

# Monthly Financial Report

May 2018



**CITY OF SEDONA**

August 7, 2018

# Monthly Financial Report

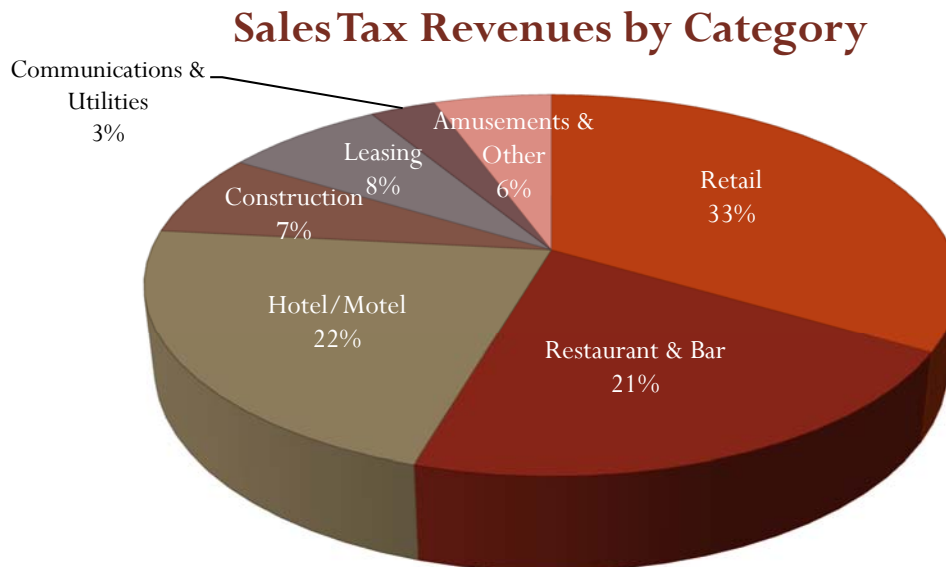
May 2018

## Executive Summary

The City's largest revenue sources are sales and bed tax revenues. Year-to-date City sales taxes are 13% higher than the prior year and year-to-date **bed taxes are 17% higher** than the prior year. Excluding the impact of the additional half-cent sales tax for transportation projects effective March 1, 2018, **City sales taxes are 8% higher** than the prior year.

May YTD Increase (Decrease) Over Prior Year (General Fund Portion)	
City Sales Taxes	\$ 1,142,919
Bed Taxes	576,264
<b>Total</b>	<b>\$ 1,719,182</b>

The largest sales tax increases for the month were in the Retail (32%), Restaurant & Bar (25%), Hotel/Motel (32%), and Construction (40%), Communications & Utilities (33%), and Amusements & Other (25%) categories. Most of these categories are heavily impacted by tourism, and the additional half-cent sales tax is also a factor in the increases.



## Revenues

In total, **General Fund revenues are up 11%** over last year, and Wastewater Fund revenues are down 3% from last year. Excluding the impacts of significant one-time capacity fees received in the prior year and significant one-time settlement revenues received in the current year, the **remaining Wastewater Fund revenues are up 4%** over last year. **Total City revenues are up 13% over last year and at 98% of budget**, with 92% of the year completed so far.

All individual revenue categories are **expected to be generally on target or exceed targets** by the end of the fiscal year, except for the following:

- Other Intergovernmental (36% under YTD target)
  - The Dry Creek Road project, which includes grant funding of approximately \$372,000, was postponed to FY2019. This has no effect on the City's financial position since the expenditures have not yet occurred.
  - A contingency of \$300,000 was included 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.
- Licenses & Permits (6% under YTD target)
  - Building permit revenues are lower than anticipated. While building permit activity has been high, the revenues are lower due primarily to a decrease in the average permit valuations. Many of the permit fees are assessed based on the estimated valuation of the improvements. Year-to-date revenues are low and may not achieve the target by the end of the fiscal year.
- Development Impact Fees (16% under YTD target)
  - 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. Year-to-date revenues are low and may not achieve the target by the end of the fiscal year.
- Capacity Fees (6% under YTD target)
  - The activity of the capacity fees is based on development and permitting so revenues will not necessarily be consistent from month to month or year to year. As the City approaches build-out, these revenues are expected to decrease. Year-to-date revenues are low and may not achieve the target by the end of the fiscal year.

These decreases in anticipated revenues are offset by other increased or deferred expenditures and are not expected to impact the overall operations of the City.

## Expenditures

In total, **General Fund expenditures are at 84% of budget** for the year-to-date, and **Wastewater Fund expenditures are 55% of budget** for the year-to-date, with 92% of the year completed so far. **Total City expenditures, excluding capital improvements and internal charges, are at 80% of the budget.**

Expenditures for each department are **expected to be on or under target** by the end of the fiscal year. City Manager's Office expenditures are slightly high for eleven months but are on track due to the nature of semiannual payments for community contracts.

Expenditures for capital improvements (29%) and streets rehabilitation and preservation (35%) are not incurred consistently throughout the year and, as of May 2018, 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 May 2018 is the eleventh month of the current fiscal year, FY2018, and **represents 92% 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.
- **Debt Outstanding** – A table of the City’s outstanding debt 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 installment purchase agreement 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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(click on page number to navigate to that page)

	Page	% YTD	Status	Comments
<b>Portion of Fiscal Year Complete = 91.67%</b>				
<b>Total Expenditures by Fund</b>				
General Fund	6	84%	Under Target for FY 2018	
<u>Special Revenue Funds:</u>				
Streets Fund	7	35%	Under Target for FY 2018	Expenditures do not occur consistently throughout the fiscal year.
Grants, Donations & Other Funds	7	28%	Under Target for FY 2018	Expenditures do not occur consistently throughout the fiscal year.
Transportation Sales Tax Fund	8	∞	On Target for FY 2018	This fund was initiated after the budget process. Budget adjustments will be made to cover the costs incurred.
<u>Capital Projects Funds:</u>				
Development Impact Fees Funds	8	17%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Capital Improvements Fund	9	46%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Art in Public Places Fund	9	N/A	On Target for FY 2018	No projects planned for FY 2018.
Wastewater Enterprise Fund	10	55%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Info. Tech. Internal Service Fund	11	73%	Under Target for FY 2018	
<u>Community Facilities Districts:</u>				
Sedona Summit II	12	N/A	On Target for FY 2018	No projects planned for FY 2018.
Fairfield	12	49%	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>				
Total Exp. (excl. Cap. Impr. & Internal Charges)	13	80%	Under Target for FY 2018	
City Council	14	74%	Under Target for FY 2018	
City Manager's Office	14	93%	On Target for FY 2018	While expenditures are high, they are on track due to the significant semiannual payments made in July and December.
Human Resources	15	71%	Under Target for FY 2018	
Financial Services	16	77%	Under Target for FY 2018	
Information Technology	17	76%	Under Target for FY 2018	
City Attorney's Office	18	73%	Under Target for FY 2018	
City Clerk's Office	18	83%	Under Target for FY 2018	
Parks & Recreation	19	71%	Under Target for FY 2018	
General Services	20	88%	Under Target for FY 2018	
Debt Service	20	92%	On Target for FY 2018	
Community Development	21	77%	Under Target for FY 2018	
Public Works	22	67%	Under Target for FY 2018	
Economic Development	23	81%	Under Target for FY 2018	
Police	23	84%	Under Target for FY 2018	
Municipal Court	24	86%	Under Target for FY 2018	
Wastewater Administration	24	62%	Under Target for FY 2018	
Wastewater Capital	25	83%	Under Target for FY 2018	
Wastewater Operations	25	68%	Under Target for FY 2018	
<b>Total Revenues by Fund</b>				
General Fund	26	97%	Exceeds Target for FY 2018	
<u>Special Revenue Funds:</u>				
Streets Fund	27	91%	On Target for FY 2018	
Grants, Donations & Other Funds	27	32%	Under Target for FY 2018	The FY 2018 budget includes \$300,000 of contingent grant revenues in case a significant grant opportunity arises.
Transportation Sales Tax Fund	28	∞	Exceeds Target for FY 2018	
<u>Capital Projects Funds:</u>				
Development Impact Fees Funds	28	103%	Exceeds Target for FY 2018	
Capital Improvements Fund	29	77%	Under Target for FY 2018	A capital project with significant grant funding was postponed.
Art in Public Places Fund	29	344%	Exceeds Target for FY 2018	
Wastewater Enterprise Fund	30	98%	Exceeds Target for FY 2018	
Info. Tech. Internal Service Fund	30	96%	Exceeds Target for FY 2018	
<u>Community Facilities Districts:</u>				
Sedona Summit II	31	80%	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	31	72%	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>				
Total Revenues	32	98%	Exceeds Target for FY 2018	
City Sales Taxes	33	100%	On Target for FY 2018	
Bed Taxes	33	102%	Exceeds Target for FY 2018	
In-Lieu	34	97%	Exceeds Target for FY 2018	
Franchise Fees	34	82%	On Target for FY 2018	While revenues are low, franchise fees are received quarterly and are expected to be on target by the end of the fiscal year.
State Sales Taxes	35	94%	Exceeds Target for FY 2018	
Urban Revenue Sharing	35	91%	On Target for FY 2018	
Vehicle License Taxes	36	95%	Exceeds Target for FY 2018	
Highway User	36	102%	Exceeds Target for FY 2018	
Other Intergovernmental	37	59%	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, a capital project with significant grant funding was postponed.
Licenses & Permits	38	86%	Under Target for FY 2018	Building permit revenues are lower than anticipated due to lower average valuations of improvements and may not be on target by the end of the fiscal year.
Charges for Services	38	95%	Exceeds Target for FY 2018	
Fines & Forfeitures	39	127%	Exceeds Target for FY 2018	
Development Impact Fees	40	77%	Under Target for FY 2018	Revenues do not occur consistently throughout the fiscal year and may not be on target by the end of the fiscal year.
Capacity Fees	40	86%	Under Target for FY 2018	Revenues do not occur consistently throughout the fiscal year and may not be on target by the end of the fiscal year.
Other Miscellaneous	41	195%	Exceeds Target for FY 2018	
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## Total Expenditures by Fund

### Total General Fund Expenditures

**Under Target for FY 2018**

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 10,824,303	\$ 12,520,234	86%		
2015	\$ 12,690,571	\$ 14,282,455	89%	17%	14%
2016	\$ 12,989,836	\$ 14,907,362	87%	2%	4%
2017	\$ 14,408,136	\$ 16,799,273	86%	11%	13%
2018	\$ 17,017,480	\$ 20,297,444	84%	18%	21%

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

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

#### YTD and 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.

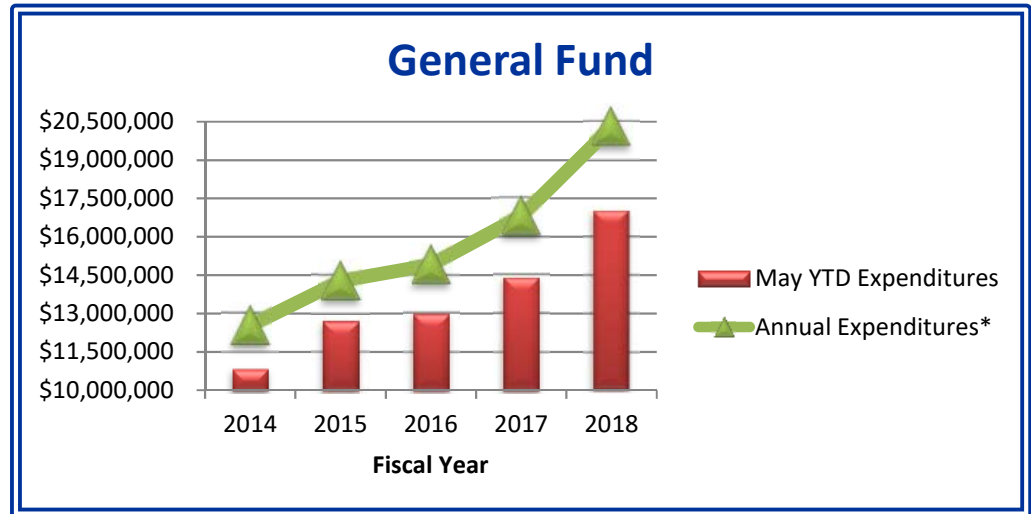
#### YTD Increase from FY 2017 to FY 2018:

- (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 tourism management and development increased approximately \$406,000 as a result of higher estimated bed tax revenue collections.
- (3) Accrued bond payments are approximately \$695,000 higher than the prior year.
- (4) 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.
- (5) The increase is also partly due to additional lease payments of approximately \$73,000 for the assigned vehicle program for patrol officers.
- (6) Costs for the startup and ongoing costs of the paid parking program were approximately \$96,000.

#### 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.
- (8) Certain costs were previously coded directly to the Wastewater Enterprise Fund in FY 2017 that will be allocated through the internal charges in FY 2018.

\* 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

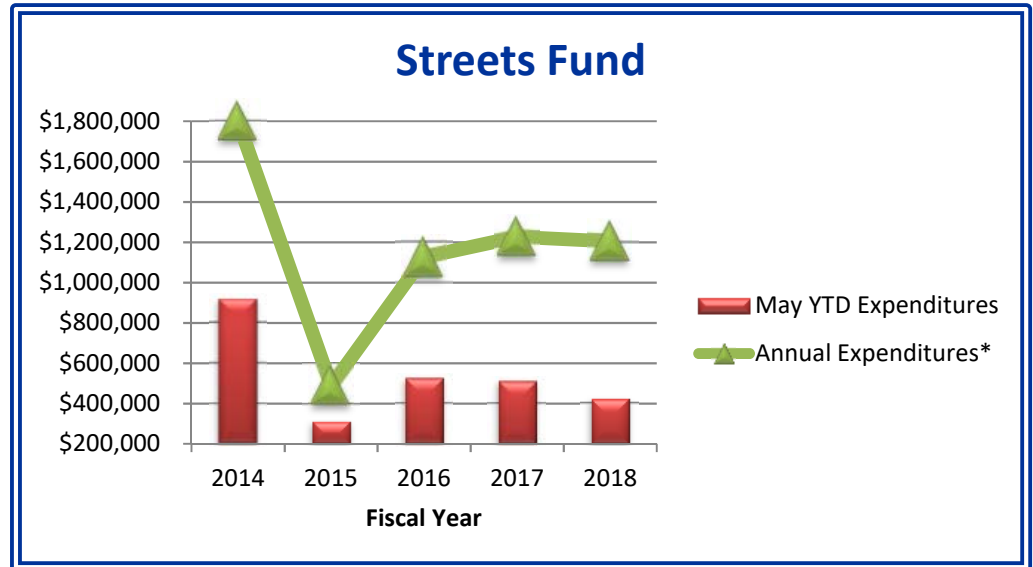
### Total Streets Fund Expenditures

**Under Target for FY 2018**

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 917,368	\$ 1,799,340	51%		
2015	\$ 310,116	\$ 488,072	64%	-66%	-73%
2016	\$ 523,318	\$ 1,126,227	46%	69%	131%
2017	\$ 509,922	\$ 1,226,595	42%	-3%	9%
2018	\$ 421,226	\$ 1,203,490	35%	-17%	-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.

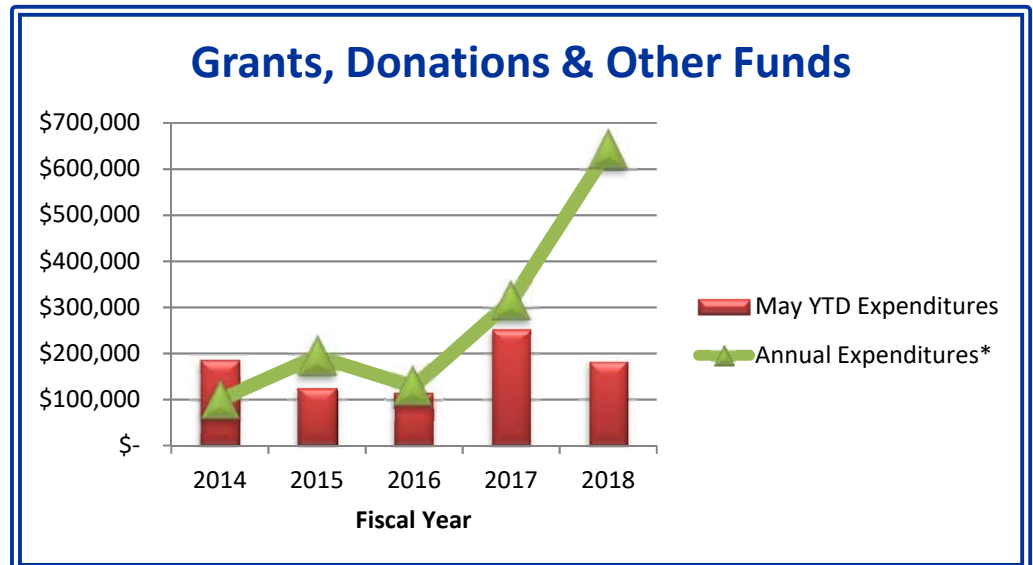


### Total Grants, Donations & Other Exp.

**Under Target for FY 2018**

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 185,883	\$ 99,837	186%		
2015	\$ 126,220	\$ 193,488	65%	-32%	94%
2016	\$ 114,142	\$ 127,230	90%	-10%	-34%
2017	\$ 254,396	\$ 314,560	81%	123%	147%
2018	\$ 181,170	\$ 641,350	28%	-29%	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.



\* 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

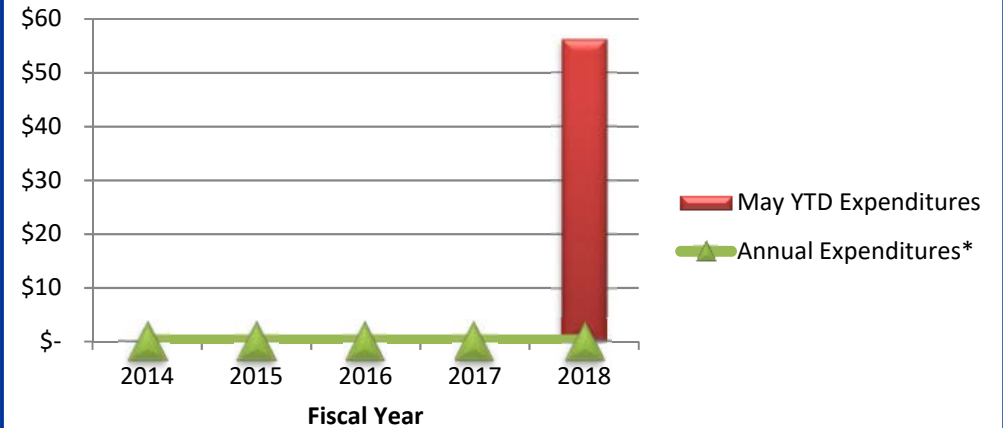
### Total Transportation Sales Tax Exp.

On Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May 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	\$ 56	\$ -	∞	∞	N/A

The Transportation Sales Tax Fund was initiated in FY 2018.

### Transportation Sales Tax Fund



### Total Develop. Impact Fees Exp.

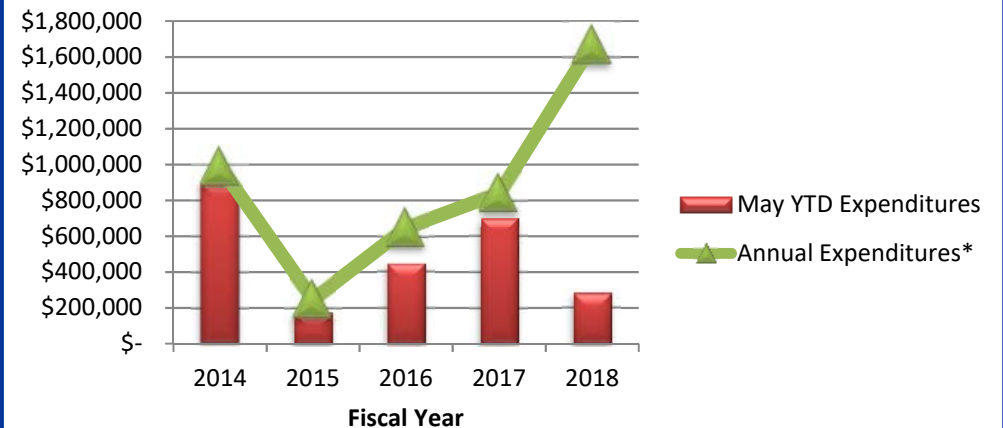
Under Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 896,524	\$ 988,600	91%		
2015	\$ 174,332	\$ 247,614	70%	-81%	-75%
2016	\$ 444,296	\$ 647,006	69%	155%	161%
2017	\$ 705,503	\$ 839,927	84%	59%	30%
2018	\$ 278,425	\$ 1,668,092	17%	-61%	99%

**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



\* 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 Capital Improvements Fund Exp.

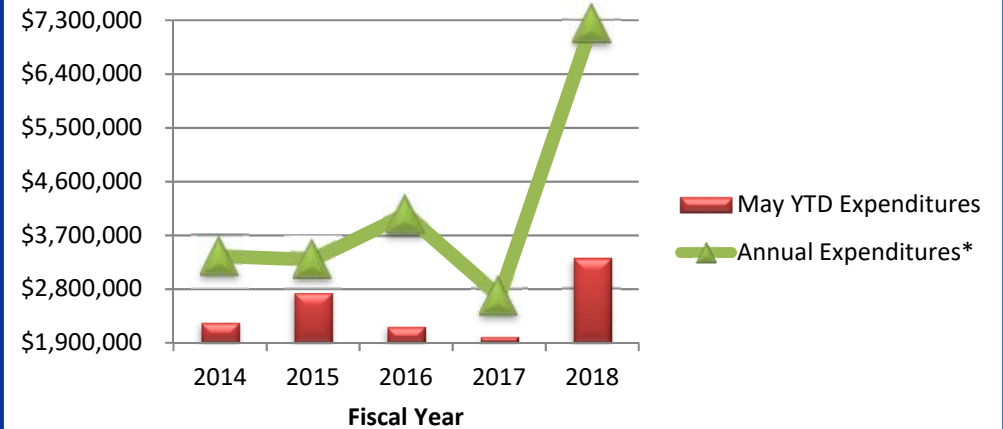
**Under Target for FY 2018**

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 2,239,272	\$ 3,348,961	67%		
2015	\$ 2,741,783	\$ 3,293,016	83%	22%	-2%
2016	\$ 2,164,888	\$ 4,045,969	54%	-21%	23%
2017	\$ 1,999,579	\$ 2,677,559	75%	-8%	-34%
2018	\$ 3,309,881	\$ 7,246,393	46%	66%	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



### Total Art in Public Places Fund Exp.

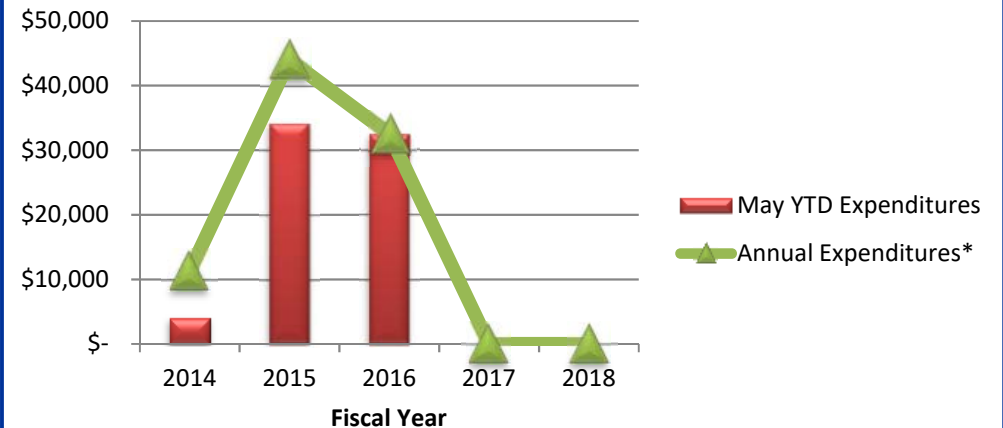
**On Target for FY 2018**

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 3,930	\$ 11,255	35%		
2015	\$ 34,165	\$ 43,975	78%	769%	291%
2016	\$ 32,500	\$ 32,500	100%	-5%	-26%
2017	\$ -	\$ -	N/A	-100%	-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.

### Art in Public Places 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 Wastewater Enterprise Fund Exp.** Under Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 7,736,411	\$ 9,927,837	78%		
2015	\$ 8,502,270	\$ 11,055,429	77%	10%	11%
2016	\$ 12,117,309	\$ 14,367,467	84%	43%	30%
2017	\$ 9,590,343	\$ 10,625,910	90%	-21%	-26%
2018	\$ 7,926,915	\$ 14,506,091	55%	-17%	37%

**YTD and 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 and 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 and 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 \$673,000 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.

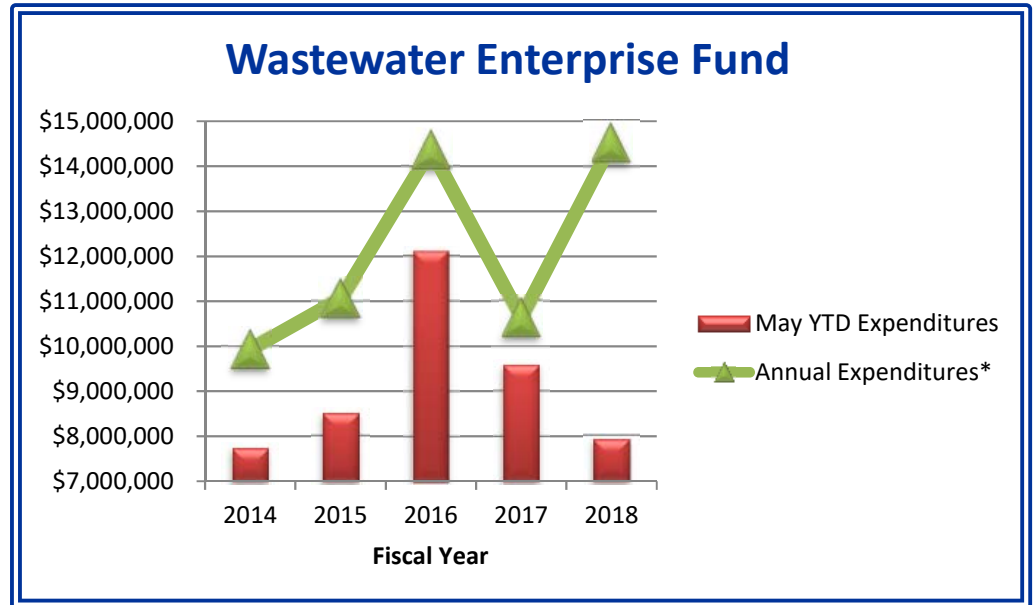
(3) The FY 2018 budget includes the addition of a plant operator position.

(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.



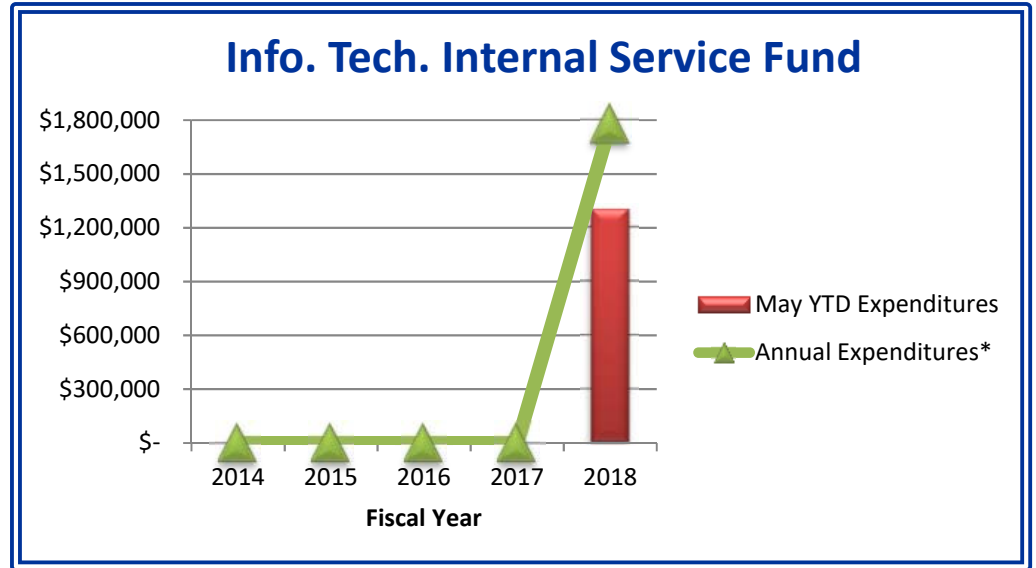
\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies. For the prior years, the Annual Expenditures represent total actual expenditures.

## Total Expenditures by Fund

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

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May 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	\$ 1,304,336	\$ 1,777,935	73%	∞	∞

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



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

## Total Expenditures by Fund

### Total CFD - Sedona Summit II Exp.

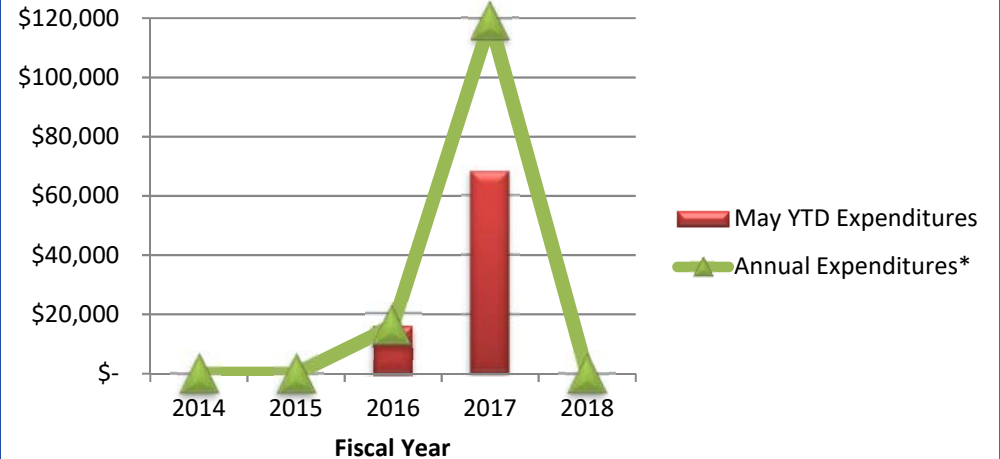
On Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ 16,064	\$ 16,064	100%	∞	∞
2017	\$ 68,300	\$ 119,131	57%	325%	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.

For FY 2018, no projects are planned to allow the balance in the Sedona Summit II CFD to accumulate for additional projects in future fiscal years.

### CFD - Sedona Summit II



### Total CFD - Fairfield Expenditures

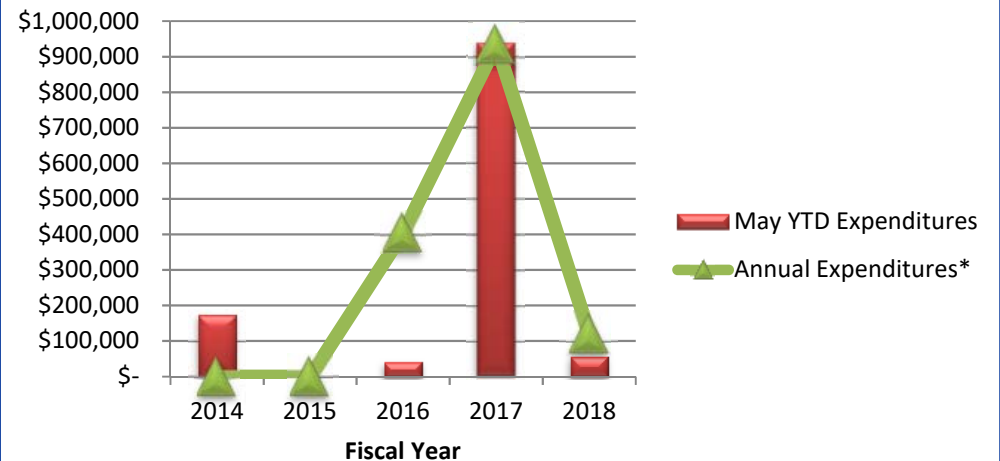
Under Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 174,580	\$ -	∞		
2015	\$ -	\$ -	N/A	-100%	N/A
2016	\$ 41,485	\$ 404,998	10%	∞	∞
2017	\$ 939,462	\$ 934,239	101%	2165%	131%
2018	\$ 58,326	\$ 120,175	49%	-94%	-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)

**Total Exp. (excl. Cap. Impr. & Internal Charges)**

**Under Target for FY 2018**

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 18,717,622	\$ 23,311,236	80%		
2015	\$ 20,676,763	\$ 23,818,402	87%	10%	2%
2016	\$ 21,481,814	\$ 25,131,836	85%	4%	6%
2017	\$ 22,937,165	\$ 26,917,407	85%	7%	7%
2018	\$ 24,812,329	\$ 30,886,105	80%	8%	15%

**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. This results in an increase of expenditures recorded to date of approximately \$659,000.

(2) Year-to-date salaries and benefits increased by approximately \$729,000 as a result of the following:

- (a) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%.
- (b) The most significant increases in benefits were an increase of 27% to the required contribution to the Public Safety Personnel Retirement System (PSPRS) and a 9% increase to health insurance premiums.
- (c) The Community Service Aides (CSAs) program was enhanced, and the hours for the part-time CSAs were increased.
- (d) A part-time Administrative Assistant position in the Parks & Recreation Department was increased to full-time.
- (e) Vacancy savings offset a portion of the increases.

(3) The Council increased its commitment to tourism management and development. This results in an increase of expenditures recorded to date of approximately \$723,000.

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

(1) Budgeted salaries and benefits increased by approximately \$1.9 million as a result of the following:

- (a) The FY 2018 budget includes the addition of two full-time positions, six part-time positions, and one temporary position. Also two positions were reclassified, and two positions were increased from part-time to full-time.
- (b) Salaries increased due to budgeted cost-of-living adjustments of 2.5% and average merit increases of 2.5%.
- (c) The most significant increases in benefits were due to a 30% increase to the required contributions to PSPRS and a 4% increase to health insurance premiums.
- (d) A one-time placeholder of \$250,000 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.
- (e) The balance of market study adjustments of approximately \$429,000 was carried over from the prior year.
- (f) Significant vacancy savings was experienced in the prior fiscal year.

(2) Capital lease payments will be approximately \$73,000 higher in FY 2018 compared to FY 2017 for the assigned vehicle program for patrol officers.

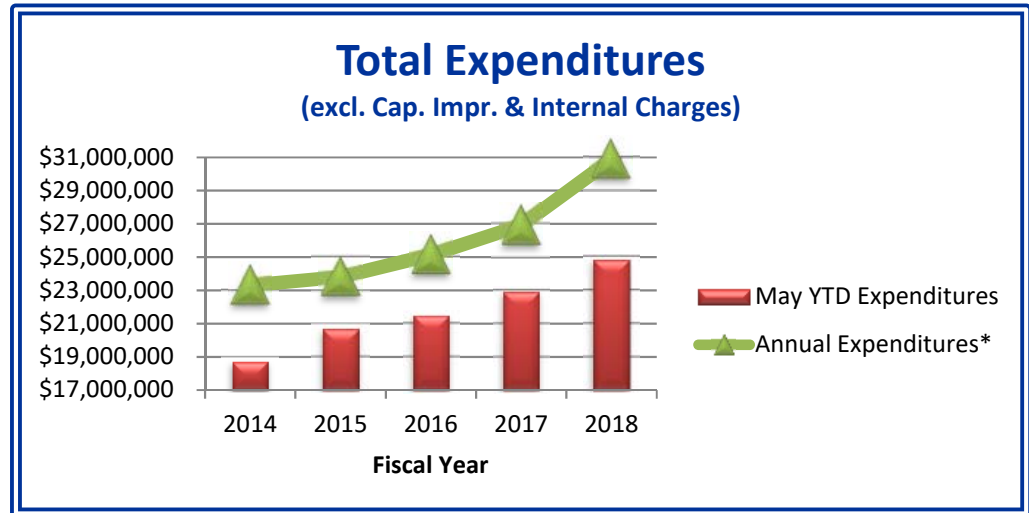
(3) A placeholder of \$100,000 was included in the FY 2018 budget to cover costs of the paid parking program.

(4) The FY 2018 budget includes approximately \$136,000 additional for continued updates to the Land Development Code.

(5) Increases in software and hardware upgrades and increases in annual software maintenance contracts resulted in an increase of approximately \$179,000.

(6) The Wastewater Operations budget increased approximately \$741,000 for rebuilding and replacing of pumps and the replacement of pump station roofs; injection well maintenance for the new injection wells coming on line; increased costs for utilities, irrigation maintenance, operations maintenance, and electrical support; and SCADA support, WIMS training, trunk line cleaning and inspection, and a remodel of the operations building office space.

(7) Approximately \$98,000 was transferred from contingency to cover the costs of the City Hall flood.



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

### City Council Expenditures

Under Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 46,254	\$ 53,561	86%		
2015	\$ 56,470	\$ 66,995	84%	22%	25%
2016	\$ 53,405	\$ 63,123	85%	-5%	-6%
2017	\$ 54,021	\$ 60,524	89%	1%	-4%
2018	\$ 57,747	\$ 77,775	74%	7%	29%

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

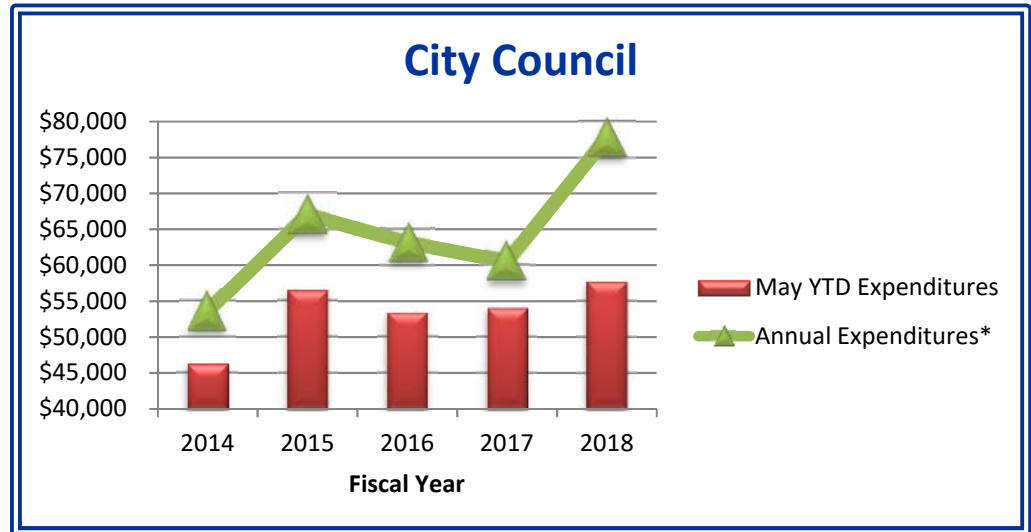
- (1) Moved Travel & Training costs to departments from General Services in FY 2015.
- (2) Increase in meals costs for City Manager interviews.
- (3) Replacement of office furniture.

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

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

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

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



### City Manager's Office Expenditures

On Target for FY 2018

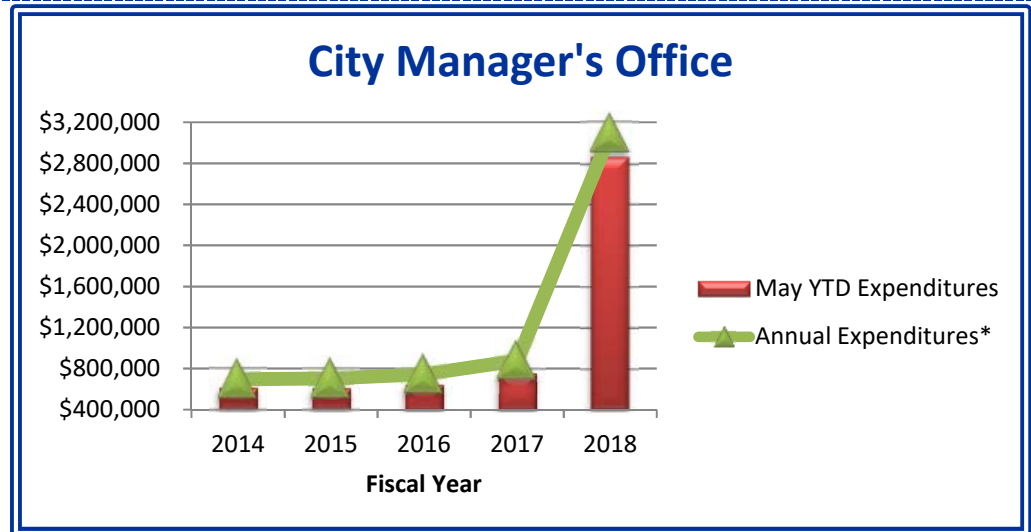
FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 613,732	\$ 696,483	88%		
2015	\$ 615,196	\$ 704,983	87%	<1%	1%
2016	\$ 639,906	\$ 745,235	86%	4%	6%
2017	\$ 750,888	\$ 878,130	86%	17%	18%
2018	\$ 2,869,292	\$ 3,089,218	93%	282%	252%

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

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

**YTD and 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



**On Target for FY 2018:** The percentage of annual expenditures is high for eleven months of the fiscal year (93% actual compared to eleven-month budget of 92%). 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 and one half in December. Based on the timing and size of these payments, the City Manager's Office expenditures are on track for FY 2018.

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

### Human Resources Expenditures

Under Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 170,412	\$ 178,106	96%		
2015	\$ 162,961	\$ 191,432	85%	-4%	7%
2016	\$ 181,130	\$ 217,866	83%	11%	14%
2017	\$ 224,542	\$ 255,942	88%	24%	17%
2018	\$ 225,477	\$ 316,775	71%	<1%	24%

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

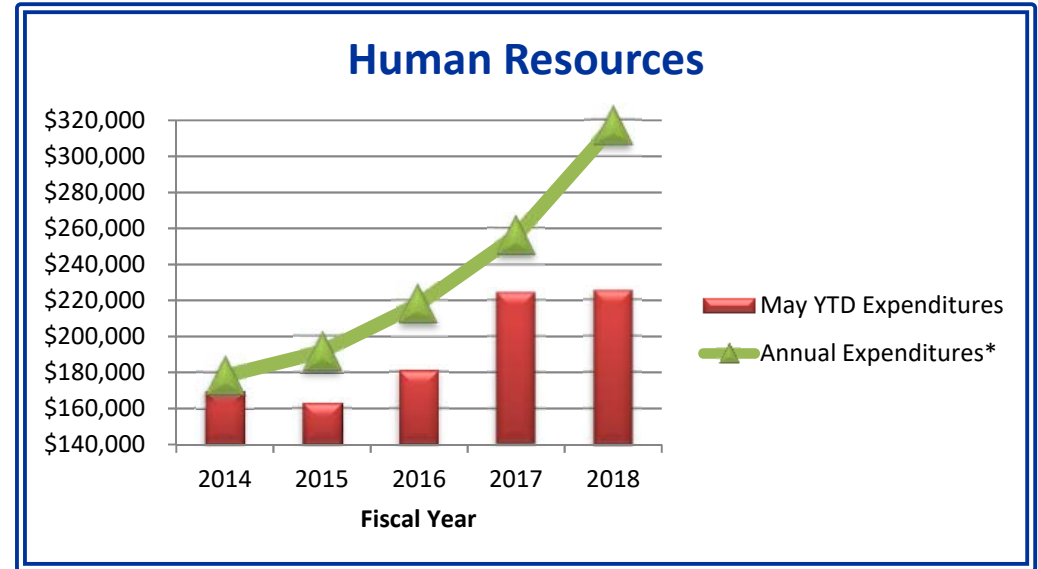
- (1) Increase in recruitment expenditures of \$6,500.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.3% and average merit increases of 2.5%. The most significant increase in benefits was a 7% increase to health insurance premiums.

#### YTD and 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

**Under Target for FY 2018**

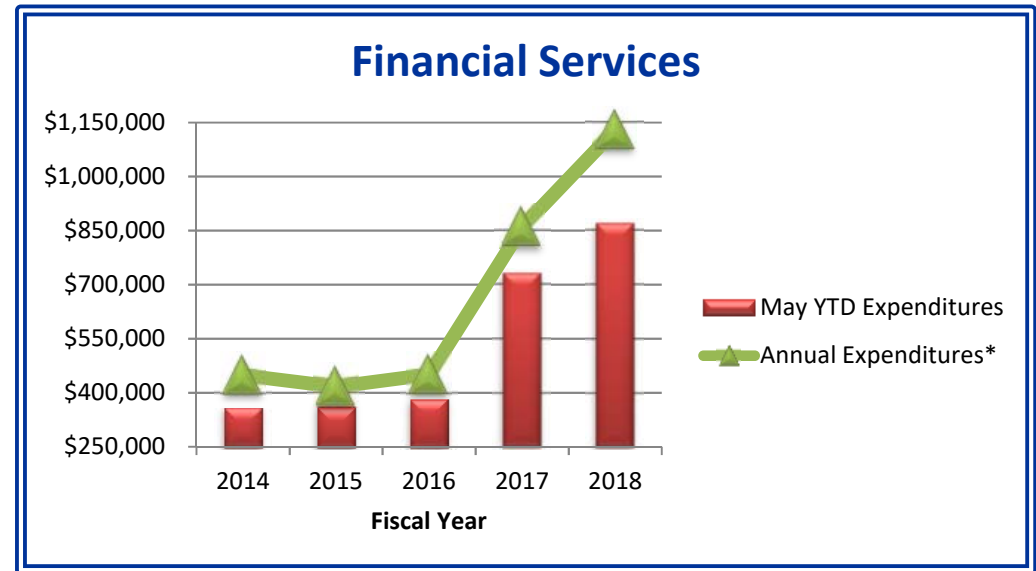
FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 359,486	\$ 448,475	80%		
2015	\$ 362,307	\$ 416,550	87%	1%	-7%
2016	\$ 384,207	\$ 450,225	85%	6%	8%
2017	\$ 731,555	\$ 859,666	85%	<b>90%</b>	<b>91%</b>
2018	\$ 870,384	\$ 1,130,005	77%	<b>19%</b>	<b>31%</b>

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

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

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

- (1) Service charges were moved from General Services to the Financial Services Department and increased to account for service charges applicable to the new paid parking program.
- (2) Septic reimbursements were moved from Wastewater Operations to the Financial Services Department.
- (3) Budget amounts were added in FY 2018 to accommodate the implementation of remittance processing for utility bills and hiring of a collection agency.
- (4) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.



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

### Information Technology Expenditures

Under Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 652,043	\$ 713,547	91%		
2015	\$ 972,188	\$ 1,058,766	92%	49%	48%
2016	\$ 783,059	\$ 853,746	92%	-19%	-19%
2017	\$ 964,321	\$ 1,083,123	89%	23%	27%
2018	\$ 1,042,313	\$ 1,372,835	76%	8%	27%

#### YTD and 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:

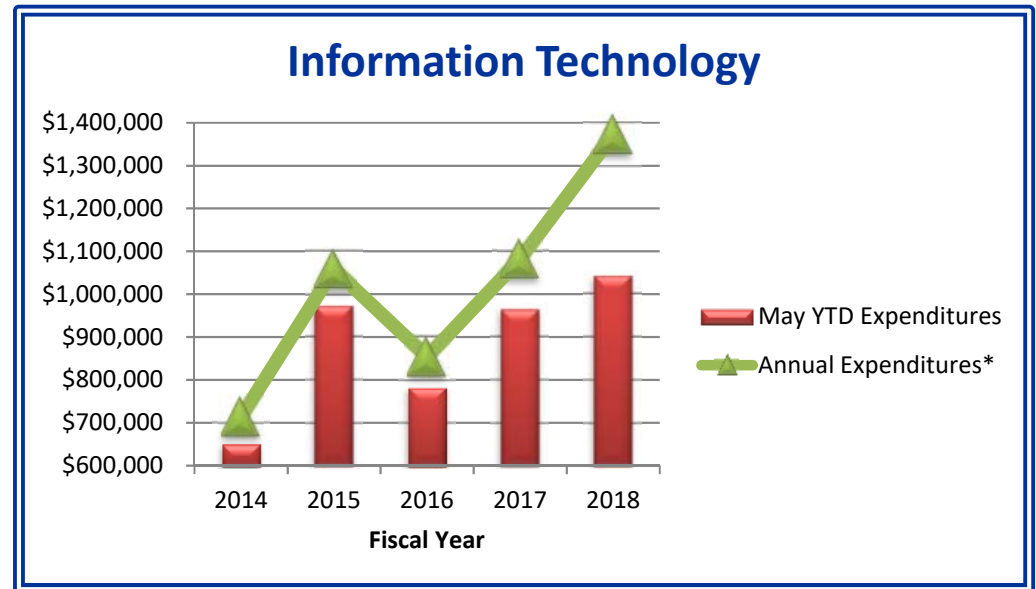
The decrease is primarily due to the hardware and software upgrades performed in FY 2015.

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

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

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

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



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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	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 414,286	\$ 458,932	90%		
2015	\$ 429,769	\$ 490,736	88%	4%	7%
2016	\$ 430,470	\$ 496,564	87%	<1%	1%
2017	\$ 430,849	\$ 548,304	79%	<1%	10%
2018	\$ 496,040	\$ 683,600	73%	15%	25%

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

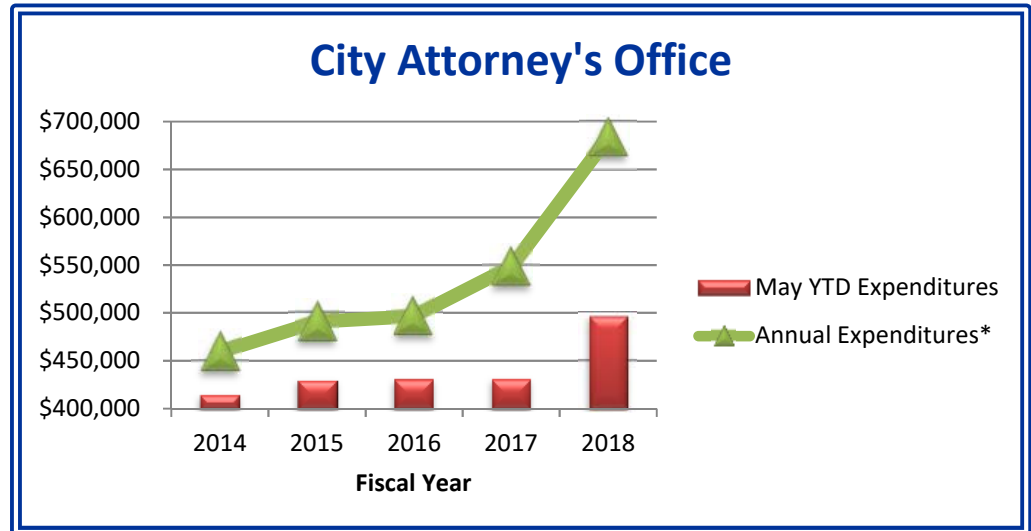
- (1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (2) Budgeted amounts for payment of legal claims was transferred from the General Services

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

The increase is primarily due to vacancy savings incurred in the prior year.

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

- (1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.
- (2) 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	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 205,489	\$ 226,818	91%		
2015	\$ 216,420	\$ 243,829	89%	5%	7%
2016	\$ 188,857	\$ 219,942	86%	-13%	-10%
2017	\$ 234,249	\$ 265,657	88%	24%	21%
2018	\$ 216,518	\$ 261,572	83%	-8%	-2%

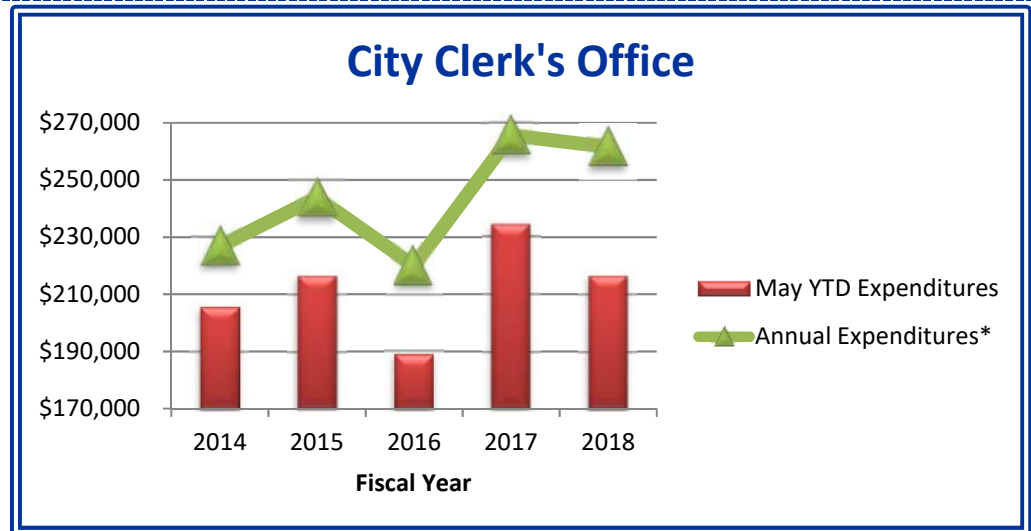
**YTD and Annual Decrease from FY 2015 to FY 2016:**

FY 2015 was an election year.

**YTD and 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



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

### Parks & Recreation Expenditures

Under Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 291,127	\$ 378,165	77%		
2015	\$ 449,003	\$ 506,788	89%	54%	34%
2016	\$ 437,179	\$ 493,305	89%	-3%	-3%
2017	\$ 513,830	\$ 608,478	84%	18%	23%
2018	\$ 518,949	\$ 733,974	71%	1%	21%

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

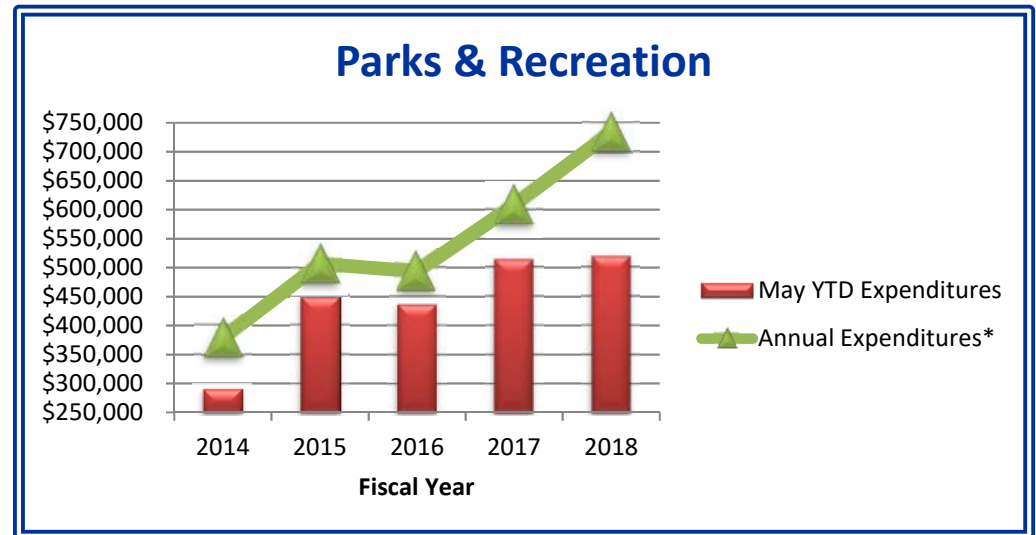
- (1) A part-time Administrative Assistant position was increased to full-time.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.
- (3) An increase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

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

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

#### 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

**Under Target for FY 2018**

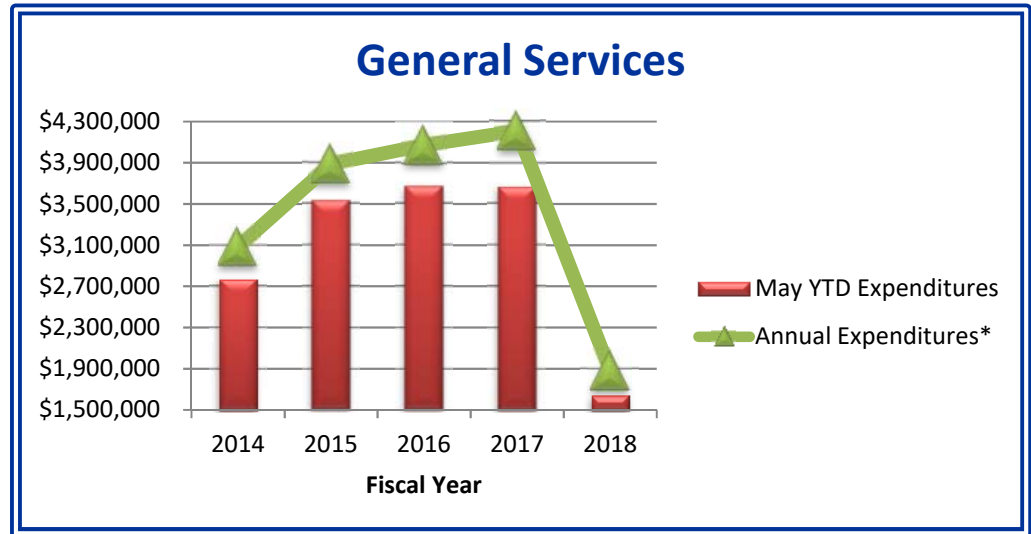
FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 2,777,938	\$ 3,082,440	90%		
2015	\$ 3,534,387	\$ 3,889,467	91%	27%	26%
2016	\$ 3,671,872	\$ 4,071,785	90%	4%	5%
2017	\$ 3,667,581	\$ 4,209,363	87%	<-1%	3%
2018	\$ 1,646,234	\$ 1,878,834	88%	-55%	-55%

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

The Council increased the commitment to tourism management and development, resulting in an increase of approximately \$860,000.

**YTD and 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 budget.

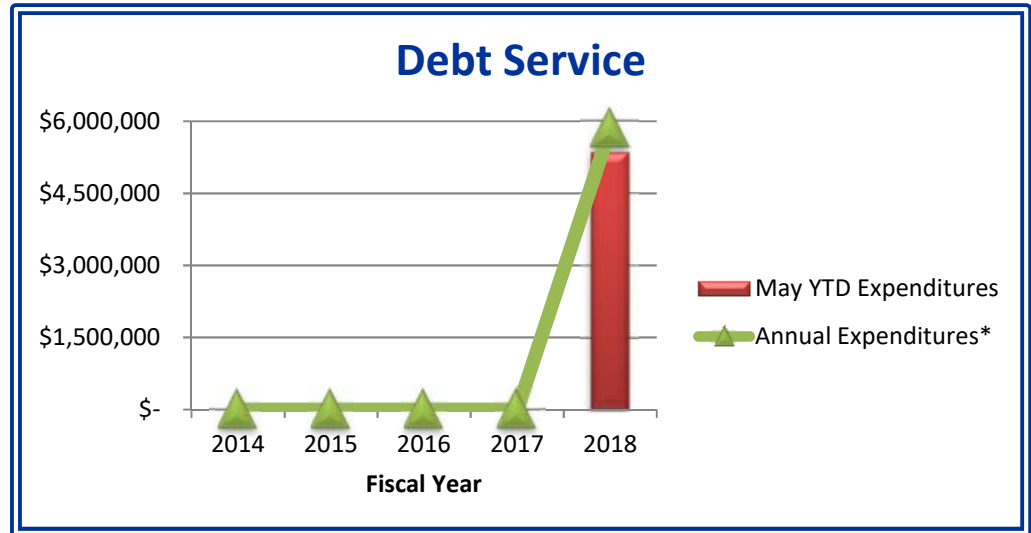


### Debt Service Expenditures

**On Target for FY 2018**

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May 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	\$ 5,366,304	\$ 5,853,529	92%	∞	∞

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	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 825,130	\$ 931,021	89%		
2015	\$ 906,156	\$ 1,054,199	86%	10%	13%
2016	\$ 1,047,979	\$ 1,201,326	87%	16%	14%
2017	\$ 1,282,041	\$ 1,576,171	81%	22%	31%
2018	\$ 1,323,518	\$ 1,707,950	77%	3%	8%

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

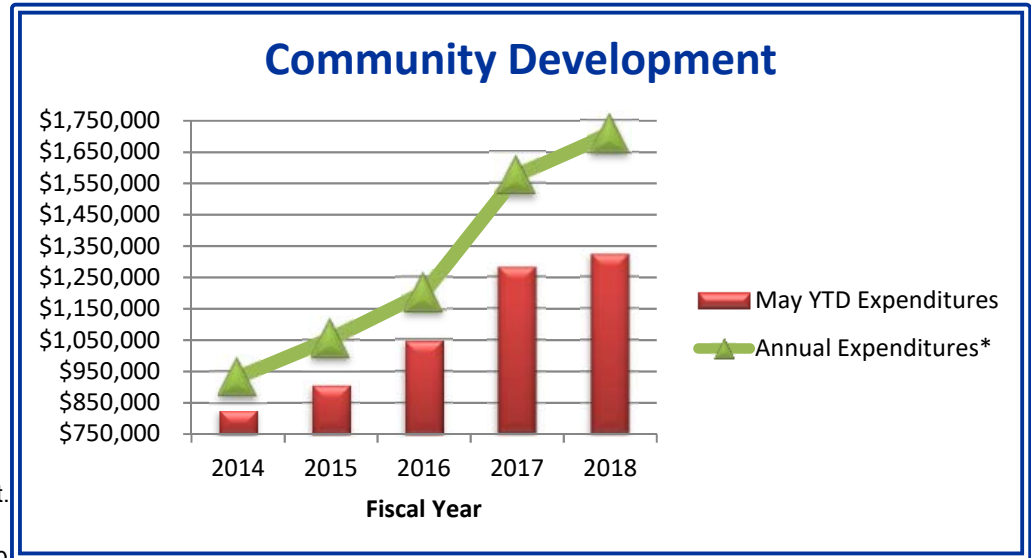
Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.

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

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

#### YTD and 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



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

### Public Works Expenditures

**Under Target for FY 2018**

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 2,544,185	\$ 3,642,185	70%		
2015	\$ 1,853,829	\$ 2,278,004	81%	-27%	-37%
2016	\$ 2,297,660	\$ 3,214,005	71%	24%	41%
2017	\$ 3,359,286	\$ 4,397,351	76%	46%	37%
2018	\$ 3,376,537	\$ 5,009,873	67%	1%	14%

**YTD 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 \$502,000 less in FY 2015 than in FY 2014.
- (2) The decrease was partly due to timing differences in facilities and parts maintenance costs.

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

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

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

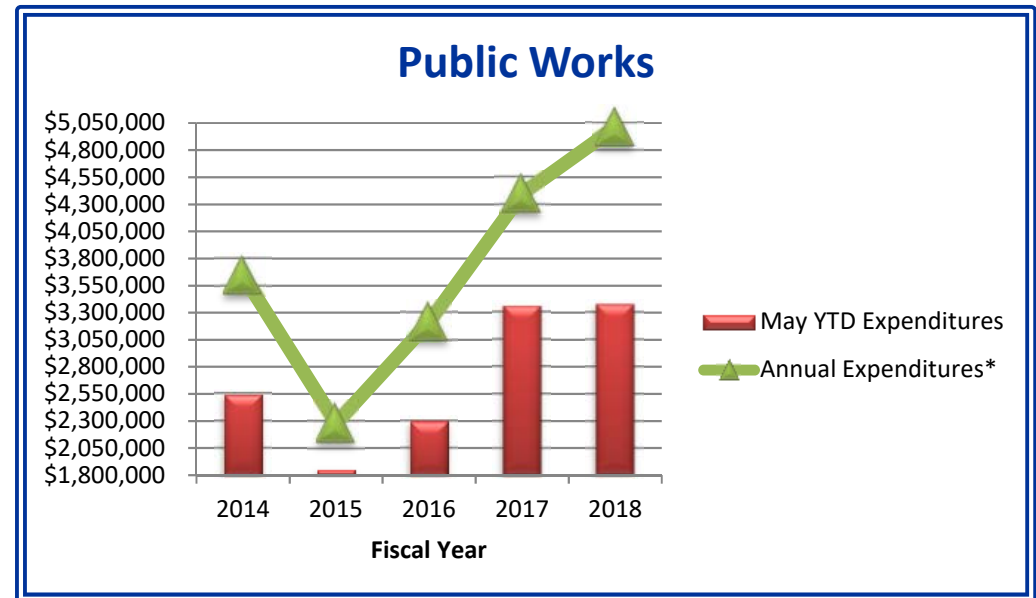
- (1) The increase was partly due to increased expenditures for road rehabilitation and maintenance.
- (2) An Assistant Engineer position and an Associate Engineer position were added in FY 2016.
- (3) The increase was partly due to increases in utility costs.
- (4) Improvements were made to the Teen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

**YTD and 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%.

**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.



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

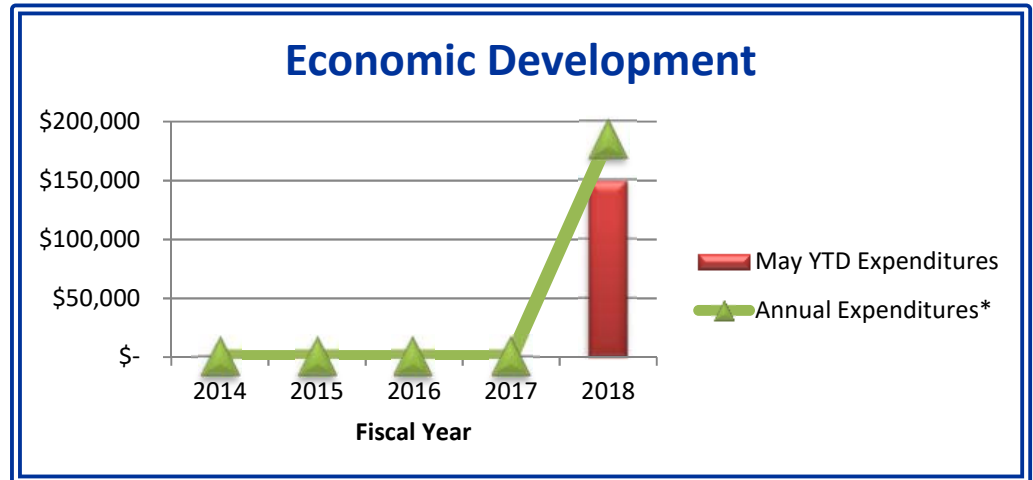
## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Economic Development Expenditures

Under Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May 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	\$ 148,901	\$ 184,970	81%	∞	∞

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



### Police Expenditures

Under Target for FY 2018

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 2,791,200	\$ 3,338,557	84%		
2015	\$ 3,319,533	\$ 3,770,582	88%	19%	13%
2016	\$ 3,245,261	\$ 3,826,416	85%	-2%	1%
2017	\$ 3,510,653	\$ 4,080,748	86%	8%	7%
2018	\$ 4,034,388	\$ 4,801,199	84%	15%	18%

#### 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.

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

(3) 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:

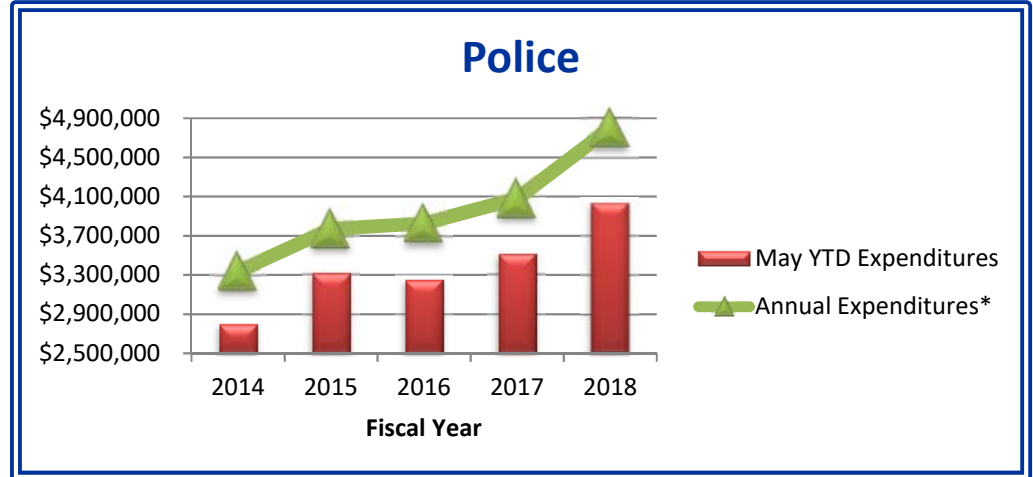
(1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.

(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)

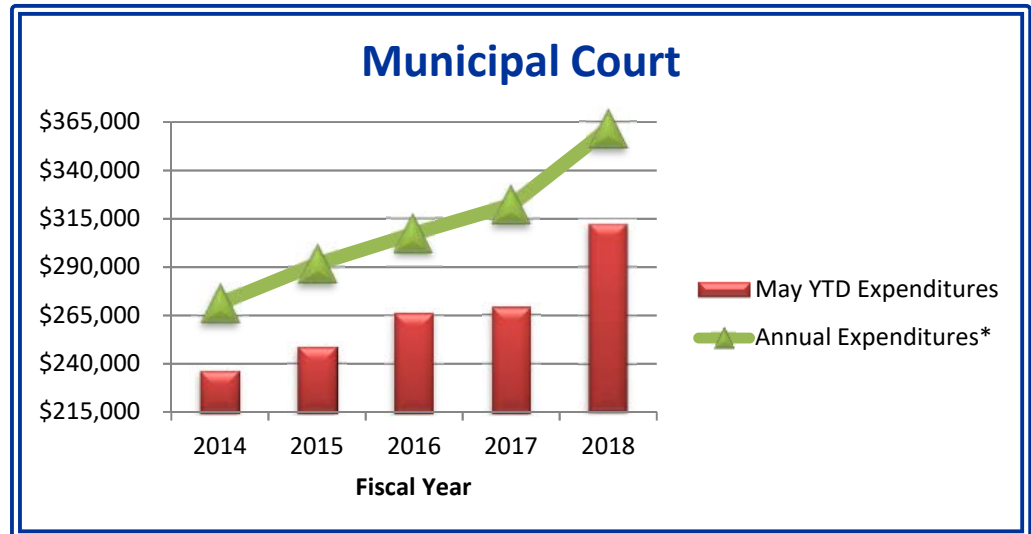
### Municipal Court Expenditures

**Under Target for FY 2018**

FY	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 236,274	\$ 271,121	87%		
2015	\$ 248,688	\$ 291,684	85%	5%	8%
2016	\$ 266,311	\$ 307,281	87%	7%	5%
2017	\$ 269,122	\$ 322,022	84%	1%	5%
2018	\$ 312,344	\$ 361,370	86%	16%	12%

#### YTD and 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	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 5,007,310	\$ 6,723,060	74%		
2015	\$ 5,722,321	\$ 6,394,431	89%	14%	-5%
2016	\$ 5,917,036	\$ 6,503,494	91%	3%	2%
2017	\$ 5,010,468	\$ 5,465,854	92%	-15%	-16%
2018	\$ 191,402	\$ 308,269	62%	-96%	-94%

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

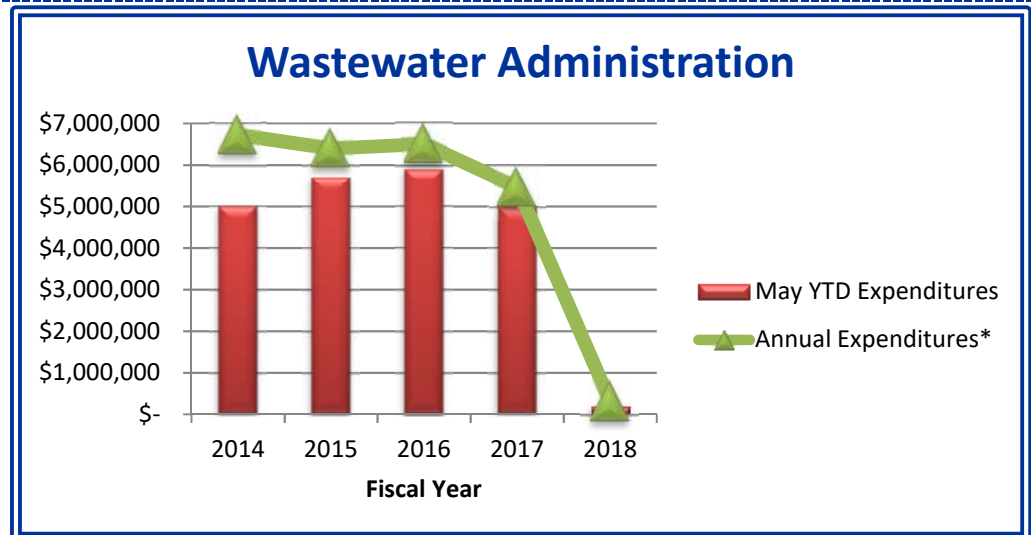
Starting FY 2015, debt service costs are accrued monthly. Previously, debt service costs were recorded on a cash basis semiannually in December and June.

#### YTD and 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 departmental 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	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 94,910	\$ 104,228	91%		
2015	\$ 116,628	\$ 131,783	89%	23%	26%
2016	\$ 105,387	\$ 176,040	60%	-10%	34%
2017	\$ 61,618	\$ 64,796	95%	-42%	-63%
2018	\$ 49,946	\$ 60,540	83%	-19%	-7%

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

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

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

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

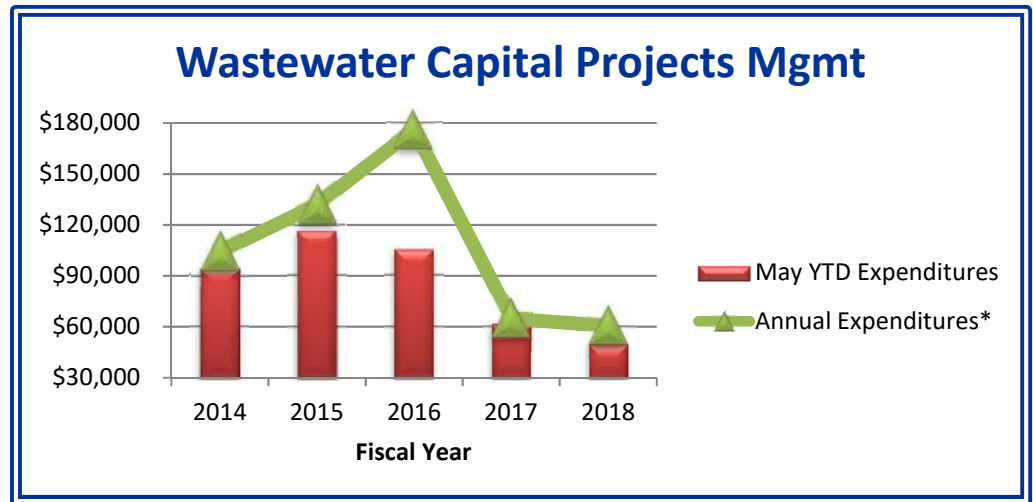
(2) A master plan was started during FY 2016 for the wastewater collection system.

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

Prior to FY 2017, salary allocations for Capital Projects Management to the Wastewater Enterprise Fund were coded to the Wastewater Department. Starting in FY 2017, these are coded to each individual departments 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	May YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - May YTD	% Increase - Annual
2014	\$ 1,687,848	\$ 2,064,537	82%		
2015	\$ 1,710,906	\$ 2,328,173	73%	1%	13%
2016	\$ 1,832,096	\$ 2,291,483	80%	7%	-2%
2017	\$ 1,872,142	\$ 2,241,279	84%	2%	-2%
2018	\$ 2,066,035	\$ 3,053,817	68%	10%	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 2017 to FY 2018:**

The increase is largely a result of a generator replacement and rental.

**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.



\* 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

**Exceeds Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 13,587,120	\$ 15,535,678	87%		
2015	\$ 15,758,498	\$ 17,191,008	92%	16%	11%
2016	\$ 16,735,122	\$ 18,612,738	90%	6%	8%
2017	\$ 22,765,176	\$ 25,135,539	91%	36%	35%
2018	\$ 25,254,636	\$ 25,924,160	97%	11%	3%

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

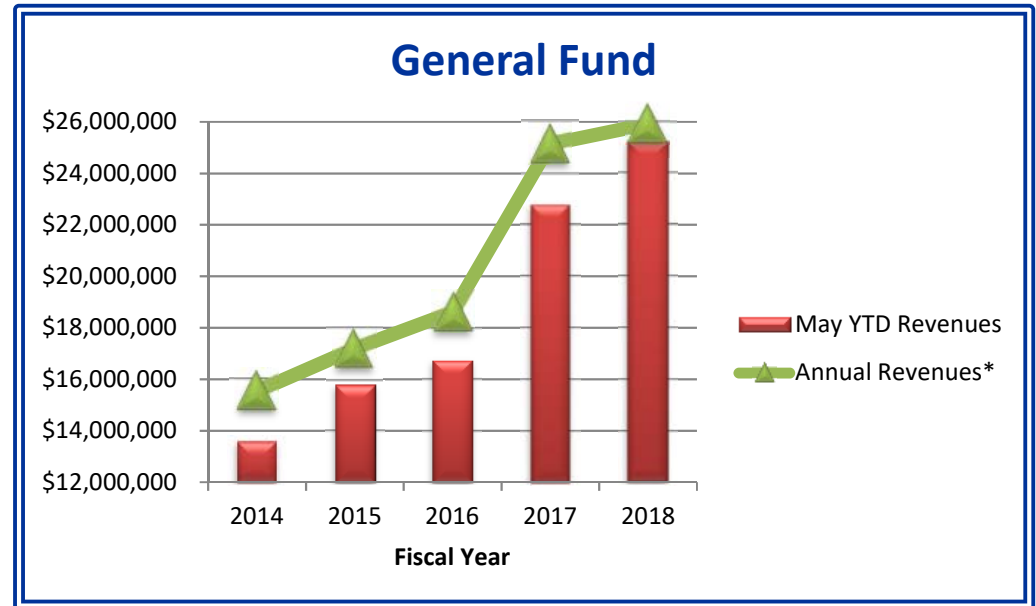
- (1) City sales taxes increased 18%. Of this amount, approximately 8% is due to the reduction in the Wastewater Fund subsidy from 35% in FY 2014 to 30% in FY 2015. The remaining increase is largely due to the effects of the implementation of the destination marketing program.
- (2) Bed tax revenues 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

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

- (1) An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue in the Wastewater Fund. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the Wastewater Fund is recorded as a transfer. In addition, the subsidy was reduced from 30% to 25%.
- (2) Bed tax revenues increased 27%, and City sales tax revenues increased 9%.

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

- (1) City sales taxes increased 8% and bed tax revenues increased 17%. The increases are partly due to increases in tourism categories, as well as increases due to the change in legislation regarding short-term rentals effective January 1, 2017.
- (2) In addition, the paid parking program was initiated the end of June 2017. Charges for services include additional revenues related to the program of approximately \$513,000.



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

## Total Revenues by Fund

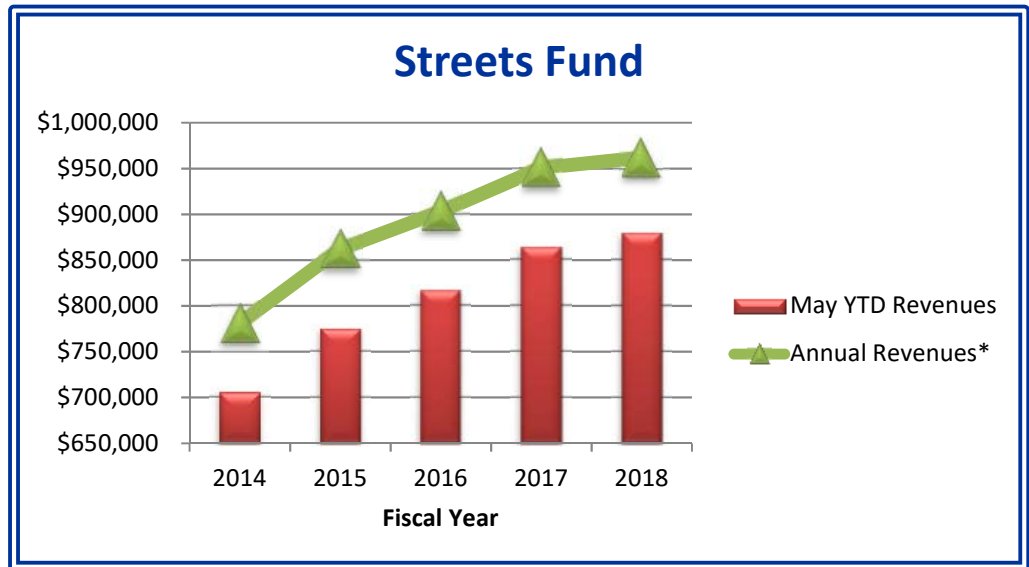
### Total Streets Fund Revenues

**On Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 705,844	\$ 780,913	90%		
2015	\$ 775,339	\$ 862,099	90%	10%	10%
2016	\$ 816,697	\$ 902,994	90%	5%	5%
2017	\$ 863,979	\$ 950,751	91%	6%	5%
2018	\$ 879,534	\$ 961,900	91%	2%	1%

#### YTD and 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 increased approximately \$76,000.



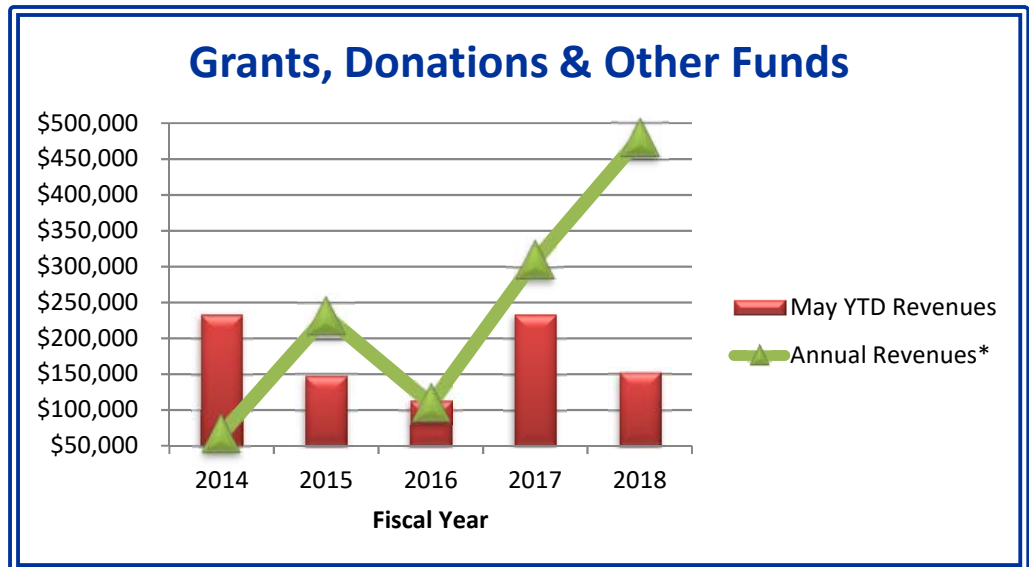
### Total Grants, Donations & Other Rev.

**Under Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 232,402	\$ 66,852	348%		
2015	\$ 147,536	\$ 230,824	64%	-37%	245%
2016	\$ 112,315	\$ 108,649	103%	-24%	-53%
2017	\$ 232,402	\$ 309,408	75%	107%	185%
2018	\$ 152,227	\$ 479,060	32%	-34%	55%

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

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



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## Total Revenues by Fund

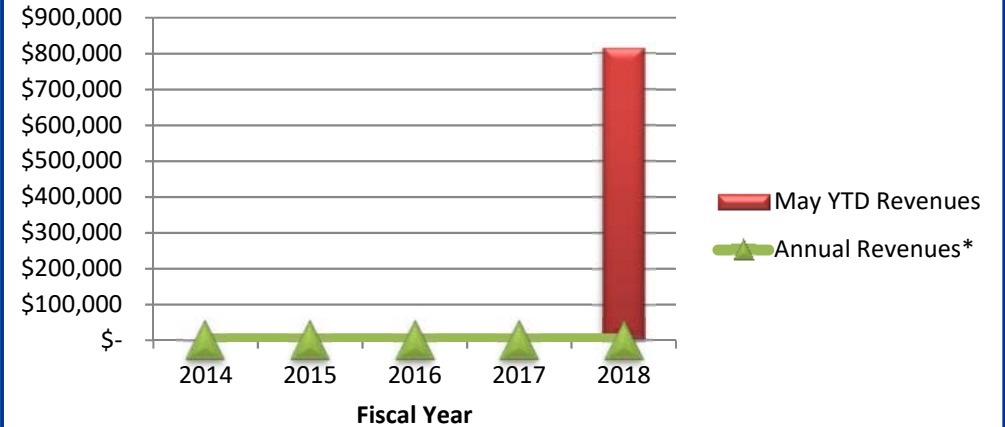
### Total Transportation Sales Tax Rev.

Exceeds Target for FY 2018

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May 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	\$ 815,891	\$ -	∞	∞	N/A

The Transportation Sales Tax Fund was initiated in FY 2018.

### Transportation Sales Tax Fund



### Total Develop. Impact Fees Revenues

Exceeds Target for FY 2018

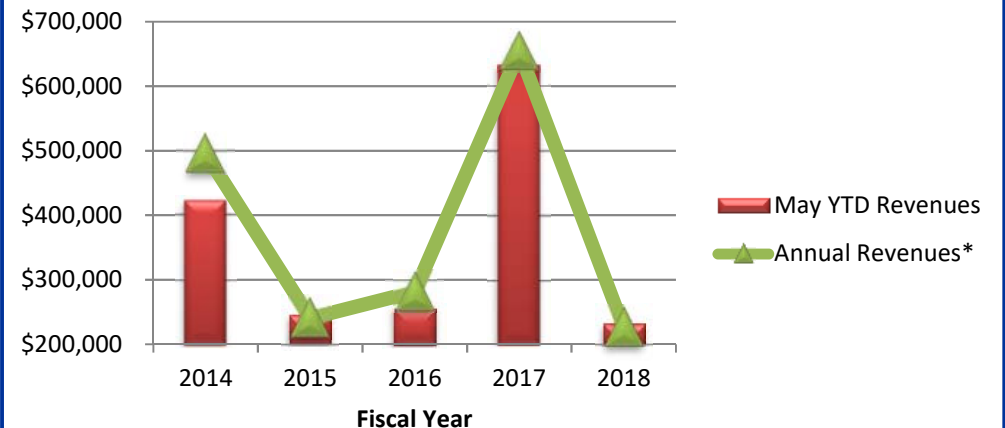
FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 422,011	\$ 495,662	85%		
2015	\$ 245,740	\$ 240,561	102%	-42%	-51%
2016	\$ 256,201	\$ 281,497	91%	4%	17%
2017	\$ 634,281	\$ 654,256	97%	148%	132%
2018	\$ 231,643	\$ 225,490	103%	-63%	-66%

#### 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 Funds is based on development and permitting so revenues will not necessarily be consistent from month to month or year to year. As the City approaches build-out, these revenues are expected to decrease.

### Development Impact Fees Funds



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## Total Revenues by Fund

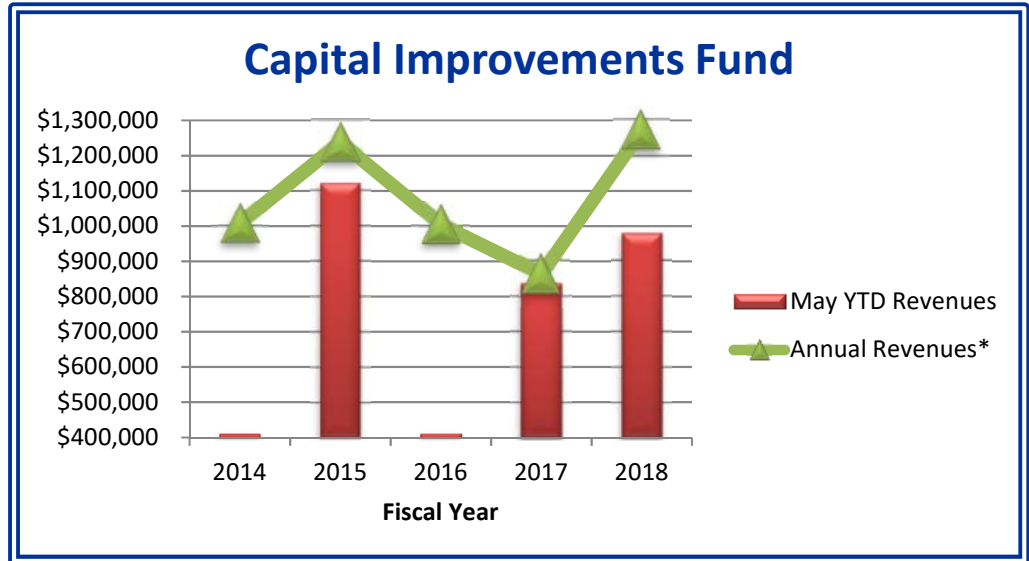
### Total Capital Improvements Fund Rev.

**Under Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 410,067	\$ 1,006,174	41%		
2015	\$ 1,122,352	\$ 1,238,120	91%	174%	23%
2016	\$ 409,829	\$ 1,003,733	41%	-63%	-19%
2017	\$ 838,889	\$ 863,346	97%	105%	-14%
2018	\$ 977,583	\$ 1,271,857	77%	17%	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 delay of a project with significant grant funding, revenues are not expected to be on target for the year.



### Total Art in Public Places Fund Rev.

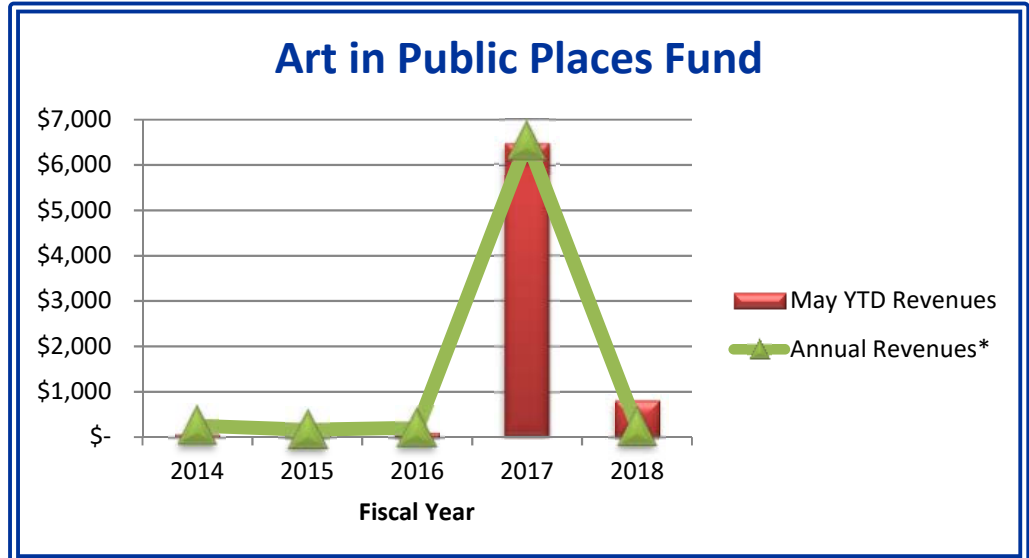
**Exceeds Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 60	\$ 249	24%		
2015	\$ 157	\$ 161	97%	160%	-35%
2016	\$ 113	\$ 204	56%	-28%	27%
2017	\$ 6,484	\$ 6,528	99%	5633%	3106%
2018	\$ 792	\$ 230	344%	-88%	-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.



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

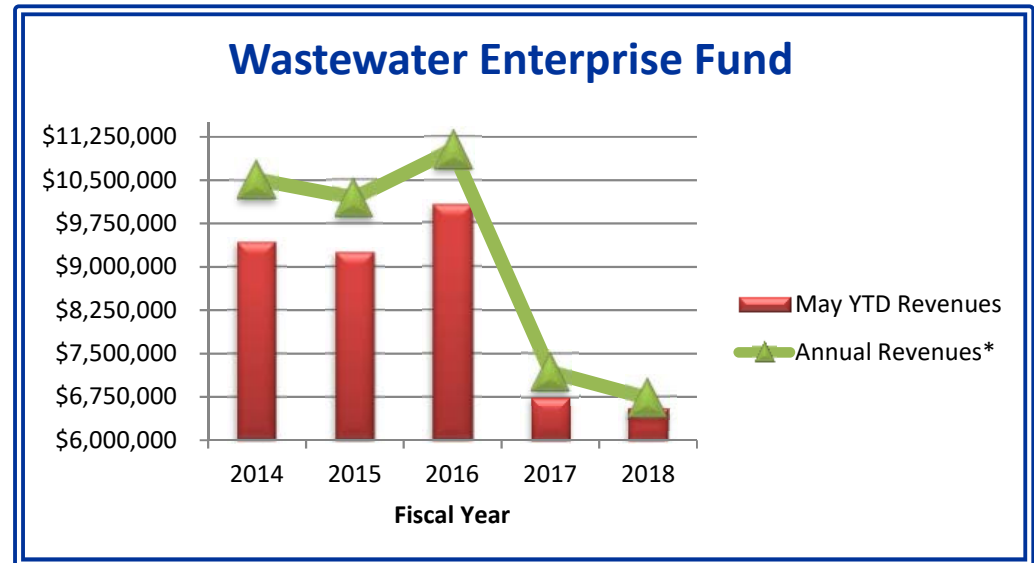
## Total Revenues by Fund

### Total Wastewater Enterprise Fund Rev. Exceeds Target for FY 2018

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 9,430,019	\$ 10,512,709	90%		
2015	\$ 9,249,447	\$ 10,190,631	91%	-2%	-3%
2016	\$ 10,071,661	\$ 11,026,791	91%	9%	8%
2017	\$ 6,754,772	\$ 7,180,562	94%	-33%	-35%
2018	\$ 6,567,549	\$ 6,723,550	98%	-3%	-6%

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

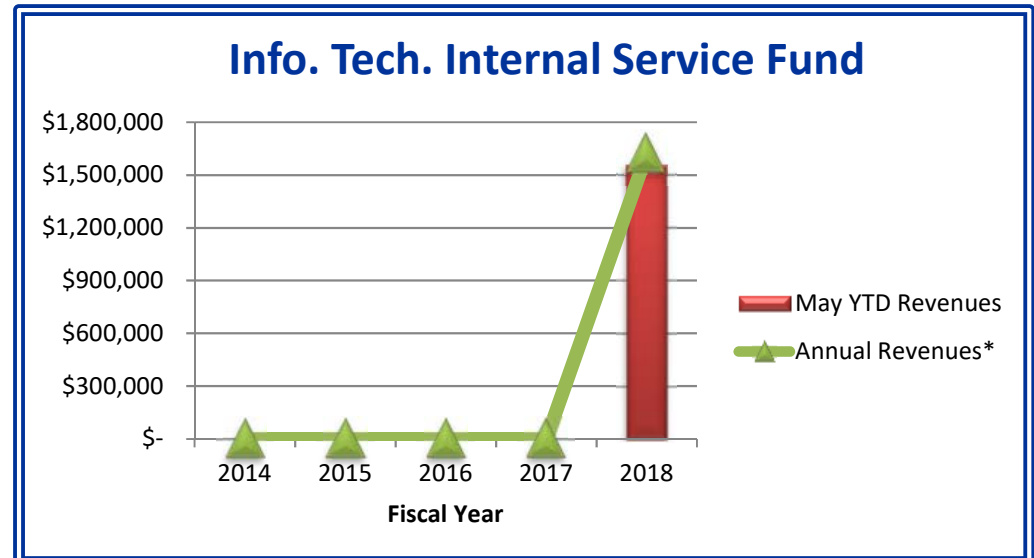
- (1) An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the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



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

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May 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	\$ 1,560,892	\$ 1,622,130	96%	∞	∞

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



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

## Total Revenues by Fund

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

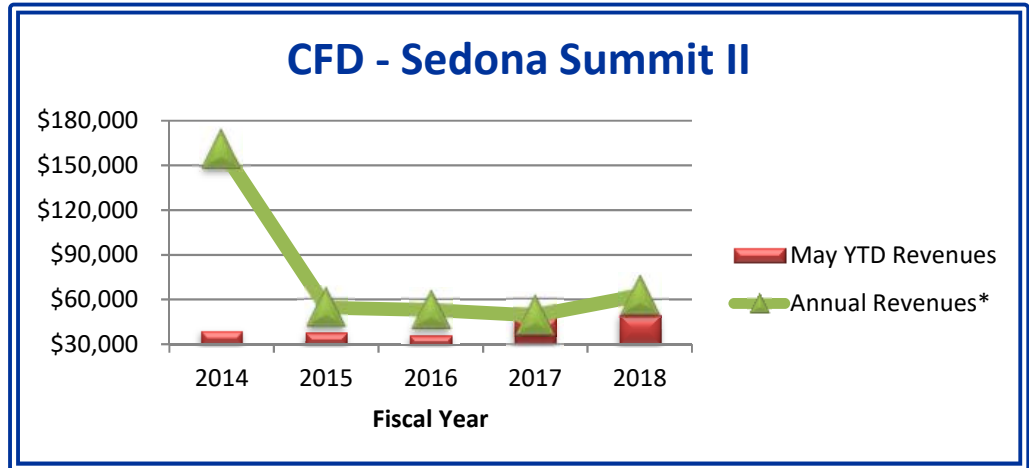
FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 38,977	\$ 160,904	24%		
2015	\$ 38,478	\$ 54,429	71%	-1%	-66%
2016	\$ 36,453	\$ 52,969	69%	-5%	-3%
2017	\$ 48,072	\$ 49,312	97%	32%	-7%
2018	\$ 49,788	\$ 62,600	80%	4%	27%

**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	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 205	\$ 95,839	<1%		
2015	\$ 1,285	\$ 121,137	1%	526%	26%
2016	\$ 121,197	\$ 123,983	98%	9334%	2%
2017	\$ 92,660	\$ 153,156	61%	-24%	24%
2018	\$ 90,767	\$ 125,550	72%	-2%	-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.

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

The increase is due to the timing of in lieu fee payments.

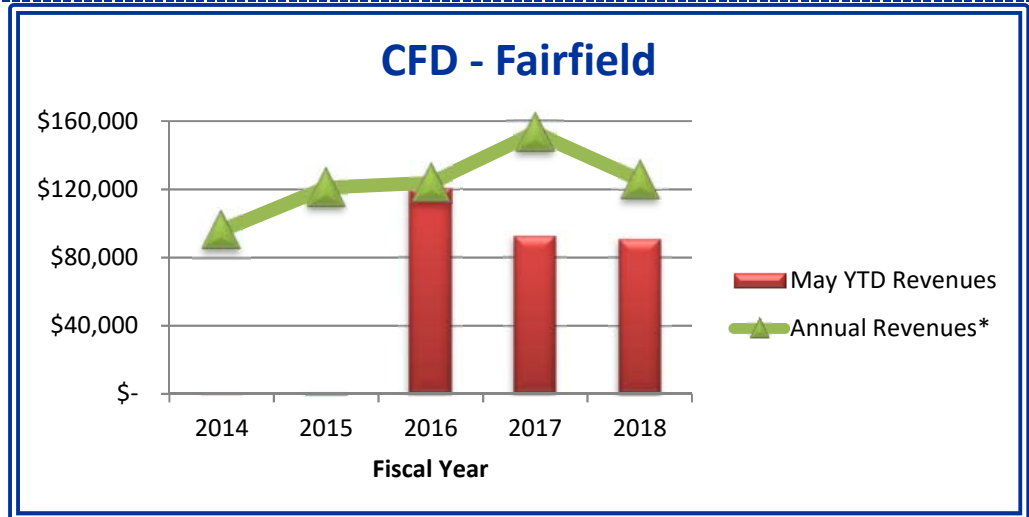
**Annual Increase from FY 2016 to FY 2017:**

The increase is partly due to the timing of in lieu fee payments. 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

### Total Revenues

**Exceeds Target for FY 2018**

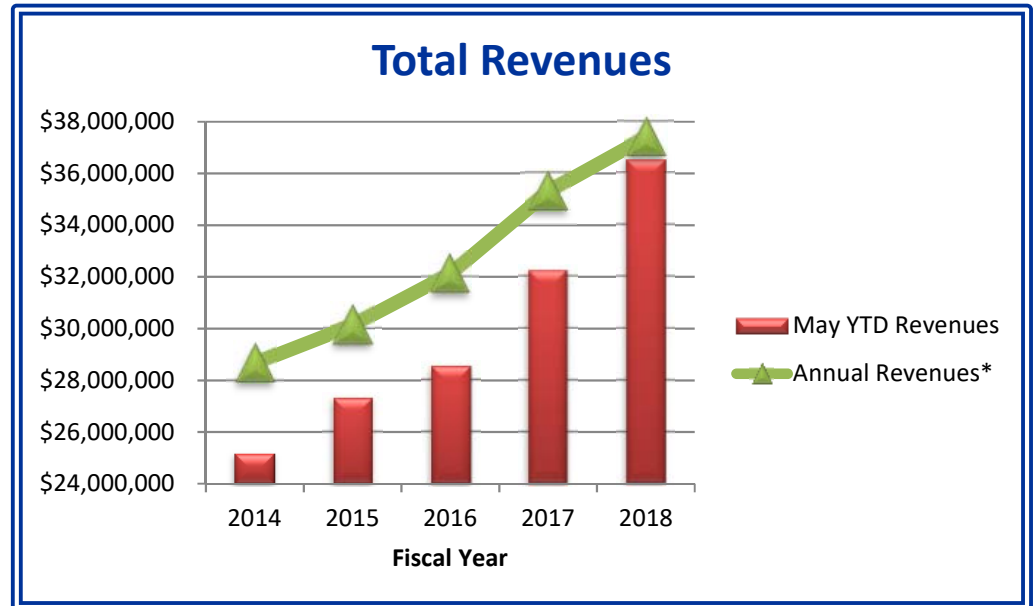
FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 25,183,766	\$ 28,654,980	88%		
2015	\$ 27,338,831	\$ 30,128,970	91%	9%	5%
2016	\$ 28,559,587	\$ 32,113,557	89%	4%	7%
2017	\$ 32,249,490	\$ 35,302,858	91%	13%	10%
2018	\$ 36,581,302	\$ 37,396,527	98%	13%	6%

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

The most significant increases were in the categories of sales tax, bed tax, development impact fees, and capacity fees.

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

The most significant increases were in the categories of sales tax, bed tax, charges for services, and other miscellaneous 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

### City Sales Tax Revenues

On Target for FY 2018

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 11,250,236	\$ 12,593,025	89%		
2015	\$ 12,474,429	\$ 13,613,056	92%	11%	8%
2016	\$ 13,566,459	\$ 14,999,612	90%	9%	10%
2017	\$ 14,728,399	\$ 16,268,459	91%	9%	8%
2018	\$ 16,685,923	\$ 16,673,800	100%	13%	2%

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

The increase was mostly attributable to increases in tourism-related categories.

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

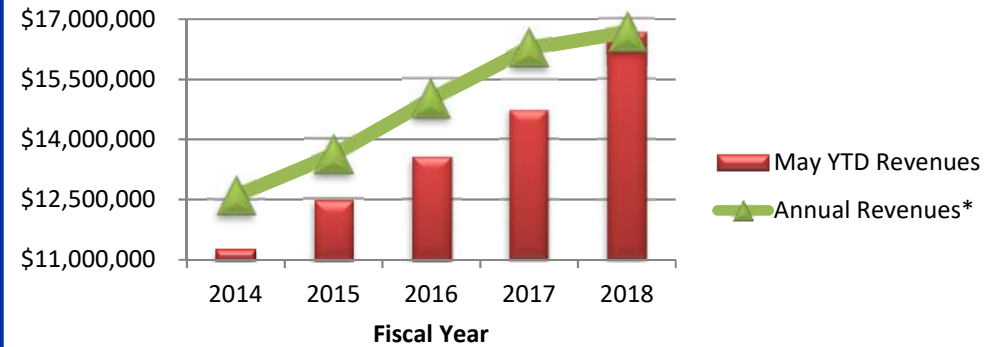
The increase was mostly attributable to increases in the Restaurant & Bar, Hotel/Motel and Retail categories. These are largely impacted by the level of tourism activity.

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

The increase was partly due to the increase in the sales tax rate for transportation projects.

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

### City Sales Taxes



### Bed Tax Revenues

Exceeds Target for FY 2018

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 1,890,427	\$ 2,097,290	90%		
2015	\$ 2,341,987	\$ 2,659,290	88%	24%	27%
2016	\$ 2,725,396	\$ 3,010,334	91%	16%	13%
2017	\$ 3,489,306	\$ 3,811,727	92%	28%	27%
2018	\$ 4,065,570	\$ 3,977,200	102%	17%	4%

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

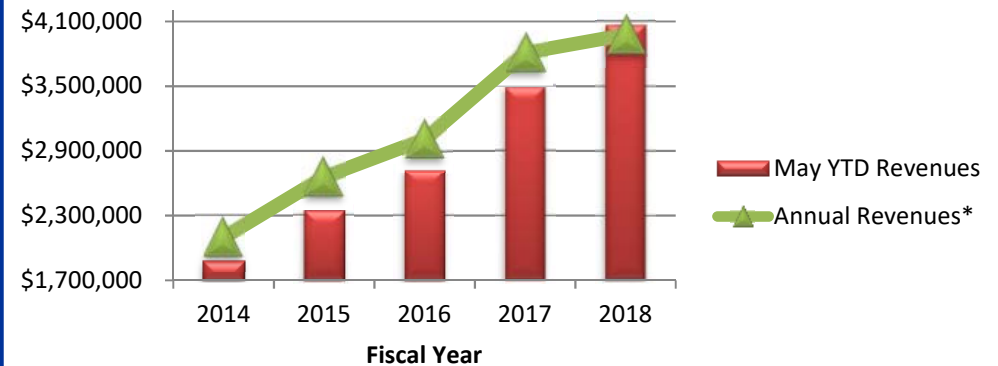
- (1) A portion of the increase represents an increase in late payments (collection of taxes for prior taxing periods) and payments made on time in FY 2017 that were made late in FY 2016.
- (2) A portion of the increase is a result of the change in legislation regarding short-term residential rentals effective January 1, 2017.
- (3) The increase is also a result of the effects of the implementation of the destination marketing program.

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

A portion of the increase represents an increase as a result of the change in legislation regarding short-term residential rentals.

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

### Bed Taxes



\* 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

**Exceeds Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 609,782	\$ 1,160,221	53%		
2015	\$ 482,952	\$ 613,430	79%	-21%	-47%
2016	\$ 533,754	\$ 621,391	86%	11%	1%
2017	\$ 624,907	\$ 686,301	91%	17%	10%
2018	\$ 611,872	\$ 627,600	97%	-2%	-9%

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

The FY 2014 revenues include amounts resulting from an audit.

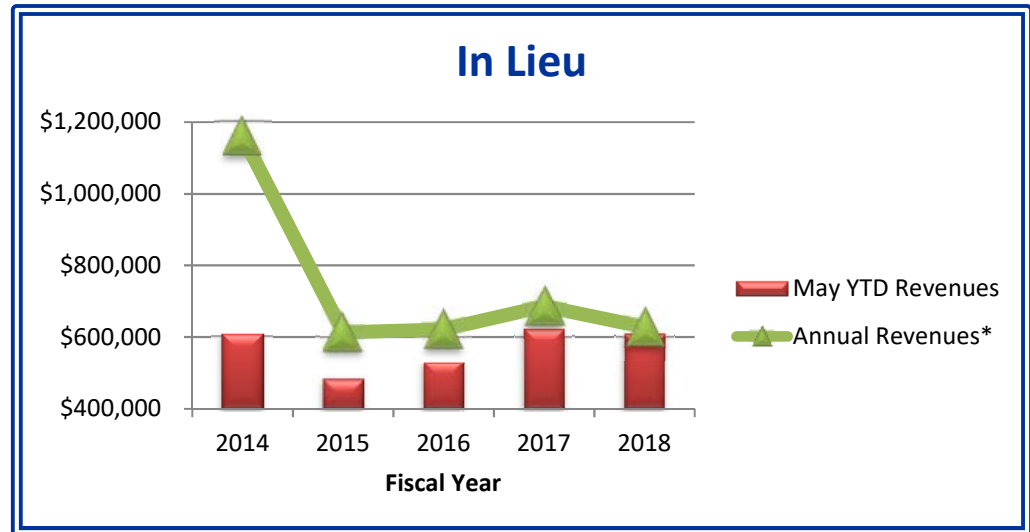
**YTD Increase from FY 2015 to FY 2016:**

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

**YTD and 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.



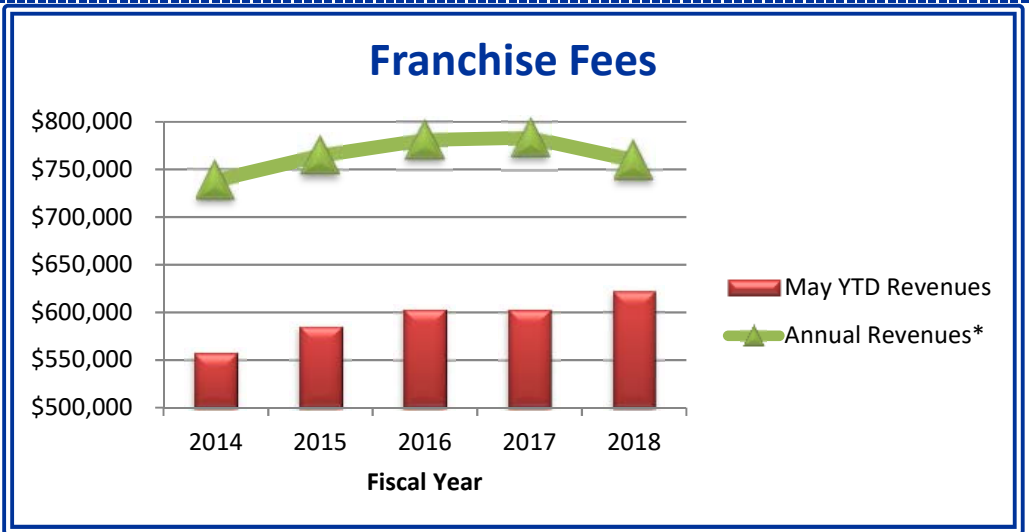
\*\*Revenues are recognized when they are measurable and available. The period of availability is defined as 60 days. These revenues were received after the period of availability.

### Franchise Fee Revenues

**On Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 557,228	\$ 738,631	75%		
2015	\$ 585,066	\$ 764,473	77%	5%	3%
2016	\$ 602,901	\$ 781,223	77%	3%	2%
2017	\$ 602,595	\$ 783,413	77%	<-1%	<-1%
2018	\$ 621,756	\$ 759,400	82%	3%	-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.



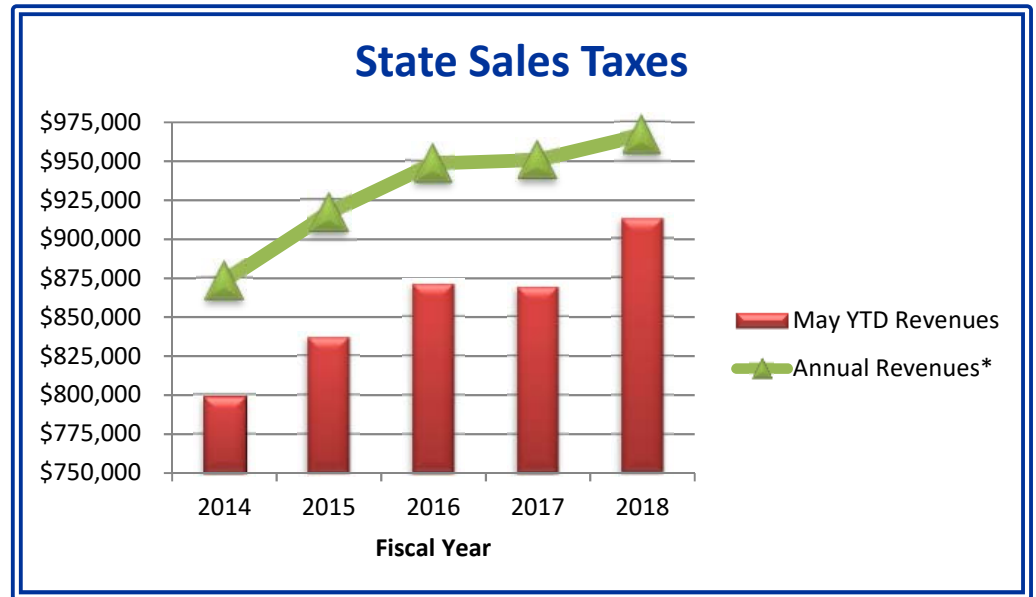
\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### State Sales Tax Revenues

**Exceeds Target for FY 2018**

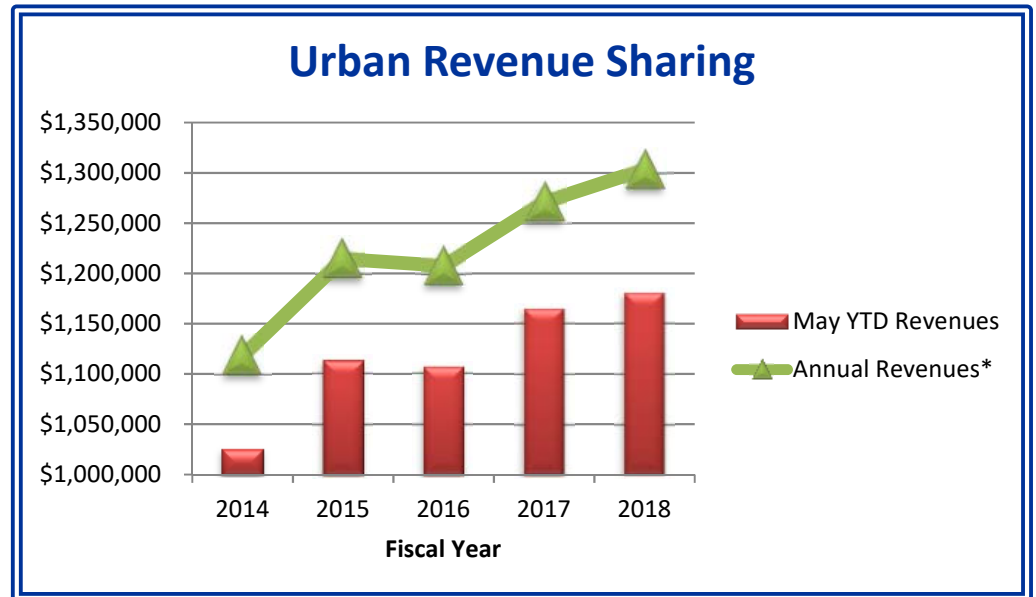
FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 798,992	\$ 873,126	92%		
2015	\$ 836,871	\$ 916,721	91%	5%	5%
2016	\$ 871,048	\$ 948,696	92%	4%	3%
2017	\$ 869,197	\$ 950,879	91%	<-1%	<-1%
2018	\$ 912,947	\$ 966,900	94%	5%	2%



### Urban Revenue Sharing Revenues

**On Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 1,024,855	\$ 1,118,082	92%		
2015	\$ 1,113,122	\$ 1,214,315	92%	9%	9%
2016	\$ 1,107,087	\$ 1,207,731	92%	-1%	-1%
2017	\$ 1,164,989	\$ 1,270,897	92%	5%	5%
2018	\$ 1,180,453	\$ 1,303,500	91%	1%	3%



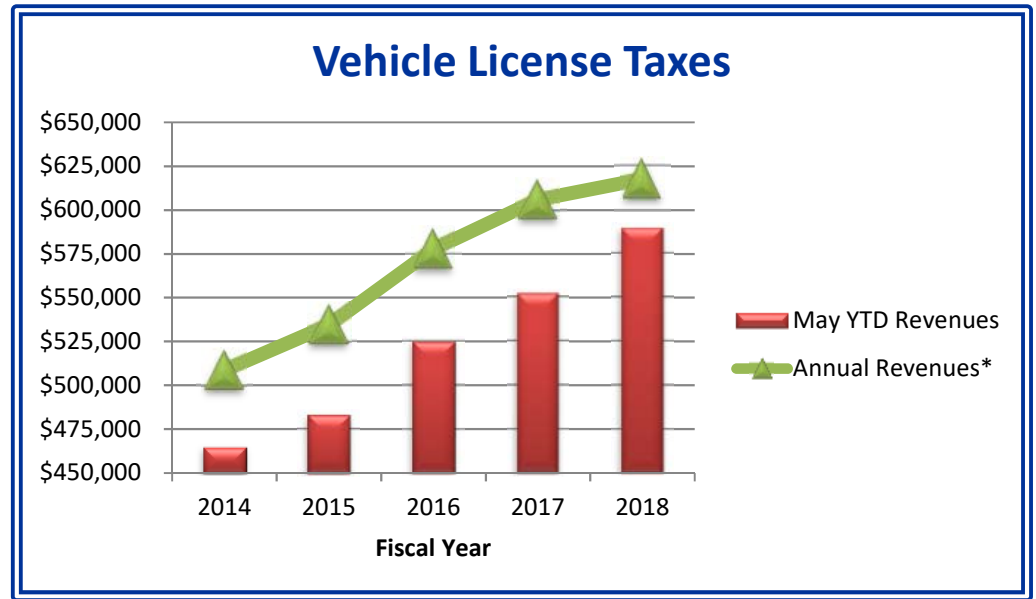
\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### Vehicle License Tax Revenues

**Exceeds Target for FY 2018**

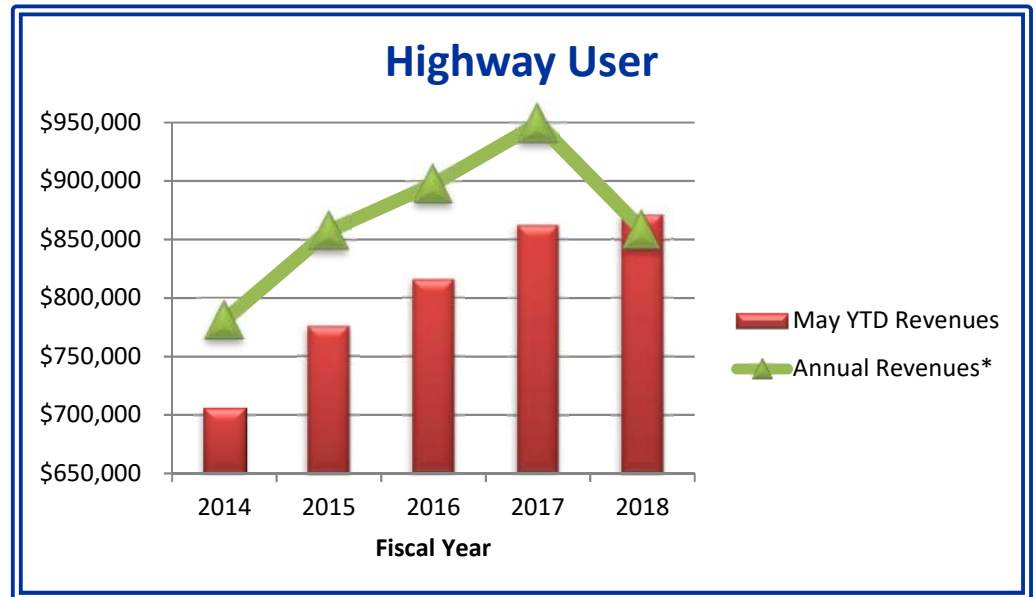
FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 464,789	\$ 508,519	91%		
2015	\$ 483,195	\$ 534,404	90%	4%	5%
2016	\$ 525,255	\$ 577,681	91%	9%	8%
2017	\$ 552,273	\$ 606,030	91%	5%	5%
2018	\$ 589,479	\$ 617,600	95%	7%	2%



### Highway User Revenues

**Exceeds Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 705,844	\$ 780,913	90%		
2015	\$ 775,339	\$ 857,363	90%	10%	10%
2016	\$ 815,484	\$ 897,406	91%	5%	5%
2017	\$ 862,249	\$ 949,028	91%	6%	6%
2018	\$ 871,382	\$ 858,200	102%	1%	-10%



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

The decrease is primarily due to one-time additional State funding in FY 2017 resulting in an extra \$35,631 for Sedona. No one-time funding was budgeted for FY 2018.

**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	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 920,299	\$ 951,316	97%		
2015	\$ 1,311,022	\$ 1,347,854	97%	42%	42%
2016	\$ 506,996	\$ 874,083	58%	-61%	-35%
2017	\$ 860,153	\$ 956,757	90%	70%	9%
2018	\$ 869,616	\$ 1,485,317	59%	1%	55%

#### YTD and 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 and outside participation in capital projects, which is based on the funding awarded and received and timing of capital projects 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.

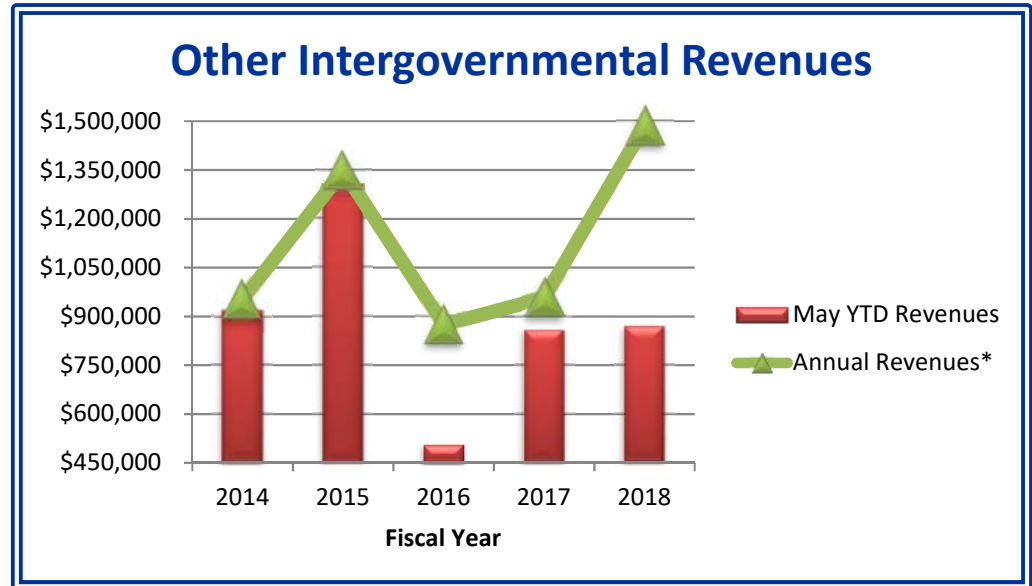
#### YTD Increase from FY 2016 to FY 2017:

The increase is primarily due to grant activity and outside participation in capital projects, which is based on the funding awarded and received and timing of capital projects 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	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 401,441	\$ 434,251	92%		
2015	\$ 445,325	\$ 473,367	94%	11%	9%
2016	\$ 468,741	\$ 496,777	94%	5%	5%
2017	\$ 463,490	\$ 478,016	97%	-1%	-4%
2018	\$ 415,883	\$ 482,450	86%	-10%	1%

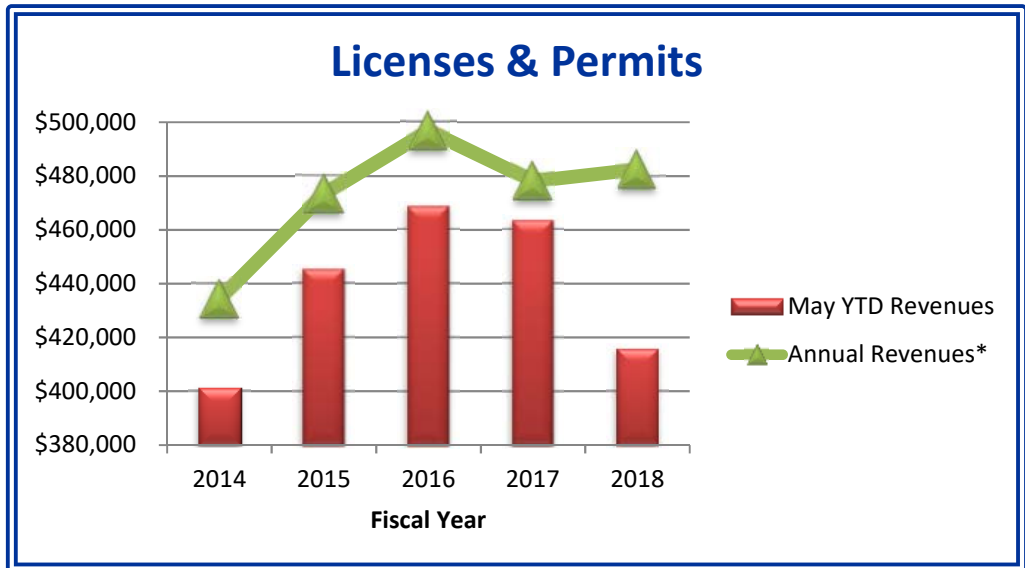
**YTD Increase from FY 2014 to FY 2015:**

The increase was primarily due to a result of increases 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:** Building permit revenues are lower than anticipated. While building permit activity has been high, the revenues are lower due primarily to a decrease in the average permit valuations. Many of the permit fees are assessed based on the estimated valuation of the improvements. Year-to-date revenues are low and may not achieve the target by the end of the fiscal year.



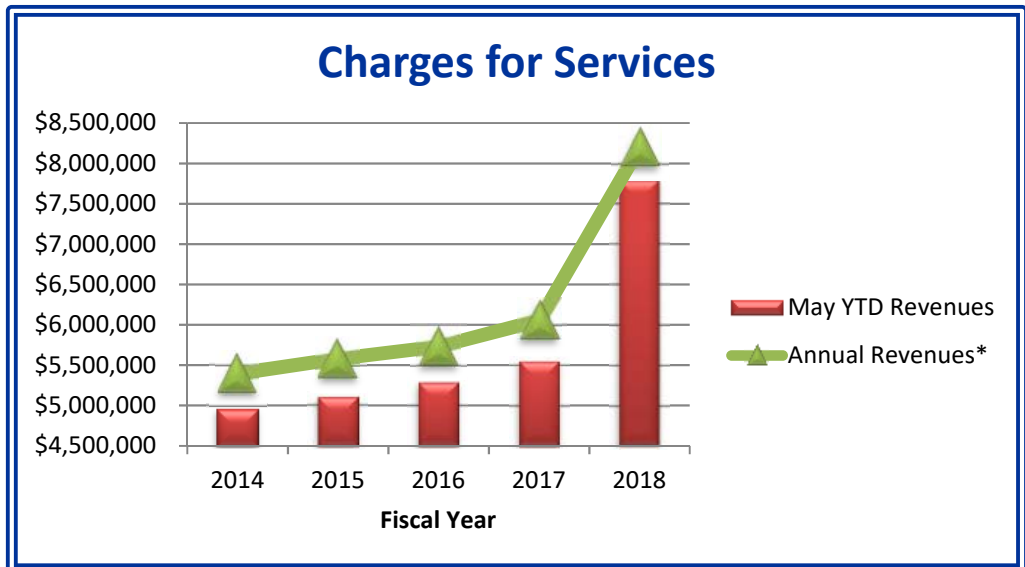
### Charges for Services Revenues

**Exceeds Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 4,952,554	\$ 5,396,208	92%		
2015	\$ 5,104,129	\$ 5,580,031	91%	3%	3%
2016	\$ 5,283,273	\$ 5,729,286	92%	4%	3%
2017	\$ 5,552,388	\$ 6,057,534	92%	5%	6%
2018	\$ 7,788,616	\$ 8,200,780	95%	40%	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	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 232,164	\$ 254,533	91%		
2015	\$ 255,433	\$ 277,682	92%	10%	9%
2016	\$ 238,635	\$ 241,071	99%	-7%	-13%
2017	\$ 154,743	\$ 186,404	83%	-35%	-23%
2018	\$ 293,183	\$ 230,450	127%	89%	24%

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

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

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

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

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

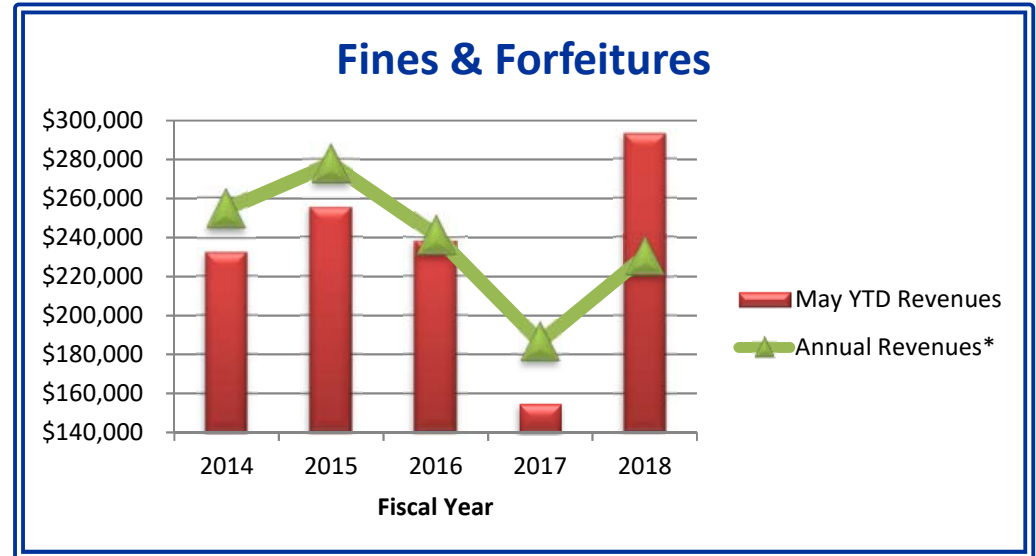
- (1) The decrease was partly due to an decrease in court fines and court enhancement fees collected.
- (2) The decrease was also partly due to a reduction in delinquent wastewater accounts resulting in lower late fees on wastewater billings and a significant write-off of late fees.

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

- (1) The increase was primarily due to an increase in court fines collected, which is partly due to the start of the paid parking program and the related fines.
- (2) The increase was also partly due to a significant write-off of late fees in the prior year.

**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.



\* 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

### Development Impact Fee Revenues

Under Target for FY 2018

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 378,511	\$ 450,798	84%		
2015	\$ 216,039	\$ 216,039	100%	-43%	-52%
2016	\$ 219,389	\$ 231,772	95%	2%	7%
2017	\$ 613,386	\$ 618,740	99%	180%	167%
2018	\$ 165,039	\$ 213,880	77%	-73%	-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.

**Under Target for FY 2018:** Development impact fees are not consistent from month to month or year to year. The revenues are low and may not achieve the target by the end of the fiscal year.

### Capacity Fee Revenues

Under Target for FY 2018

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 395,200	\$ 484,100	82%		
2015	\$ 520,159	\$ 533,054	98%	32%	10%
2016	\$ 497,898	\$ 541,045	92%	-4%	1%
2017	\$ 1,216,685	\$ 1,167,388	104%	144%	116%
2018	\$ 347,510	\$ 403,100	86%	-71%	-65%

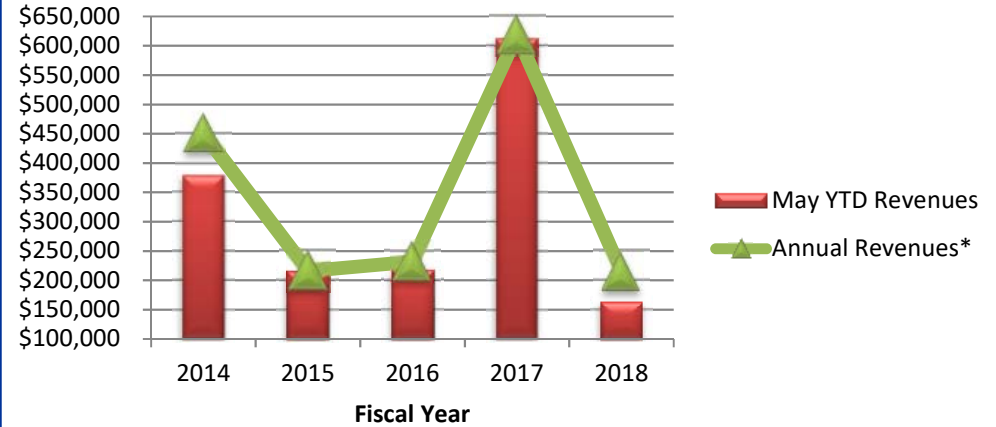
#### YTD and Annual Increase from FY 2016 to FY 2017:

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

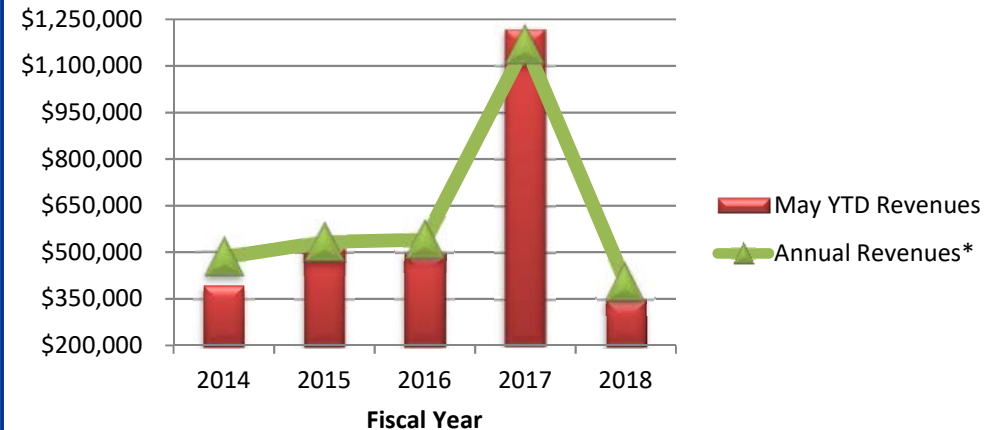
**Other Increases/Decreases:** The activity of the capacity fees is based on development and permitting so revenues will not necessarily be consistent from month to month or year to year. As the City approaches build-out, these revenues are expected to decrease.

**Under Target for FY 2018:** Capacity fees are not consistent from month to month or year to year. The revenues are low, and may not achieve the target by the end of the fiscal year.

### Development Impact Fees



### Capacity Fees



\* 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 Miscellaneous Revenues

**Exceeds Target for FY 2018**

FY	May YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - May YTD	% Increase - Annual
2014	\$ 601,445	\$ 813,968	74%		
2015	\$ 393,763	\$ 527,894	75%	-35%	-35%
2016	\$ 597,272	\$ 955,449	63%	52%	81%
2017	\$ 494,729	\$ 511,285	97%	-17%	-46%
2018	\$ 1,162,072	\$ 596,350	195%	135%	17%

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

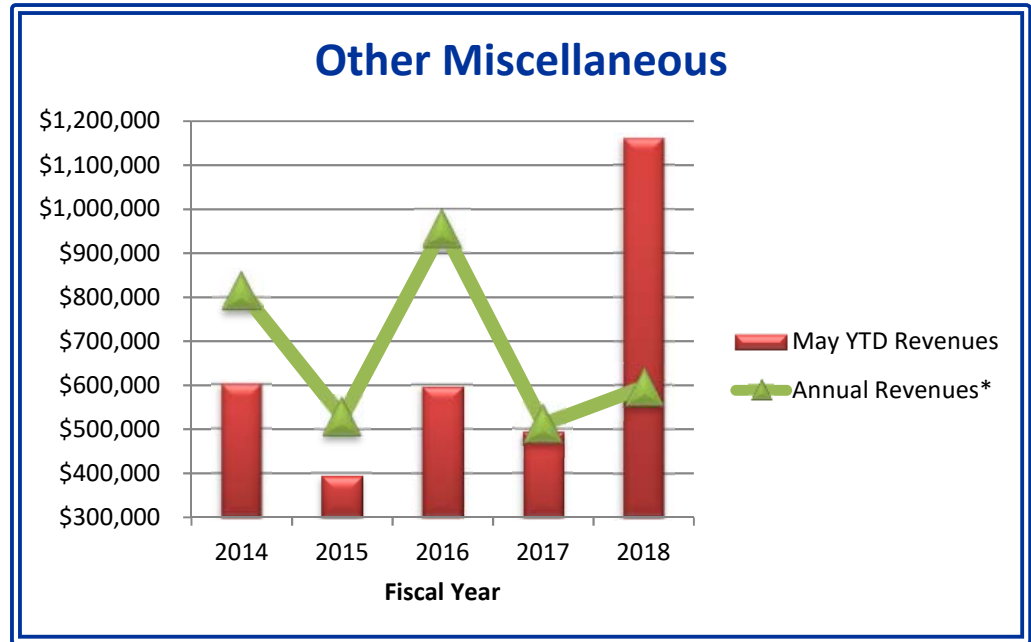
- (1) The decrease was mostly due to losses and a decrease in the interest earnings in LGIP accounts.
- (2) One-time Insurance proceeds were received in FY 2016.
- (3) Outside participation in capital projects is not always consistent from year to year.

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

- (1) The increase was largely due to settlement proceeds from the SunEdison case.
- (2) The increase was also due to an increase in the interest earnings in LGIP accounts and pooled investment accounts.
- (3) The increase was also partly due to insurance proceeds for the City Hall flood damage.

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

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



\* 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
September 2016	457,254	243,153	226,263	87,694	142,268	47,924	67,359	1,271,915
October 2016	479,900	323,127	308,201	128,414	112,971	46,170	77,100	1,475,883
November 2016	428,400	255,333	249,422	107,013	109,048	41,089	74,536	1,264,841
December 2016	478,340	248,702	200,287	125,752	83,646	48,498	50,212	1,235,437
January 2017	399,063	192,950	167,166	69,391	76,745	47,868	29,299	982,482
February 2017	424,734	231,571	219,617	97,099	129,750	47,472	66,300	1,216,543
March 2017	536,155	339,230	413,668	97,051	118,772	42,357	108,063	1,655,296
April 2017	562,753	340,012	405,888	93,263	114,404	45,366	117,773	1,679,459
<b>May 2017</b>	<b>466,377</b>	<b>320,472</b>	<b>331,336</b>	<b>105,193</b>	<b>131,572</b>	<b>43,712</b>	<b>88,615</b>	<b>1,487,277</b>
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
September 2017	466,648	283,825	277,177	88,527	115,180	51,827	77,409	1,360,593
October 2017	502,962	365,374	411,819	86,727	110,624	45,942	97,309	1,620,757
November 2017	485,821	268,925	307,229	198,990	104,083	43,974	64,851	1,473,873
December 2017	498,310	288,611	258,125	73,559	135,942	43,195	63,478	1,361,220
January 2018	396,894	212,332	205,778	71,552	106,778	31,446	47,306	1,072,086
February 2018	471,067	283,432	315,588	76,304	100,448	44,581	57,517	1,348,937
March 2018	660,730	436,101	522,441	87,237	114,337	62,564	145,287	2,028,697
April 2018	643,010	455,800	502,582	120,470	131,121	32,883	128,821	2,014,687
<b>May 2018</b>	<b>614,778</b>	<b>399,324</b>	<b>436,983</b>	<b>146,778</b>	<b>134,919</b>	<b>58,114</b>	<b>111,127</b>	<b>1,902,023</b>
June 2018	-	-	-	-	-	-	-	-
<b>Total Year-to-Date FY 2018</b>	<b>\$ 5,588,638</b>	<b>\$ 3,514,049</b>	<b>\$ 3,694,052</b>	<b>\$ 1,172,652</b>	<b>\$ 1,264,345</b>	<b>\$ 520,448</b>	<b>\$ 931,740</b>	<b>\$ 16,685,924</b>

### Current Month Comparison to Same Month Last Year

<b>May 2017 vs. May 2018</b>	<b>\$ 148,401</b>	<b>\$ 78,852</b>	<b>\$ 105,647</b>	<b>\$ 41,585</b>	<b>\$ 3,347</b>	<b>\$ 14,402</b>	<b>\$ 22,512</b>	<b>\$ 414,746</b>
<b>Change from May to May</b>	<b>32%</b>	<b>25%</b>	<b>32%</b>	<b>40%</b>	<b>3%</b>	<b>33%</b>	<b>25%</b>	<b>28%</b>

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

<b>Difference in YTD</b>	<b>\$ 516,237</b>	<b>\$ 514,870</b>	<b>\$ 753,485</b>	<b>\$ 4,268</b>	<b>\$ 72,334</b>	<b>\$ 3,301</b>	<b>\$ 93,029</b>	<b>\$ 1,957,524</b>
<b>% Change from Prior YTD</b>	<b>10%</b>	<b>17%</b>	<b>26%</b>	<b>0%</b>	<b>6%</b>	<b>1%</b>	<b>11%</b>	<b>13%</b>

## Sales & Bed Tax Revenues by Month

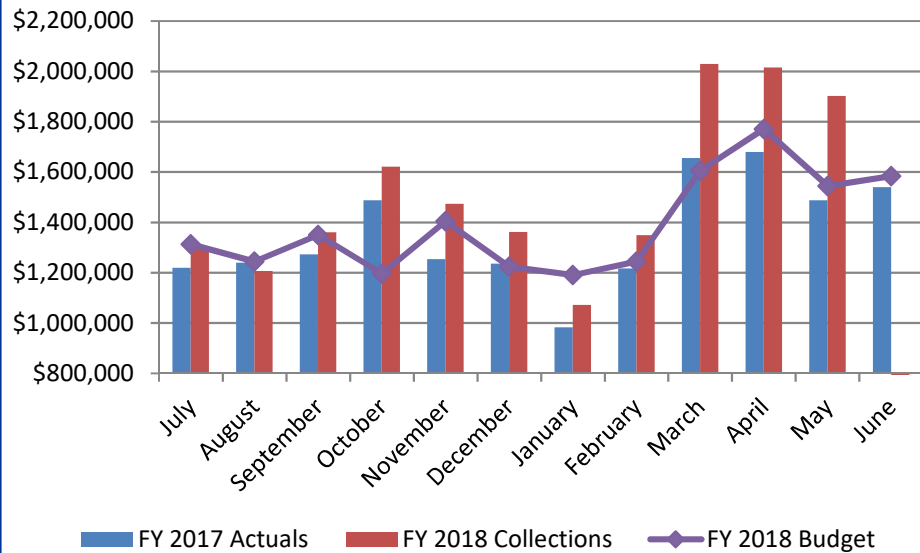
### City Sales Tax Revenues

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	1,620,757	9%	1,196,380	35%
November	1,253,394	1,473,873	18%	1,404,260	5%
December	1,235,437	1,361,221	10%	1,224,380	11%
January	982,482	1,072,086	9%	1,190,810	-10%
February	1,216,544	1,348,938	11%	1,244,320	8%
March	1,655,296	2,028,697	23%	1,605,650	26%
April	1,679,459	2,014,685	20%	1,771,350	14%
May	1,487,276	1,902,023	28%	1,544,940	23%
June	1,540,059	-	-	1,584,030	-
<b>Totals</b>	<b>\$ 16,268,459</b>	<b>\$ 16,685,923</b>	<b>13%</b>	<b>\$ 16,673,800</b>	<b>11%</b>

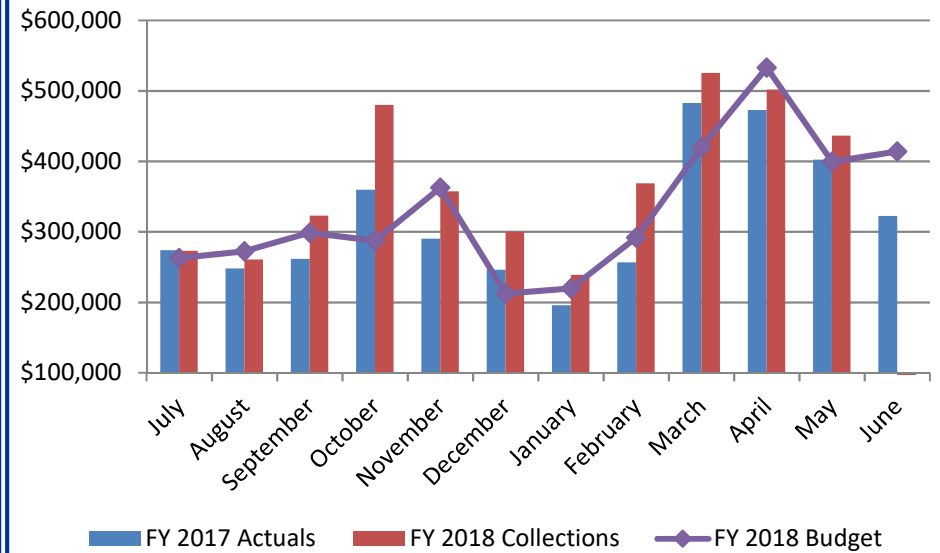
### Bed Tax Revenues

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	480,203	33%	287,640	67%
November	290,342	357,617	23%	362,650	-1%
December	246,245	300,077	22%	212,680	41%
January	195,588	238,911	22%	219,740	9%
February	256,512	368,899	44%	292,050	26%
March	482,880	525,190	9%	420,260	25%
April	472,559	501,573	6%	533,190	-6%
May	402,312	436,389	8%	399,850	9%
June	322,421	-	-	414,320	-
<b>Totals</b>	<b>\$ 3,811,727</b>	<b>\$ 4,065,570</b>	<b>17%</b>	<b>\$ 3,977,200</b>	<b>14%</b>

### City Sales Tax Revenues



### Bed Tax Revenues



General Fund Summary							
	FY 2018 Budget	FY 2018 YTD Actuals	Encumbrances	FY 2018 YTD Including Encumbrances	% of Budget	FY 2017 YTD Actuals	Actual Variance
<b>Revenues</b>							
<u>Taxes:</u>							
City Sales Taxes	\$ 16,673,800	\$ 15,871,318		\$ 15,871,318	95%	\$ 14,728,399	8%
Bed Taxes	3,977,200	4,065,570		4,065,570	102%	3,489,306	17%
Contingent Bed Taxes	550,000	-		-	0%	-	N/A
Franchise Fees	759,400	621,756		621,756	82%	602,595	3%
<u>State Shared Revenues:</u>							
State Shared Sales Taxes	966,900	912,947		912,947	94%	869,197	5%
Urban Revenue Sharing	1,303,500	1,180,453		1,180,453	91%	1,164,989	1%
Vehicle License Taxes	617,600	589,479		589,479	95%	552,273	7%
<u>Other Intergovernmental:</u>							
Grants	23,560	33,675		33,675	143%	2,229	1411%
Other	2,500	8,655		8,655	346%	8,184	6%
In Lieu Fees	445,400	474,385		474,385	107%	461,403	3%
Licenses & Permits	482,450	415,883		415,883	86%	463,490	-10%
Charges for Services	408,950	629,898		629,898	154%	116,732	440%
Fines & Forfeitures	141,900	216,554		216,554	153%	116,653	86%
<u>Other Revenues:</u>							
Interest Earnings	60,250	132,503		132,503	220%	93,322	42%
Donations & Contributions	-	-		-	N/A	1,404	-100%
Rental Income	40,100	36,504		36,504	91%	35,158	4%
Miscellaneous	20,650	65,056		65,056	315%	59,841	9%
<b>Total Revenues</b>	<b>\$ 26,474,160</b>	<b>\$ 25,254,636</b>		<b>\$ 25,254,636</b>	<b>95%</b>	<b>\$ 22,765,176</b>	<b>11%</b>
<b>Expenditures</b>							
<u>General Government:</u>							
City Council	\$ 77,775	\$ 57,747	\$ -	\$ 57,747	74%	\$ 54,021	7%
City Manager's Office	826,288	632,031	-	632,031	76%	499,528	27%
Human Resources	316,775	225,477	-	225,477	71%	207,624	9%
Financial Services	961,155	754,674	15,000	769,674	80%	421,982	79%
Information Technology	-	-	-	-	N/A	891,374	-100%
City Attorney's Office	631,360	472,682	-	472,682	75%	412,283	15%
City Clerk's Office	261,572	216,518	-	216,518	83%	223,325	-3%
General Services	982,161	767,088	-	767,088	78%	488,888	57%
Community Development	977,635	671,344	19,244	690,588	71%	650,815	3%
Public Works	644,877	539,769	7,417	547,187	85%	452,457	19%
Municipal Court	361,370	311,433	-	311,433	86%	267,518	16%
<u>Public Safety:</u>							
General Services	54,395	54,208	-	54,208	100%	52,991	2%
Community Development	669,395	519,703	31,374	551,077	82%	435,537	19%
Police	4,690,904	3,978,102	16,423	3,994,525	85%	3,477,998	14%
<u>Public Works &amp; Streets:</u>							
Public Works	2,258,741	1,675,389	124,611	1,800,000	80%	1,614,346	4%
<u>Culture &amp; Recreation:</u>							
City Manager's Office	86,530	72,783	-	72,783	84%	63,895	14%
Parks & Recreation	651,474	494,571	-	494,571	76%	452,298	9%
General Services	427,780	457,279	-	457,279	107%	456,604	<1%
Community Development	60,920	45,542	-	45,542	75%	37,085	23%
Public Works	654,765	565,983	-	565,983	86%	432,906	31%
<u>Economic Development:</u>							
City Manager's Office	2,176,400	2,164,478	-	2,164,478	99%	145,565	1387%
General Services	-	-	-	-	N/A	1,720,000	-100%
Economic Development:	184,970	148,901	-	148,901	81%	-	∞
<u>Health &amp; Welfare:</u>							
General Services	251,998	251,997	-	251,997	100%	236,997	6%
<u>Public Transportation:</u>							
General Services	187,500	115,662	-	115,662	62%	83,264	39%
Debt Service	1,443,794	1,323,624	-	1,323,624	92%	628,838	110%
Indirect Cost Allocations	456,910	500,492	-	500,492	110%	-	∞
Contingencies	801,543	-	-	-	0%	-	N/A
<b>Total Expenditures</b>	<b>\$ 21,098,987</b>	<b>\$ 17,017,480</b>	<b>\$ 214,070</b>	<b>\$ 17,231,550</b>	<b>82%</b>	<b>\$ 14,408,136</b>	<b>18%</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)	(3,981,493)		(3,981,493)	96%	(3,682,354)	<-1%
Transfers to Streets Fund	(35,389)	(32,440)		(32,440)	92%	(321,750)	90%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (5,290,789)</b>	<b>\$ (4,013,933)</b>		<b>\$ (4,013,933)</b>	<b>76%</b>	<b>\$ (4,004,104)</b>	<b>&lt;-1%</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, May 31:</u>							
Operating Reserve	\$ 9,385,701	\$ 5,467,668		\$ 5,467,668	58%	\$ 8,580,349	-36%
Debt Service Reserve	800,000	800,000		800,000	100%	1,300,000	-38%
Equipment Replacement Reserve	238,050	238,050		238,050	100%	-	∞
Budget Carryovers Reserve	-	468,400		468,400	∞	718,050	-35%
Unrestricted Fund Balance	(1,005)	7,774,103		7,774,103	<1%	3,037,675	156%
<b>Total Ending Fund Balance, May 31</b>	<b>\$ 10,422,746</b>	<b>\$ 14,748,221</b>		<b>\$ 14,534,151</b>	<b>139%</b>	<b>\$ 13,636,074</b>	<b>8%</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	\$ 5,597,215		\$ 5,597,215	91%	\$ 5,434,389	3%
Capacity Fees	403,100	347,510		347,510	86%	1,216,685	-71%
Fines & Forfeitures	75,750	52,988		52,988	70%	24,879	113%
<u>Other Revenues:</u>							
Interest Earnings	78,700	184,636		184,636	235%	75,327	145%
Miscellaneous	1,800	385,200		385,200	21400%	3,491	10933%
<b>Total Revenues</b>	<b>\$ 6,723,550</b>	<b>\$ 6,567,549</b>		<b>\$ 6,567,549</b>	<b>98%</b>	<b>\$ 6,754,772</b>	<b>-3%</b>
<b>Expenditures</b>							
<u>Wastewater Administration:</u>							
Salaries & Benefits	\$ 178,300	\$ 102,291	\$ -	\$ 102,291	57%	\$ 128,253	-20%
Other Expenditures	129,969	89,111	-	89,111	69%	165,830	-46%
<u>Wastewater Operations:</u>							
Salaries & Benefits	810,310	721,808	-	721,808	89%	640,938	13%
Utilities	626,700	544,135	-	544,135	87%	520,636	5%
Maintenance	603,905	303,051	127,447	430,498	71%	360,290	-16%
Other Expenditures	1,012,902	497,042	247,890	744,931	74%	350,278	42%
<u>Wastewater Capital Projects:</u>							
Salaries & Benefits	109,560	76,375	-	76,375	70%	137,025	-44%
Other Expenditures	1,890	382	-	382	20%	115,537	-100%
Capital Improvement Projects	5,077,050	470,193	1,648,420	2,118,613	42%	1,825,632	-74%
<u>Indirect Cost/Departmental Allocations:</u>							
City Manager's Office	68,080	55,471	-	55,471	81%	41,900	32%
Human Resources	51,140	38,159	-	38,159	75%	16,917	126%
Financial Services	560,060	428,957	-	428,957	77%	309,573	39%
Information Technology	217,390	171,798	10,447	182,245	84%	72,948	136%
City Attorney's Office	107,340	65,190	-	65,190	61%	18,566	251%
City Clerk's Office	5,650	4,584	-	4,584	81%	10,924	-58%
General Services	71,020	65,986	-	65,986	93%	-	∞
Public Works	313,990	249,703	-	249,703	80%	158,711	57%
Debt Service	4,409,735	4,042,679	-	4,042,679	92%	4,716,385	-14%
Vacancy Savings Estimate	(25,000)	-	-	-	0%	-	N/A
Contingencies*	-	-	-	-	N/A	-	N/A
<b>Total Expenditures</b>	<b>\$ 14,329,991</b>	<b>\$ 7,926,915</b>	<b>\$ 2,034,203</b>	<b>\$ 9,961,119</b>	<b>70%</b>	<b>\$ 9,590,343</b>	<b>-17%</b>
<b>Other Financing Sources (Uses)</b>							
Transfers from General Fund	\$ 4,165,900	\$ 3,981,493		\$ 3,981,493	96%	\$ 3,682,354	8%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 4,165,900</b>	<b>\$ 3,981,493</b>		<b>\$ 3,981,493</b>	<b>96%</b>	<b>\$ 3,682,354</b>	<b>8%</b>
<b>Fund Balances</b>							
Beginning Fund Balance, July 1, as restated	\$ 14,792,117	\$ 14,203,882		\$ 14,203,882	96%	\$ 13,597,903	4%
<u>Ending Fund Balance, May 31:</u>							
Operating Reserve	\$ 1,634,102	\$ 1,668,835		\$ 1,668,835	102%	\$ 1,593,212	5%
Debt Service Reserve	4,604,309	4,037,480		4,037,480	88%	4,581,690	-12%
Equipment Replacement Reserve	116,100	116,100		116,100	100%	-	∞
Capital Improvements Reserve	-	4,467,484		4,467,484	∞	-	∞
Budget Carryovers Reserve	-	110,930		110,930	∞	38,000	192%
Unrestricted Fund Balance	5,113,165	6,425,179		9,085,490	178%	8,269,782	-22%
<b>Total Ending Fund Balance, May 31</b>	<b>\$ 11,351,576</b>	<b>\$ 16,826,008</b>		<b>\$ 14,791,805</b>	<b>130%</b>	<b>\$ 14,444,685</b>	<b>16%</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, May 31, 2018
General Fund	\$ 10,524,998	\$ 25,254,636	\$ 21,098,987	\$ 17,017,480	\$ 214,070	\$ 17,231,550	82%	\$ (4,013,933)	\$ 14,748,221
<b>Special Revenue Funds</b>									
Streets Fund	\$ 735,102	\$ 879,534	\$ 1,203,490	\$ 421,226	\$ 761,692	\$ 1,182,918	98%	\$ 32,440	\$ 1,225,851
Grants, Donations & Other Funds	\$ 620,250	\$ 152,227	\$ 641,350	\$ 181,170	\$ 15,582	\$ 196,753	31%	\$ -	\$ 591,307
Transportation Sales Tax Fund	\$ -	\$ 815,891	\$ -	\$ 56	\$ -	\$ 56	∞	\$ -	\$ 815,835
<b>Capital Projects Funds</b>									
Development Impact Fees Funds	\$ 2,538,340	\$ 231,643	\$ 1,668,092	\$ 278,425	\$ 30,290	\$ 308,715	19%	\$ -	\$ 2,491,558
Capital Improvements Fund	\$ 12,717,881	\$ 977,583	\$ 7,246,393	\$ 3,309,881	\$ 1,274,158	\$ 4,584,040	63%	\$ (5,419)	\$ 10,380,164
Art in Public Places Fund	\$ 84,493	\$ 792	\$ -	\$ -	\$ -	\$ -	N/A	\$ 5,419	\$ 90,704
Wastewater Enterprise Fund	\$ 14,203,882	\$ 6,567,549	\$ 14,329,991	\$ 7,926,915	\$ 2,034,203	\$ 9,961,119	70%	\$ 3,981,493	\$ 16,826,008
Information Technology Internal Service Fund	\$ -	\$ 1,560,892	\$ 1,777,935	\$ 1,304,336	\$ 12,546	\$ 1,316,882	74%	\$ -	\$ 256,556
<b>Total All City Funds</b>	<b>\$ 41,424,946</b>	<b>\$ 36,440,747</b>	<b>\$ 47,966,238</b>	<b>\$ 30,439,490</b>	<b>\$ 4,342,542</b>	<b>\$ 34,782,032</b>	<b>73%</b>	<b>\$ -</b>	<b>\$ 47,426,203</b>
<b>Community Facilities Districts</b>									
Sedona Summit II	\$ 243,559	\$ 49,788	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ 293,346
Fairfield	\$ 697	\$ 90,767	\$ 120,175	\$ 58,326	\$ 22,427	\$ 80,754	67%	\$ -	\$ 33,138

### Debt 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	\$ 60,397	\$ 1,520,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,460,000	\$ 60,397	\$ 1,520,397
Series 2012	7/1/2025-2026	4.5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,395,000	\$ 3,026,363	\$ 11,421,363	\$ 8,395,000	\$ 3,026,363	\$ 11,421,363
Series 2014	7/1/2018-2019	0.66%	\$ 761,530	\$ 5,103	\$ 766,633	\$ 43,470	\$ 127	\$ 43,597	\$ -	\$ -	\$ -	\$ 805,000	\$ 5,231	\$ 810,231
Series 2015	7/1/2018-2019	1.3%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,920,000	\$ 103,480	\$ 8,023,480	\$ 7,920,000	\$ 103,480	\$ 8,023,480
Second Series 2015	7/1/2018-2027	1.94%	\$ 7,760,000	\$ 896,959	\$ 8,656,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,760,000	\$ 896,959	\$ 8,656,959
<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	1/31/2019-2020	4.75%	\$ 218,919	\$ 15,719	\$ 234,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 218,919	\$ 15,719	\$ 234,638
Ford Motor Credit	10/14/2018-2020	5.20%	\$ 196,194	\$ 20,749	\$ 216,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,194	\$ 20,749	\$ 216,943
<b>Installment Purchase Agreements</b>														
Christmas Light Decorators**	9/30/2018	0.00%	\$ 11,465	\$ -	\$ 11,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,465	\$ -	\$ 11,465
<b>Grand Totals</b>			<b>\$ 10,408,108</b>	<b>\$ 998,928</b>	<b>\$ 11,407,035</b>	<b>\$ 43,470</b>	<b>\$ 127</b>	<b>\$ 43,597</b>	<b>\$ 22,620,000</b>	<b>\$ 18,374,843</b>	<b>\$ 40,994,843</b>	<b>\$ 33,071,578</b>	<b>\$ 19,373,897</b>	<b>\$ 52,445,475</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.

\*\*The installment purchase agreement with Christmas Light Decorators was a 3-year agreement with no stated interest rate. The final annual payment will be made in FY 2018-19.



**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	\$ 139,666	82%	\$ 120,175	\$ 58,326	49%
	<b>Project Total</b>	<b>\$ 261,600</b>	<b>\$ 224,880</b>	<b>86%</b>	<b>\$ 120,175</b>	<b>\$ 58,326</b>	<b>49%</b>
<b>Municipal Court</b>							
New Courtroom	Court Restricted Revenues	\$ 172,500	\$ 9,425	5%	\$ 172,500	\$ 9,425	5%
	Capital Reserves	\$ 100,000	\$ 13,070	13%	\$ 100,000	\$ 13,070	13%
	<b>Project Total</b>	<b>\$ 272,500</b>	<b>\$ 22,495</b>	<b>8%</b>	<b>\$ 272,500</b>	<b>\$ 22,495</b>	<b>8%</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	\$ 278,197	95%	\$ 260,000	\$ 242,815	93%
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	\$ 445,457	81%	\$ 551,464	\$ 445,457	81%
Shooting Range Improvements	RICO Monies	\$ 66,389	\$ 41,388	62%	\$ 25,000	\$ -	0%
	Development Impact Fees	\$ 95,000	\$ 95,000	100%	\$ -	\$ -	N/A
	Capital Reserves	\$ 586,439	\$ 351,280	60%	\$ 237,500	\$ 4,791	2%
	<b>Project Total</b>	<b>\$ 747,828</b>	<b>\$ 487,668</b>	<b>65%</b>	<b>\$ 262,500</b>	<b>\$ 4,791</b>	<b>2%</b>
Renovation of Current Police Facility	Capital Reserves	\$ 450,000	\$ 159,140	35%	\$ 150,000	\$ 999	1%
	RICO Monies	\$ 8,000	\$ 6,199	77%	\$ -	\$ -	N/A
	<b>Project Total</b>	<b>\$ 458,000</b>	<b>\$ 165,339</b>	<b>36%</b>	<b>\$ 150,000</b>	<b>\$ 999</b>	<b>1%</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	\$ 507,565	51%	\$ 970,000	\$ 477,565	49%
	Yavapai County Flood Control	\$ 325,000	\$ 325,000	100%	\$ 325,000	\$ 325,000	100%
	<b>Project Total</b>	<b>\$ 1,325,000</b>	<b>\$ 832,565</b>	<b>63%</b>	<b>\$ 1,295,000</b>	<b>\$ 802,565</b>	<b>62%</b>
Brewer Road/Tlaquepaque Drainage Improvements	Coconino County Flood Control	\$ 2,760,446	\$ 3,028,811	110%	\$ 1,128,805	\$ 981,366	87%
	Outside Participation	\$ 823,450	\$ 540,103	66%	\$ 250,000	\$ 250,000	100%
	Development Impact Fees	\$ 11,100	\$ 11,078	100%	\$ 11,100	\$ 11,078	100%
	<b>Project Total</b>	<b>\$ 3,594,996</b>	<b>\$ 3,579,992</b>	<b>100%</b>	<b>\$ 1,389,905</b>	<b>\$ 1,242,444</b>	<b>89%</b>
Brewer Road Crossing Improvements	Coconino County Flood Control	\$ 991,850	\$ 768,365	77%	\$ 896,900	\$ 684,540	76%
Juniper Hills Area Improvements	Coconino County Flood Control	\$ 701,000	\$ 60,662	9%	\$ 100,000	\$ 60,662	61%
Storm Drainage Easement Acquisition	Development Impact Fees	\$ 61,400	\$ 45,260	74%	\$ 38,900	\$ 8,185	21%
<b>Streets &amp; Transportation</b>							
Neighborhood Connections - Tlaquepaque/Ranger/Brewer	Capital Reserves	\$ 715,000	\$ 17,162	2%	\$ 715,000	\$ 17,162	2%
Signal Crossing - SR89A/Arroyo Roble Rd	Capital Reserves	\$ 139,850	\$ -	0%	\$ 139,850	\$ -	0%
Uptown/SR179 Street Improvements	Capital Reserves	\$ 3,512,000	\$ 224	0%	\$ 632,000	\$ 224	<1%
Intelligent Transportation System	Capital Reserves	\$ 150,000	\$ -	0%	\$ 150,000	\$ -	0%
Uptown Parking & Wayfinding	Capital Reserves	\$ 110,000	\$ 6,094	6%	\$ 109,724	\$ 6,094	6%
Uptown Pedestrian Access Improvements	Capital Reserves	\$ 684,500	\$ 683,967	100%	\$ -	\$ -	N/A
	Development Impact Fees	\$ 550,276	\$ 550,275	100%	\$ 276	\$ 275	100%
	<b>Project Total</b>	<b>\$ 1,234,776</b>	<b>\$ 1,234,243</b>	<b>100%</b>	<b>\$ 276</b>	<b>\$ 275</b>	<b>100%</b>
Bicycle & Pedestrian Improvements	Capital Reserves	\$ 45,000	\$ -	0%	\$ 45,000	\$ -	0%
SR89A Traffic Signal Operations/Management	Capital Reserves	\$ 60,000	\$ -	0%	\$ 60,000	\$ -	0%
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	\$ 142,226	46%	\$ 75,000	\$ 32,802	44%
	Grant	\$ 371,657	\$ -	0%	\$ -	\$ -	N/A
	<b>Project Total</b>	<b>\$ 679,100</b>	<b>\$ 142,226</b>	<b>21%</b>	<b>\$ 75,000</b>	<b>\$ 32,802</b>	<b>44%</b>
Transportation Study	Capital Reserves	\$ 200,150	\$ 197,712	99%	\$ 150	\$ 149	99%
	Outside Participation	\$ 60,000	\$ 60,000	100%	\$ 10,000	\$ 10,000	100%
	<b>Project Total</b>	<b>\$ 260,150</b>	<b>\$ 257,712</b>	<b>99%</b>	<b>\$ 10,150</b>	<b>\$ 10,149</b>	<b>100%</b>
<b>Wastewater</b>							
WW Master Plan	Wastewater Fees	\$ 233,094	\$ 200,429	86%	\$ 33,094	\$ 33,069	100%
Wastewater Effluent Management	Wastewater Fees	\$ 11,153,258	\$ 5,414,984	49%	\$ 1,990,275	\$ 300,235	15%
Wastewater Collections System Improvements	Wastewater Fees	\$ 1,786,906	\$ 11,043	1%	\$ 1,136,906	\$ 11,043	1%
WWRP Bar Screen and Filter System Upgrades	Wastewater Fees	\$ 1,900,000	\$ 105,422	6%	\$ 1,198,527	\$ 15,811	1%
WWRP Odor Control (estimated to resume in FY2020)	Wastewater Fees	\$ 25,000	\$ 24,660	99%	\$ -	\$ -	N/A
WWRP Headworks Replacement	Wastewater Fees	\$ 480,000	\$ 108,260	23%	\$ 456,775	\$ 108,260	24%
SCADA System & Configuration	Wastewater Fees	\$ 185,000	\$ -	0%	\$ 160,000	\$ -	0%
Skid Steer & Concrete Driveway for Air Drying Beds	Wastewater Fees	\$ 50,000	\$ -	0%	\$ 76,473	\$ -	0%
WWRP Remodel and/or Expand Operations Building	Wastewater Fees	\$ 25,000	\$ 1,775	7%	\$ 25,000	\$ 1,775	7%
<b>Grand Totals</b>		<b>\$ 34,350,661</b>	<b>\$ 14,907,141</b>	<b>43%</b>	<b>\$ 14,250,994</b>	<b>\$ 4,110,178</b>	<b>29%</b>

Investment Holdings Summary

CUSIP	Issuer	Settlement Date	Maturity Date	Initial Duration	Remaining Duration as of May 31, 2018 (In Years)	Coupon	Yield	Benchmark at Time of Purchase	Par Value	Book Value	Fair Market Value as of May 31, 2018	Realized Gain/Loss	Unrealized Gain/Loss*	Accrued Interest Not Yet Recorded	% of Investment Pool	
<b>Treasury Obligations</b>																
912828XF2	US Treasury	8/5/2015	6/15/2018	2.9	0.0	1.125%	1.014%	0.130%	\$ 1,000,000	\$ 1,003,130	\$ 999,780	\$ -	\$ (3,350)	\$ 5,147	2.02%	
									<b>Subtotals</b>	<b>\$ 1,000,000</b>	<b>\$ 1,003,130</b>	<b>\$ 999,780</b>	<b>\$ -</b>	<b>\$ (3,350)</b>	<b>\$ 5,147</b>	<b>2.02%</b>
<b>U.S. Government Agency Securities</b>																
3133EGEF8	Federal Farm Credit Bank	12/20/2017	6/13/2019	1.5	1.0	1.180%	1.785%	1.090%	\$ 1,116,000	\$ 1,106,176	\$ 1,103,453	\$ -	\$ (2,723)	\$ 5,845	2.23%	
76116FAA5	Resolution Funding Corporation	12/21/2017	10/15/2019	1.8	1.4	0.000%	1.841%	1.090%	\$ 1,033,000	\$ 999,566	\$ 998,951	\$ -	\$ (615)	\$ -	2.02%	
3134GBG97	Federal Home Loan Mortgage Corporation	9/28/2017	9/28/2020	3.0	2.3	1.375%-2.500%	1.750%	1.010%	\$ 2,000,000	\$ 2,000,000	\$ 1,971,510	\$ -	\$ (28,490)	\$ 4,822	4.03%	
3133EH4R1	Federal Farm Credit Bank	12/28/2017	9/28/2020	2.8	2.3	2.120%	2.120%	1.090%	\$ 1,000,000	\$ 1,000,000	\$ 983,620	\$ -	\$ (16,380)	\$ 3,717	2.02%	
3133EGRN7	Federal Farm Credit Bank	9/8/2017	2/17/2021	3.4	2.7	1.470%	1.570%	1.010%	\$ 1,000,000	\$ 996,659	\$ 967,641	\$ -	\$ (29,018)	\$ 4,027	2.01%	
3130AC6V1	Federal Home Loan Bank	9/14/2017	3/15/2021	3.5	2.8	1.850%	1.850%	1.010%	\$ 2,000,000	\$ 2,000,000	\$ 1,949,188	\$ -	\$ (50,812)	\$ 7,805	4.03%	
3134GBP89	Federal Home Loan Mortgage Corporation	10/26/2017	4/26/2021	3.5	2.9	1.850%	1.850%	1.100%	\$ 2,000,000	\$ 2,000,000	\$ 1,961,108	\$ -	\$ (38,892)	\$ 3,548	4.03%	
3133EHUS0	Federal Farm Credit Bank	8/16/2017	8/16/2021	4.0	3.2	1.875%	1.875%	0.930%	\$ 2,000,000	\$ 2,000,000	\$ 1,945,708	\$ -	\$ (54,292)	\$ 10,685	4.03%	
3130AC6J8	Federal Home Loan Bank	8/28/2017	2/28/2022	4.5	3.8	2.000%	2.000%	0.930%	\$ 2,000,000	\$ 2,000,000	\$ 1,937,204	\$ -	\$ (62,796)	\$ 10,082	4.03%	
3134GBUP5	Federal Home Loan Mortgage Corporation	8/28/2017	6/29/2022	4.8	4.1	1.625%-4.000%	2.526%	0.930%	\$ 2,175,000	\$ 2,175,000	\$ 2,159,581	\$ -	\$ (15,419)	\$ 6,100	4.39%	
3130AC2B9	Federal Home Loan Bank	8/22/2017	8/22/2022	5.0	4.2	1.750%-3.000%	2.375%	0.930%	\$ 2,000,000	\$ 2,000,000	\$ 1,969,396	\$ -	\$ (30,604)	\$ 9,973	4.03%	
3130ABZG4	Federal Home Loan Bank	8/30/2017	8/26/2022	5.0	4.2	2.150%	2.150%	0.930%	\$ 1,000,000	\$ 1,000,000	\$ 965,681	\$ -	\$ (34,319)	\$ 16,140	2.02%	
3130ACA79	Federal Home Loan Bank	9/8/2017	9/8/2022	5.0	4.3	1.750%-4.000%	2.438%	1.010%	\$ 2,000,000	\$ 2,000,000	\$ 1,965,972	\$ -	\$ (34,028)	\$ 8,055	4.03%	
3134GBR79	Federal Home Loan Mortgage Corporation	10/27/2017	10/27/2022	5.0	4.4	1.750%-3.750%	2.338%	1.100%	\$ 2,000,000	\$ 2,000,000	\$ 1,983,164	\$ -	\$ (16,836)	\$ 3,260	4.03%	
									<b>Subtotals</b>	<b>\$ 23,324,000</b>	<b>\$ 23,277,401</b>	<b>\$ 22,862,178</b>	<b>\$ -</b>	<b>\$ (415,223)</b>	<b>\$ 94,060</b>	<b>46.96%</b>
<b>Negotiable Certificates of Deposit</b>																
61747MXT3	Morgan Stanley Bank NA	8/10/2017	8/12/2019	2.0	1.2	1.700%	1.700%	0.930%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,242	0.50%	
87270LAS2	TIAA FSB	9/18/2017	9/12/2019	2.0	1.3	1.700%	1.700%	1.010%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 920	0.50%	
02006LSJ8	Ally Bank Midvale Utah	9/14/2017	9/16/2019	2.0	1.3	1.750%	1.750%	1.010%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 900	0.50%	
20033AVN3	Comenity Capital Bank	8/9/2017	8/10/2020	3.0	2.2	1.950%	1.950%	0.930%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 290	0.50%	
3814PMJ3	Goldman Sachs Bank USA	8/9/2017	8/10/2020	3.0	2.2	1.900%	1.900%	0.930%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,427	0.50%	
02587CGG9	American Express FSB	9/12/2017	9/14/2020	3.0	2.3	1.950%	1.950%	1.010%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,029	0.50%	
319141HQ3	First Bank of Highland Park	9/14/2017	9/14/2020	3.0	2.3	1.800%	1.800%	1.010%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 950	0.50%	
14042RJH5	Capital One, NA	10/12/2017	10/13/2020	3.0	2.4	2.000%	2.000%	1.100%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 663	0.50%	
20786ABY0	ConnectOne Bank	12/28/2017	12/28/2020	3.0	2.6	2.200%	2.200%	1.090%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 45	0.50%	
1404204E7	Capital One Bank USA NA	8/9/2017	8/9/2021	4.0	3.2	2.100%	2.100%	0.930%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,577	0.50%	
254673AF3	Discover Bank	8/9/2017	8/9/2021	4.0	3.2	2.100%	2.100%	0.930%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,577	0.50%	
05580AKJ2	BMW Bank	9/15/2017	9/15/2021	4.0	3.3	2.100%	2.100%	1.010%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,094	0.50%	
88413QBR8	Third Federal Savings & Loan	9/15/2017	9/15/2021	4.0	3.3	2.000%	2.000%	1.010%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,042	0.50%	
29266N6P7	EnerBank USA	10/13/2017	10/13/2021	4.0	3.4	2.000%	2.000%	1.100%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 244	0.50%	
02587DV47	American Express Centurion	8/8/2017	8/8/2022	5.0	4.2	2.350%	2.350%	0.930%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,781	0.50%	
795450C37	Sallie Mae Bank	8/9/2017	8/9/2022	5.0	4.2	2.350%	2.350%	0.930%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,765	0.50%	
87164XSH0	Synchrony Bank	10/6/2017	10/6/2022	5.0	4.4	2.250%	2.250%	1.100%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 837	0.50%	
06740KLD7	Barclays Bank	10/18/2017	10/18/2022	5.0	4.4	2.300%	2.300%	1.100%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 669	0.50%	
32056GCV0	First Internet Bank of Indiana	12/28/2017	12/28/2022	5.0	4.6	2.400%	2.400%	1.090%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 49	0.50%	
									<b>Subtotals</b>	<b>\$ 4,693,000</b>	<b>\$ 4,693,000</b>	<b>\$ 4,693,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,104</b>	<b>9.47%</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	1.860%	N/A	\$ 8,581,848	\$ 8,581,848	\$ 8,581,848	\$ -	\$ -	\$ -	17.31%	
N/A	Pool 7	N/A	N/A	N/A	0.0	N/A	1.660%	N/A	\$ 781,934	\$ 781,934	\$ 781,934	\$ -	\$ -	\$ -	1.58%	
N/A	Pool 500	N/A	N/A	N/A	0.0	N/A	2.180%	N/A	\$ 8,975,649	\$ 8,975,649	\$ 8,975,649	\$ -	\$ -	\$ -	18.11%	
									<b>Subtotals</b>	<b>\$ 18,339,431</b>	<b>\$ 18,339,431</b>	<b>\$ 18,339,431</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>37.00%</b>
<b>Government Money Market Fund</b>																
N/A	Wells Fargo Sweep Account	N/A	N/A	N/A	0.0	N/A	1.612%	N/A	\$ 2,257,287	\$ 2,257,287	\$ 2,257,287	\$ -	\$ -	\$ -	4.55%	
<b>Averages/Grand Totals</b>				<b>1.8</b>			<b>2.001%</b>		<b>\$ 49,613,718</b>	<b>\$ 49,570,249</b>	<b>\$ 49,151,675</b>	<b>\$ -</b>	<b>\$ (418,573)</b>	<b>\$ 117,311</b>	<b>100.00%</b>	

Benchmark per Policy (LGIP Pool 5) 1.860%

\* 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 May 2018
<b>Acquisitions</b>			
N/A	LGIP Pool 5	Purchase	\$ 3,000,000
N/A	Wells Fargo Sweep Account	Contribution	\$ 160,817
<b>Subtotal</b>			<b>\$ 3,160,817</b>
<b>Dispositions</b>			
<b>Subtotal</b>			<b>\$ -</b>
<b>Earnings</b>			
20033AVN3	Comenity Capital Bank	Monthly Interest	\$ 396
29266N6P7	EnerBank USA	Monthly Interest	\$ 406
32056GCV0	First Internet Bank of Indiana	Monthly Interest	\$ 487
20786ABY0	ConnectOne Bank	Monthly Interest	\$ 447
N/A	LGIP Pool 5	Monthly Gain/Loss	\$ 11,953
N/A	LGIP Pool 7	Monthly Gain/Loss	\$ 1,100
N/A	LGIP Pool 500	Monthly Gain/Loss	\$ 33,041
N/A	Wells Fargo Sweep Account	Monthly Dividends	\$ 2,096
<b>Subtotal</b>			<b>\$ 49,926</b>
<b>Expenses</b>			
N/A	N/A	Custody Charges	\$ 112
N/A	N/A	Wire Fees	\$ 106
<b>Subtotal</b>			<b>\$ 218</b>
<b>Net Transactions for May 2018</b>			<b>\$ 3,210,525</b>