

# Monthly Financial Report

September 2017



**CITY OF SEDONA**

December 4, 2017

# Monthly Financial Report

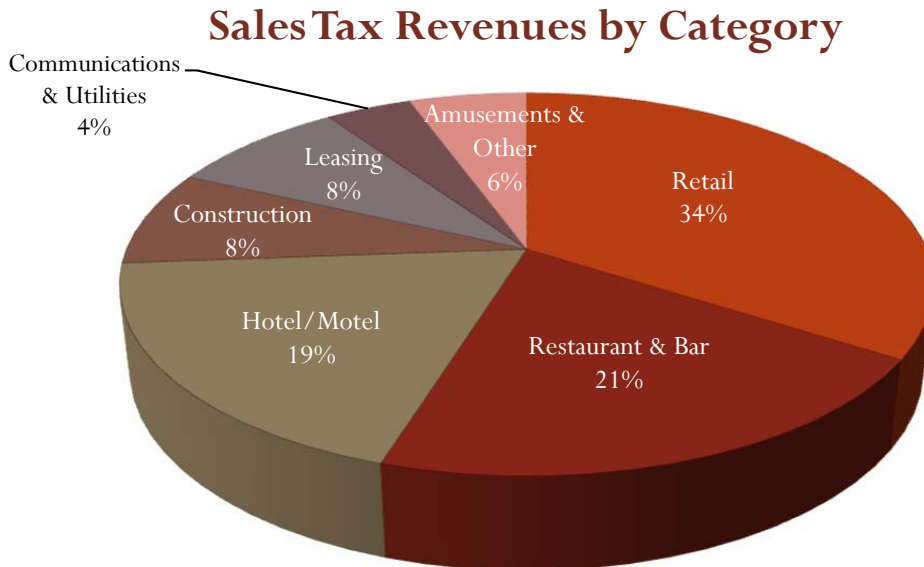
September 2017

## Executive Summary

The City's largest revenue sources are sales and bed tax revenues. Year-to-date **City sales taxes are 4% higher** than the prior year and year-to-date **bed taxes are 9% 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.

September YTD Increase (Decrease) Over Prior Year	
City Sales Taxes	\$ 132,460
Bed Taxes	73,596
<b>Total</b>	<b>\$ 206,056</b>

The largest sales tax increases for the month were in the Restaurant & Bar (17%), Hotel/Motel (23%) and the Amusements & Other (15%) categories. These categories are heavily impacted by tourism.



## Revenues

In total, **General Fund revenues are up 7%** over last year, and Wastewater Fund revenues are down 29% from last year. Excluding the impacts of significant one-time capacity fees received in the prior year, the **remaining 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 (76% under YTD target), which includes a \$300,000 contingency in

case a significant grant opportunity arises. 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 26% of budget** for the year-to-date, and **Wastewater Fund expenditures are 13% of budget** for the year-to-date, with 25% 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 three months but are on track due to the nature of semiannual payments for community contracts. Information Technology expenditures are also high for three 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 September 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 September 2017 is the third month of the current fiscal year, FY2017, and **represents 25% 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 capital lease payments are made annually when due.
- **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](http://www.sedonaaz.gov/transparency). It is a searchable, user-friendly site that citizens and other interested parties can use to access real time financial data.

*For questions or additional information, contact:*

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## Table of Contents

(click on page number to navigate to that page)

	Page	% YTD	Status	Comments
<b>Portion of Fiscal Year Complete = 25.00%</b>				
<b>Total Expenditures by Fund</b>				
General Fund	5	26%	On Target for FY 2018	
<b>Special Revenue Funds:</b>				
Streets Fund	6	1%	Under Target for FY 2018	Expenditures do not occur consistently throughout the fiscal year.
Grants, Donations & Other Funds	6	15%	Under Target for FY 2018	Expenditures do not occur consistently throughout the fiscal year.
<b>Capital Projects Funds:</b>				
Development Impact Fees Funds	7	1%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Capital Improvements Fund	7	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	13%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Info. Tech. Internal Service Fund	10	26%	On Target for FY 2018	
<b>Community Facilities Districts:</b>				
Sedona Summit II	11	N/A	On Target for FY 2018	No projects planned for FY 2018.
Fairfield	11	8%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
<b>Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)</b>				
City Council	12	23%	Under Target for FY 2018	
City Manager's Office	12	40%	On Target for FY 2018	While expenditures are high, they are on track due to the significant semiannual payments made in July.
Human Resources	13	17%	Under Target for FY 2018	
Financial Services	14	18%	Under Target for FY 2018	
Information Technology	15	28%	On Target for FY 2018	While expenditures are high, they are on track due to the significant annual payments made in July and August.
City Attorney's Office	16	19%	Under Target for FY 2018	
City Clerk's Office	16	21%	Under Target for FY 2018	
Parks & Recreation	17	20%	Under Target for FY 2018	
General Services	18	44%	On Target for FY 2018	While expenditures are high, they are on track due to the significant semiannual payments made in July and August.
Debt Service	18	25%	On Target for FY 2018	
Community Development	19	23%	Under Target for FY 2018	
Public Works	20	17%	Under Target for FY 2018	
Economic Development	21	19%	Under Target for FY 2018	
Police	21	22%	Under Target for FY 2018	
Municipal Court	22	18%	Under Target for FY 2018	
Wastewater Administration	22	16%	Under Target for FY 2018	
Wastewater Capital	23	19%	Under Target for FY 2018	
Wastewater Operations	23	13%	Under Target for FY 2018	
<b>Total Revenues by Fund</b>				
General Fund	24	23%	Under Target for FY 2018	While revenues are low, in-lieu fees are mostly received near the end of the fiscal year. Revenues are expected to be on target by the end of the fiscal year.
<b>Special Revenue Funds:</b>				
Streets Fund	25	27%	Exceeds Target for FY 2018	
Grants, Donations & Other Funds	25	25%	On Target for FY 2018	
<b>Capital Projects Funds:</b>				
Development Impact Fees Funds	26	23%	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.
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	28%	Exceeds Target for FY 2018	
Wastewater Enterprise Fund	27	25%	On Target for FY 2018	
Info. Tech. Internal Service Fund	28	26%	Exceeds Target for FY 2018	
<b>Community Facilities Districts:</b>				
Sedona Summit II	29	<1%	Under Target for FY 2018	While revenues are low, 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, in-lieu fees are mostly received near the end of the fiscal year and are expected to be on target by the end of the fiscal year.
<b>Total Revenues by Type</b>				
City Sales Taxes	30	23%	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	22%	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, 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	29%	On Target for FY 2018	
State Sales Taxes	32	24%	Under Target for FY 2018	There is some seasonality to the sales tax revenues collected state-wide and the revenues can fluctuate from month to month. YTD revenues are low but expected to be on target by the end of the fiscal year.
Urban Revenue Sharing	32	25%	On Target for FY 2018	
Vehicle License Taxes	33	26%	Exceeds Target for FY 2018	
Highway User	33	30%	Exceeds Target for FY 2018	
Other Intergovernmental	34	6%	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	15%	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	26%	Exceeds Target for FY 2018	
Fines & Forfeitures	36	30%	Exceeds Target for FY 2018	
Development Impact Fees	36	18%	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.
Capacity Fees	37	25%	On Target for FY 2018	
Other Miscellaneous	37	35%	Exceeds Target for FY 2018	
<b>Sales Tax Revenues by Category</b>	38			
<b>Sales &amp; Bed Tax Revenues by Month</b>	39			
<b>General Fund Summary</b>	40			
<b>Wastewater Enterprise Fund Summary</b>	41			
<b>All Funds Summary</b>	42			
<b>Bonds Outstanding</b>	43			
<b>Capital Projects Summary</b>	44			
<b>Investment Holdings Summary</b>	45			
<b>Investment Transactions Summary</b>	46			

## Total Expenditures by Fund

### Total General Fund Expenditures

FY	September YTD Expenditures		Annual Expenditures*		On Target for FY 2018	
					% of Annual Exp.	% Increase - September YTD
2014	\$	3,181,244	\$	12,520,234	25%	
2015	\$	4,011,419	\$	14,282,455	28%	26%
2016	\$	4,192,823	\$	14,907,362	28%	5%
2017	\$	4,384,699	\$	16,799,273	26%	5%
2018	\$	5,339,907	\$	20,196,434	26%	22%

#### 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:

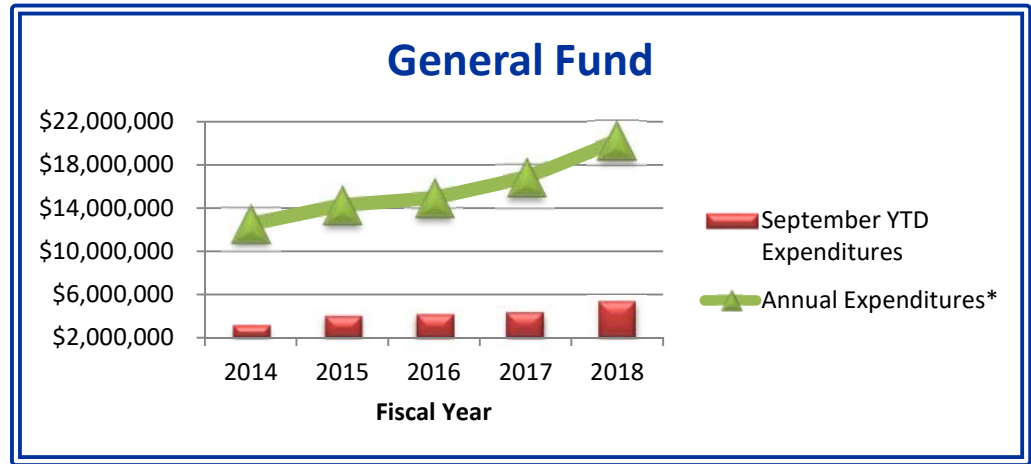
- (1) For FY 2017, Council approved the transfer of all streets related expenditures other than rehabilitation and pavement preservation to the General Fund. This increase to the General Fund was approximately \$818,000.
- (2) The allocation to the destination marketing program increased approximately \$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 Retirement System (PSPRS) and a 2% increase to health insurance premiums.

#### 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 \$186,000 higher than the prior year.
- (4) The increase is also due to a change in allocation of property and liability insurance premium payments. In FY 2017, a portion of the premium was charged directly to the Wastewater Fund. In FY 2018, the premium is allocated based on an indirect cost allocation plan.
- (5) Vacancy savings were experienced in the prior year, in addition to budgeted cost-of-living adjustments of 2.5% and average merit increases of 2.5%, as well as an increase of 30% to the required contributions to PSPRS and a 4% increase in health insurance premiums.
- (6) The increase is also partly due to additional lease payments of approximately \$73,000 for the assigned vehicle program for patrol officers.

#### 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 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.



\* 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

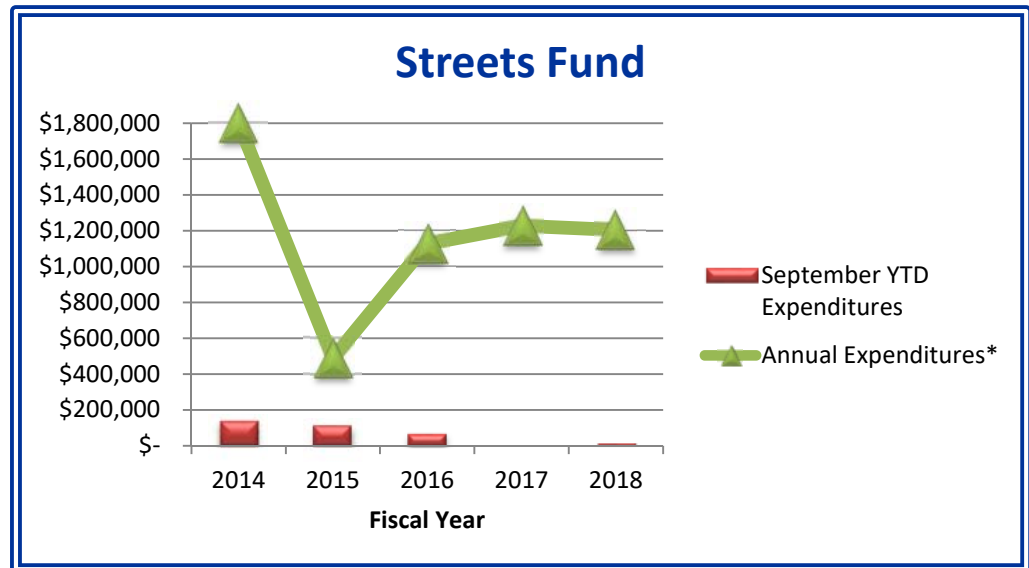
### Total Streets Fund Expenditures

**Under Target for FY 2018**

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 138,194	\$ 1,799,340	8%		
2015	\$ 113,140	\$ 488,072	23%	-18%	-73%
2016	\$ 68,481	\$ 1,126,227	6%	-39%	131%
2017	\$ -	\$ 1,226,595	0%	-100%	9%
2018	\$ 12,611	\$ 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.

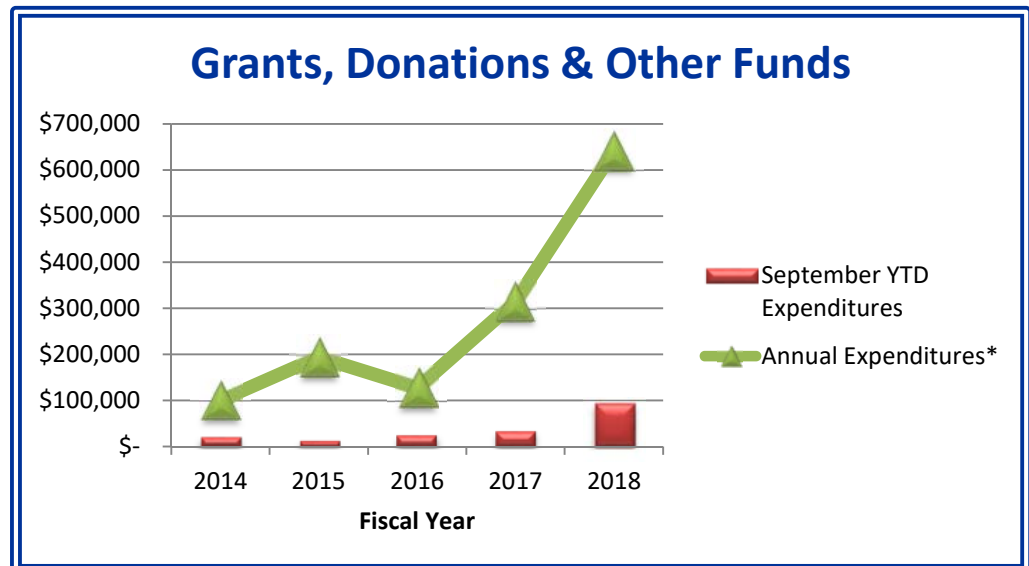


### Total Grants, Donations & Other Exp.

**Under Target for FY 2018**

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 19,852	\$ 99,837	20%		
2015	\$ 12,273	\$ 193,488	6%	-38%	94%
2016	\$ 23,451	\$ 127,230	18%	91%	-34%
2017	\$ 32,377	\$ 314,560	10%	38%	147%
2018	\$ 94,128	\$ 641,350	15%	191%	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.

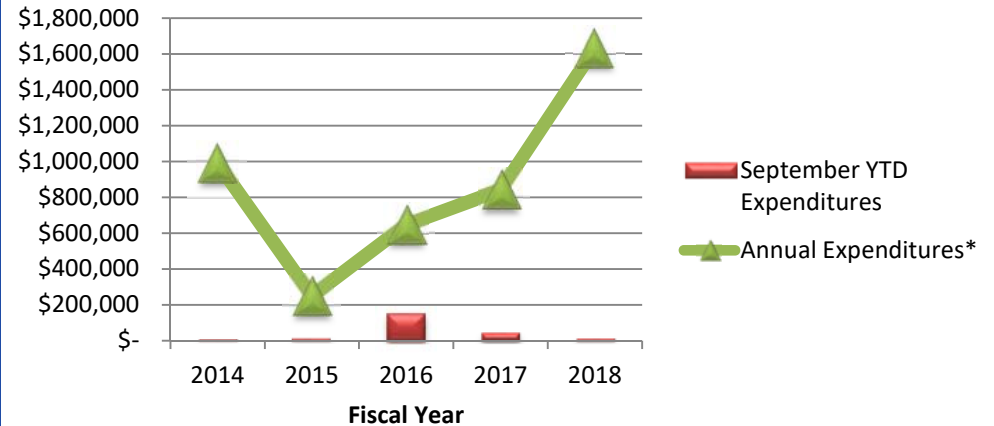
Under Target for FY 2018

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 9,476	\$ 988,600	1%		
2015	\$ 12,080	\$ 247,614	5%	27%	-75%
2016	\$ 153,285	\$ 647,006	24%	1169%	161%
2017	\$ 44,789	\$ 839,927	5%	-71%	30%
2018	\$ 14,259	\$ 1,632,300	1%	-68%	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.

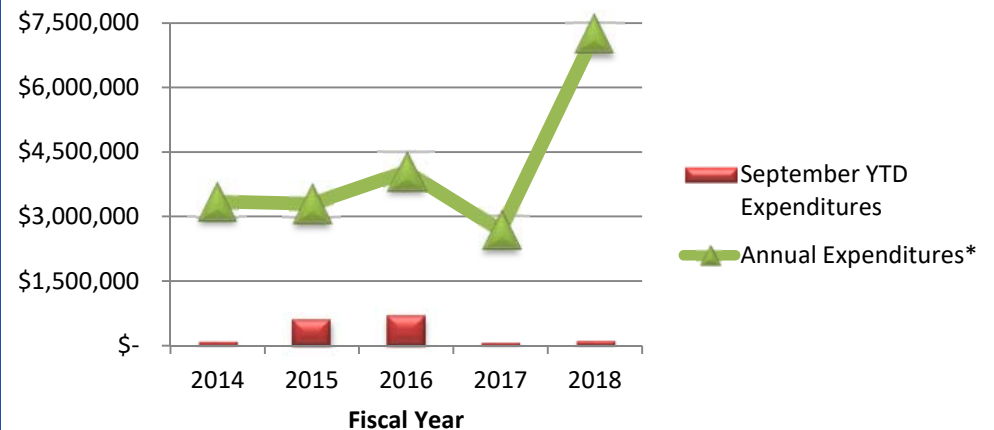
Under Target for FY 2018

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 80,585	\$ 3,348,961	2%		
2015	\$ 609,415	\$ 3,293,016	19%	656%	-2%
2016	\$ 708,124	\$ 4,045,969	18%	16%	23%
2017	\$ 63,933	\$ 2,677,559	2%	-91%	-34%
2018	\$ 94,918	\$ 7,246,669	1%	48%	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



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



## Total Expenditures by Fund

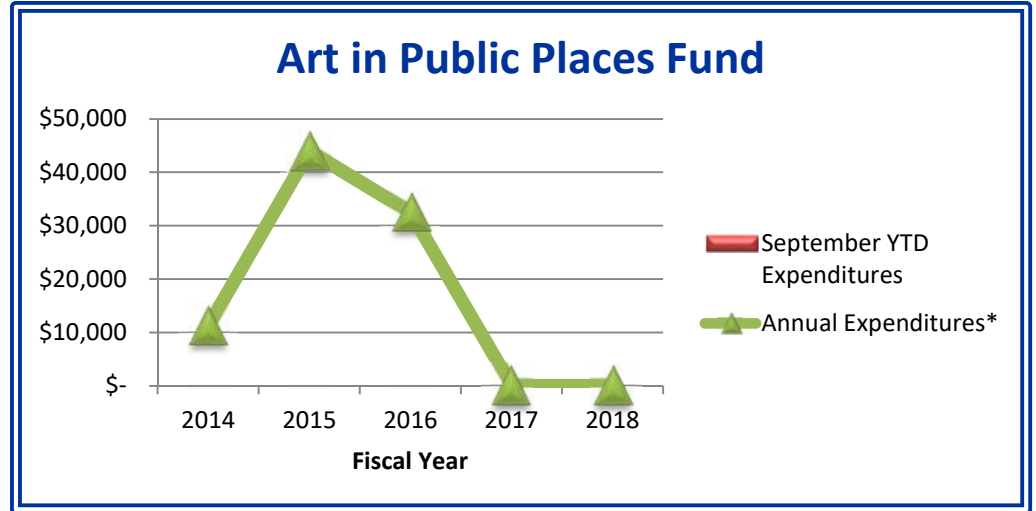
**Total Art in Public Places Fund Exp.**

On Target for FY 2018

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September 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	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 876,221	\$ 9,927,837	9%		
2015	\$ 1,959,348	\$ 11,055,429	18%	124%	11%
2016	\$ 3,024,213	\$ 14,367,467	21%	54%	30%
2017	\$ 2,644,405	\$ 10,625,910	25%	-13%	-26%
2018	\$ 1,859,744	\$ 14,549,091	13%	-30%	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 \$72,000 lower and are based on the monthly accruals of scheduled bond principal and interest payments.

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

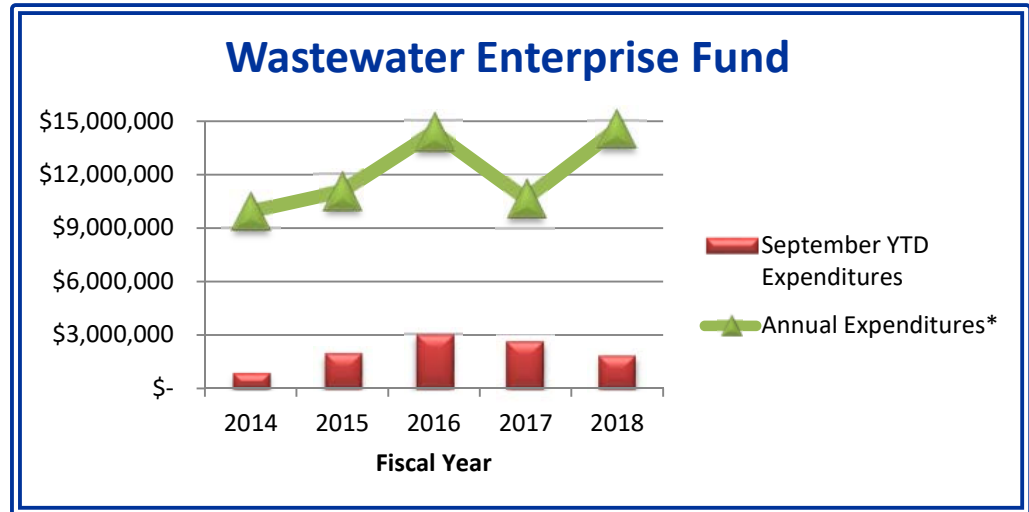
The decrease is primarily due to expenditures incurred for the plant upgrade and injection well drilling in the prior year.

**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 \$184,000 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.



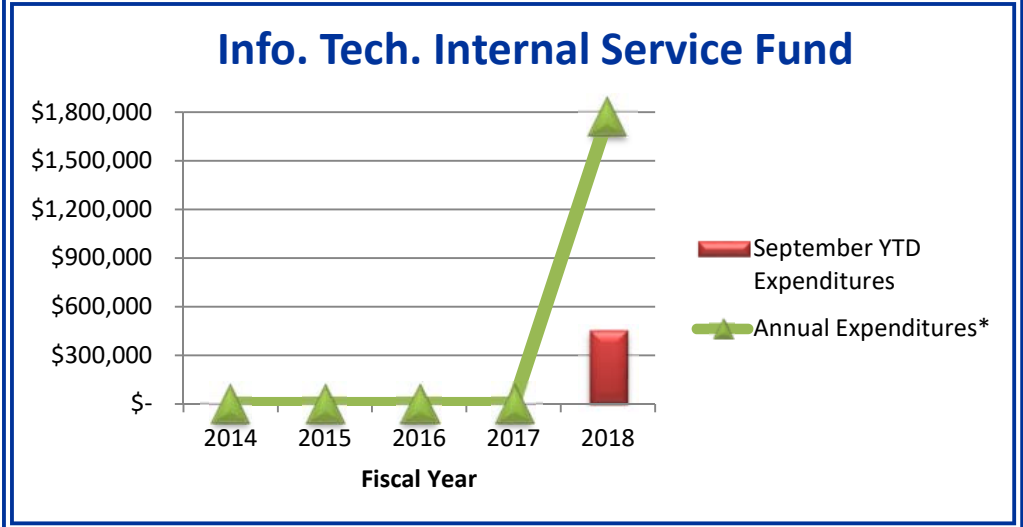
\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies. For the prior years, the Annual Expenditures represent total actual expenditures.

## Total Expenditures by Fund

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

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September 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	\$ 458,022	\$ 1,773,004	26%	∞	∞

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



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## Total Expenditures by Fund

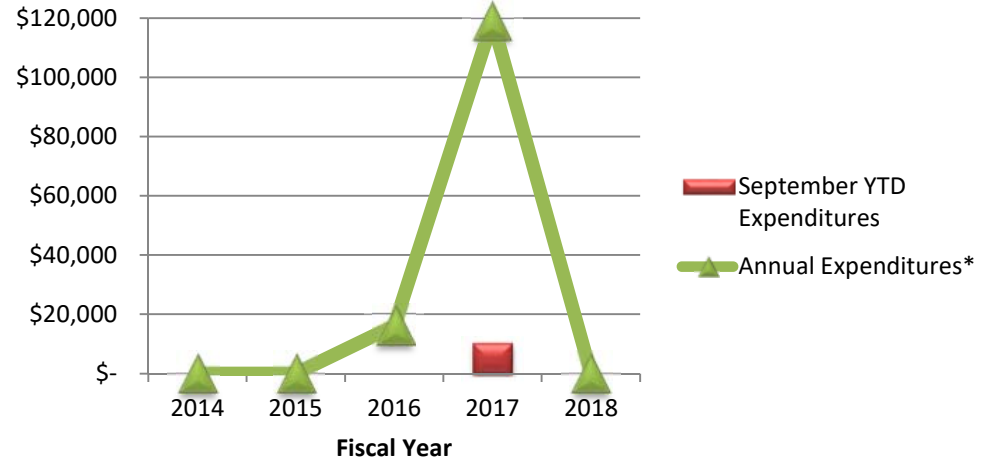
### Total CFD - Sedona Summit II Exp.

On Target for FY 2018

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ -	\$ 16,064	0%	N/A	∞
2017	\$ 10,347	\$ 119,131	9%	∞	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

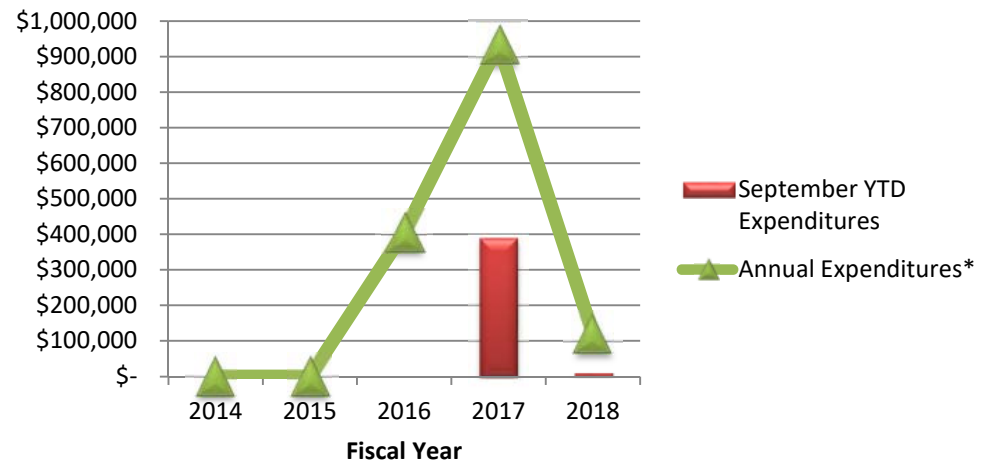
Under Target for FY 2018

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ -	\$ 404,998	0%	N/A	∞
2017	\$ 389,687	\$ 934,239	42%	∞	131%
2018	\$ 9,055	\$ 120,175	8%	-98%	-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



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

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

### City Council Expenditures

FY	September YTD Expenditures		Annual Expenditures*		Under Target for FY 2018	
					% of Annual Exp.	% Increase - September YTD
2014	\$	10,007	\$	53,561	19%	
2015	\$	11,675	\$	66,995	17%	17%
2016	\$	16,076	\$	63,123	25%	38%
2017	\$	10,966	\$	60,524	18%	-32%
2018	\$	17,722	\$	77,775	23%	62%

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

Travel & Training costs were moved to departments from General Services in FY 2015.

**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 2015 to FY 2016:**

The increase was primarily due to promotional items for the annual League conference.

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

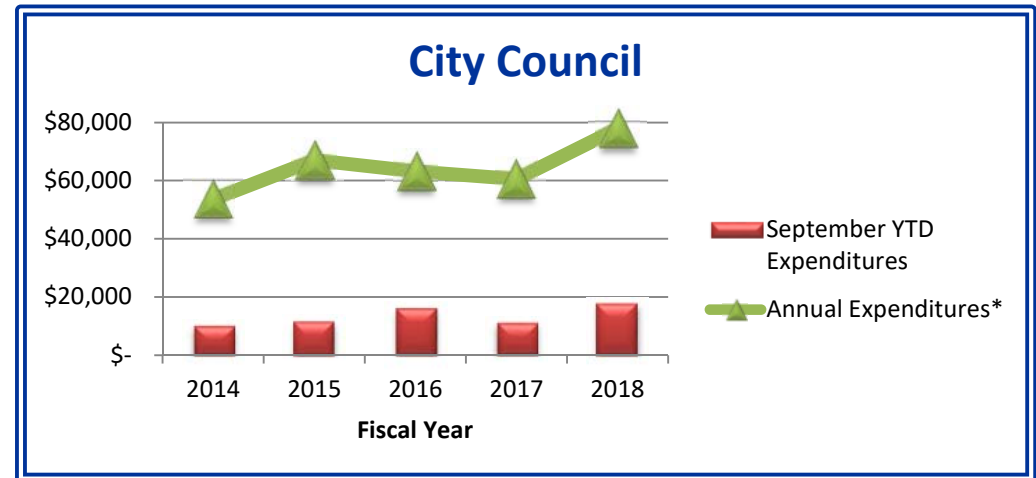
The decrease was primarily due to promotional items for the annual League conference purchased in the prior year.

**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

FY	September YTD Expenditures		Annual Expenditures*		On Target for FY 2018	
					% of Annual Exp.	% Increase - September YTD
2014	\$	151,870	\$	696,483	22%	
2015	\$	159,258	\$	704,983	23%	5%
2016	\$	152,196	\$	745,235	20%	-4%
2017	\$	163,187	\$	878,130	19%	7%
2018	\$	1,257,652	\$	3,138,700	40%	671%

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

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

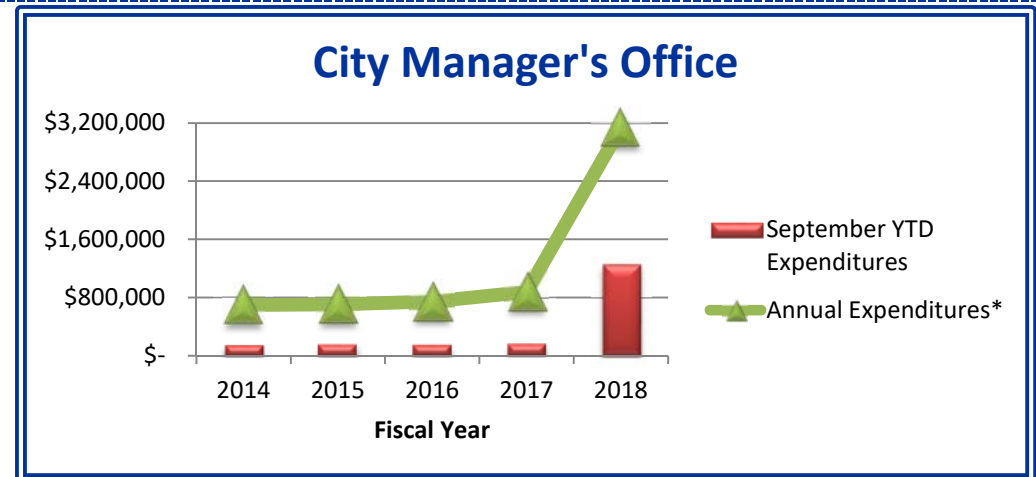
**YTD Increase from FY 2017 to FY 2018:**

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 three months of the fiscal year (40% actual compared to three-month budget of 25%). 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

FY	September YTD Expenditures	Annual Expenditures*	Under Target for FY 2018		
			% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 39,597	\$ 178,106	22%		
2015	\$ 41,748	\$ 191,432	22%	5%	7%
2016	\$ 42,060	\$ 217,866	19%	1%	14%
2017	\$ 55,387	\$ 255,942	22%	32%	17%
2018	\$ 51,733	\$ 308,275	17%	-7%	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:

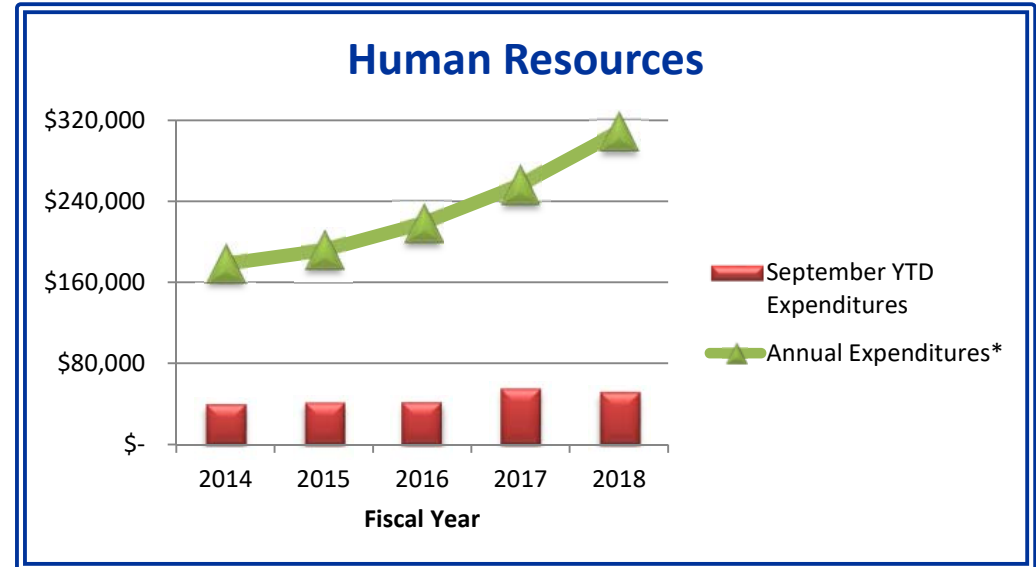
The increase is primarily due to increases in recruitment and relocations costs.

#### 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.

#### 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.



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

### Financial Services Expenditures

FY	September YTD Expenditures	Annual Expenditures*	Under Target for FY 2018		
			% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 87,052	\$ 448,475	19%		
2015	\$ 76,081	\$ 416,550	18%	-13%	-7%
2016	\$ 98,988	\$ 450,225	22%	30%	8%
2017	\$ 187,047	\$ 859,666	22%	89%	91%
2018	\$ 198,142	\$ 1,130,005	18%	6%	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 financial audit and sales tax audits.

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

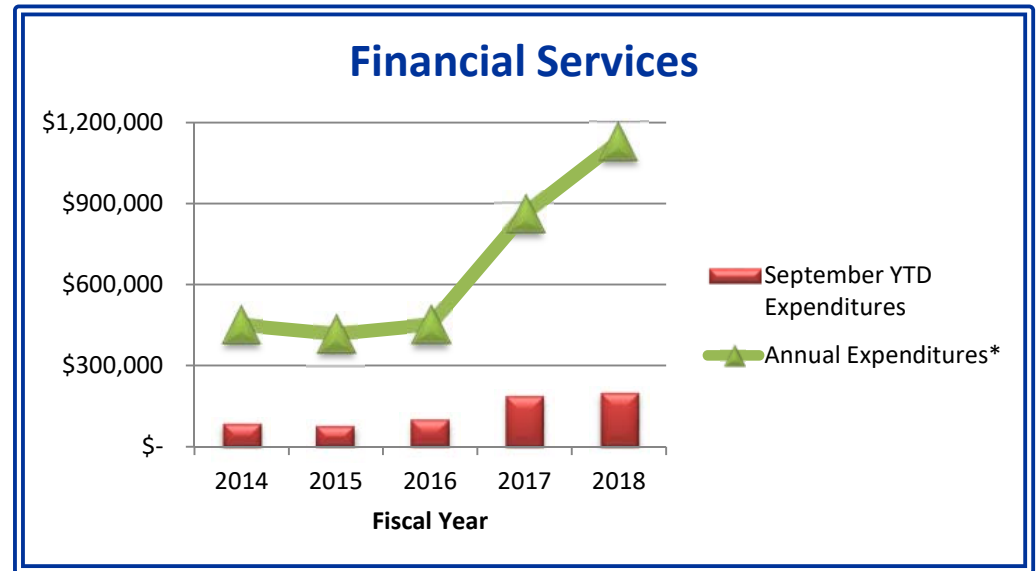
Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund. The Utility Billing function in Financial Services is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

#### 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	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 283,109	\$ 713,547	40%		
2015	\$ 380,220	\$ 1,058,766	36%	34%	48%
2016	\$ 323,518	\$ 853,746	38%	-15%	-19%
2017	\$ 347,589	\$ 1,083,123	32%	7%	27%
2018	\$ 380,773	\$ 1,367,904	28%	10%	26%

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

The increase is mostly due to the hardware and software upgrades.

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

- (1) Hardware and software expenditures increased due largely to the replacement of mobile data equipment and software upgrades for the Police Department.
- (2) The increase is also partly due to increases in annual software maintenance contracts.
- (3) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.
- (4) Internet service costs increased due to an improvement to connectivity.

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

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

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

- (1) The increase is partly due to the replacement and upgrade of the storage area network and upgrade of a digital evidence logger recorder.
- (2) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (3) A part-time Support/Help Desk Technician position was added.
- (4) Communications costs previously recorded in the General Services Department were transferred to Information Technology.

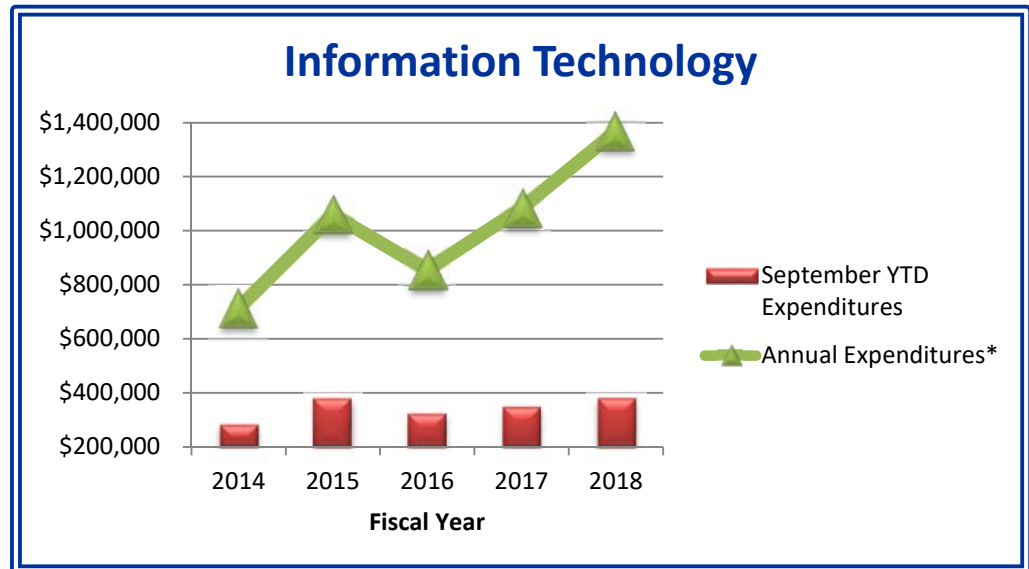
**YTD Increase from FY 2017 to FY 2018:**

The increase is primarily due to the equipping of new police vehicles, upgrade of a police storage area network, and costs for the network connectivity at the Sinagua Building.

**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 three months of the fiscal year (28% actual compared to three-month budget of 25%). 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	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 105,320	\$ 458,932	23%		
2015	\$ 99,428	\$ 490,736	20%	-6%	7%
2016	\$ 102,906	\$ 496,564	21%	3%	1%
2017	\$ 100,837	\$ 548,304	18%	-2%	10%
2018	\$ 132,391	\$ 683,600	19%	31%	25%

**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.

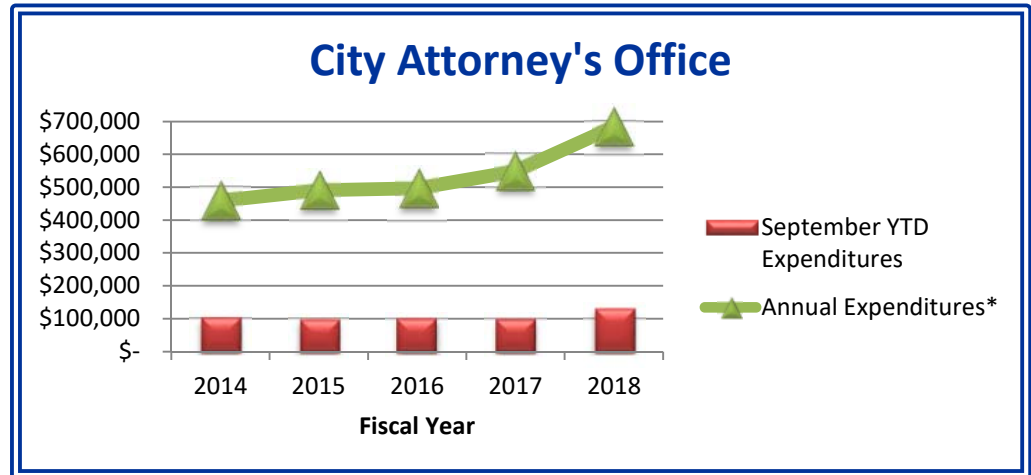
**YTD Increase from FY 2017 to FY 2018:**

The increase is primarily due to costs associated with claims for sewage cleanup.

**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	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 44,748	\$ 226,818	20%		
2015	\$ 62,629	\$ 243,829	26%	40%	7%
2016	\$ 47,495	\$ 219,942	22%	-24%	-10%
2017	\$ 69,769	\$ 265,657	26%	47%	21%
2018	\$ 53,703	\$ 260,090	21%	-23%	-2%

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

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

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

FY 2015 was an election year.

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

FY 2017 was an election year. Costs included the biennial election and the renewals of two franchise agreements.

**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.

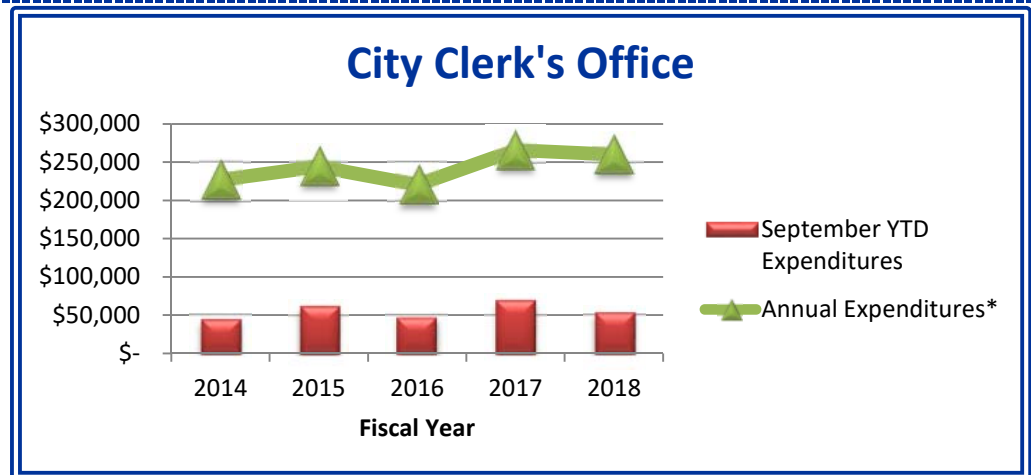
(2) Costs related to the City's electronics recycling event increased due to an increase in participation.

(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 Decrease from FY 2017 to FY 2018:**

FY 2017 was an election year.



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

### Parks & Recreation Expenditures

Under Target for FY 2018

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 105,259	\$ 378,165	28%		
2015	\$ 102,906	\$ 506,788	20%	-2%	34%
2016	\$ 156,145	\$ 493,305	32%	52%	-3%
2017	\$ 163,590	\$ 608,478	27%	5%	23%
2018	\$ 150,282	\$ 733,974	20%	-8%	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:

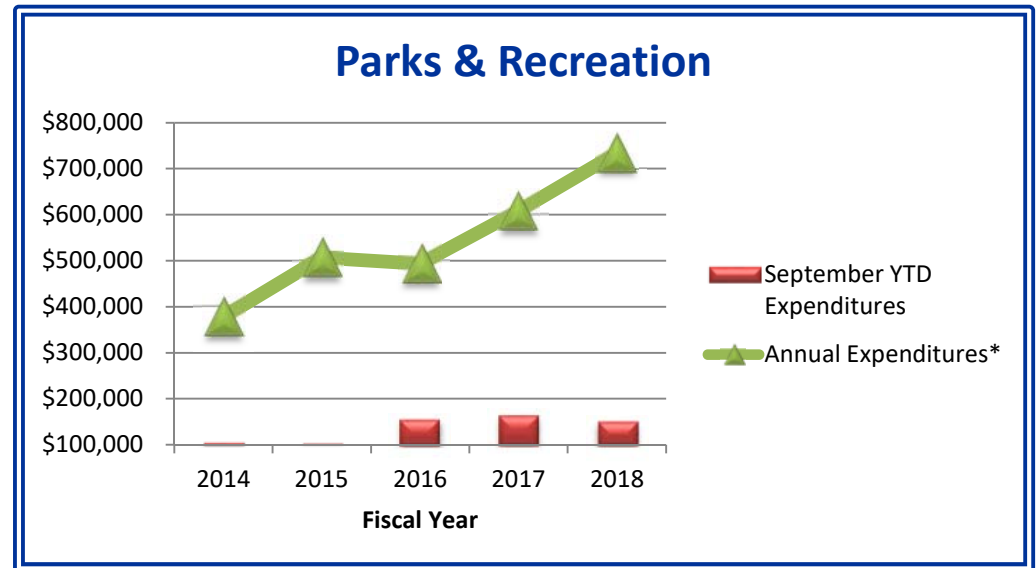
The increase is primarily due to a timing difference in special events payments.

#### 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.

#### 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	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 910,549	\$ 3,082,440	30%		
2015	\$ 1,526,554	\$ 3,889,467	39%	68%	26%
2016	\$ 1,631,687	\$ 4,071,785	40%	7%	5%
2017	\$ 1,748,122	\$ 4,209,363	42%	7%	3%
2018	\$ 842,423	\$ 1,928,084	44%	-52%	-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.

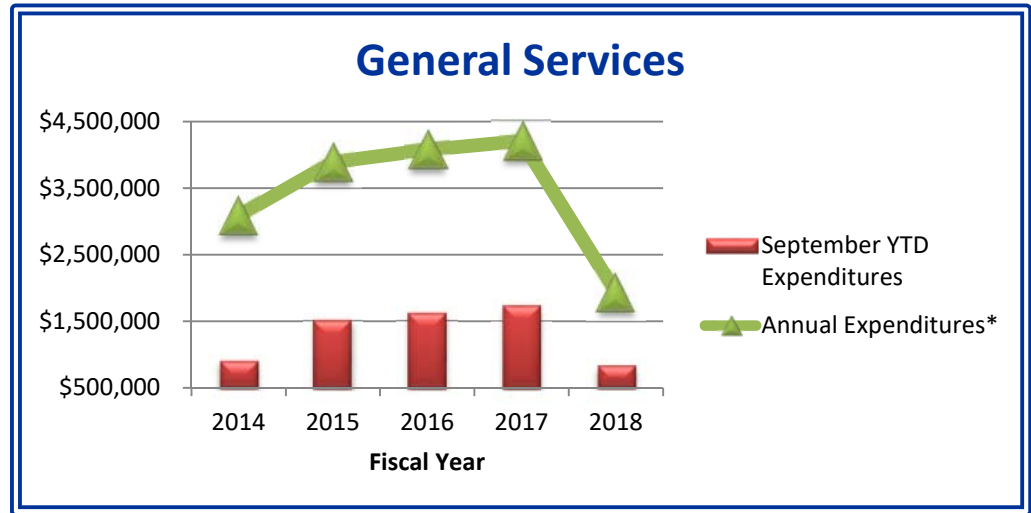
**YTD Decrease from FY 2017 to FY 2018:**

- (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 three months of the fiscal year (44% actual compared to three-month budget of 25%). 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.

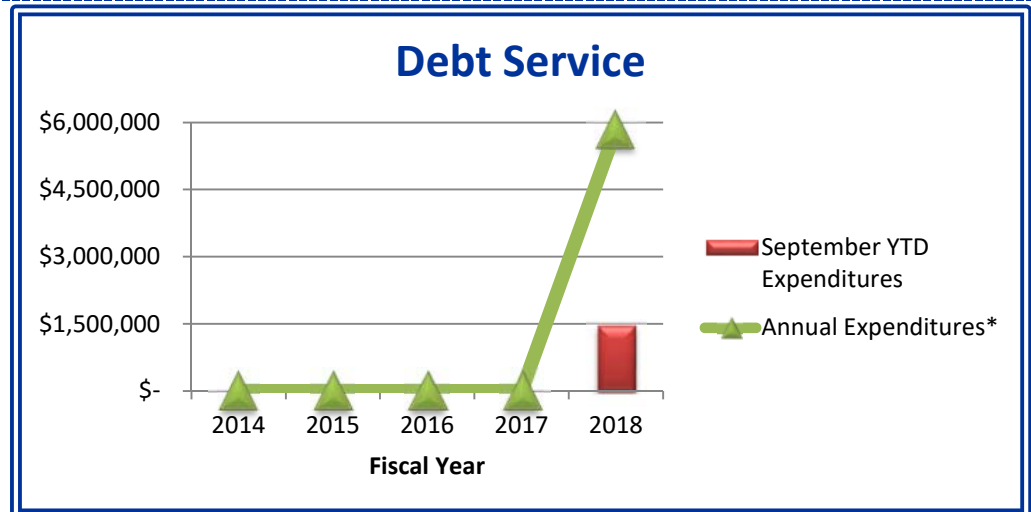


### Debt Service Expenditures

**On Target for FY 2018**

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September 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	\$ 1,460,557	\$ 5,841,045	25%	∞	∞

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



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

### Community Development Expenditures

Under Target for FY 2018

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 233,398	\$ 931,021	25%		
2015	\$ 227,814	\$ 1,054,199	22%	-2%	13%
2016	\$ 268,380	\$ 1,201,326	22%	18%	14%
2017	\$ 254,900	\$ 1,576,171	16%	-5%	31%
2018	\$ 394,318	\$ 1,707,950	23%	55%	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 partly the result of the purchase of a replacement vehicle for Code Enforcement.

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

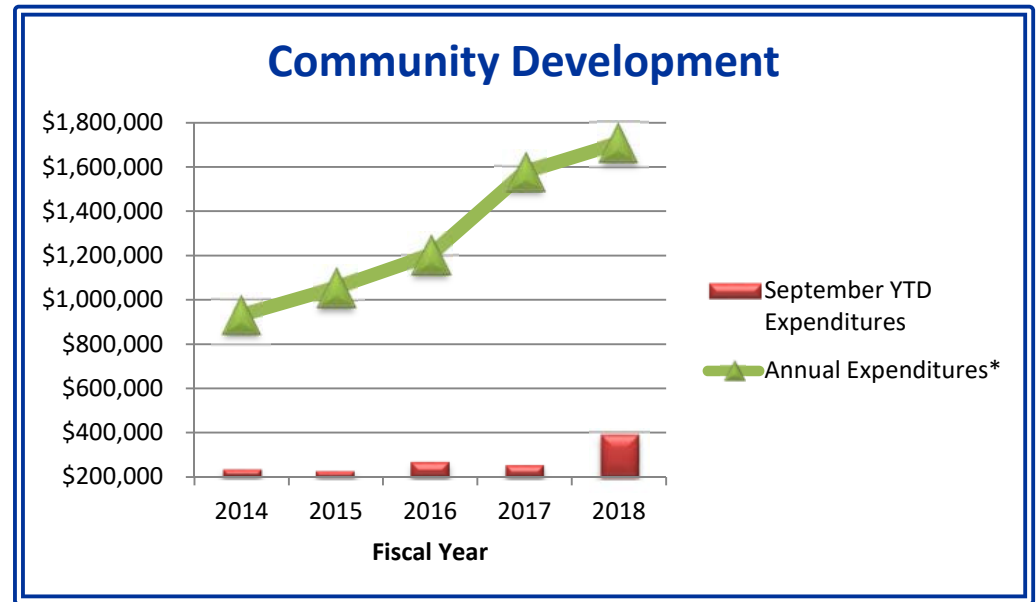
- (1) A part-time Administrative Assistant was transferred from the Public Works Department.
- (2) A Senior Planner position was added.
- (3) A replacement vehicle for Code Enforcement was purchased for approximately \$24,000.
- (4) CDBG administration costs of approximately \$22,000 were incurred in FY 2016.

**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	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 585,965	\$ 3,642,185	16%		
2015	\$ 507,398	\$ 2,278,004	22%	-13%	-37%
2016	\$ 522,588	\$ 3,214,005	16%	3%	41%
2017	\$ 608,860	\$ 4,397,351	14%	17%	37%
2018	\$ 818,958	\$ 4,911,416	17%	35%	12%

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

Due to timing difference and decreases in utility costs, utilities decreased by approximately \$72,000.

**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:**

- (1) 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.
- (2) In addition, salaries and benefits increased due to vacancy savings in the prior year, and budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%.

**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%.

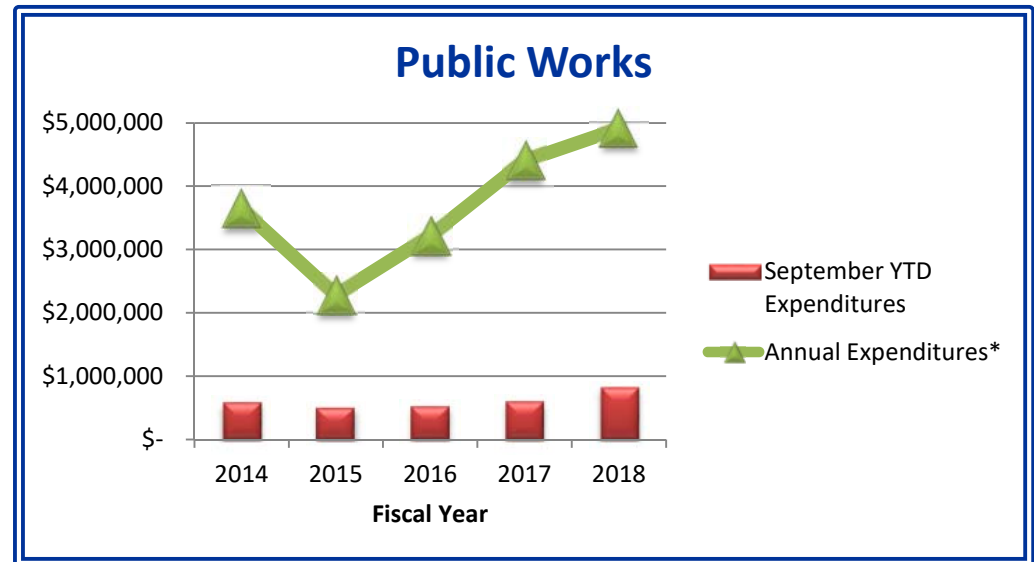
**YTD Increase from FY 2017 to FY 2018:**

- (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 increases to utility costs.
- (3) The Traffic Control Services program was added in FY 2018.
- (4) Shared trails maintenance costs with the US Forest Service were not incurred in the prior year.
- (5) In addition, there were timing differences and increases to streets maintenance and transfer of parks grounds maintenance costs.

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

- (1) The increase was partly due to the budgeted purchase of a hot box for the Streets program .
- (2) Salaries and benefits included budgeted cost-of-living adjustments of 2.5% and average merit increases of 2.5%.
- (3) The Traffic Control Services program was added in FY 2018.
- (4) Shared trails maintenance costs with the US Forest Service were not incurred in the prior year.
- (5) In addition, there were timing differences and increases to streets maintenance and transfer of parks grounds maintenance costs.

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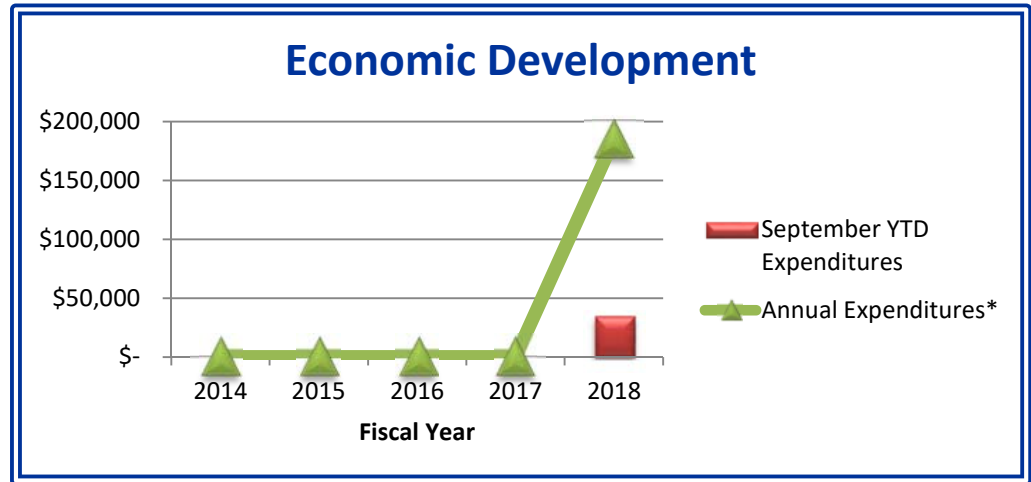
## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Economic Development Expenditures

Under Target for FY 2018

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September 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	\$ 34,771	\$ 184,970	19%	∞	∞

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



### Police Expenditures

Under Target for FY 2018

FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 726,636	\$ 3,338,557	22%		
2015	\$ 873,366	\$ 3,770,582	23%	20%	13%
2016	\$ 855,705	\$ 3,826,416	22%	-2%	1%
2017	\$ 856,164	\$ 4,080,748	21%	<1%	7%
2018	\$ 1,014,035	\$ 4,716,435	22%	18%	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.

#### YTD 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%.

(4) The increase is also partly due to additional lease payments for the completion of the assigned vehicle program for patrol officers.

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

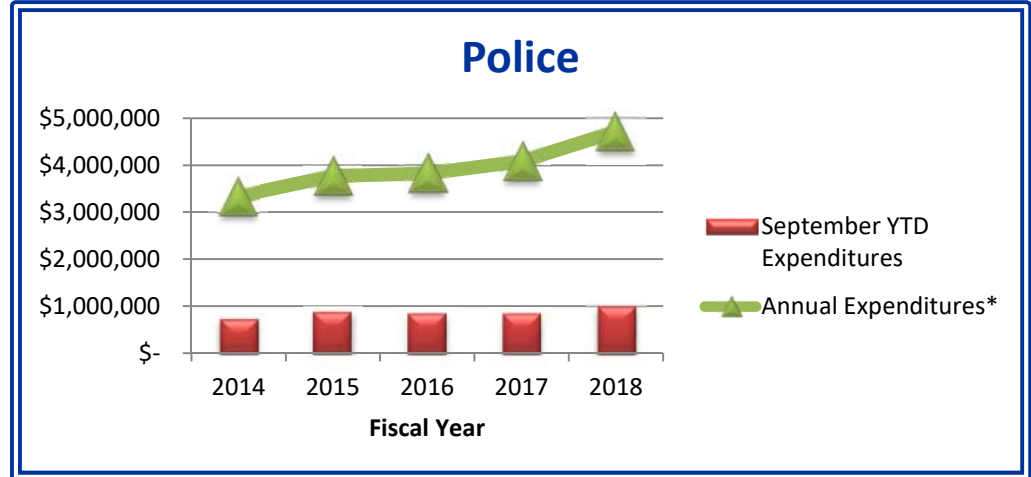
(1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.

(2) The PSPRS required contribution rate increased approximately 30%.

(3) The purchase and training of a new K-9 was budgeted in FY 2018.

(4) The FY 2018 budget includes additional lease payments for the completion of the assigned vehicle program for patrol officers.

(5) The FY 2018 budget also includes additional capacity for vehicle fuel costs.



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

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

### Municipal Court Expenditures

**Under Target for FY 2018**

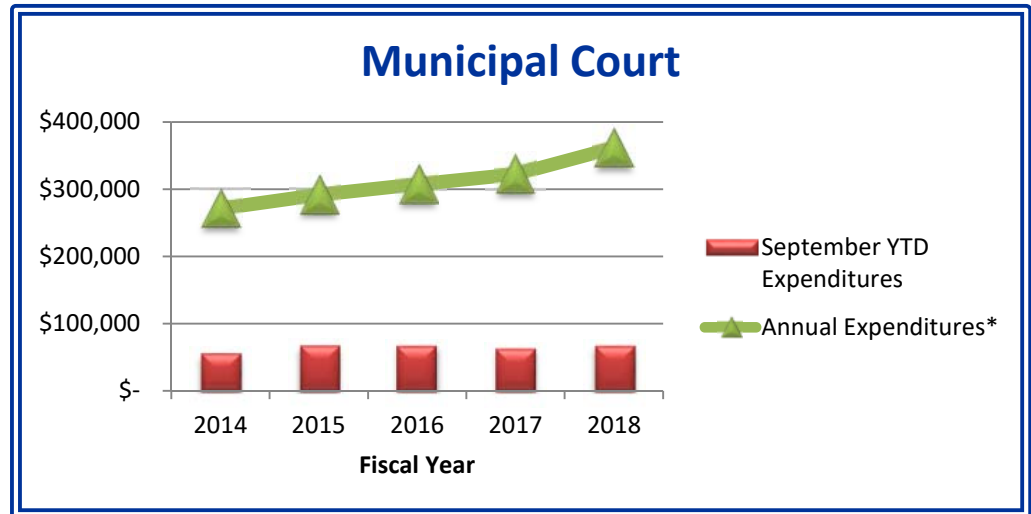
FY	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 55,779	\$ 271,121	21%		
2015	\$ 67,752	\$ 291,684	23%	21%	8%
2016	\$ 67,011	\$ 307,281	22%	-1%	5%
2017	\$ 62,766	\$ 322,022	19%	-6%	5%
2018	\$ 66,625	\$ 361,370	18%	6%	12%

**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.

**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	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 229,913	\$ 6,723,060	3%		
2015	\$ 1,543,933	\$ 6,394,431	24%	572%	-5%
2016	\$ 1,616,447	\$ 6,503,494	25%	5%	2%
2017	\$ 1,374,591	\$ 5,465,854	25%	-15%	-16%
2018	\$ 49,743	\$ 308,269	16%	-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:**

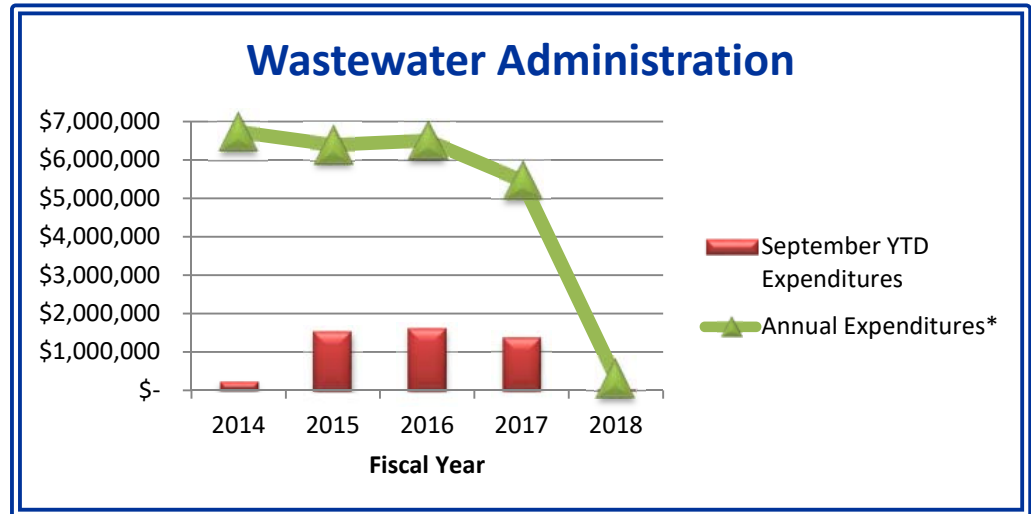
- (1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (2) Debt service costs are approximately \$72,000 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 and 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	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 26,083	\$ 104,228	25%		
2015	\$ 29,948	\$ 131,783	23%	15%	26%
2016	\$ 25,669	\$ 176,040	15%	-14%	34%
2017	\$ 15,801	\$ 64,796	24%	-38%	-63%
2018	\$ 11,702	\$ 60,540	19%	-26%	-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

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

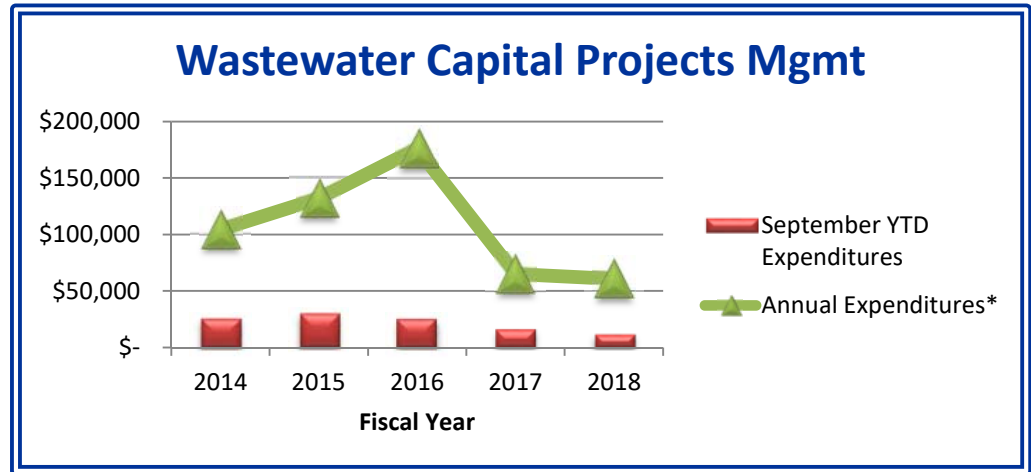
The decrease is largely a result of vacancy savings incurred.

**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	September YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - September YTD	% Increase - Annual
2014	\$ 391,519	\$ 2,064,537	19%		
2015	\$ 355,132	\$ 2,328,173	15%	-9%	13%
2016	\$ 402,723	\$ 2,291,483	18%	13%	-2%
2017	\$ 406,930	\$ 2,241,279	18%	1%	-2%
2018	\$ 382,216	\$ 3,053,817	13%	-6%	36%

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

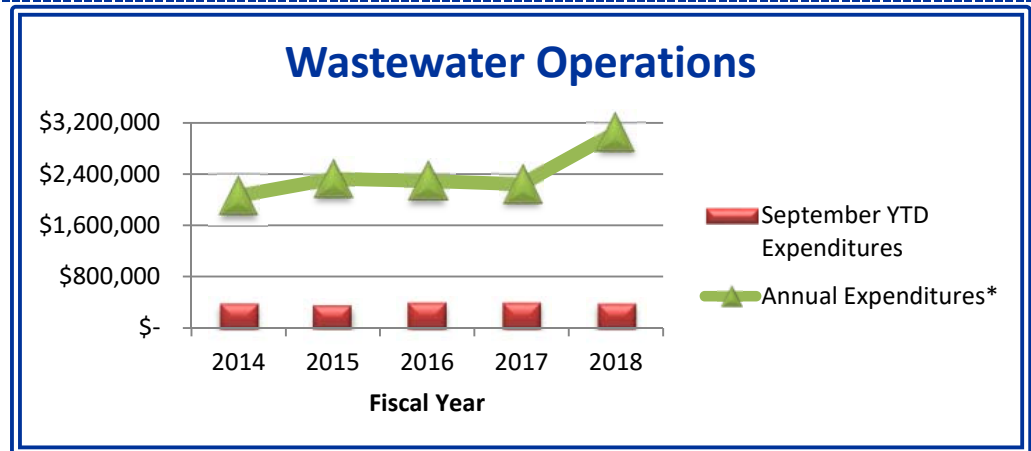
- (1) Bad debt expense was increased by approximately \$65,000.
- (2) Lift station upgrades and drawings were performed for approximately \$159,000.

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

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

**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	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 3,414,886	\$ 15,535,678	22%		
2015	\$ 4,124,891	\$ 17,191,008	24%	21%	11%
2016	\$ 4,097,245	\$ 18,612,738	22%	-1%	8%
2017	\$ 5,662,044	\$ 25,135,539	23%	38%	35%
2018	\$ 6,057,919	\$ 25,924,160	23%	7%	3%

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

- (1) Bed tax revenues increased 21%, mostly due to the increase in the tax rate from 3% to 3.5% effective January 1, 2014.
- (2) 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.

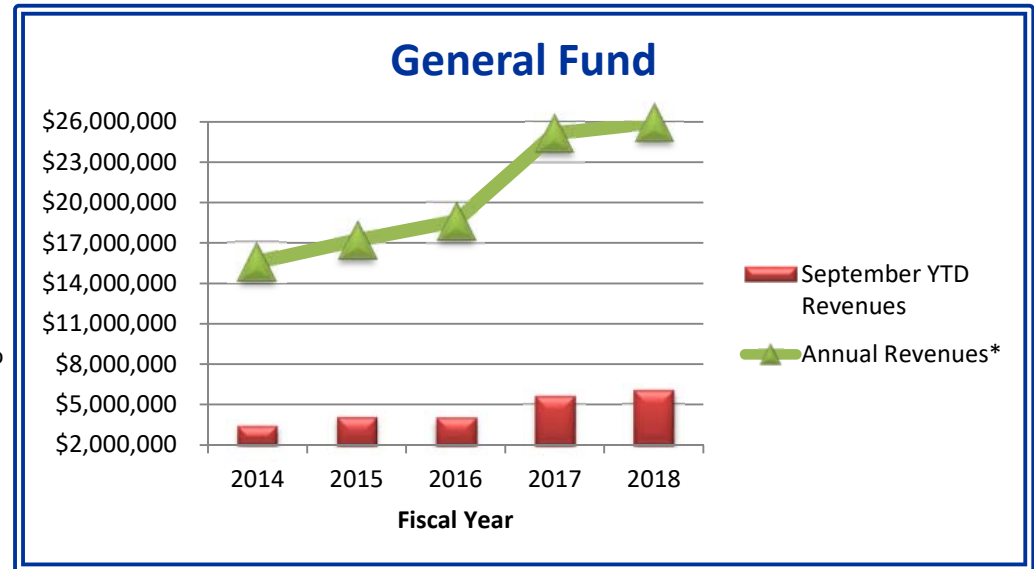
#### YTD Increase from FY 2016 to FY 2017:

- (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 24%. 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:** 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

Exceeds Target for FY 2018

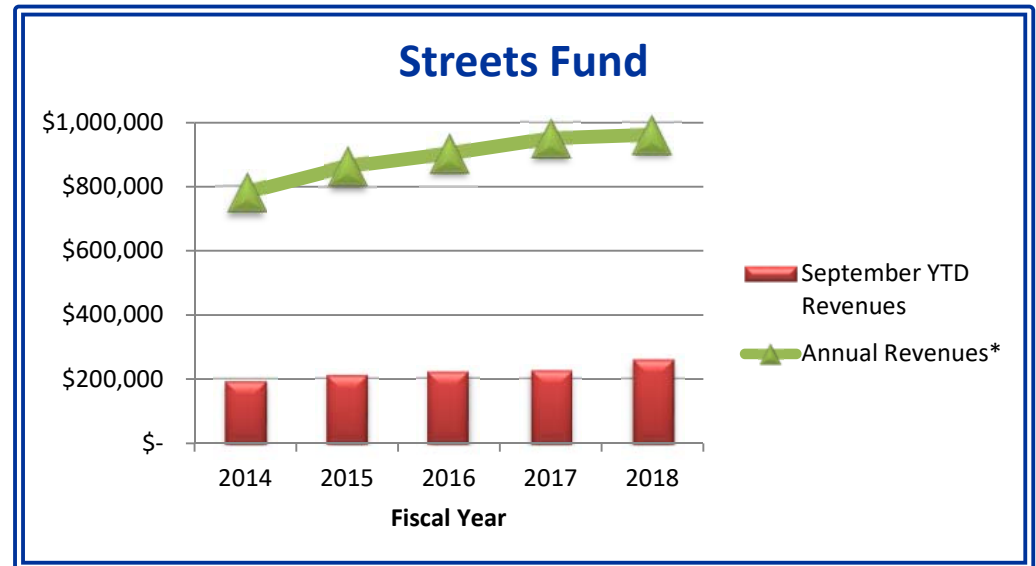
FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 194,824	\$ 780,913	25%		
2015	\$ 212,778	\$ 862,099	25%	9%	10%
2016	\$ 222,589	\$ 902,994	25%	5%	5%
2017	\$ 227,730	\$ 950,751	24%	2%	5%
2018	\$ 261,169	\$ 961,900	27%	15%	1%

#### 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.

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

An unbudgeted one-time additional State funding for FY 2018 resulted in an extra \$35,343 for Sedona.

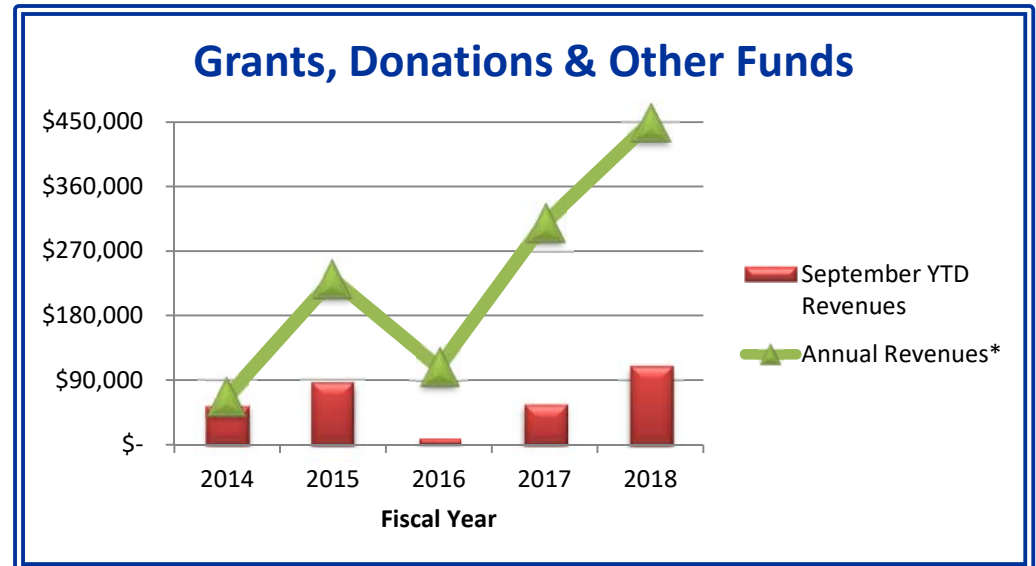


### Total Grants, Donations & Other Rev.

On Target for FY 2018

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 55,219	\$ 66,852	83%		
2015	\$ 87,251	\$ 230,824	38%	58%	245%
2016	\$ 8,442	\$ 108,649	8%	-90%	-53%
2017	\$ 55,219	\$ 309,408	18%	554%	185%
2018	\$ 110,087	\$ 449,060	25%	99%	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.



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## Total Revenues by Fund

### Total Develop. Impact Fees Revenues

**Under Target for FY 2018**

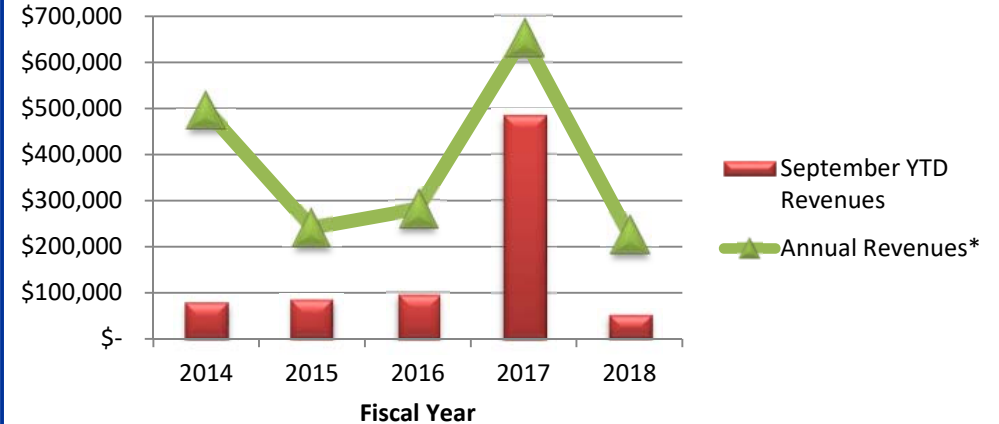
FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 79,564	\$ 495,662	16%		
2015	\$ 84,539	\$ 240,561	35%	6%	-51%
2016	\$ 96,765	\$ 281,497	34%	14%	17%
2017	\$ 485,225	\$ 654,256	74%	401%	132%
2018	\$ 51,710	\$ 225,490	23%	-89%	-66%

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

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

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

### Development Impact Fees Funds



### Total Capital Improvements Fund Rev.

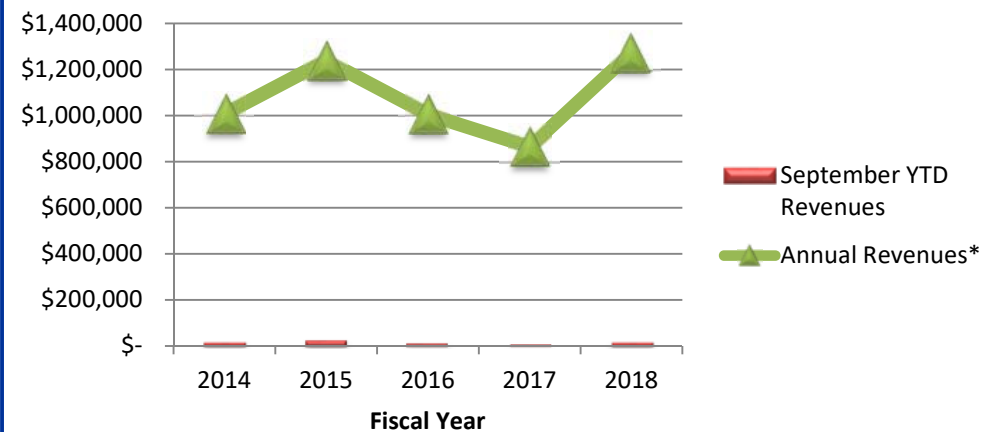
**Under Target for FY 2018**

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 16,180	\$ 1,006,174	2%		
2015	\$ 25,209	\$ 1,238,120	2%	56%	23%
2016	\$ 12,935	\$ 1,003,733	1%	-49%	-19%
2017	\$ 7,529	\$ 863,346	1%	-42%	-14%
2018	\$ 16,353	\$ 1,271,857	1%	117%	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.

### Capital Improvements Fund



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## Total Revenues by Fund

### Total Art in Public Places Fund Rev.

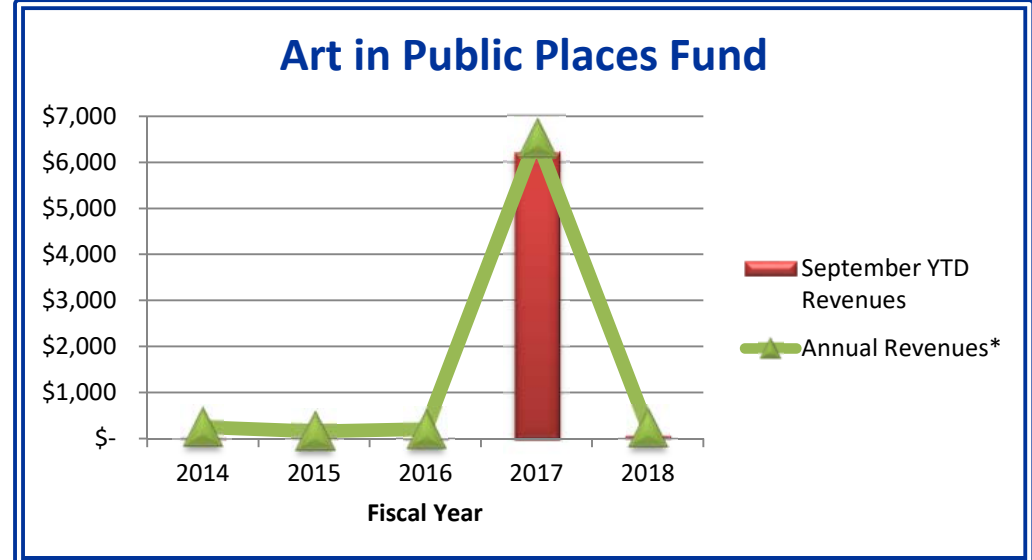
**Exceeds Target for FY 2018**

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 34	\$ 249	14%		
2015	\$ 8	\$ 161	5%	-77%	-35%
2016	\$ 15	\$ 204	7%	94%	27%
2017	\$ 6,241	\$ 6,528	96%	41813%	3106%
2018	\$ 65	\$ 230	28%	-99%	-96%

YTD and 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, with the exception of FY 2017.



### Total Wastewater Enterprise Fund Rev.

**On Target for FY 2018**

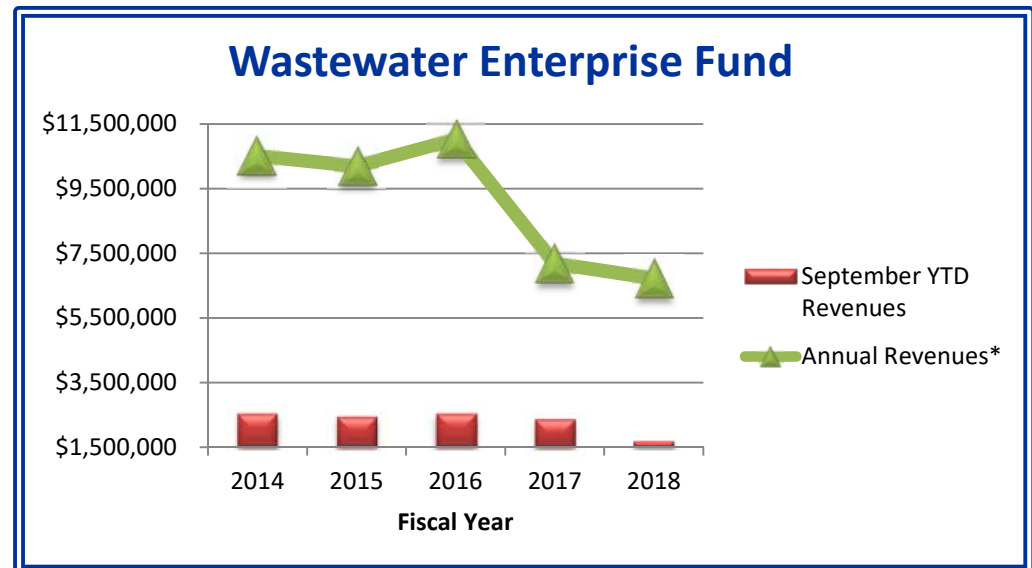
FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 2,533,801	\$ 10,512,709	24%		
2015	\$ 2,443,538	\$ 10,190,631	24%	-4%	-3%
2016	\$ 2,532,509	\$ 11,026,791	23%	4%	8%
2017	\$ 2,388,700	\$ 7,180,562	33%	-6%	-35%
2018	\$ 1,692,283	\$ 6,723,550	25%	-29%	-6%

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.

YTD Decrease from FY 2017 to FY 2018:

The decrease was primarily due to one-time significant capacity fees received in the prior year.



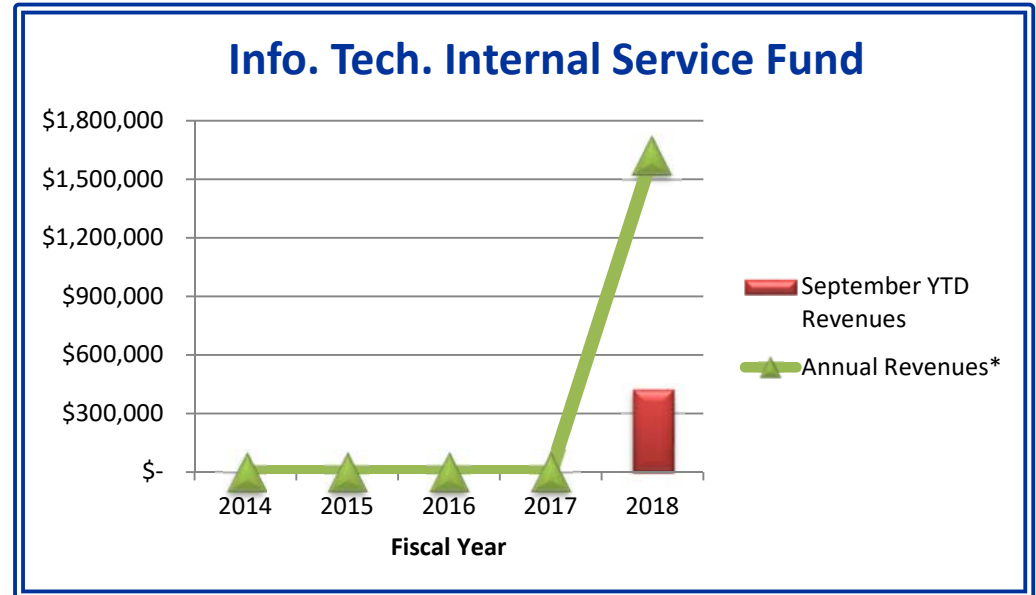
\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Fund

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

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September 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	\$ 424,905	\$ 1,622,130	26%	∞	∞

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

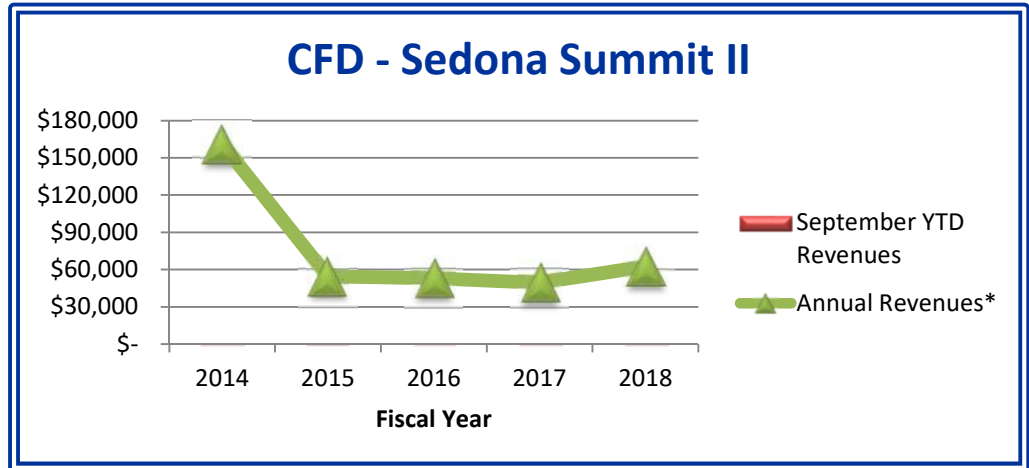
FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 5	\$ 160,904	<1%		
2015	\$ 954	\$ 54,429	2%	17826%	-66%
2016	\$ 117	\$ 52,969	<1%	-88%	-3%
2017	\$ 62	\$ 49,312	<1%	-47%	-7%
2018	\$ 121	\$ 62,600	<1%	96%	27%

**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	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 42	\$ 95,839	<1%		
2015	\$ 66	\$ 121,137	<1%	56%	26%
2016	\$ 134	\$ 123,983	<1%	101%	2%
2017	\$ 480	\$ 153,156	<1%	259%	24%
2018	\$ 574	\$ 125,550	<1%	19%	-18%

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

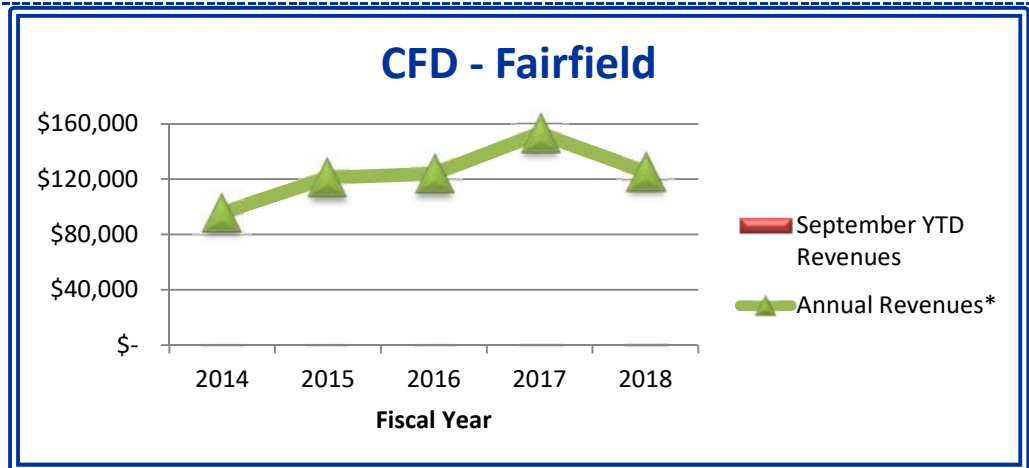
The CFD in lieu fees increased approximately \$26,000, and calculations are based on the amounts paid by the timeshare owners.

**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	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 2,990,846	\$ 12,593,025	24%		
2015	\$ 3,409,223	\$ 13,613,056	25%	14%	8%
2016	\$ 3,256,923	\$ 14,999,612	22%	-4%	10%
2017	\$ 3,731,183	\$ 16,268,459	23%	15%	8%
2018	\$ 3,863,643	\$ 16,673,800	23%	4%	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.

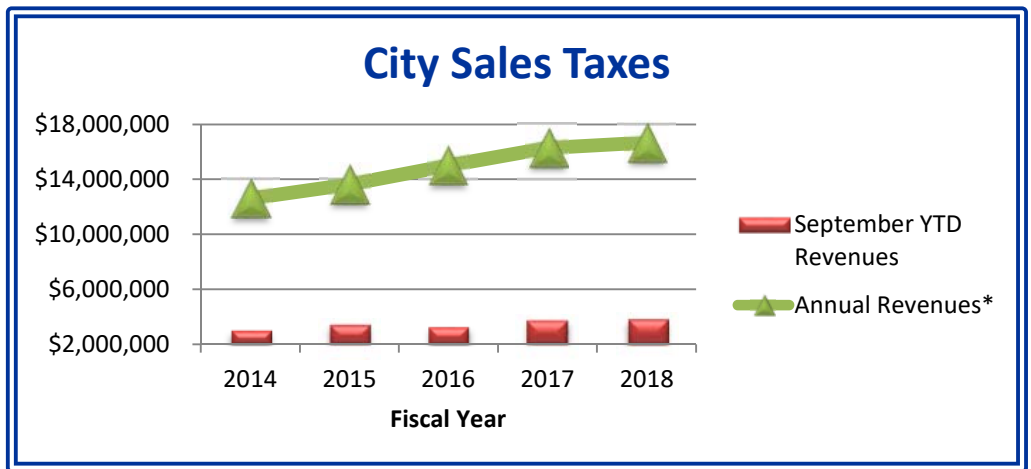
**Annual Increase from FY 2015 to FY 2016:**

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, Construction, and Leasing 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	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 450,969	\$ 2,097,290	22%		
2015	\$ 546,056	\$ 2,659,290	21%	21%	27%
2016	\$ 633,257	\$ 3,010,334	21%	16%	13%
2017	\$ 783,115	\$ 3,811,727	21%	24%	27%
2018	\$ 856,711	\$ 3,977,200	22%	9%	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.

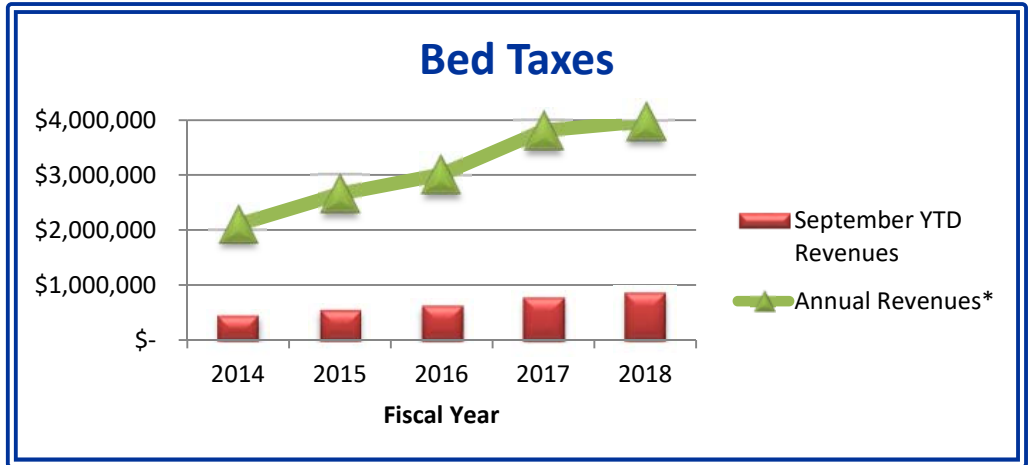
**YTD Increase from FY 2016 to FY 2017:**

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.



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

## Total Revenues by Type

### In Lieu Revenues

		On Target for FY 2018			
FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ -	\$ 1,160,221	0%		
2015	\$ 945	\$ 613,430	<1%	∞	-47%
2016	\$ 100	\$ 621,391	<1%	-89%	1%
2017	\$ 25,998	\$ 686,301	4%	25898%	10%
2018	\$ -	\$ 627,600	0%	-100%	-9%

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

The FY 2014 revenues include amounts resulting from an audit.

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

Contributions for the Affordable Housing and Art in Public Places Funds were received from new development.

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

(1) The increase is partly due to the timing of in lieu fees for the Community Facilities Districts.

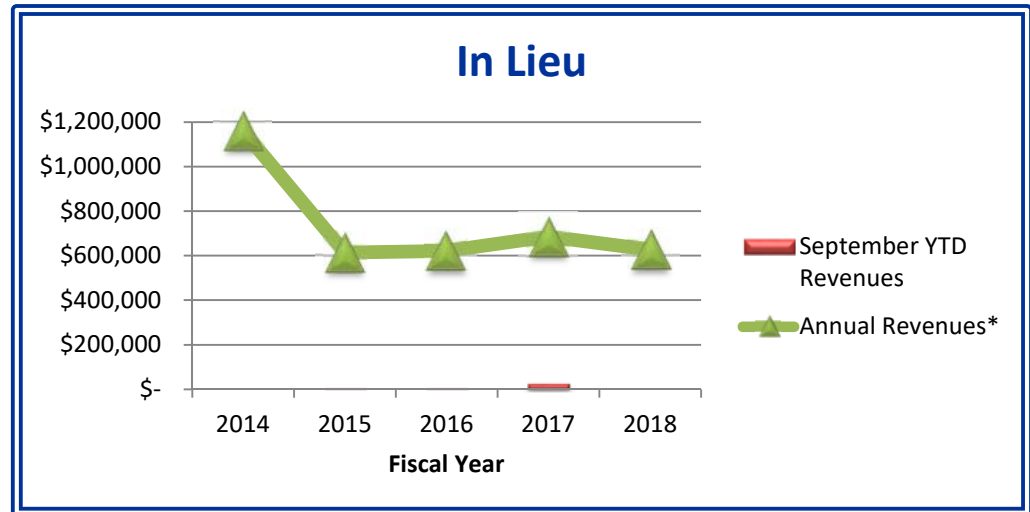
Approximately \$20,000 of FY 2016 revenue was recognized in FY 2017 due to the lateness of receipt.\*\*

(2) The increase is also due to the receipt of one-time Arts and Affordable Housing in-lieu revenues received in FY 2017.

**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.

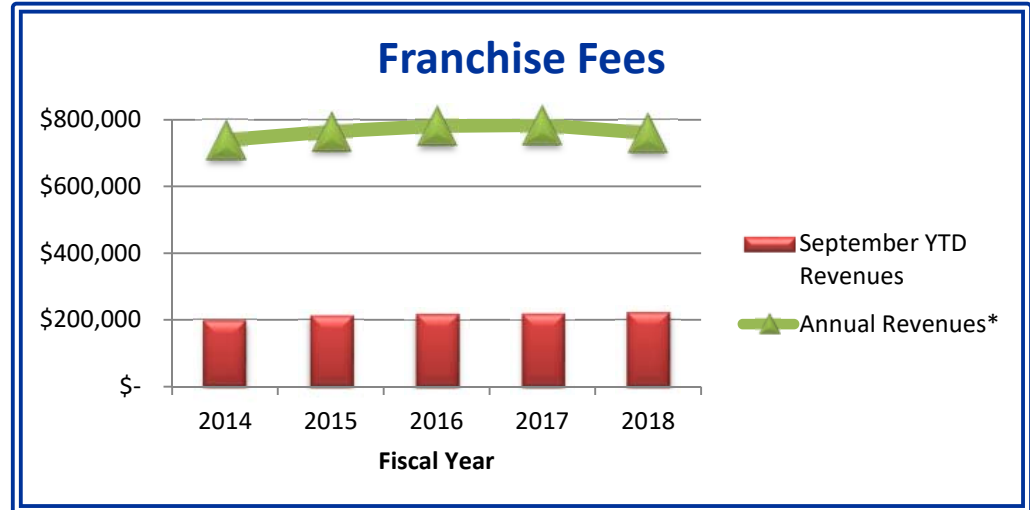
\*\*Revenues are recognized when they are measurable and available. The period of availability is defined as 60 days. These revenues were received after the period of availability.



### Franchise Fee Revenues

		On Target for FY 2018			
FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 198,893	\$ 738,631	27%		
2015	\$ 213,271	\$ 764,473	28%	7%	3%
2016	\$ 220,012	\$ 781,223	28%	3%	2%
2017	\$ 221,090	\$ 783,413	28%	<1%	<1%
2018	\$ 223,873	\$ 759,400	29%	1%	-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.



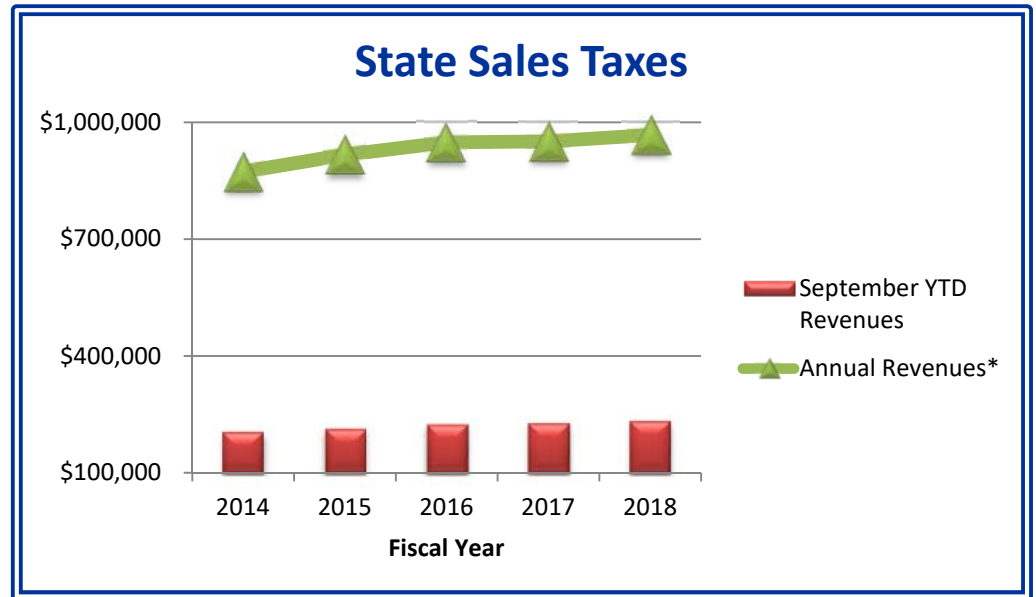
## Total Revenues by Type

### State Sales Tax Revenues

**Under Target for FY 2018**

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 206,458	\$ 873,126	24%		
2015	\$ 214,368	\$ 916,721	23%	4%	5%
2016	\$ 225,504	\$ 948,696	24%	5%	3%
2017	\$ 226,967	\$ 950,879	24%	1%	<1%
2018	\$ 234,439	\$ 966,900	24%	3%	2%

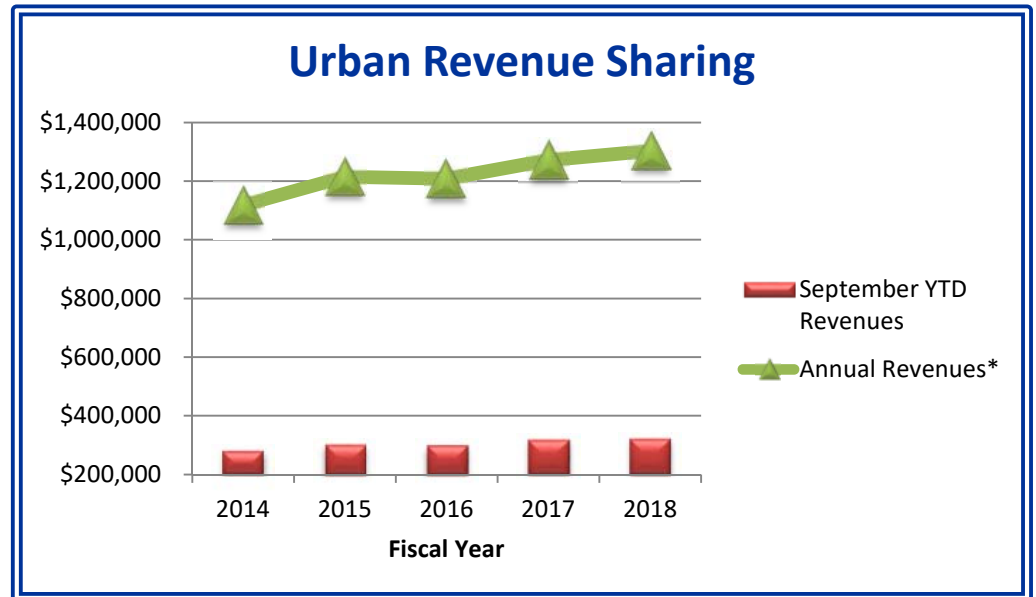
**Under Target for FY 2018:** State sales taxes are based on state-wide sales tax collections allocated to each of the cities and towns primarily based on population. There is some seasonality to the sales tax revenues collected state-wide and the revenues can fluctuate from month to month. Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.



### Urban Revenue Sharing Revenues

**On Target for FY 2018**

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 279,778	\$ 1,118,082	25%		
2015	\$ 303,579	\$ 1,214,315	25%	9%	9%
2016	\$ 301,933	\$ 1,207,731	25%	-1%	-1%
2017	\$ 317,927	\$ 1,270,897	25%	5%	5%
2018	\$ 321,942	\$ 1,303,500	25%	1%	3%



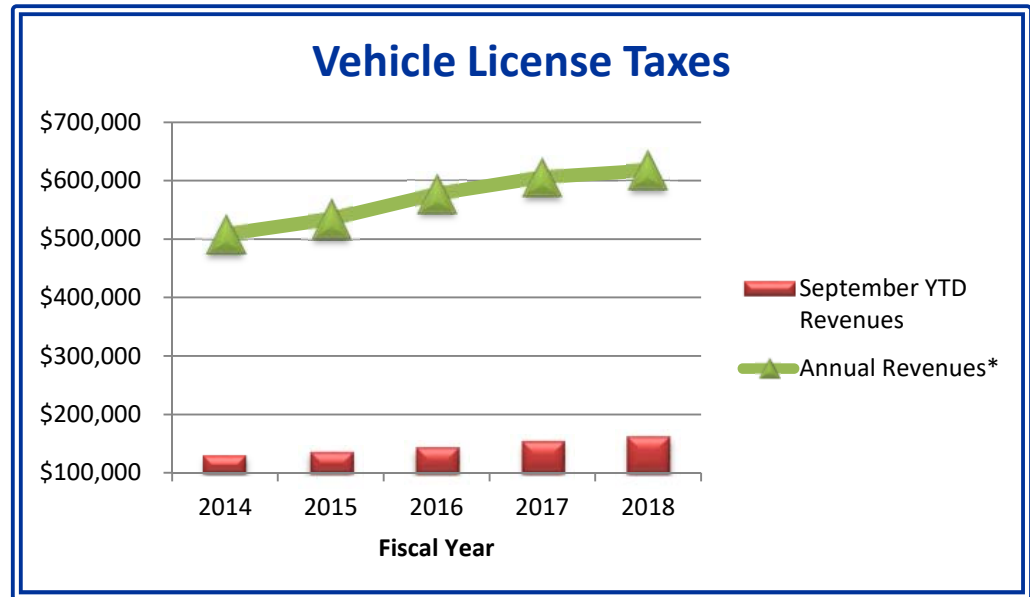
\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### Vehicle License Tax Revenues

**Exceeds Target for FY 2018**

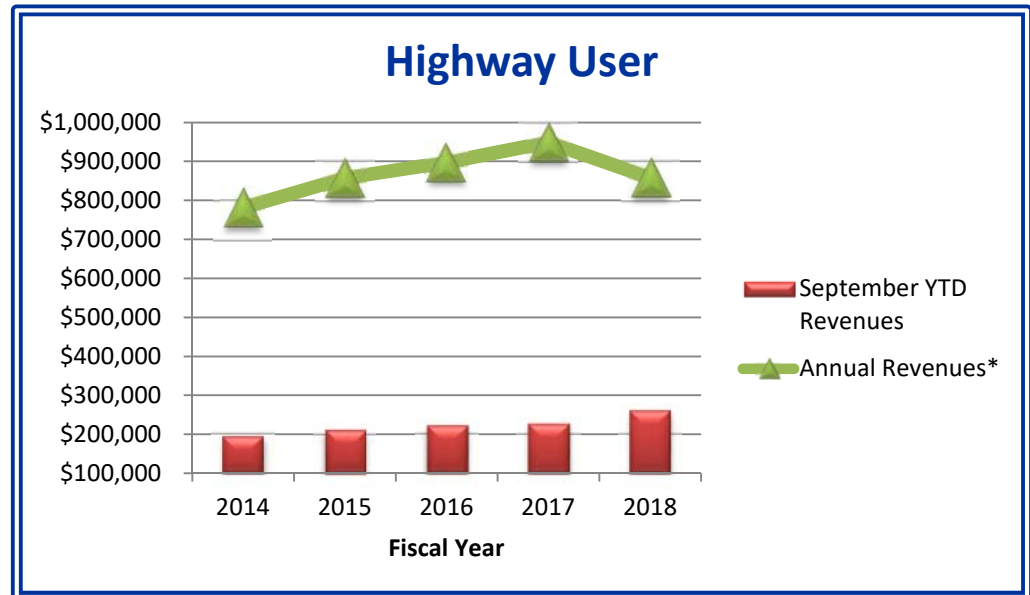
FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 130,324	\$ 508,519	26%		
2015	\$ 136,046	\$ 534,404	25%	4%	5%
2016	\$ 144,590	\$ 577,681	25%	6%	8%
2017	\$ 154,444	\$ 606,030	25%	7%	5%
2018	\$ 163,524	\$ 617,600	26%	6%	2%



### Highway User Revenues

**Exceeds Target for FY 2018**

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 194,824	\$ 780,913	25%		
2015	\$ 212,778	\$ 857,363	25%	9%	10%
2016	\$ 222,589	\$ 897,406	25%	5%	5%
2017	\$ 227,729	\$ 949,028	24%	2%	6%
2018	\$ 260,991	\$ 858,200	30%	15%	-10%



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

An unbudgeted one-time additional State funding for FY 2018 resulted in an extra \$35,343 for Sedona.

**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.

**Other 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	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 35,524	\$ 951,316	4%		
2015	\$ 99,643	\$ 1,347,854	7%	180%	42%
2016	\$ 12,263	\$ 874,083	1%	-88%	-35%
2017	\$ 38,939	\$ 956,757	4%	218%	9%
2018	\$ 88,017	\$ 1,455,317	6%	126%	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.

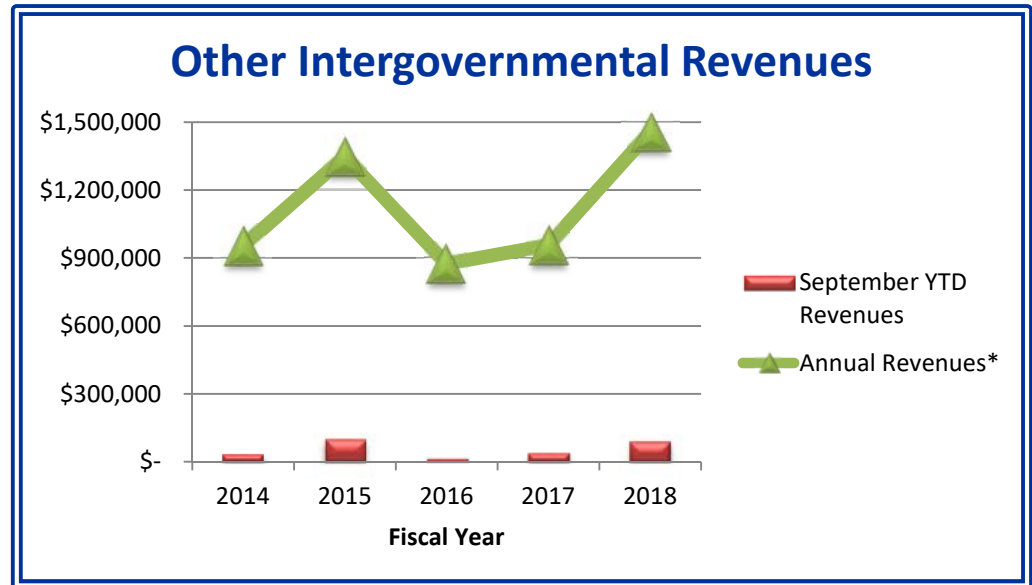
#### YTD Increase from FY 2017 to FY 2018:

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.



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

## Total Revenues by Type

### License & Permit Revenues

**Under Target for FY 2018**

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 81,576	\$ 434,251	19%		
2015	\$ 86,365	\$ 473,367	18%	6%	9%
2016	\$ 134,646	\$ 496,777	27%	56%	5%
2017	\$ 99,659	\$ 478,016	21%	-26%	-4%
2018	\$ 73,097	\$ 482,450	15%	-27%	1%

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

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

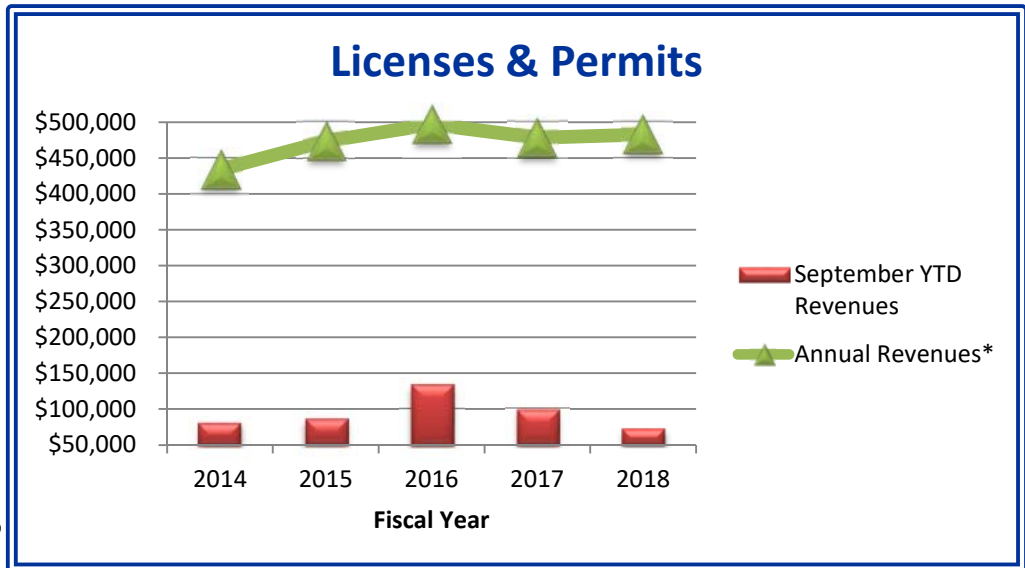
**YTD Decrease from FY 2016 to FY 2017:**

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.



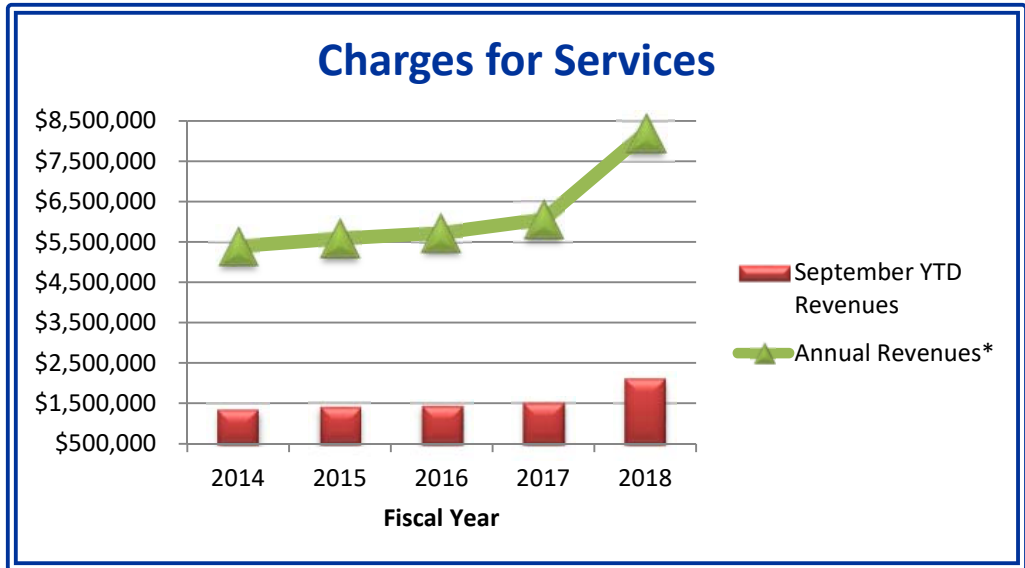
### Charges for Services Revenues

**Exceeds Target for FY 2018**

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 1,359,919	\$ 5,396,208	25%		
2015	\$ 1,414,628	\$ 5,580,031	25%	4%	3%
2016	\$ 1,445,655	\$ 5,729,286	25%	2%	3%
2017	\$ 1,515,219	\$ 6,057,534	25%	5%	6%
2018	\$ 2,112,155	\$ 8,200,780	26%	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	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 57,534	\$ 254,533	23%		
2015	\$ 73,198	\$ 277,682	26%	27%	9%
2016	\$ 76,705	\$ 241,071	32%	5%	-13%
2017	\$ 49,369	\$ 186,404	26%	-36%	-23%
2018	\$ 68,137	\$ 230,450	30%	38%	24%

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

The increase was primarily due to an increase in court fines collected and an increase in delinquent wastewater accounts resulting in higher late fees on wastewater billings..

**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:**

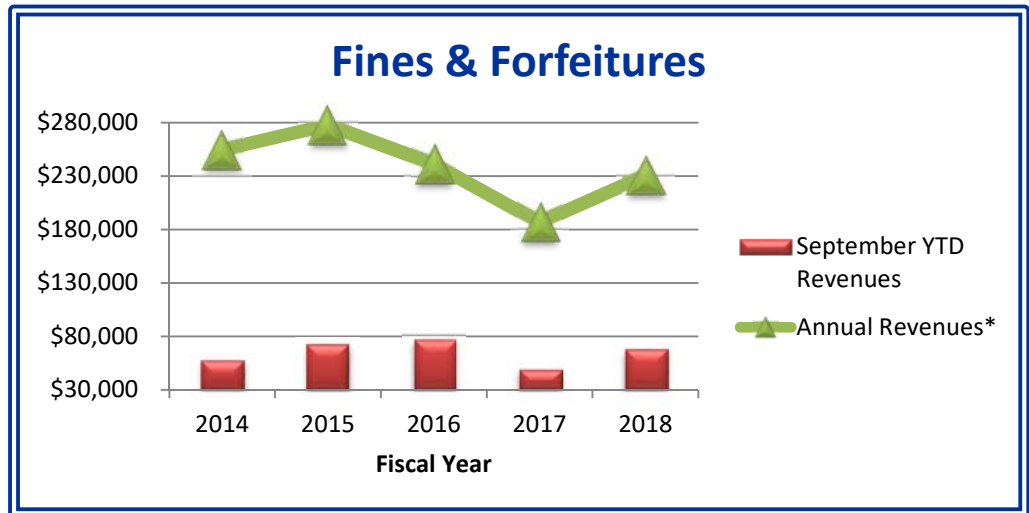
- (1) The decrease was partly due to an decrease in court fines and court enhancement fees collected.
- (2) The decrease was also partly due to a reduction in delinquent wastewater accounts resulting in lower late fees on wastewater billings and a significant write-off of late fees.

**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

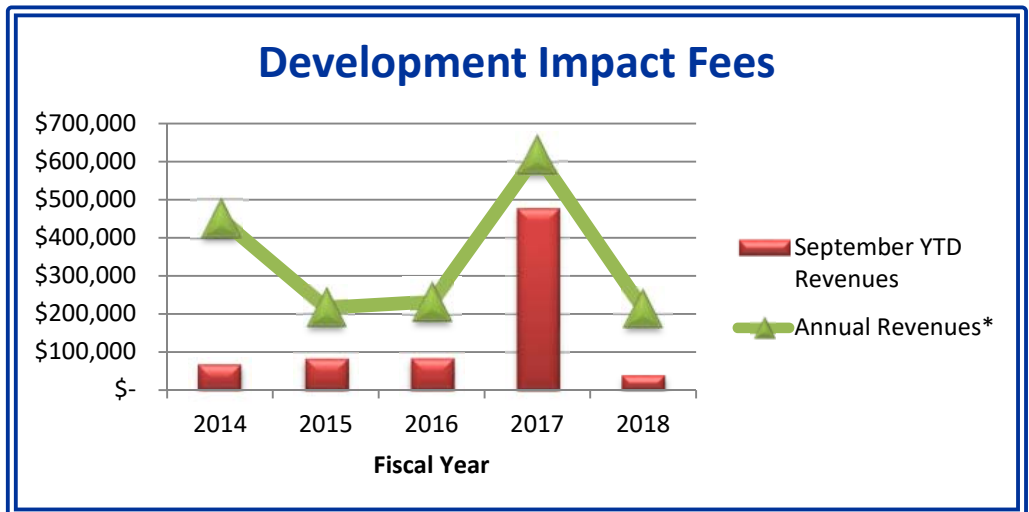
**Under Target for FY 2018**

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 67,674	\$ 450,798	15%		
2015	\$ 83,475	\$ 216,039	39%	23%	-52%
2016	\$ 84,665	\$ 231,772	37%	1%	7%
2017	\$ 478,713	\$ 618,740	77%	465%	167%
2018	\$ 38,691	\$ 213,880	18%	-92%	-65%

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

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

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



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

## Total Revenues by Type

### Capacity Fee Revenues

On Target for FY 2018

FY	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 92,471	\$ 484,100	19%		
2015	\$ 103,109	\$ 533,054	19%	12%	10%
2016	\$ 82,028	\$ 541,045	15%	-20%	1%
2017	\$ 877,254	\$ 1,167,388	75%	969%	116%
2018	\$ 101,789	\$ 403,100	25%	-88%	-65%

**YTD and 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	September YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - September YTD	% Increase - Annual
2014	\$ 116,373	\$ 813,968	14%		
2015	\$ 82,549	\$ 527,894	16%	-29%	-35%
2016	\$ 129,880	\$ 955,449	14%	57%	81%
2017	\$ 85,624	\$ 511,285	17%	-34%	-46%
2018	\$ 208,177	\$ 596,350	35%	143%	17%

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

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

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

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

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

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

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

- (1) One-time incentive payments were received from APS during FY 2016.
- (2) Interest earnings in LGIP accounts were higher than the prior year.
- (3) Outside participation in capital projects 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.

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

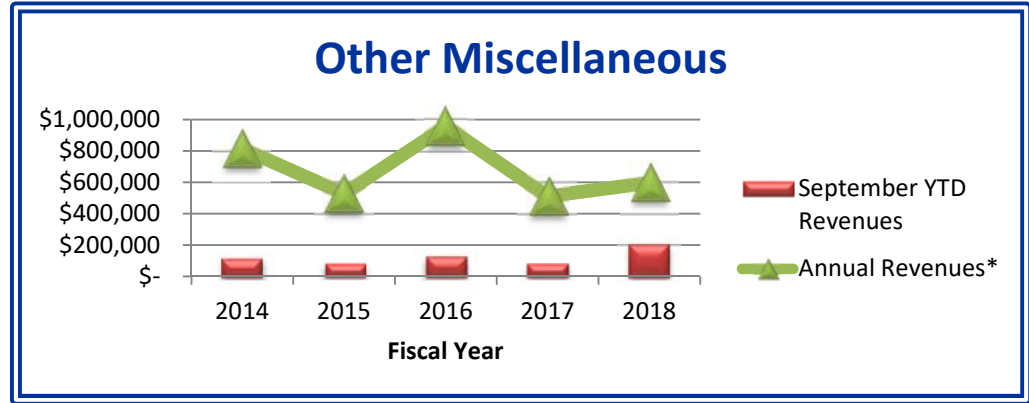
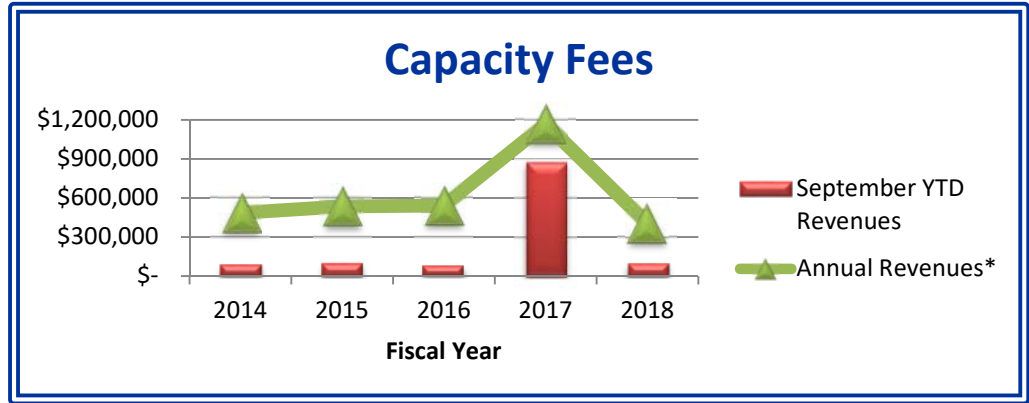
- (1) The decrease was mostly due to losses and lower interest earnings in LGIP accounts.
- (2) Outside participation in capital projects is not always consistent from year to year.
- (3) Insurance proceeds and one-time incentive payments were received in FY 2016 that were not anticipated for FY 2017.

**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.
- (3) In addition, unanticipated donations of \$15,000 were received for park benches.

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

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



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

## Sales Tax Revenues by Category

Month	Retail	Restaurant & Bar	Hotel/Motel	Construction	Leasing	Communi-cations & Utilities	Amusements & Other	Totals
<b>City Sales Tax Revenues by Category and by Month</b>								
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
<b>September 2016</b>	<b>457,254</b>	<b>243,153</b>	<b>226,263</b>	<b>87,694</b>	<b>142,268</b>	<b>47,924</b>	<b>67,359</b>	<b>1,271,915</b>
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
<b>Total FY 2017</b>	<b>\$ 5,632,490</b>	<b>\$ 3,268,739</b>	<b>\$ 3,245,278</b>	<b>\$ 1,335,883</b>	<b>\$ 1,302,833</b>	<b>\$ 571,822</b>	<b>\$ 911,415</b>	<b>\$ 16,268,460</b>

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
<b>September 2017</b>	<b>466,648</b>	<b>283,825</b>	<b>277,177</b>	<b>88,527</b>	<b>115,180</b>	<b>51,827</b>	<b>77,409</b>	<b>1,360,593</b>
October 2017	-	-	-	-	-	-	-	-
November 2017	-	-	-	-	-	-	-	-
December 2017	-	-	-	-	-	-	-	-
January 2018	-	-	-	-	-	-	-	-
February 2018	-	-	-	-	-	-	-	-
March 2018	-	-	-	-	-	-	-	-
April 2018	-	-	-	-	-	-	-	-
May 2018	-	-	-	-	-	-	-	-
June 2018	-	-	-	-	-	-	-	-
<b>Total Year-to-Date FY 2018</b>	<b>\$ 1,315,066</b>	<b>\$ 804,150</b>	<b>\$ 733,507</b>	<b>\$ 311,035</b>	<b>\$ 326,093</b>	<b>\$ 157,749</b>	<b>\$ 216,044</b>	<b>\$ 3,863,644</b>

### Current Month Comparison to Same Month Last Year

<b>September 2017 vs. September 2018</b>	<b>\$ 9,394</b>	<b>\$ 40,672</b>	<b>\$ 50,914</b>	<b>\$ 833</b>	<b>\$ (27,088)</b>	<b>\$ 3,903</b>	<b>\$ 10,050</b>	<b>\$ 88,678</b>
<b>Change from September to September</b>	<b>2%</b>	<b>17%</b>	<b>23%</b>	<b>1%</b>	<b>-19%</b>	<b>8%</b>	<b>15%</b>	<b>7%</b>

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

<b>Difference in YTD</b>	<b>\$ 18,387</b>	<b>\$ 56,368</b>	<b>\$ 88,525</b>	<b>\$ (34,173)</b>	<b>\$ 10,990</b>	<b>\$ 3,134</b>	<b>\$ (10,769)</b>	<b>\$ 132,462</b>
<b>% Change from Prior YTD</b>	<b>1%</b>	<b>8%</b>	<b>14%</b>	<b>-10%</b>	<b>3%</b>	<b>2%</b>	<b>-5%</b>	<b>4%</b>

## Sales & Bed Tax Revenues by Month

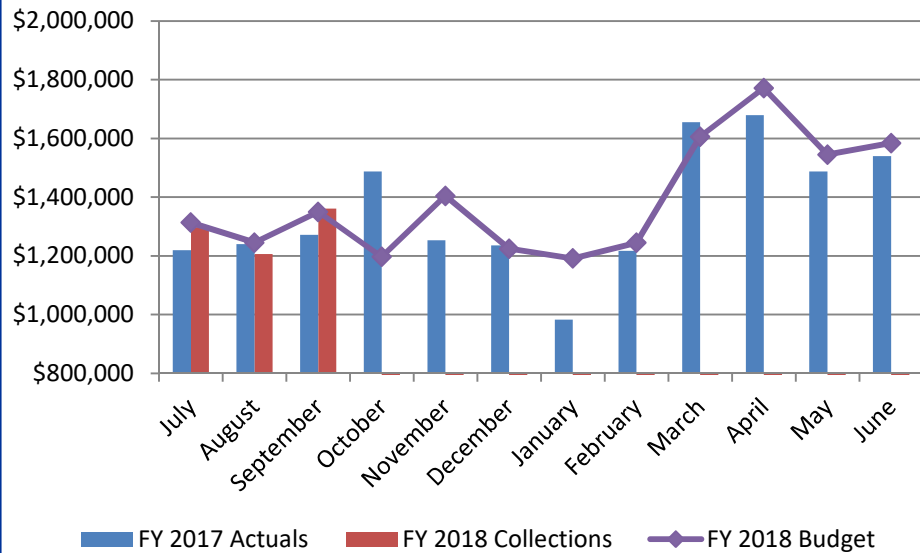
### City Sales Tax Revenues

Month	FY 2017 Actuals	FY 2018 Collections	Actual Variance	FY 2018 Budget	Budget Variance
July	\$ 1,219,320	\$ 1,297,282	6%	\$ 1,313,370	-1%
August	1,239,948	1,205,770	-3%	1,244,800	-3%
September	1,271,915	1,360,591	7%	1,349,510	1%
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	-
<b>Totals</b>	<b>\$ 16,268,459</b>	<b>\$ 3,863,643</b>	<b>4%</b>	<b>\$ 16,673,800</b>	<b>-1%</b>

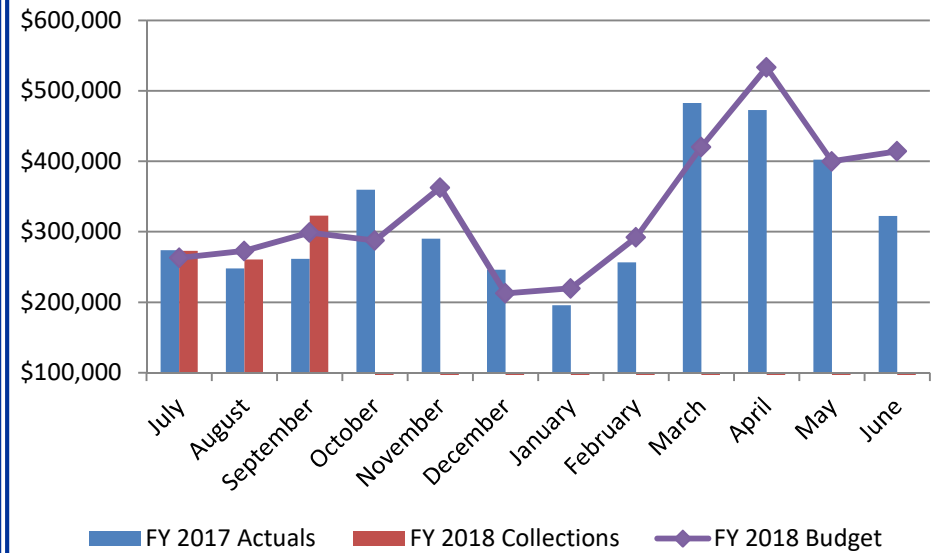
### Bed Tax Revenues

Month	FY 2017 Actuals	FY 2018 Collections	Actual Variance	FY 2018 Budget	Budget Variance
July	\$ 273,893	\$ 272,841	0%	\$ 263,120	4%
August	247,780	260,798	5%	272,690	-4%
September	261,443	323,072	24%	299,010	8%
October	359,754	-	-	287,640	-
November	290,342	-	-	362,650	-
December	246,245	-	-	212,680	-
January	195,588	-	-	219,740	-
February	256,512	-	-	292,050	-
March	482,880	-	-	420,260	-
April	472,559	-	-	533,190	-
May	402,312	-	-	399,850	-
June	322,421	-	-	414,320	-
<b>Totals</b>	<b>\$ 3,811,727</b>	<b>\$ 856,711</b>	<b>9%</b>	<b>\$ 3,977,200</b>	<b>3%</b>

### City Sales Tax Revenues



### Bed Tax Revenues





**General Fund Summary**

	FY 2018 Budget	FY 2018 YTD Actuals	Encum- brances	FY 2018 YTD Including Encumbrances	% of Budget	FY 2017 YTD Actuals	Actual Variance
<b>Revenues</b>							
<u>Taxes:</u>							
City Sales Taxes	\$ 16,673,800	\$ 3,863,643		\$ 3,863,643	23%	\$ 3,731,183	4%
Bed Taxes	3,977,200	856,711		856,711	22%	783,115	9%
Contingent Bed Taxes	550,000	-		-	0%	-	N/A
Franchise Fees	759,400	223,873		223,873	29%	221,090	1%
<u>State Shared Revenues:</u>							
State Shared Sales Taxes	966,900	234,439		234,439	24%	226,967	3%
Urban Revenue Sharing	1,303,500	321,942		321,942	25%	317,927	1%
Vehicle License Taxes	617,600	163,524		163,524	26%	154,444	6%
<u>Other Intergovernmental:</u>							
Grants	23,560	-		-	0%	-	N/A
Other	2,500	-		-	0%	8,184	-100%
In Lieu Fees	445,400	-		-	0%	-	N/A
Licenses & Permits	482,450	73,097		73,097	15%	99,659	-27%
Charges for Services	408,950	155,863		155,863	38%	38,246	308%
Fines & Forfeitures	141,900	43,648		43,648	31%	29,632	47%
<u>Other Revenues:</u>							
Interest Earnings	60,250	49,722		49,722	83%	28,425	75%
Donations & Contributions	-	-		-	N/A	204	-100%
Rental Income	40,100	15,153		15,153	38%	13,241	14%
Miscellaneous	20,650	56,305		56,305	273%	9,728	479%
<b>Total Revenues</b>	<b>\$ 26,474,160</b>	<b>\$ 6,057,919</b>		<b>\$ 6,057,919</b>	<b>23%</b>	<b>\$ 5,662,044</b>	<b>7%</b>
<b>Expenditures</b>							
<u>General Government:</u>							
City Council	\$ 77,775	\$ 17,722	\$ -	\$ 17,722	23%	\$ 10,966	62%
City Manager's Office	875,770	163,346	4,465	167,811	19%	112,513	45%
Human Resources	308,275	51,733	-	51,733	17%	51,307	1%
Financial Services	961,155	178,959	107,208	286,167	30%	99,197	80%
Information Technology	-	-	-	-	N/A	322,725	-100%
City Attorney's Office	631,360	110,469	-	110,469	17%	96,335	15%
City Clerk's Office	260,090	53,703	-	53,703	21%	67,152	-20%
General Services	1,031,411	530,538	25,375	555,912	54%	308,913	72%
Community Development	977,635	171,070	91,818	262,889	27%	148,955	15%
Public Works	515,420	131,341	-	131,341	25%	108,581	21%
Municipal Court	361,370	65,714	-	65,714	18%	62,766	5%
<u>Public Safety:</u>							
General Services	54,395	24,948	24,948	49,895	92%	28,652	-13%
Community Development	669,395	125,483	10,000	135,483	20%	97,628	29%
Police	4,655,085	1,013,460	28,894	1,042,355	22%	839,780	21%
<u>Public Works &amp; Streets:</u>							
Public Works	2,223,741	436,472	73,283	509,755	23%	314,098	39%
<u>Culture &amp; Recreation:</u>							
City Manager's Office	86,530	17,216	-	17,216	20%	13,551	27%
Parks & Recreation	651,474	144,569	10,882	155,451	24%	147,597	-2%
General Services	427,780	228,000	228,000	456,000	107%	247,638	-8%
Community Development	60,920	10,836	-	10,836	18%	8,317	30%
Public Works	677,765	199,379	14,873	214,252	32%	108,124	84%
<u>Economic Development:</u>							
City Manager's Office	2,176,400	1,077,090	1,105,700	2,182,790	100%	26,983	3892%
General Services	-	-	-	-	N/A	860,000	-100%
Economic Development:	184,970	34,771	-	34,771	19%	-	∞
<u>Health &amp; 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%	13,293	32%
Debt Service	1,431,310	357,209	-	357,209	25%	171,129	109%
Indirect Cost Allocations	456,910	136,942	-	136,942	30%	171,129	-20%
Contingencies	900,000	-	-	-	0%	-	N/A
<b>Total Expenditures</b>	<b>\$ 21,096,434</b>	<b>\$ 5,339,907</b>	<b>\$ 1,953,505</b>	<b>\$ 7,293,412</b>	<b>35%</b>	<b>\$ 4,555,828</b>	<b>17%</b>
<b>Other Financing Sources (Uses)</b>							
Transfers to Capital Improvements Fund	\$ (1,089,500)	\$ -		\$ -	0%	\$ -	N/A
Transfers to Wastewater Fund	(4,165,900)	(965,788)		(965,788)	23%	(939,006)	<-1%
Transfers to Streets Fund	(35,389)	(8,847)		(8,847)	25%	(87,750)	90%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (5,290,789)</b>	<b>\$ (974,635)</b>		<b>\$ (974,635)</b>	<b>18%</b>	<b>\$ (1,026,756)</b>	<b>5%</b>
<b>Fund Balances</b>							
Beginning Fund Balance, July 1, as restated	\$ 10,338,362	\$ 10,524,998		\$ 10,524,998	102%	\$ 9,283,138	13%
<u>Ending Fund Balance, September 30:</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	82,674		82,674	5340%	(1,235,800)	107%
<b>Total Ending Fund Balance, September 30</b>	<b>\$ 10,425,299</b>	<b>\$ 10,268,375</b>		<b>\$ 8,314,869</b>	<b>80%</b>	<b>\$ 9,362,599</b>	<b>10%</b>

## Wastewater Enterprise Fund Summary

	FY 2018 Budget	FY 2018 YTD Actuals	Encum- brances	FY 2018 YTD Including Encumbrances	% of Budget	FY 2017 YTD Actuals	Actual Variance
<b>Revenues</b>							
Charges for Services	\$ 6,164,200	\$ 1,530,881		\$ 1,530,881	25%	\$ 1,476,401	4%
Capacity Fees	403,100	101,789		101,789	25%	877,254	-88%
Fines & Forfeitures	75,750	18,198		18,198	24%	15,905	14%
<u>Other Revenues:</u>							
Interest Earnings	78,700	39,040		39,040	50%	19,041	105%
Miscellaneous	1,800	2,375		2,375	132%	100	2275%
<b>Total Revenues</b>	<b>\$ 6,723,550</b>	<b>\$ 1,692,283</b>		<b>\$ 1,692,283</b>	<b>25%</b>	<b>\$ 2,388,700</b>	<b>-29%</b>
<b>Expenditures</b>							
<u>Wastewater Administration:</u>							
Salaries & Benefits	\$ 178,300	\$ 19,682	\$ -	\$ 19,682	11%	\$ 27,308	-28%
Other Expenditures	129,969	30,062	24,989	55,051	42%	59,788	-50%
<u>Wastewater Operations:</u>							
Salaries & Benefits	810,310	172,097	-	172,097	21%	147,476	17%
Utilities	626,700	104,715	-	104,715	17%	118,640	-12%
Maintenance	695,094	37,599	52,961	90,560	13%	53,466	-30%
Other Expenditures	921,714	67,805	289,048	356,853	39%	87,348	-22%
<u>Wastewater Capital Projects:</u>							
Salaries & Benefits	152,560	18,841	-	18,841	12%	33,627	-44%
Other Expenditures	1,890	30	-	30	2%	21,901	-100%
Capital Improvement Projects	5,077,050	22,024	1,113,753	1,135,777	22%	-	∞
<u>Indirect Cost/Departmental Allocations:</u>							
City Manager's Office	68,080	14,464	-	14,464	21%	10,140	43%
Human Resources	51,140	9,098	-	9,098	18%	4,080	123%
Financial Services	560,060	94,717	-	94,717	17%	87,850	8%
Information Technology	217,390	40,410	10,380	50,790	23%	24,863	63%
City Attorney's Office	107,340	30,924	-	30,924	29%	4,501	587%
City Clerk's Office	5,650	1,188	-	1,188	21%	2,616	-55%
General Services	71,020	32,753	-	32,753	46%	-	∞
Public Works	313,990	59,989	-	59,989	19%	38,330	57%
Debt Service	4,409,735	1,103,348	-	1,103,348	25%	1,287,495	-14%
Vacancy Savings Estimate	(25,000)	-	-	-	0%	-	N/A
Contingencies*	-	-	-	-	N/A	-	N/A
<b>Total Expenditures</b>	<b>\$ 14,372,991</b>	<b>\$ 1,859,744</b>	<b>\$ 1,491,132</b>	<b>\$ 3,350,876</b>	<b>23%</b>	<b>\$ 2,009,430</b>	<b>-7%</b>
<b>Other Financing Sources (Uses)</b>							
Transfers from General Fund	\$ 4,165,900	\$ 965,788		\$ 965,788	23%	\$ 939,006	3%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 4,165,900</b>	<b>\$ 965,788</b>		<b>\$ 965,788</b>	<b>23%</b>	<b>\$ 939,006</b>	<b>3%</b>
<b>Fund Balances</b>							
Beginning Fund Balance, July 1, as restated	\$ 14,792,117	\$ 14,241,148		\$ 14,241,148	96%	\$ 13,597,903	5%
<u>Ending Fund Balance, September 30:</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	8,801,063		7,309,932	144%	8,741,276	1%
<b>Total Ending Fund Balance, September 30</b>	<b>\$ 11,308,576</b>	<b>\$ 15,039,474</b>		<b>\$ 13,548,343</b>	<b>120%</b>	<b>\$ 14,916,179</b>	<b>1%</b>

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

## All Funds Summary

	Beginning Fund Balance, July 1, 2017	Revenues	Budgeted Expenditures	Actual Expenditures	Encumbrances	Expenditures Including Encumbrances	% of Budget	Net Interfund Transfers	Ending Fund Balance, September 30, 2017
General Fund	\$ 10,524,998	\$ 6,057,919	\$ 21,096,434	\$ 5,339,907	\$ 1,953,505	\$ 7,293,412	35%	\$ (974,635)	\$ 10,268,375
<b>Special Revenue Funds</b>									
Streets Fund	\$ 735,102	\$ 261,169	\$ 1,203,490	\$ 12,611	\$ -	\$ 12,611	1%	\$ 8,847	\$ 992,507
Grants, Donations & Other Funds	\$ 620,250	\$ 110,087	\$ 641,350	\$ 94,128	\$ 11,476	\$ 105,604	16%	\$ -	\$ 636,210
<b>Capital Projects Funds</b>									
Development Impact Fees Funds	\$ 2,538,340	\$ 51,710	\$ 1,632,300	\$ 14,259	\$ 241,564	\$ 255,823	16%	\$ -	\$ 2,575,791
Capital Improvements Fund	\$ 12,717,881	\$ 16,353	\$ 7,246,669	\$ 94,918	\$ 103,258	\$ 198,176	3%	\$ (73)	\$ 12,639,242
Art in Public Places Fund	\$ 84,493	\$ 65	\$ -	\$ -	\$ -	\$ -	N/A	\$ 73	\$ 84,631
Wastewater Enterprise Fund	\$ 14,241,148	\$ 1,692,283	\$ 14,372,991	\$ 1,859,744	\$ 1,491,132	\$ 3,350,876	23%	\$ 965,788	\$ 15,039,474
Information Technology Internal Service Fund*	\$ -	\$ 424,905	\$ 1,773,004	\$ 458,022	\$ 28,039	\$ 486,061	27%	\$ -	\$ (33,117)
<b>Total All City Funds</b>	<b>\$ 41,462,212</b>	<b>\$ 8,614,491</b>	<b>\$ 47,966,238</b>	<b>\$ 7,873,589</b>	<b>\$ 3,828,974</b>	<b>\$ 11,702,563</b>	<b>24%</b>	<b>\$ -</b>	<b>\$ 42,203,114</b>
<b>Community Facilities Districts</b>									
Sedona Summit II	\$ 243,559	\$ 121	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ 243,680
Fairfield**	\$ 697	\$ 574	\$ 120,175	\$ 9,055	\$ 34,694	\$ 43,749	36%	\$ -	\$ (7,784)

\*The revenues of the Information Technology Internal Service Fund are received evenly throughout the fiscal year; however, the annual maintenance contracts are paid in July and August. This fund is expected to have a positive balance before the end of the fiscal year.

\*\*The revenues of the Fairfield Community Facilities District are mostly received in the latter part of the fiscal year. This fund is expected to have a positive balance before the end of the fiscal year.

## Bonds and Capital Leases Outstanding

Bond Issue/Lease	Maturity Dates	Interest Rates	General Fund			Development Impact Fee Funds			Wastewater Fund			Grand Totals		
			Remaining Principal Payments	Remaining Interest Payments	Total	Remaining Principal Payments	Remaining Interest Payments	Total	Remaining Principal Payments	Remaining Interest Payments	Total	Remaining Principal Payments	Remaining Interest Payments	Total
<b>City Excise Tax Revenue Bonds</b>														
Series 2007	7/1/2018-2019	4.0-4.125%	\$ 1,460,000	\$ 90,063	\$ 1,550,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,460,000	\$ 90,063	\$ 1,550,063
Series 2012	7/1/2025-2026	4.5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,395,000	\$ 3,215,250	\$ 11,610,250	\$ 8,395,000	\$ 3,215,250	\$ 11,610,250
Series 2014	7/1/2018-2019	0.66%	\$ 761,530	\$ 7,461	\$ 768,991	\$ 43,470	\$ 426	\$ 43,896	\$ -	\$ -	\$ -	\$ 805,000	\$ 7,887	\$ 812,887
Series 2015	7/1/2018-2019	1.3%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,920,000	\$ 154,960	\$ 8,074,960	\$ 7,920,000	\$ 154,960	\$ 8,074,960
Second Series 2015	7/1/2018-2027	1.94%	\$ 7,760,000	\$ 972,231	\$ 8,732,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,760,000	\$ 972,231	\$ 8,732,231
<b>Sedona Wastewater Municipal Property Corporation Excise Tax Revenue Bonds</b>														
Series 1998*	7/1/2020-2024	5.20-5.24%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,305,000	\$ 15,245,000	\$ 21,550,000	\$ 6,305,000	\$ 15,245,000	\$ 21,550,000
<b>Capital Leases</b>														
Ford Motor Credit	1/31/2018-2020	4.75%	\$ 320,990	\$ 30,967	\$ 351,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,990	\$ 30,967	\$ 351,957
Ford Motor Credit	10/14/2018-2020	5.20%	\$ 196,194	\$ 20,749	\$ 216,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,194	\$ 20,749	\$ 216,943
<b>Grand Totals</b>			<b>\$ 10,498,714</b>	<b>\$ 1,121,471</b>	<b>\$ 11,620,185</b>	<b>\$ 43,470</b>	<b>\$ 426</b>	<b>\$ 43,896</b>	<b>\$ 22,620,000</b>	<b>\$ 18,615,210</b>	<b>\$ 41,235,210</b>	<b>\$ 33,162,184</b>	<b>\$ 19,737,107</b>	<b>\$ 52,899,291</b>

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

**Capital Projects Summary**

Project	Funding Source	Total Project			FY 2018 to Date		
		Budget	Actuals	% of Budget	Budget	Actuals	% of Budget
<b>Community Development</b>							
Brewer Road Property - Future Development	CFD - Sedona Summit II	\$ 91,600	\$ 85,214	93%	\$ -	\$ -	N/A
	CFD - Fairfield	\$ 170,000	\$ 90,395	53%	\$ 120,175	\$ 9,055	8%
<b>Project Total</b>		<b>\$ 261,600</b>	<b>\$ 175,609</b>	<b>67%</b>	<b>\$ 120,175</b>	<b>\$ 9,055</b>	<b>8%</b>
<b>Municipal Court</b>							
New Courtroom	Court Restricted Revenues	\$ 172,500	\$ -	0%	\$ 172,500	\$ -	0%
	Capital Reserves	\$ 100,000	\$ -	0%	\$ 100,000	\$ -	0%
<b>Project Total</b>		<b>\$ 272,500</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ 272,500</b>	<b>\$ -</b>	<b>0%</b>
<b>Parks &amp; Recreation</b>							
Park Land Acquisition	Development Impact Fees	\$ 1,250,000	\$ -	0%	\$ 1,250,000	\$ -	0%
Shade Structures & Playground Equipment (estimated to resume in FY2021)	Development Impact Fees	\$ 30,630	\$ 24,490	80%	\$ -	\$ -	N/A
Dog Park Upgrade	Development Impact Fees	\$ 292,983	\$ 35,783	12%	\$ 260,000	\$ 400	<1%
Bike Skills Park	Development Impact Fees	\$ 104,000	\$ 103,785	100%	\$ 49,600	\$ -	0%
	Outside Participation	\$ 37,096	\$ 37,096	100%	\$ -	\$ -	N/A
	Grant	\$ 20,600	\$ -	0%	\$ -	\$ -	N/A
	Donations	\$ 3,000	\$ 3,000	100%	\$ -	\$ -	N/A
	Capital Reserves	\$ 110,000	\$ 138,901	126%	\$ -	\$ -	N/A
<b>Project Total</b>		<b>\$ 274,696</b>	<b>\$ 282,782</b>	<b>103%</b>	<b>\$ 49,600</b>	<b>\$ -</b>	<b>0%</b>
<b>Police</b>							
Remodel/Expand Police Facility	Capital Reserves	\$ 20,000	\$ -	0%	\$ 20,000	\$ -	0%
Replace CAD/RMS	Capital Reserves	\$ 551,464	\$ -	0%	\$ 551,464	\$ -	0%
Shooting Range Improvements	RICO Monies	\$ 66,389	\$ 5,043	8%	\$ 25,000	\$ -	0%
	Development Impact Fees	\$ 95,000	\$ 95,000	100%	\$ -	\$ -	N/A
	Capital Reserves	\$ 586,439	\$ 348,769	59%	\$ 237,500	\$ 2,280	1%
<b>Project Total</b>		<b>\$ 747,828</b>	<b>\$ 448,812</b>	<b>60%</b>	<b>\$ 262,500</b>	<b>\$ 2,280</b>	<b>1%</b>
Renovation of Current Police Facility	Capital Reserves	\$ 450,000	\$ 158,140	35%	\$ 150,000	\$ -	0%
	RICO Monies	\$ 8,000	\$ 6,199	77%	\$ -	\$ -	N/A
<b>Project Total</b>		<b>\$ 458,000</b>	<b>\$ 164,340</b>	<b>36%</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>0%</b>
Strengthen Radio Signal	Capital Reserves	\$ 276,000	\$ 93,173	34%	\$ 155,000	\$ -	0%
<b>Storm Drainage</b>							
Coffee Pot Drainage Basin - Grasshopper Area	Capital Reserves	\$ 1,000,000	\$ 30,000	3%	\$ 970,000	\$ -	0%
	Yavapai County Flood Control	\$ 325,000	\$ 2,687	1%	\$ 325,000	\$ 2,687	1%
<b>Project Total</b>		<b>\$ 1,325,000</b>	<b>\$ 32,687</b>	<b>2%</b>	<b>\$ 1,295,000</b>	<b>\$ 2,687</b>	<b>&lt;1%</b>
Brewer Road/Tlaquepaque Drainage Improvements	Coconino County Flood Control	\$ 2,760,446	\$ 2,047,445	74%	\$ 1,128,805	\$ -	0%
	Outside Participation	\$ 823,450	\$ 313,377	38%	\$ 250,000	\$ 23,274	9%
<b>Project Total</b>		<b>\$ 3,583,896</b>	<b>\$ 2,360,823</b>	<b>66%</b>	<b>\$ 1,378,805</b>	<b>\$ 23,274</b>	<b>2%</b>
Brewer Road Crossing Improvements	Coconino County Flood Control	\$ 991,850	\$ 140,427	14%	\$ 896,900	\$ 61,677	7%
Juniper Hills Area Improvements	Coconino County Flood Control	\$ 701,000	\$ -	0%	\$ 100,000	\$ -	0%
Storm Drainage Easement Acquisition	Development Impact Fees	\$ 72,500	\$ 45,260	62%	\$ 50,000	\$ 8,185	16%
<b>Public Works</b>							
Neighborhood Connections - Tlaquepaque/Ranger/Brewer	Capital Reserves	\$ 760,000	\$ -	0%	\$ 760,000	\$ -	0%
Signal Crossing - SR89A/Arroyo Roble Rd	Capital Reserves	\$ 139,850	\$ -	0%	\$ 139,850	\$ -	0%
Uptown/SR179 Street Improvements	Capital Reserves	\$ 3,512,000	\$ -	0%	\$ 632,000	\$ -	0%
Intelligent Transportation System	Capital Reserves	\$ 150,000	\$ -	0%	\$ 150,000	\$ -	0%
Uptown Parking & Wayfinding	Capital Reserves	\$ 110,000	\$ -	0%	\$ 110,000	\$ -	0%
SR89A Traffic Signal Operations/Management	Capital Reserves	\$ 60,000	\$ -	0%	\$ 60,000	\$ -	0%
SR89A Weed Barrier & Landscape Improvements (estimated to resume in FY2024)	Capital Reserves	\$ 199,858	\$ 199,858	100%	\$ -	\$ -	N/A
Dry Creek Road Overlay	Capital Reserves	\$ 124,923	\$ 71,580	57%	\$ 53,343	\$ -	0%
	Grant	\$ 371,657	\$ -	0%	\$ 371,657	\$ -	0%
<b>Project Total</b>		<b>\$ 496,580</b>	<b>\$ 71,580</b>	<b>14%</b>	<b>\$ 425,000</b>	<b>\$ -</b>	<b>0%</b>
Sanborn Drive/Thunder Mountain Road Overlay	Capital Reserves	\$ 307,443	\$ 114,424	37%	\$ 75,000	\$ 5,001	7%
	Grant	\$ 371,657	\$ -	0%	\$ -	\$ -	N/A
<b>Project Total</b>		<b>\$ 679,100</b>	<b>\$ 114,424</b>	<b>17%</b>	<b>\$ 75,000</b>	<b>\$ 5,001</b>	<b>7%</b>
Transportation Study	Capital Reserves	\$ 200,150	\$ 197,563	99%	\$ 150	\$ -	0%
	Outside Participation	\$ 60,000	\$ 50,000	83%	\$ 10,000	\$ -	0%
<b>Project Total</b>		<b>\$ 260,150</b>	<b>\$ 247,563</b>	<b>95%</b>	<b>\$ 10,150</b>	<b>\$ -</b>	<b>0%</b>
<b>Wastewater</b>							
WW Master Plan	Wastewater Fees	\$ 233,094	\$ 176,516	76%	\$ 33,094	\$ 9,156	28%
Wastewater Effluent Management	Wastewater Fees	\$ 11,153,258	\$ 5,127,091	46%	\$ 1,990,275	\$ 12,342	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	\$ 527	0%	\$ 456,775	\$ 527	<1%
SCADA System & Configuration	Wastewater Fees	\$ 185,000	\$ -	0%	\$ 160,000	\$ -	0%
Skid Steer & Concrete Driveway for Air Drying Beds	Wastewater Fees	\$ 50,000	\$ -	0%	\$ 50,000	\$ -	0%
WWRP Remodel and/or Expand Operations Building	Wastewater Fees	\$ 25,000	\$ -	0%	\$ 25,000	\$ -	0%
<b>Grand Totals</b>		<b>\$ 33,315,743</b>	<b>\$ 9,856,015</b>	<b>30%</b>	<b>\$ 14,250,994</b>	<b>\$ 134,582</b>	<b>1%</b>

**Investment Holdings Summary**

CUSIP	Issuer	Settlement Date	Maturity Date	Initial Duration	Remaining Duration as of September 30, 2017 (In Years)	Coupon	Yield	Par Value	Book Value	Fair Market Value as of September 30, 2017	Realized Gain/Loss	Unrealized Gain/Loss*	Accrued Interest Not Yet Recorded	% of Investment Pool	
<b>Treasury Obligations</b>															
912828G79	US Treasury	12/26/2014	12/15/2017	3.0	0.2	1.000%	1.150%	\$ 2,000,000	\$ 1,991,250	\$ 1,999,398	\$ -	\$ 8,148	\$ 5,863	4.97%	
912828XF2	US Treasury	8/5/2015	6/15/2018	2.9	0.7	1.125%	1.014%	\$ 1,000,000	\$ 1,003,130	\$ 998,984	\$ -	\$ (4,146)	\$ 3,298	2.50%	
								<b>Subtotals</b>	<b>\$ 3,000,000</b>	<b>\$ 2,994,380</b>	<b>\$ 2,998,382</b>	<b>\$ -</b>	<b>\$ 4,002</b>	<b>\$ 9,161</b>	<b>7.47%</b>
<b>U.S. Government Agency Securities</b>															
3130A3HF4	Federal Home Loan Bank	12/22/2014	12/8/2017	3.0	0.2	1.125%	1.076%	\$ 1,000,000	\$ 1,001,418	\$ 1,000,062	\$ -	\$ (1,356)	\$ 3,514	2.50%	
3134GBG97	Federal Home Loan Mortgage Corporation	9/28/2017	9/28/2020	3.0	3.0	1.375%-2.500%	1.750%	\$ 2,000,000	\$ 2,000,000	\$ 1,993,118	\$ -	\$ (6,882)	\$ 151	4.99%	
3133EGRN7	Federal Farm Credit Bank	9/8/2017	2/17/2021	3.4	3.4	1.470%	1.570%	\$ 1,000,000	\$ 996,659	\$ 987,633	\$ -	\$ (9,026)	\$ 886	2.49%	
3130AC6V1	Federal Home Loan Bank	9/14/2017	3/15/2021	3.5	3.5	1.850%	1.850%	\$ 2,000,000	\$ 2,000,000	\$ 1,991,602	\$ -	\$ (8,398)	\$ 1,622	4.99%	
3133EHUS0	Federal Farm Credit Bank	8/16/2017	8/16/2021	4.0	3.9	1.875%	1.875%	\$ 2,000,000	\$ 2,000,000	\$ 1,987,950	\$ -	\$ (12,050)	\$ 4,623	4.99%	
3130AC6J8	Federal Home Loan Bank	8/28/2017	2/28/2022	4.5	4.4	2.000%	2.000%	\$ 2,000,000	\$ 2,000,000	\$ 1,985,904	\$ -	\$ (14,096)	\$ 3,616	4.99%	
3134GBUP5	Federal Home Loan Mortgage Corporation	8/28/2017	6/29/2022	4.8	4.7	1.625%-4.000%	2.526%	\$ 2,175,000	\$ 2,175,000	\$ 2,171,659	\$ -	\$ (3,341)	\$ 3,195	5.42%	
3130AC2B9	Federal Home Loan Bank	8/22/2017	8/22/2022	5.0	4.9	1.750%-3.000%	2.375%	\$ 2,000,000	\$ 2,000,000	\$ 1,991,148	\$ -	\$ (8,852)	\$ 3,740	4.99%	
3130ABZG4	Federal Home Loan Bank	8/30/2017	8/26/2022	5.0	4.9	2.150%	2.150%	\$ 1,000,000	\$ 1,000,000	\$ 993,150	\$ -	\$ (6,850)	\$ 1,826	2.49%	
3130ACA79	Federal Home Loan Bank	9/8/2017	9/8/2022	5.0	4.9	1.750%-4.000%	2.438%	\$ 2,000,000	\$ 2,000,000	\$ 1,993,332	\$ -	\$ (6,668)	\$ 2,110	4.99%	
								<b>Subtotals</b>	<b>\$ 17,175,000</b>	<b>\$ 17,173,077</b>	<b>\$ 17,095,558</b>	<b>\$ -</b>	<b>\$ (77,519)</b>	<b>\$ 25,283</b>	<b>42.83%</b>
<b>Negotiable Certificates of Deposit</b>															
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	\$ -	\$ -	\$ 587	0.62%	
87270LAS2	TIAA FSB	9/18/2017	9/12/2019	2.0	2.0	1.700%	1.700%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 138	0.62%	
02006L5J8	Ally Bank Midvale Utah	9/14/2017	9/16/2019	2.0	2.0	1.750%	1.750%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 189	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	\$ -	\$ -	\$ 686	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	\$ -	\$ -	\$ 669	0.62%	
02587CGG9	American Express FSB	9/12/2017	9/14/2020	3.0	3.0	1.950%	1.950%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 238	0.62%	
319141HQ3	First Bank of Highland Park	9/14/2017	9/14/2020	3.0	3.0	1.800%	1.800%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 195	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	\$ -	\$ -	\$ 739	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	\$ -	\$ -	\$ 739	0.62%	
05580AKJ2	BMW Bank	9/15/2017	9/15/2021	4.0	4.0	2.100%	2.100%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 213	0.62%	
88413QBR8	Third Federal Savings & Loan	9/15/2017	9/15/2021	4.0	4.0	2.000%	2.000%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 203	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	\$ -	\$ -	\$ 843	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	\$ -	\$ -	\$ 827	0.62%	
								<b>Subtotals</b>	<b>\$ 3,211,000</b>	<b>\$ 3,211,000</b>	<b>\$ 3,211,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,265</b>	<b>8.01%</b>
<b>AZ State Treasurer Local Government Investment Pool (LGIP)</b>															
N/A	Pool 5	N/A	N/A	N/A	0.0	N/A	1.070%	\$ 4,642,155	\$ 4,642,155	\$ 4,642,155	\$ -	\$ -	\$ -	11.58%	
N/A	Pool 7	N/A	N/A	N/A	0.0	N/A	0.960%	\$ 775,189	\$ 775,189	\$ 775,189	\$ -	\$ -	\$ -	1.93%	
N/A	Pool 500	N/A	N/A	N/A	0.0	N/A	1.750%	\$ 9,504,777	\$ 9,504,777	\$ 9,504,777	\$ -	\$ -	\$ -	23.70%	
								<b>Subtotals</b>	<b>\$ 14,922,121</b>	<b>\$ 14,922,121</b>	<b>\$ 14,922,121</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>37.21%</b>
<b>Savings Account</b>															
N/A	Wells Fargo	N/A	N/A	N/A	0.0	N/A	0.300%	\$ 1,799,903	\$ 1,799,903	\$ 1,799,903	\$ -	\$ -	\$ -	4.49%	
<b>Averages/Grand Totals</b>					<b>2.0</b>		<b>1.681%</b>	<b>\$ 40,108,025</b>	<b>\$ 40,100,482</b>	<b>\$ 40,026,965</b>	<b>\$ -</b>	<b>\$ (73,517)</b>	<b>\$ 40,709</b>	<b>100.00%</b>	

Benchmark per Policy (LGIP Pool 5) 1.070%

\* 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 September 2017
<b>Acquisitions</b>			
87270LAS2	TIAA FSB	Purchase	\$ 247,000
02006L5J8	Ally Bank Midvale Utah	Purchase	\$ 247,000
02587CGG9	American Express FSB	Purchase	\$ 247,000
319141HQ3	First Bank of Highland Park	Purchase	\$ 247,000
05580AKJ2	BMW Bank	Purchase	\$ 247,000
88413QBR8	Third Federal Savings & Loan	Purchase	\$ 247,000
3134GBG97	Federal Home Loan Mortgage Corporation	Purchase	\$ 2,000,000
3133EGRN7	Federal Farm Credit Bank	Purchase	\$ 997,517
3130AC6V1	Federal Home Loan Bank	Purchase	\$ 2,000,000
3130ACA79	Federal Home Loan Bank	Purchase	\$ 2,000,000
N/A	LGIP Pool 5	Contribution	\$ 4,000,000
N/A	Wells Fargo Savings	Contribution	\$ 6,000,000
<b>Subtotal</b>			<b>\$ 18,479,517</b>
<b>Dispositions</b>			
N/A	LGIP Pool 5	Withdrawal	\$ 1,443,408
N/A	LGIP Pool 500	Withdrawal	\$ 11,654,913
N/A	Wells Fargo Savings	Withdrawal	\$ 5,000,000
<b>Subtotal</b>			<b>\$ 18,098,321</b>
<b>Earnings</b>			
20033AVN3	Comenity Capital Bank	Monthly Interest	\$ 409
3134GBUP5	Federal Home Loan Mortgage Corporation	Quarterly Interest	\$ 8,836
3134GBUP5	Federal Home Loan Mortgage Corporation	Accrued Interest Paid w/ Purchase	\$ (5,792)
N/A	LGIP Pool 5	Monthly Gain/Loss	\$ 4,390
N/A	LGIP Pool 7	Monthly Gain/Loss	\$ 610
N/A	LGIP Pool 500	Monthly Gain/Loss	\$ (759)
N/A	Wells Fargo Savings	Monthly Interest	\$ 67
<b>Subtotal</b>			<b>\$ 7,760</b>
<b>Expenses</b>			
N/A	N/A	Custody Charges	\$ 496
N/A	N/A	Wire Fees	\$ 246
<b>Subtotal</b>			<b>\$ 742</b>
<b>Net Transactions for September 2017</b>			<b>\$ 388,213</b>