
INTEROFFICE MEMO

DATE: MARCH 7, 2012
TO: MAYOR AND CITY COUNCIL
TIM ERNSTER, CITY MANAGER
CC: DEPARTMENT HEADS, CITY ASSISTANTS, & BUDGET OVERSIGHT COMMITTEE
FROM: BARBARA ASHLEY
RE: **MONTHLY REPORT - JANUARY 2012**

Attached you will find the report for the month ending January 2012.

General Fund:

- a) For January 2012:
- Total revenues received \$ 764,802
 - Total expenditures were \$ 765,146
 - Negative cash flow of \$ -344

Fiscal Year totals through January 2012:

- Total revenues received \$ 6,341,503
- Total expenditures were \$ 5,853,738
 - Positive cash flow of \$ 487,765

The General Fund unrestricted fund balance is \$12,891,203

Revenue collected through January 2012 decreased in comparison to the same period through January 2011 by approximately 6.3%. Expenditures have also decreased for the same time frame by approximately 6.5%. These numbers are cumulative. (page 5 of the attachment)

- b) City sales taxes collected for January 2012 decreased over January 2011 approximately 28%. City sales taxes collected for the current fiscal year through January 2012 decreased over fiscal year 2010-11 through January 2011 by approximately 6.5%.

Bed taxes continue to show a decrease. Bed taxes collected for January 2012 decreased over January 2011 by approximately 18%. Bed taxes collected for the current fiscal year through January 2012 decreased over fiscal year 2010-11 through January 2011 by approximately 35.3%.

Sales and bed taxes combined for January 2012 over January 2011 are down approximately 27%. Cumulative taxes collected for the current fiscal year through

January 2012 decreased over fiscal year 2010-11 through January 2011 by approximately 10%.

Staff continues to work with RDS and taxpayers through a combination of education and collection efforts. (page 3 of the attachment)

- c) State shared revenues continue with the anticipated decreases but collections are within the City's targeted budget. Collection for the month January 2012 compared to January 2011, State sales tax decreased 9.3%, income tax decreased 20.45%, VLT (vehicle license tax) for Coconino County decreased 14.72% and Yavapai County decreased 5.7%.

Collections for the fiscal year through January 2012 compared to fiscal year 2010-11 through January 2011 show decreases in State sales taxes 5.6%, State income taxes 20.45%, VLT for Coconino County 16.33% and Yavapai County 12.93%. (page 4 of the attachment)

- d) Overall expenditures through January 2012, per department are below the target approximately 13% and have decreased from last fiscal year by approximately \$404,516. (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 January 2012 have decreased from January 2011 by approximately 28%. The continued decrease was anticipated, but collections remain within the City's budget. Currently expenditures have exceeded revenue for January 2012. (page 4 and 6 of the attachment)

For January 2012:

| | |
|---------------------------|-------------------|
| • Total revenues received | \$ 53,825 |
| • Total expenditures were | <u>\$ 138,814</u> |
| ○ Negative cash flow of | \$ -84,989 |

Fiscal Year totals through January 2012:

| | |
|---------------------------|-------------------|
| • Total revenues received | \$ 394,573 |
| • Total expenditures were | <u>\$ 898,590</u> |
| ○ Negative cash flow of | \$ -504,017 |

The Streets Fund restricted fund balance is \$ 964,128

- f) The Wastewater Enterprise Fund is funded through service charges for City sewer services, permit fees, City sales taxes and miscellaneous charges pertaining to the Wastewater treatment plant.

For January 2012:

| | |
|---------------------------|-------------------|
| • Total revenues received | \$ 821,394 |
| • Total expenditures were | <u>\$ 419,412</u> |
| ○ Positive cash flow of | \$ 401,982 |

Fiscal Year totals through January 2012:

| | |
|---------------------------|---------------------|
| • Total revenues received | \$ 5,980,515 |
| • Total expenditures were | <u>\$ 3,091,281</u> |
| ○ Positive cash flow of | \$ 2,889,234 |

The Wastewater Fund balance is \$20,869,321

- g) Expenditures for the current fiscal year through January 2012 compared to fiscal year 2010-11 through January 2011 have decreased \$806,061. Capital cost will appear as projects are completed. Debt service payments are made in January and June of each year. (page 6 of the attachment)

Please feel free to contact my office with any questions.

Attachments

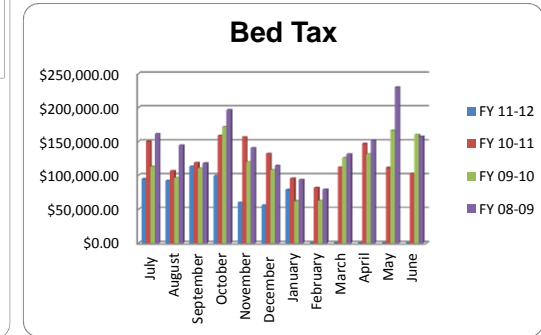
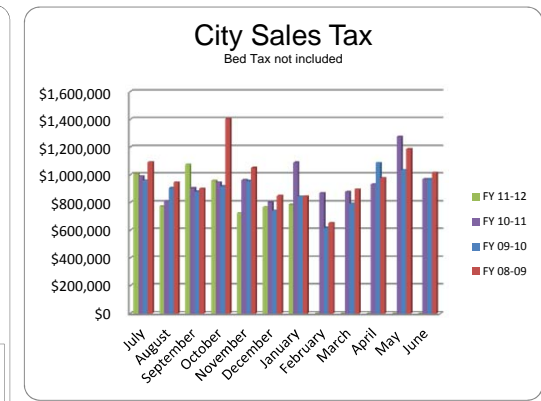
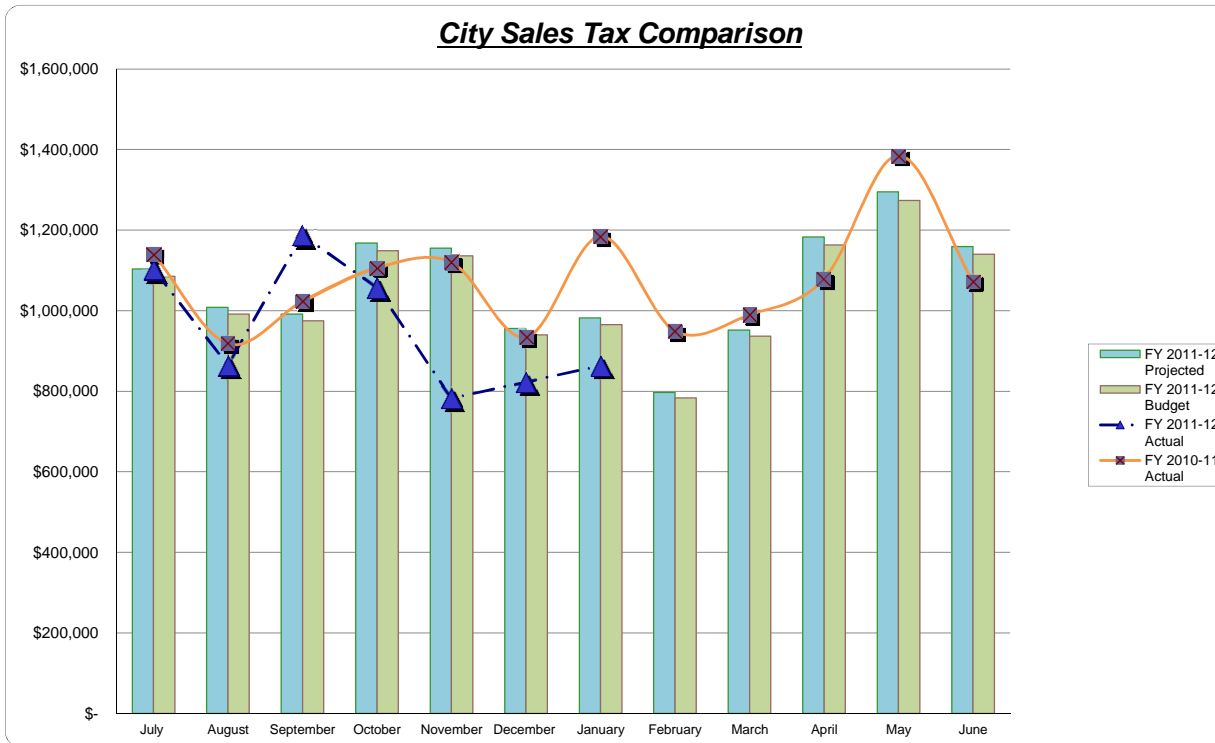
City of Sedona
Sales Tax Worksheet*
January 31, 2012

| 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 | 1,056,689 | (92,421) | -4.44% | -8.04% |
| 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 | 782,513 | (353,527) | -30.12% | -31.12% |
| 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 | 823,212 | (117,055) | -11.85% | -12.45% |
| 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 | 863,249 | (102,345) | -27.12% | -10.60% |
| 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 | | | | |
| Total | \$10,523,438 | \$10,466,116 | \$11,666,480 | \$12,278,155 | \$13,897,940 | \$14,165,807 | \$14,254,478 | \$13,532,679 | \$12,134,503 | \$12,899,694 | \$12,540,506 | \$6,679,486 | (563,653) | -10.04% | -7.78% |

cumulative averages

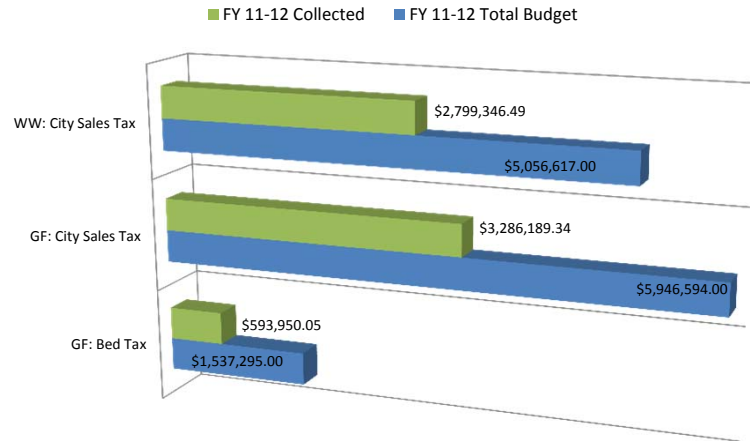
* Bed tax is included due to reporting inconsistencies by vendors.

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

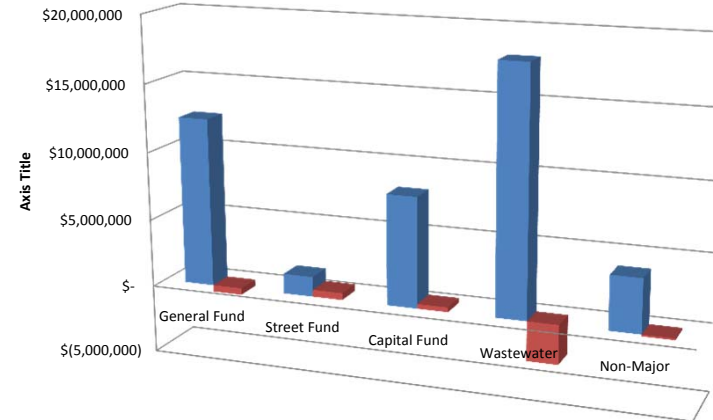


City of Sedona
Sales Tax Worksheet*
January 31, 2012

Sales Tax Allocations
 Fiscal Year 2011-2012
 Budget to Actual

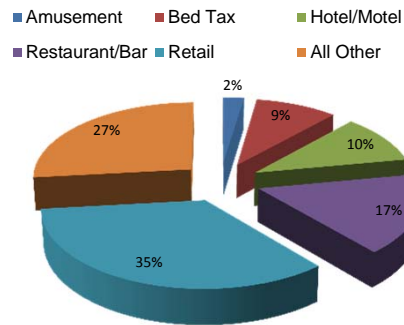


RESERVES
 (Fund Balance)

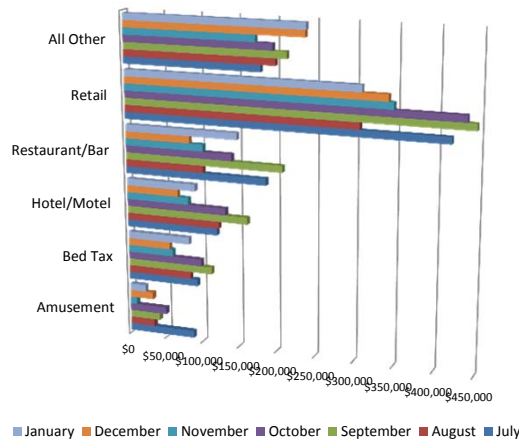


| | General Fund | Street Fund | Capital Fund | Wastewater | Non-Major |
|--------------------------------|--------------|-------------|--------------|--------------|-------------|
| Audited Fund Balance 6/30/2011 | \$12,403,438 | \$1,468,145 | \$8,098,313 | \$17,980,087 | \$3,950,652 |
| Use of Fund Balance FY2012 | (487,765) | 504,017 | 345,491 | (2,889,234) | (127,816) |

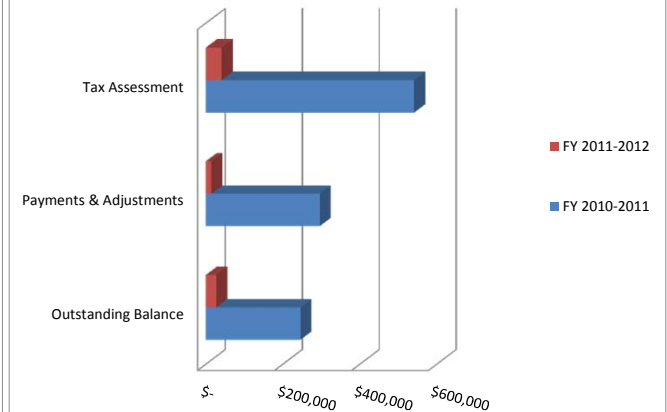
Current Month Collection



Collection by Month



Sales Tax Audits



**CITY SALES TAX COLLECTION SUMMARY
FY 2011-2012**

1/31/2012

| | <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 | -37.44% \$99,391.91 | 1.10% \$516,940.55 | \$616,332.46 | 1.10% \$440,356.76 | \$440,356.76 | -4.44% \$1,056,689.22 | September |
| November | -61.70% \$59,940.56 | -24.99% \$390,189.00 | \$450,129.56 | -24.99% \$332,383.23 | \$332,383.23 | -30.12% \$782,512.79 | October |
| December | -57.51% \$56,025.66 | -4.34% \$414,280.38 | \$470,306.04 | -4.34% \$352,905.51 | \$352,905.51 | -11.85% \$823,211.55 | November |
| January | -17.55% \$78,675.21 | -27.96% \$423,669.64 | \$502,344.85 | -27.96% \$360,903.77 | \$360,903.77 | -27.12% \$863,248.62 | 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 |
| TOTAL 2011-2012 | \$593,950.05 | \$3,286,189.34 | \$3,880,139.39 | \$2,799,346.49 | \$2,799,346.49 | \$6,679,485.88 | |
| TOTAL FY 2010-2011 | \$918,321.51 | \$3,513,501.71 | | \$2,992,982.91 | | \$7,424,806.13 | |
| DIFFERENCE | (\$324,371.46) | (\$227,312.37) | | (\$193,636.42) | | (\$745,320.25) | |
| % INCR/DECR | -35.32% | -6.47% | | -6.47% | | -10.04% | |

COLLECTION BY AGENCY:

REVENUE DISCOVERY SYSTEMS - RDS:

| | | | | | | | |
|------------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------|
| 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 | \$98,904.68 | \$511,678.59 | \$610,583.27 | \$435,874.35 | \$435,874.35 | \$1,046,457.62 | September |
| November | \$60,074.24 | \$384,191.82 | \$444,266.06 | \$327,274.52 | \$327,274.52 | \$771,540.58 | October |
| December | \$55,949.57 | \$408,979.70 | \$464,929.27 | \$348,390.11 | \$348,390.11 | \$813,319.38 | November |
| January | \$82,494.70 | \$421,107.18 | \$503,601.88 | \$358,720.93 | \$358,720.93 | \$862,322.81 | 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 |
| TOTAL 2011-2012 | \$587,633.80 | \$3,246,648.45 | \$3,834,282.25 | \$2,765,663.50 | \$2,765,663.50 | \$6,599,945.75 | |

ARIZONA DEPARTMENT OF REVENUE - AzDOR:

| | | | | | | | |
|------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------|
| 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 | \$487.23 | \$5,261.96 | \$5,749.19 | \$4,482.41 | \$4,482.41 | \$10,231.60 | September |
| November | (\$133.68) | \$5,997.18 | \$5,863.50 | \$5,108.71 | \$5,108.71 | \$10,972.21 | October |
| December | \$76.09 | \$5,300.68 | \$5,376.77 | \$4,515.40 | \$4,515.40 | \$9,892.17 | November |
| January | (\$3,819.49) | \$2,562.46 | (\$1,257.03) | \$2,182.84 | \$2,182.84 | \$925.81 | 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 |
| TOTAL 2011-2012 | \$6,316.25 | \$39,540.89 | \$45,857.14 | \$33,682.99 | \$33,682.99 | \$79,540.13 | |

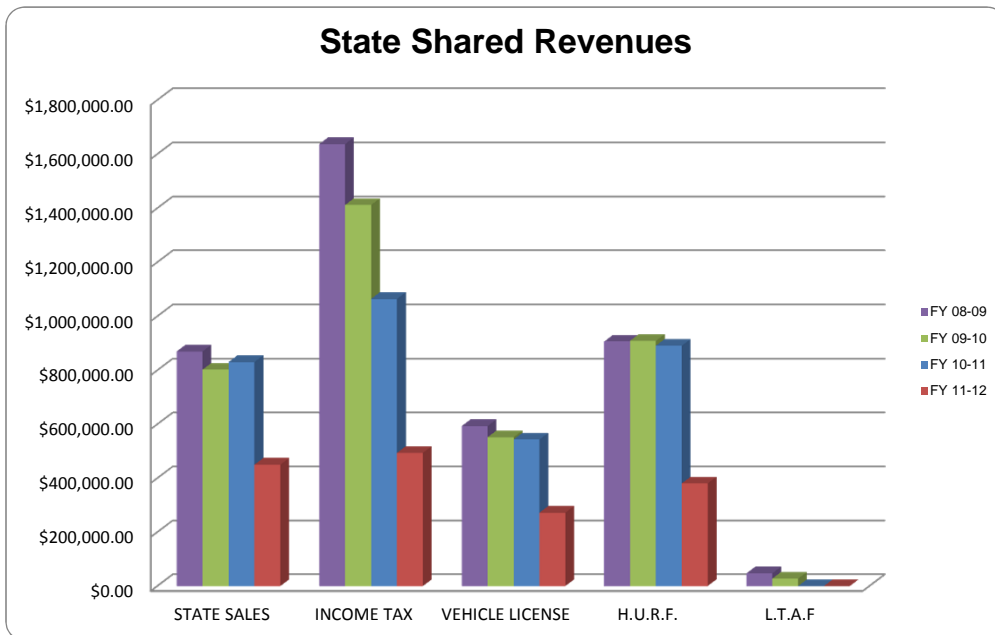
**ARIZONA DEPARTMENT OF REVENUE
2011-2012
STATE SHARED REVENUE**

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 | -4.12% | \$63,273.67 | -20.45% | \$70,554.90 | -19.18% | \$8,432.58 | -22.39% | \$29,215.35 | -25.69% | \$54,421.51 |
| November | -7.36% | \$60,882.94 | -20.45% | \$70,554.90 | -3.61% | \$8,390.16 | -7.32% | \$28,892.63 | -27.26% | \$49,793.01 |
| December | -6.29% | \$63,554.00 | -20.45% | \$70,554.90 | -23.18% | \$8,497.34 | -16.02% | \$27,754.04 | -21.97% | \$53,421.90 |
| January | -9.30% | \$75,930.75 | -20.45% | \$70,554.90 | -14.72% | \$7,852.73 | -5.71% | \$29,559.39 | -28.06% | \$50,481.98 |
| 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 |
| TOTAL 2011-2012 | | \$450,015.52 | | \$493,884.30 | | \$61,226.53 | | \$210,936.00 | | \$380,381.11 |
| TOTAL 2010-2011 | | \$476,523.88 | | \$620,861.51 | | \$73,174.24 | | \$242,252.83 | | \$514,298.59 |
| DIFFERENCE | | (\$26,508.36) | | (\$126,977.21) | | (\$11,947.71) | | (\$31,316.83) | | (\$133,917.48) |
| % INCR/DECR | | -5.56% | | -20.45% | | -16.33% | | -12.93% | | -26.04% |
| | | c | | c | | c | | c | | e |

\$1,596,443.46



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

January-12

| | <u>Budget</u> | <u>FYTD Actual</u> | <u>Balance</u> | <u>59% Target</u> | <u>Prior FYTD</u> | <u>PY to CY Comparison</u> |
|--|--------------------|--------------------|----------------|-------------------|-------------------|----------------------------|
| <u>Streets Fund</u> | | | | | | |
| Revenue | 664,520 ** | 394,573 | (269,947) | 59.4% | 522,979 | -24.55% |
| Expenditures | 1,643,479 | 898,590 * | (744,889) | 54.7% | 575,353 | 56.18% |
| Revenue over Expenditures | <u>(978,959)</u> | <u>(504,017)</u> | | | <u>(52,375)</u> | |
| <u>Capital Projects Fund</u> | | | | | | |
| Revenue | 1,863,874 ** | 77,221 | (1,786,653) | 4.1% | 353,041 | -78.13% |
| Expenditures | 3,578,692 | 480,394 * | (3,098,298) | 13.4% | 81,154 | 491.95% |
| Revenue over Expenditures | <u>(1,714,818)</u> | <u>(403,174)</u> | | | <u>271,887</u> | |
| <u>Wastewater Enterprise Fund</u> | | | | | | |
| Revenue | 10,175,025 ** | 5,980,515 | (4,194,510) | 58.8% | 5,598,287 | 6.83% |
| WW Administration | 559,345 | 296,941 * | (262,404) | 53.1% | 300,609 | -1.22% |
| WW Construction | 4,242,597 | 782,986 * | (3,459,611) | 18.5% | 1,519,335 | -48.47% |
| WW Treatment Plant | 2,127,215 | 972,763 * | (1,154,452) | 45.7% | 955,698 | 1.79% |
| WW Debt Service | 5,784,147 | 1,038,592 * | (4,745,555) | 18.0% | 1,121,701 | -7.41% |
| Revenue over Expenditures | <u>(2,538,279)</u> | <u>2,889,234</u> | | | <u>1,700,945</u> | |
| <u>All Other Funds</u> | | | | | | |
| Revenue | 3,302,853 ** | 275,255 | (3,027,598) | 8.3% | 207,882 | 32.41% |
| Expenditures | 4,783,618 | 148,493 * | (4,635,125) | 3.1% | 484,525 | -69.35% |
| Revenue over Expenditures | <u>(1,480,765)</u> | <u>126,763</u> | | | <u>(276,642)</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> | |
|--------------------------|------------------------|---|----------------------------|-----|---------------------------------|---|-------------------------|--------------------------|---------------|
| Total | <u>6,727,565</u> | | <u>4,618,758</u> | * | <u>0</u> | | <u>2,108,806</u> | <u>1,643,815</u> | <u>28.29%</u> |

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

*NOTE: Amounts do not include "encumbrances".