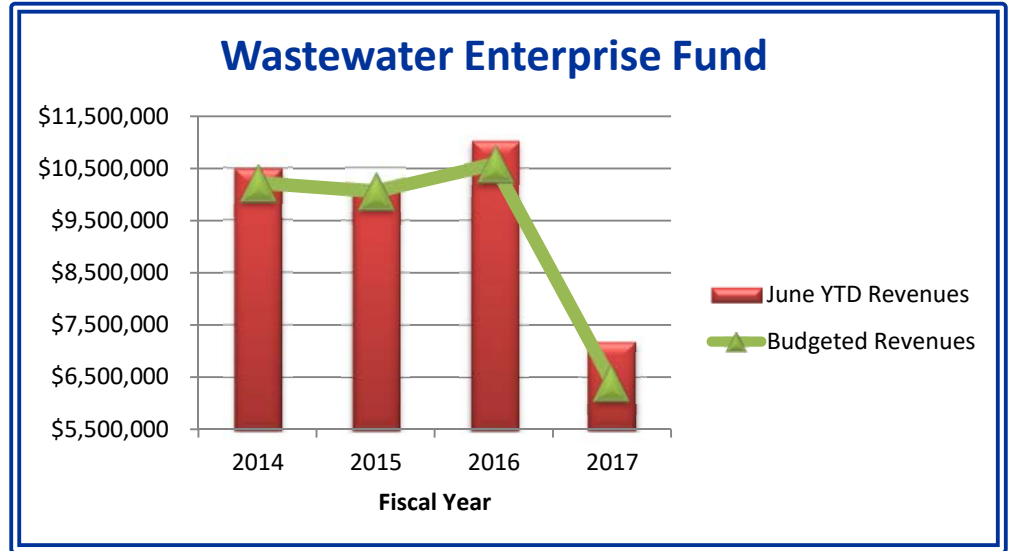
Total Revenues by Fund

Total Wastewater Enterprise Fund Rev. Exceeds Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 10,512,709	\$ 10,221,580	103%		
2015	\$ 10,190,631	\$ 10,061,916	101%	-3%	-2%
2016	\$ 11,026,791	\$ 10,583,350	104%	8%	5%
2017	\$ 7,180,562	\$ 6,403,864	112%	-35%	-39%

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.



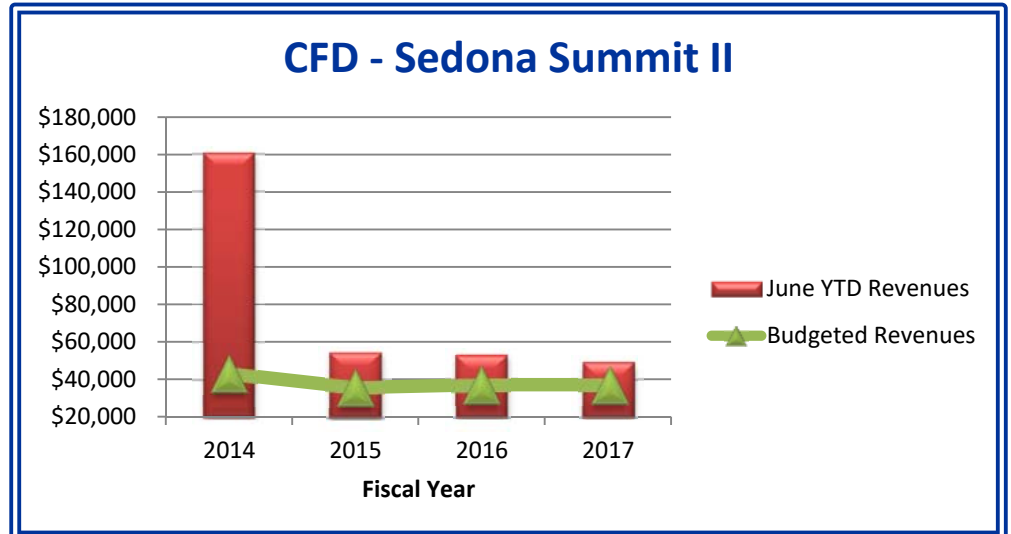
Exceeds Target for FY 2017: The revenues exceed estimated targets primarily due to fees assessed with the permitting of the new Marriott facility and the new CVS.

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

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 160,904	\$ 42,987	374%		
2015	\$ 54,429	\$ 35,500	153%	-66%	-17%
2016	\$ 52,969	\$ 37,000	143%	-3%	4%
2017	\$ 49,312	\$ 37,000	133%	-7%	<1%

Decrease from FY 2014 to FY 2015:

The FY 2014 revenues include amounts resulting from an audit.



Total Revenues by Fund

Total CFD - Fairfield Revenues

Exceeds Target for FY 2017

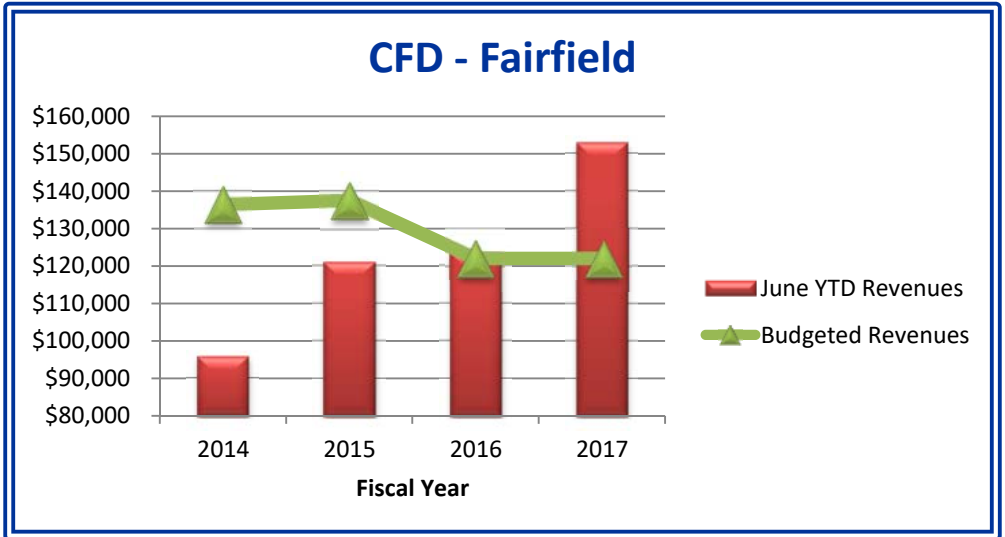
FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 95,839	\$ 136,432	70%		
2015	\$ 121,137	\$ 137,500	88%	26%	1%
2016	\$ 123,983	\$ 122,000	102%	2%	-11%
2017	\$ 153,156	\$ 122,000	126%	24%	<1%

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 timeshare owners.

Increase from FY 2016 to FY 2017:

The increase is partly due to the timing of in lieu fees for the Community Facilities Districts. Approximately \$30,000 of FY 2016 revenue was recognized in FY 2017 due to the lateness of receipt.*



*Revenues are recognized when they are measurable and available. The period of availability is defined as 60 days. These revenues were received after the period of availability.

Total Revenues by Type

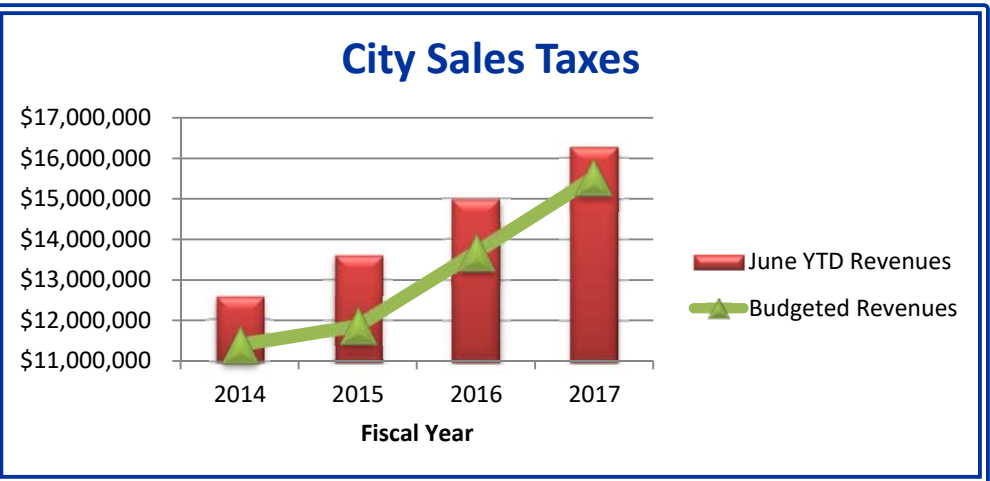
City Sales Tax Revenues

On Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 12,593,025	\$ 11,395,326	111%		
2015	\$ 13,613,056	\$ 11,870,000	115%	8%	4%
2016	\$ 14,999,612	\$ 13,676,000	110%	10%	15%
2017	\$ 16,288,543	\$ 15,526,670	105%	9%	14%

Increase from FY 2015 to FY 2016:

The increase was mostly attributable to increases in the Restaurant & Bar, Hotel/Motel, and Construction categories. The Restaurant & Bar and Hotel/Motel categories 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	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 2,097,290	\$ 1,580,933	133%		
2015	\$ 2,659,290	\$ 2,120,000	125%	27%	34%
2016	\$ 3,010,334	\$ 2,580,000	117%	13%	22%
2017	\$ 3,811,727	\$ 3,172,200	120%	27%	23%

Increase from FY 2014 to FY 2015:

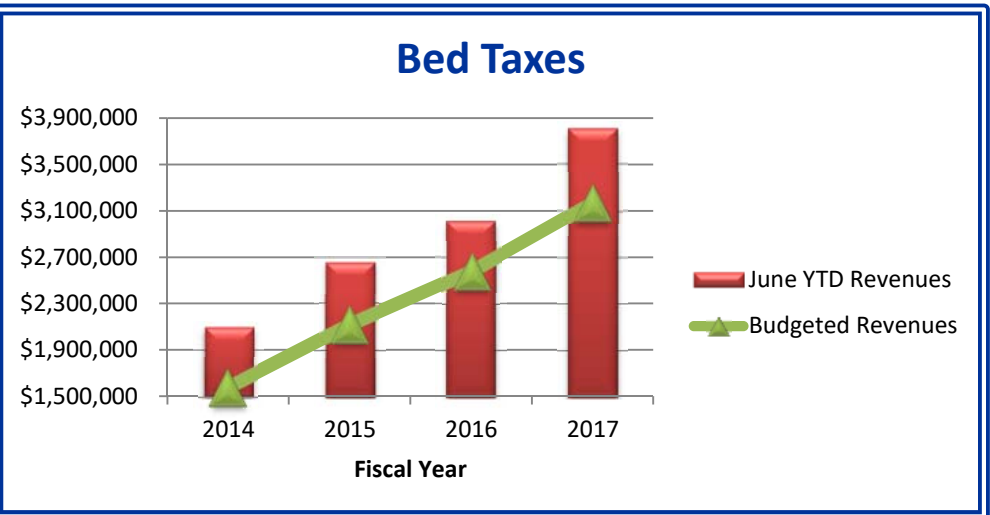
A portion of the increase was the result of the increase in the tax rate from 3% to 3.5% effective January 1, 2014. Adjusting the increase in the tax rate, bed tax revenues were up 17% over FY 2014. The remaining increase is largely due to the effects of the implementation of the destination marketing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

Increase from FY 2015 to FY 2016:

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

Increase from FY 2016 to FY 2017:

- (1) 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.
- (2) A portion of the increase is a result of the change in legislation regarding short-term residential rentals.
- (3) The increase is also a result of the effects of the implementation of the destination marketing program.



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

Total Revenues by Type

In Lieu Revenues

Exceeds Target for FY 2017

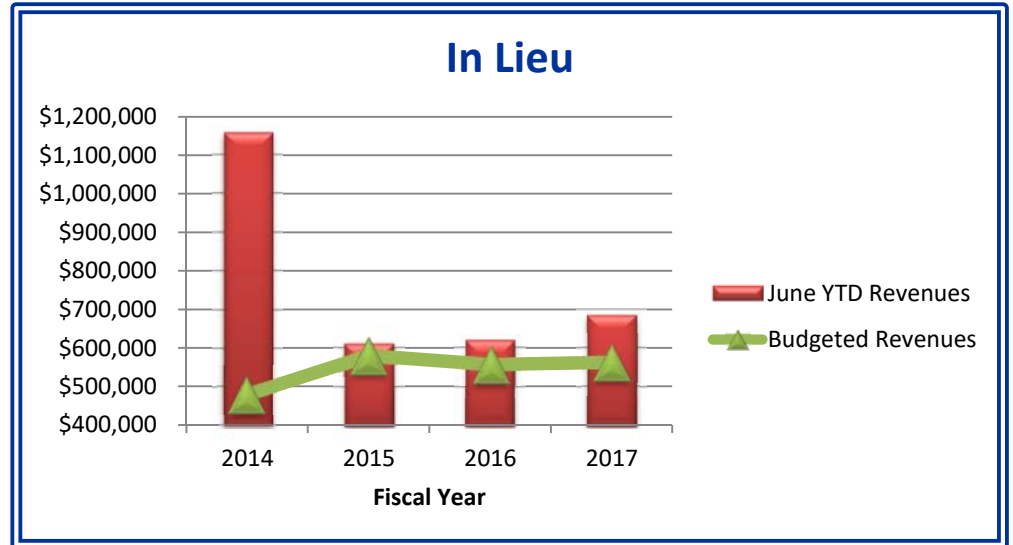
FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 1,160,221	\$ 478,500	242%		
2015	\$ 613,430	\$ 580,000	106%	-47%	21%
2016	\$ 621,391	\$ 556,500	112%	1%	-4%
2017	\$ 686,301	\$ 562,500	122%	10%	1%

Decrease from FY 2014 to FY 2015:

The FY 2014 revenues include amounts resulting from an audit.

Increase from FY 2016 to FY 2017:

- (1) The increase is partly due to the timing of in lieu fees for the Community Facilities Districts. Approximately \$30,000 of FY 2016 revenue was recognized in FY 2017 due to the lateness of receipt.*
- (2) The increase is also due to the receipt of one-time Arts and Affordable Housing in-lieu revenues received in FY 2017.



*Revenues are recognized when they are measurable and available. The period of availability is defined as 60 days. These revenues were received after the period of availability.

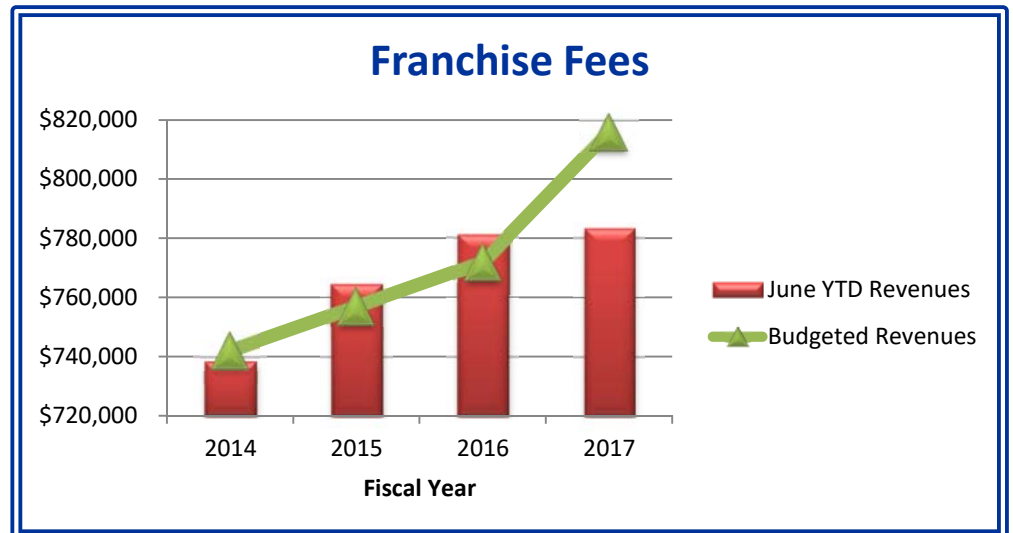
Franchise Fee Revenues

Under Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 738,631	\$ 742,073	100%		
2015	\$ 764,473	\$ 757,000	101%	3%	2%
2016	\$ 781,223	\$ 772,000	101%	2%	2%
2017	\$ 783,413	\$ 816,060	96%	<1%	6%

Under Target for FY 2017: Certain franchise fees were not recognized in FY 2017 due to the lateness of receipt.* In addition, certain franchise fees experienced a decrease instead of the increase projected.

*Revenues are recognized when they are measurable and available. The period of availability is defined as 60 days. These revenues were received after the period of availability.

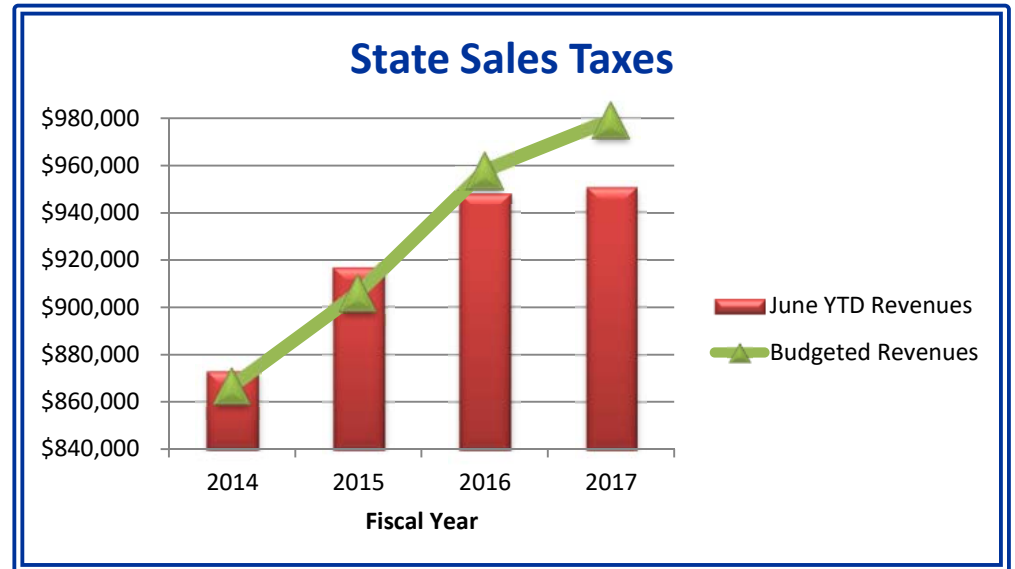


Total Revenues by Type

State Sales Tax Revenues

On Target for FY 2017

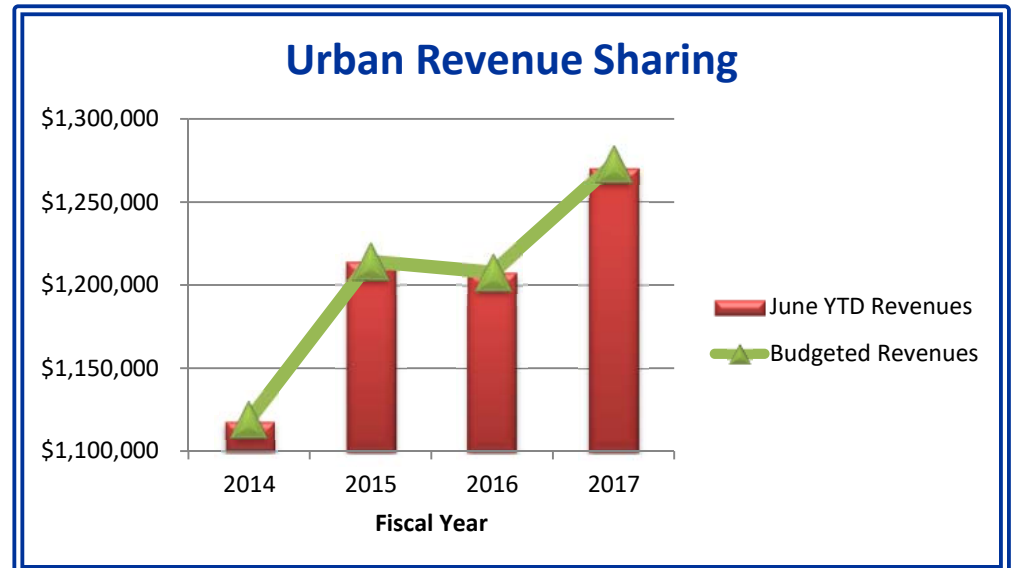
FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 873,126	\$ 866,754	101%		
2015	\$ 916,721	\$ 906,000	101%	5%	5%
2016	\$ 948,696	\$ 958,000	99%	3%	6%
2017	\$ 950,879	\$ 979,400	97%	<1%	2%



Urban Revenue Sharing Revenues

On Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 1,118,082	\$ 1,119,108	100%		
2015	\$ 1,214,315	\$ 1,214,232	100%	9%	8%
2016	\$ 1,207,731	\$ 1,207,731	100%	-1%	-1%
2017	\$ 1,270,897	\$ 1,273,001	100%	5%	5%

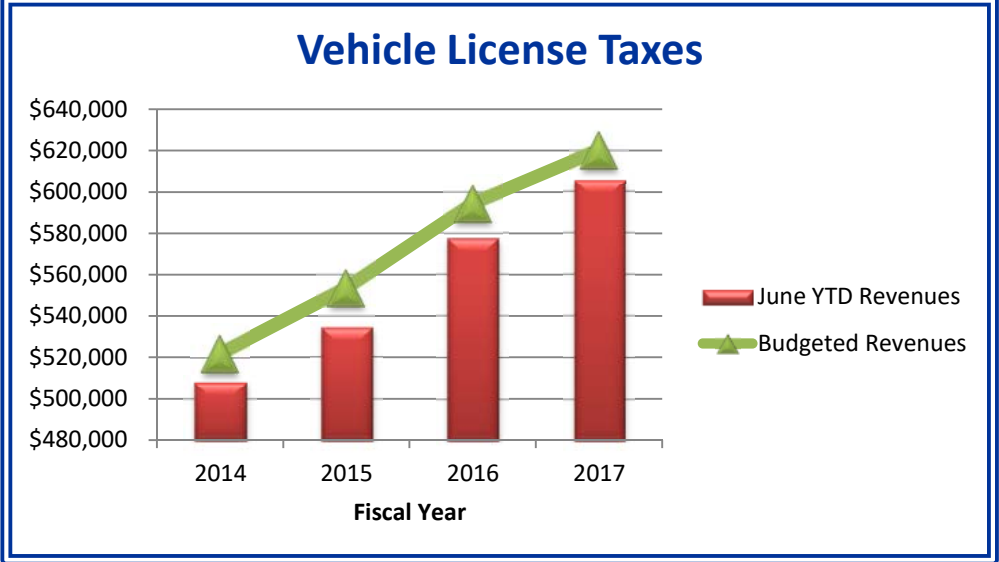


Total Revenues by Type

Vehicle License Tax Revenues

On Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 508,519	\$ 521,935	97%		
2015	\$ 534,404	\$ 553,660	97%	5%	6%
2016	\$ 577,681	\$ 594,500	97%	8%	7%
2017	\$ 606,030	\$ 620,300	98%	5%	4%



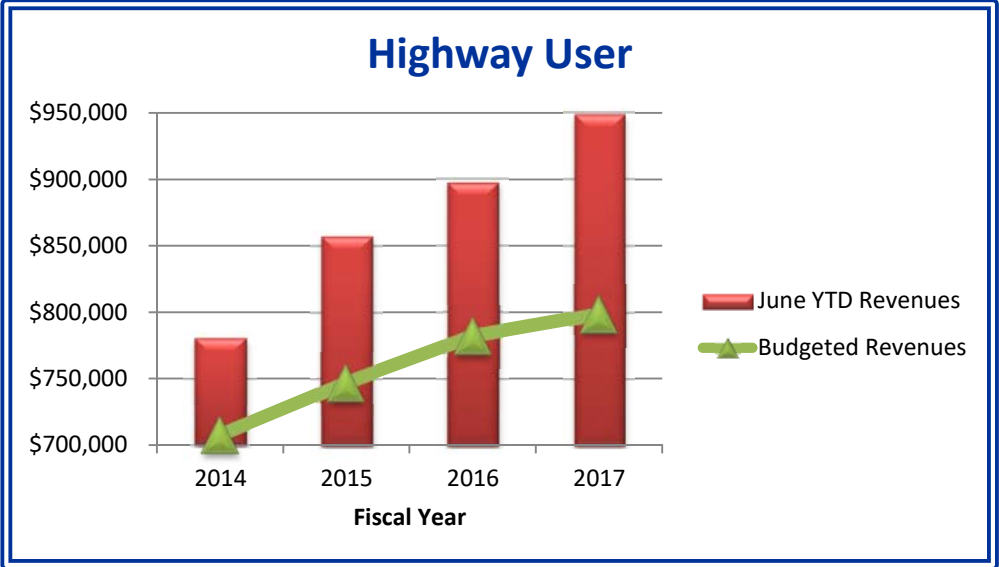
Highway User Revenues

Exceeds Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 780,913	\$ 707,584	110%		
2015	\$ 857,363	\$ 747,140	115%	10%	6%
2016	\$ 897,406	\$ 782,238	115%	5%	5%
2017	\$ 949,028	\$ 799,000	119%	6%	2%

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.

Exceeds Target for FY 2017: Highway User revenues are high partly due to conservative estimates for the year, and partly due to one-time additional State funding resulting in an extra \$35,631 for Sedona.



Total Revenues by Type

Other Intergovernmental Revenues

Under Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 951,316	\$ 1,634,000	58%		
2015	\$ 1,347,854	\$ 868,033	155%	42%	-47%
2016	\$ 874,083	\$ 1,132,000	77%	-35%	30%
2017	\$ 956,757	\$ 1,065,976	90%	9%	-6%

Increase from FY 2014 to FY 2015:

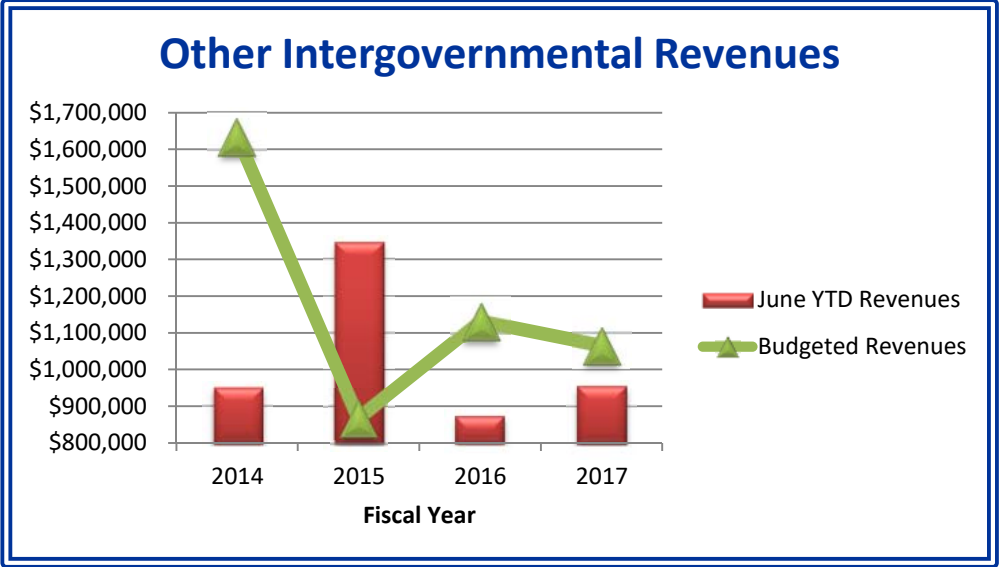
The increase is primarily due to grant activity and outside participation in capital projects, which are based on the grant funding awarded and received and timing of capital projects so revenues will not necessarily be consistent from month to month or year to year.

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 and timing of outside participation in capital projects.

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, revenues are low due to lower than estimated spending of grant funds and the lateness of receipt of certain grant funds.*

*Revenues are recognized when they are measurable and available. The period of availability is defined as 60 days. These revenues were received after the period of availability.

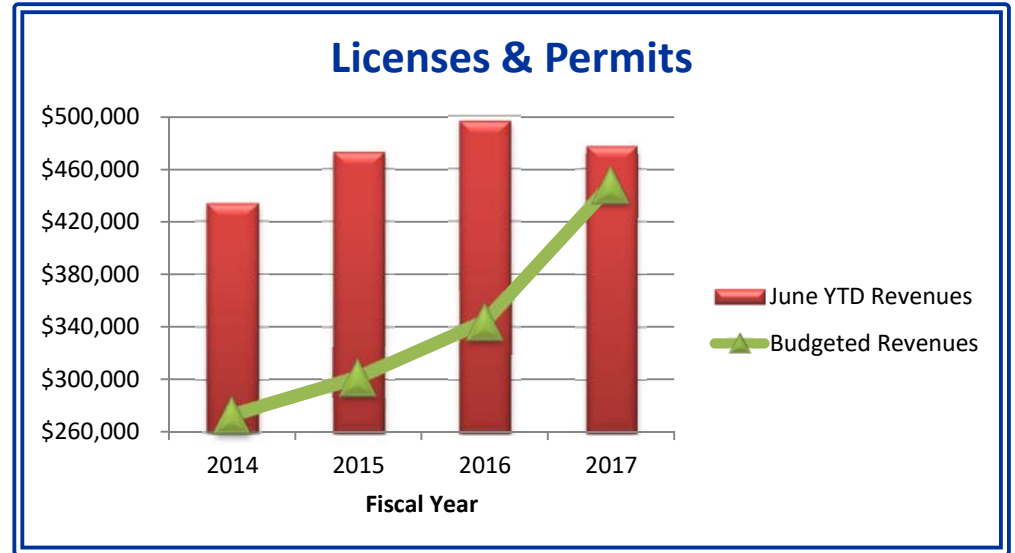


Total Revenues by Type

License & Permit Revenues

Exceeds Target for FY 2017

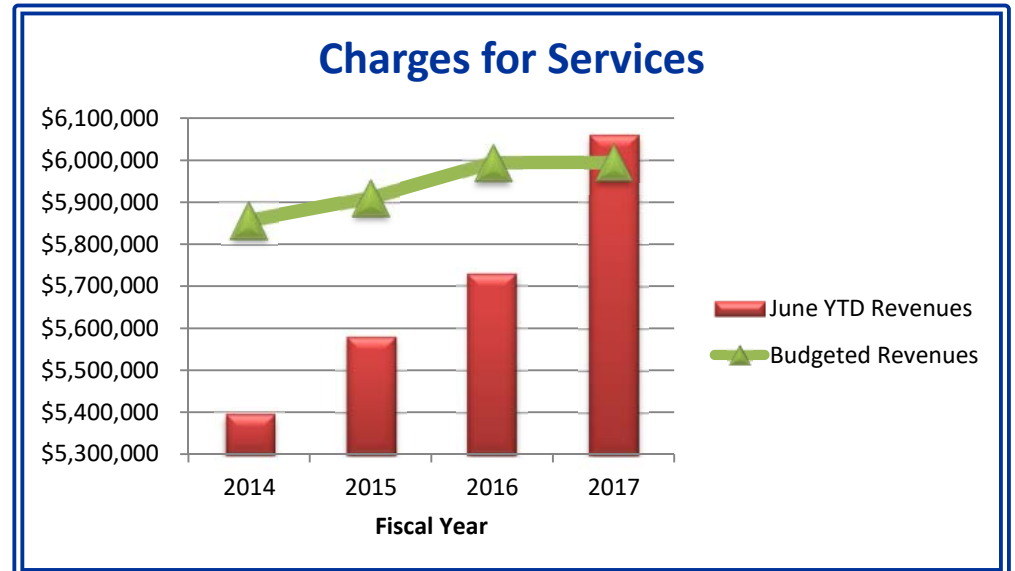
FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 434,251	\$ 273,091	159%		
2015	\$ 473,367	\$ 301,700	157%	9%	10%
2016	\$ 496,777	\$ 343,900	144%	5%	14%
2017	\$ 478,016	\$ 448,425	107%	-4%	30%



Charges for Services Revenues

On Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 5,396,208	\$ 5,857,378	92%		
2015	\$ 5,580,031	\$ 5,911,040	94%	3%	1%
2016	\$ 5,729,286	\$ 5,994,030	96%	3%	1%
2017	\$ 6,061,487	\$ 5,995,294	101%	6%	<1%



Total Revenues by Type

Fines & Forfeitures Revenues

Under Target for FY 2017

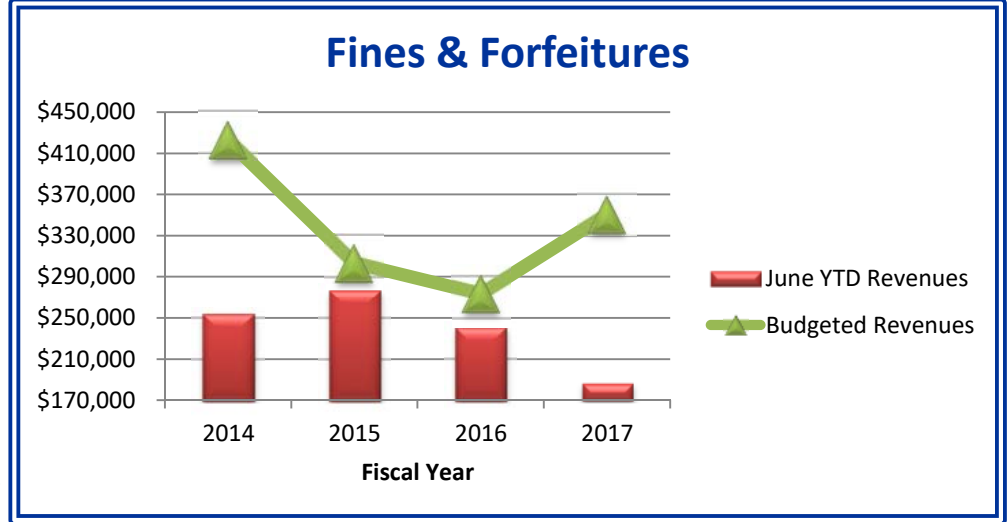
FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 254,533	\$ 422,683	60%		
2015	\$ 277,682	\$ 303,400	92%	9%	-28%
2016	\$ 241,071	\$ 273,350	88%	-13%	-10%
2017	\$ 186,404	\$ 350,720	53%	-23%	28%

Decrease from FY 2015 to FY 2016:

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

Decrease from FY 2016 to FY 2017:

- (1) The decrease was partly due to an decrease in court fines and court enhancement fees collected .
- (2) The decrease was also partly due to a reduction in delinquent wastewater accounts resulting in lower late fees on wastewater billings and a significant writeoff of late fees.



Under Target for FY 2017: If the placeholder for the paid parking program revenues is excluded, revenues represent 74% of budgeted revenues. This is primarily a result of a decrease in court fines collected, a reduction in delinquent wastewater accounts resulting in lower late fees on wastewater billings, and a significant writeoff of late fees.

Development Impact Fee Revenues

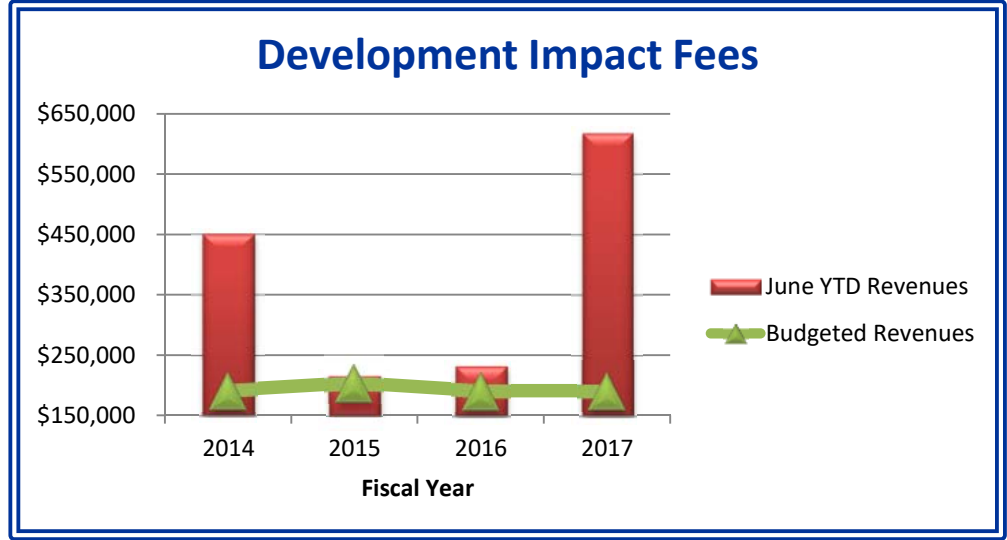
Exceeds Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 450,798	\$ 191,965	235%		
2015	\$ 216,039	\$ 204,000	106%	-52%	6%
2016	\$ 231,772	\$ 190,800	121%	7%	-6%
2017	\$ 618,740	\$ 191,000	324%	167%	<1%

Increase from FY 2016 to FY 2017:

The increase was primarily due to fees assessed with the permitting of the new Marriott facility and the new CVS.

Other 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.



Total Revenues by Type

Capacity Fee Revenues

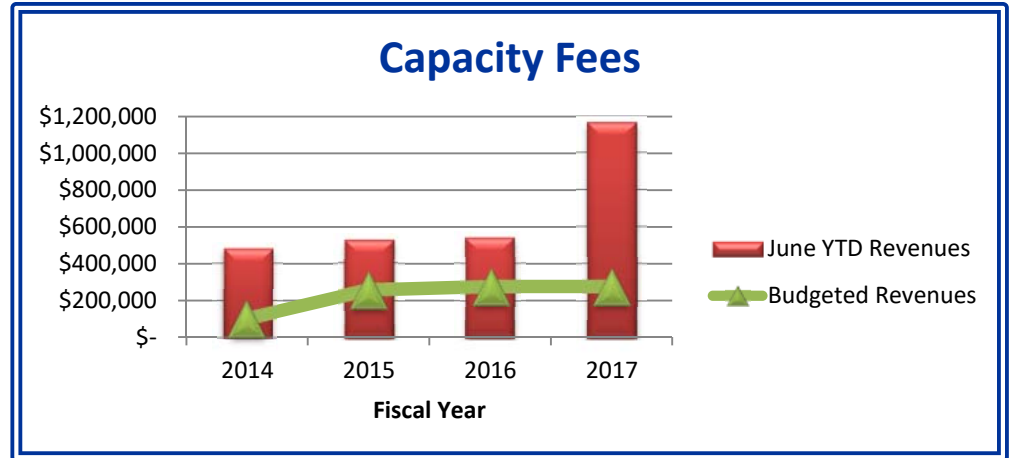
Exceeds Target for FY 2017

FY	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 484,100	\$ 101,500	477%		
2015	\$ 533,054	\$ 256,000	208%	10%	152%
2016	\$ 541,045	\$ 275,000	197%	1%	7%
2017	\$ 1,167,388	\$ 275,000	425%	116%	<1%

Increase from FY 2016 to FY 2017:

The increase was primarily due to fees assessed with the permitting of the new Marriott facility and the new CVS.

Other 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	June YTD Revenues	Budgeted Revenues	% of Budgeted Rev.	% Increase - June YTD	% Increase - Budgeted
2014	\$ 813,968	\$ 884,405	92%		
2015	\$ 527,894	\$ 1,354,825	39%	-35%	53%
2016	\$ 955,449	\$ 1,631,462	59%	81%	20%
2017	\$ 656,285	\$ 732,400	90%	-31%	-55%

Decrease from FY 2014 to FY 2015:

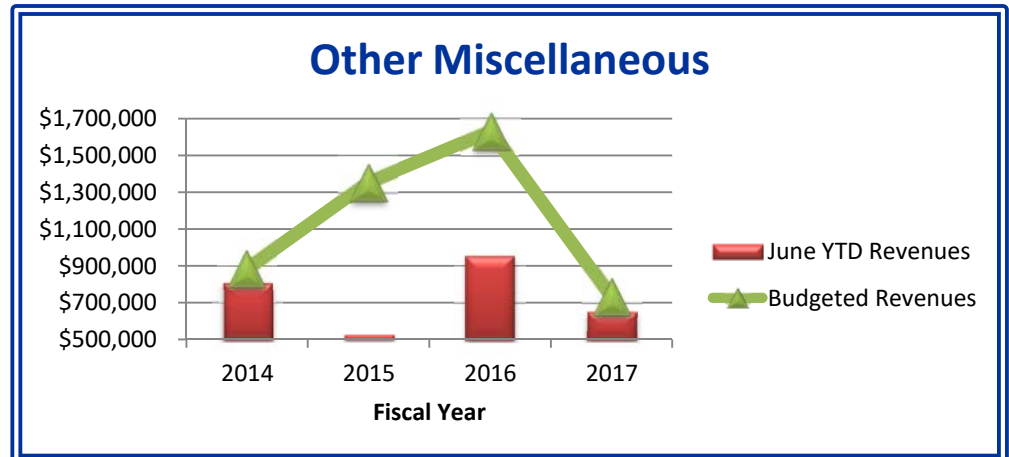
The decrease was primarily due to losses incurred in the LGIP accounts and lower interest earnings received on sales tax audits.

Increase from FY 2015 to FY 2016:

- (1) One-time incentive payments were received from APS during FY 2016.
- (2) Interest earnings in LGIP accounts were higher than the prior year.
- (3) Outside participation in capital projects are not always consistent from year to year.

Decrease from FY 2016 to FY 2017:

- (1) The decrease was mostly due to losses and lower interest earnings in LGIP accounts.
- (2) Outside participation in capital projects are not always consistent from year to year.
- (3) Insurance proceeds and one-time incentive payments were received in the FY 2016 that are not anticipated for FY 2017.



Under Target for FY 2017: Agreements were made regarding the outside participation in a storm drainage project that allows the participants to make their contributions over time. Approximately \$188,000 will not be received during FY 2017. In addition, the lower interest earnings and losses in LGIP accounts were not fully recouped during FY 2017.

Sales Tax Revenues by Category

Month	Retail	Restaurant & Bar	Hotel/Motel	Construction	Leasing	Communi- cations & Utilities	Amusements & Other	Totals
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	432,737	234,249	200,850	164,494	92,197	50,755	64,665	1,239,947
September 2016	457,254	243,153	226,263	87,694	142,268	47,924	67,359	1,271,915
October 2016	479,900	323,127	308,201	128,414	112,971	46,170	77,100	1,475,883
November 2016	428,400	255,333	249,422	107,013	109,048	41,089	74,536	1,264,841
December 2016	478,340	248,702	200,287	125,752	83,646	48,498	50,212	1,235,437
January 2017	399,063	192,950	167,166	69,391	76,745	47,868	29,299	982,482
February 2017	424,734	231,571	219,617	97,099	129,750	47,472	66,300	1,216,543
March 2017	536,155	339,230	413,668	97,051	118,772	42,357	108,063	1,655,296
April 2017	562,753	340,012	405,888	93,263	114,404	45,366	117,773	1,679,459
May 2017	466,377	320,472	331,336	105,193	131,572	43,712	88,615	1,487,277
June 2017	560,089	270,264	304,711	167,499	112,110	54,675	90,795	1,560,143
Total Year-to-Date FY 2017	\$ 5,632,490	\$ 3,269,443	\$ 3,245,278	\$ 1,335,883	\$ 1,304,121	\$ 571,822	\$ 929,506	\$ 16,288,543

Current Month Comparison to Same Month Last Year

June 2016 vs. June 2017	\$ 107,991	\$ 23,752	\$ 20,692	\$ (7,086)	\$ (24,187)	\$ 5,539	\$ 290	\$ 126,991
Change from June to June	24%	10%	7%	-4%	-18%	11%	0%	9%

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

Difference in YTD	\$ 80,158	\$ 439,931	\$ 636,046	\$ (129,375)	\$ 245,431	\$ (25,066)	\$ 41,806	\$ 1,288,931
% Change from Prior YTD	1%	16%	24%	-9%	23%	-4%	5%	9%

Sales & Bed Tax Revenues by Month

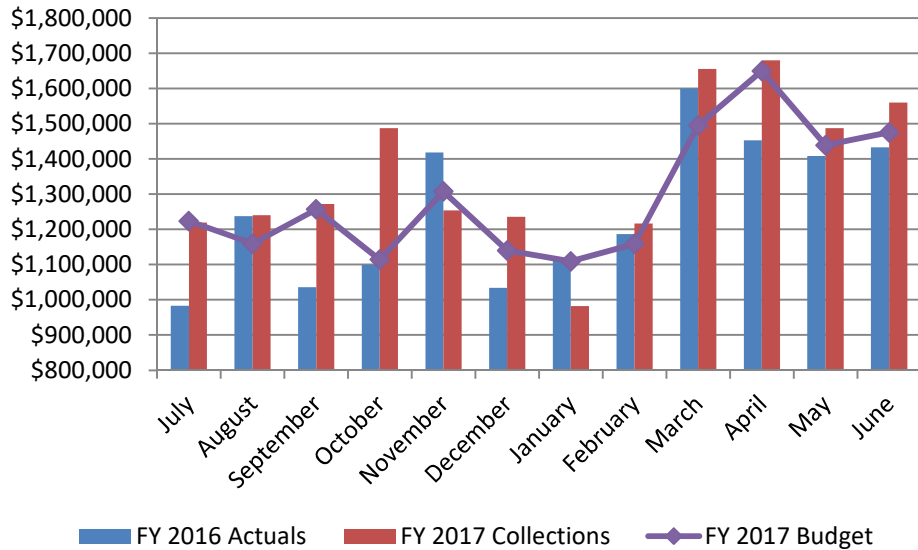
City Sales Tax Revenues

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	1,239,948	0%	1,159,160	7%
September	1,036,059	1,271,915	23%	1,256,660	1%
October	1,099,691	1,487,329	35%	1,114,070	34%
November	1,417,869	1,253,394	-12%	1,307,650	-4%
December	1,033,624	1,235,437	20%	1,140,150	8%
January	1,111,114	982,482	-12%	1,108,890	-11%
February	1,186,887	1,216,544	2%	1,158,720	5%
March	1,599,944	1,655,296	3%	1,495,190	11%
April	1,452,560	1,679,459	16%	1,649,480	2%
May	1,407,848	1,487,276	6%	1,438,650	3%
June	1,433,152	1,560,144	9%	1,475,030	6%
Totals	\$ 14,999,612	\$ 16,288,543	9%	\$ 15,526,670	5%

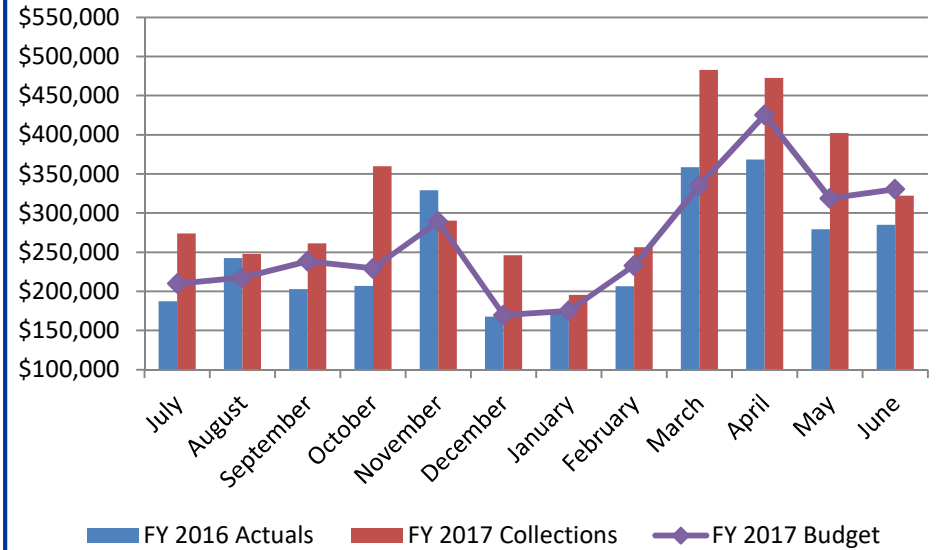
Bed Tax Revenues

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	247,780	2%	217,500	14%
September	203,054	261,443	29%	238,490	10%
October	207,133	359,754	74%	229,420	57%
November	329,119	290,342	-12%	289,250	0%
December	167,743	246,245	47%	169,640	45%
January	175,583	195,588	11%	175,270	12%
February	206,576	256,512	24%	232,940	10%
March	358,560	482,880	35%	335,200	44%
April	368,272	472,559	28%	425,270	11%
May	279,152	402,312	44%	318,920	26%
June	284,938	322,421	13%	330,440	-2%
Totals	\$ 3,010,334	\$ 3,811,727	27%	\$ 3,172,200	20%

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
Revenues							
Taxes:							
City Sales Taxes	\$ 15,526,670	\$ 16,288,543		\$ 16,288,543	105%	\$ 10,502,062	55%
Bed Taxes	3,172,200	3,811,727		3,811,727	120%	3,010,334	27%
Contingent Bed Taxes	550,000	-		-	0%	-	N/A
Franchise Fees	816,060	783,413		783,413	96%	781,223	<1%
State Shared Revenues:							
State Shared Sales Taxes	979,400	950,879		950,879	97%	948,696	<1%
Urban Revenue Sharing	1,273,001	1,270,897		1,270,897	100%	1,207,731	5%
Vehicle License Taxes	620,300	606,030		606,030	98%	577,681	5%
Other Intergovernmental:							
Grants	20,000	2,325		2,325	12%	25,181	-91%
Other	-	8,184		8,184	∞	48,672	-83%
In Lieu Fees	406,000	461,403		461,403	114%	450,881	2%
Licenses & Permits	448,425	478,016		478,016	107%	496,777	-4%
Charges for Services	108,950	157,121		157,121	144%	116,593	35%
Fines & Forfeitures	262,300	139,969		139,969	53%	142,888	-2%
Other Revenues:							
Interest Earnings	122,500	94,185		94,185	77%	179,467	-48%
Donations & Contributions	400	1,404		1,404	351%	700	101%
Rental Income	27,400	37,769		37,769	138%	32,485	16%
Miscellaneous	75,000	87,711		87,711	117%	91,366	-4%
Total Revenues	\$ 24,408,606	\$ 25,179,577		\$ 25,179,577	103%	\$ 18,612,738	35%
Expenditures							
General Government:							
City Council	\$ 78,585	\$ 60,524	\$ -	\$ 60,524	77%	\$ 63,123	-4%
City Manager's Office	740,819	586,875	-	586,875	79%	745,235	-21%
Human Resources	237,045	236,521	-	236,521	100%	217,866	9%
Financial Services	534,765	502,677	30,388	533,065	100%	450,225	12%
Information Technology	1,197,077	1,004,545	1,239	1,005,784	84%	853,746	18%
City Attorney's Office	534,455	527,315	-	527,315	99%	496,564	6%
City Clerk's Office	297,719	253,334	-	253,334	85%	219,942	15%
General Services	661,806	528,456	13,337	541,794	82%	915,204	-42%
Community Development	961,717	790,206	-	790,206	82%	860,551	-8%
Public Works	568,494	520,023	-	520,023	91%	579,297	-10%
Municipal Court	342,950	320,418	-	320,418	93%	306,451	5%
Public Safety:							
General Services	54,178	52,991	-	52,991	98%	52,431	1%
Community Development	631,361	517,720	-	517,720	82%	319,485	62%
Police	4,304,779	3,973,490	112	3,973,603	92%	3,749,538	6%
Public Works & Streets:							
Public Works	2,040,204	1,891,809	-	1,891,809	93%	809,162	134%
Culture & Recreation:							
City Manager's Office	92,940	78,241	-	78,241	84%	-	∞
Parks & Recreation	548,757	538,516	-	538,516	98%	465,073	16%
General Services	486,075	456,604	-	456,604	94%	491,163	-7%
Community Development	66,080	64,353	-	64,353	97%	-	∞
Public Works	560,426	485,123	-	485,123	87%	699,319	-31%
Economic Development:							
City Manager's Office	178,100	164,819	-	164,819	93%	-	∞
General Services	2,096,450	2,096,450	-	2,096,450	100%	1,656,234	27%
Health & Welfare:							
General Services	236,997	236,997	-	236,997	100%	215,263	10%
Public Transportation:							
General Services	160,450	152,097	-	152,097	95%	-	∞
Debt Service	686,168	685,769	-	685,769	100%	741,490	-8%
Contingencies	448,469	-	-	-	0%	-	N/A
Total Expenditures	\$ 18,746,866	\$ 16,725,872	\$ 45,077	\$ 16,770,949	89%	\$ 14,907,362	12%
Other Financing Sources (Uses)							
Transfers to Capital Improvements Fund	\$ (8,569,787)	\$ (2,749,233)		\$ (2,749,233)	32%	\$ (6,884,446)	60%
Transfers to Wastewater Fund	(3,881,668)	(4,038,211)		(4,038,211)	104%	-	∞
Transfers to Streets Fund	(351,000)	(351,000)		(351,000)	100%	(506,500)	31%
Refunding Bonds Issued	-	-		-	N/A	8,030,000	-100%
Payment to Refunded Bond Escrow Agent	-	-		-	N/A	(7,934,739)	100%
Total Other Financing Sources (Uses)	\$ (12,802,455)	\$ (7,138,444)		\$ (7,138,444)	56%	\$ (7,295,685)	2%
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, June 30:							
Operating Reserve	\$ 8,610,855	\$ 8,580,349		\$ 8,580,349	100%	\$ 7,646,839	12%
Debt Service Reserve	1,300,000	1,300,000		1,300,000	100%	1,300,000	<1%
Budget Carryovers Reserve	-	718,050		718,050	∞	285,000	152%
Unrestricted Fund Balance	598,686	-		-	0%	61,076	-100%
Total Ending Fund Balance, June 30	\$ 10,509,541	\$ 10,598,399		\$ 10,553,322	100%	\$ 9,292,915	14%

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	\$ 4,497,550	-100%
Charges for Services	5,880,844	5,902,950		5,902,950	100%	5,611,150	5%
Capacity Fees	275,000	1,167,388		1,167,388	425%	541,045	116%
Fines & Forfeitures	88,420	30,685		30,685	35%	76,287	-60%
<u>Other Revenues:</u>							
Interest Earnings	155,100	76,507		76,507	49%	177,705	-57%
Miscellaneous	4,500	16,149		16,149	359%	123,054	-87%
Total Revenues	\$ 6,403,864	\$ 7,193,678		\$ 7,193,678	112%	\$ 11,026,791	-35%
Expenditures							
<u>Wastewater Administration:</u>							
Salaries & Benefits	\$ 55,260	\$ 138,107	\$ -	\$ 138,107	250%	\$ 525,513	-74%
Other Expenditures	216,456	183,251	-	183,251	85%	277,042	-34%
<u>Wastewater Operations:</u>							
Salaries & Benefits	707,480	738,776	-	738,776	104%	686,088	8%
Utilities	592,200	578,331	-	578,331	98%	602,046	-4%
Maintenance	706,679	483,907	10,832	494,740	70%	680,110	-29%
Other Expenditures	562,113	440,264	10,807	451,071	80%	323,240	36%
<u>Wastewater Capital Projects:</u>							
Salaries & Benefits	149,410	151,599	-	151,599	101%	138,707	9%
Other Expenditures	-	-	-	-	N/A	37,333	-100%
Capital Improvement Projects	3,085,550	2,048,931	-	2,048,931	66%	5,396,449	-62%
<u>Departmental Allocations:</u>							
City Manager's Office	48,681	48,195	-	48,195	99%	-	∞
Human Resources	19,547	19,420	-	19,420	99%	-	∞
Financial Services	406,520	356,989	-	356,989	88%	-	∞
Information Technology	87,578	78,578	-	78,578	90%	-	∞
City Attorney's Office	21,090	20,989	-	20,989	100%	-	∞
City Clerk's Office	12,650	12,322	-	12,322	97%	-	∞
Public Works & Engineering	196,523	181,754	-	181,754	92%	-	∞
Departmental Allocations	-	-	-	-	N/A	285,768	-100%
Debt Service	5,151,325	5,144,495	-	5,144,495	100%	5,415,171	-5%
Contingencies	100,000	-	-	-	0%	-	N/A
Total Expenditures	\$ 12,119,062	\$ 10,625,910	\$ 21,639	\$ 10,647,549	88%	\$ 14,367,467	-26%
Other Financing Sources (Uses)							
Transfers from General Fund	\$ 3,881,668	\$ 4,038,211		\$ 4,038,211	104%	\$ -	∞
Total Other Financing Sources (Uses)	\$ 3,881,668	\$ 4,038,211		\$ 4,038,211	104%	\$ -	∞
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, June 30:</u>							
Operating Reserve	\$ 2,317,773	\$ 1,593,212		\$ 1,593,212	69%	\$ 4,015,316	-60%
Debt Service Reserve	4,870,195	4,581,690		4,581,690	94%	4,637,253	-1%
Budget Carryovers Reserve	-	32,500		32,500	∞	32,500	<1%
Unrestricted Fund Balance	5,770,619	8,028,979		8,028,979	139%	5,105,181	57%
Total Ending Fund Balance, June 30	\$ 12,958,587	\$ 14,203,882		\$ 14,182,243	109%	\$ 13,757,750	3%

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, June 30, 2017
General Fund	\$ 9,283,138	\$ 25,179,577	\$ 18,746,866	\$ 16,725,872	\$ 45,077	\$ 16,770,949	89%	\$ (7,138,444)	\$ 10,598,399
Special Revenue Funds									
Streets Fund	\$ 659,946	\$ 950,751	\$ 1,226,594	\$ 1,226,595	\$ -	\$ 1,226,595	100%	\$ 351,000	\$ 735,102
Grants, Donations & Other Funds	\$ 625,402	\$ 309,408	\$ 420,500	\$ 314,560	\$ -	\$ 314,560	75%	\$ -	\$ 620,250
Capital Projects Funds									
Development Impact Fees Funds	\$ 2,724,011	\$ 654,256	\$ 2,538,318	\$ 839,927	\$ -	\$ 839,927	33%	\$ -	\$ 2,538,340
Capital Improvements Fund	\$ 11,827,244	\$ 988,346	\$ 3,312,786	\$ 2,677,559	\$ -	\$ 2,677,559	81%	\$ 2,724,935	\$ 12,862,965
Art in Public Places Fund	\$ 53,667	\$ 6,528	\$ -	\$ -	\$ -	\$ -	N/A	\$ 24,298	\$ 84,493
Wastewater Enterprise Fund	\$ 13,597,903	\$ 7,193,678	\$ 12,119,062	\$ 10,625,910	\$ 21,639	\$ 10,647,549	88%	\$ 4,038,211	\$ 14,203,882
Total All City Funds	\$ 38,771,310	\$ 35,282,544	\$ 38,364,126	\$ 32,410,422	\$ 66,716	\$ 32,477,139	85%	\$ -	\$ 41,643,432
Community Facilities Districts									
Sedona Summitt II	\$ 313,379	\$ 49,312	\$ 150,000	\$ 119,131	\$ -	\$ 119,131	79%	\$ -	\$ 243,559
Fairfield	\$ 781,780	\$ 153,156	\$ 1,264,749	\$ 934,239	\$ 420	\$ 934,659	74%	\$ -	\$ 697

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	\$ 119,728	\$ 1,579,728	\$ -	\$ -	\$ -	\$ 1,070,000	\$ 26,750	\$ 1,096,750	\$ 2,530,000	\$ 146,478	\$ 2,676,478
Series 2012	7/1/2025-2026	4.5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,395,000	\$ 3,404,138	\$ 11,799,138	\$ 8,395,000	\$ 3,404,138	\$ 11,799,138
Series 2014	7/1/2017-2019	0.66%	\$ 1,125,456	\$ 11,175	\$ 1,136,631	\$ 64,244	\$ 638	\$ 64,882	\$ 1,195,300	\$ 3,944	\$ 1,199,244	\$ 2,385,000	\$ 15,758	\$ 2,400,758
Series 2015	7/1/2017-2019	1.3%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,220,000	\$ 221,390	\$ 10,441,390	\$ 10,220,000	\$ 221,390	\$ 10,441,390
Second Series 2015	7/1/2017-2027	1.94%	\$ 7,860,000	\$ 1,048,473	\$ 8,908,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,860,000	\$ 1,048,473	\$ 8,908,473
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	\$ 1,179,376	\$ 11,624,832	\$ 64,244	\$ 638	\$ 64,882	\$ 27,185,300	\$ 18,901,222	\$ 46,086,522	\$ 37,695,000	\$ 20,081,236	\$ 57,776,236

* Principal and semiannual interest payments to be made on July 1, 2017 are as follows:

General Fund	\$ 573,548
Development Impact Fee Funds	20,986
Wastewater Fund	4,581,312
Total	\$ 5,175,846

** 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	\$ 85,214	67%	\$ 100,000	\$ 82,887	83%
	CFD - Fairfield	\$ 127,500	\$ 81,340	64%	\$ 100,000	\$ 81,340	81%
Project Total		\$ 255,000	\$ 166,554	65%	\$ 200,000	\$ 164,227	82%
Parks & Recreation							
Barbara Antonsen Park	CFD - Sedona Summit II	\$ 119,981	\$ 69,981	58%	\$ 50,000	\$ 36,245	72%
	CFD - Fairfield	\$ 2,442,646	\$ 1,277,897	52%	\$ 1,164,749	\$ 852,899	73%
	Development Impact Fees	\$ 2,210	\$ 2,210	100%	\$ -	\$ -	N/A
	Capital Reserves	\$ 231,962	\$ 231,962	100%	\$ -	\$ -	N/A
Project Total		\$ 2,796,799	\$ 1,582,050	57%	\$ 1,214,749	\$ 889,144	73%
Park Land Acquisition	Development Impact Fees	\$ 1,500,000	\$ -	0%	\$ 1,500,000	\$ -	0%
Fitness Trail	Development Impact Fees	\$ 860	\$ 860	100%	\$ 860	\$ 860	100%
	Capital Reserves	\$ -	\$ 1,908	∞	\$ -	\$ 1,908	∞
	Grant	\$ 75,376	\$ 75,376	100%	\$ 75,376	\$ 75,376	100%
Project Total		\$ 76,236	\$ 78,144	103%	\$ 76,236	\$ 78,144	103%
Dog Park Upgrade	Development Impact Fees	\$ 207,375	\$ 35,383	17%	\$ 201,000	\$ 19,008	9%
Bike Skills Park	Development Impact Fees	\$ 104,000	\$ 103,785	100%	\$ 104,000	\$ 103,785	100%
	Outside Participation	\$ 37,096	\$ 40,096	108%	\$ -	\$ -	N/A
	Grant	\$ 20,600	\$ -	0%	\$ 15,600	\$ -	0%
	Capital Reserves	\$ 110,000	\$ 135,901	124%	\$ -	\$ 15,000	∞
Project Total		\$ 271,696	\$ 279,782	103%	\$ 119,600	\$ 118,785	99%
Police							
Uptown Parking Meters on Main Street	Capital Reserves	\$ 301,000	\$ 254,879	85%	\$ 275,000	\$ 228,961	83%
	General Fund	\$ 50,000	\$ 42,489	85%	\$ -	\$ -	N/A
Project Total		\$ 351,000	\$ 297,368	85%	\$ 275,000	\$ 228,961	83%
Shooting Range Improvements	RICO Monies	\$ 155,000	\$ 5,043	3%	\$ 50,000	\$ -	0%
	Development Impact Fees	\$ 95,000	\$ 95,000	100%	\$ -	\$ -	N/A
	Capital Reserves	\$ 470,000	\$ 346,489	74%	\$ 220,000	\$ 24,735	11%
Project Total		\$ 720,000	\$ 446,532	62%	\$ 270,000	\$ 24,735	9%
Police Facility Renovations	Capital Reserves	\$ 300,000	\$ 158,140	53%	\$ 150,000	\$ 146,755	98%
	RICO Monies	\$ 8,000	\$ 6,199	77%	\$ -	\$ -	N/A
Project Total		\$ 308,000	\$ 164,340	53%	\$ 150,000	\$ 146,755	98%
Radio Communications Enhancement	Capital Reserves	\$ 161,000	\$ 93,173	58%	\$ 40,000	\$ -	0%
Public Works							
Uptown Pedestrian Access Improvements	Development Impact Fees	\$ 600,000	\$ 587,876	98%	\$ 550,000	\$ 550,000	100%
	Capital Reserves	\$ 624,000	\$ 694,755	111%	\$ 304,000	\$ 298,961	98%
Project Total		\$ 1,224,000	\$ 1,282,631	105%	\$ 854,000	\$ 848,961	99%
Jordan Road Sidewalk Extension	Development Impact Fees	\$ 137,000	\$ 181,215	132%	\$ 58,000	\$ 58,000	100%
Project Total		\$ 137,000	\$ 181,215	132%	\$ 58,000	\$ 58,000	100%
Dry Creek Road Overlay	Capital Reserves	\$ 605,399	\$ 71,580	12%	\$ 50,000	\$ -	0%
Sanborn Drive/Thunder Mountain Road Overlay	Capital Reserves	\$ 738,820	\$ 109,424	15%	\$ 151,000	\$ 109,424	72%
Transportation Study	Capital Reserves	\$ 200,000	\$ 197,563	99%	\$ 180,000	\$ 177,318	99%
	Outside Participation	\$ 50,000	\$ 50,000	100%	\$ 20,000	\$ 20,000	100%
Project Total		\$ 250,000	\$ 247,563	99%	\$ 200,000	\$ 197,318	99%
Transportation Study - Project Implementation	Capital Reserves	\$ 100,000	\$ 50,000	50%	\$ 100,000	\$ 50,000	50%
Cathedral Rock Trailhead	Capital Reserves	\$ 200,000	\$ 174,981	87%	\$ 100,000	\$ -	0%
Storm Drainage							
Coffee Pot Drainage Basin - Coffee Pot Road Crossing	Development Impact Fees	\$ 50,000	\$ 50,000	100%	\$ 50,000	\$ 50,000	100%
	Yavapai County Flood Control	\$ 325,000	\$ 325,000	100%	\$ 325,000	\$ 325,000	100%
	Capital Reserves	\$ 65,000	\$ 43,541	67%	\$ 65,000	\$ 43,541	67%
Project Total		\$ 440,000	\$ 418,541	95%	\$ 440,000	\$ 418,541	95%
Coffee Pot Drainage Basin - Grasshopper Area	Capital Reserves	\$ 1,325,000	\$ 30,000	2%	\$ 30,000	\$ 30,000	100%
Brewer Road/Tlaquepaque Drainage Improvements	Coconino County Flood Control	\$ 2,196,667	\$ 2,047,445	93%	\$ 936,810	\$ 926,831	99%
	Outside Participation	\$ 713,333	\$ 290,103	41%	\$ 125,000	\$ 125,000	100%
Project Total		\$ 2,910,000	\$ 2,337,548	80%	\$ 1,061,810	\$ 1,051,831	99%
Brewer Road Crossing Improvements	Coconino County Flood Control	\$ 850,000	\$ 78,750	9%	\$ 150,000	\$ 78,750	53%
Storm Drainage Easement Acquisition	Development Impact Fees	\$ 50,000	\$ 37,076	74%	\$ 50,000	\$ 37,076	74%
Wastewater							
WW Master Plan	Wastewater Fees	\$ 200,000	\$ 167,360	84%	\$ 150,000	\$ 129,775	87%
Wastewater Treatment Plant Upgrade	Wastewater Fees	\$ 6,984,522	\$ 5,359,485	77%	\$ -	\$ 2,702	∞
Wastewater Effluent Management	Wastewater Fees	\$ 12,181,000	\$ 5,114,749	42%	\$ 2,080,550	\$ 1,824,840	88%
WWRP Bar Screen and Filter System Upgrades	Wastewater Fees	\$ 500,000	\$ 89,611	18%	\$ 350,000	\$ 66,953	19%
WWRP Odor Control	Wastewater Fees	\$ 25,000	\$ 24,660	99%	\$ 25,000	\$ 24,660	99%
WWRP Headworks Replacement	Wastewater Fees	\$ 480,000	\$ -	0%	\$ 480,000	\$ -	0%
Grand Totals		\$ 35,847,847	\$ 18,918,500	53%	\$ 10,376,945	\$ 6,598,589	64%