

# Monthly Financial Report

July 2017



**CITY OF SEDONA**

November 9, 2017

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July 2017

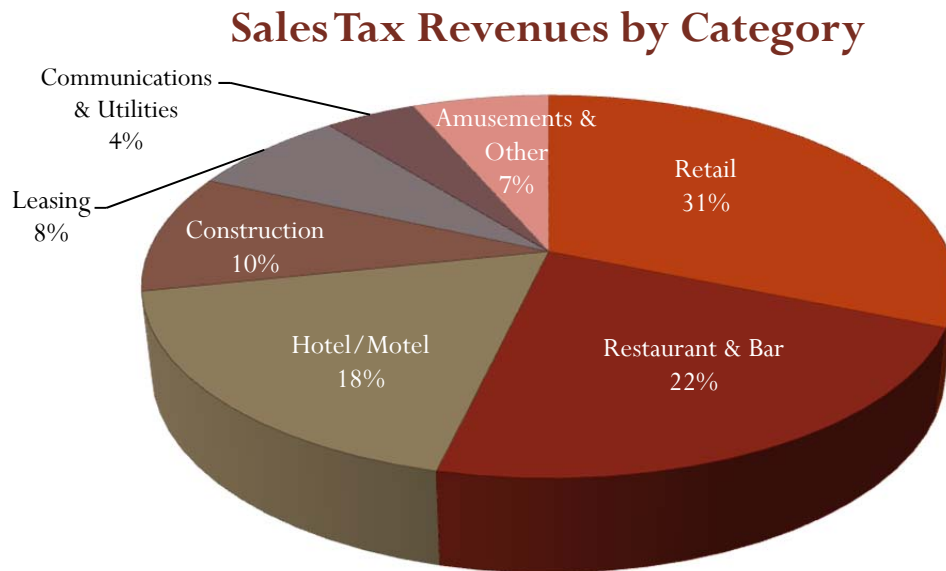
## Executive Summary

The City's largest revenue sources are sales and bed tax revenues. **City sales taxes are 6% higher** than the prior year and **bed taxes are relatively the same** as the prior year. Sales and bed tax growth has been substantially higher in prior years, so we will watch to see if this could be an early indication of a leveling off of these revenues.

July YTD Increase (Decrease) Over Prior Year	
City Sales Taxes	\$ 77,962
Bed Taxes	(1,052)
<b>Total</b>	<b>\$ 76,910</b>

While the bed tax revenues for July remained relatively flat, the current portion of collections increased.<sup>1</sup> Of the current portion of bed tax revenues paid in July 2017 compared to the current portion of bed tax revenues paid in July 2016, those revenues increased approximately 15%.<sup>2</sup>

The largest sales tax increases for the month were in the Construction (40%) and the Leasing (20%) categories.



<sup>1</sup> Approximately 15% of the July 2016 bed tax revenues were late payments (collection of taxes for prior taxing periods); however, only 1% of the July 2017 bed tax revenues represented late payments.

<sup>2</sup> Approximately 4% of the current portion of July 2017 bed tax revenues represents payments made on time in FY 2018 that were made late in FY 2017. In addition, approximately 9% of the current portion of July 2016 bed tax revenues represents payments either made late in FY 2018 or have not yet been paid.

## Revenues

In total, **General Fund revenues are up 12%** over last year, and **Wastewater Fund revenues are up 8%** over last year.

All revenue categories are **expected to be generally on target or exceed targets** by the end of the fiscal year, with the exception of Other Intergovernmental (100% under YTD 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.

## Expenditures

In total, **General Fund expenditures are at 11% of budget** for the year-to-date, and **Wastewater Fund expenditures are 4% of budget** for the year-to-date, with 8% of the year completed so far.

Expenditures are **expected to be on or under target** by the end of the fiscal year. City Manager's Office and General Services expenditures are high for one month but are on track due to the nature of semiannual payments for community contracts.

Expenditures for capital improvements (0%) and streets rehabilitation and preservation (<1%) are not incurred consistently throughout the year and, as of July 2017, are overall 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 2017 is the first month of the current fiscal year, FY2017, and **represents 8% 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 (excluding internal charges) 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** – These 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 And Capital Leases Outstanding** – A table of the City’s outstanding bonds and capital leases 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. The annual capital lease payments are due on January 31.
  - **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.
  - **Investment Holdings Summary** – A table of the investments held by the City has been presented with the average remaining duration of the portfolio, as well as the average yield of the portfolio compared to the policy benchmark.
  - **Investment Transactions Summary** – A table of the investment transactions has been presented including acquisitions, dispositions, investment earnings, and expenses.

## 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](http://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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## Table of Contents

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	Page	% YTD	Status	Comments
<b>Portion of Fiscal Year Complete = 8.33%</b>				
<b>Total Expenditures by Fund</b>				
General Fund	5	11%	On Target for FY 2018	July.
<b>Special Revenue Funds:</b>				
Streets Fund	6	<1%	Under Target for FY 2018	Expenditures do not occur consistently throughout the fiscal year.
Grants, Donations & Other Funds	6	3%	Under Target for FY 2018	Expenditures do not occur consistently throughout the fiscal year.
<b>Capital Projects Funds:</b>				
Development Impact Fees Funds	7	<1%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Capital Improvements Fund	7	0%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Art in Public Places Fund	8	N/A	On Target for FY 2018	No projects planned for FY 2018.
Wastewater Enterprise Fund	9	4%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Info. Tech. Internal Service Fund	10	5%	Under Target for FY 2018	
<b>Community Facilities Districts:</b>				
Sedona Summit II	11	N/A	On Target for FY 2018	No projects planned for FY 2018.
Fairfield	11	0%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
<b>Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)</b>				
City Council	12	5%	Under Target for FY 2018	
City Manager's Office	12	35%	On Target for FY 2018	While expenditures are high for one month, they are on track due to the significant semiannual payments made in July.
Human Resources	13	4%	Under Target for FY 2018	
Financial Services	13	4%	Under Target for FY 2018	
Information Technology	14	5%	Under Target for FY 2018	
City Attorney's Office	15	4%	Under Target for FY 2018	
City Clerk's Office	15	6%	Under Target for FY 2018	
Parks & Recreation	16	6%	Under Target for FY 2018	
General Services	17	12%	On Target for FY 2018	While expenditures are high for one month, they are on track due to the significant semiannual payments made in July.
Debt Service	17	8%	On Target for FY 2018	
Community Development	18	6%	Under Target for FY 2018	
Public Works	19	3%	Under Target for FY 2018	
Economic Development	20	5%	Under Target for FY 2018	
Police	20	5%	Under Target for FY 2018	
Municipal Court	21	5%	Under Target for FY 2018	
Wastewater Administration	22	4%	Under Target for FY 2018	
Wastewater Capital	23	5%	Under Target for FY 2018	
Wastewater Operations	24	2%	Under Target for FY 2018	
<b>Total Revenues by Fund</b>				
General Fund	25	8%	Under Target for FY 2018	While revenues are low for one month, franchise fees are received quarterly and in-lieu fees are mostly received near the end of the fiscal year. Revenues are expected to be on target by the end of the fiscal year.
<b>Special Revenue Funds:</b>				
Streets Fund	26	8%	Under Target for FY 2018	The FY 2018 budget includes \$100,000 of anticipated outside participation in certain streets projects. Those revenues are not anticipated until the actual projects commence.
Grants, Donations & Other Funds	26	1%	Under Target for FY 2018	The FY 2018 budget includes \$300,000 of contingent grant revenues in case a significant grant opportunity arises.
<b>Capital Projects Funds:</b>				
Development Impact Fees Funds	27	14%	Exceeds Target for FY 2018	
Capital Improvements Fund	27	<1%	Under Target for FY 2018	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	28	14%	Exceeds Target for FY 2018	
Wastewater Enterprise Fund	28	9%	Exceeds Target for FY 2018	
Info. Tech. Internal Service Fund	29	8%	On Target for FY 2018	
<b>Community Facilities Districts:</b>				
Sedona Summit II	30	<1%	Under Target for FY 2018	While revenues are low for one month, in-lieu fees are mostly received near the end of the fiscal year and are expected to be on target by the end of the fiscal year.
Fairfield	30	<1%	Under Target for FY 2018	While revenues are low for one month, in-lieu fees are mostly received near the end of the fiscal year and are expected to be on target by the end of the fiscal year.
<b>Total Revenues by Type</b>				
City Sales Taxes	31	8%	On Target for FY 2018	
Bed Taxes	31	7%	On Target for FY 2018	
In-Lieu	32	0%	On Target for FY 2018	While revenues are low for one month, in-lieu fees are mostly received near the end of the fiscal year and are expected to be on target by the end of the fiscal year.
Franchise Fees	32	0%	On Target for FY 2018	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	33	8%	On Target for FY 2018	
Urban Revenue Sharing	33	8%	On Target for FY 2018	
Vehicle License Taxes	34	9%	On Target for FY 2018	
Highway User	34	9%	Exceeds Target for FY 2018	
Other Intergovernmental	35	0%	Under Target for FY 2018	The FY 2018 budget includes \$300,000 of contingent grant revenues in case a significant grant opportunity arises.
Licenses & Permits	36	7%	Under Target for FY 2018	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	36	9%	On Target for FY 2018	
Fines & Forfeitures	37	9%	Exceeds Target for FY 2018	
Development Impact Fees	37	12%	Exceeds Target for FY 2018	
Capacity Fees	38	12%	Exceeds Target for FY 2018	
Other Miscellaneous	38	20%	Exceeds Target for FY 2018	
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## Total Expenditures by Fund

### Total General Fund Expenditures

**On Target for FY 2018**

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	\$ 16,799,273	12%	2%	13%
2018	\$ 2,181,133	\$ 20,196,434	11%	8%	20%

#### YTD Increase from FY 2014 to FY 2015:

- (1) Starting FY 2015, debt service costs were 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.

#### 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.

#### YTD Increase from FY 2015 to FY 2016:

- (1) Salaries & 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 2016 to FY 2017:

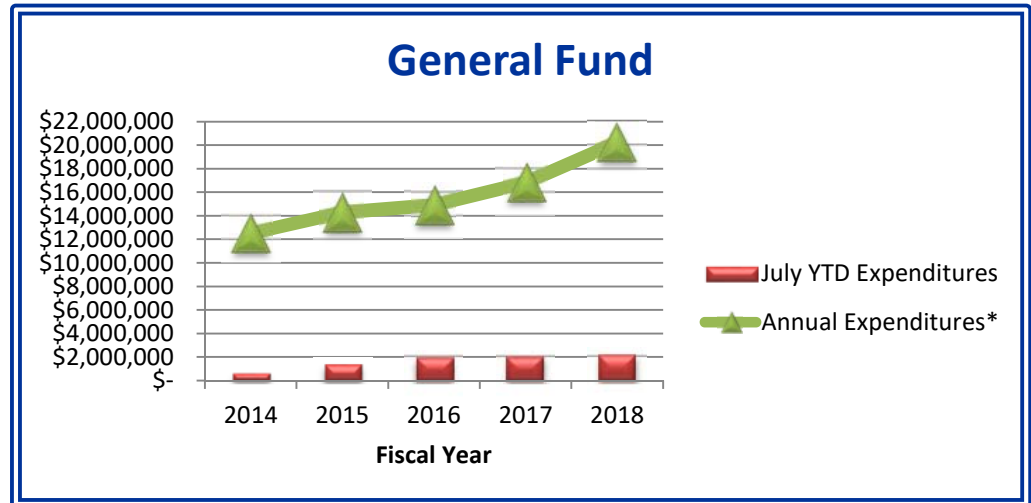
- (1) For FY 2017, Council approved the transfer of all streets related expenditures other than rehabilitation and pavement preservation to the General Fund. This increase to the General Fund was approximately \$818,000.
- (2) The allocation to the destination marketing program increased approximately \$365,000 as a result of the higher bed tax revenue collections.
- (3) Salaries & Benefits increased approximately \$410,000. This was partly due to three new full-time positions and two part-time positions added in the budget process. In addition, salaries increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%, as well as increases to 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.

#### Annual Increase from FY 2017 to FY 2018:

- (1) The FY 2018 budget includes the addition of one full-time position and six part-time positions.
- (2) In addition, salaries increased due to budgeted cost-of-living adjustments of 2.5% and average merit increases of 2.5%, as well as increases to benefits due to a 30% increase to the required contributions to the PSPRS and a 4% increase to health insurance premiums.
- (3) A one-time placeholder was added to the FY 2018 budget relating to the results of a lawsuit, in which the courts found the increase in the employee share of the PSPRS contribution to be unconstitutional. The City is responsible for refunding the amounts to employees, plus interest.
- (4) Bond payments will be approximately \$753,000 higher in FY 2018 compared to FY 2017.
- (5) Capital lease payments will be approximately \$73,000 higher in FY 2018 compared to FY 2017 for the assigned vehicle program for patrol officers.
- (6) A placeholder of \$100,000 was included in the FY 2018 budget to cover costs of the paid parking program.
- (7) The FY 2018 budget includes approximately \$136,000 additional for continued updates to the Land Development Code.
- (8) Certain costs were previously coded directly to the Wastewater Enterprise Fund in FY 2017 that will be allocated through the internal charges in FY 2018.

**On Target for FY 2018:** 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 community service contracts and destination marketing program that are paid semiannually. Based on the timing and size of these payments, the General Fund expenditures are on track for FY 2018.

\* 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

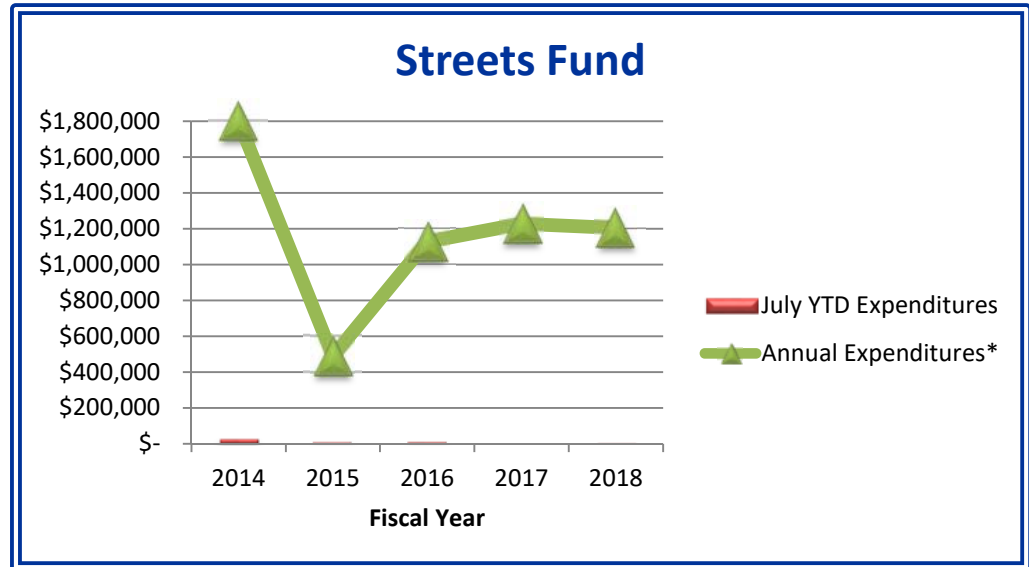
### Total Streets Fund Expenditures

**Under Target for FY 2018**

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	\$ -	\$ 1,226,595	0%	-100%	9%
2018	\$ 1,867	\$ 1,203,490	<1%	∞	-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.

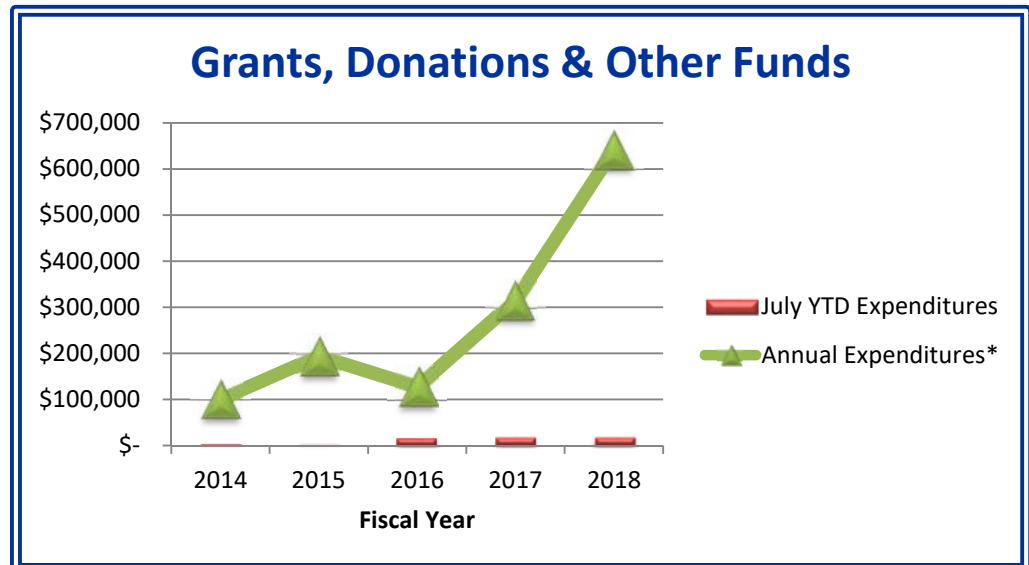


### Total Grants, Donations & Other Exp.

**Under Target for FY 2018**

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	\$ 314,560	5%	11%	147%
2018	\$ 16,480	\$ 641,350	3%	-1%	104%

**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.

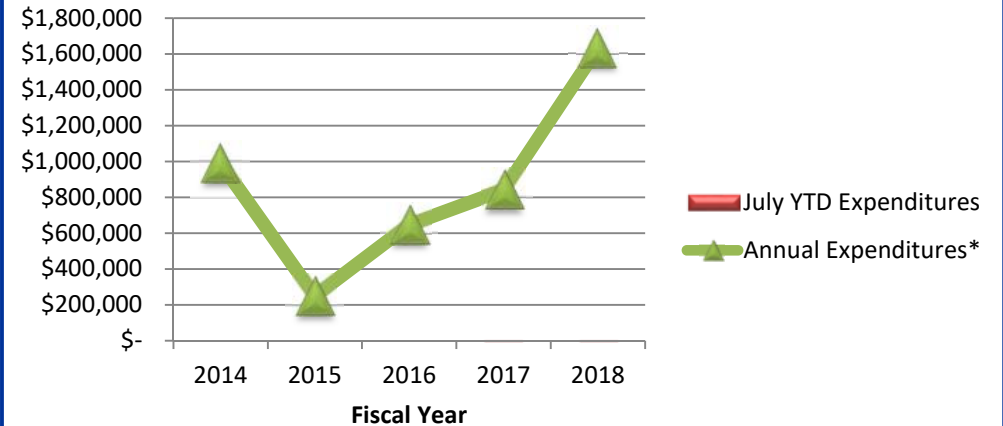
Under Target for FY 2018

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	\$ 839,927	<1%	∞	30%
2018	\$ 1,891	\$ 1,632,300	<1%	7%	94%

**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 2018, budgeted expenditures includes \$1.25 million specifically designated for the acquisition of park/open space land. If Council does not decide to purchase property in FY 2018, it will be re-appropriated in future fiscal years.

### Development Impact Fees Funds



### Total Capital Improvements Fund Exp.

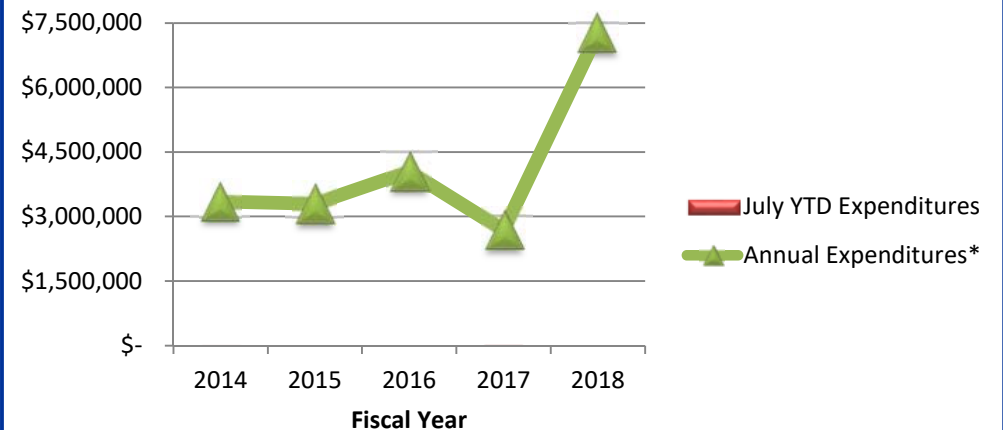
Under Target for FY 2018

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)	\$ 2,677,559	<1%	∞	-34%
2018	\$ -	\$ 7,273,047	0%	<1%	172%

**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.

For FY 2018, budgeted expenditures include approximately \$3.7 million for storm drainage projects and approximately \$2.4 million for streets and transportation projects.

### 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

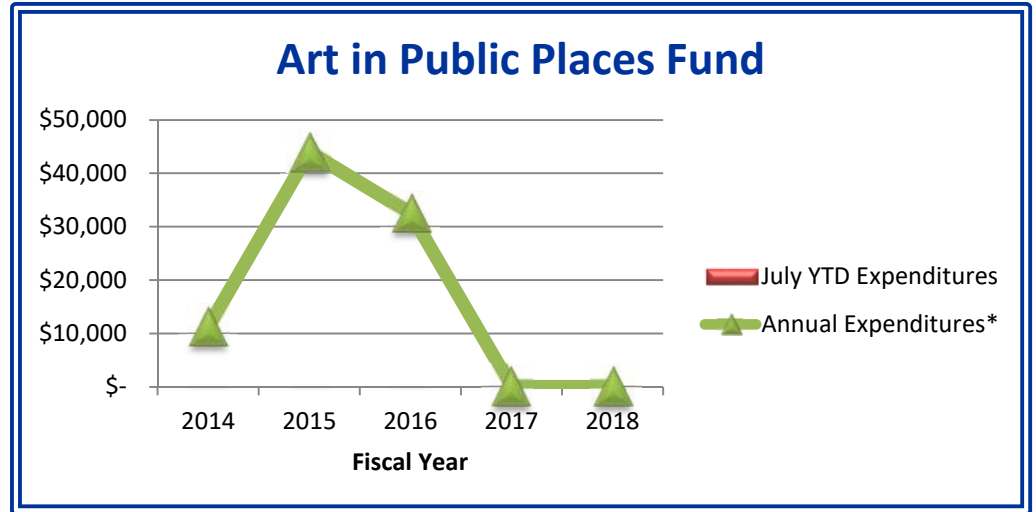
**Total Art in Public Places Fund Exp.**

**On Target for FY 2018**

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%
2018	\$ -	-	N/A	N/A	N/A

**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 2018, 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.



\* 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 Wastewater Enterprise Fund Exp.

**Under Target for FY 2018**

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	\$ 10,625,910	5%	-12%	-26%
2018	\$ 517,695	\$ 14,549,091	4%	-11%	37%

**YTD Increase from FY 2014 to FY 2015:**

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

**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.

**YTD Increase from FY 2015 to FY 2016:**

(1) The increase is partly 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.

**Annual Increase from FY 2015 to FY 2016:**

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

**YTD Decrease from FY 2016 to FY 2017:**

- (1) Salaries & Benefits decreased approximately \$21,000 and is largely a result of reallocations of the interdepartmental charges.
- (2) Debt service costs were 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 Decrease from FY 2016 to FY 2017:**

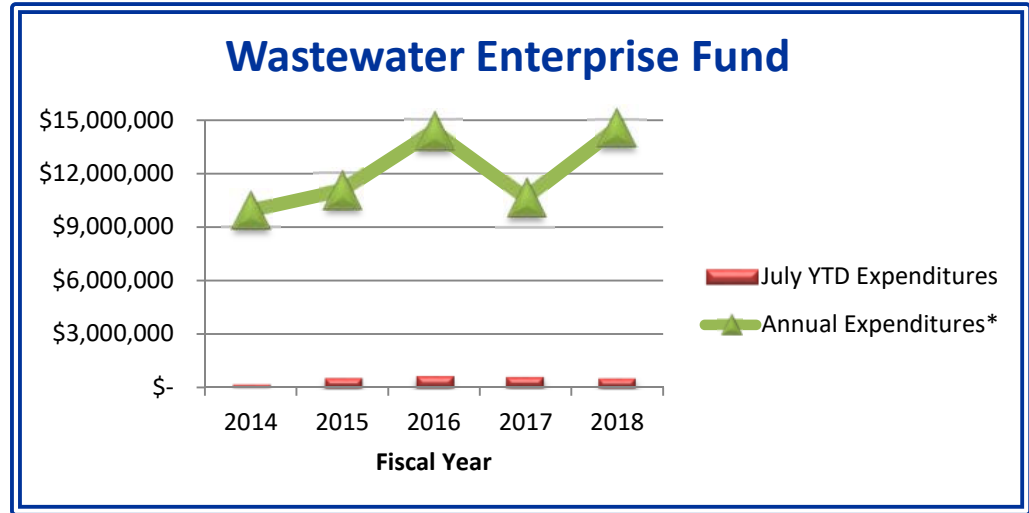
The decrease is primarily due to expenditures incurred for the plant upgrade and injection well drilling in the prior year.

**YTD Decrease from FY 2017 to FY 2018:**

- (1) The debt service costs are approximately \$61,000 lower and are based on the monthly accruals of scheduled bond principal and interest payments.
- (2) Due to the timing of utility payments, approximately \$20,000 less was recorded in July 2017 as compared to July 2016.
- (3) Due to the timing of hardware and software maintenance contracts, approximately \$12,000 less was recorded in July 2017 as compared to July 2016.

**Annual Increase from FY 2017 to FY 2018:**

- (1) Budgeted capital improvement expenditures increased by approximately \$3 million, including construction of injection wells 3 & 4, improvements to lift stations, and replacement of bar screens and tertiary filters.
- (2) The increase is partly a result of a generator replacement and rental.
- (3) The FY 2018 budget includes the addition of a plant operator position.
- (4) The FY 2018 budget also includes rebuilding and replacing of pumps and the replacement of pump station roofs.
- (5) Injection well maintenance was added for the new injection wells coming on line.
- (6) The budgeted offset for vacancy savings was reduced by \$50,000, which results in an increase to the overall budget.
- (7) Indirect cost allocations were implemented for FY 2018. Compared to the direct allocations previously used, the use of the "cost drivers" to determine cost allocations is generally considered to be a better representation of the service levels provided. The increase in the allocations is budgeted at approximately \$235,000.



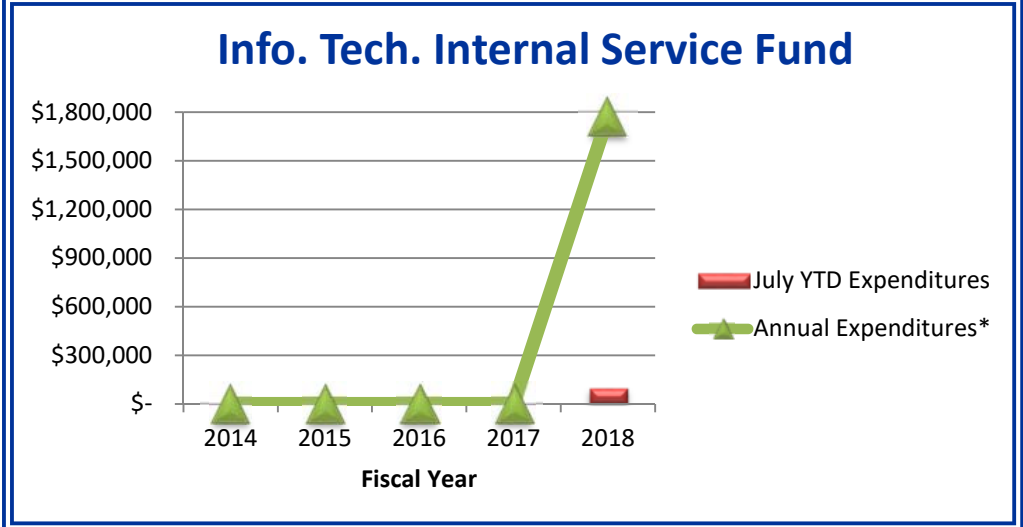
\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies. For the prior years, the Annual Expenditures represent total actual expenditures.

## Total Expenditures by Fund

**Total Info. Tech. Internal Svc. Fund Exp.** Under Target for FY 2018

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	\$ -	\$ -	N/A	N/A	N/A
2017	\$ -	\$ -	N/A	N/A	N/A
2018	\$ 93,031	\$ 1,773,004	5%	∞	∞

The Information Technology Internal Service Fund was initiated in FY 2018.



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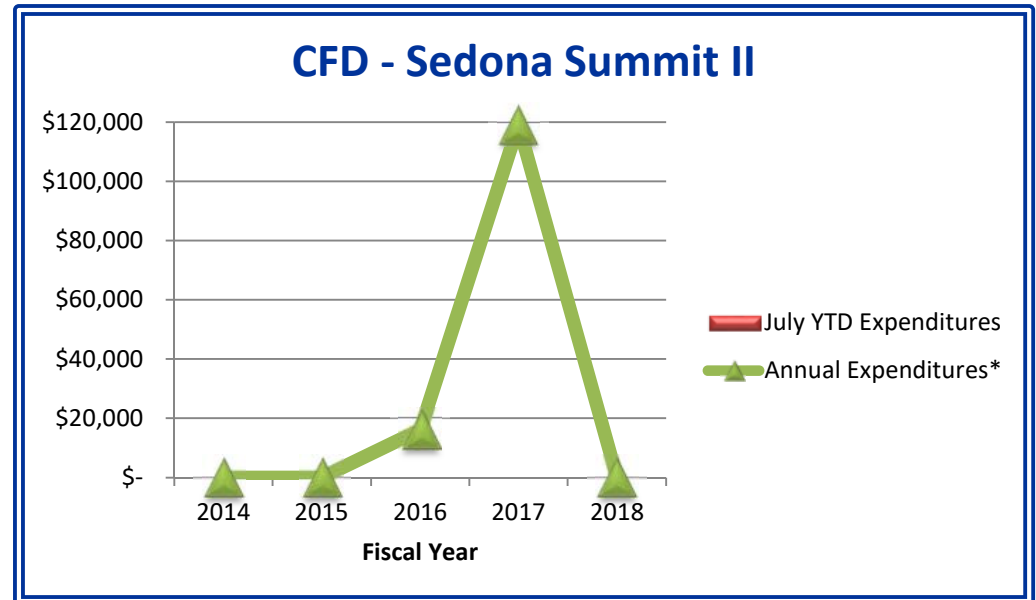
## Total Expenditures by Fund

### Total CFD - Sedona Summit II Exp.

On Target for FY 2018

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	\$ -	\$ 119,131	0%	N/A	642%
2018	\$ -	\$ -	N/A	N/A	-100%

**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.



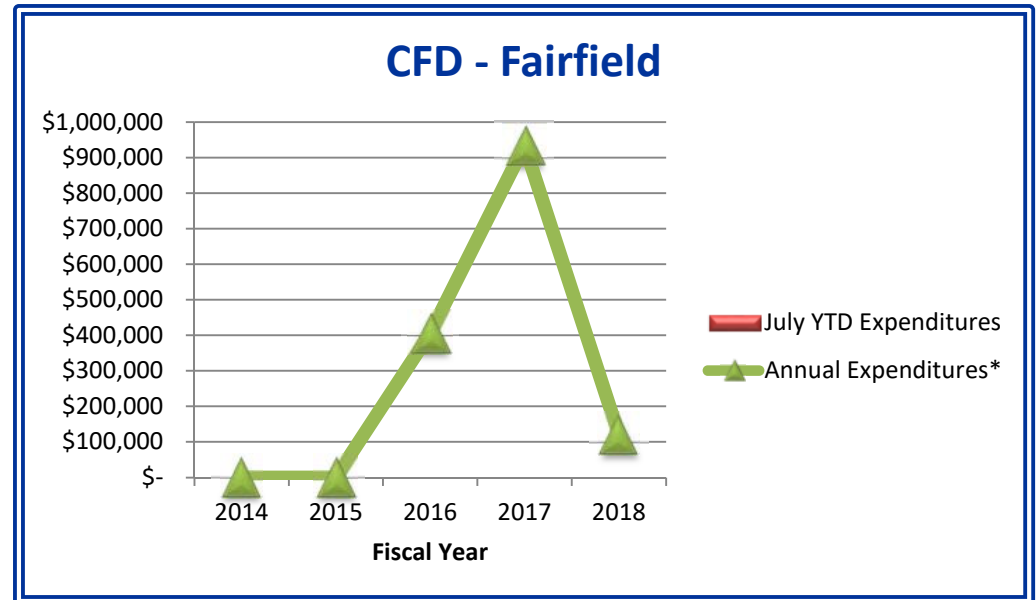
### Total CFD - Fairfield Expenditures

Under Target for FY 2018

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	\$ -	\$ 934,239	0%	N/A	131%
2018	\$ -	\$ 120,175	0%	N/A	-87%

**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 2018, planned capital improvement projects include improvements at the Brewer Road property.



\* 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 (excluding Internal Charges)

### City Council Expenditures

**Under Target for FY 2018**

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	\$ 60,524	1%	<1%	-4%
2018	\$ 4,132	\$ 77,775	5%	930%	29%

**Annual Increase from FY 2014 to FY 2015:**

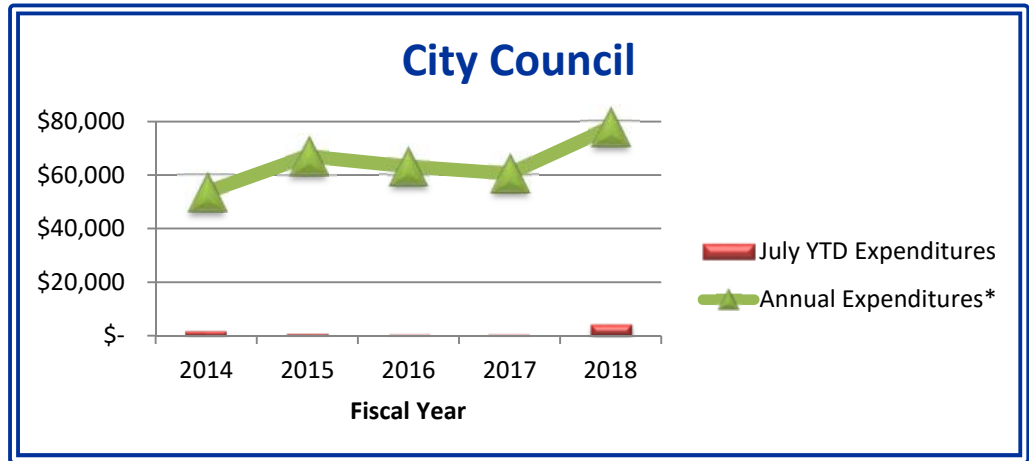
- (1) Moved Travel & Training costs to departments from General Services in FY 2015.
- (2) Increase in meals costs for City Manager interviews.
- (3) Replacement of office furniture.

**YTD Increase from FY 2017 to FY 2018:**

The increase is partly due to timing of Travel & Training payments.

**Annual Increase from FY 2017 to FY 2018:**

FY 2018 includes additional budget capacity for Travel & Training and Special Programs.



### City Manager's Office Expenditures

**On Target for FY 2018**

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	\$ 878,130	4%	-13%	18%
2018	\$ 1,111,728	\$ 3,138,700	35%	2755%	257%

**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:**

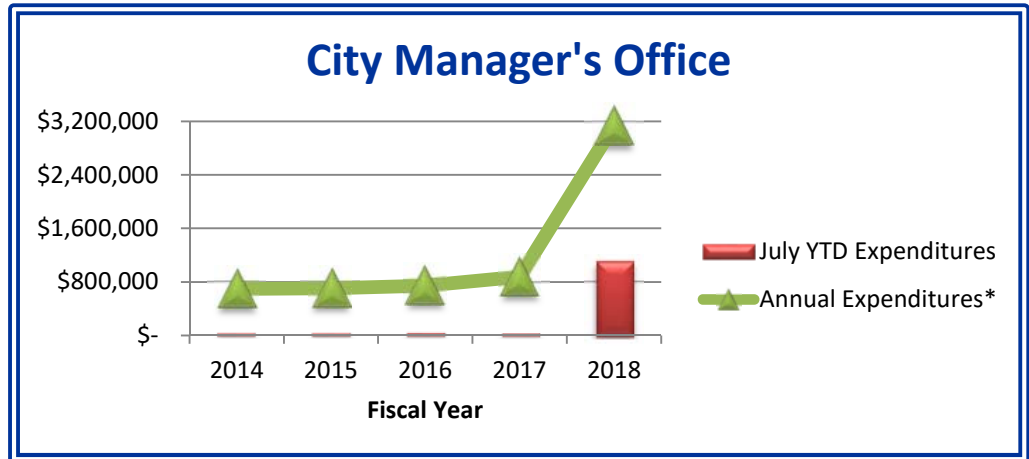
The Economic Development program totaling approximately \$165,000 was initiated.

**YTD Increase from FY 2017 to FY 2018:**

The Tourism Management & Development costs were moved from General Services to the City Manager's Office budget.

**Annual Increase from FY 2017 to FY 2018:**

The Tourism Management & Development costs were moved from General Services to the City Manager's Office budget, and the Economic Development program was moved to a separate department.



**On Target for FY 2018:** The percentage of annual expenditures is high for one month of the fiscal year (35% actual compared to one month budget of 8%). Approximately 69% of the budget represents costs for the Tourism & Development program, and those costs are paid semiannually. One half of these contracts are paid in July. Based on the timing and size of these payments, the City Manager's Office expenditures are on track for FY 2018.

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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Human Resources Expenditures

Under Target for FY 2018						
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	\$ 255,942	5%	-10%	17%	
2018	\$ 12,256	\$ 308,275	4%	5%	20%	

#### 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) The increase is partly due to increases in recruitment and relocations costs.

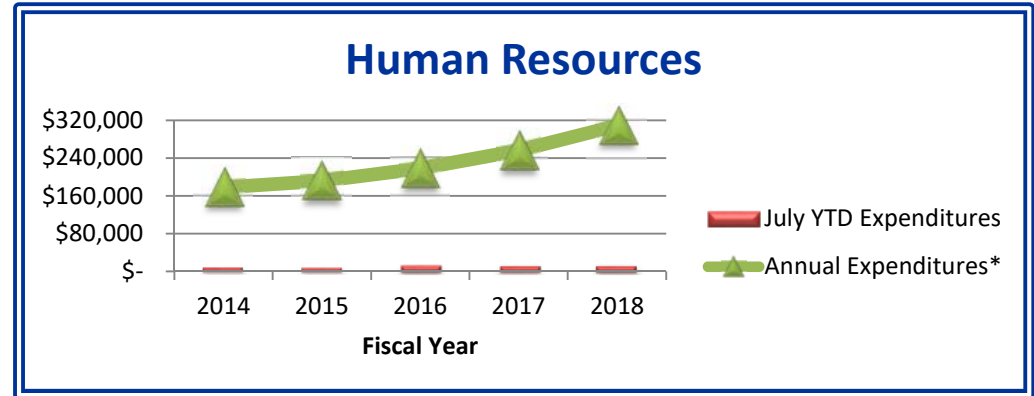
(2) Special programs costs are higher due an increase in costs for the volunteer appreciation event.

(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.

#### Annual Increase from FY 2017 to FY 2018:

(1) FY 2018 includes budget capacity to cover unemployment benefits and recruitment/relocation costs.

(2) City-wide Travel & Training costs were moved from General Services to the Human Resources Department budget.



### Financial Services Expenditures

Under Target for FY 2018						
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	\$ 859,666	5%	71%	91%	
2018	\$ 42,209	\$ 1,130,005	4%	-1%	31%	

#### 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 2015 to FY 2016:

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 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.

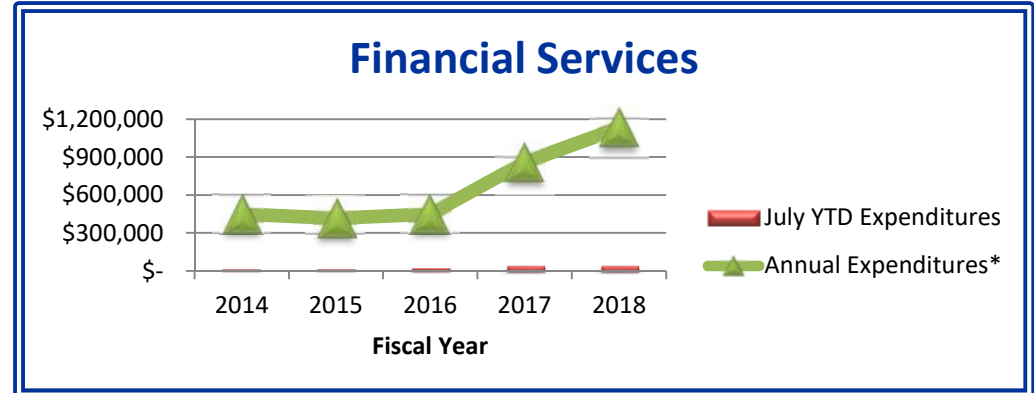
#### Annual Increase from FY 2017 to FY 2018:

(1) Service charges were moved from General Services to the Financial Services Department and increased to account for service charges applicable to the new paid parking program.

(2) Septic reimbursements were moved from Wastewater Operations to the Financial Services Department.

(3) Budget amounts were added in FY 2018 to accommodate the implementation of remittance processing for utility bills and hiring of a collection agency.

(4) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Information Technology Expenditures

Under Target for FY 2018

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	\$ 1,083,123	17%	-3%	27%
2018	\$ 70,872	\$ 1,367,904	5%	-60%	26%

**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.

**Annual 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.

**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 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:**

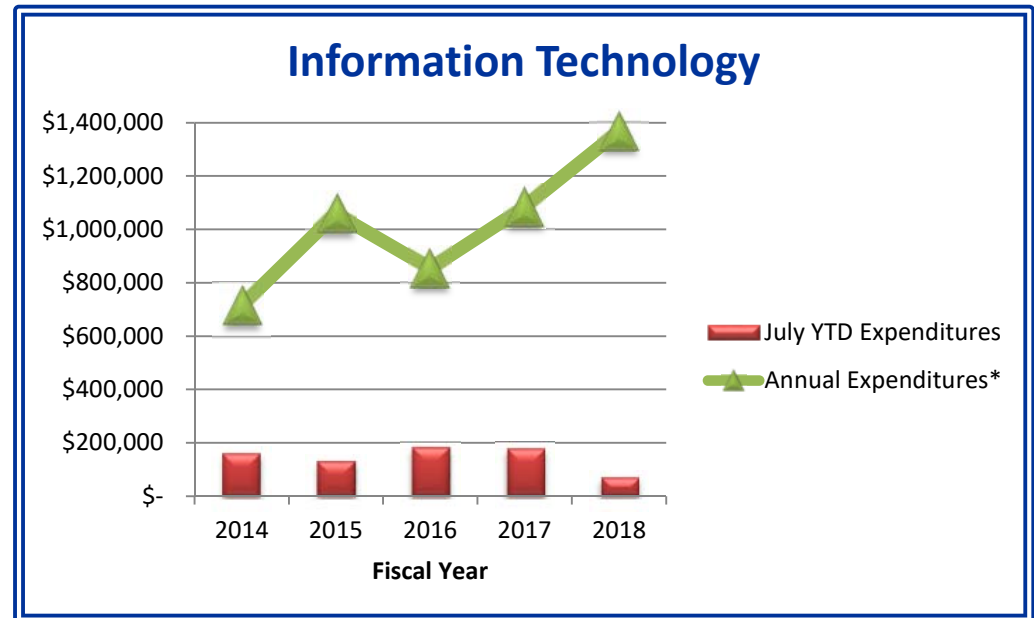
- (1) The increase is partly due to the replacement and upgrade of the storage area network and upgrade of a digital evidence logger recorder.
- (2) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in 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.

**YTD Decrease from FY 2017 to FY 2018:**

The increase is primarily due to timing differences in when payments of annual software maintenance contracts were made.

**Annual Increase from FY 2017 to FY 2018:**

- (1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.
- (2) Budgeted software and hardware purchases include migration to Microsoft Office 365, budget automation software, and various Wastewater operational needs.
- (3) Network connectivity for the Sinagua Building and fiber optic connection for the Wastewater Treatment Plant were included in the FY 2018 budget.
- (4) Budgets for copier leases were moved from General Services and Wastewater Administration to the Information Technology Department.
- (5) Phone and alarm system services were moved from Wastewater Administration to the Information Technology Department.
- (6) Budgeted expenditures for hardware and software maintenance contracts were increased in FY 2018.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### City Attorney's Office Expenditures

**Under Target for FY 2018**

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	\$ 548,304	5%	16%	10%
2018	\$ 26,055	\$ 683,600	4%	-5%	25%

**YTD 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.

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

**Annual Increase from FY 2017 to FY 2018:**

- (1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.
- (2) Budgeted amounts for payment of legal claims and services was transferred from the Wastewater Administration Department.

### City Clerk's Office Expenditures

**Under Target for FY 2018**

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	\$ 265,657	5%	-14%	21%
2018	\$ 14,489	\$ 260,090	6%	20%	-2%

**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 Decrease from FY 2015 to FY 2016:**

FY 2015 was an election year.

**YTD Decrease from FY 2016 to FY 2017:**

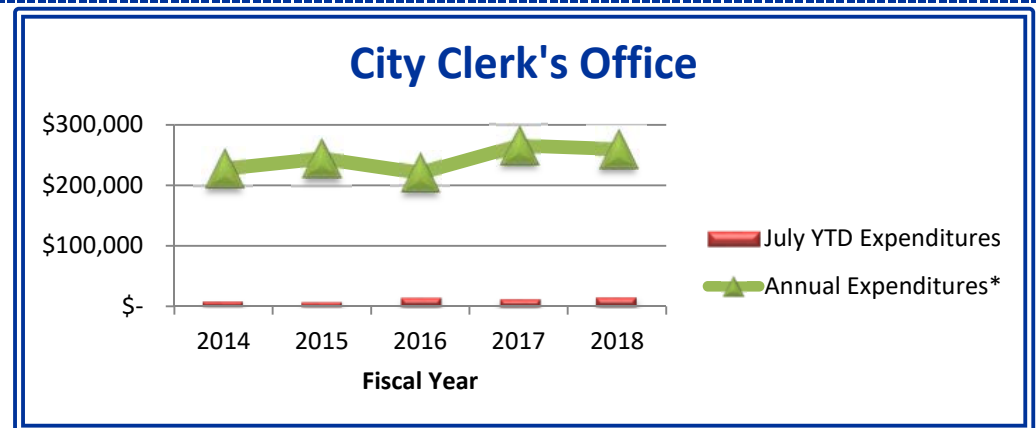
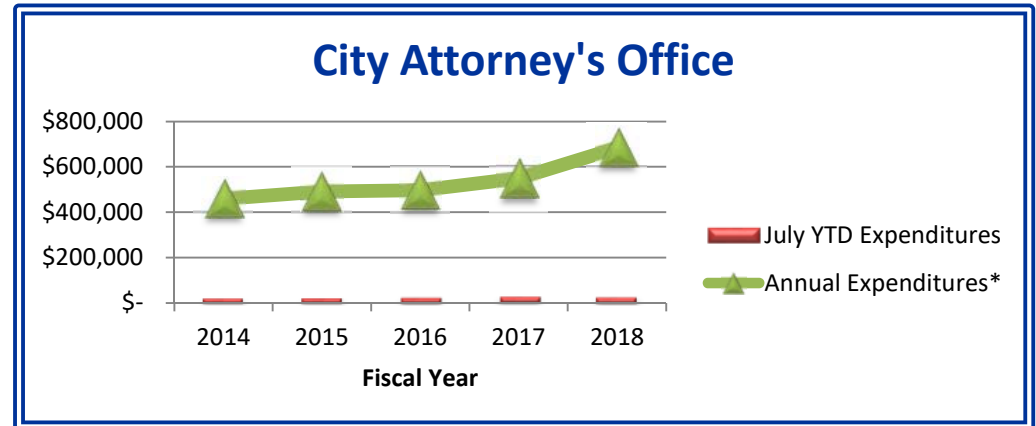
The decrease is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2016 includes activity for one and a half pay periods, while July 2015 includes activity for two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

**Annual Increase from FY 2016 to FY 2017:**

- (1) FY 2017 was 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.

**YTD Increase from FY 2017 to FY 2018:**

The increase was due to a timing difference in the accrual of health insurance costs.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Parks & Recreation Expenditures

Under Target for FY 2018

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	\$ 608,478	12%	2%	23%
2018	\$ 45,911	\$ 733,974	6%	-35%	21%

#### 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 were associated with part-time positions. The timing of the part-time hours during the year can fluctuate based on the needs for special events and aquatics activity.

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

#### YTD Increase from FY 2015 to FY 2016:

- (1) The increase is partly 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 2016 to FY 2017:

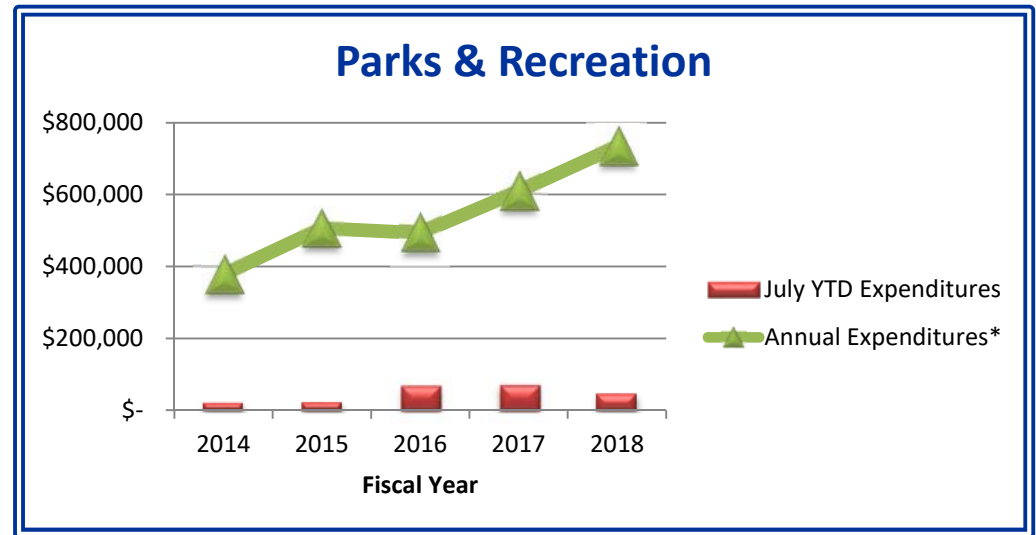
- (1) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.
- (2) Special events were increased approximately \$33,000 for additional events and enhancements of existing events.
- (3) Grant funding for the Wetlands Viewing Piers and the Sunset Park Tot Lot was included.

#### YTD Decrease from FY 2017 to FY 2018:

The decrease was mostly due to a reduction of costs for the July 4th special event.

#### Annual Increase from FY 2017 to FY 2018:

- (1) An Administrative Assistant position was added.
- (2) Wages for temporary positions were increased due to legislative changes to minimum wage and required sick leave.
- (3) Trails maintenance costs at the Posse Grounds Park was added.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### General Services Expenditures

**On Target for FY 2018**

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	\$ 4,209,363	29%	16%	3%
2018	\$ 221,766	\$ 1,928,084	12%	-82%	-54%

**YTD Increase from FY 2014 to FY 2015:**

- (1) Starting FY 2015, debt service costs were 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.

**Annual Increase from FY 2014 to FY 2015:**

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

**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 difference in when some of the community support payments were made.

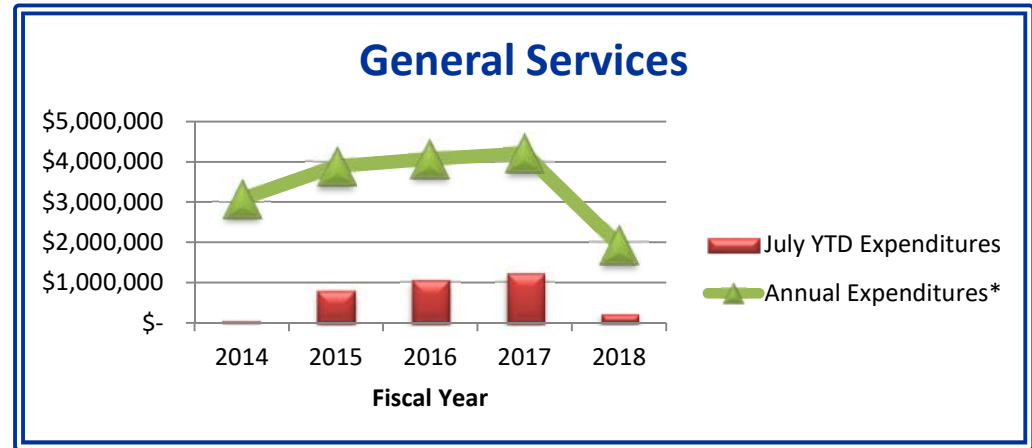
**YTD Decrease from FY 2017 to FY 2018:**

- (1) The debt service costs were moved to a separate departmental code in the general ledger.
- (2) Tourism Management & Development costs were moved to the City Manager's Office budget.
- (3) There were timing difference in when some of the community support payments were made.

**Annual Decrease from FY 2017 to FY 2018:**

- (1) The debt service costs were moved to a separate departmental code in the general ledger.
- (2) Tourism Management & Development costs were moved to the City Manager's Office.

**On Target for FY 2018:** The percentage of annual expenditures is high for one month of the fiscal year (12% actual compared to one month budget of 8%). Approximately 48% of the budget represents costs for community service contracts, 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

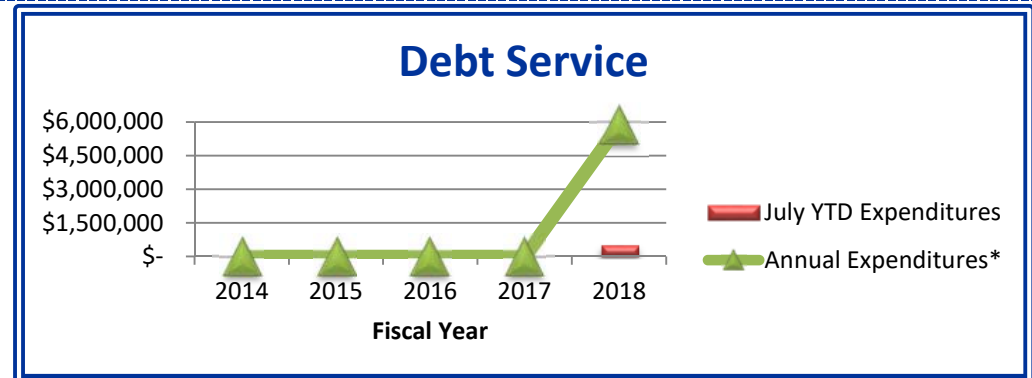


### Debt Service Expenditures

**On Target for FY 2018**

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	\$ -	\$ -	N/A	N/A	N/A
2017	\$ -	\$ -	N/A	N/A	N/A
2018	\$ 489,186	\$ 5,841,045	8%	∞	∞

Debt Service costs were moved to a separate departmental code in the general ledger starting in FY 2018.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Community Development Expenditures

**Under Target for FY 2018**

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	\$ 1,576,171	4%	-42%	31%
2018	\$ 96,903	\$ 1,707,950	6%	56%	8%

**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.

**YTD Increase from FY 2015 to FY 2016:**

- (1) The increase is partly 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.

**Annual 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.

**YTD Decrease from FY 2016 to FY 2017:**

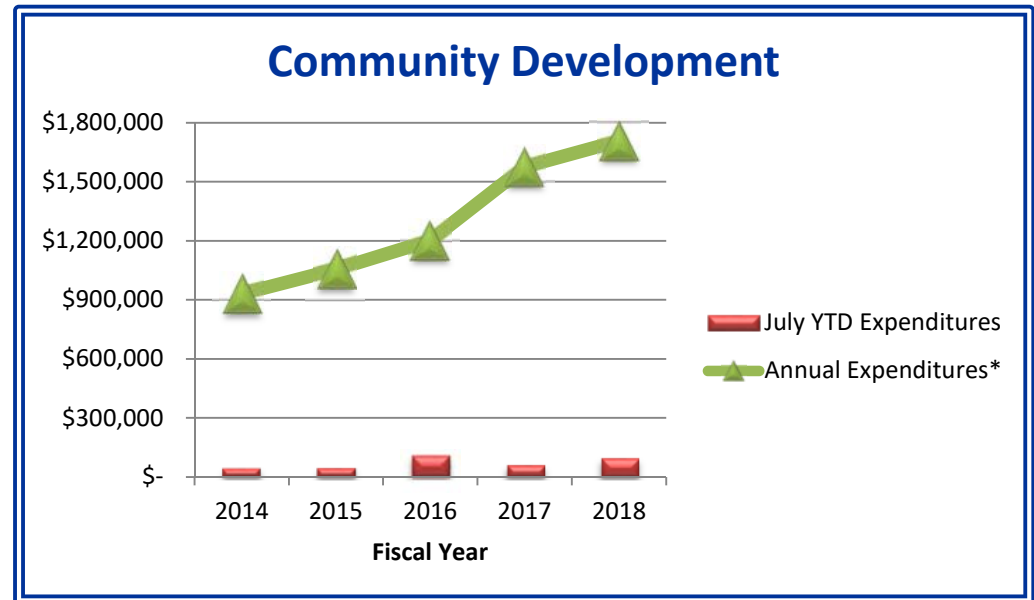
- (1) The decrease is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2016 includes activity for one and a half pay periods, while July 2015 includes activity for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

**Annual 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.

**YTD Increase from FY 2017 to FY 2018:**

- (1) A portion of the increase is due to Community Development Block Grant (CDBG) expenditures. The grant is on a different fiscal year, and some of the final expenditures were incurred in FY 2018.
- (2) The increase is also due to vacancy savings in the prior fiscal year.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Public Works Expenditures

**Under Target for FY 2018**

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	\$ 4,527,126	3%	4%	41%
2018	\$ 170,081	\$ 4,911,416	3%	22%	8%

#### 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 & Benefits were approximately \$10,000 lower due to vacancies in the department.

#### 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.

#### YTD Increase from FY 2015 to FY 2016:

- (1) The increase is partly 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 Increase from FY 2015 to FY 2016:

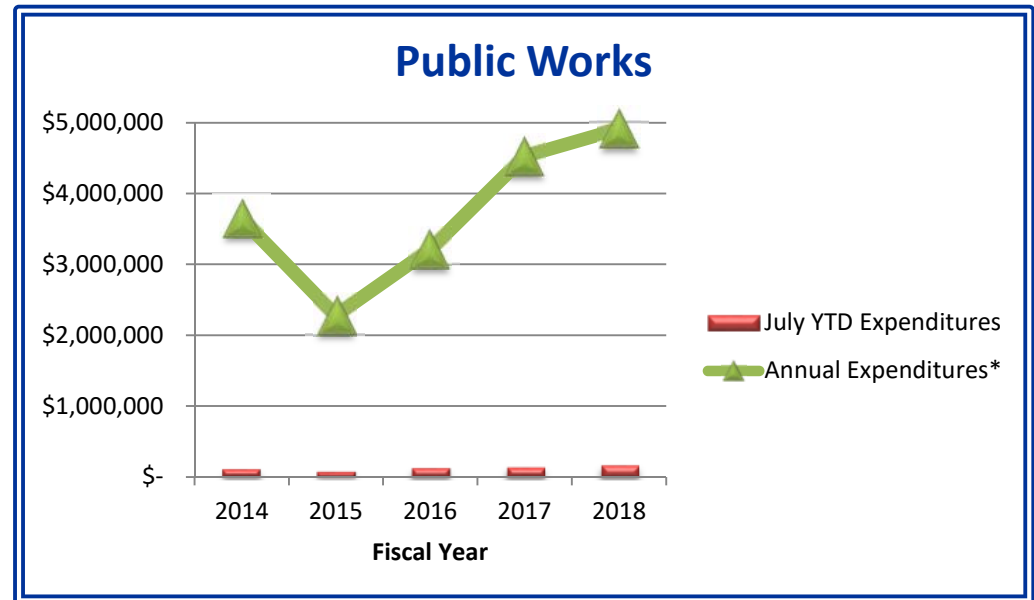
- (1) The increase was partly due to increased expenditures for road rehabilitation and maintenance.
- (2) An Assistant Engineer position and an Associate Engineer position were added in FY 2016.
- (3) The increase was partly due to increases in utility costs.
- (4) Improvements were made to the Teen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

#### Annual 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%.

#### YTD Increase from FY 2017 to FY 2018:

- (1) The increase was partly due to a timing difference in the accrual of health insurance costs.
- (2) The increase was also partly due to the addition of the Traffic Control Services program.



\* 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.

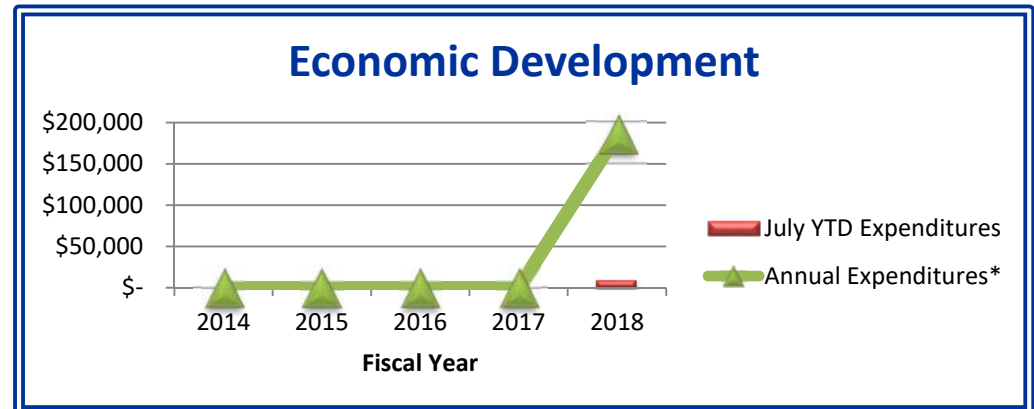
## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Economic Development Expenditures

**Under Target for FY 2018**

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	\$ -	\$ -	N/A	N/A	N/A
2017	\$ -	\$ -	N/A	N/A	N/A
2018	\$ 9,936	\$ 184,970	5%	∞	∞

The Economic Development program was moved to its own department in FY 2018.



### Police Expenditures

**Under Target for FY 2018**

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	\$ 4,080,748	6%	-14%	7%
2018	\$ 253,793	\$ 4,716,435	5%	-1%	16%

#### 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 were increased.

#### Annual 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.

#### YTD Increase from FY 2015 to FY 2016:

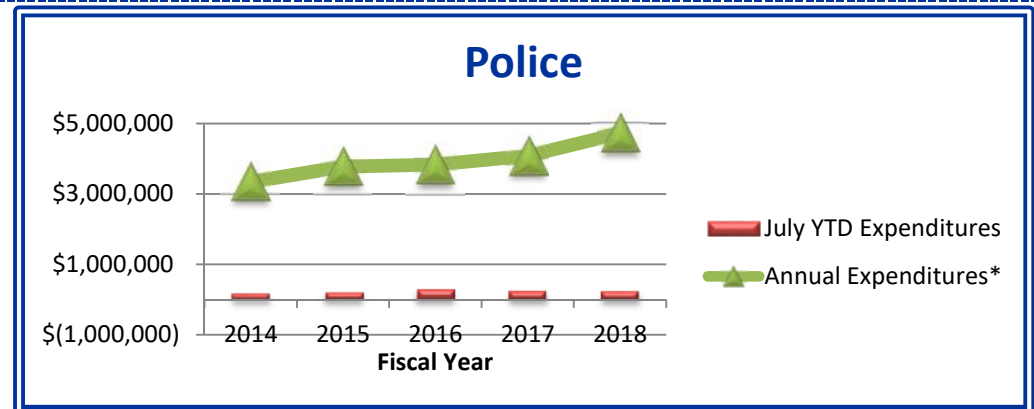
The increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.

#### 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 2017 to FY 2018:

- (1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.
- (2) The PSPRS required contribution rate increased approximately 30%.
- (3) The purchase and training of a new K-9 was budgeted in FY 2018.
- (4) The FY 2018 budget includes additional lease payments for the completion of the assigned vehicle program for patrol officers.
- (5) The FY 2018 budget also includes additional capacity for vehicle fuel costs.



\* 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 (excluding Internal Charges)

### Municipal Court Expenditures

Under Target for FY 2018

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	\$ 322,022	5%	-16%	5%
2018	\$ 16,941	\$ 361,370	5%	9%	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:**

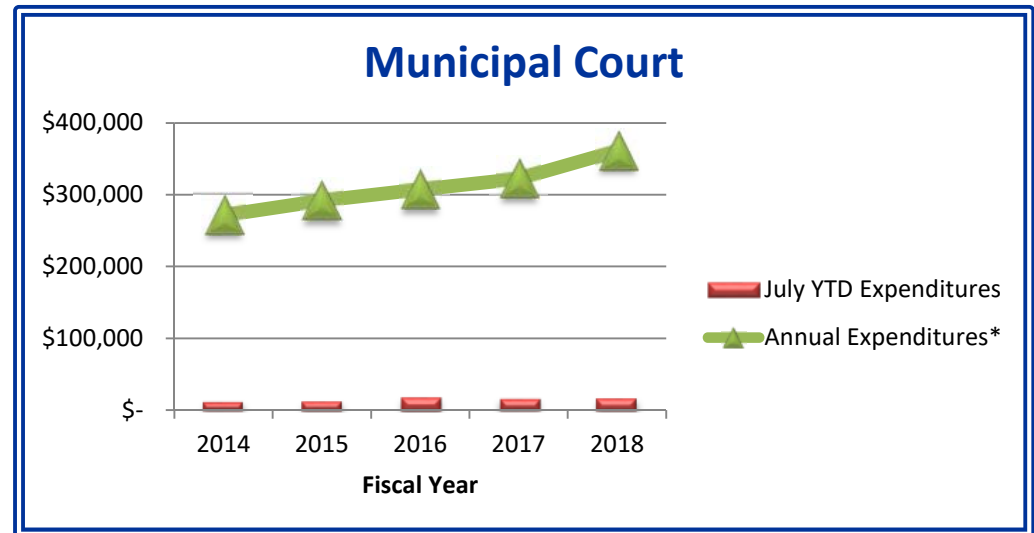
The increase is largely a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2015 includes activity for two pay periods, while July 2014 includes activity for one pay period.

**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 2017 to FY 2018:**

- (1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.
- (2) The FY 2018 budget includes additional capacity for court appointed attorney costs.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Wastewater Administration Expenditures

**Under Target for FY 2018**

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	\$ 5,465,854	8%	-18%	-16%
2018	\$ 11,133	\$ 308,269	4%	-97%	-94%

**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 is partly 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.

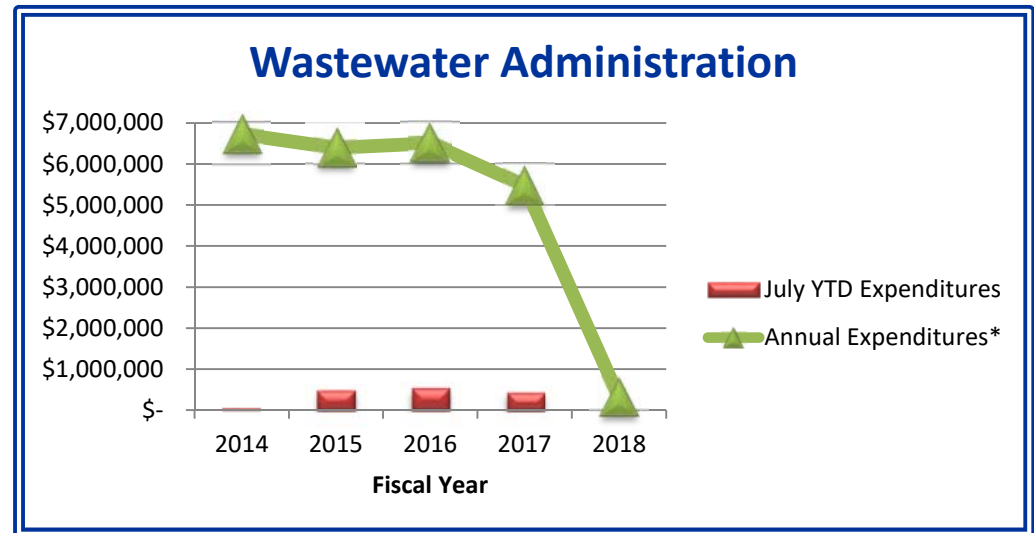
(2) Debt service costs are approximately \$261,000 lower.

**YTD Decrease from FY 2017 to FY 2018:**

The debt service costs were moved to a separate department code in the general ledger.

**Annual Decrease from FY 2017 to FY 2018:**

The debt service costs were moved to a separate department code in the general ledger.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Wastewater Capital Projects Mgmt Exp.

Under Target for FY 2018

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	\$ 64,796	6%	-52%	-63%
2018	\$ 3,110	\$ 60,540	5%	-22%	-7%

#### 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.

#### 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) 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.

#### YTD Decrease from FY 2016 to FY 2017:

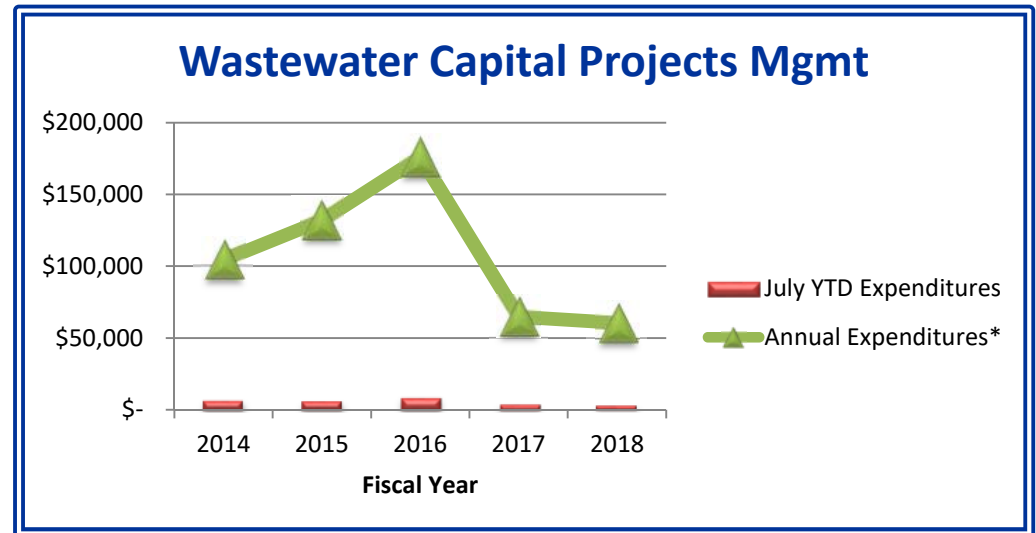
Prior to FY 2017, salary allocations for Capital Projects Management to the Wastewater Enterprise Fund were coded to the Wastewater Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

#### Annual 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.

#### YTD Decrease from FY 2017 to FY 2018:

The decrease is primarily due to vacancy savings in FY 2018.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Wastewater Operations Expenditures

**Under Target for FY 2018**

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	\$ 2,241,279	4%	-29%	-2%
2018	\$ 72,545	\$ 3,053,817	2%	-11%	36%

**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.

**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.

**YTD Increase from FY 2015 to FY 2016:**

- (1) The increase is partly 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:**

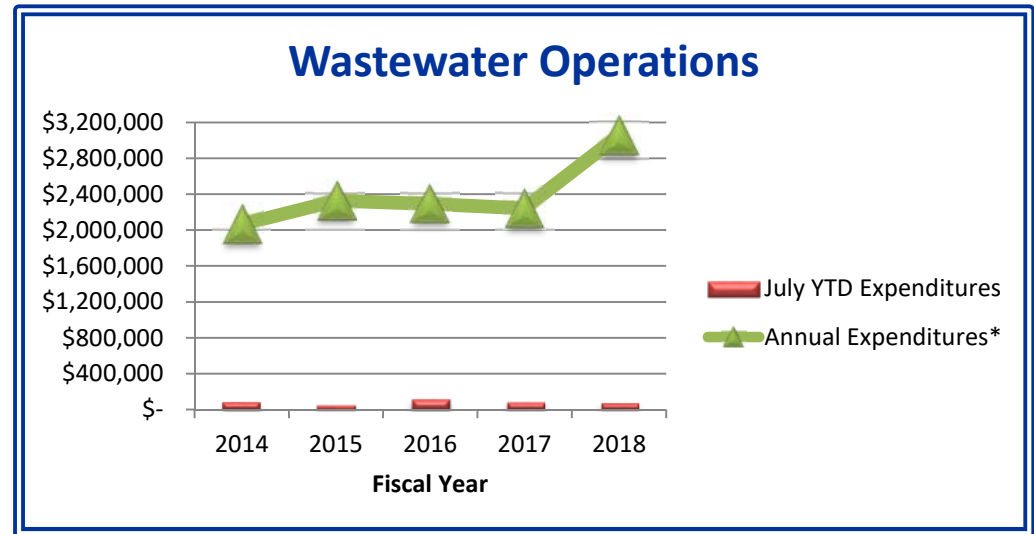
- (1) The decrease is partly a result of a timing difference in the number of pay periods recorded in the month of July. This is primarily due to the payroll dates and year-end accruals recorded in June. July 2016 includes activity for one and a half pay periods, while July 2015 includes activity for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

**YTD Decrease from FY 2017 to FY 2018:**

Due to the timing of utility payments, approximately \$20,000 less was recorded in July 2017 as compared to July 2016.

**Annual Increase from FY 2017 to FY 2018:**

- (1) The increase is partly a result of a generator replacement and rental.
- (2) The FY 2018 budget includes the addition of a plant operator position.
- (3) The FY 2018 budget also includes rebuilding and replacing of pumps and the replacement of pump station roofs.
- (4) Injection well maintenance was added for the new injection wells coming on line.
- (5) The FY 2018 budget also includes increased costs for utilities, irrigation maintenance, operations maintenance, and electrical support.
- (6) SCADA support, WIMS training, trunk line cleaning and inspection, and a remodel of the operations building office space were included in the FY 2018 budget.



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## Total Revenues by Fund

### Total General Fund Revenues

**Under Target for FY 2018**

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	\$ 25,179,577	7%	48%	35%
2018	\$ 1,995,363	\$ 25,924,160	8%	12%	3%

#### 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.

#### 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 for 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.

#### 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.

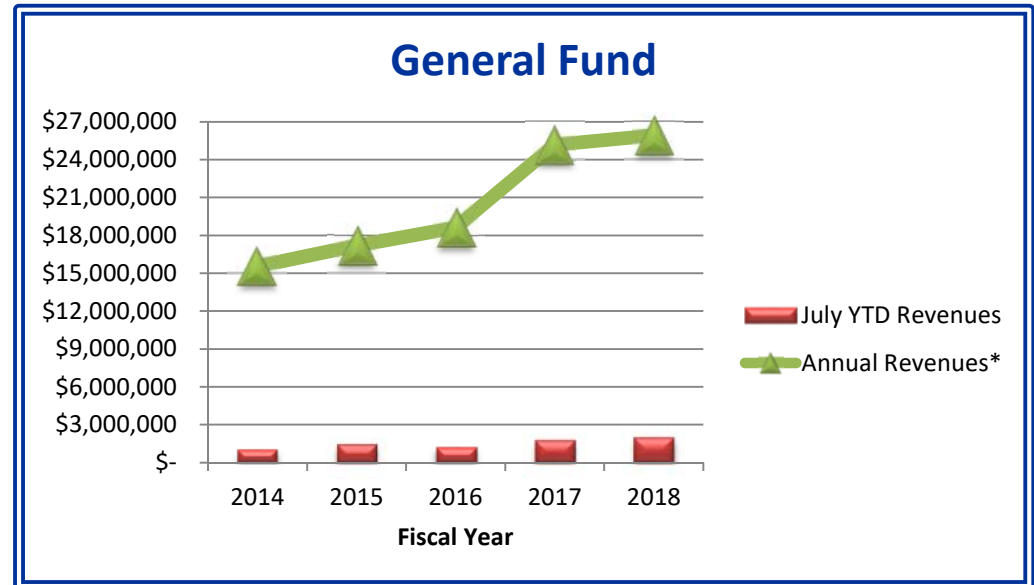
#### Annual Increase from FY 2016 to FY 2017:

- (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%.

#### YTD Increase from FY 2017 to FY 2018:

- (1) The increase was partly due to insurance proceeds for the City Hall flood damage.
- (2) The increase was also partly due to the implementation of the paid parking program.
- (3) In addition, sales tax revenues increased 6% over the prior year, largely in the Construction and Leasing categories.

**Under Target for FY 2018:** 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

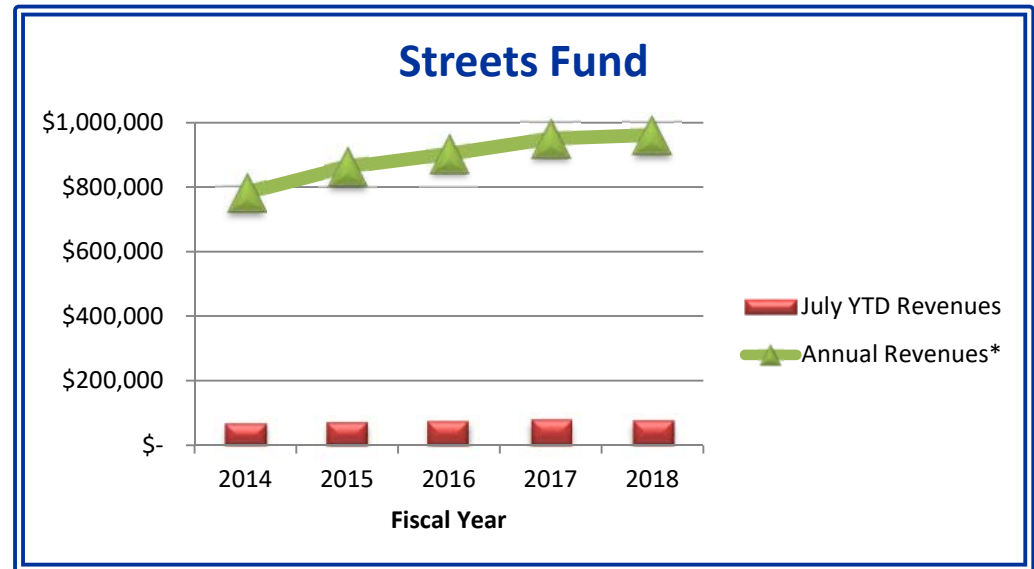
Under Target for FY 2018

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	\$ 950,751	8%	7%	5%
2018	\$ 76,292	\$ 961,900	8%	-5%	1%

**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.

**Under Target for FY 2018:** The FY 2018 budget includes \$100,000 of anticipated outside participation in certain streets projects. Those revenues are not anticipated until the actual projects commence.



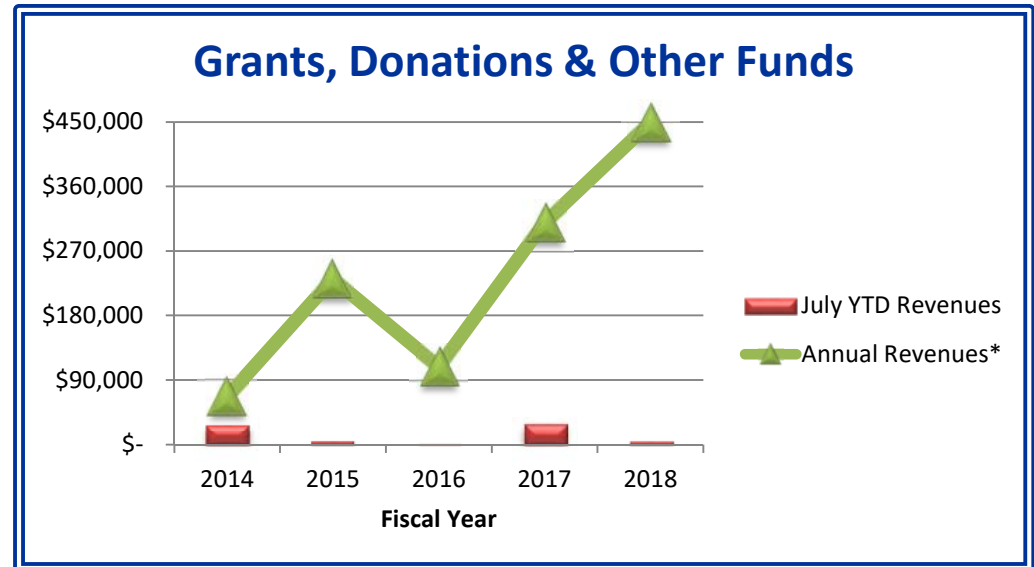
### Total Grants, Donations & Other Rev.

Under Target for FY 2018

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 28,650	\$ 66,852	43%		
2015	\$ 5,517	\$ 230,824	2%	-81%	245%
2016	\$ 142	\$ 108,649	<1%	-97%	-53%
2017	\$ 28,650	\$ 309,408	9%	20051%	185%
2018	\$ 5,111	\$ 449,060	1%	-82%	45%

**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 2018:** The FY 2018 budget includes \$300,000 of contingent grant revenues in case a significant grant opportunity arises.



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## Total Revenues by Fund

### Total Develop. Impact Fees Revenues

**Exceeds Target for FY 2018**

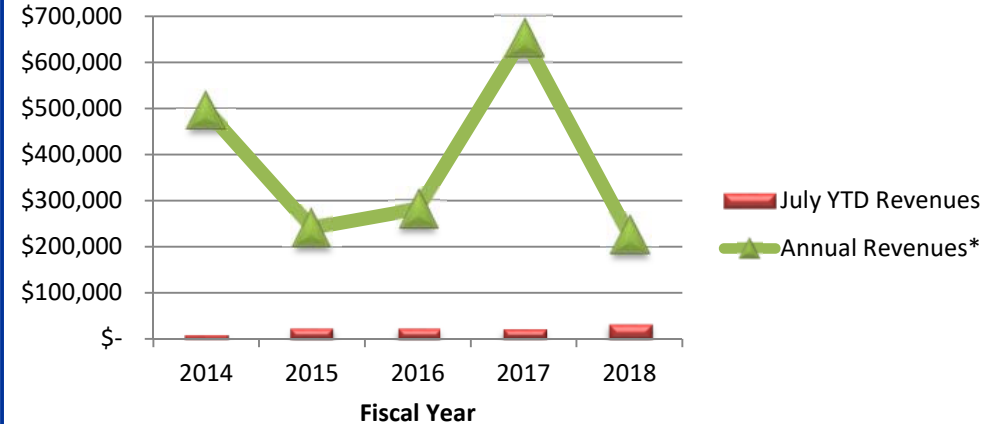
FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 9,027	\$ 495,662	2%		
2015	\$ 23,228	\$ 240,561	10%	157%	-51%
2016	\$ 22,882	\$ 281,497	8%	-1%	17%
2017	\$ 21,047	\$ 654,256	3%	-8%	<b>132%</b>
2018	\$ 31,544	\$ 225,490	14%	50%	-66%

#### Annual 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

### Development Impact Fees Funds



### Total Capital Improvements Fund Rev.

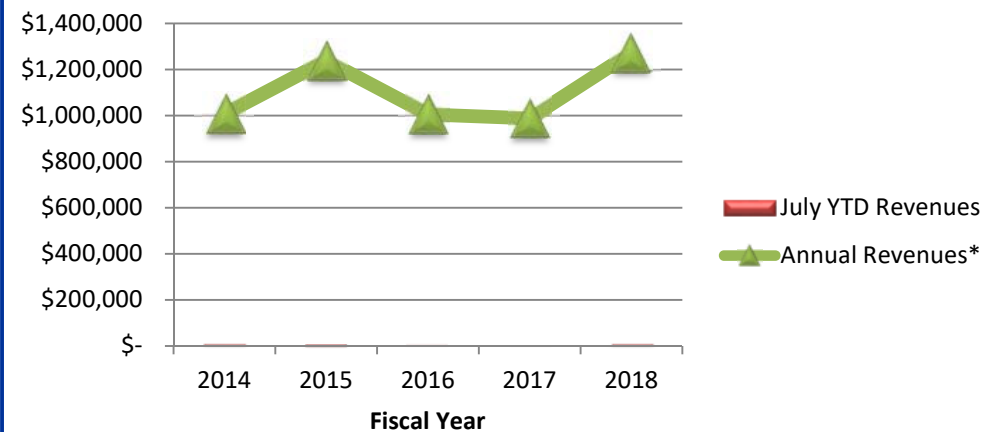
**Under Target for FY 2018**

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	\$ 988,346	<1%	-34%	-2%
2018	\$ 5,893	\$ 1,271,857	<1%	208%	29%

**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 2018:** 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.

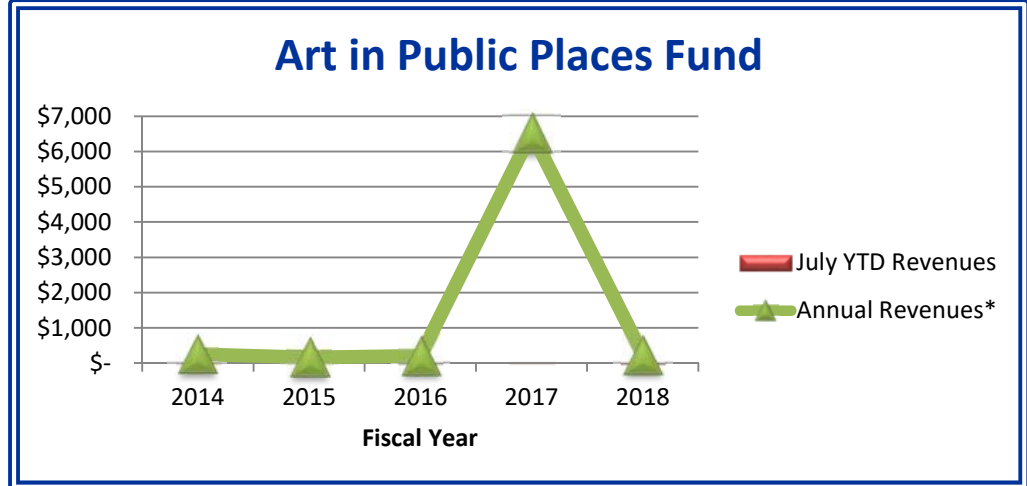
**Exceeds Target for FY 2018**

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	\$ 6,528	<1%	233%	<b>3106%</b>
2018	\$ 32	\$ 230	14%	135%	-96%

**Annual 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.



### Total Wastewater Enterprise Fund Rev.

**Exceeds Target for FY 2018**

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	\$ 7,180,562	8%	<b>-33%</b>	<b>-35%</b>
2018	\$ 582,897	\$ 6,723,550	9%	8%	-6%

**YTD Decrease from FY 2016 to FY 2017:**

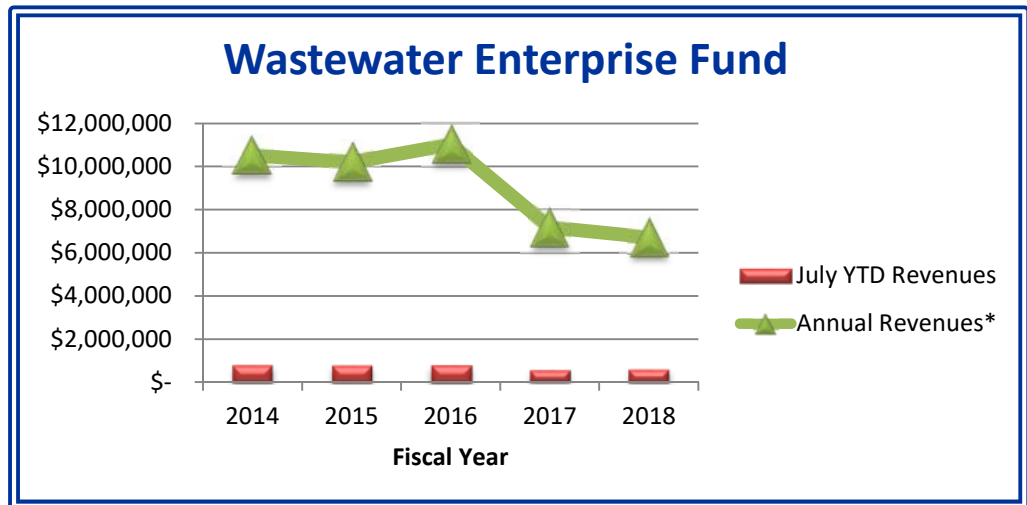
(1) An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the 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.



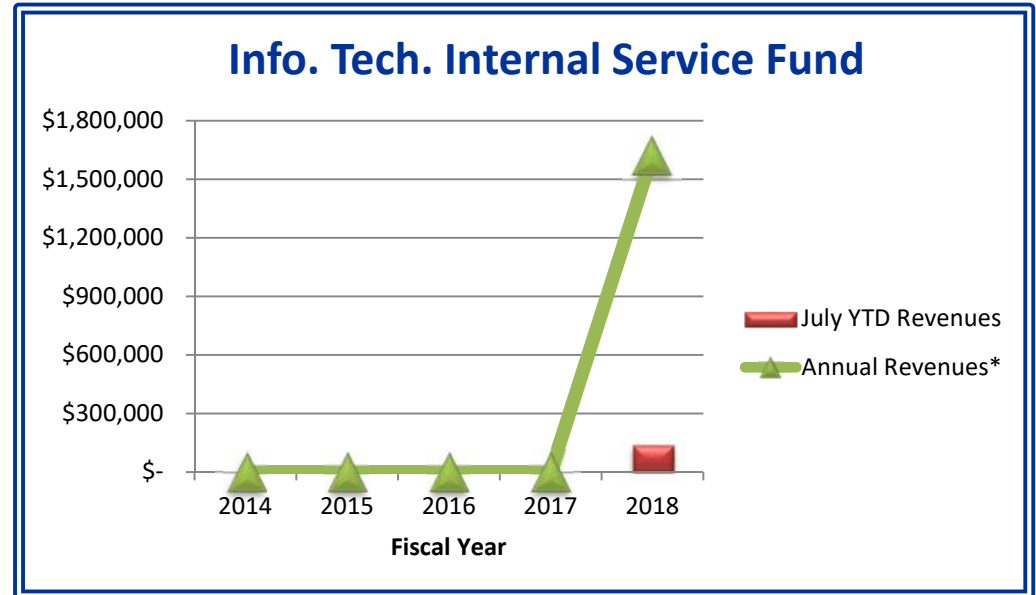
\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Fund

**Total Info. Tech. Internal Svc. Fund Rev.** On Target for FY 2018

FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ -	\$ -	N/A	N/A	N/A
2017	\$ -	\$ -	N/A	N/A	N/A
2018	\$ 137,303	\$ 1,622,130	8%	∞	∞

The Information Technology Internal Service Fund was initiated in FY 2018.



\* 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 CFD - Sedona Summit II Revenues Under Target for FY 2018

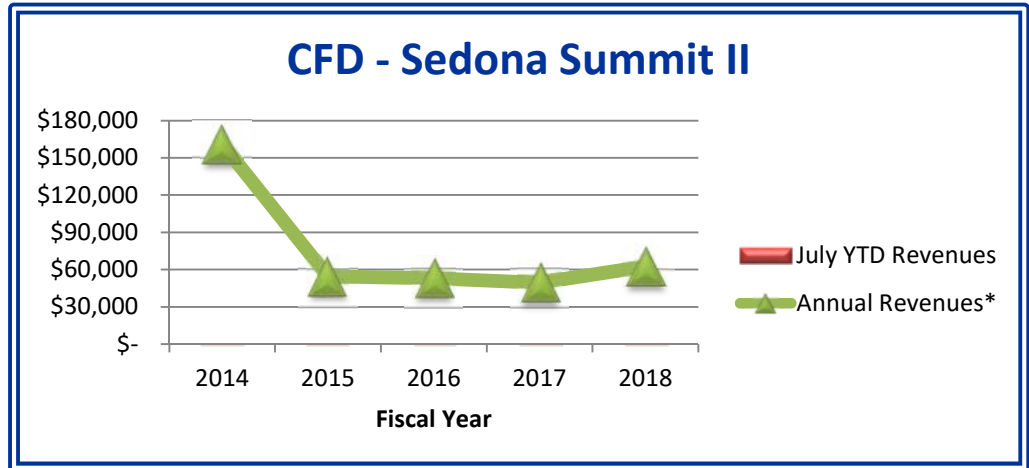
FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 2	\$ 160,904	<1%		
2015	\$ 3	\$ 54,429	<1%	66%	-66%
2016	\$ 105	\$ 52,969	<1%	3544%	-3%
2017	\$ 20	\$ 49,312	<1%	-81%	-7%
2018	\$ 49	\$ 62,600	<1%	145%	27%

**Annual Decrease from FY 2014 to FY 2015:**

The FY 2014 revenues include amounts resulting from an audit.

**Annual Increase from FY 2017 to FY 2018:**

The FY 2018 budget was based on preliminary estimates. FY 2017 revenues were expected to be higher at the time projections were developed, and the FY 2018 projection may also be slightly high.



**Under Target for FY 2018:** 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 2018

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	\$ 153,156	<1%	307%	24%
2018	\$ 384	\$ 125,550	<1%	145%	-18%

**Annual Increase from FY 2014 to FY 2015:**

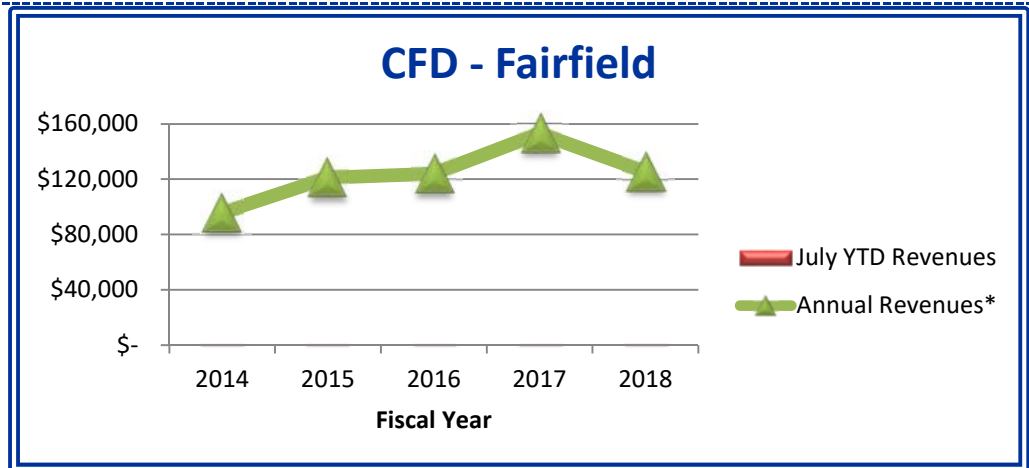
The CFD in lieu fees increased approximately \$26,000, and calculations are based on the amounts paid by the timeshare owners.

**Annual 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.\*\*

**Annual Decrease from FY 2017 to FY 2018:**

The decrease 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.\*\*



**Under Target for FY 2018:** 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 expected to be on target by the end of the fiscal year.

\*\*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.

\* 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 2018**

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	\$ 16,288,543	7%	24%	9%
2018	\$ 1,297,282	\$ 16,673,800	8%	6%	2%

**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 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.

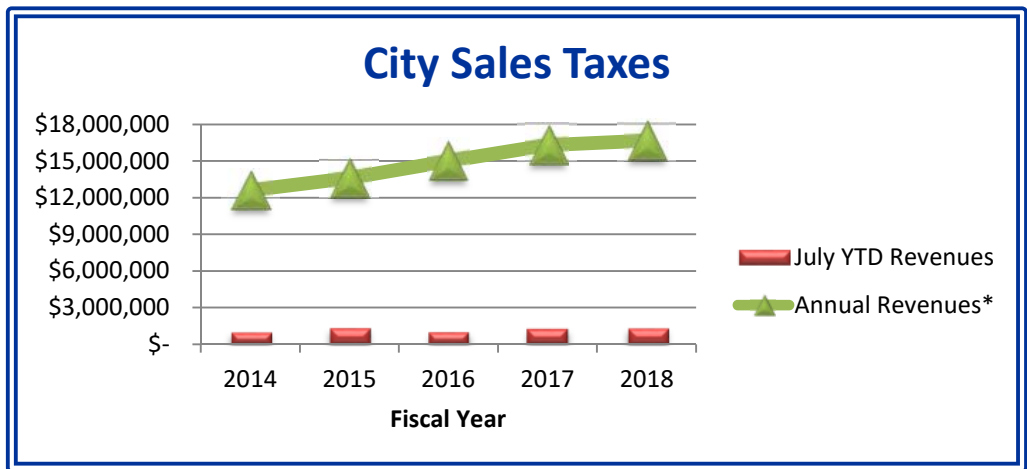
**Annual Increase from FY 2015 to FY 2016:**

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.

**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 2016 that were paid late in FY 2016.

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



### Bed Tax Revenues

**On Target for FY 2018**

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	\$ 3,811,727	7%	46%	27%
2018	\$ 272,841	\$ 3,977,200	7%	<-1%	4%

**YTD Increase from FY 2014 to FY 2015:**

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

**Annual Increase from FY 2014 to FY 2015:**

A portion of the increase was the result of a tax rate increase from 3% to 3.5% effective January 1, 2014. Adjusting for 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 was largely due to the effects of the implementation of the destination marketing program.

**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.

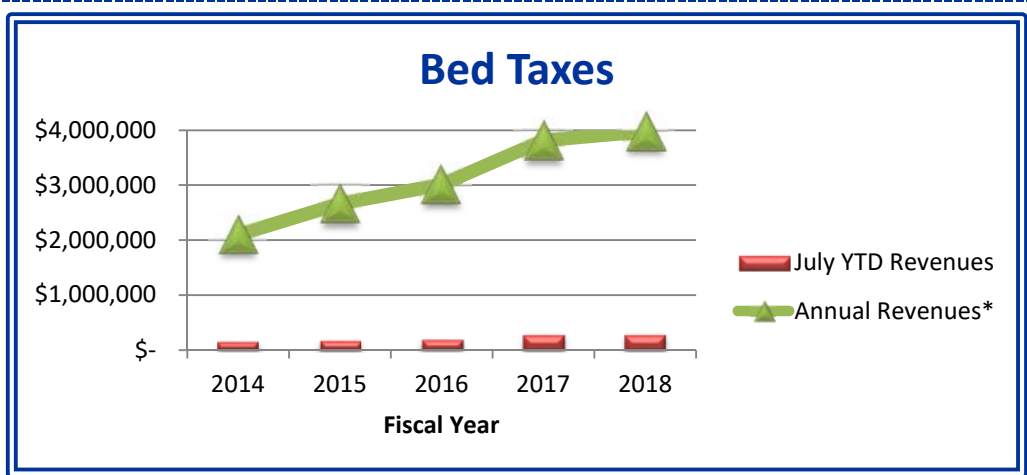
**Annual Increase from FY 2016 to FY 2017:**

(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.



\* 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 2018**

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	\$ -	\$ 686,301	0%	-100%	10%
2018	\$ -	\$ 627,600	0%	N/A	-9%

#### Annual Decrease from FY 2014 to FY 2015:

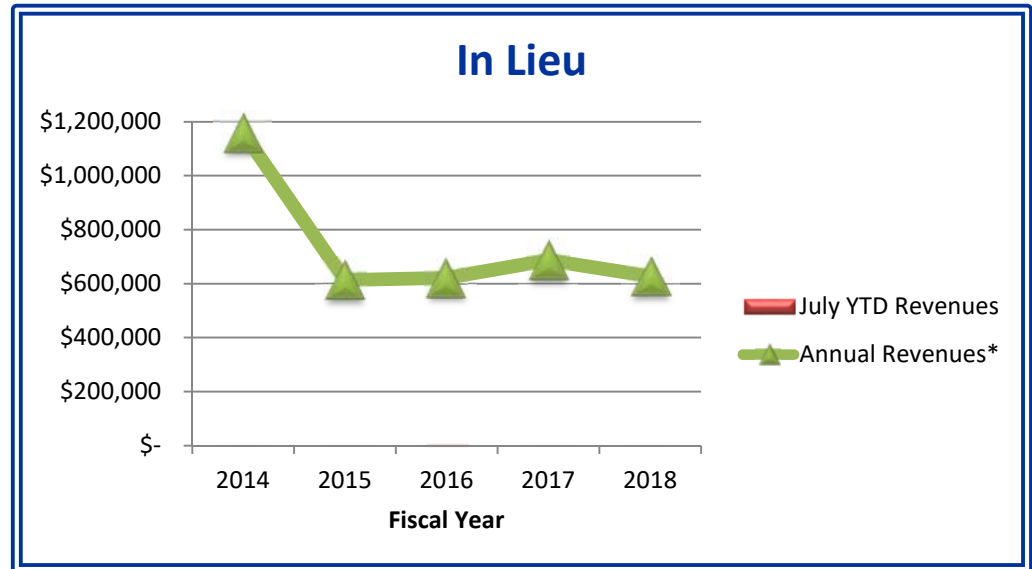
The FY 2014 revenues include amounts resulting from an audit.

#### Annual 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 \$20,000 of FY 2016 revenue was recognized in FY 2017 due to the lateness of receipt.\*\*
- The increase is also due to the receipt of one-time Arts and Affordable Housing in-lieu revenues received in FY 2017.

**On Target for FY 2018:** 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.

\*\*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.

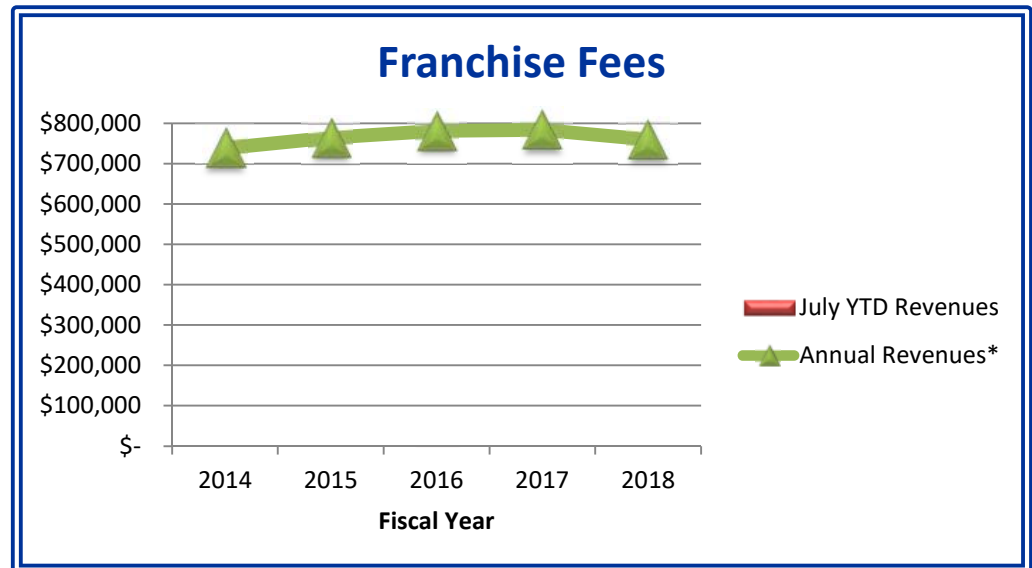


### Franchise Fee Revenues

**On Target for FY 2018**

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	\$ -	\$ 783,413	0%	-100%	<1%
2018	\$ -	\$ 759,400	0%	N/A	-3%

**On Target for FY 2018:** 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.



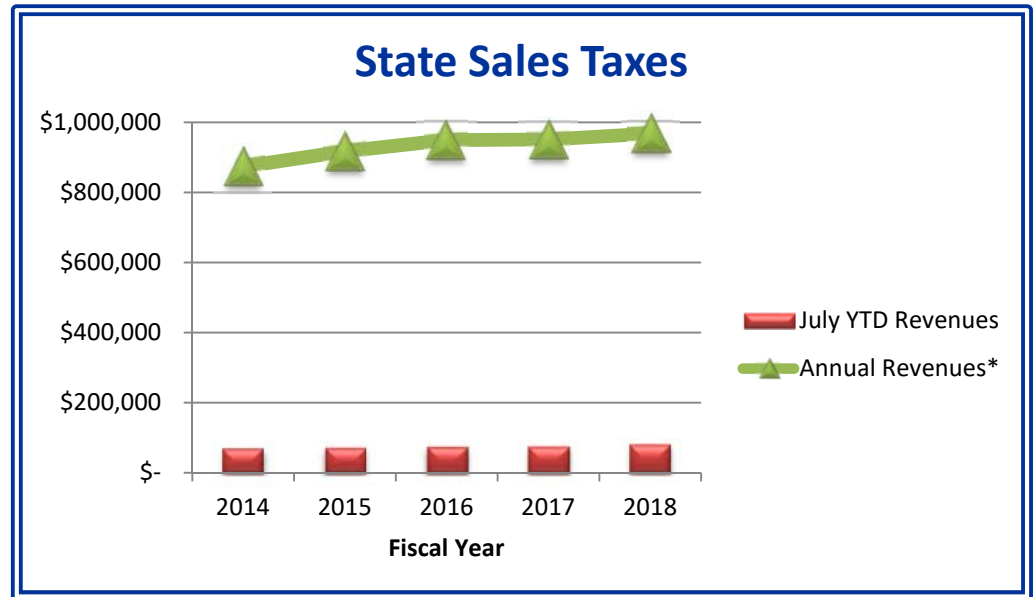
\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### State Sales Tax Revenues

**On Target for FY 2018**

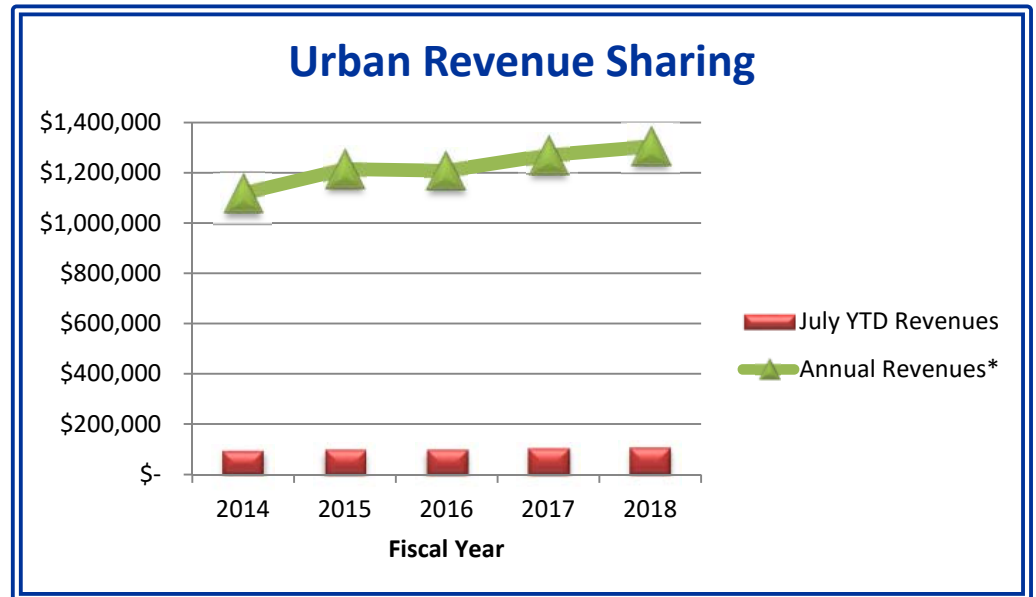
FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 70,280	\$ 873,126	8%		
2015	\$ 71,673	\$ 916,721	8%	2%	5%
2016	\$ 75,535	\$ 948,696	8%	5%	3%
2017	\$ 76,552	\$ 950,879	8%	1%	<1%
2018	\$ 80,787	\$ 966,900	8%	6%	2%



### Urban Revenue Sharing Revenues

**On Target for FY 2018**

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	\$ 1,270,897	8%	5%	5%
2018	\$ 107,314	\$ 1,303,500	8%	1%	3%



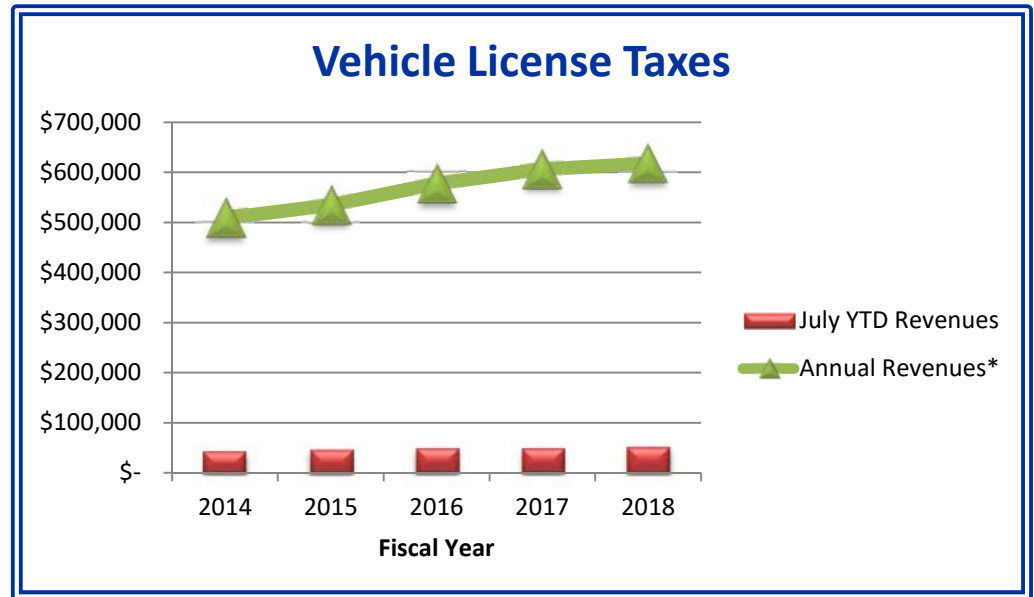
\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### Vehicle License Tax Revenues

On Target for FY 2018

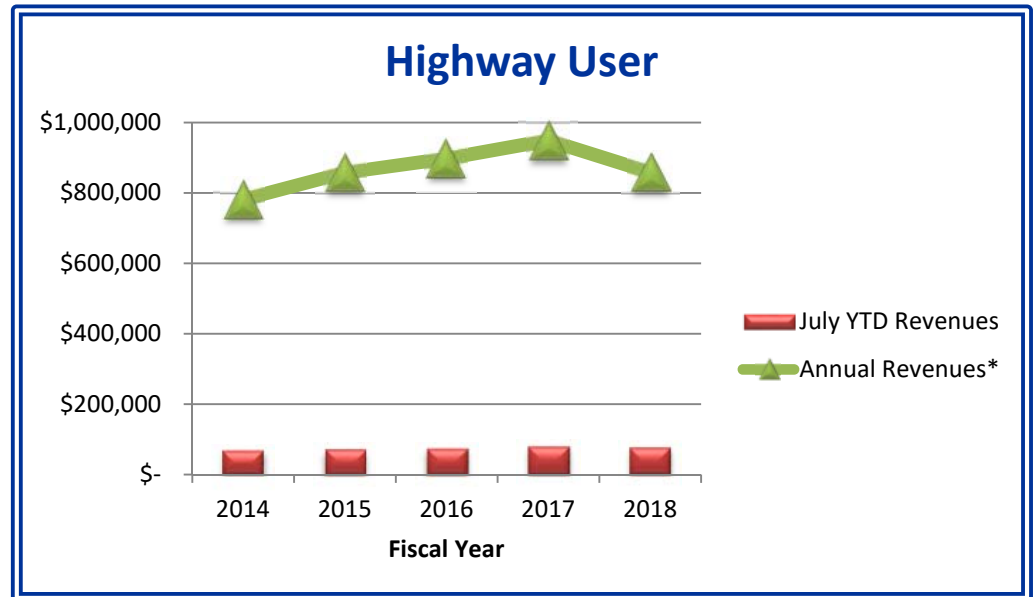
FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 44,114	\$ 508,519	9%		
2015	\$ 48,060	\$ 534,404	9%	9%	5%
2016	\$ 49,933	\$ 577,681	9%	4%	8%
2017	\$ 49,612	\$ 606,030	8%	-1%	5%
2018	\$ 52,883	\$ 617,600	9%	7%	2%



### Highway User Revenues

Exceeds Target for FY 2018

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	\$ 949,028	8%	7%	6%
2018	\$ 76,292	\$ 858,200	9%	-5%	-10%



#### Annual Decrease from FY 2017 to FY 2018:

The decrease is primarily due to one-time additional State funding in FY 2017 resulting in an extra \$35,631 for Sedona.

**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.

\* 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 2018**

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	\$ 956,757	3%	8186%	9%
2018	\$ -	\$ 1,455,317	0%	-100%	52%

#### 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.

#### 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.

#### YTD Decrease from FY 2015 to FY 2016:

The decrease 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 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.

#### YTD Increase from FY 2016 to FY 2017:

The increase was 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.

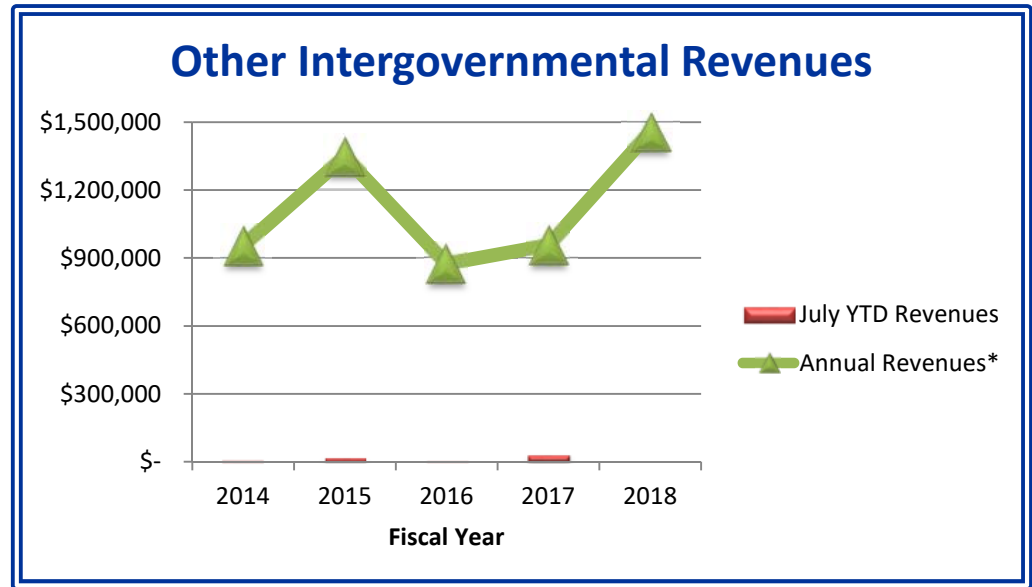
#### YTD Decrease from FY 2017 to FY 2018:

The decrease was 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 2017 to FY 2018:

The increase was primarily due to budgeted grant funding anticipated for capital improvement projects.

**Under Target for FY 2018:** The FY 2018 budget includes \$300,000 of contingent grant revenues in case a significant grant opportunity arises. In addition, 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 and may be under target by the end of the fiscal year due to the contingent revenues.



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## Total Revenues by Type

### License & Permit Revenues

**Under Target for FY 2018**

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	\$ 478,016	5%	-53%	-4%
2018	\$ 31,854	\$ 482,450	7%	31%	1%

**YTD Increase from FY 2014 to FY 2015:**

The increase was primarily due to a result of increases in building permits and temporary use permits.

**YTD Increase from FY 2015 to FY 2016:**

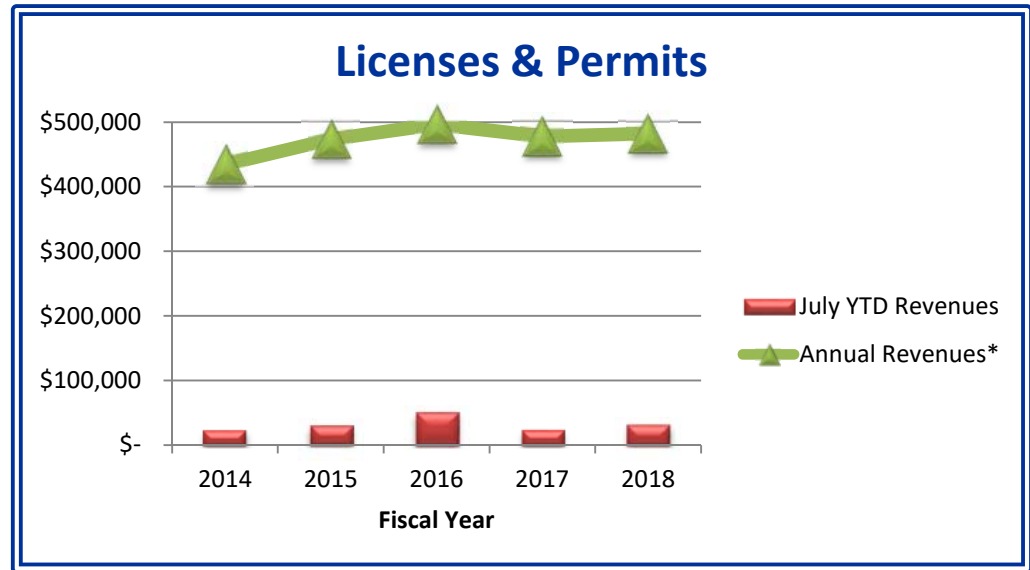
The increase was primarily due to a result of increases in building permits.

**YTD Decrease from FY 2016 to FY 2017:**

The decrease was primarily due to a result of decreases in building permits.

**YTD Increase from FY 2017 to FY 2018:**

The increase was primarily due to a result of increases in building permits.



**Under Target for FY 2018:** Annual business license renewals are primarily received in November to December. In addition, building permit revenues are not necessary 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 2018**

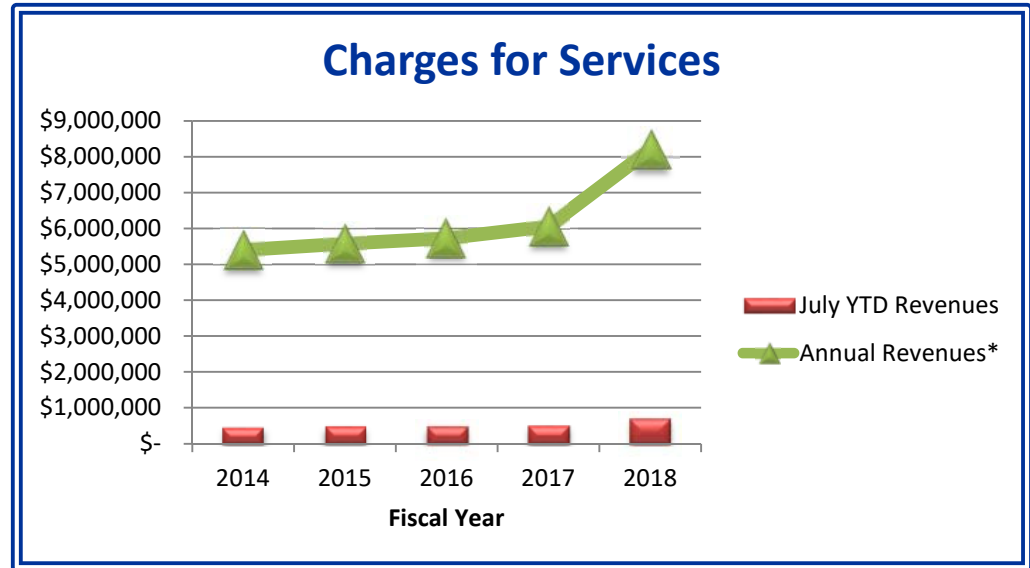
FY	July YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - July YTD	% Increase - Annual
2014	\$ 451,788	\$ 5,396,208	8%		
2015	\$ 478,920	\$ 5,580,031	9%	6%	3%
2016	\$ 482,317	\$ 5,729,286	8%	1%	3%
2017	\$ 506,224	\$ 6,061,487	8%	5%	6%
2018	\$ 702,099	\$ 8,200,780	9%	39%	35%

**YTD Increase from FY 2017 to FY 2018:**

The increase was primarily due to the start of the paid parking program and the indirect cost allocations to fund the Information Technology Internal Services Fund.

**Annual Increase from FY 2017 to FY 2018:**

The increase was primarily due to the start of the paid parking program and the indirect cost allocations to fund the Information Technology Internal Services 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 Type

### Fines & Forfeitures Revenues

**Exceeds Target for FY 2018**

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	\$ 186,404	9%	-35%	-23%
2018	\$ 20,008	\$ 230,450	9%	14%	24%

**YTD Increase from FY 2014 to FY 2015:**

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

**Annual Decrease from FY 2015 to FY 2016:**

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

**YTD Decrease from FY 2016 to FY 2017:**

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

**Annual 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 write-off of late fees.

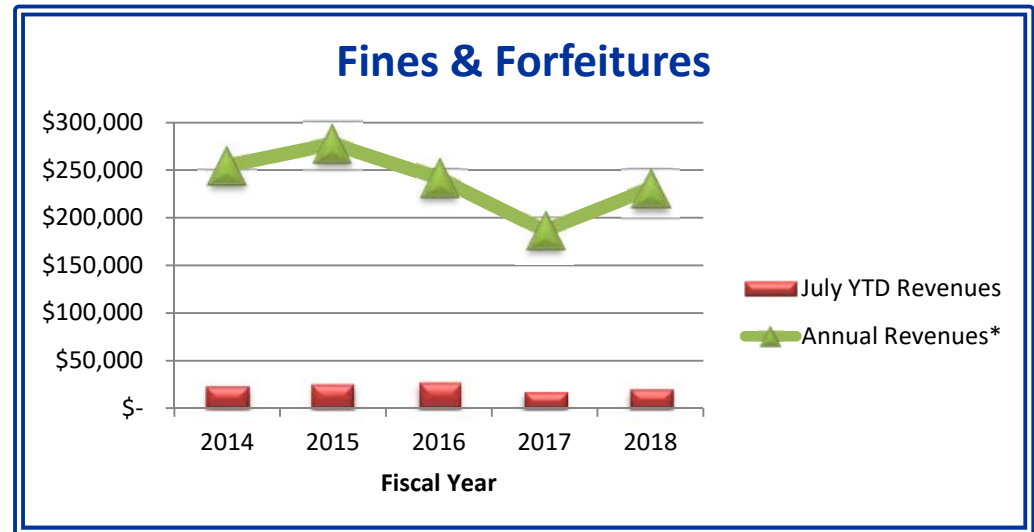
**YTD Increase from FY 2017 to FY 2018:**

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

**Annual Increase from FY 2017 to FY 2018:**

(1) The increase was partly due to the start of the paid parking program and estimated enforcement fines.

(2) The increase was also partly due to a significant write-off of late fees in the prior year.



### Development Impact Fee Revenues

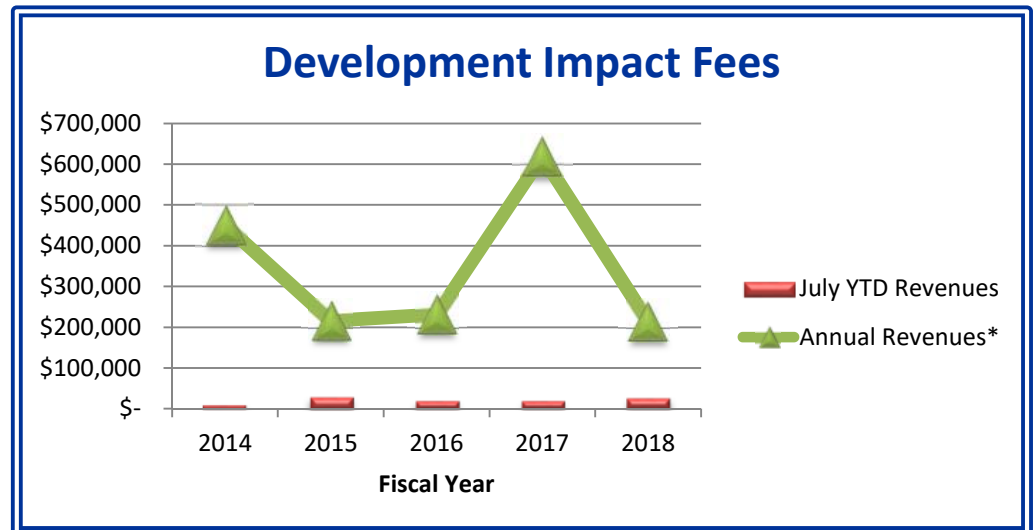
**Exceeds Target for FY 2018**

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	\$ 618,740	3%	-1%	167%
2018	\$ 24,711	\$ 213,880	12%	34%	-65%

**Annual 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.



\* 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 2018**

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	\$ 1,167,388	3%	40%	116%
2018	\$ 48,868	\$ 403,100	12%	42%	-65%

#### Annual 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

**Exceeds Target for FY 2018**

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	\$ 656,285	4%	-36%	-31%
2018	\$ 119,931	\$ 596,350	20%	325%	-9%

#### YTD Decrease from FY 2014 to FY 2015:

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

#### YTD Increase from FY 2015 to FY 2016:

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

#### Annual 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.

#### YTD Decrease from FY 2016 to FY 2017:

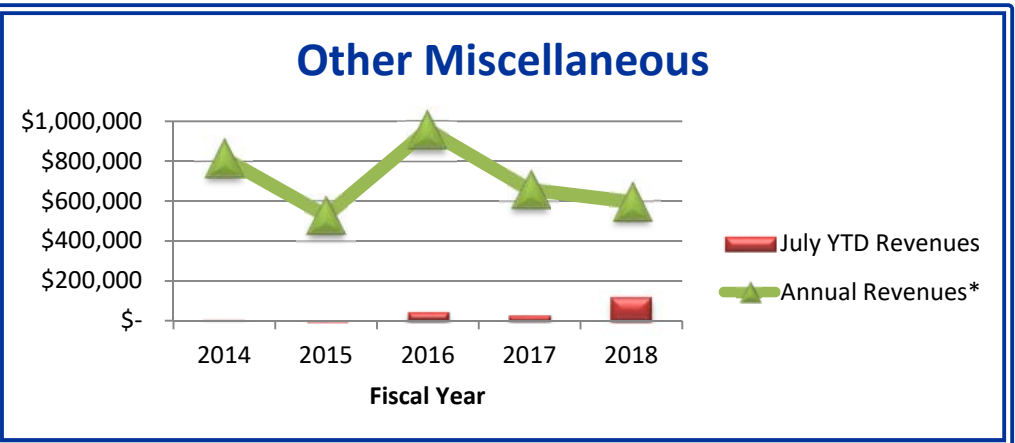
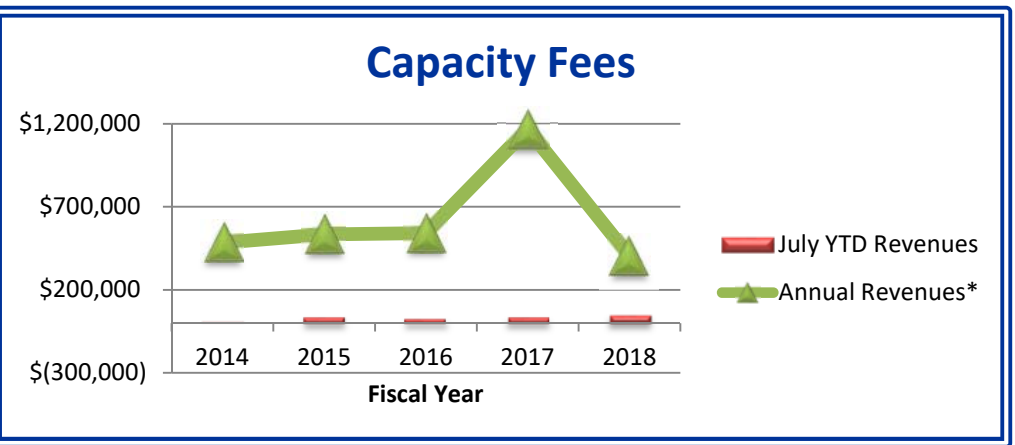
The decrease was primarily due to a decrease in the interest earnings in LGIP accounts.

#### Annual Decrease from FY 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 is not always consistent from year to year.
- (3) Insurance proceeds and one-time incentive payments were received in FY 2016 that were not anticipated for FY 2017.

#### YTD Increase from FY 2017 to FY 2018:

- (1) The increase was partly due to an increase in the interest earnings in LGIP accounts.
- (2) The increase was also partly due to Insurance proceeds for the City Hall flood damage.



\* 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
<b>City Sales Tax Revenues by Category and by Month</b>								
<b>July 2016</b>	<b>\$ 406,688</b>	<b>\$ 270,380</b>	<b>\$ 217,869</b>	<b>\$ 93,020</b>	<b>\$ 80,638</b>	<b>\$ 55,936</b>	<b>\$ 94,789</b>	<b>\$ 1,219,320</b>
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
<b>Total FY 2017</b>	<b>\$ 5,632,490</b>	<b>\$ 3,269,443</b>	<b>\$ 3,245,278</b>	<b>\$ 1,335,883</b>	<b>\$ 1,304,121</b>	<b>\$ 571,822</b>	<b>\$ 929,506</b>	<b>\$ 16,288,543</b>

<b>July 2017</b>	<b>\$ 405,651</b>	<b>\$ 290,870</b>	<b>\$ 233,497</b>	<b>\$ 130,130</b>	<b>\$ 96,984</b>	<b>\$ 56,096</b>	<b>\$ 84,054</b>	<b>\$ 1,297,282</b>
August 2017	-	-	-	-	-	-	-	-
September 2017	-	-	-	-	-	-	-	-
October 2017	-	-	-	-	-	-	-	-
November 2017	-	-	-	-	-	-	-	-
December 2017	-	-	-	-	-	-	-	-
January 2018	-	-	-	-	-	-	-	-
February 2018	-	-	-	-	-	-	-	-
March 2018	-	-	-	-	-	-	-	-
April 2018	-	-	-	-	-	-	-	-
May 2018	-	-	-	-	-	-	-	-
June 2018	-	-	-	-	-	-	-	-
<b>Total Year-to-Date FY 2018</b>	<b>\$ 405,651</b>	<b>\$ 290,870</b>	<b>\$ 233,497</b>	<b>\$ 130,130</b>	<b>\$ 96,984</b>	<b>\$ 56,096</b>	<b>\$ 84,054</b>	<b>\$ 1,297,282</b>

### Current Month Comparison to Same Month Last Year

<b>July 2017 vs. July 2018</b>	<b>\$ (1,037)</b>	<b>\$ 20,490</b>	<b>\$ 15,628</b>	<b>\$ 37,110</b>	<b>\$ 16,346</b>	<b>\$ 160</b>	<b>\$ (10,735)</b>	<b>\$ 77,962</b>
<b>Change from July to July</b>	<b>0%</b>	<b>8%</b>	<b>7%</b>	<b>40%</b>	<b>20%</b>	<b>0%</b>	<b>-11%</b>	<b>6%</b>

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

<b>Difference in YTD</b>	<b>\$ (1,037)</b>	<b>\$ 20,490</b>	<b>\$ 15,628</b>	<b>\$ 37,110</b>	<b>\$ 16,346</b>	<b>\$ 160</b>	<b>\$ (10,735)</b>	<b>\$ 77,962</b>
<b>% Change from Prior YTD</b>	<b>0%</b>	<b>8%</b>	<b>7%</b>	<b>40%</b>	<b>20%</b>	<b>0%</b>	<b>-11%</b>	<b>6%</b>



## Sales & Bed Tax Revenues by Month

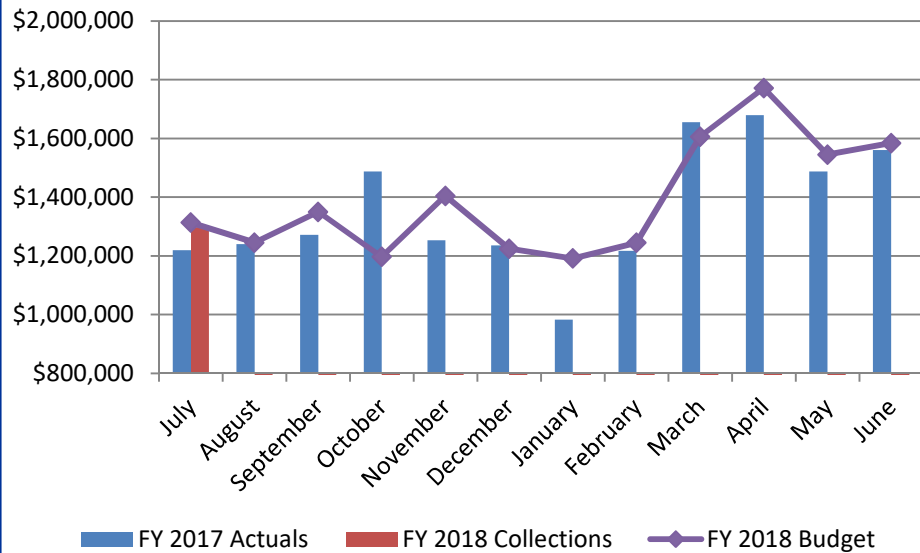
### City Sales Tax Revenues

Month	FY 2017 Actuals	FY 2018 Collections	Actual Variance	FY 2018 Budget	Budget Variance
July	\$ 1,219,320	\$ 1,297,282	6%	\$ 1,313,370	-1%
August	1,239,948	-	-	1,244,800	-
September	1,271,915	-	-	1,349,510	-
October	1,487,329	-	-	1,196,380	-
November	1,253,394	-	-	1,404,260	-
December	1,235,437	-	-	1,224,380	-
January	982,482	-	-	1,190,810	-
February	1,216,544	-	-	1,244,320	-
March	1,655,296	-	-	1,605,650	-
April	1,679,459	-	-	1,771,350	-
May	1,487,276	-	-	1,544,940	-
June	1,560,144	-	-	1,584,030	-
<b>Totals</b>	<b>\$ 16,288,543</b>	<b>\$ 1,297,282</b>	<b>6%</b>	<b>\$ 16,673,800</b>	<b>-1%</b>

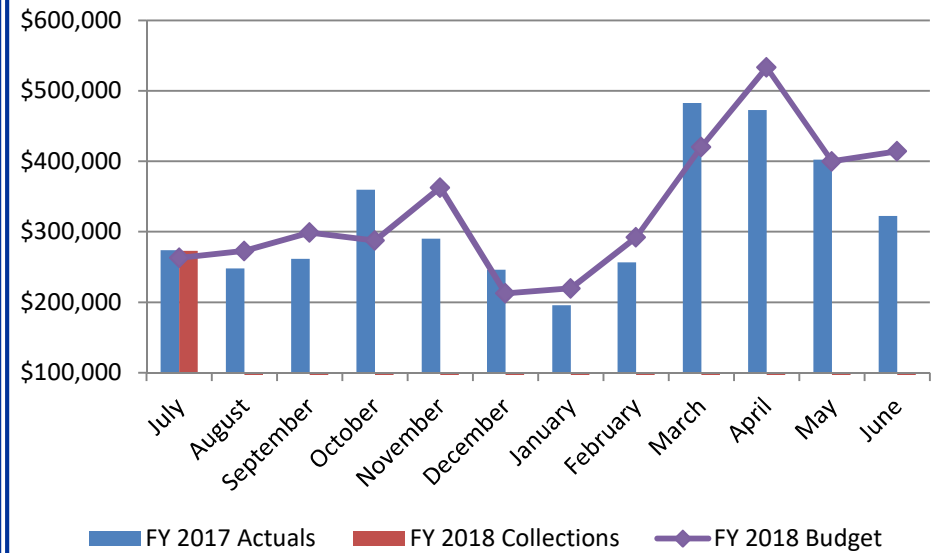
### Bed Tax Revenues

Month	FY 2017 Actuals	FY 2018 Collections	Actual Variance	FY 2018 Budget	Budget Variance
July	\$ 273,893	\$ 272,841	0%	\$ 263,120	4%
August	247,780	-	-	272,690	-
September	261,443	-	-	299,010	-
October	359,754	-	-	287,640	-
November	290,342	-	-	362,650	-
December	246,245	-	-	212,680	-
January	195,588	-	-	219,740	-
February	256,512	-	-	292,050	-
March	482,880	-	-	420,260	-
April	472,559	-	-	533,190	-
May	402,312	-	-	399,850	-
June	322,421	-	-	414,320	-
<b>Totals</b>	<b>\$ 3,811,727</b>	<b>\$ 272,841</b>	<b>0%</b>	<b>\$ 3,977,200</b>	<b>4%</b>

### City Sales Tax Revenues



### Bed Tax Revenues



**General Fund Summary**

	FY 2018 Budget	FY 2018 YTD Actuals	Encum- brances	FY 2018 YTD Including Encumbrances	% of Budget	FY 2017 YTD Actuals	Actual Variance
<b>Revenues</b>							
<u>Taxes:</u>							
City Sales Taxes	\$ 16,673,800	\$ 1,297,282		\$ 1,297,282	8%	\$ 1,219,320	6%
Bed Taxes	3,977,200	272,841		272,841	7%	273,893	<-1%
Contingent Bed Taxes	550,000	-		-	0%	-	N/A
Franchise Fees	759,400	-		-	0%	-	N/A
<u>State Shared Revenues:</u>							
State Shared Sales Taxes	966,900	80,787		80,787	8%	76,552	6%
Urban Revenue Sharing	1,303,500	107,314		107,314	8%	105,976	1%
Vehicle License Taxes	617,600	52,883		52,883	9%	49,612	7%
<u>Other Intergovernmental:</u>							
Grants	23,560	-		-	0%	-	N/A
Other	2,500	-		-	0%	-	N/A
In Lieu Fees	445,400	-		-	0%	-	N/A
Licenses & Permits	482,450	31,854		31,854	7%	24,279	31%
Charges for Services	408,950	56,202		56,202	14%	13,000	332%
Fines & Forfeitures	141,900	12,229		12,229	9%	10,098	21%
<u>Other Revenues:</u>							
Interest Earnings	60,250	26,807		26,807	44%	11,179	140%
Donations & Contributions	-	-		-	N/A	100	-100%
Rental Income	40,100	1,720		1,720	4%	3,830	-55%
Miscellaneous	20,650	55,446		55,446	269%	809	6756%
<b>Total Revenues</b>	<b>\$ 26,474,160</b>	<b>\$ 1,995,363</b>		<b>\$ 1,995,363</b>	<b>8%</b>	<b>\$ 1,788,647</b>	<b>12%</b>
<b>Expenditures</b>							
<u>General Government:</u>							
City Council	\$ 77,775	\$ 4,132	\$ -	\$ 4,132	5%	\$ 401	930%
City Manager's Office	875,770	43,142	-	43,142	5%	30,042	44%
Human Resources	308,275	12,256	-	12,256	4%	10,656	15%
Financial Services	961,155	37,650	125,118	162,768	17%	21,745	73%
Information Technology	-	-	-	-	N/A	164,476	-100%
City Attorney's Office	631,360	26,055	-	26,055	4%	26,244	-1%
City Clerk's Office	260,090	14,489	-	14,489	6%	11,430	27%
General Services	1,031,411	192,266	112,000	304,266	29%	23,215	728%
Community Development	977,635	38,623	117,679	156,302	16%	33,497	15%
Public Works	510,360	18,091	11,411	29,502	6%	21,426	-16%
Municipal Court	361,370	16,941	-	16,941	5%	15,573	9%
<u>Public Safety:</u>							
General Services	54,395	-	-	-	0%	-	N/A
Community Development	669,395	38,813	-	38,813	6%	26,640	46%
Police	4,655,085	253,793	107,630	361,423	8%	254,508	<-1%
<u>Public Works &amp; Streets:</u>							
Public Works	2,231,741	91,940	46,295	138,235	6%	70,362	31%
<u>Culture &amp; Recreation:</u>							
City Manager's Office	86,530	5,386	-	5,386	6%	3,419	58%
Parks & Recreation	651,474	45,911	-	45,911	7%	54,762	-16%
General Services	427,780	12,000	12,000	24,000	6%	247,638	-95%
Community Development	60,920	2,987	-	2,987	5%	2,107	42%
Public Works	674,825	43,578	-	43,578	6%	32,978	32%
<u>Economic Development:</u>							
City Manager's Office	2,176,400	1,063,200	1,063,200	2,126,400	98%	2,855	37140%
General Services	-	-	-	-	N/A	860,000	-100%
Economic Development:	184,970	9,936	-	9,936	5%	-	∞
<u>Health &amp; Welfare:</u>							
General Services	251,998	-	251,997	251,997	100%	36,000	-100%
<u>Public Transportation:</u>							
General Services	187,500	17,500	17,500	35,000	19%	12,725	38%
Debt Service	1,431,310	119,294	-	119,294	8%	57,267	108%
Indirect Cost Allocations	456,910	73,151	-	73,151	16%	57,267	28%
Contingencies	900,000	-	-	-	0%	-	N/A
<b>Total Expenditures</b>	<b>\$ 21,096,434</b>	<b>\$ 2,181,133</b>	<b>\$ 1,864,830</b>	<b>\$ 4,045,962</b>	<b>19%</b>	<b>\$ 2,077,233</b>	<b>5%</b>
<b>Other Financing Sources (Uses)</b>							
Transfers to Capital Improvements Fund	\$ (1,089,500)	\$ -		\$ -	0%	\$ -	N/A
Transfers to Wastewater Fund	(4,165,900)	(324,320)		(324,320)	8%	(310,694)	<-1%
Transfers to Streets Fund	(35,389)	(2,949)		(2,949)	8%	(29,250)	90%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (5,290,789)</b>	<b>\$ (327,269)</b>		<b>\$ (327,269)</b>	<b>6%</b>	<b>\$ (339,944)</b>	<b>4%</b>
<b>Fund Balances</b>							
Beginning Fund Balance, July 1, as restated	\$ 10,338,362	\$ 10,598,399		\$ 10,598,399	103%	\$ 9,283,138	14%
<u>Ending Fund Balance, July 31:</u>							
Operating Reserve	\$ 9,385,701	\$ 9,385,701		\$ 9,385,701	100%	\$ 8,580,349	9%
Debt Service Reserve	800,000	800,000		800,000	100%	1,300,000	-38%
Equipment Replacement Reserve	238,050	-		-	0%	-	N/A
Budget Carryovers Reserve	-	-		-	N/A	718,050	-100%
Unrestricted Fund Balance	1,548	(100,341)		(100,341)	<-1%	(1,943,791)	95%
<b>Total Ending Fund Balance, July 31</b>	<b>\$ 10,425,299</b>	<b>\$ 10,085,360</b>		<b>\$ 8,220,530</b>	<b>79%</b>	<b>\$ 8,654,608</b>	<b>17%</b>

## Wastewater Enterprise Fund Summary

	FY 2018 Budget	FY 2018 YTD Actuals	Encum- brances	FY 2018 YTD Including Encumbrances	% of Budget	FY 2017 YTD Actuals	Actual Variance
<b>Revenues</b>							
Charges for Services	\$ 6,164,200	\$ 508,451		\$ 508,451	8%	\$ 493,080	3%
Capacity Fees	403,100	48,868		48,868	12%	34,312	42%
Fines & Forfeitures	75,750	6,070		6,070	8%	6,206	-2%
<u>Other Revenues:</u>							
Interest Earnings	78,700	19,183		19,183	24%	7,528	155%
Miscellaneous	1,800	325		325	18%	-	∞
<b>Total Revenues</b>	<b>\$ 6,723,550</b>	<b>\$ 582,897</b>		<b>\$ 582,897</b>	<b>9%</b>	<b>\$ 541,126</b>	<b>8%</b>
<b>Expenditures</b>							
<u>Wastewater Administration:</u>							
Salaries & Benefits	\$ 178,300	\$ 4,451	\$ -	\$ 4,451	2%	\$ 7,644	-42%
Other Expenditures	129,969	6,682	17,604	24,286	19%	14	46204%
<u>Wastewater Operations:</u>							
Salaries & Benefits	810,310	46,699	-	46,699	6%	37,834	23%
Utilities	626,700	13,391	-	13,391	2%	33,035	-59%
Maintenance	695,094	8,495	55,000	63,495	9%	5,810	46%
Other Expenditures	921,714	3,959	300,417	304,376	33%	5,032	-21%
<u>Wastewater Capital Projects:</u>							
Salaries & Benefits	152,560	8,499	-	8,499	6%	8,672	-2%
Other Expenditures	1,890	-	-	-	0%	-	N/A
Capital Improvement Projects	5,077,050	-	-	-	0%	-	N/A
<u>Indirect Cost/Departmental Allocations:</u>							
City Manager's Office	68,080	3,929	-	3,929	6%	2,622	50%
Human Resources	51,140	2,213	-	2,213	4%	1,065	108%
Financial Services	560,060	21,551	-	21,551	4%	20,814	4%
Information Technology	217,390	12,279	-	12,279	6%	14,662	-16%
City Attorney's Office	107,340	2,088	-	2,088	2%	1,134	84%
City Clerk's Office	5,650	319	-	319	6%	657	-51%
General Services	71,020	16	-	16	<1%	-	∞
Public Works	313,990	13,232	-	13,232	4%	10,116	31%
Debt Service	4,409,735	369,892	-	369,892	8%	431,274	-14%
Vacancy Savings Estimate	(25,000)	-	-	-	0%	-	N/A
Contingencies*	-	-	-	-	N/A	-	N/A
<b>Total Expenditures</b>	<b>\$ 14,372,991</b>	<b>\$ 517,695</b>	<b>\$ 373,021</b>	<b>\$ 890,716</b>	<b>6%</b>	<b>\$ 580,385</b>	<b>-11%</b>
<b>Other Financing Sources (Uses)</b>							
Transfers from General Fund	\$ 4,165,900	\$ 324,320		\$ 324,320	8%	\$ 310,694	4%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 4,165,900</b>	<b>\$ 324,320</b>		<b>\$ 324,320</b>	<b>8%</b>	<b>\$ 310,694</b>	<b>4%</b>
<b>Fund Balances</b>							
Beginning Fund Balance, July 1, as restated	\$ 14,792,117	\$ 14,241,148		\$ 14,241,148	96%	\$ 13,597,903	5%
<u>Ending Fund Balance, July 31:</u>							
Operating Reserve	\$ 1,634,102	\$ 1,634,102		\$ 1,634,102	100%	\$ 1,593,212	3%
Debt Service Reserve	4,604,309	4,604,309		4,604,309	100%	4,581,690	<1%
Equipment Replacement Reserve	116,100	-		-	0%	-	N/A
Budget Carryovers Reserve	-	-		-	N/A	38,000	-100%
Unrestricted Fund Balance	5,070,165	8,392,259		8,392,259	166%	7,694,436	9%
<b>Total Ending Fund Balance, July 31</b>	<b>\$ 11,308,576</b>	<b>\$ 14,630,670</b>		<b>\$ 14,257,649</b>	<b>126%</b>	<b>\$ 13,869,338</b>	<b>5%</b>

\* The Wastewater Enterprise Fund contingency budget started at \$100,000 but was transferred to cover the replacement of a generator that was not anticipated during the budget process.

## All Funds Summary

	Beginning Fund Balance, July 1, 2017	Revenues	Budgeted Expenditures	Actual Expenditures	Encumbrances	Expenditures Including Encumbrances	% of Budget	Net Interfund Transfers	Ending Fund Balance, July 31, 2017
General Fund	\$ 10,598,399	\$ 1,995,363	\$ 21,096,434	\$ 2,181,133	\$ 1,864,830	\$ 4,045,962	19%	\$ (327,269)	\$ 10,085,360
<b>Special Revenue Funds</b>									
Streets Fund	\$ 735,102	\$ 76,292	\$ 1,203,490	\$ 1,867	\$ -	\$ 1,867	<1%	\$ 2,949	\$ 812,477
Grants, Donations & Other Funds	\$ 620,250	\$ 5,111	\$ 641,350	\$ 16,480	\$ 64,741	\$ 81,221	13%	\$ -	\$ 608,881
<b>Capital Projects Funds</b>									
Development Impact Fees Funds	\$ 2,538,340	\$ 31,544	\$ 1,632,300	\$ 1,891	\$ -	\$ 1,891	<1%	\$ -	\$ 2,567,992
Capital Improvements Fund	\$ 12,862,965	\$ 5,893	\$ 7,273,047	\$ -	\$ -	\$ -	0%	\$ -	\$ 12,868,858
Art in Public Places Fund	\$ 84,493	\$ 32	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ 84,526
Wastewater Enterprise Fund	\$ 14,241,148	\$ 582,897	\$ 14,372,991	\$ 517,695	\$ 373,021	\$ 890,716	6%	\$ 324,320	\$ 14,630,670
Information Technology Internal Service Fund	\$ -	\$ 137,303	\$ 1,773,004	\$ 93,031	\$ 116,988	\$ 210,019	12%	\$ -	\$ 44,272
<b>Total All City Funds</b>	<b>\$ 41,680,698</b>	<b>\$ 2,834,436</b>	<b>\$ 47,992,616</b>	<b>\$ 2,812,097</b>	<b>\$ 2,419,580</b>	<b>\$ 5,231,677</b>	<b>11%</b>	<b>\$ -</b>	<b>\$ 41,703,036</b>
<b>Community Facilities Districts</b>									
Sedona Summit II	\$ 243,559	\$ 49	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ 243,608
Fairfield	\$ 697	\$ 384	\$ 120,175	\$ -	\$ -	\$ -	0%	\$ -	\$ 1,082

**Bonds and Capital Leases Outstanding\***

Bond Issue/Lease	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
<b>City Excise Tax Revenue Bonds</b>														
Series 2007	7/1/2018-2019	4.0-4.125%	\$ 1,460,000	\$ 90,063	\$ 1,550,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,460,000	\$ 90,063	\$ 1,550,063
Series 2012	7/1/2025-2026	4.5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,395,000	\$ 3,215,250	\$ 11,610,250	\$ 8,395,000	\$ 3,215,250	\$ 11,610,250
Series 2014	7/1/2018-2019	0.66%	\$ 761,530	\$ 7,461	\$ 768,991	\$ 43,470	\$ 426	\$ 43,896	\$ -	\$ -	\$ -	\$ 805,000	\$ 7,887	\$ 812,887
Series 2015	7/1/2018-2019	1.3%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,920,000	\$ 154,960	\$ 8,074,960	\$ 7,920,000	\$ 154,960	\$ 8,074,960
Second Series 2015	7/1/2018-2027	1.94%	\$ 7,760,000	\$ 972,231	\$ 8,732,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,760,000	\$ 972,231	\$ 8,732,231
<b>Sedona Wastewater Municipal Property Corporation Excise Tax Revenue Bonds</b>														
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
<b>Capital Leases</b>														
Ford Motor Credit	1/31/2018-2020	4.75%	\$ 320,990	\$ 30,967	\$ 351,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,990	\$ 30,967	\$ 351,957
<b>Grand Totals</b>			<b>\$ 10,302,520</b>	<b>\$ 1,100,722</b>	<b>\$ 11,403,242</b>	<b>\$ 43,470</b>	<b>\$ 426</b>	<b>\$ 43,896</b>	<b>\$ 22,620,000</b>	<b>\$ 18,615,210</b>	<b>\$ 41,235,210</b>	<b>\$ 32,965,990</b>	<b>\$ 19,716,358</b>	<b>\$ 52,682,348</b>

\* Bond principal and semiannual interest payments made on July 1, 2017 were as follows:

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

\*\* 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 2018 to Date		
		Budget	Actuals	% of Budget	Budget	Actuals	% of Budget
<b>Community Development</b>							
Brewer Road Property - Future Development	CFD - Sedona Summit II	\$ 91,600	\$ 85,214	93%	\$ -	\$ -	N/A
	CFD - Fairfield	\$ 170,000	\$ 81,340	48%	\$ 120,175	\$ -	0%
	<b>Project Total</b>	<b>\$ 261,600</b>	<b>\$ 166,554</b>	<b>64%</b>	<b>\$ 120,175</b>	<b>\$ -</b>	<b>0%</b>
<b>Municipal Court</b>							
New Courtroom	Court Restricted Revenues	\$ 172,500	\$ -	0%	\$ 172,500	\$ -	0%
	Capital Reserves	\$ 100,000	\$ -	0%	\$ 100,000	\$ -	0%
	<b>Project Total</b>	<b>\$ 272,500</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ 272,500</b>	<b>\$ -</b>	<b>0%</b>
<b>Parks &amp; Recreation</b>							
Park Land Acquisition	Development Impact Fees	\$ 1,250,000	\$ -	0%	\$ 1,250,000	\$ -	0%
Shade Structures & Playground Equipment (estimated to resume in FY2021)	Development Impact Fees	\$ 30,630	\$ 24,490	80%	\$ -	\$ -	N/A
Dog Park Upgrade	Development Impact Fees	\$ 292,983	\$ 35,383	12%	\$ 260,000	\$ -	0%
Bike Skills Park	Development Impact Fees	\$ 104,000	\$ 103,785	100%	\$ 49,600	\$ -	0%
	Outside Participation	\$ 37,096	\$ 37,096	100%	\$ -	\$ -	N/A
	Grant	\$ 20,600	\$ -	0%	\$ -	\$ -	N/A
	Donations	\$ 3,000	\$ 3,000	100%	\$ -	\$ -	N/A
	Capital Reserves	\$ 110,000	\$ 138,901	126%	\$ -	\$ -	N/A
	<b>Project Total</b>	<b>\$ 274,696</b>	<b>\$ 282,782</b>	<b>103%</b>	<b>\$ 49,600</b>	<b>\$ -</b>	<b>0%</b>
<b>Police</b>							
Remodel/Expand Police Facility	Capital Reserves	\$ 20,000	\$ -	0%	\$ 20,000	\$ -	0%
Replace CAD/RMS	Capital Reserves	\$ 551,464	\$ -	0%	\$ 551,464	\$ -	0%
Shooting Range Improvements	RICO Monies	\$ 66,389	\$ 5,043	8%	\$ 25,000	\$ -	0%
	Development Impact Fees	\$ 95,000	\$ 95,000	100%	\$ -	\$ -	N/A
	Capital Reserves	\$ 586,439	\$ 346,489	59%	\$ 237,500	\$ -	0%
	<b>Project Total</b>	<b>\$ 747,828</b>	<b>\$ 446,532</b>	<b>60%</b>	<b>\$ 262,500</b>	<b>\$ -</b>	<b>0%</b>
Renovation of Current Police Facility	Capital Reserves	\$ 450,000	\$ 158,140	35%	\$ 150,000	\$ -	0%
	RICO Monies	\$ 8,000	\$ 6,199	77%	\$ -	\$ -	N/A
	<b>Project Total</b>	<b>\$ 458,000</b>	<b>\$ 164,340</b>	<b>36%</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>0%</b>
Strengthen Radio Signal	Capital Reserves	\$ 276,000	\$ 93,173	34%	\$ 155,000	\$ -	0%
<b>Storm Drainage</b>							
Coffee Pot Drainage Basin - Grasshopper Area	Capital Reserves	\$ 1,000,000	\$ 30,000	3%	\$ 970,000	\$ -	0%
	Yavapai County Flood Control	\$ 325,000	\$ -	0%	\$ 325,000	\$ -	0%
	<b>Project Total</b>	<b>\$ 1,325,000</b>	<b>\$ 30,000</b>	<b>2%</b>	<b>\$ 1,295,000</b>	<b>\$ -</b>	<b>0%</b>
Brewer Road/Tlaquepaque Drainage Improvements	Coconino County Flood Control	\$ 2,760,446	\$ 2,047,445	74%	\$ 1,128,805	\$ -	0%
	Outside Participation	\$ 823,450	\$ 290,103	35%	\$ 250,000	\$ -	0%
	<b>Project Total</b>	<b>\$ 3,583,896</b>	<b>\$ 2,337,548</b>	<b>65%</b>	<b>\$ 1,378,805</b>	<b>\$ -</b>	<b>0%</b>
Brewer Road Crossing Improvements	Coconino County Flood Control	\$ 991,850	\$ 78,750	8%	\$ 896,900	\$ -	0%
Juniper Hills Area Improvements	Coconino County Flood Control	\$ 701,000	\$ -	0%	\$ 100,000	\$ -	0%
Storm Drainage Easement Acquisition	Development Impact Fees	\$ 72,500	\$ 37,076	51%	\$ 50,000	\$ -	0%
<b>Public Works</b>							
Neighborhood Connections - Tlaquepaque/Ranger/Brewer	Capital Reserves	\$ 760,000	\$ -	0%	\$ 760,000	\$ -	0%
Signal Crossing - SR89A/Arroyo Roble Rd	Capital Reserves	\$ 139,850	\$ -	0%	\$ 139,850	\$ -	0%
Uptown/SR179 Street Improvements	Capital Reserves	\$ 3,512,000	\$ -	0%	\$ 632,000	\$ -	0%
Intelligent Transportation System	Capital Reserves	\$ 150,000	\$ -	0%	\$ 150,000	\$ -	0%
Uptown Parking & Wayfinding	Capital Reserves	\$ 110,000	\$ -	0%	\$ 110,000	\$ -	0%
SR89A Traffic Signal Operations/Management	Capital Reserves	\$ 60,000	\$ -	0%	\$ 60,000	\$ -	0%
SR89A Weed Barrier & Landscape Improvements (estimated to resume in FY2024)	Capital Reserves	\$ 199,858	\$ 199,858	100%	\$ -	\$ -	N/A
Dry Creek Road Overlay	Capital Reserves	\$ 124,923	\$ 71,580	57%	\$ 53,343	\$ -	0%
	Grant	\$ 371,657	\$ -	0%	\$ 371,657	\$ -	0%
	<b>Project Total</b>	<b>\$ 496,580</b>	<b>\$ 71,580</b>	<b>14%</b>	<b>\$ 425,000</b>	<b>\$ -</b>	<b>0%</b>
Sanborn Drive/Thunder Mountain Road Overlay	Capital Reserves	\$ 307,443	\$ 109,424	36%	\$ 75,000	\$ -	0%
	Grant	\$ 371,657	\$ -	0%	\$ -	\$ -	N/A
	<b>Project Total</b>	<b>\$ 679,100</b>	<b>\$ 109,424</b>	<b>16%</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>0%</b>
Transportation Study	Capital Reserves	\$ 210,150	\$ 197,563	94%	\$ 10,150	\$ -	0%
	Outside Participation	\$ 50,000	\$ 50,000	100%	\$ -	\$ -	N/A
	<b>Project Total</b>	<b>\$ 260,150</b>	<b>\$ 247,563</b>	<b>95%</b>	<b>\$ 10,150</b>	<b>\$ -</b>	<b>0%</b>
<b>Wastewater</b>							
WW Master Plan	Wastewater Fees	\$ 233,094	\$ 167,360	72%	\$ 33,094	\$ -	0%
Wastewater Effluent Management	Wastewater Fees	\$ 11,153,258	\$ 5,114,749	46%	\$ 1,990,275	\$ -	0%
Wastewater Collections System Improvements	Wastewater Fees	\$ 1,786,906	\$ -	0%	\$ 1,136,906	\$ -	0%
WWRP Bar Screen and Filter System Upgrades	Wastewater Fees	\$ 1,900,000	\$ 89,611	5%	\$ 1,225,000	\$ -	0%
WWRP Odor Control (estimated to resume in FY2019)	Wastewater Fees	\$ 25,000	\$ 24,660	99%	\$ -	\$ -	N/A
WWRP Headworks Replacement	Wastewater Fees	\$ 480,000	\$ -	0%	\$ 456,775	\$ -	0%
SCADA System & Configuration	Wastewater Fees	\$ 185,000	\$ -	0%	\$ 160,000	\$ -	0%
Skid Steer & Concrete Driveway for Air Drying Beds	Wastewater Fees	\$ 50,000	\$ -	0%	\$ 50,000	\$ -	0%
WWRP Remodel and/or Expand Operations Building	Wastewater Fees	\$ 25,000	\$ -	0%	\$ 25,000	\$ -	0%
<b>Grand Totals</b>		<b>\$ 33,315,743</b>	<b>\$ 9,721,433</b>	<b>29%</b>	<b>\$ 14,250,994</b>	<b>\$ -</b>	<b>0%</b>

## Investment Holdings Summary

CUSIP	Issuer	Settlement Date	Maturity Date	Initial Duration	Remaining Duration as of July 31, 2017 (In Years)	Coupon	Yield	Par Value	Book Value	Fair Market Value as of July 31, 2017	Realized Gain/Loss	Unrealized Gain/Loss*	Accrued Interest Not Yet Recorded	% of Investment Pool	
<b>Treasury Obligations</b>															
912828G79	US Treasury	12/26/2014	12/15/2017	3.0	0.4	1.000%	1.150%	\$ 2,000,000	\$ 1,991,250	\$ 1,999,020	\$ -	\$ 7,770	\$ 1,667	6.22%	
912828XF2	US Treasury	8/5/2015	6/15/2018	2.9	0.9	1.125%	1.014%	\$ 1,000,000	\$ 1,003,130	\$ 999,062	\$ -	\$ (4,068)	\$ 938	3.13%	
								<b>Subtotals</b>	<b>\$ 3,000,000</b>	<b>\$ 2,994,380</b>	<b>\$ 2,998,082</b>	<b>\$ -</b>	<b>\$ 3,702</b>	<b>\$ 2,604</b>	<b>9.35%</b>
<b>U.S. Government Agency Securities</b>															
3030A3HF4	FHLB	12/22/2014	12/8/2017	3.0	0.4	1.125%	1.076%	\$ 1,000,000	\$ 1,001,418	\$ 999,749	\$ -	\$ (1,669)	\$ 938	3.13%	
<b>AZ State Treasurer Local Government Investment Pool (LGIP)</b>															
N/A	Pool 5	N/A	N/A	N/A	0.0	N/A	1.010%	\$ 4,336,087	\$ 4,336,087	\$ 4,336,087	\$ -	\$ -	\$ -	13.54%	
N/A	Pool 7	N/A	N/A	N/A	0.0	N/A	0.890%	\$ 1,419,406	\$ 1,419,406	\$ 1,419,406	\$ -	\$ -	\$ -	4.43%	
N/A	Pool 500	N/A	N/A	N/A	0.0	N/A	1.640%	\$ 20,466,661	\$ 20,466,661	\$ 20,466,661	\$ -	\$ -	\$ -	63.92%	
								<b>Subtotals</b>	<b>\$ 26,222,154</b>	<b>\$ 26,222,154</b>	<b>\$ 26,222,154</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>81.90%</b>
<b>Savings Account</b>															
N/A	Wells Fargo	N/A	N/A	N/A	0.0	N/A	0.300%	\$ 1,799,794	\$ 1,799,794	\$ 1,799,794	\$ -	\$ -	\$ -	5.62%	
<b>Averages/Grand Totals</b>					<b>0.1</b>		<b>1.378%</b>	<b>\$ 32,021,948</b>	<b>\$ 32,017,746</b>	<b>\$ 32,019,779</b>	<b>\$ -</b>	<b>\$ 2,033</b>	<b>\$ 3,542</b>	<b>100.00%</b>	

Benchmark per Policy (LGIP Pool 5) 1.010%

FHLB = Federal Home Loan Bank

\* Unrealized gains and losses would only be realized if the City chose to sell its investments prior to maturity and are based on the fair market value as reported by the City's safekeeping agent. The City plans to hold investments until maturity unless there is a compelling reason to sell.

## Investment Transactions Summary

CUSIP	Issuer	Transaction Type	Activity During July 2017
<b>Acquisitions</b>			
			None
<b>Dispositions</b>			
N/A	LGIP Pool 5	Withdrawal	\$ (1,156,895)
<b>Subtotal</b>			<b>\$ (1,156,895)</b>
<b>Earnings</b>			
N/A	LGIP Pool 5	Monthly Interest	\$ 4,435
N/A	LGIP Pool 7	Monthly Interest	\$ 1,071
N/A	LGIP Pool 500	Monthly Interest	\$ 52,326
N/A	Wells Fargo	Monthly Interest	\$ 46
<b>Subtotal</b>			<b>\$ 57,878</b>
<b>Expenses</b>			
N/A	N/A	Custody Charges	\$ (26)
N/A	N/A	Wire Fees	\$ (26)
<b>Subtotal</b>			<b>\$ (52)</b>
<b>Net Transactions for July 2017</b>			<b>\$ (1,099,069)</b>