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**INTEROFFICE MEMO**

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**DATE:** NOVEMBER 9, 2011  
**TO:** MAYOR AND CITY COUNCIL  
TIM ERNSTER, CITY MANAGER, & ALISON ZELMS, ASSIST. CITY MANAGER  
**CC:** DEPARTMENT HEADS, CITY ASSISTANTS, & BUDGET OVERSIGHT  
COMMITTEE  
**FROM:** BARBARA ASHLEY  
**RE:** **MONTHLY REPORT - SEPTEMBER 2011**

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Attached you will find the report for the month and quarter ending September 2011.

General Fund:

- a) For September 2011, expenditures have exceeded revenue by \$172,441. Overall revenue collections through September decreased over September 2010 by approximately 0.05%, while expenditures increased by approximately 19.4%. These numbers are cumulative. (page 5 of the attachment)
- b) City sales taxes collected for September 2011 increased over September 2010 approximately 18.9%. Bed taxes continue to show a decrease by approximately 4.76% over September 2010. Bed and sales taxes combined for September 2011 over September 2010 are up approximately 16%. Bed and Sales taxes collected for the quarter ending September 30, 2011 compared to the quarter ending September 30, 2010 are up approximately 2.4%. Please note: *RDS and City staff continues to assist taxpayer's with categorizing of their remittance of sales and bed taxes. The bed tax category will continue to fluctuate as corrections are made. In addition, annual comparisons compare RDS collection methodology to ADOR collection methodology until February 2012 when the methodology will align.* (page 3 of the attachment)
- c) State shared revenues continue with the decreases anticipated but collections are within the City's targeted budget. For September 2011 compared to September 2010, State sales tax decreased 3.45%, income tax decreased 20.45%, VLT (vehicle license tax) for Coconino County decreased 20.12% and Yavapai County decreased 13.65%. (page 4 of the attachment)
- d) Overall expenditures through September 2011, per department are below the target approximately 1.4% and have increased from last fiscal year by approximately \$488,678. Human Resources, Information Technology and Community Services departments are above the target due to up-front annual

and semi-annual payments that are made at the beginning of each fiscal year.  
(page 5 of the attachment)

All Other Funds:

Most of these funds require inter-fund transfers or planned use of reserves to balance their budgets. Sporadic changes to these funds occur because of the large payments made for expenditures on Capital projects as the work is completed. This spreadsheet may be more useful as projects are started and possibly completed during the fiscal year. (page 6 of the attachment)

- e) The Streets Fund is funded through the State shared revenues of Highway User Revenue Funds (HURF). These dollars are restricted to use of streets/right-of-way maintenance and improvements. The HURF monies received for September 2011 have decreased from September 2010 by approximately 24.26%. The continued decrease was anticipated, but collections remain within the City's budget. Expenditures have been lower through this quarter compared to last. This is not abnormal as the expenses are prioritized and planned at the start of each fiscal year. (page 4 and 6 of the attachment)

Please feel free to contact my office with any questions.

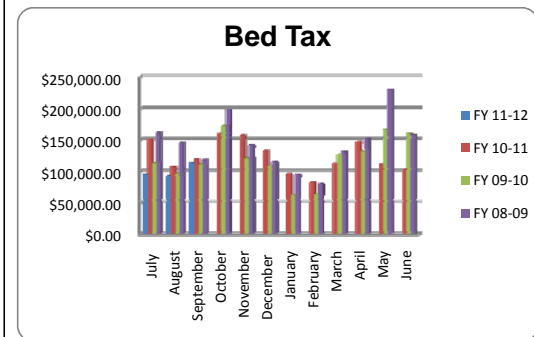
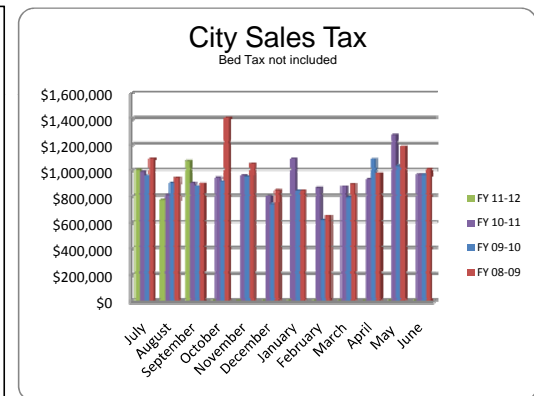
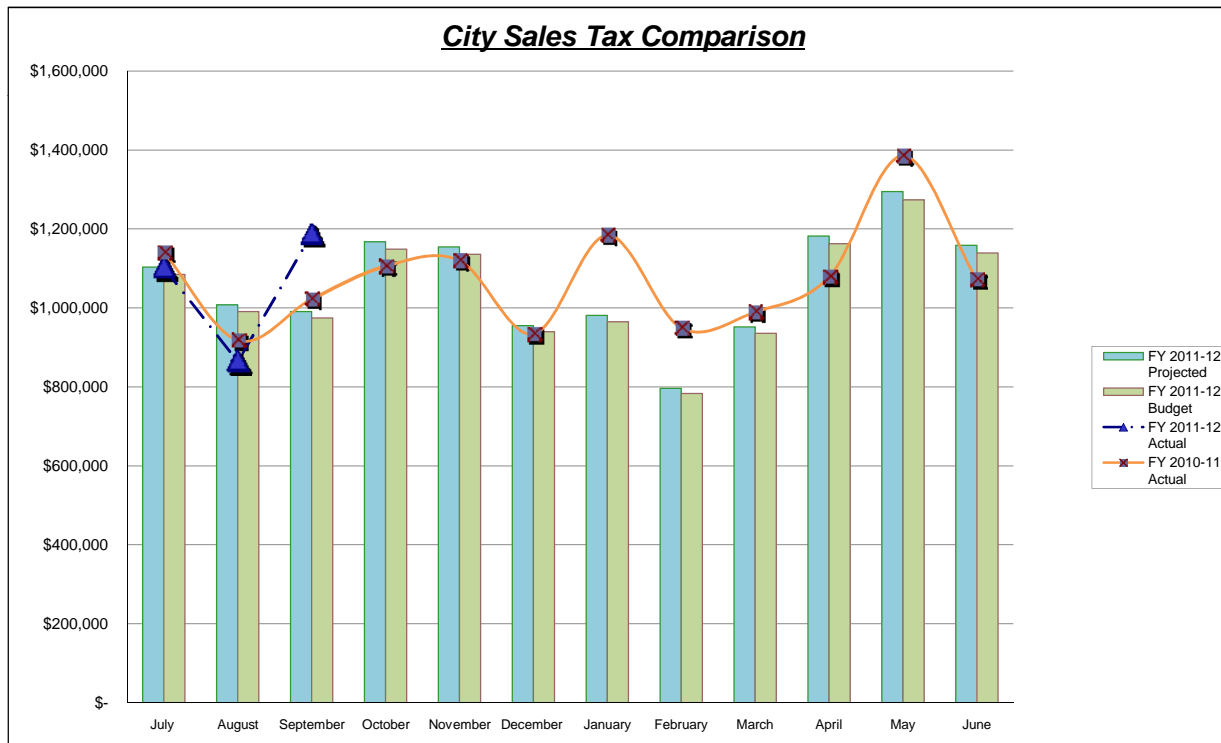
Attachments

**City of Sedona**  
**Sales Tax Worksheet\***  
**September 30, 2011**

Month	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	2012 Budget	2012 Collections	Budget Variance	% Change from 2011	% Change from Budget
July	933,022	949,697	987,755	1,021,011	1,181,174	1,069,178	1,253,632	1,252,755	1,073,215	1,140,395	1,085,614	1,101,956	16,341	-3.37%	1.51%
August	883,457	812,892	938,115	1,043,646	1,095,421	1,058,491	1,230,340	1,090,523	1,001,376	917,875	991,443	864,440	(127,003)	-5.82%	-12.81%
September	861,455	842,239	957,697	972,637	1,049,959	1,032,607	1,137,149	1,017,988	990,181	1,022,615	975,071	1,187,428	212,357	16.12%	21.78%
October	852,214	948,253	937,372	1,090,521	1,139,917	1,178,952	1,155,616	1,601,792	1,089,433	1,105,755	1,149,111				
November	852,214	443,132	937,372	1,116,598	1,331,960	1,331,215	1,361,830	1,191,160	1,075,186	1,119,830	1,136,040				
December	769,014	847,479	999,121	944,662	1,074,367	1,156,793	1,132,785	963,540	851,434	933,873	940,267				
January	799,021	882,138	830,649	918,105	1,052,208	1,092,120	1,026,332	938,932	906,327	1,184,462	965,593				
February	662,146	736,372	748,373	739,579	810,751	918,581	909,590	731,583	681,004	949,379	783,618				
March	799,602	771,127	859,229	880,416	1,102,828	1,076,654	985,533	1,027,075	917,669	989,770	936,503				
April	1,035,541	1,087,984	1,147,949	1,153,061	1,316,931	1,383,320	1,406,892	1,130,233	1,218,124	1,078,369	1,163,385				
May	1,094,861	1,084,585	1,167,307	1,214,920	1,371,983	1,452,116	1,345,307	1,414,982	1,201,785	1,385,563	1,273,854				
June	980,892	1,060,217	1,155,541	1,182,999	1,370,439	1,415,780	1,309,472	1,172,116	1,128,769	1,071,808	1,140,008				
<b>Total</b>	<b>\$10,523,438</b>	<b>\$10,466,116</b>	<b>\$11,666,480</b>	<b>\$12,278,155</b>	<b>\$13,897,940</b>	<b>\$14,165,807</b>	<b>\$14,254,478</b>	<b>\$13,532,679</b>	<b>\$12,134,503</b>	<b>\$12,899,694</b>	<b>\$12,540,506</b>	<b>\$3,153,824</b>	<b>101,696</b>	<b>2.37%</b>	<b>3.33%</b>

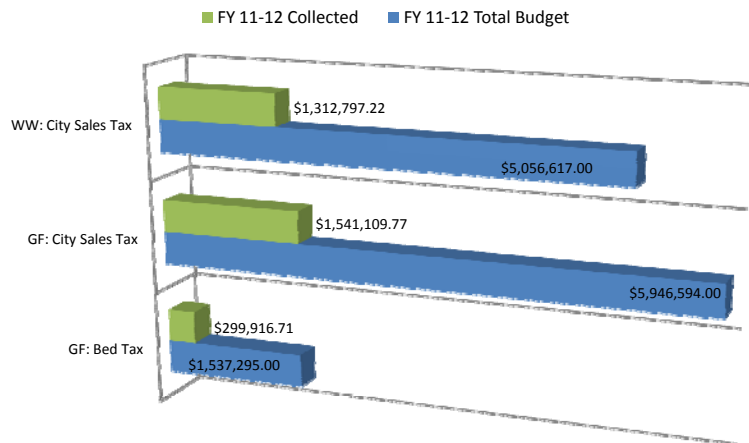
\* Bed tax is included due to reporting inconsistencies by vendors.

\*\* The fiscal year is July 1 through June 30.

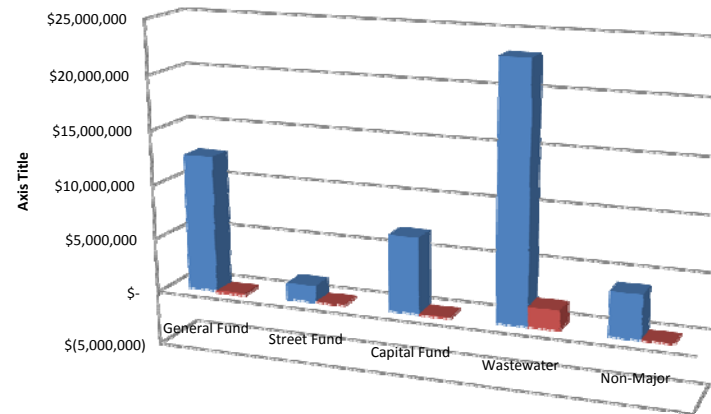


**City of Sedona**  
**Sales Tax Worksheet\***  
**September 30, 2011**

**Sales Tax Allocations**  
 Fiscal Year 2011-2012  
 Budget to Actual

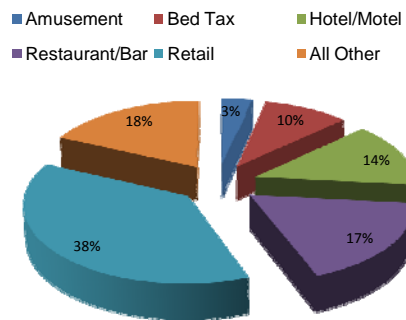


**RESERVES**  
 (Fund Balance)

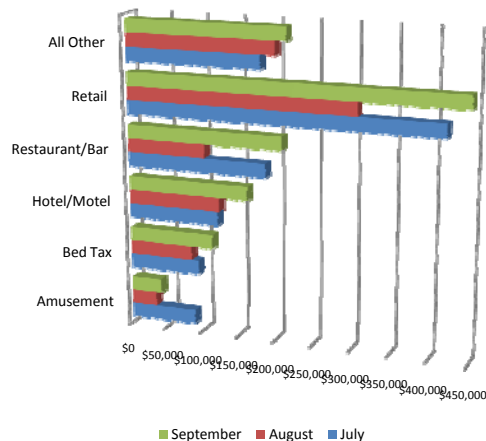


	General Fund	Street Fund	Capital Fund	Wastewater	Non-Major
Un-Audited Fund Balance 6/30/2011	\$12,487,990	\$1,469,762	\$6,906,078	\$23,134,628	\$3,963,301
Use of Fund Balance FY2012	(172,441)	21,505	(79,056)	1,758,164	26,018

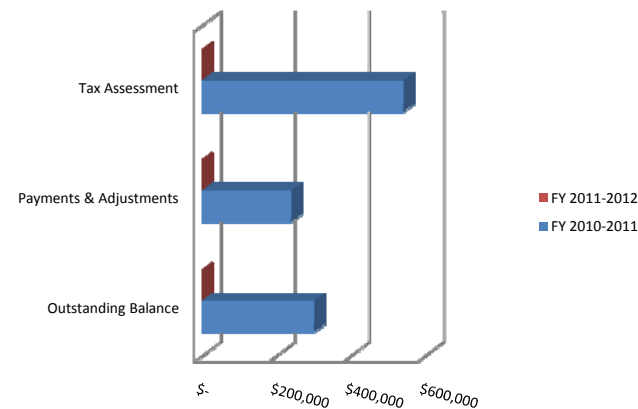
**Current Month Collection**



**Collection by Month**



**Sales Tax Audits**



## CITY SALES TAX COLLECTION SUMMARY FY 2011-2012

	<u>BED TAX</u>		<u>CITY SALES TAX</u>	<u>ALLOCATED TO GENERAL FUND</u>		<u>CITY SALES TAX</u>	<u>ALLOCATED TO WASTEWATER FUND</u>		<u>TOTAL SALES TAX COLLECTED</u>	<u>COLLECTION MONTH</u>	
July	-37.02%	\$94,538.46	1.73%	\$544,005.23	\$638,543.69	1.73%	\$463,411.87	\$463,411.87	-3.37%	\$1,101,955.56	June
August	-13.61%	\$92,225.53	-4.80%	\$416,996.01	\$509,221.54	-4.80%	\$355,218.82	\$355,218.82	-5.82%	\$864,440.36	July
September	-4.76%	\$113,152.72	18.86%	\$580,108.53	\$693,261.25	18.86%	\$494,166.53	\$494,166.53	16.12%	\$1,187,427.78	August
October		\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	September
November		\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	October
December		\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	November
January		\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	December
February		\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	January
March		\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	February
April		\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	March
May		\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	April
June		\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	May
<b>TOTAL 2011-2012</b>		<b>\$299,916.71</b>		<b>\$1,541,109.77</b>	<b>\$1,841,026.48</b>		<b>\$1,312,797.22</b>	<b>\$1,312,797.22</b>		<b>\$3,153,823.70</b>	
TOTAL FY 2010-2011		\$375,673.82		\$1,460,814.26			\$1,244,397.34			\$3,080,885.42	
<b>DIFFERENCE</b>		<b>(\$75,757.11)</b>		<b>\$80,295.51</b>			<b>\$68,399.88</b>			<b>\$72,938.28</b>	
<b>% INCR/DECR</b>		<b><u>-20.17%</u></b>	<b>b</b>	<b><u>5.50%</u></b>			<b><u>5.50%</u></b>			<b><u>2.37%</u></b>	

**COLLECTION BY AGENCY:**

<u>REVENUE DISCOVERY SYSTEMS - RDS:</u>										
July	\$93,975.47	\$537,245.14	\$631,220.61	\$457,653.27	\$457,653.27	\$1,088,873.88				June
August	\$83,745.93	\$410,199.78	\$493,945.71	\$349,429.44	\$349,429.44	\$843,375.15				July
September	\$112,489.21	\$573,246.24	\$685,735.45	\$488,320.88	\$488,320.88	\$1,174,056.33				August
October	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				September
November	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				October
December	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				November
January	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				December
February	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				January
March	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				February
April	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				March
May	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				April
June	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				May
<b>TOTAL 2011-2012</b>	<b>\$290,210.61</b>	<b>\$1,520,691.16</b>	<b>\$1,810,901.77</b>	<b>\$1,295,403.59</b>	<b>\$1,295,403.59</b>	<b>\$3,106,305.36</b>				

<u>ARIZONA DEPARTMENT OF REVENUE - AzDOR:</u>										
July	\$562.99	\$6,760.09	\$7,323.08	\$5,758.60	\$5,758.60	\$13,081.68				June
August	\$8,479.60	\$6,796.23	\$15,275.83	\$5,789.38	\$5,789.38	\$21,065.21				July
September	\$663.51	\$6,862.29	\$7,525.80	\$5,845.65	\$5,845.65	\$13,371.45				August
October	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				September
November	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				October
December	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				November
January	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				December
February	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				January
March	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				February
April	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				March
May	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				April
June	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				May
<b>TOTAL 2011-2012</b>	<b>\$9,706.10</b>	<b>\$20,418.61</b>	<b>\$30,124.71</b>	<b>\$17,393.63</b>	<b>\$17,393.63</b>	<b>\$47,518.34</b>				

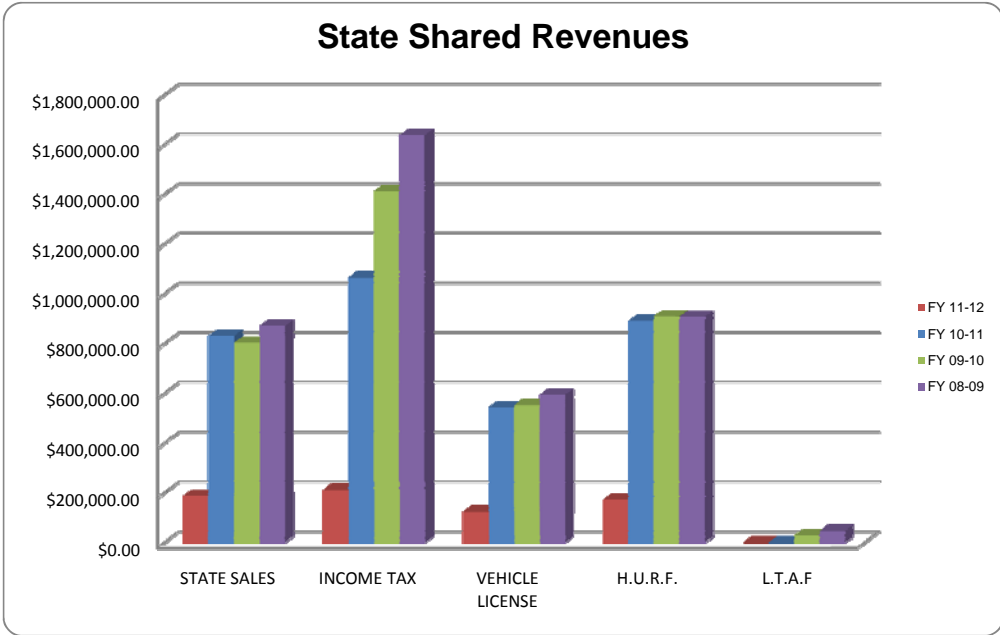
**ARIZONA DEPARTMENT OF REVENUE  
2011-2012  
STATE SHARED REVENUE**

**GENERAL FUND:**

**STREETS FUND:**

		STATE SALES TAX		STATE INCOME TAX		VEHICLE LICENSE TAX			H.U.R.F.	
						COCONINO COUNTY	YAVAPAI COUNTY			
July	-3.66%	\$63,531.43	-20.45%	\$70,554.90	-13.21%	\$9,489.71	-14.27%	\$31,582.94	-24.35%	\$58,254.63
August	-3.59%	\$60,269.13	-20.45%	\$70,554.90	-17.38%	\$9,822.66	-9.43%	\$34,081.29	-30.20%	\$57,260.70
September	-3.45%	\$62,573.60	-20.45%	\$70,554.90	-20.12%	\$8,741.35	-13.65%	\$29,850.36	-24.26%	\$56,747.38
October		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
November		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
December		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
January		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
February		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
March		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
April		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
May		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
June		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
<b>TOTAL 2011-2012</b>		<b>\$186,374.16</b>		<b>\$211,664.70</b>		<b>\$28,053.72</b>		<b>\$95,514.59</b>		<b>\$172,262.71</b>
TOTAL 2010-2011		\$193,267.57		\$266,083.63		\$33,767.15		\$109,039.18		\$233,969.07
<b>DIFFERENCE</b>		<b>(\$6,893.41)</b>		<b>(\$54,418.93)</b>		<b>(\$5,713.43)</b>		<b>(\$13,524.59)</b>		<b>(\$61,706.36)</b>
<b>% INCR/DECR</b>		<b>-3.57%</b>		<b>-20.45%</b>		<b>-16.92%</b>		<b>-12.40%</b>		<b>-26.37%</b>
		<b>c</b>		<b>c</b>		<b>c</b>		<b>c</b>		<b>e</b>

**\$693,869.88**



**City of Sedona**  
**FY 2011/12 General Fund Budget Comparison**

September-11

<u>General Fund</u> <u>Revenues</u>	<u>Budget</u>	<u>FYTD</u> <u>Actual</u>	<u>Balance</u>	<u>25% Target</u>	<u>Prior</u> <u>FYTD</u>	<u>PY to CY</u> <u>Comparison</u>
Bed Tax	1,537,295 **	299,917	(1,237,378)	19.5%	375,674	-20.17%
City Sales Tax	6,196,594 **	1,570,800	(4,625,794)	25.3%	1,460,899	7.52%
Franchise Fees	715,026 **	192,819	(522,207)	27.0%	187,079	0.00%
Vehicle License Tax	535,325 **	123,568	(411,757)	23.1%	142,806	-13.47%
State Sales Tax	758,909 **	186,374	(572,535)	24.6%	193,268	-3.57%
State Income Tax	846,649 **	211,630	(635,019)	25.0%	266,084	-20.46%
Fines	234,968 **	57,764	(177,204)	24.6%	54,548	5.90%
Licenses & Permits	134,573 **	40,673	(93,900)	30.2%	38,059	6.87%
Charges for Services	109,846 **	38,366	(71,480)	34.9%	27,792	38.05%
Contributions & Donations	- **	-	0	0.0%	-	0.00%
Interest	351,315 **	54,975	(296,340)	15.6%	75,241	-26.93%
Miscellaneous	483,240 **	56,364	(426,876)	11.7%	13,336	322.65%
	<b>11,903,740 **</b>	<b>2,833,250</b>	<b>(9,070,490)</b>	<b>23.8%</b>	<b>2,834,786</b>	<b>-0.05% a</b>

**\*\*NOTE:** Budget amounts do not include "beginning cash" or "transfers" from other funds.

<u>Expenditures</u>	<u>Budget</u>	<u>FYTD</u> <u>Actual</u>	<u>Balance</u>	<u>25% Target</u>	<u>Prior</u> <u>FYTD</u>	<u>PY to CY</u> <u>Comparison</u>
City Council	77,979	18,725 *	59,254	24.0%	21,132	-11.39%
City Manager	579,017	107,712 *	471,305	18.6%	117,320	-8.19%
Human Resources	1,789,337	517,574 *	1,271,763	28.9%	351,469	47.26%
Financial Services	357,759	79,663 *	278,096	22.3%	81,435	-2.18%
Information Systems	535,860	208,572 *	327,288	38.9%	194,572	7.20%
Legal	364,530	72,085 *	292,445	19.8%	71,678	0.57%
City Clerk (moved to City Mgr's budget)	-	- *	0	0.0%	-	0.00%
Community Services	1,954,191	937,669 *	1,016,522	48.0%	71,776	1206.37%
General Services	2,412,808	111,302 *	2,301,506	4.6%	772,213	-85.59%
Contingencies	300,000	-	300,000	0.0%	-	0.00%
Community Development	848,407	191,510 *	656,897	22.6%	174,470	9.77%
Public Works	987,458	242,963 *	744,495	24.6%	159,485	52.34%
Arts & Culture (moved to City Mgr's budget)	-	- *	0	0.0%	-	0.00%
Police	2,184,491	464,262 *	1,720,229	21.3%	453,025	2.48%
Municipal Court	332,463	53,654 *	278,809	16.1%	48,437	10.77%
	<b>12,724,300</b>	<b>3,005,691 d</b>	<b>9,718,609</b>	<b>23.6% d</b>	<b>2,517,013 d</b>	<b>19.42% a</b>

**\*NOTE:** Amounts do not include "encumbrances".

<u>Revenue / Expense</u>	<u>Actual</u> <u>Revenues</u>	<u>Actual</u> <u>Expenditures</u>	<u>+/-</u>	<u>Transfers</u> <u>and/or Reserve</u>	<u>=</u>	<u>YTD</u> <u>Rev over Exp</u>	<u>PYTD</u> <u>Rev over Exp</u>
<b>General Fund</b>	<b>2,833,250</b>	<b>3,005,691 *</b>	<b>0</b>	<b>(172,441) a</b>		<b>317,773</b>	<b>-154.27%</b>

**City of Sedona  
FY 2011/12 All Other Funds Budget Comparison**

**September-11**

	<u>Budget</u>	<u>FYTD Actual</u>	<u>Balance</u>	<u>25% Target</u>	<u>Prior FYTD</u>	<u>PY to CY Comparison</u>
<b>e Streets Fund</b>						
Revenue	664,520 **	177,502	(487,018)	26.7%	252,054	-29.58%
Expenditures	1,643,479	155,997 *	(1,487,482)	9.5%	336,609	-53.66%
Revenue over Expenditures	<u>(978,959)</u>	<u>21,505</u>			<u>(84,556)</u>	
<b>Capital Projects Fund</b>						
Revenue	1,863,874 **	34,930	(1,828,944)	1.9%	32,371	7.90%
Expenditures	3,578,692	138,980 *	(3,439,712)	3.9%	24,627	464.34%
Revenue over Expenditures	<u>(1,714,818)</u>	<u>(104,050)</u>			<u>7,744</u>	
<b>Wastewater Enterprise Fund</b>						
Revenue	10,175,025 **	2,668,969	(7,506,056)	26.2%	2,382,833	12.01%
WW Administration	559,345	123,290 *	(436,055)	22.0%	123,752	-0.37%
WW Construction	4,242,597	274,071 *	(3,968,526)	6.5%	205,163	33.59%
WW Treatment Plant	2,127,215	400,068 *	(1,727,147)	18.8%	352,553	13.48%
WW Debt Service	5,784,147	113,376 *	(5,670,771)	2.0%	113,401	-0.02%
Revenue over Expenditures	<u>(2,538,279)</u>	<u>1,758,164</u>			<u>1,587,965</u>	
<b>All Other Funds</b>						
Revenue	3,302,853 **	109,820	(3,193,033)	3.3%	92,755	18.40%
Expenditures	4,783,618	114,705 *	(4,668,913)	2.4%	351,368	-67.35%
Revenue over Expenditures	<u>(1,480,765)</u>	<u>(4,886)</u>			<u>(258,612)</u>	

<u>Revenue / Expense</u>	<u>Actual Revenues</u>	-	<u>Actual Expenditures</u>	+/-	<u>Transfers and/or Reserve</u>	=	<u>YTD Rev over Exp</u>	<u>PYTD Rev over Exp</u>	
<b>Total</b>	<u>2,991,220</u>		<u>1,320,487</u>	*	<u>0</u>		<u>1,670,733</u>	<u>1,252,541</u>	<u>33.39%</u>

\*\*NOTE: Budget amounts do not include "beginning cash" or "transfers" from other funds.

\*NOTE: Amounts do not include "encumbrances".