

Monthly Financial Report

August 2017



CITY OF SEDONA

November 20, 2017

Monthly Financial Report

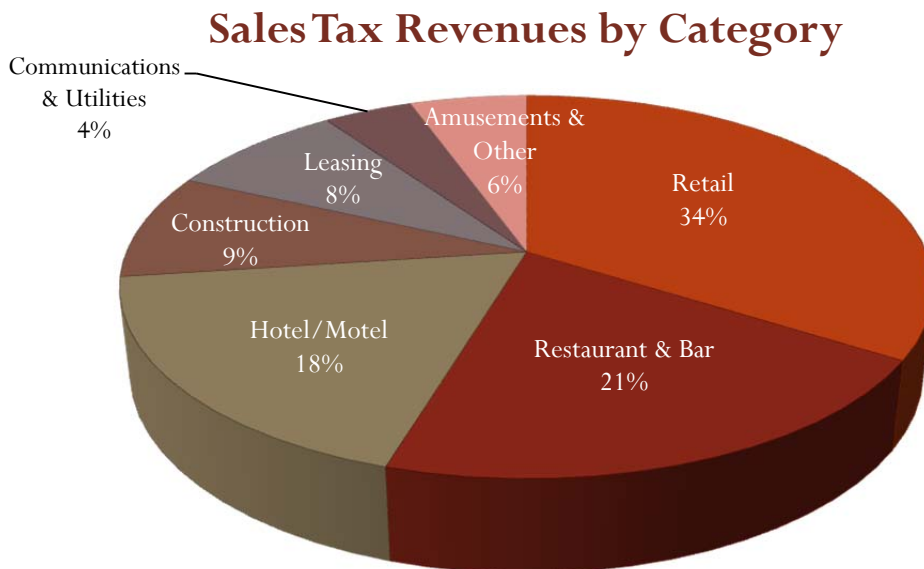
August 2017

Executive Summary

The City's largest revenue sources are sales and bed tax revenues. **City sales taxes are 2% higher** than the prior year and **bed taxes are 2% higher** than 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.

August YTD Increase (Decrease) Over Prior Year	
City Sales Taxes	\$ 43,783
Bed Taxes	11,967
Total	\$ 55,750

The largest sales tax increases for the month were in the Hotel/Motel (11%) and the Leasing (24%) categories.



Revenues

In total, **General Fund revenues are up 6%** over last year, and **Wastewater Fund revenues are up 5%** 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 20% of budget** for the year-to-date, and **Wastewater Fund expenditures are 8% of budget** for the year-to-date, with 17% 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 two months but are on track due to the nature of semiannual payments for community contracts. Information Technology expenditures are also high for two months but are on track due to the nature of annual hardware and software maintenance contracts.

Expenditures for capital improvements (<1%) and streets rehabilitation and preservation (1%) are not incurred consistently throughout the year and, as of August 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 August 2017 is the second month of the current fiscal year, FY2017, and **represents 17% 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 four previous fiscal years
 - Total annual expenditures and revenues, excluding contingencies, for the four 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 Summaries** – 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. In addition, 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. It is a searchable, user-friendly site that citizens and other interested parties can use to access real time financial data.

For questions or additional information, contact:

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	Page	% YTD	Status	Comments
Portion of Fiscal Year Complete = 16.67%				
Total Expenditures by Fund				
General Fund	5	20%	On Target for FY 2018	While expenditures are high for two months, they are deemed on track due to the significant semiannual payments made in July and August.
Special Revenue Funds:				
Streets Fund	6	1%	Under Target for FY 2018	Expenditures do not occur consistently throughout the fiscal year.
Grants, Donations & Other Funds	6	14%	Under Target for FY 2018	Expenditures do not occur consistently throughout the fiscal year.
Capital Projects Funds:				
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	1%	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	8%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Info. Tech. Internal Service Fund	10	17%	On Target for FY 2018	
Community Facilities Districts:				
Sedona Summit II	11	N/A	On Target for FY 2018	No projects planned for FY 2018.
Fairfield	11	1%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)				
City Council	12	16%	Under Target for FY 2018	
City Manager's Office	12	38%	On Target for FY 2018	While expenditures are high for two months, they are on track due to the significant semiannual payments made in July.
Human Resources	13	11%	Under Target for FY 2018	
Financial Services	14	12%	Under Target for FY 2018	
Information Technology	15	19%	On Target for FY 2018	While expenditures are high for two months, they are on track due to the significant annual payments made in July and August.
City Attorney's Office	16	10%	Under Target for FY 2018	
City Clerk's Office	16	13%	Under Target for FY 2018	
Parks & Recreation	17	13%	Under Target for FY 2018	
General Services	18	39%	On Target for FY 2018	While expenditures are high for two months, they are on track due to the significant semiannual payments made in July and August.
Debt Service	18	17%	On Target for FY 2018	
Community Development	19	17%	On Target for FY 2018	
Public Works	20	11%	Under Target for FY 2018	
Economic Development	21	12%	Under Target for FY 2018	
Police	21	13%	Under Target for FY 2018	
Municipal Court	22	12%	Under Target for FY 2018	
Wastewater Administration	22	12%	Under Target for FY 2018	
Wastewater Capital	23	12%	Under Target for FY 2018	
Wastewater Operations	23	8%	Under Target for FY 2018	
Total Revenues by Fund				
General Fund	24	15%	Under Target for FY 2018	While revenues are low for two months, 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.
Special Revenue Funds:				
Streets Fund	25	16%	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	25	2%	Under Target for FY 2018	The FY 2018 budget includes \$300,000 of contingent grant revenues in case a significant grant opportunity arises.
Capital Projects Funds:				
Development Impact Fees Funds	26	21%	Exceeds Target for FY 2018	
Capital Improvements Fund	26	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	27	21%	Exceeds Target for FY 2018	
Wastewater Enterprise Fund	27	17%	Exceeds Target for FY 2018	
Info. Tech. Internal Service Fund	28	17%	Exceeds Target for FY 2018	
Community Facilities Districts:				
Sedona Summit II	29	<1%	Under Target for FY 2018	While revenues are low for two months, 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	29	<1%	Under Target for FY 2018	While revenues are low for two months, 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.
Total Revenues by Type				
City Sales Taxes	30	15%	On Target for FY 2018	Based on the seasonal trends for sales taxes, the revenues are on target for this point in the fiscal year.
Bed Taxes	30	13%	On Target for FY 2018	Based on the seasonal trends for bed taxes, the revenues are on target for this point in the fiscal year.
In-Lieu	31	0%	On Target for FY 2018	While revenues are low for two months, 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	31	0%	On Target for FY 2018	While revenues are low for two months, franchise fees are received quarterly and are expected to be on target by the end of the fiscal year.
State Sales Taxes	32	16%	On Target for FY 2018	
Urban Revenue Sharing	32	16%	On Target for FY 2018	
Vehicle License Taxes	33	18%	Exceeds Target for FY 2018	
Highway User	33	17%	Exceeds Target for FY 2018	
Other Intergovernmental	34	<1%	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	35	11%	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	35	17%	Exceeds Target for FY 2018	
Fines & Forfeitures	36	20%	Exceeds Target for FY 2018	
Development Impact Fees	36	17%	On Target for FY 2018	
Capacity Fees	37	22%	Exceeds Target for FY 2018	
Other Miscellaneous	37	30%	Exceeds Target for FY 2018	
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Total Expenditures by Fund

Total General Fund Expenditures

On Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 2,387,217	\$ 12,520,234	19%		
2015	\$ 3,086,742	\$ 14,282,455	22%	29%	14%
2016	\$ 3,217,659	\$ 14,907,362	22%	4%	4%
2017	\$ 3,091,174	\$ 16,799,273	18%	-4%	13%
2018	\$ 4,000,751	\$ 20,196,434	20%	29%	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.

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

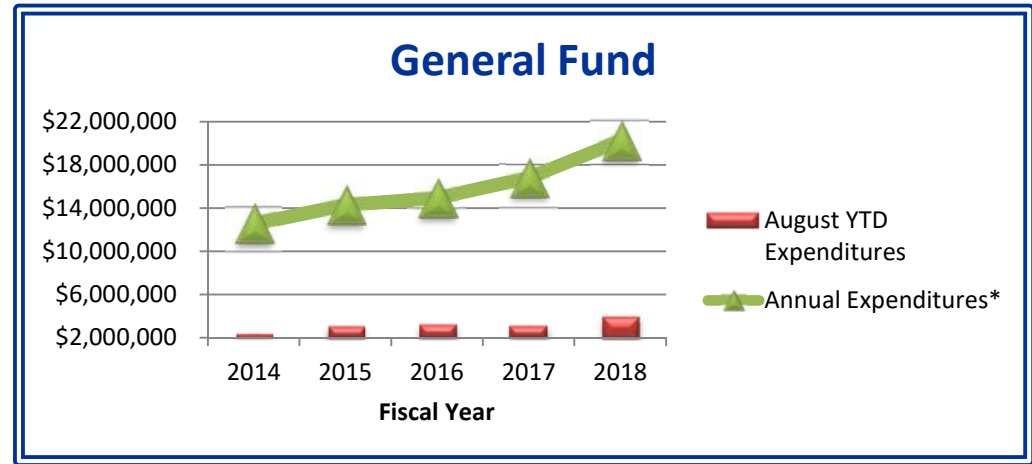
YTD Increase from FY 2017 to FY 2018:

- (1) The increase was partly due to payments related to the refunds of PSPRS contributions to employees that were deemed to be unconstitutional.
- (2) The allocation to the destination marketing program increases approximately \$217,000 as a result of higher estimated bed tax revenue collections.
- (3) Accrued bond payments are approximately \$124,000 higher than the prior year.
- (4) The increase is partly due to higher community service contract payments and timing of when payments are made.
- (5) The increase is also due to the timing of property and liability insurance premium payments.

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.

On Target for FY 2018: The percentage of annual expenditures is high for two months of the fiscal year (20% actual compared to one month budget of 17%). 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

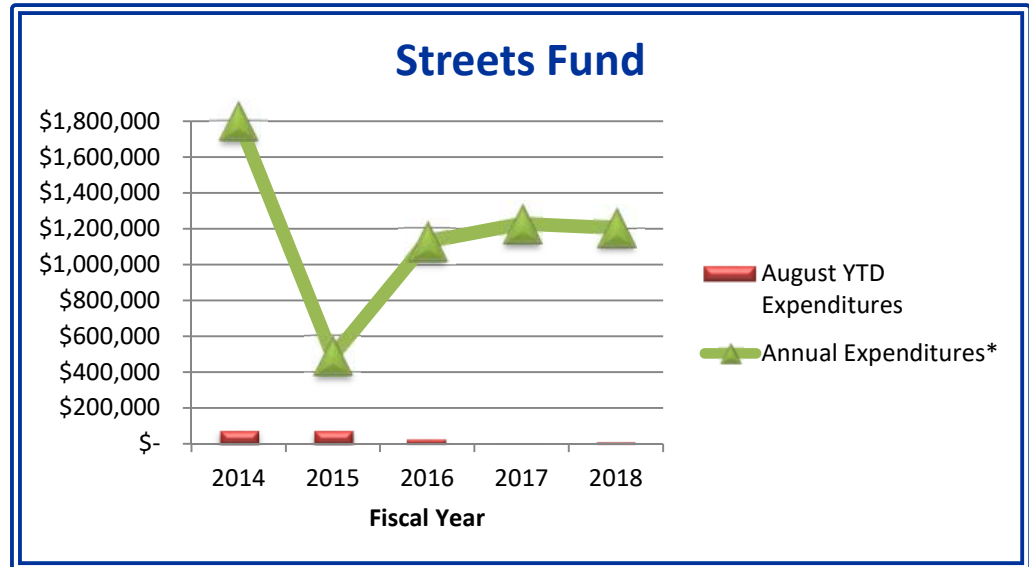
Total Streets Fund Expenditures

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 73,270	\$ 1,799,340	4%		
2015	\$ 73,322	\$ 488,072	15%	<1%	-73%
2016	\$ 23,361	\$ 1,126,227	2%	-68%	131%
2017	\$ -	\$ 1,226,595	0%	-100%	9%
2018	\$ 7,914	\$ 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.

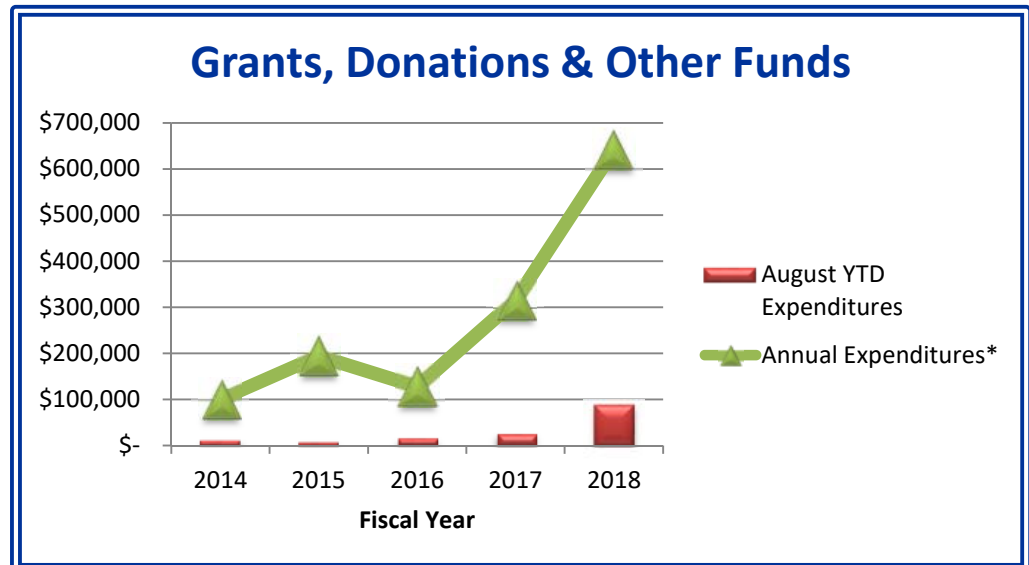


Total Grants, Donations & Other Exp.

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 10,686	\$ 99,837	11%		
2015	\$ 7,339	\$ 193,488	4%	-31%	94%
2016	\$ 15,045	\$ 127,230	12%	105%	-34%
2017	\$ 25,046	\$ 314,560	8%	66%	147%
2018	\$ 88,013	\$ 641,350	14%	251%	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.

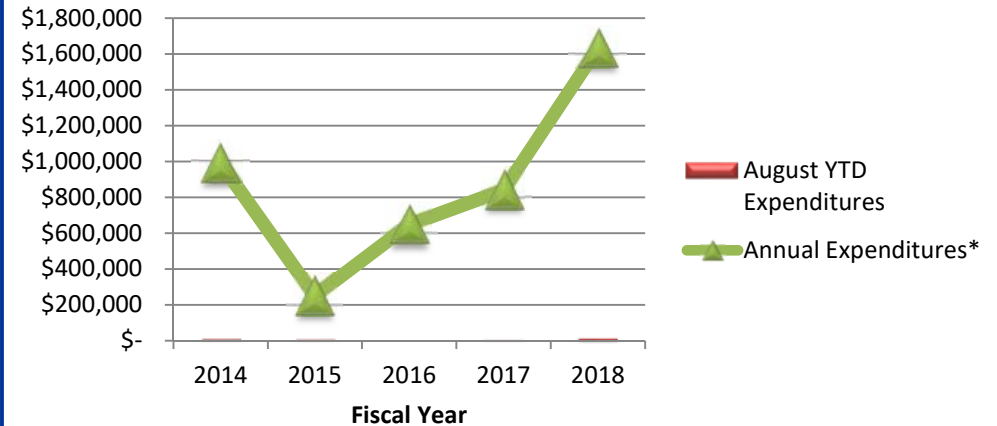
Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 6,936	\$ 988,600	1%		
2015	\$ 4,700	\$ 247,614	2%	-32%	-75%
2016	\$ -	\$ 647,006	0%	-100%	161%
2017	\$ 4,093	\$ 839,927	<1%	∞	30%
2018	\$ 11,783	\$ 1,632,300	1%	188%	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.

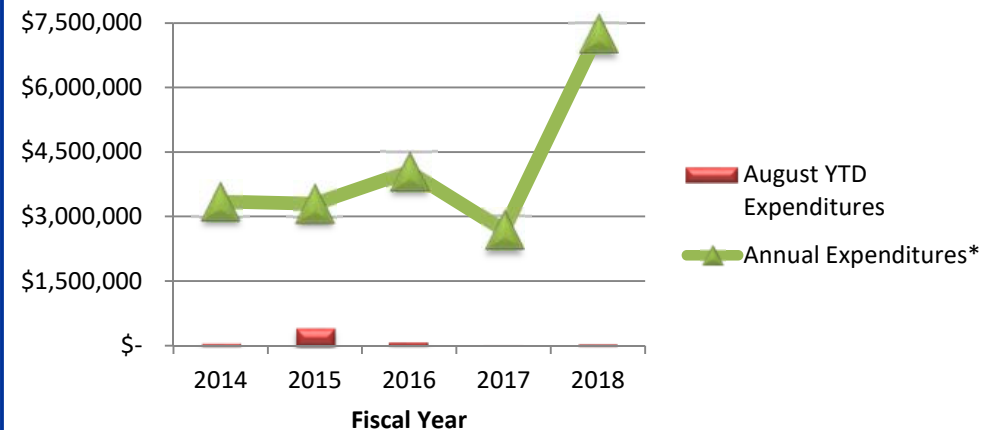
Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 54,378	\$ 3,348,961	2%		
2015	\$ 393,334	\$ 3,293,016	12%	623%	-2%
2016	\$ 73,537	\$ 4,045,969	2%	-81%	23%
2017	\$ (3,777)	\$ 2,677,559	<1%	-105%	-34%
2018	\$ 41,074	\$ 7,246,669	1%	<1%	171%

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



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Total Expenditures by Fund

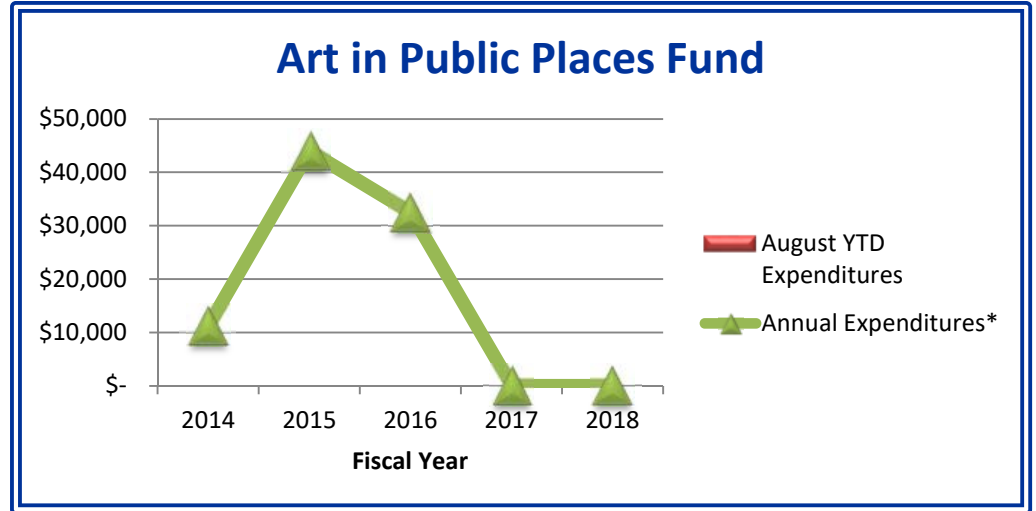
Total Art in Public Places Fund Exp.

On Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August 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.



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Total Expenditures by Fund

Total Wastewater Enterprise Fund Exp.

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 565,085	\$ 9,927,837	6%		
2015	\$ 1,260,510	\$ 11,055,429	11%	123%	11%
2016	\$ 1,737,718	\$ 14,367,467	12%	38%	30%
2017	\$ 1,407,604	\$ 10,625,910	13%	-19%	-26%
2018	\$ 1,217,313	\$ 14,549,091	8%	-14%	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:

The increase is primarily due to expenditures incurred for the plant upgrade.

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) The decrease is largely due to the expenditures incurred for the plant upgrade in the prior year.
- (2) Debt service costs were approximately \$42,000 lower and are based on the monthly accruals of scheduled bond principal and interest payments.

Annual Decrease from FY 2016 to FY 2017:

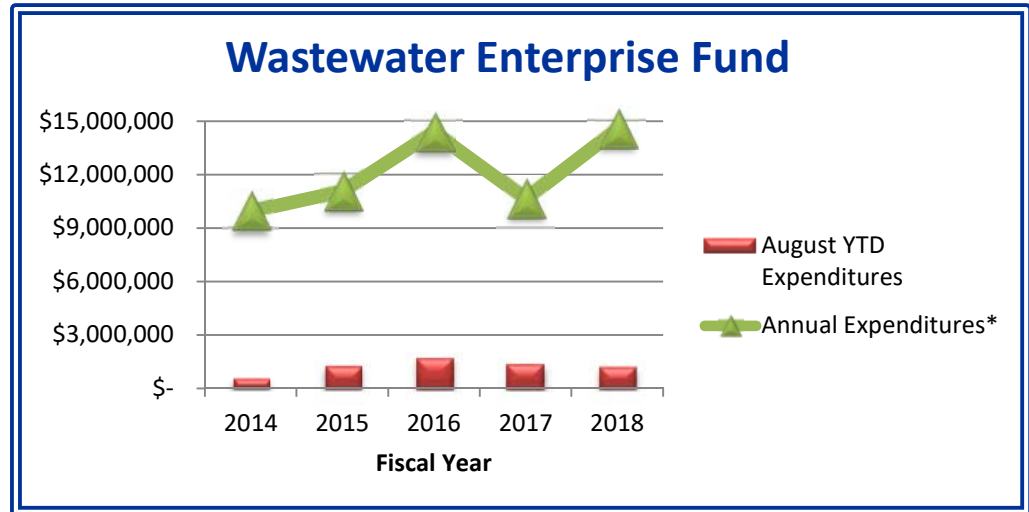
The decrease is primarily due to expenditures incurred for the plant upgrade and injection well drilling in the prior year.

YTD Decrease from FY 2017 to FY 2018:

- (1) The decrease is largely due to the expenditures incurred for the injection well drilling in the prior year.
- (2) The debt service costs are approximately \$92,000 lower and are based on the monthly accruals of scheduled bond principal and interest payments.

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.



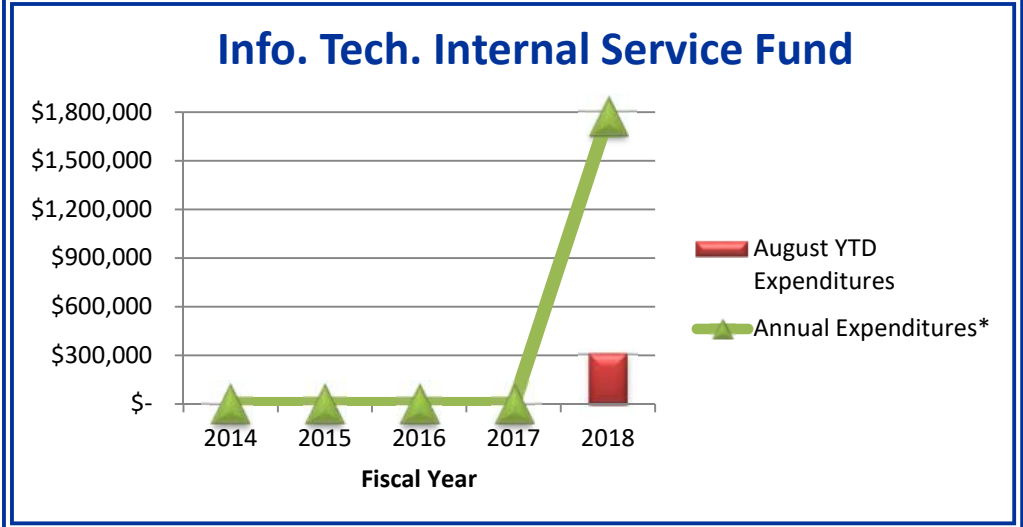
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Total Expenditures by Fund

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

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August 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	\$ 309,518	\$ 1,773,004	17%	∞	∞

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



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Total Expenditures by Fund

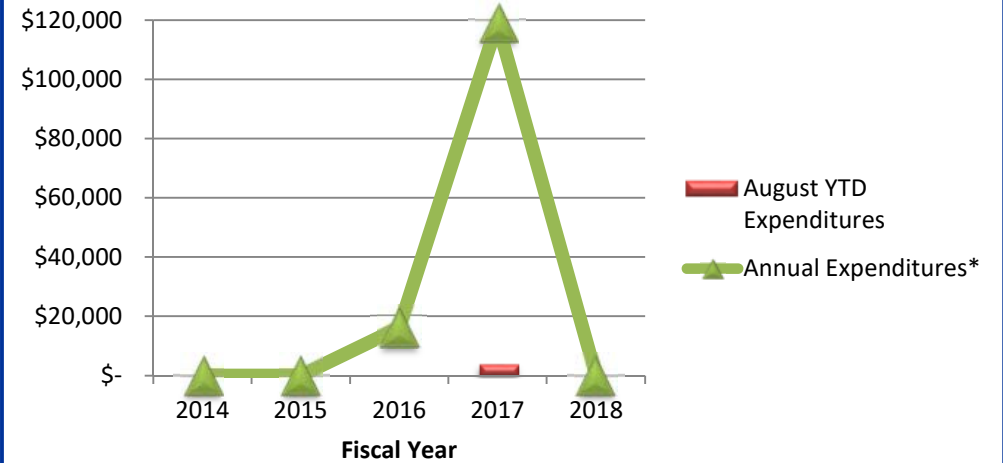
Total CFD - Sedona Summit II Exp.

On Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ -	\$ 16,064	0%	N/A	∞
2017	\$ 3,895	\$ 119,131	3%	∞	642%
2018	\$ -	\$ -	N/A	-100%	-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.

CFD - Sedona Summit II



Total CFD - Fairfield Expenditures

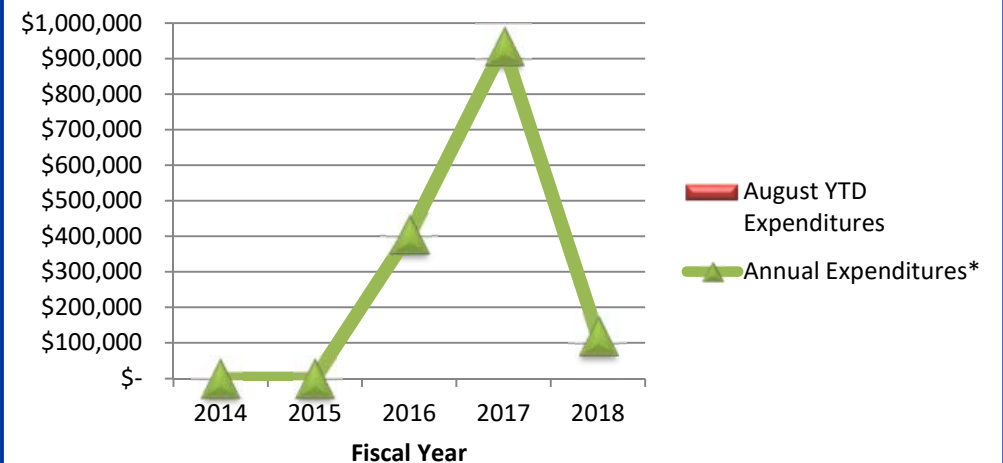
Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August 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	\$ 1,050	\$ 120,175	1%	∞	-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.

CFD - Fairfield



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

City Council Expenditures

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 6,153	\$ 53,561	11%		
2015	\$ 5,514	\$ 66,995	8%	-10%	25%
2016	\$ 10,649	\$ 63,123	17%	93%	-6%
2017	\$ 5,502	\$ 60,524	9%	-48%	-4%
2018	\$ 12,477	\$ 77,775	16%	127%	29%

Annual Increase from FY 2014 to FY 2015:

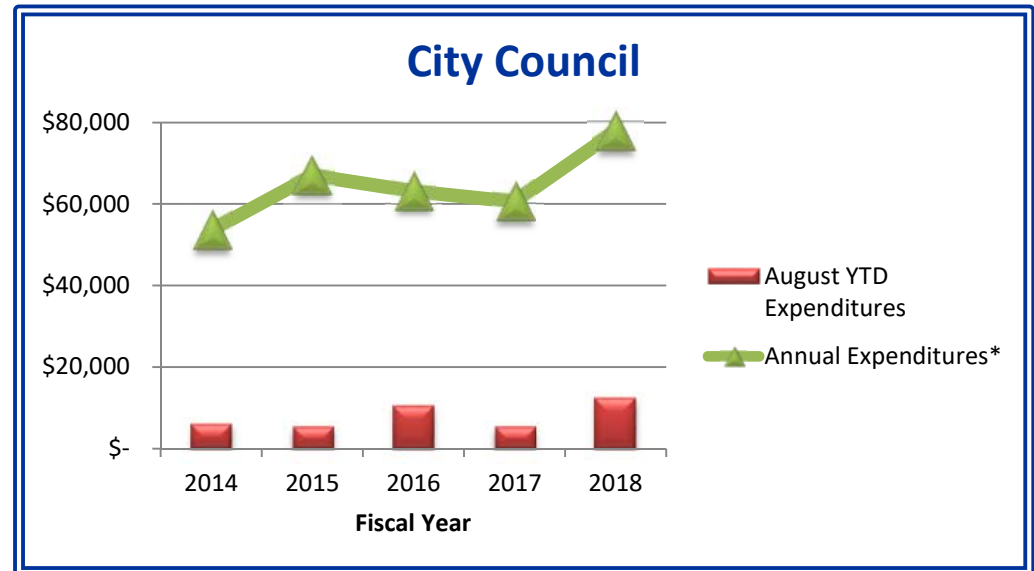
- (1) Moved Travel & Training costs to departments from General Services in FY 2015.
- (2) Increase in meals costs for City Manager interviews.
- (3) Replacement of office furniture.

YTD Increase from FY 2017 to FY 2018:

The increase is partly due to an increase in Travel & Training costs.

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	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 101,800	\$ 696,483	15%		
2015	\$ 102,868	\$ 704,983	15%	1%	1%
2016	\$ 99,090	\$ 745,235	13%	-4%	6%
2017	\$ 101,701	\$ 878,130	12%	3%	18%
2018	\$ 1,199,762	\$ 3,138,700	38%	1080%	257%

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:

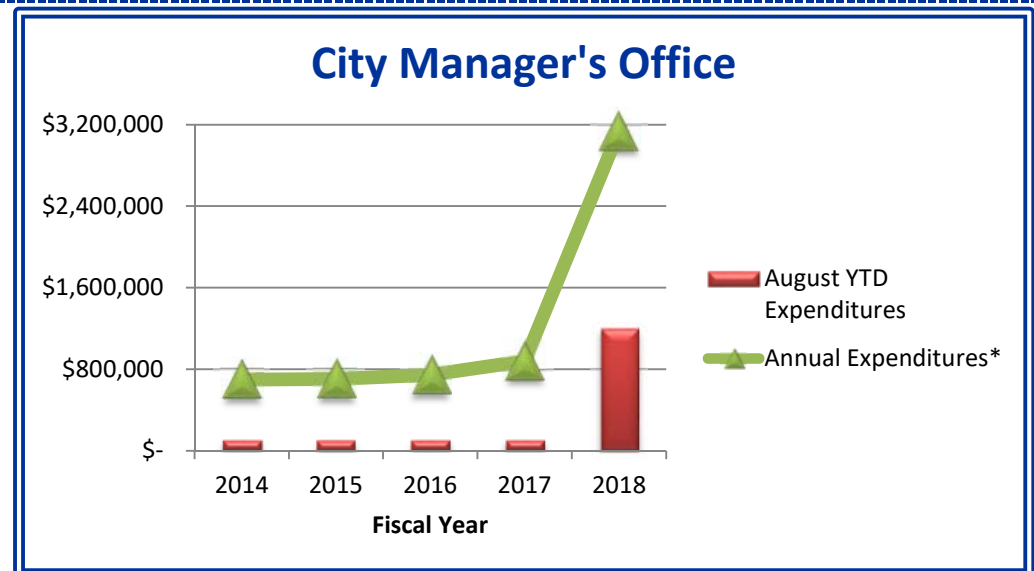
The Tourism Management & Development costs were moved from General Services to the City Manager's Office budget.

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 two months of the fiscal year (38% actual compared to two-month budget of 17%).

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.



* 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)

Human Resources Expenditures

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 26,243	\$ 178,106	15%		
2015	\$ 26,943	\$ 191,432	14%	3%	7%
2016	\$ 27,172	\$ 217,866	12%	1%	14%
2017	\$ 38,405	\$ 255,942	15%	41%	17%
2018	\$ 34,398	\$ 308,275	11%	-10%	20%

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.

YTD Increase from FY 2016 to FY 2017:

The increase is primarily due to increases in recruitment and relocations costs.

Annual Increase from FY 2016 to FY 2017:

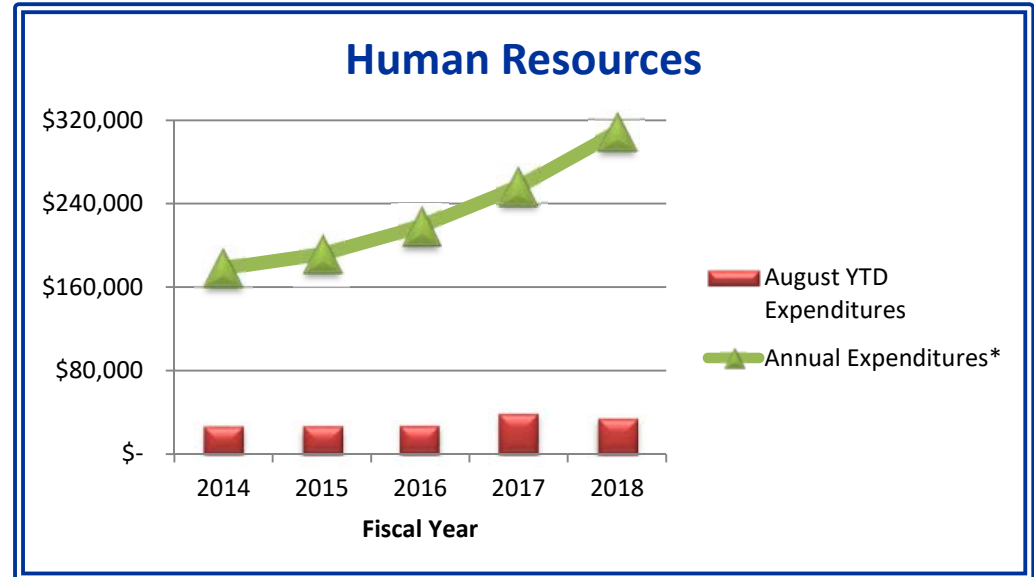
- (1) The increase is partly due to increases in recruitment and relocations costs.
- (2) Special programs costs are higher due an increase in costs for the volunteer appreciation event.
- (3) Prior to FY 2017, salary allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

YTD Decrease from FY 2017 to FY 2018:

The decrease is primarily due to decreases in recruitment and relocations costs.

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.



* 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)

Financial Services Expenditures

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 54,312	\$ 448,475	12%		
2015	\$ 48,123	\$ 416,550	12%	-11%	-7%
2016	\$ 56,549	\$ 450,225	13%	18%	8%
2017	\$ 111,775	\$ 859,666	13%	98%	91%
2018	\$ 131,798	\$ 1,130,005	12%	18%	31%

YTD Decrease from FY 2014 to FY 2015:

The decrease is largely a result of a timing difference in payments for sales tax audits.

YTD Increase from FY 2015 to FY 2016:

The increase is partly a result of a timing difference in payments for sales tax audits.

YTD Increase from FY 2016 to FY 2017:

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

Annual Increase from FY 2016 to FY 2017:

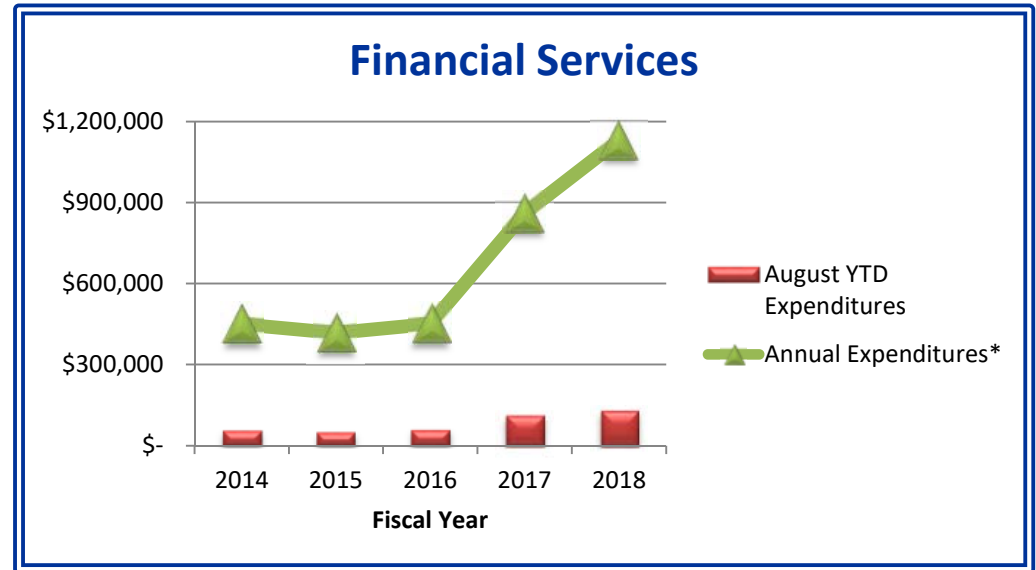
- (1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund. The Utility Billing function in Financial Services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

YTD Increase from FY 2017 to FY 2018:

The increase is largely a result of the transfer of service charges from General Services to the Financial Services Department.

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

On Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 243,536	\$ 713,547	34%		
2015	\$ 258,705	\$ 1,058,766	24%	6%	48%
2016	\$ 255,594	\$ 853,746	30%	-1%	-19%
2017	\$ 261,141	\$ 1,083,123	24%	2%	27%
2018	\$ 258,359	\$ 1,367,904	19%	-1%	26%

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.

Annual Decrease from FY 2015 to FY 2016:

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

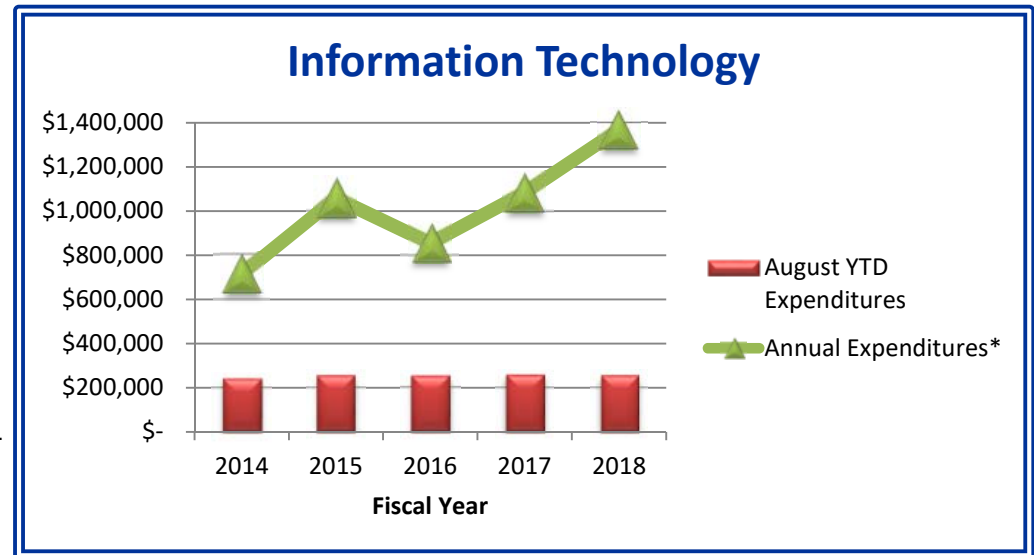
Annual Increase from FY 2016 to FY 2017:

- (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.

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.

On Target for FY 2018: The percentage of annual expenditures is high for two months of the fiscal year (19% actual compared to two-month budget of 17%). Since approximately 16% of the budget represents annual software maintenance contracts, and most of those are paid early in the fiscal year, the Information Technology Department expenditures are on track for 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	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 69,885	\$ 458,932	15%		
2015	\$ 62,934	\$ 490,736	13%	-10%	7%
2016	\$ 66,038	\$ 496,564	13%	5%	1%
2017	\$ 61,526	\$ 548,304	11%	-7%	10%
2018	\$ 66,840	\$ 683,600	10%	9%	25%

YTD Decrease from FY 2014 to FY 2015:

The decrease was primarily due to vacancy savings.

Annual Increase from FY 2016 to FY 2017:

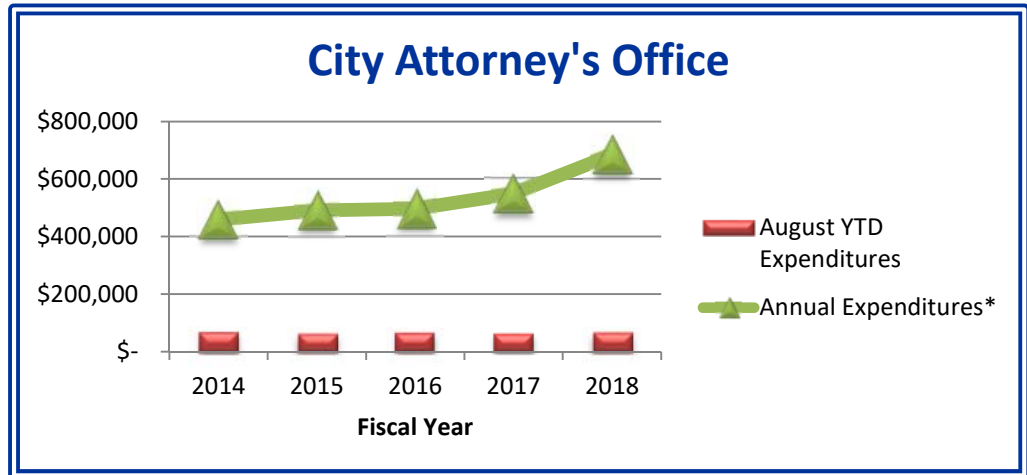
(1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

(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	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 29,329	\$ 226,818	13%		
2015	\$ 35,109	\$ 243,829	14%	20%	7%
2016	\$ 31,582	\$ 219,942	14%	-10%	-10%
2017	\$ 31,746	\$ 265,657	12%	1%	21%
2018	\$ 34,868	\$ 260,090	13%	10%	-2%

YTD Increase from FY 2014 to FY 2015:

The increase is primarily due to elections costs incurred in FY 2015.

YTD Decrease from FY 2015 to FY 2016:

The decrease is primarily due to elections costs in the prior year.

Annual Decrease from FY 2015 to FY 2016:

FY 2015 was an election year.

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.

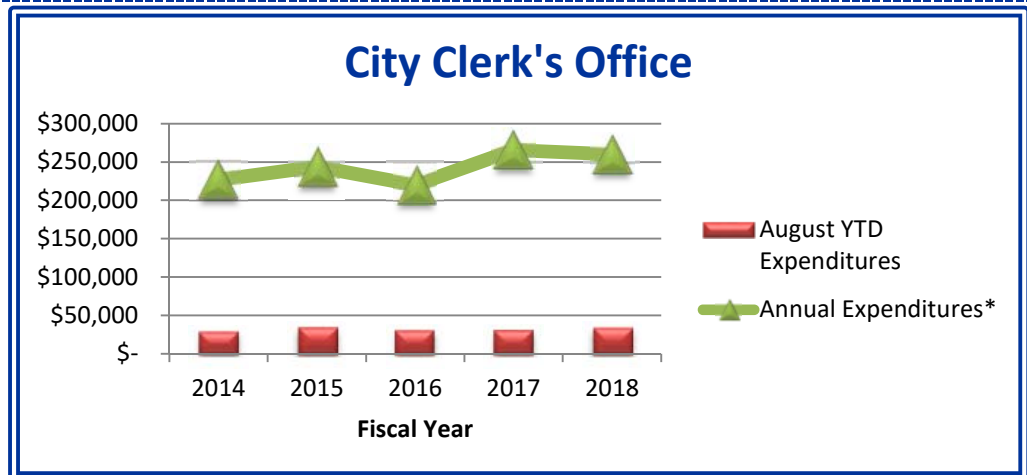
(2) Costs related to the City's electronics recycling event increased due to an increase in participation.

(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 partly 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	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 72,039	\$ 378,165	19%		
2015	\$ 68,554	\$ 506,788	14%	-5%	34%
2016	\$ 119,893	\$ 493,305	24%	75%	-3%
2017	\$ 113,433	\$ 608,478	19%	-5%	23%
2018	\$ 96,750	\$ 733,974	13%	-15%	21%

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:

The increase is primarily due to a timing difference in special events payments.

Annual Increase from FY 2016 to FY 2017:

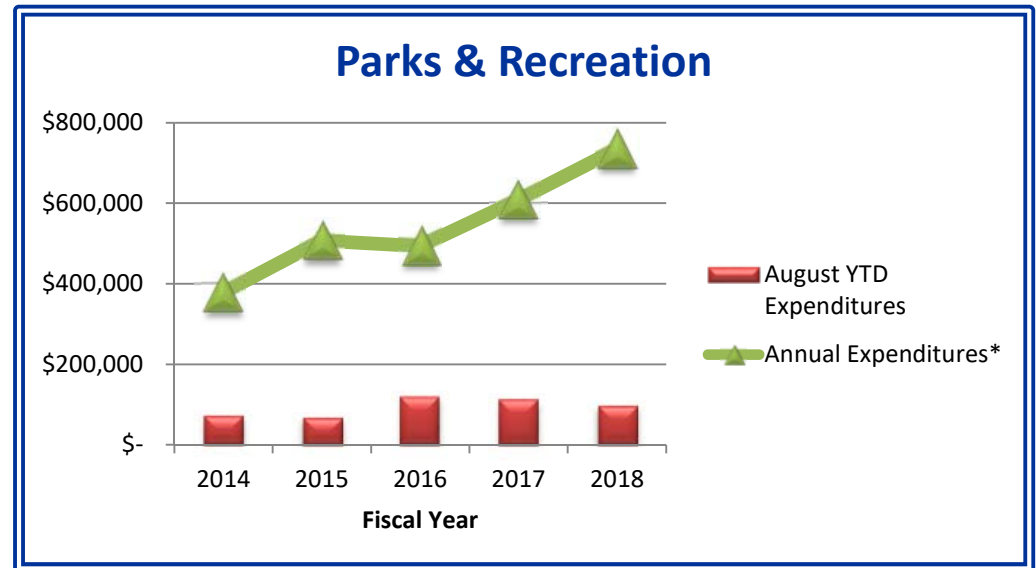
- (1) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.
- (2) Special events were increased approximately \$33,000 for additional events and enhancements of existing events.

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.



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

General Services Expenditures

On Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 826,082	\$ 3,082,440	27%		
2015	\$ 1,426,427	\$ 3,889,467	37%	73%	26%
2016	\$ 1,480,270	\$ 4,071,785	36%	4%	5%
2017	\$ 1,423,777	\$ 4,209,363	34%	-4%	3%
2018	\$ 750,693	\$ 1,928,084	39%	-47%	-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) Other differences were a result of timing of property and liability insurance premiums and community contract payments.

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 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.

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.

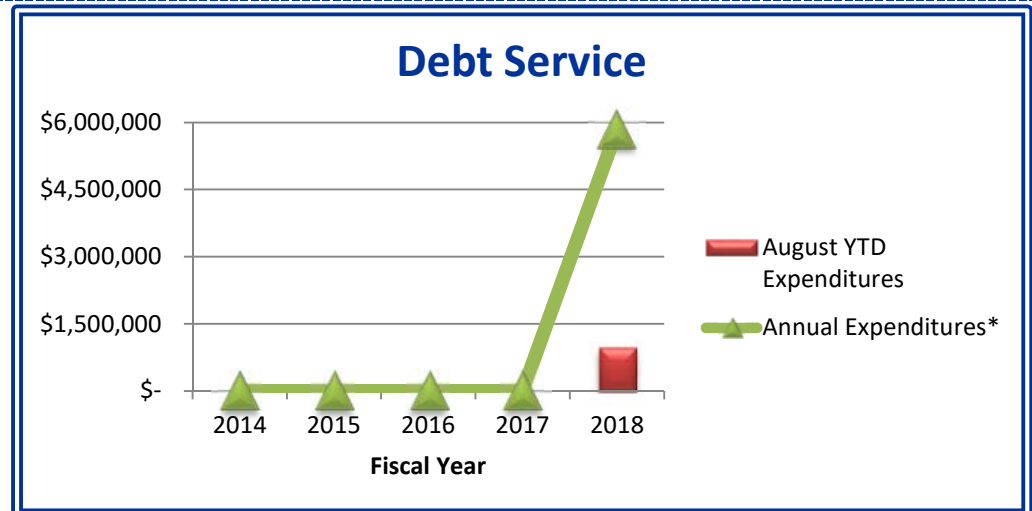
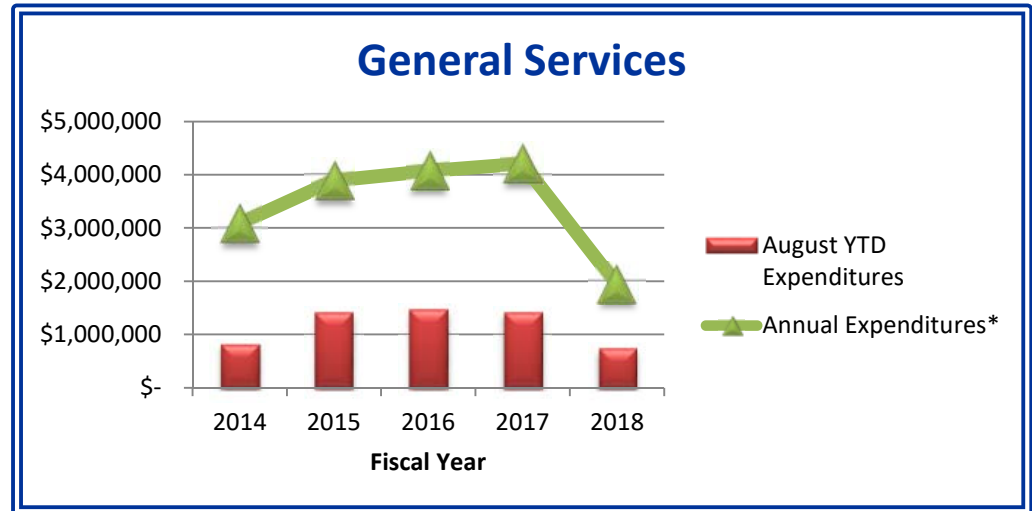
On Target for FY 2018: The percentage of annual expenditures is high for two months of the fiscal year (39% actual compared to two-month budget of 17%). Approximately 48% of the budget represents costs for community service contracts, and those costs are paid semiannually. One half of these contracts are generally paid in either July or August. Based on the timing and size of these payments, the General Services Department expenditures are on track for FY 2018.

Debt Service Expenditures

On Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August 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	\$ 974,871	\$ 5,841,045	17%	∞	∞

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

On Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 149,831	\$ 931,021	16%		
2015	\$ 154,142	\$ 1,054,199	15%	3%	13%
2016	\$ 184,852	\$ 1,201,326	15%	20%	14%
2017	\$ 152,338	\$ 1,576,171	10%	-18%	31%
2018	\$ 283,339	\$ 1,707,950	17%	86%	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:

The increase was primarily 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:

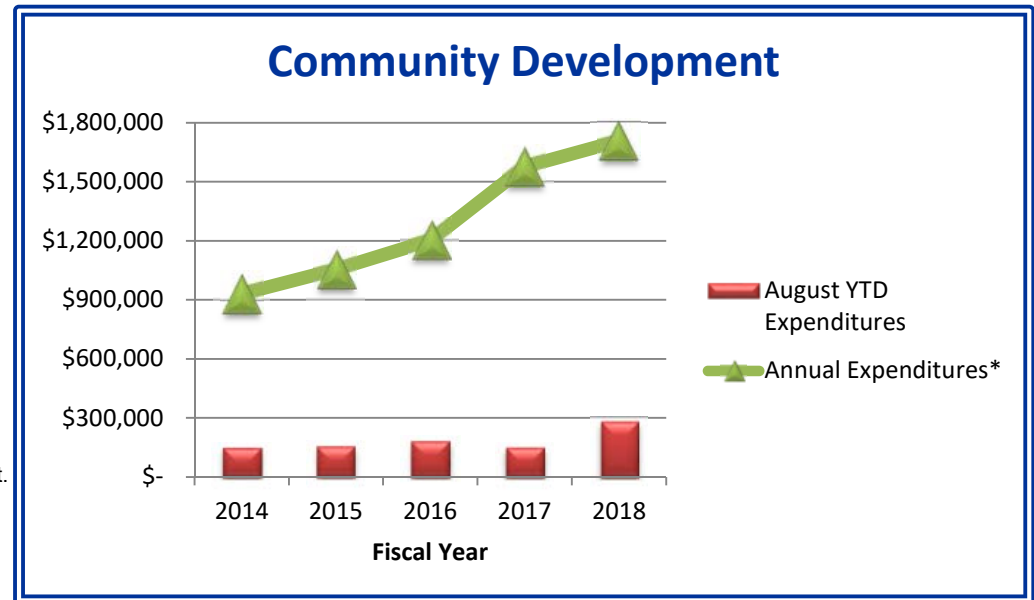
The decrease was largely the result of the purchase of a replacement vehicle for Code Enforcement during FY 2016

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.
- (3) In addition, the increase was due to costs incurred for the Land Development Code update.



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

Public Works Expenditures

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 371,122	\$ 3,642,185	10%		
2015	\$ 345,669	\$ 2,278,004	15%	-7%	-37%
2016	\$ 316,654	\$ 3,214,005	10%	-8%	41%
2017	\$ 355,308	\$ 4,397,351	8%	12%	37%
2018	\$ 530,102	\$ 4,944,510	11%	49%	12%

Annual Decrease from FY 2014 to FY 2015:

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

Annual Increase from FY 2015 to FY 2016:

- (1) 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.

YTD Increase from FY 2016 to FY 2017:

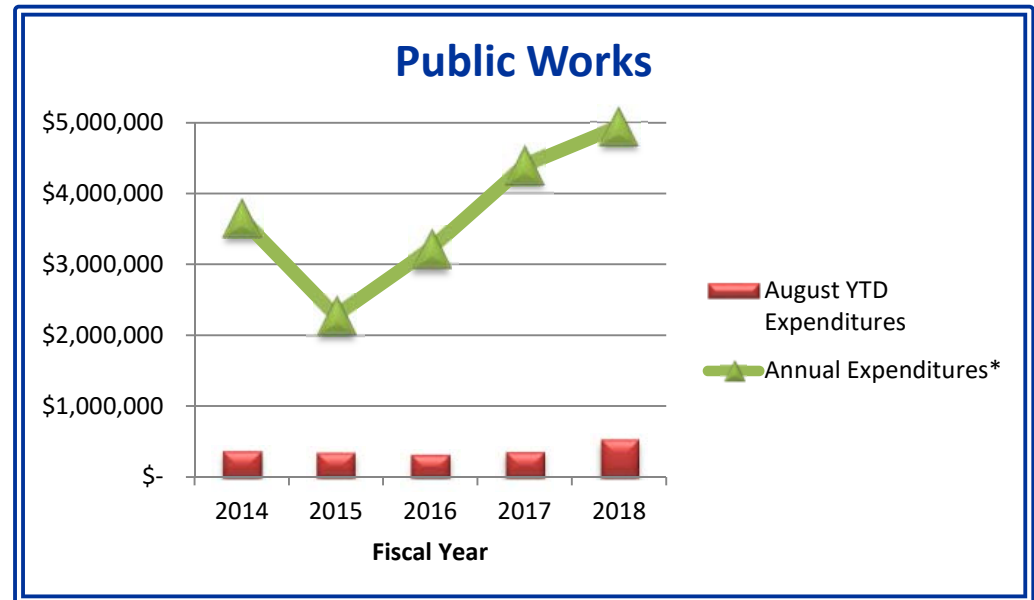
Prior to FY 2017, salary and other cost allocations for Capital Projects Management to the Wastewater Enterprise Fund were coded to the Wastewater Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

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 the purchase of a hot box for the Streets program and the replacement of the Posse Grounds Hub roof.
- (2) The increase was also partly due to the timing of the City's wastewater payments and the accrual of health insurance costs.
- (3) The Traffic Control Services program was added in FY 2018.



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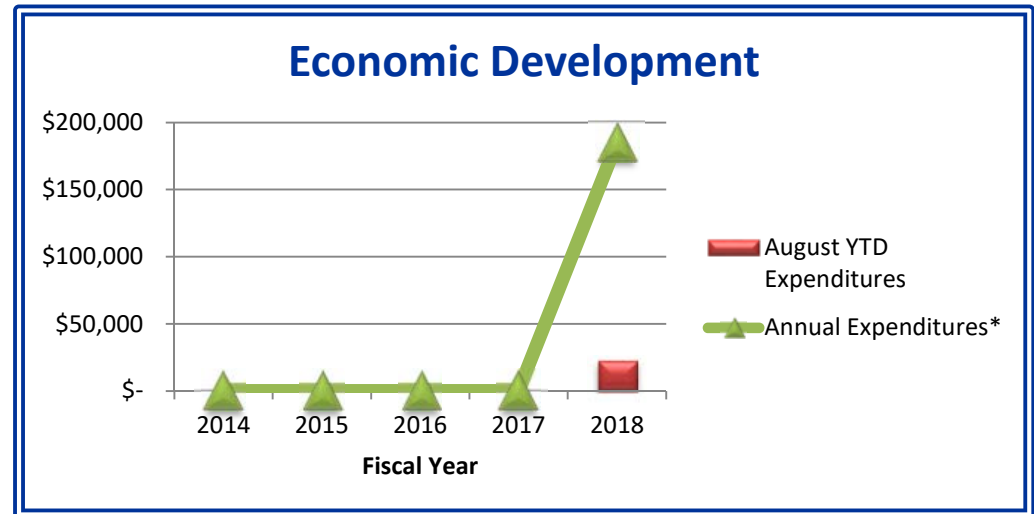
Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

Economic Development Expenditures

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August 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	\$ 22,460	\$ 184,970	12%	∞	∞

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



Police Expenditures

Under Target for FY 2018

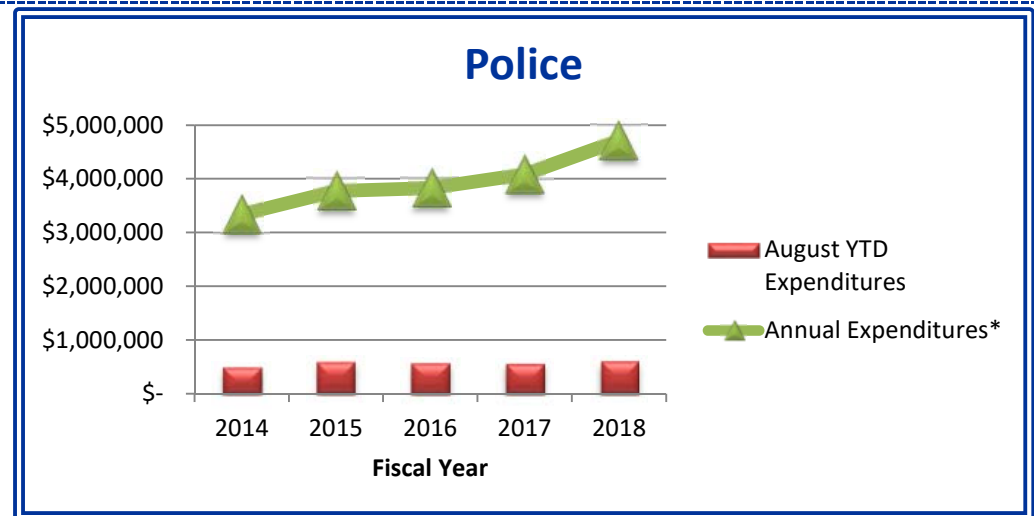
FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 483,832	\$ 3,338,557	14%		
2015	\$ 587,804	\$ 3,770,582	16%	21%	13%
2016	\$ 567,220	\$ 3,826,416	15%	-4%	1%
2017	\$ 551,882	\$ 4,080,748	14%	-3%	7%
2018	\$ 595,917	\$ 4,716,435	13%	8%	16%

YTD and 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.

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.



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

Municipal Court Expenditures

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 37,010	\$ 271,121	14%		
2015	\$ 44,613	\$ 291,684	15%	21%	8%
2016	\$ 40,501	\$ 307,281	13%	-9%	5%
2017	\$ 37,161	\$ 322,022	12%	-8%	5%
2018	\$ 45,060	\$ 361,370	12%	21%	12%

YTD Increase from FY 2014 to FY 2015:

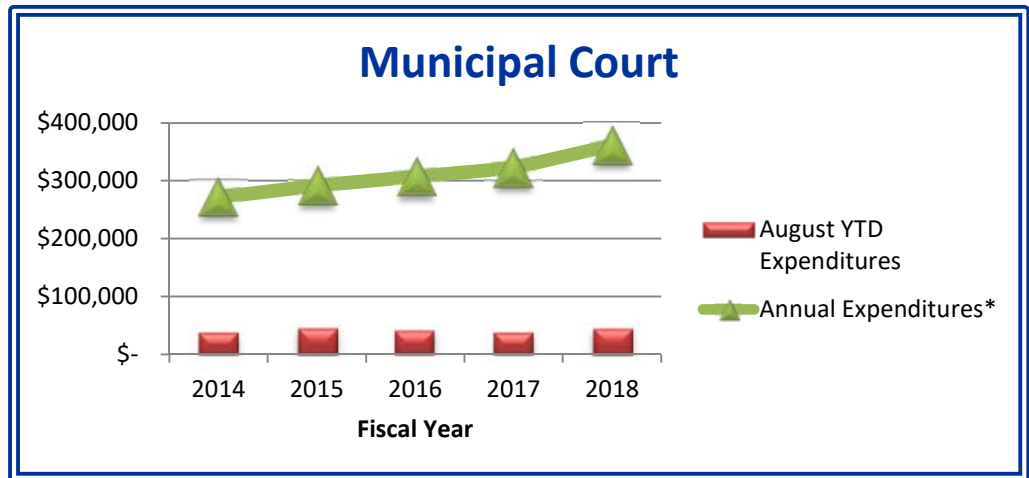
Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.

YTD Increase from FY 2017 to FY 2018:

The increase is largely a result of vacancy savings experienced in the prior year.

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.



Wastewater Administration Expenditures

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 166,871	\$ 6,723,060	2%		
2015	\$ 1,020,210	\$ 6,394,431	16%	511%	-5%
2016	\$ 1,079,251	\$ 6,503,494	17%	6%	2%
2017	\$ 877,373	\$ 5,465,854	16%	-19%	-16%
2018	\$ 38,285	\$ 308,269	12%	-96%	-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 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 \$42,000 lower and are based on the monthly accruals of scheduled bond principal and interest payments.

Annual Decrease from FY 2016 to FY 2017:

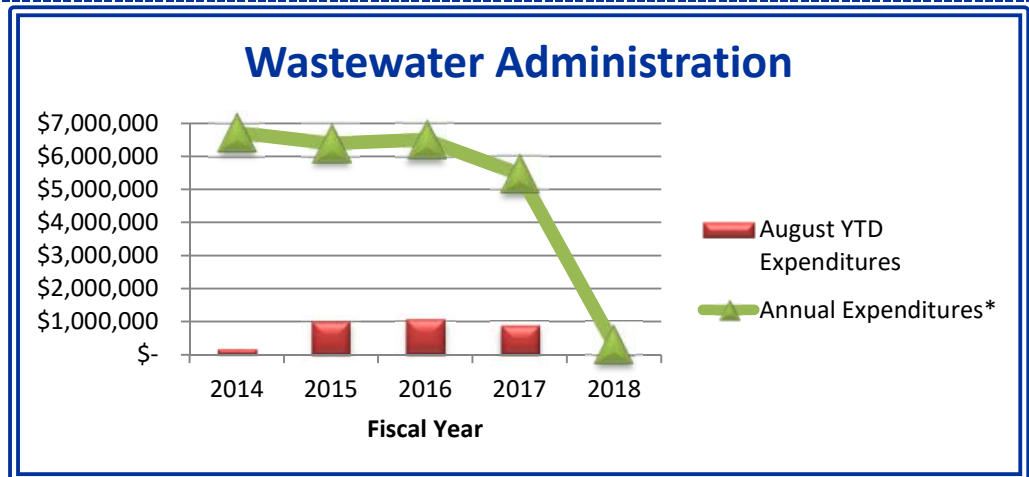
- (1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (2) Debt service costs are approximately \$261,000 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.



* 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)

Wastewater Capital Projects Mgmt Exp.

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 17,906	\$ 104,228	17%		
2015	\$ 20,143	\$ 131,783	15%	12%	26%
2016	\$ 16,963	\$ 176,040	10%	-16%	34%
2017	\$ 9,796	\$ 64,796	15%	-42%	-63%
2018	\$ 7,358	\$ 60,540	12%	-25%	-7%

YTD and 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 Decrease from FY 2015 to FY 2016:

The decrease is largely a result of vacancy savings incurred.

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.

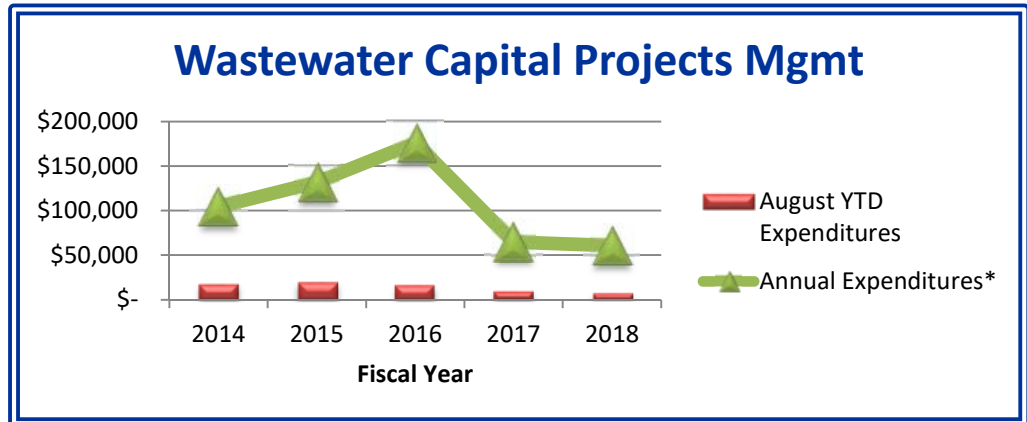
(2) A master plan was started during FY 2016 for the wastewater collection system.

YTD and 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.



Wastewater Operations Expenditures

Under Target for FY 2018

FY	August YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - August YTD	% Increase - Annual
2014	\$ 240,554	\$ 2,064,537	12%		
2015	\$ 220,158	\$ 2,328,173	9%	-8%	13%
2016	\$ 251,017	\$ 2,291,483	11%	14%	-2%
2017	\$ 205,990	\$ 2,241,279	9%	-18%	-2%
2018	\$ 246,806	\$ 3,053,817	8%	20%	36%

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:

The increase was primarily due to the timing of utility payments.

YTD Decrease from FY 2016 to FY 2017:

The decrease was primarily a result of timing of wetlands maintenance and other maintenance costs.

YTD Increase from FY 2017 to FY 2018:

(1) The increase is partly due to a generator rental.

(2) The increase was also partly due to the timing of wetlands maintenance and other maintenance.

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.



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

Total Revenues by Fund

Total General Fund Revenues

Under Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 1,947,995	\$ 15,535,678	13%		
2015	\$ 2,650,750	\$ 17,191,008	15%	36%	11%
2016	\$ 2,640,543	\$ 18,612,738	14%	<-1%	8%
2017	\$ 3,596,738	\$ 25,135,539	14%	36%	35%
2018	\$ 3,825,556	\$ 25,924,160	15%	6%	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 36%, 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 7%, 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.

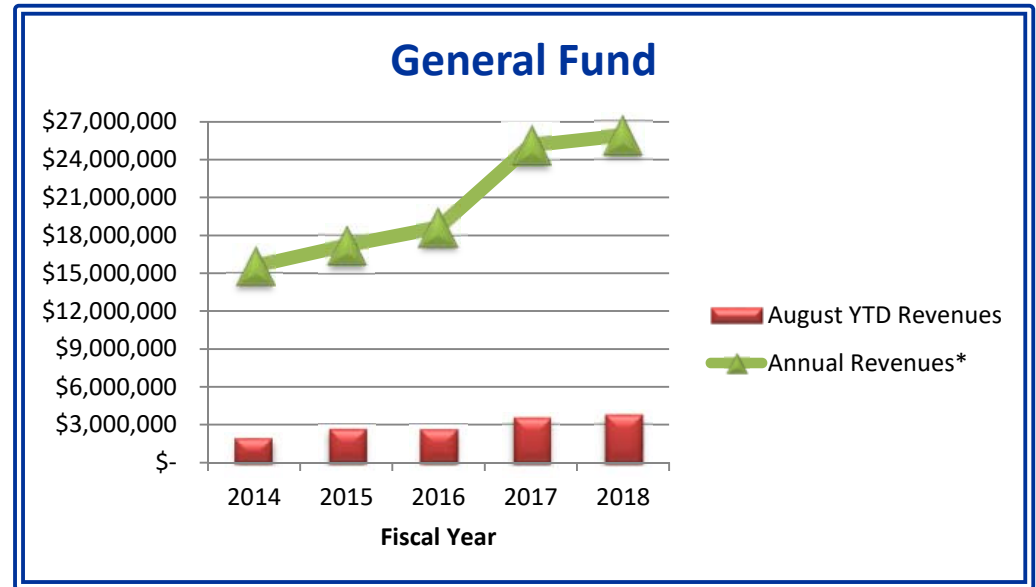
YTD Increase from FY 2016 to FY 2017:

- (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 21%. Of this amount, a portion 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) 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%.

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.



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Total Revenues by Fund

Total Streets Fund Revenues

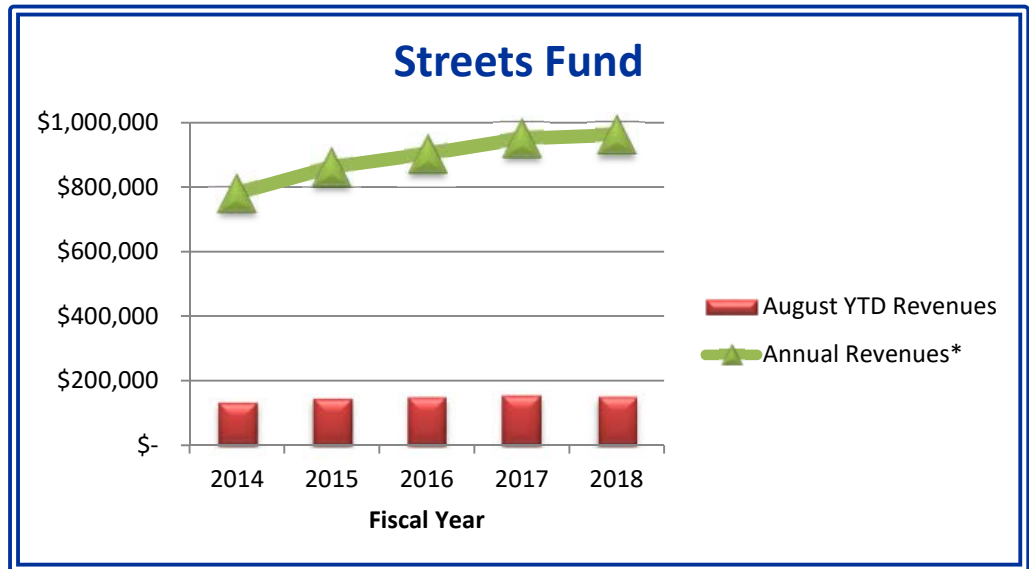
Under Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 130,660	\$ 780,913	17%		
2015	\$ 143,543	\$ 862,099	17%	10%	10%
2016	\$ 149,429	\$ 902,994	17%	4%	5%
2017	\$ 154,066	\$ 950,751	16%	3%	5%
2018	\$ 149,950	\$ 961,900	16%	-3%	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.



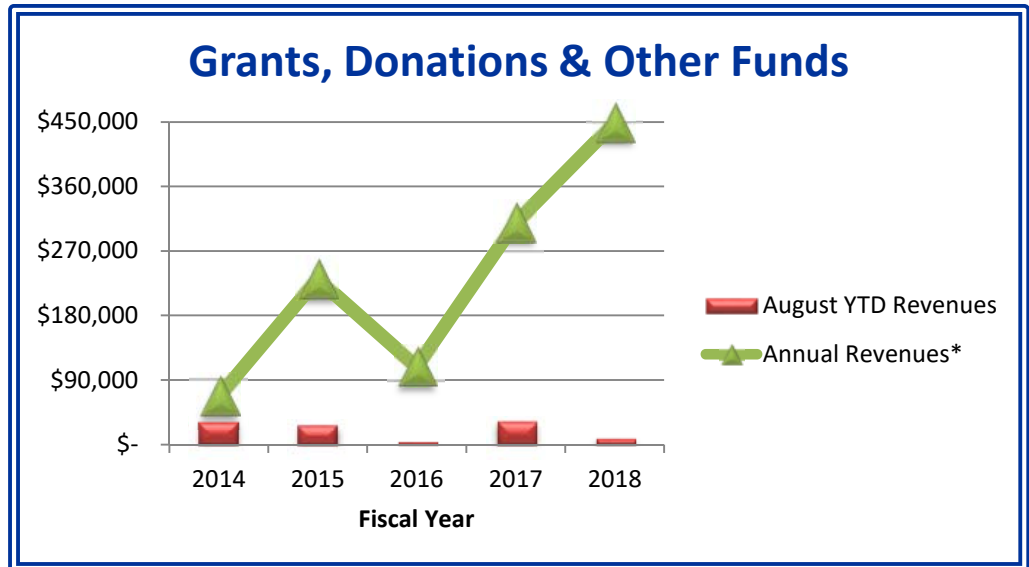
Total Grants, Donations & Other Rev.

Under Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 32,919	\$ 66,852	49%		
2015	\$ 27,836	\$ 230,824	12%	-15%	245%
2016	\$ 4,080	\$ 108,649	4%	-85%	-53%
2017	\$ 32,919	\$ 309,408	11%	707%	185%
2018	\$ 8,444	\$ 449,060	2%	-74%	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

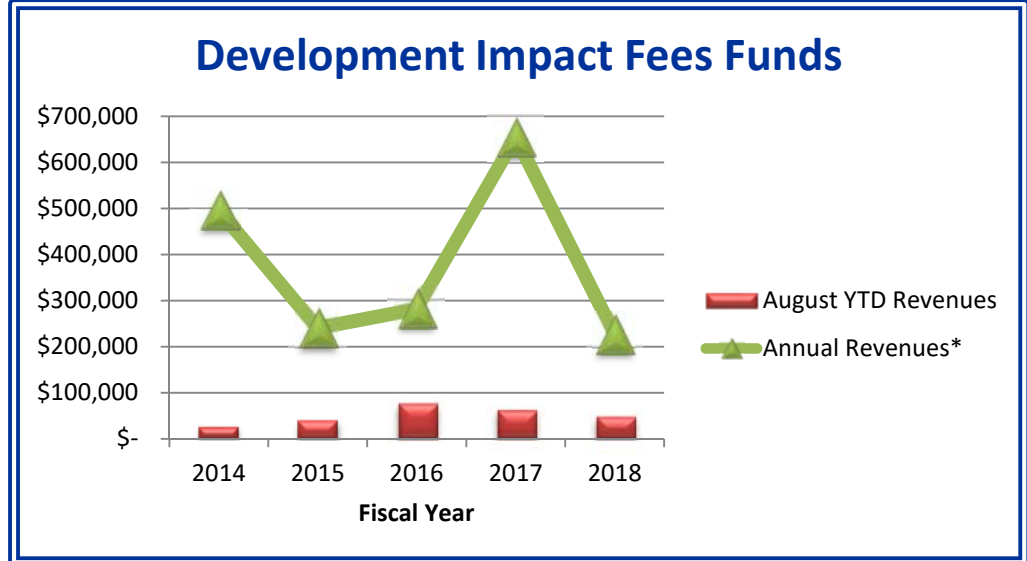
Exceeds Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 25,304	\$ 495,662	5%		
2015	\$ 39,809	\$ 240,561	17%	57%	-51%
2016	\$ 76,571	\$ 281,497	27%	92%	17%
2017	\$ 62,002	\$ 654,256	9%	-19%	132%
2018	\$ 48,068	\$ 225,490	21%	-22%	-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



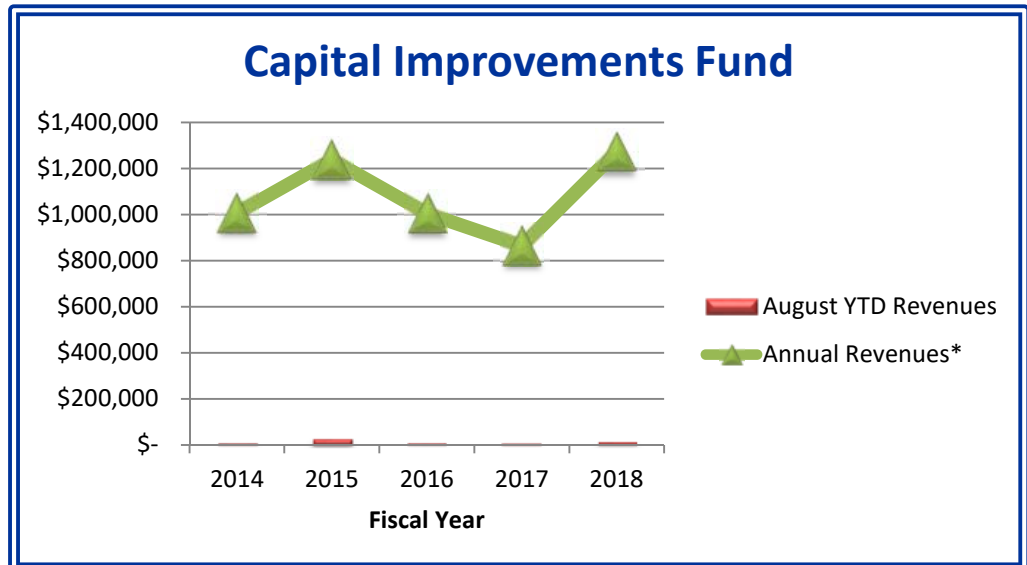
Total Capital Improvements Fund Rev.

Under Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 5,803	\$ 1,006,174	1%		
2015	\$ 24,389	\$ 1,238,120	2%	320%	23%
2016	\$ 6,472	\$ 1,003,733	1%	-73%	-19%
2017	\$ 4,345	\$ 863,346	1%	-33%	-14%
2018	\$ 12,747	\$ 1,271,857	1%	193%	47%

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.



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Total Revenues by Fund

Total Art in Public Places Fund Rev.

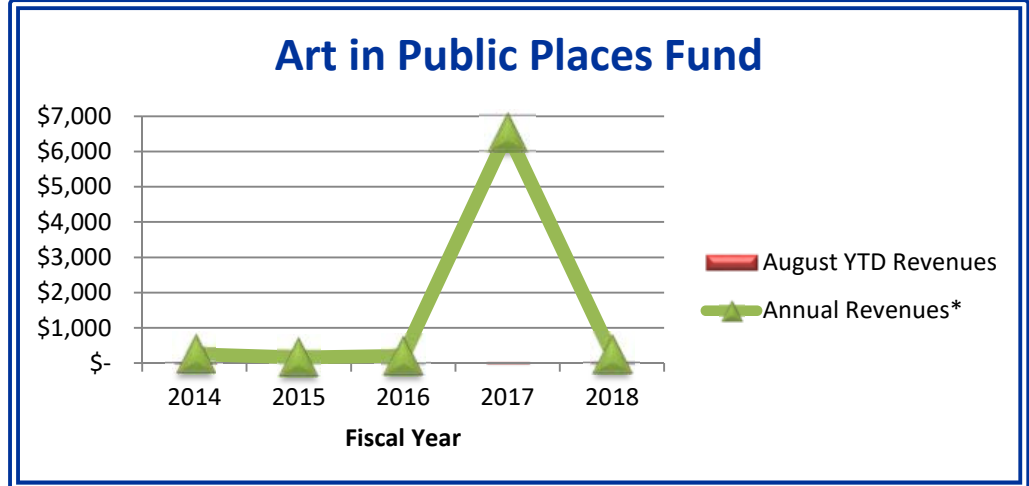
Exceeds Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 29	\$ 249	12%		
2015	\$ 5	\$ 161	3%	-82%	-35%
2016	\$ 10	\$ 204	5%	86%	27%
2017	\$ 28	\$ 6,528	<1%	194%	3106%
2018	\$ 48	\$ 230	21%	72%	-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

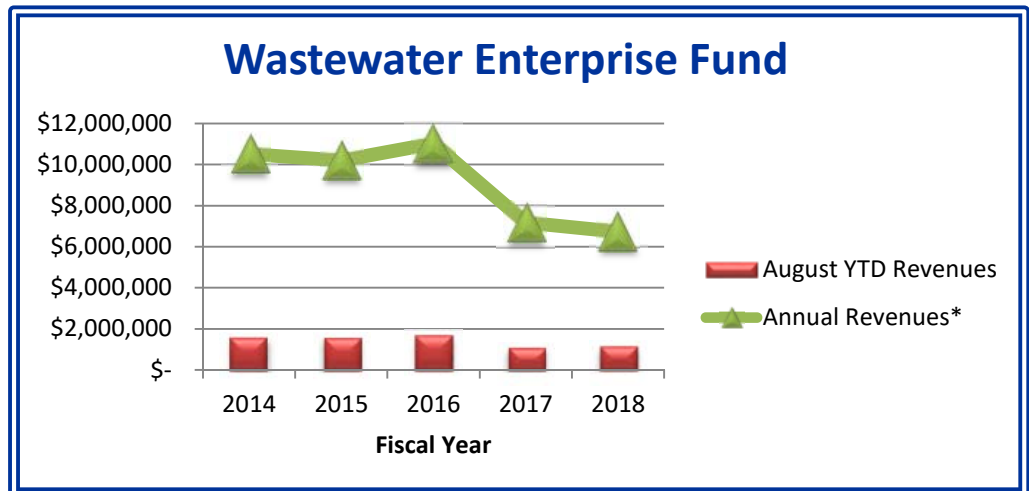
FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 1,600,910	\$ 10,512,709	15%		
2015	\$ 1,588,401	\$ 10,190,631	16%	-1%	-3%
2016	\$ 1,713,016	\$ 11,026,791	16%	8%	8%
2017	\$ 1,098,683	\$ 7,180,562	15%	-36%	-35%
2018	\$ 1,156,362	\$ 6,723,550	17%	5%	-6%

YTD Decrease from FY 2016 to FY 2017:

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%.

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.



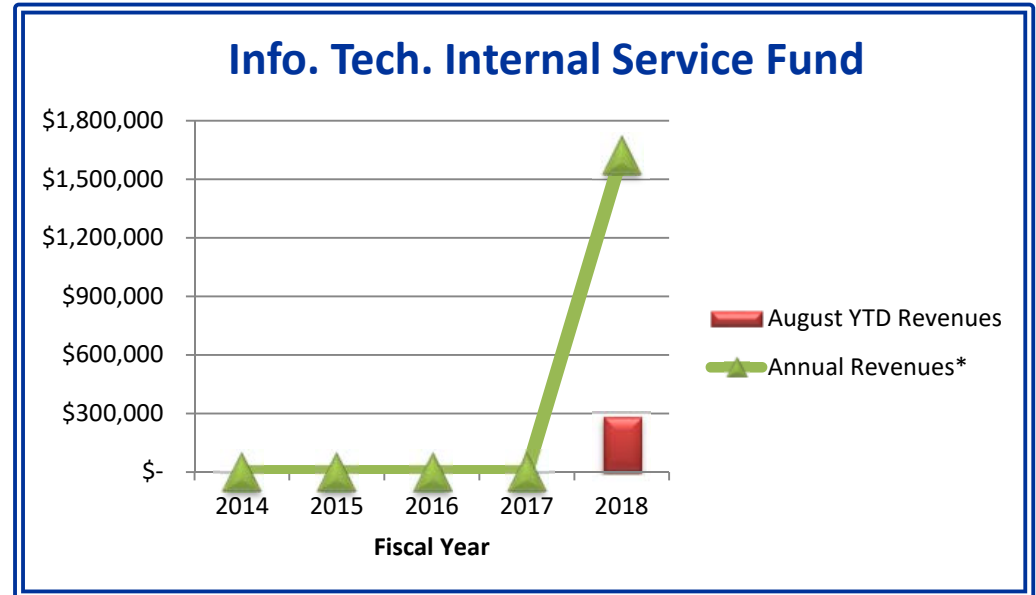
* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Fund

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

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August 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	\$ 282,833	\$ 1,622,130	17%	∞	∞

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



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Total Revenues by Fund

Total CFD - Sedona Summit II Revenues Under Target for FY 2018

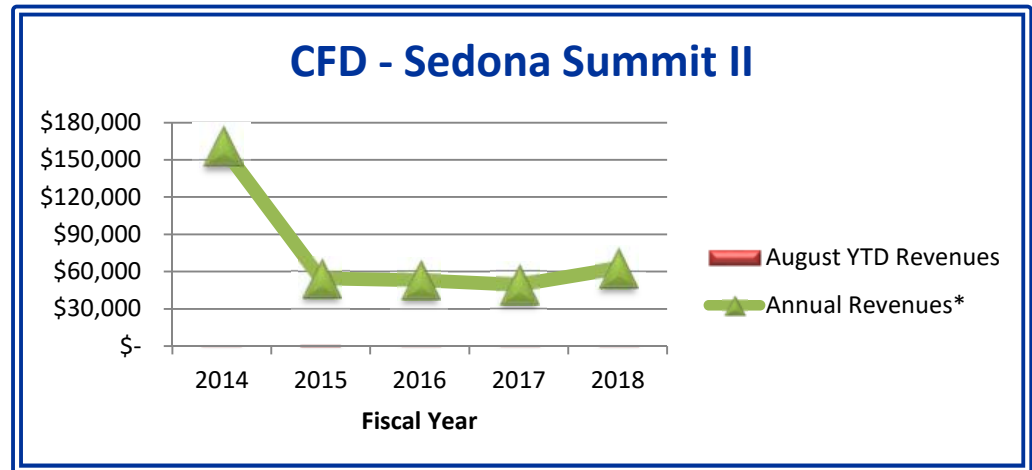
FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 3	\$ 160,904	<1%		
2015	\$ 951	\$ 54,429	2%	29075%	-66%
2016	\$ 111	\$ 52,969	<1%	-88%	-3%
2017	\$ 41	\$ 49,312	<1%	-63%	-7%
2018	\$ 74	\$ 62,600	<1%	78%	27%

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	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 26	\$ 95,839	<1%		
2015	\$ 47	\$ 121,137	<1%	81%	26%
2016	\$ 88	\$ 123,983	<1%	88%	2%
2017	\$ 321	\$ 153,156	<1%	267%	24%
2018	\$ 574	\$ 125,550	<1%	78%	-18%

Annual Increase from FY 2014 to FY 2015:

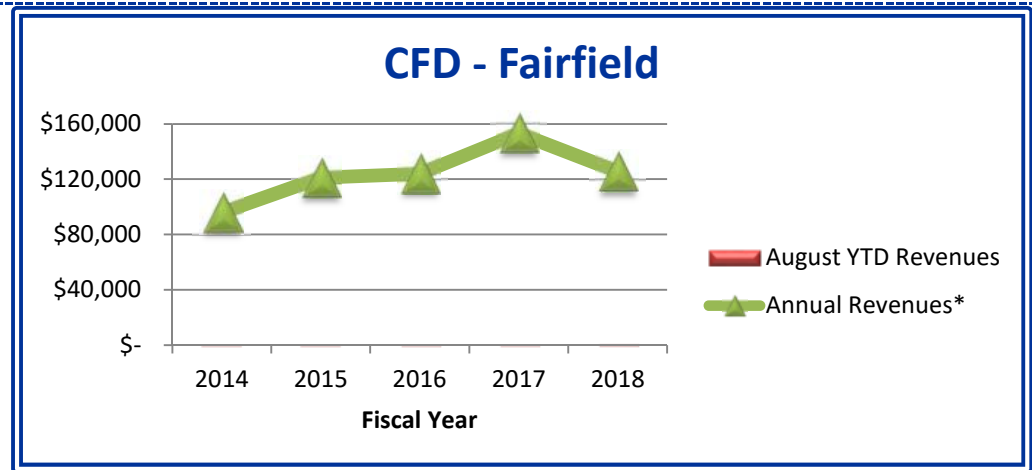
The CFD in lieu fees increased approximately \$26,000, and calculations are based on the amounts paid by the timeshare owners.

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	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 1,812,268	\$ 12,593,025	14%		
2015	\$ 2,288,844	\$ 13,613,056	17%	26%	8%
2016	\$ 2,220,864	\$ 14,999,612	15%	-3%	10%
2017	\$ 2,459,268	\$ 16,268,459	15%	11%	8%
2018	\$ 2,503,051	\$ 16,673,800	15%	2%	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.

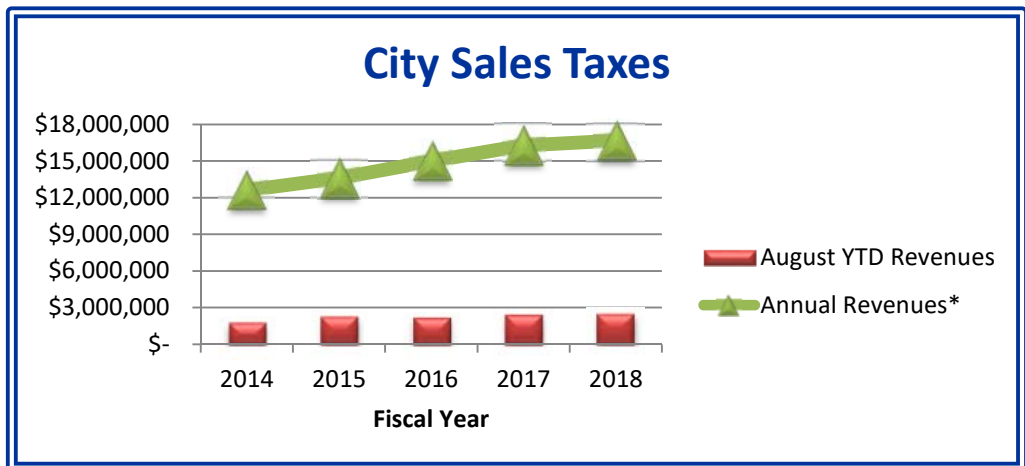
Annual Increase from FY 2015 to FY 2016:

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

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	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 261,083	\$ 2,097,290	12%		
2015	\$ 355,071	\$ 2,659,290	13%	36%	27%
2016	\$ 430,204	\$ 3,010,334	14%	21%	13%
2017	\$ 521,672	\$ 3,811,727	14%	21%	27%
2018	\$ 533,639	\$ 3,977,200	13%	2%	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.

YTD and 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.

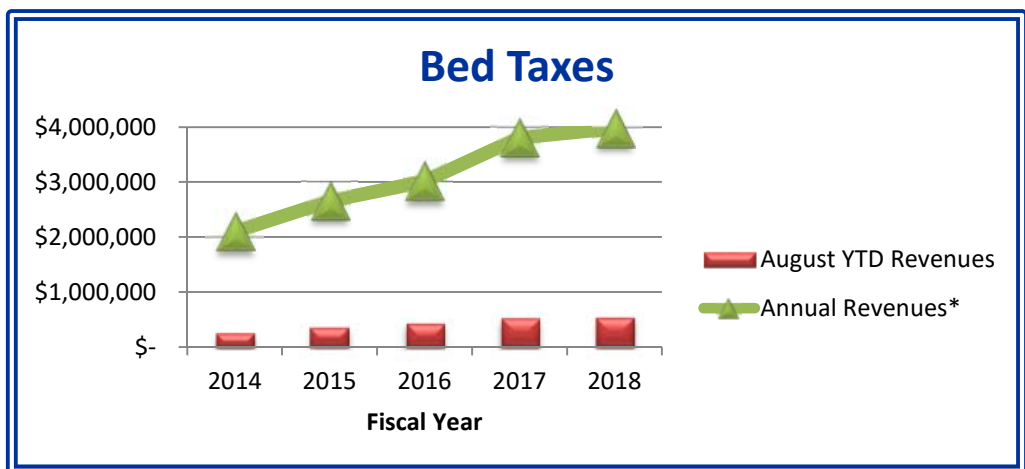
Annual Increase from FY 2016 to FY 2017:

(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.



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Total Revenues by Type

In Lieu Revenues

		On Target for FY 2018			
FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ -	\$ 1,160,221	0%		
2015	\$ 945	\$ 613,430	<1%	∞	-47%
2016	\$ 100	\$ 621,391	<1%	-89%	1%
2017	\$ -	\$ 686,301	0%	-100%	10%
2018	\$ -	\$ 627,600	0%	N/A	-9%

Annual Decrease from FY 2014 to FY 2015:

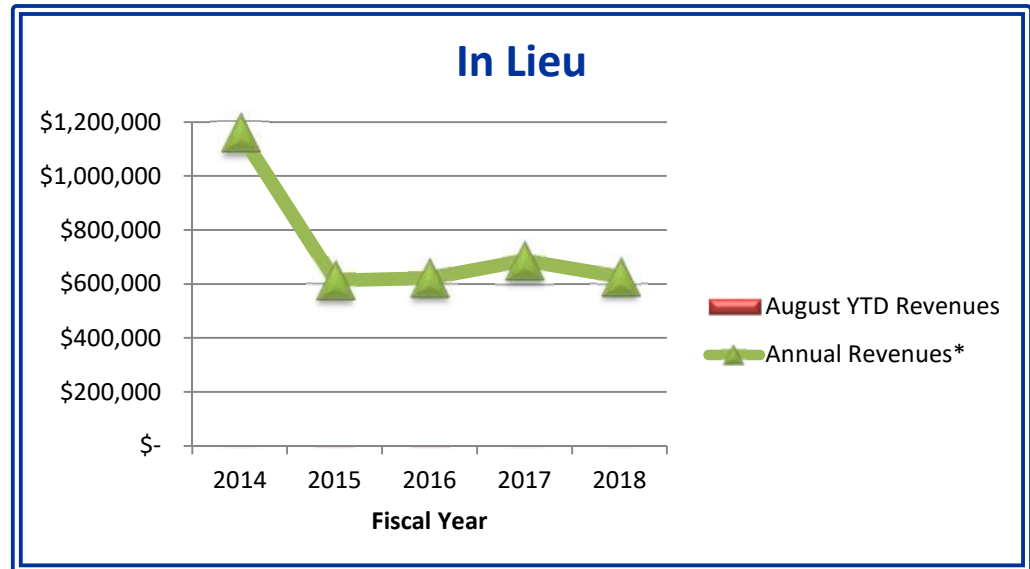
The FY 2014 revenues include amounts resulting from an audit.

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.

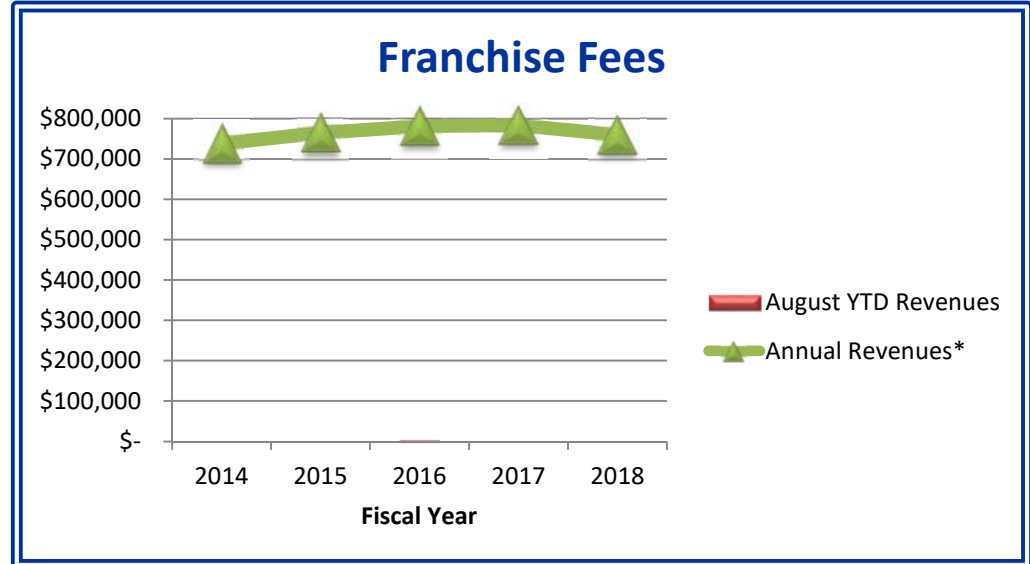
**Revenues are recognized when they are measurable and available. The period of availability is defined as 60 days. These revenues were received after the period of availability.



Franchise Fee Revenues

		On Target for FY 2018			
FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August 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.



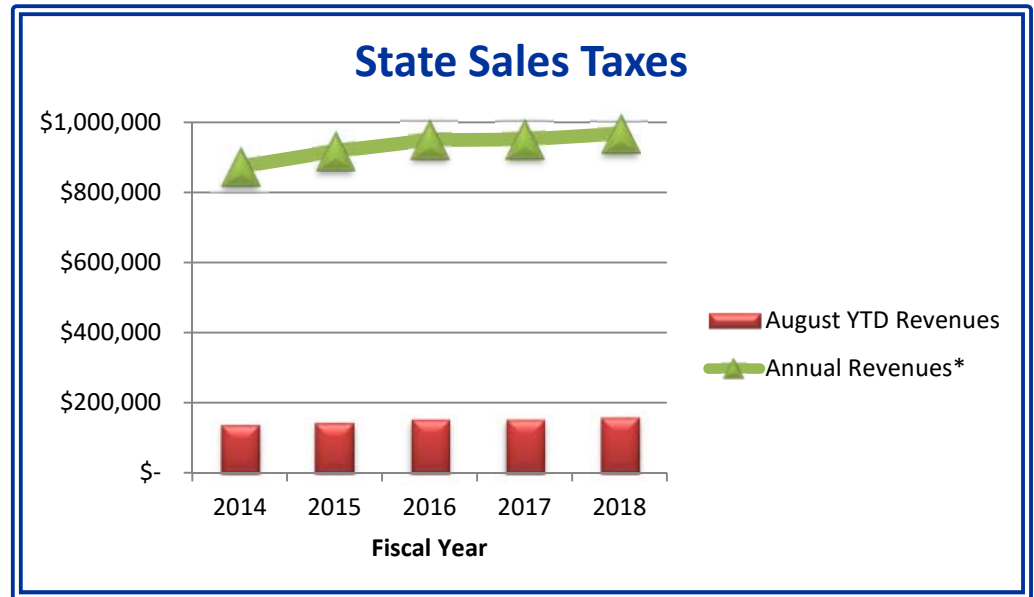
* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Type

State Sales Tax Revenues

On Target for FY 2018

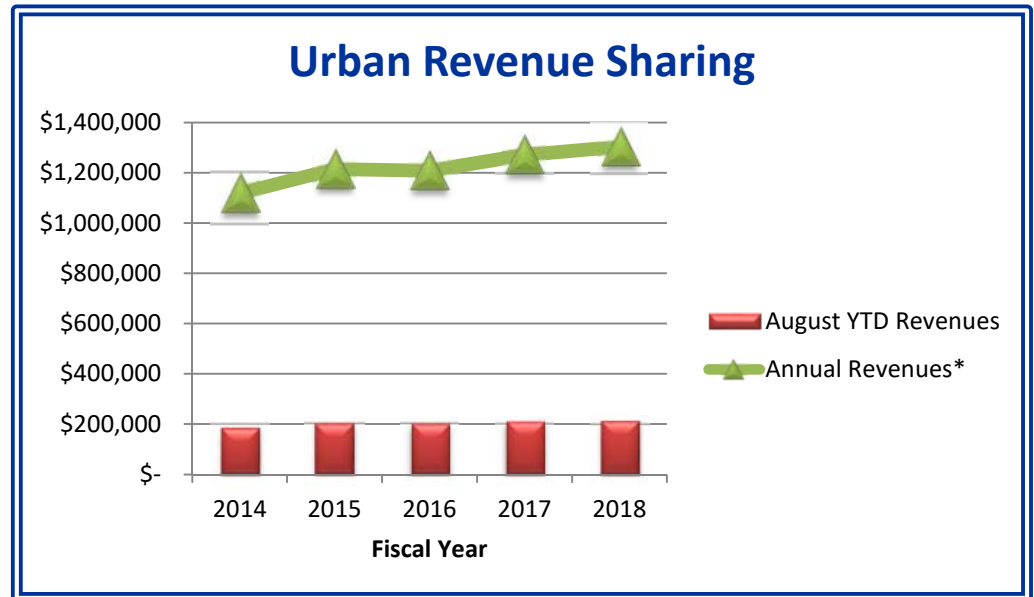
FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 137,613	\$ 873,126	16%		
2015	\$ 142,511	\$ 916,721	16%	4%	5%
2016	\$ 151,172	\$ 948,696	16%	6%	3%
2017	\$ 152,263	\$ 950,879	16%	1%	<1%
2018	\$ 156,521	\$ 966,900	16%	3%	2%



Urban Revenue Sharing Revenues

On Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 186,518	\$ 1,118,082	17%		
2015	\$ 202,386	\$ 1,214,315	17%	9%	9%
2016	\$ 201,289	\$ 1,207,731	17%	-1%	-1%
2017	\$ 211,952	\$ 1,270,897	17%	5%	5%
2018	\$ 214,628	\$ 1,303,500	16%	1%	3%



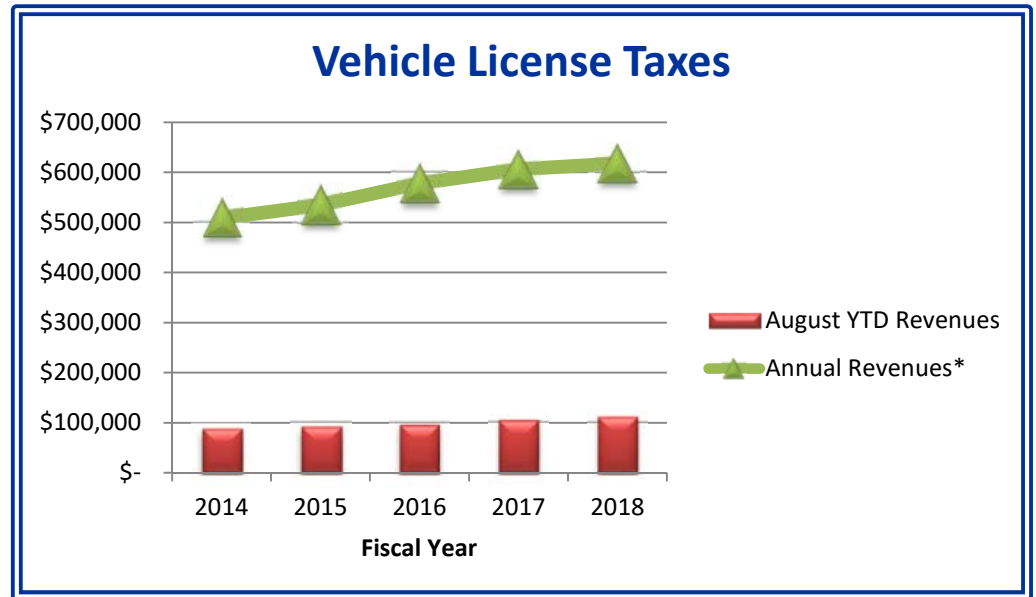
* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

Total Revenues by Type

Vehicle License Tax Revenues

Exceeds Target for FY 2018

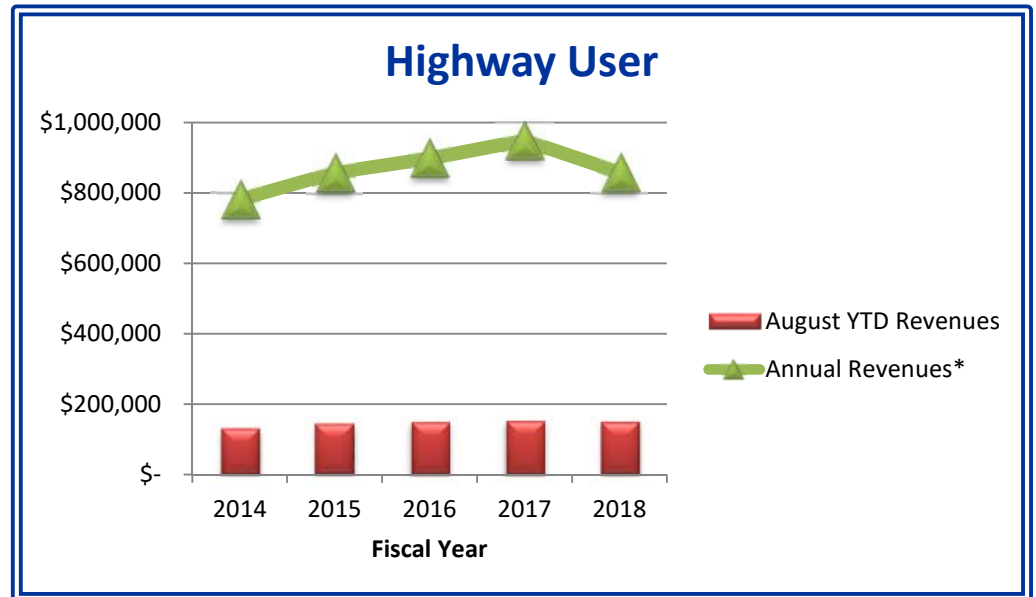
FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 89,330	\$ 508,519	18%		
2015	\$ 92,316	\$ 534,404	17%	3%	5%
2016	\$ 96,879	\$ 577,681	17%	5%	8%
2017	\$ 105,019	\$ 606,030	17%	8%	5%
2018	\$ 112,538	\$ 617,600	18%	7%	2%



Highway User Revenues

Exceeds Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 130,660	\$ 780,913	17%		
2015	\$ 143,543	\$ 857,363	17%	10%	10%
2016	\$ 149,429	\$ 897,406	17%	4%	5%
2017	\$ 154,066	\$ 949,028	16%	3%	6%
2018	\$ 149,949	\$ 858,200	17%	-3%	-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. No one-time funding was budgeted for FY 2018.

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	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 14,497	\$ 951,316	2%		
2015	\$ 30,349	\$ 1,347,854	2%	109%	42%
2016	\$ 10,647	\$ 874,083	1%	-65%	-35%
2017	\$ 33,927	\$ 956,757	4%	219%	9%
2018	\$ 2,907	\$ 1,455,317	<1%	-91%	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.

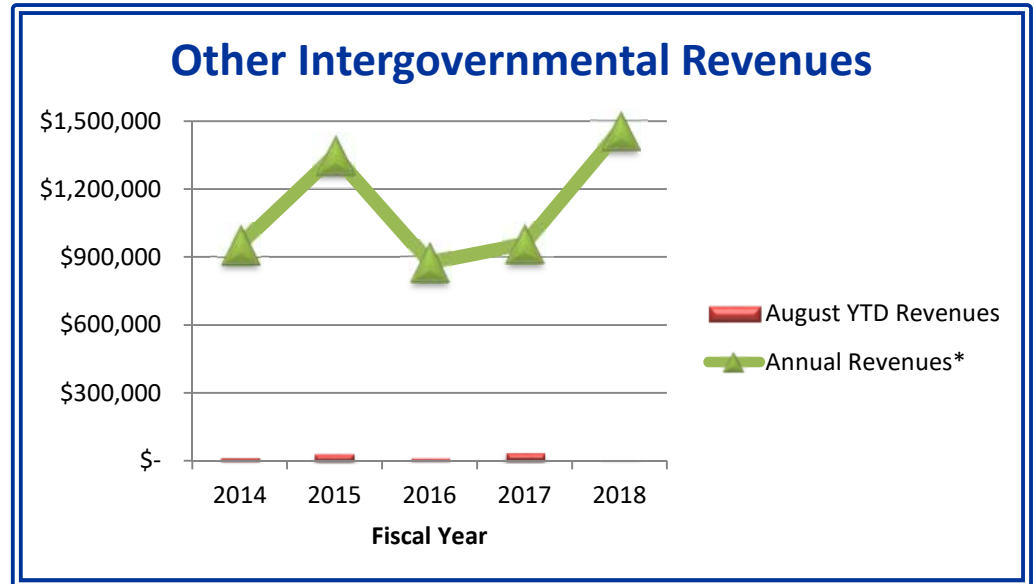
YTD Decrease from FY 2017 to FY 2018:

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	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 55,046	\$ 434,251	13%		
2015	\$ 51,167	\$ 473,367	11%	-7%	9%
2016	\$ 104,890	\$ 496,777	21%	105%	5%
2017	\$ 69,230	\$ 478,016	14%	-34%	-4%
2018	\$ 53,312	\$ 482,450	11%	-23%	1%

YTD Increase from FY 2015 to FY 2016:

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

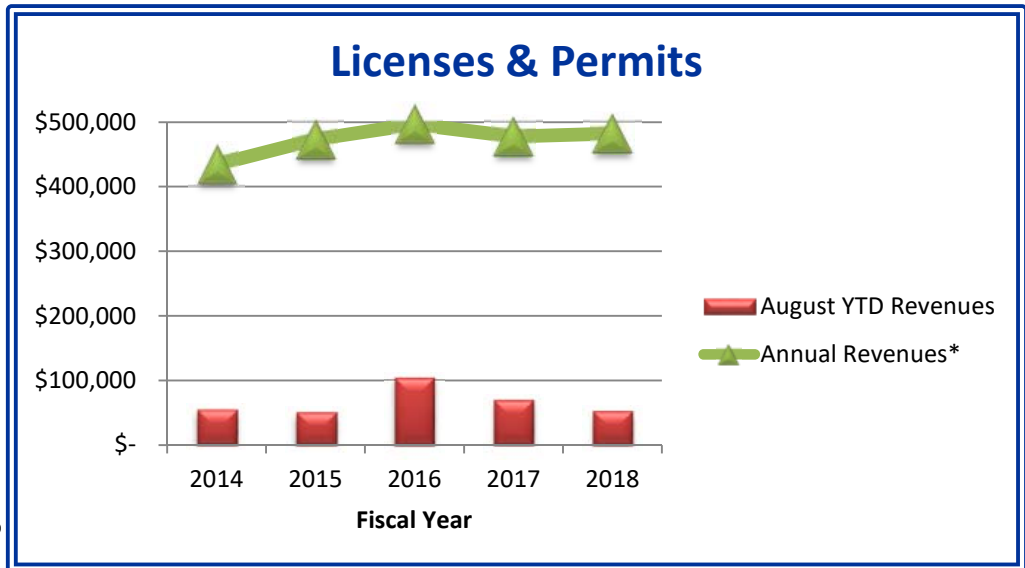
YTD Decrease from FY 2016 to FY 2017:

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

YTD Decrease from FY 2017 to FY 2018:

The decrease was primarily due to a result of decreases 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.



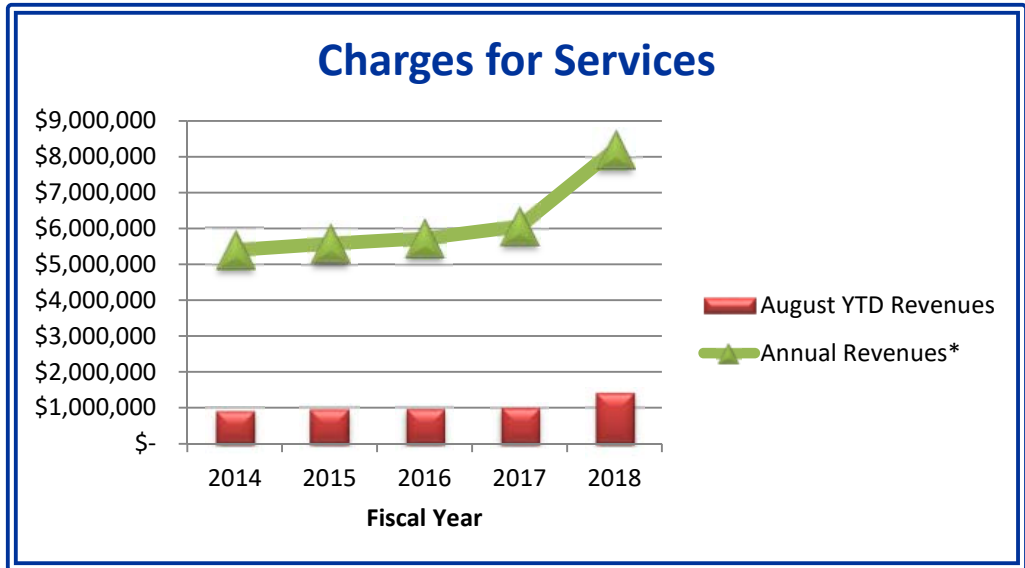
Charges for Services Revenues

Exceeds Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 906,498	\$ 5,396,208	17%		
2015	\$ 950,776	\$ 5,580,031	17%	5%	3%
2016	\$ 967,930	\$ 5,729,286	17%	2%	3%
2017	\$ 1,010,293	\$ 6,057,534	17%	4%	6%
2018	\$ 1,408,982	\$ 8,200,780	17%	39%	35%

YTD and 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.



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Total Revenues by Type

Fines & Forfeitures Revenues

Exceeds Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 41,136	\$ 254,533	16%		
2015	\$ 47,525	\$ 277,682	17%	16%	9%
2016	\$ 49,817	\$ 241,071	21%	5%	-13%
2017	\$ 35,186	\$ 186,404	19%	-29%	-23%
2018	\$ 46,288	\$ 230,450	20%	32%	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 and a reduction in delinquent wastewater accounts resulting in lower late fees on wastewater billings.

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.

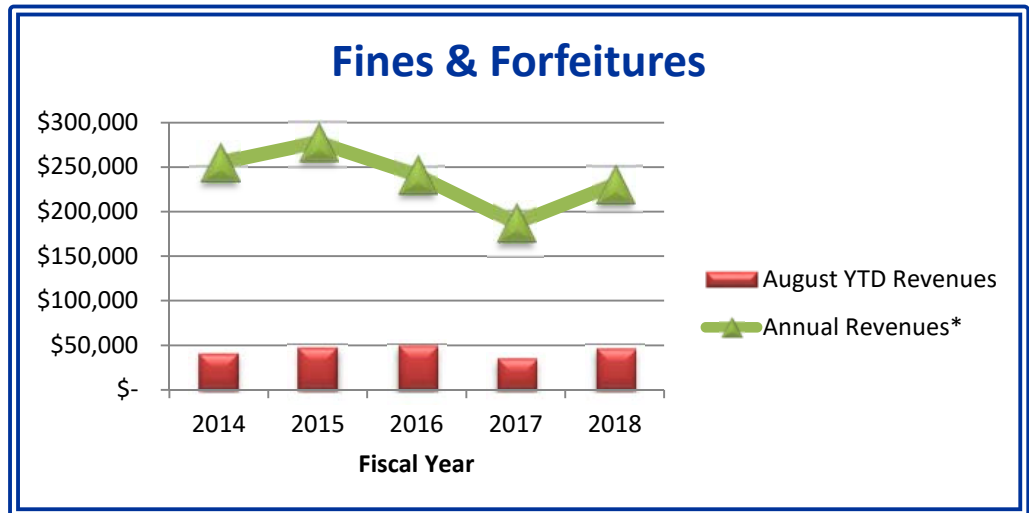
YTD Increase from FY 2017 to FY 2018:

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

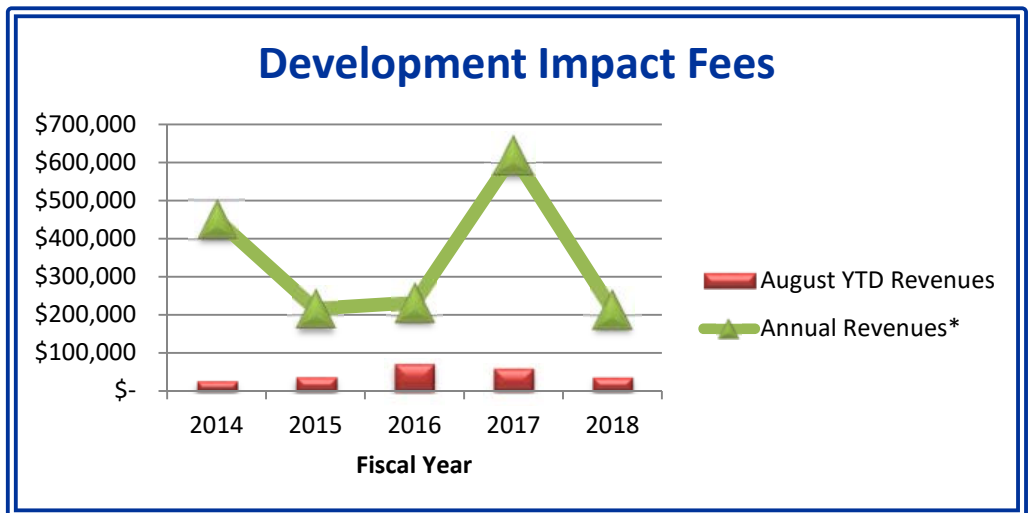
On Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 26,624	\$ 450,798	6%		
2015	\$ 36,787	\$ 216,039	17%	38%	-52%
2016	\$ 71,968	\$ 231,772	31%	96%	7%
2017	\$ 58,371	\$ 618,740	9%	-19%	167%
2018	\$ 35,525	\$ 213,880	17%	-39%	-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.



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Total Revenues by Type

Capacity Fee Revenues

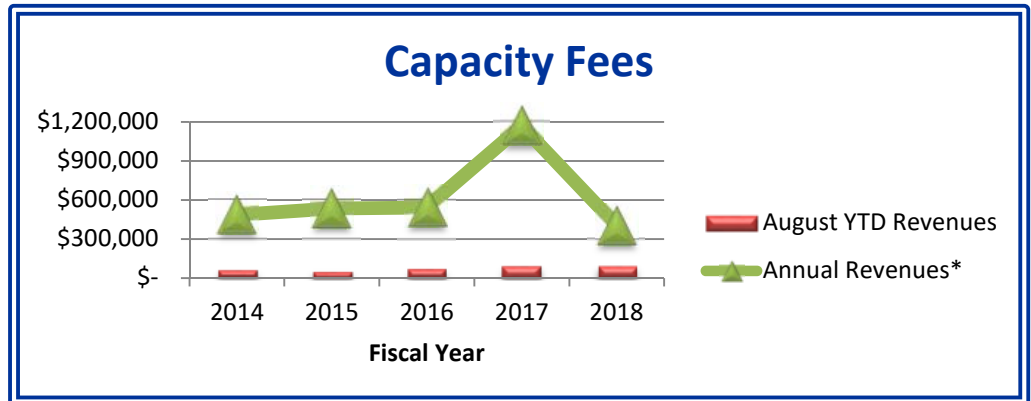
Exceeds Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ 59,126	\$ 484,100	12%		
2015	\$ 50,415	\$ 533,054	9%	-15%	10%
2016	\$ 71,789	\$ 541,045	13%	42%	1%
2017	\$ 92,724	\$ 1,167,388	8%	29%	116%
2018	\$ 88,118	\$ 403,100	22%	-5%	-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



Other Miscellaneous Revenues

Exceeds Target for FY 2018

FY	August YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - August YTD	% Increase - Annual
2014	\$ (6,671)	\$ 813,968	<1%		
2015	\$ 83,095	\$ 527,894	16%	1346%	-35%
2016	\$ 60,840	\$ 955,449	6%	-27%	81%
2017	\$ 45,173	\$ 511,285	9%	-26%	-46%
2018	\$ 179,197	\$ 596,350	30%	297%	17%

YTD Increase from FY 2014 to FY 2015:

The decrease was primarily due to a loss incurred in the LGIP accounts and the timing of donations revenues.

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 Decrease from FY 2015 to FY 2016:

The decrease was primarily due to timing of donations revenues and auction revenues.

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 is 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 and insurance proceeds received in the prior year.

Annual Decrease from FY 2016 to FY 2017:

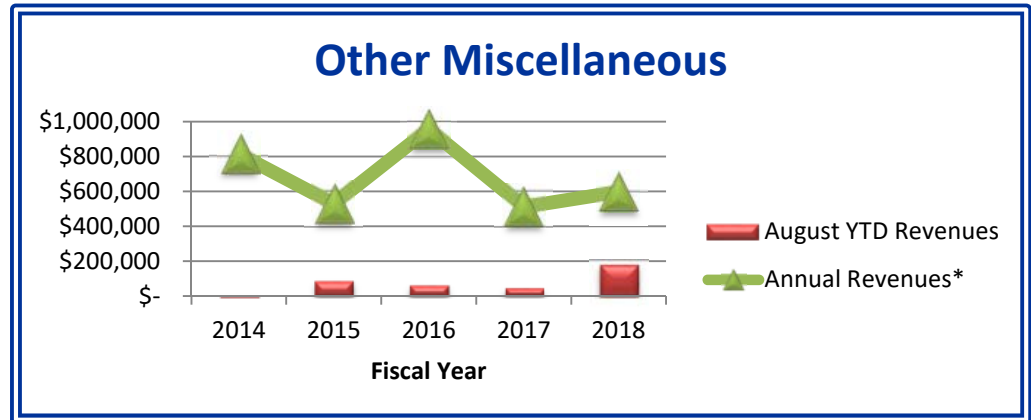
- (1) The decrease was mostly due to losses and lower interest earnings in LGIP accounts.
- (2) Outside participation in capital projects is not always consistent from year to year.
- (3) Insurance proceeds and one-time incentive payments were received in FY 2016 that were not anticipated for FY 2017.

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.

Annual Increase from FY 2017 to FY 2018:

Outside participation in capital projects is not always consistent from year to year.



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Sales Tax Revenues by Category

Month	Retail	Restaurant & Bar	Hotel/Motel	Construction	Leasing	Communi- cations & Utilities	Amusements & Other	Totals
City Sales Tax Revenues by Category and by Month								
July 2016	\$ 406,688	\$ 270,380	\$ 217,869	\$ 93,020	\$ 80,638	\$ 55,936	\$ 94,789	\$ 1,219,320
August 2016	432,737	234,249	200,850	164,494	92,197	50,755	64,665	1,239,947
September 2016	457,254	243,153	226,263	87,694	142,268	47,924	67,359	1,271,915
October 2016	479,900	323,127	308,201	128,414	112,971	46,170	77,100	1,475,883
November 2016	428,400	255,333	249,422	107,013	109,048	41,089	74,536	1,264,841
December 2016	478,340	248,702	200,287	125,752	83,646	48,498	50,212	1,235,437
January 2017	399,063	192,950	167,166	69,391	76,745	47,868	29,299	982,482
February 2017	424,734	231,571	219,617	97,099	129,750	47,472	66,300	1,216,543
March 2017	536,155	339,230	413,668	97,051	118,772	42,357	108,063	1,655,296
April 2017	562,753	340,012	405,888	93,263	114,404	45,366	117,773	1,679,459
May 2017	466,377	320,472	331,336	105,193	131,572	43,712	88,615	1,487,277
June 2017	560,089	269,560	304,711	167,499	110,822	54,675	72,704	1,540,060
Total FY 2017	\$ 5,632,490	\$ 3,268,739	\$ 3,245,278	\$ 1,335,883	\$ 1,302,833	\$ 571,822	\$ 911,415	\$ 16,268,460

July 2017	\$ 405,651	\$ 290,870	\$ 233,497	\$ 130,130	\$ 96,984	\$ 56,096	\$ 84,054	\$ 1,297,282
August 2017	442,767	229,455	222,833	92,378	113,929	49,826	54,581	1,205,769
September 2017	-	-	-	-	-	-	-	-
October 2017	-	-	-	-	-	-	-	-
November 2017	-	-	-	-	-	-	-	-
December 2017	-	-	-	-	-	-	-	-
January 2018	-	-	-	-	-	-	-	-
February 2018	-	-	-	-	-	-	-	-
March 2018	-	-	-	-	-	-	-	-
April 2018	-	-	-	-	-	-	-	-
May 2018	-	-	-	-	-	-	-	-
June 2018	-	-	-	-	-	-	-	-
Total Year-to-Date FY 2018	\$ 848,418	\$ 520,325	\$ 456,330	\$ 222,508	\$ 210,913	\$ 105,922	\$ 138,635	\$ 2,503,051

Current Month Comparison to Same Month Last Year

August 2017 vs. August 2018	\$ 10,030	\$ (4,794)	\$ 21,983	\$ (72,116)	\$ 21,732	\$ (929)	\$ (10,084)	\$ (34,178)
Change from August to August	2%	-2%	11%	-44%	24%	-2%	-16%	-3%

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

Difference in YTD	\$ 8,993	\$ 15,696	\$ 37,611	\$ (35,006)	\$ 38,078	\$ (769)	\$ (20,819)	\$ 43,784
% Change from Prior YTD	1%	3%	9%	-14%	22%	-1%	-13%	2%

Sales & Bed Tax Revenues by Month

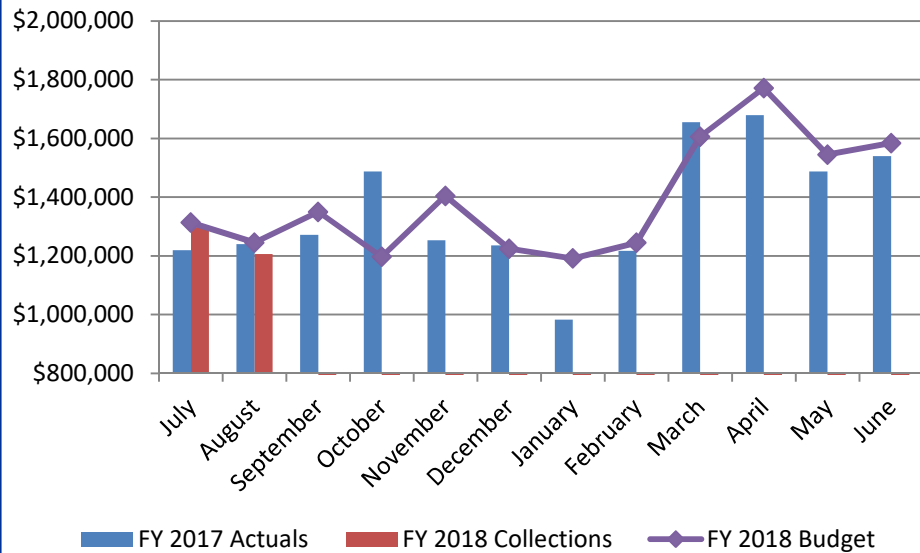
City Sales Tax Revenues

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	1,205,770	-3%	1,244,800	-3%
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	1,540,059	-	-	1,584,030	-
Totals	\$ 16,268,459	\$ 2,503,051	2%	\$ 16,673,800	-2%

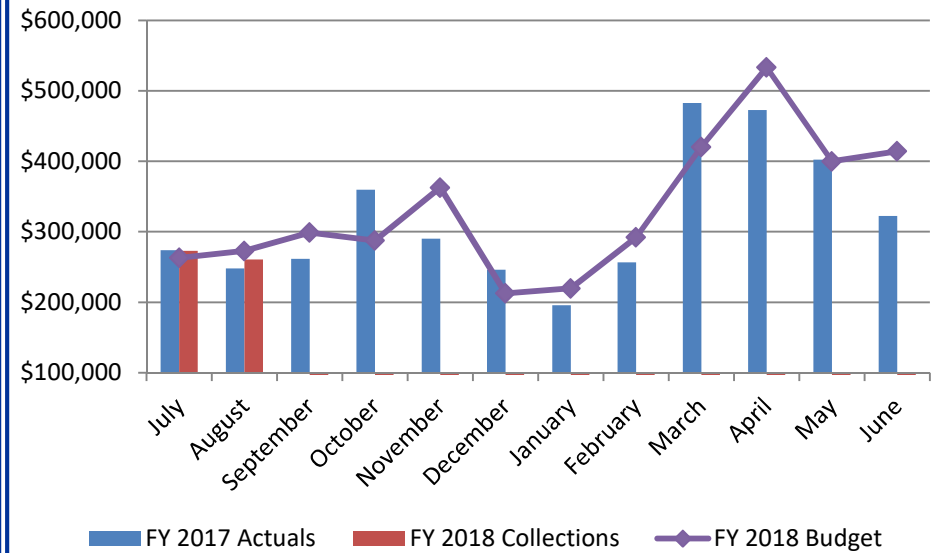
Bed Tax Revenues

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	260,798	5%	272,690	-4%
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	-
Totals	\$ 3,811,727	\$ 533,639	2%	\$ 3,977,200	0%

City Sales Tax Revenues



Bed Tax Revenues



General Fund Summary

	FY 2018 Budget	FY 2018 YTD Actuals	Encumbrances	FY 2018 YTD Including Encumbrances	% of Budget	FY 2017 YTD Actuals	Actual Variance
Revenues							
<u>Taxes:</u>							
City Sales Taxes	\$ 16,673,800	\$ 2,503,051		\$ 2,503,051	15%	\$ 2,459,268	2%
Bed Taxes	3,977,200	533,639		533,639	13%	521,672	2%
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	156,521		156,521	16%	152,263	3%
Urban Revenue Sharing	1,303,500	214,628		214,628	16%	211,952	1%
Vehicle License Taxes	617,600	112,538		112,538	18%	105,019	7%
<u>Other Intergovernmental:</u>							
Grants	23,560	-		-	0%	-	N/A
Other	2,500	-		-	0%	4,283	-100%
In Lieu Fees	445,400	-		-	0%	-	N/A
Licenses & Permits	482,450	53,312		53,312	11%	69,230	-23%
Charges for Services	408,950	106,191		106,191	26%	24,601	332%
Fines & Forfeitures	141,900	30,406		30,406	21%	22,457	35%
<u>Other Revenues:</u>							
Interest Earnings	60,250	48,313		48,313	80%	16,542	192%
Donations & Contributions	-	-		-	N/A	204	-100%
Rental Income	40,100	11,350		11,350	28%	7,353	54%
Miscellaneous	20,650	55,607		55,607	269%	1,895	2835%
Total Revenues	\$ 26,474,160	\$ 3,825,556		\$ 3,825,556	14%	\$ 3,596,738	6%
Expenditures							
<u>General Government:</u>							
City Council	\$ 77,775	\$ 12,477	\$ -	\$ 12,477	16%	\$ 5,502	127%
City Manager's Office	875,770	111,854	4,465	116,319	13%	71,468	57%
Human Resources	308,275	34,398	-	34,398	11%	35,832	-4%
Financial Services	961,155	118,534	114,861	233,395	24%	60,221	97%
Information Technology	-	-	-	-	N/A	242,254	-100%
City Attorney's Office	631,360	66,581	-	66,581	11%	58,704	13%
City Clerk's Office	260,090	34,868	-	34,868	13%	30,125	16%
General Services	1,031,411	438,808	25,375	464,183	45%	45,932	855%
Community Development	977,635	108,134	100,818	208,952	21%	85,035	27%
Public Works	515,420	96,000	-	96,000	19%	58,732	63%
Municipal Court	361,370	45,060	-	45,060	12%	37,161	21%
<u>Public Safety:</u>							
General Services	54,395	24,948	24,948	49,895	92%	24,339	3%
Community Development	669,395	81,447	10,000	91,447	14%	62,148	31%
Police	4,655,085	595,342	104,419	699,761	15%	542,377	10%
<u>Public Works & Streets:</u>							
Public Works	2,223,741	294,430	89,845	384,274	17%	178,073	65%
<u>Culture & Recreation:</u>							
City Manager's Office	86,530	10,818	-	10,818	13%	8,422	28%
Parks & Recreation	651,474	96,241	-	96,241	15%	97,893	-2%
General Services	427,780	228,000	228,000	456,000	107%	247,638	-8%
Community Development	60,920	6,829	-	6,829	11%	5,155	32%
Public Works	677,765	100,084	44,033	144,117	21%	72,886	37%
<u>Economic Development:</u>							
City Manager's Office	2,176,400	1,077,090	1,063,200	2,140,290	98%	15,409	6890%
General Services	-	-	-	-	N/A	860,000	-100%
Economic Development:	184,970	22,460	-	22,460	12%	-	∞
<u>Health & Welfare:</u>							
General Services	251,998	41,438	210,560	251,997	100%	118,499	-65%
<u>Public Transportation:</u>							
General Services	187,500	17,500	17,500	35,000	19%	13,173	33%
Debt Service	1,431,310	238,251	-	238,251	17%	114,198	109%
Indirect Cost Allocations	456,910	99,159	-	99,159	22%	114,198	-13%
Contingencies	900,000	-	-	-	0%	-	N/A
Total Expenditures	\$ 21,096,434	\$ 4,000,751	\$ 2,038,022	\$ 6,038,773	29%	\$ 3,205,372	25%
Other Financing Sources (Uses)							
Transfers to Capital Improvements Fund	\$ (1,089,500)	\$ -		\$ -	0%	\$ -	N/A
Transfers to Wastewater Fund	(4,165,900)	(625,900)		(625,900)	15%	(614,596)	<-1%
Transfers to Streets Fund	(35,389)	(5,898)		(5,898)	17%	(58,500)	90%
Total Other Financing Sources (Uses)	\$ (5,290,789)	\$ (631,798)		\$ (631,798)	12%	\$ (673,096)	6%
Fund Balances							
Beginning Fund Balance, July 1, as restated	\$ 10,338,362	\$ 10,504,913		\$ 10,504,913	102%	\$ 9,283,138	13%
<u>Ending Fund Balance, August 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	(487,780)		(487,780)	<1%	(1,596,991)	69%
Total Ending Fund Balance, August 31	\$ 10,425,299	\$ 9,697,921		\$ 7,659,899	73%	\$ 9,001,408	8%

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
Revenues							
Charges for Services	\$ 6,164,200	\$ 1,019,664		\$ 1,019,664	17%	\$ 985,319	3%
Capacity Fees	403,100	88,118		88,118	22%	92,724	-5%
Fines & Forfeitures	75,750	12,009		12,009	16%	9,651	24%
<u>Other Revenues:</u>							
Interest Earnings	78,700	35,621		35,621	45%	10,889	227%
Miscellaneous	1,800	950		950	53%	100	850%
Total Revenues	\$ 6,723,550	\$ 1,156,362		\$ 1,156,362	17%	\$ 1,098,683	5%
Expenditures							
<u>Wastewater Administration:</u>							
Salaries & Benefits	\$ 178,300	\$ 11,866	\$ -	\$ 11,866	7%	\$ 17,478	-32%
Other Expenditures	129,969	26,419	-	26,419	20%	510	5078%
<u>Wastewater Operations:</u>							
Salaries & Benefits	810,310	104,162	-	104,162	13%	92,399	13%
Utilities	626,700	85,623	-	85,623	14%	78,336	9%
Maintenance	695,094	30,208	53,299	83,507	12%	21,227	42%
Other Expenditures	921,714	26,813	315,239	342,052	37%	14,029	91%
<u>Wastewater Capital Projects:</u>							
Salaries & Benefits	152,560	14,497	-	14,497	10%	21,052	-31%
Other Expenditures	34,984	4,197	28,927	33,124	95%	9,134	-54%
Capital Improvement Projects	5,043,956	10,750	1,091,682	1,102,431	22%	-	∞
<u>Indirect Cost/Departmental Allocations:</u>							
City Manager's Office	68,080	9,659	-	9,659	14%	6,402	51%
Human Resources	51,140	5,937	-	5,937	12%	2,573	131%
Financial Services	560,060	62,112	-	62,112	11%	51,554	20%
Information Technology	217,390	26,790	10,380	37,170	17%	18,887	42%
City Attorney's Office	107,340	5,328	-	5,328	5%	2,822	89%
City Clerk's Office	5,650	773	-	773	14%	1,622	-52%
General Services	71,020	16,403	-	16,403	23%	-	∞
Public Works	313,990	39,159	-	39,159	12%	25,227	55%
Debt Service	4,409,735	736,620	-	736,620	17%	859,385	-14%
Vacancy Savings Estimate	(25,000)	-	-	-	0%	-	N/A
Contingencies*	-	-	-	-	N/A	-	N/A
Total Expenditures	\$ 14,372,991	\$ 1,217,313	\$ 1,499,526	\$ 2,716,840	19%	\$ 1,222,635	<-1%
Other Financing Sources (Uses)							
Transfers from General Fund	\$ 4,165,900	\$ 625,900		\$ 625,900	15%	\$ 614,596	2%
Total Other Financing Sources (Uses)	\$ 4,165,900	\$ 625,900		\$ 625,900	15%	\$ 614,596	2%
Fund Balances							
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, August 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	8,567,685		7,068,158	139%	7,913,644	8%
Total Ending Fund Balance, August 31	\$ 11,308,576	\$ 14,806,096		\$ 13,306,569	118%	\$ 14,088,546	5%

* 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, August 31, 2017
General Fund	\$ 10,504,913	\$ 3,825,556	\$ 21,096,434	\$ 4,000,751	\$ 2,038,022	\$ 6,038,773	29%	\$ (631,798)	\$ 9,697,921
Special Revenue Funds									
Streets Fund	\$ 735,102	\$ 149,950	\$ 1,203,490	\$ 7,914	\$ -	\$ 7,914	1%	\$ 5,898	\$ 883,036
Grants, Donations & Other Funds	\$ 620,250	\$ 8,444	\$ 641,350	\$ 88,013	\$ 11,476	\$ 99,490	16%	\$ -	\$ 540,681
Capital Projects Funds									
Development Impact Fees Funds	\$ 2,538,340	\$ 48,068	\$ 1,632,300	\$ 11,783	\$ -	\$ 11,783	1%	\$ -	\$ 2,574,625
Capital Improvements Fund	\$ 12,862,965	\$ 12,747	\$ 7,246,669	\$ 41,074	\$ 15,567	\$ 56,641	1%	\$ (23)	\$ 12,834,616
Art in Public Places Fund	\$ 84,493	\$ 48	\$ -	\$ -	\$ -	\$ -	N/A	\$ 23	\$ 84,564
Wastewater Enterprise Fund	\$ 14,241,148	\$ 1,156,362	\$ 14,372,991	\$ 1,217,313	\$ 1,499,526	\$ 2,716,840	19%	\$ 625,900	\$ 14,806,096
Information Technology Internal Service Fund	\$ -	\$ 282,833	\$ 1,773,004	\$ 309,518	\$ 67,446	\$ 376,964	21%	\$ -	\$ (26,685)
Total All City Funds	\$ 41,587,212	\$ 5,484,008	\$ 47,966,238	\$ 5,676,365	\$ 3,632,038	\$ 9,308,403	19%	\$ -	\$ 41,394,854
Community Facilities Districts									
Sedona Summit II	\$ 243,559	\$ 74	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ 243,633
Fairfield	\$ 697	\$ 574	\$ 120,175	\$ 1,050	\$ 34,694	\$ 35,744	30%	\$ -	\$ 220

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
City Excise Tax Revenue Bonds														
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
Sedona Wastewater Municipal Property Corporation Excise Tax Revenue Bonds														
Series 1998**	7/1/2020-2024	5.20-5.24%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,305,000	\$ 15,245,000	\$ 21,550,000	\$ 6,305,000	\$ 15,245,000	\$ 21,550,000
Capital Leases														
Ford Motor Credit	1/31/2018-2020	4.75%	\$ 320,990	\$ 30,967	\$ 351,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,990	\$ 30,967	\$ 351,957
Grand Totals			\$ 10,302,520	\$ 1,100,722	\$ 11,403,242	\$ 43,470	\$ 426	\$ 43,896	\$ 22,620,000	\$ 18,615,210	\$ 41,235,210	\$ 32,965,990	\$ 19,716,358	\$ 52,682,348

** 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
Community Development							
Brewer Road Property - Future Development	CFD - Sedona Summit II	\$ 91,600	\$ 85,214	93%	\$ -	\$ -	N/A
	CFD - Fairfield	\$ 170,000	\$ 82,390	48%	\$ 120,175	\$ 1,050	1%
	Project Total	\$ 261,600	\$ 167,604	64%	\$ 120,175	\$ 1,050	1%
Municipal Court							
New Courtroom	Court Restricted Revenues	\$ 172,500	\$ -	0%	\$ 172,500	\$ -	0%
	Capital Reserves	\$ 100,000	\$ -	0%	\$ 100,000	\$ -	0%
	Project Total	\$ 272,500	\$ -	0%	\$ 272,500	\$ -	0%
Parks & Recreation							
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
	Project Total	\$ 274,696	\$ 282,782	103%	\$ 49,600	\$ -	0%
Police							
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	\$ 348,769	59%	\$ 237,500	\$ 2,280	1%
	Project Total	\$ 747,828	\$ 448,812	60%	\$ 262,500	\$ 2,280	1%
Renovation of Current Police Facility	Capital Reserves	\$ 450,000	\$ 158,140	35%	\$ 150,000	\$ -	0%
	RICO Monies	\$ 8,000	\$ 6,199	77%	\$ -	\$ -	N/A
	Project Total	\$ 458,000	\$ 164,340	36%	\$ 150,000	\$ -	0%
Strengthen Radio Signal	Capital Reserves	\$ 276,000	\$ 93,173	34%	\$ 155,000	\$ -	0%
Storm Drainage							
Coffee Pot Drainage Basin - Grasshopper Area	Capital Reserves	\$ 1,000,000	\$ 30,000	3%	\$ 970,000	\$ -	0%
	Yavapai County Flood Control	\$ 325,000	\$ 2,687	1%	\$ 325,000	\$ 2,687	1%
	Project Total	\$ 1,325,000	\$ 32,687	2%	\$ 1,295,000	\$ 2,687	<1%
Brewer Road/Tlaquepaque Drainage Improvements	Coconino County Flood Control	\$ 2,760,446	\$ 2,047,445	74%	\$ 1,128,805	\$ -	0%
	Outside Participation	\$ 823,450	\$ 312,387	38%	\$ 250,000	\$ 22,284	9%
	Project Total	\$ 3,583,896	\$ 2,359,833	66%	\$ 1,378,805	\$ 22,284	2%
Brewer Road Crossing Improvements	Coconino County Flood Control	\$ 991,850	\$ 92,573	9%	\$ 896,900	\$ 13,823	2%
Juniper Hills Area Improvements	Coconino County Flood Control	\$ 701,000	\$ -	0%	\$ 100,000	\$ -	0%
Storm Drainage Easement Acquisition	Development Impact Fees	\$ 72,500	\$ 45,076	62%	\$ 50,000	\$ 8,000	16%
Public Works							
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%
	Project Total	\$ 496,580	\$ 71,580	14%	\$ 425,000	\$ -	0%
Sanborn Drive/Thunder Mountain Road Overlay	Capital Reserves	\$ 307,443	\$ 109,424	36%	\$ 75,000	\$ -	0%
	Grant	\$ 371,657	\$ -	0%	\$ -	\$ -	N/A
	Project Total	\$ 679,100	\$ 109,424	16%	\$ 75,000	\$ -	0%
Transportation Study	Capital Reserves	\$ 200,150	\$ 197,563	99%	\$ 150	\$ -	0%
	Outside Participation	\$ 60,000	\$ 50,000	83%	\$ 10,000	\$ -	0%
	Project Total	\$ 260,150	\$ 247,563	95%	\$ 10,150	\$ -	0%
Wastewater							
WW Master Plan	Wastewater Fees	\$ 233,094	\$ 171,527	74%	\$ 33,094	\$ 4,167	13%
Wastewater Effluent Management	Wastewater Fees	\$ 11,153,258	\$ 5,125,499	46%	\$ 1,990,275	\$ 10,750	1%
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%
Grand Totals		\$ 33,315,743	\$ 9,786,474	29%	\$ 14,250,994	\$ 65,041	<1%

Investment Holdings Summary

CUSIP	Issuer	Settlement Date	Maturity Date	Initial Duration	Remaining Duration as of August 31, 2017 (In Years)	Coupon	Yield	Par Value	Book Value	Fair Market Value as of August 31, 2017	Realized Gain/Loss	Unrealized Gain/Loss*	Accrued Interest Not Yet Recorded	% of Investment Pool	
Treasury Obligations															
912828G79	US Treasury	12/26/2014	12/15/2017	3.0	0.3	1.000%	1.150%	\$ 2,000,000	\$ 1,991,250	\$ 1,999,468	\$ -	\$ 8,218	\$ 4,219	5.01%	
912828XF2	US Treasury	8/5/2015	6/15/2018	2.9	0.8	1.125%	1.014%	\$ 1,000,000	\$ 1,003,130	\$ 999,141	\$ -	\$ (3,989)	\$ 2,373	2.53%	
								Subtotals	\$ 3,000,000	\$ 2,994,380	\$ 2,998,609	\$ -	\$ 4,229	\$ 6,592	7.54%
U.S. Government Agency Securities															
3130A3HF4	Federal Home Loan Bank	12/22/2014	12/8/2017	3.0	0.3	1.125%	1.076%	\$ 1,000,000	\$ 1,001,418	\$ 1,000,096	\$ -	\$ (1,322)	\$ 2,589	2.52%	
3133EHUS0	Federal Farm Credit Bank	8/16/2017	8/16/2021	4.0	4.0	1.875%	1.875%	\$ 2,000,000	\$ 2,000,000	\$ 2,001,076	\$ -	\$ 1,076	\$ 1,541	5.04%	
3130AC6J8	Federal Home Loan Bank	8/28/2017	2/28/2022	4.5	4.5	2.000%	2.000%	\$ 2,000,000	\$ 2,000,000	\$ 1,999,386	\$ -	\$ (614)	\$ 329	5.04%	
3134GBUP5	Federal Home Loan Mortgage Corporation	8/28/2017	6/29/2022	4.8	4.8	1.625%-4.000%	2.526%	\$ 2,175,000	\$ 2,175,000	\$ 2,174,535	\$ -	\$ (465)	\$ 290	5.48%	
3130AC2B9	Federal Home Loan Bank	8/22/2017	8/22/2022	5.0	5.0	1.750%-3.000%	2.375%	\$ 2,000,000	\$ 2,000,000	\$ 1,998,616	\$ -	\$ (1,384)	\$ 863	5.04%	
3130ABZG4	Federal Home Loan Bank	8/30/2017	8/26/2022	5.0	5.0	2.150%	2.150%	\$ 1,000,000	\$ 1,000,000	\$ 1,000,053	\$ -	\$ 53	\$ 59	2.52%	
								Subtotals	\$ 10,175,000	\$ 10,176,418	\$ 10,173,762	\$ -	\$ (2,656)	\$ 5,671	25.62%
Negotiable Certificates of Deposit															
61747MXT3	Morgan Stanley Bank NA	8/10/2017	8/12/2019	2.0	1.9	1.700%	1.700%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 242	0.62%	
20033AVN3	Comenity Capital Bank	8/9/2017	8/10/2020	3.0	2.9	1.950%	1.950%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 290	0.62%	
3814PMJ3	Goldman Sachs Bank USA	8/9/2017	8/10/2020	3.0	2.9	1.900%	1.900%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 283	0.62%	
1404204E7	Capital One Bank USA NA	8/9/2017	8/9/2021	4.0	3.9	2.100%	2.100%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 313	0.62%	
254673AF3	Discover Bank	8/9/2017	8/9/2021	4.0	3.9	2.100%	2.100%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 313	0.62%	
02587DV47	American Express Centurion	8/8/2017	8/8/2022	5.0	4.9	2.350%	2.350%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 366	0.62%	
795450C37	Sallie Mae Bank	8/9/2017	8/9/2022	5.0	4.9	2.350%	2.350%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 350	0.62%	
								Subtotals	\$ 1,729,000	\$ 1,729,000	\$ 1,729,000	\$ -	\$ -	\$ 2,156	4.35%
AZ State Treasurer Local Government Investment Pool (LGIP)															
N/A	Pool 5	N/A	N/A	N/A	0.0	N/A	1.100%	\$ 2,081,173	\$ 2,081,173	\$ 2,081,173	\$ -	\$ -	\$ -	5.24%	
N/A	Pool 7	N/A	N/A	N/A	0.0	N/A	0.890%	\$ 774,580	\$ 774,580	\$ 774,580	\$ -	\$ -	\$ -	1.95%	
N/A	Pool 500	N/A	N/A	N/A	0.0	N/A	1.650%	\$ 21,160,449	\$ 21,160,449	\$ 21,160,449	\$ -	\$ -	\$ -	53.28%	
								Subtotals	\$ 24,016,201	\$ 24,016,201	\$ 24,016,201	\$ -	\$ -	\$ -	60.47%
Savings Account															
N/A	Wells Fargo	N/A	N/A	N/A	0.0	N/A	0.300%	\$ 799,837	\$ 799,837	\$ 799,837	\$ -	\$ -	\$ -	2.01%	
Averages/Grand Totals					1.3		1.668%	\$ 39,720,038	\$ 39,715,836	\$ 39,717,409	\$ -	\$ 1,573	\$ 14,419	100.00%	

Benchmark per Policy (LGIP Pool 5) 1.100%

* 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 August 2017
Acquisitions			
61747MXT3	Morgan Stanley Bank NA	Purchase	\$ 247,000
20033AVN3	Comenity Capital Bank	Purchase	\$ 247,000
3814PMJ3	Goldman Sachs Bank USA	Purchase	\$ 247,000
1404204E7	Capital One Bank USA NA	Purchase	\$ 247,000
254673AF3	Discover Bank	Purchase	\$ 247,000
02587DV47	American Express Centurion	Purchase	\$ 247,000
795450C37	Sallie Mae Bank	Purchase	\$ 247,000
3133EHUS0	Federal Farm Credit Bank	Purchase	\$ 2,000,000
3130AC6J8	Federal Home Loan Bank	Purchase	\$ 2,000,000
3134GBUP5	Federal Home Loan Mortgage Corporation	Purchase	\$ 2,180,792
3130AC2B9	Federal Home Loan Bank	Purchase	\$ 2,000,000
3130ABZG4	Federal Home Loan Bank	Purchase	\$ 1,000,000
Subtotal			\$ 10,909,792
Dispositions			
N/A	LGIP Pool 5	Withdrawal	\$ 2,257,789
N/A	LGIP Pool 7	Withdrawal	\$ 645,683
N/A	Wells Fargo Savings	Withdrawal	\$ 1,000,000
Subtotal			\$ 3,903,472
Earnings			
N/A	LGIP Pool 5	Monthly Interest	\$ 2,876
N/A	LGIP Pool 7	Monthly Interest	\$ 826
N/A	LGIP Pool 500	Monthly Interest	\$ 43,726
N/A	Wells Fargo Savings	Monthly Interest	\$ 43
Subtotal			\$ 47,470
Expenses			
N/A	N/A	Custody Charges	\$ 539
N/A	N/A	Wire Fees	\$ 268
Subtotal			\$ 807
Net Transactions for August 2017			\$ 7,052,984