
INTEROFFICE MEMO

DATE: APRIL 16, 2012
TO: MAYOR AND CITY COUNCIL
TIM ERNSTER, CITY MANAGER
CC: DEPARTMENT HEADS, CITY ASSISTANTS, & BUDGET OVERSIGHT COMMITTEE
FROM: BARBARA ASHLEY
RE: **MONTHLY REPORT - FEBRUARY 2012**

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

General Fund:

- a) For February 2012:
- Total revenues received \$ 1,006,382
 - Total expenditures were \$ 1,003,952
 - Positive cash flow of \$ 2,430

Fiscal Year totals through February 2012:

- Total revenues received \$ 7,347,226
- Total expenditures were \$ 6,870,569
 - Positive cash flow of \$ 476,657

The General Fund unrestricted fund balance is \$12,880,094

Revenue collected through February 2012 decreased in comparison to the same period through February 2011 by approximately 3.69%. Expenditures have slightly increased for the same time frame by approximately 1.71%. These numbers are cumulative. (page 6 of the attachment)

- b) Included with this month's activity, several City taxpayers completed and filed amended returns correcting the categories in which they were applying their Sales and Bed tax collections. These adjustments went as far back as January 2011. The corrections posted this month caused a major shift in the monthly collection amounts between retail and bed tax categories. In previous reports, staff made note of this situation and although we knew the corrections would be made, we did not anticipate that all the corrections would be posted at one time. We look forward to seeing these taxpayers continue with the correct categories and our collections reflecting the true collection of tax by category in the future. This month's activity will appear out of the normal but should resume within the next few months and year-to-date collections should appear correctly from here on out. (page 8 of the attachment)

- c) City sales taxes collected for the current fiscal year through February 2012 decreased over fiscal year 2010-11 through February 2011 by approximately 9.95%.

Bed taxes collected for February 2012 decreased over February 2011 by approximately 1.7% before the corrections were made. With the corrections made, the Bed taxes collected for the current fiscal year through February 2012 increased over fiscal year 2010-11 through February 2011 by approximately 6.65%.

Sales and bed taxes combined for February 2012 over February 2011 are up approximately 8.25%. Cumulative taxes collected for the current fiscal year through February 2012 decreased over fiscal year 2010-11 through February 2011 by approximately 7.96%.

Staff continues to work with RDS and taxpayers on collection efforts. (page 4 of the attachment)

- d) State shared revenues continue with the anticipated decreases but collections are within the City's targeted budget. Collection for the month February 2012 compared to February 2011, State sales tax decreased 6.31%, income tax decreased 20.45%, VLT (vehicle license tax) for Coconino County increased 5.37% and Yavapai County increased 0.55%.

Collections for the fiscal year through February 2012 compared to fiscal year 2010-11 through February 2011 show decreases in State sales taxes 5.65%, State income taxes 20.45%, VLT for Coconino County 14.05% and Yavapai County 11.43%. (page 5 of the attachment)

- e) Overall expenditures through February 2012, per department are below the target approximately 13% and have increased from last fiscal year by approximately \$115,181. (page 6 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 7 of the attachment)

- f) 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 February 2012 have decreased from February 2011 by approximately 21.53%. The continued decrease was anticipated, but collections remain within the City's budget. Currently expenditures have exceeded revenue through February 2012. (page 5 and 7 of the attachment)

For February 2012:

• Total revenues received	\$ 54,772
• Total expenditures were	<u>\$ 28,601</u>
o Positive cash flow of	\$ 26,171

Fiscal Year totals through February 2012:

• Total revenues received	\$ 446,686
• Total expenditures were	<u>\$ 923,697</u>
○ Negative cash flow of	\$ -477,011

The Streets Fund restricted fund balance is \$ 991,135

- g) 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 February 2012:

• Total revenues received	\$ 685,187
• Total expenditures were	<u>\$ 683,164</u>
○ Positive cash flow of	\$ 2,023

Fiscal Year totals through February 2012:

• Total revenues received	\$ 6,655,676
• Total expenditures were	<u>\$ 3,774,446</u>
○ Positive cash flow of	\$ 2,881,230

The Wastewater Fund balance is \$20,861,317

- h) Expenditures for the current fiscal year through February 2012 compared to fiscal year 2010-11 through February 2011 have decreased \$548,432. Capital cost will appear as projects are completed. Debt service payments are made in February and June of each year. (page 7 of the attachment)

Please feel free to contact my office with any questions.

Attachments

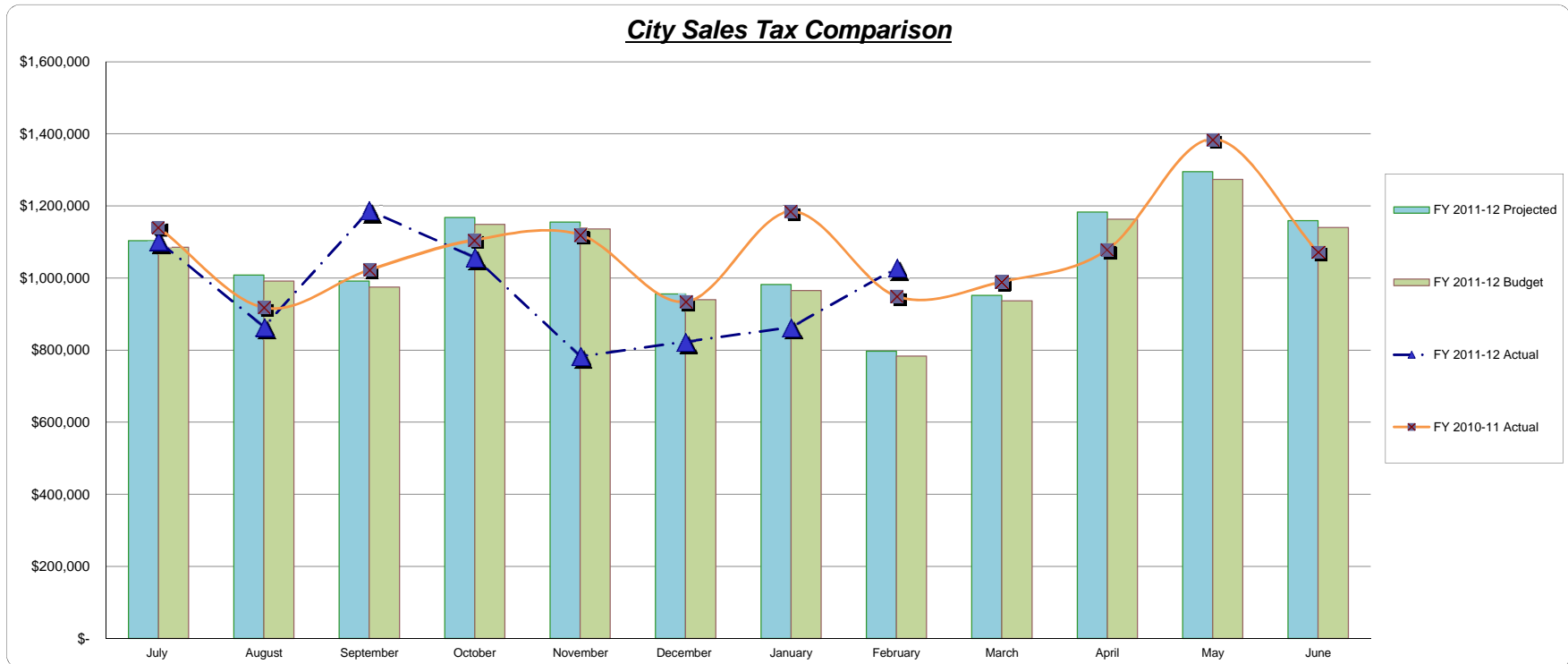
City of Sedona
Sales Tax Worksheet*
February 29, 2012

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	1,027,743	244,125	8.25%	31.15%
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	\$7,707,228	(319,528)	-7.96%	-3.98%

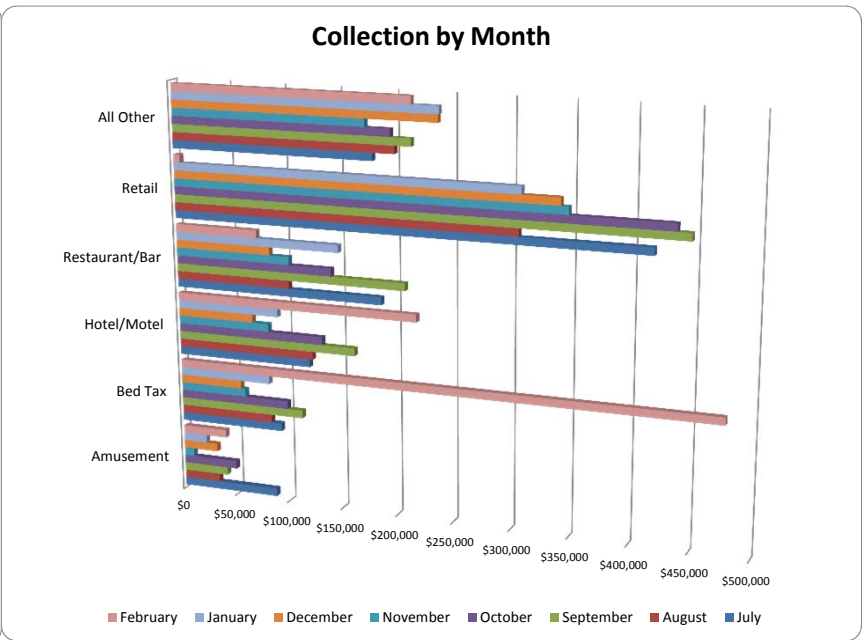
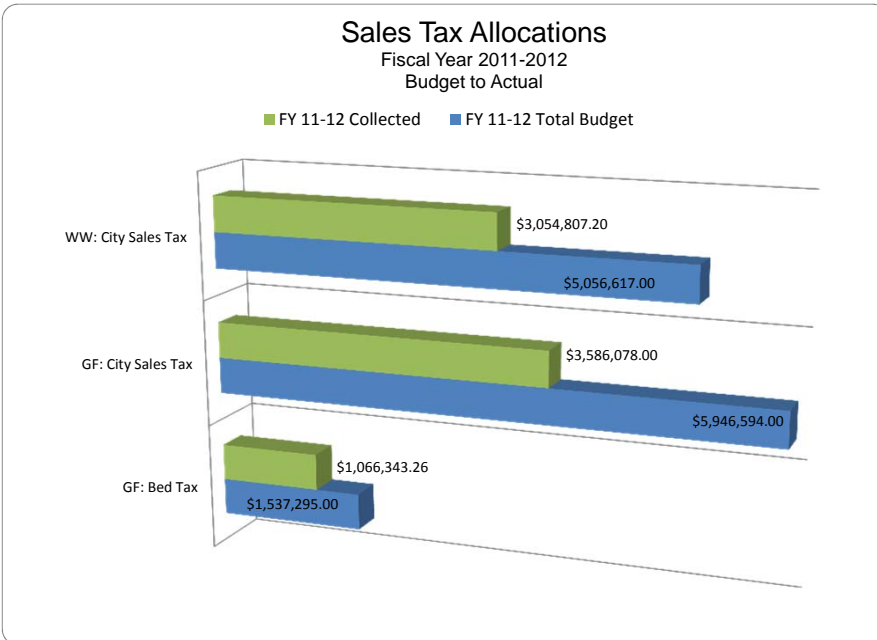
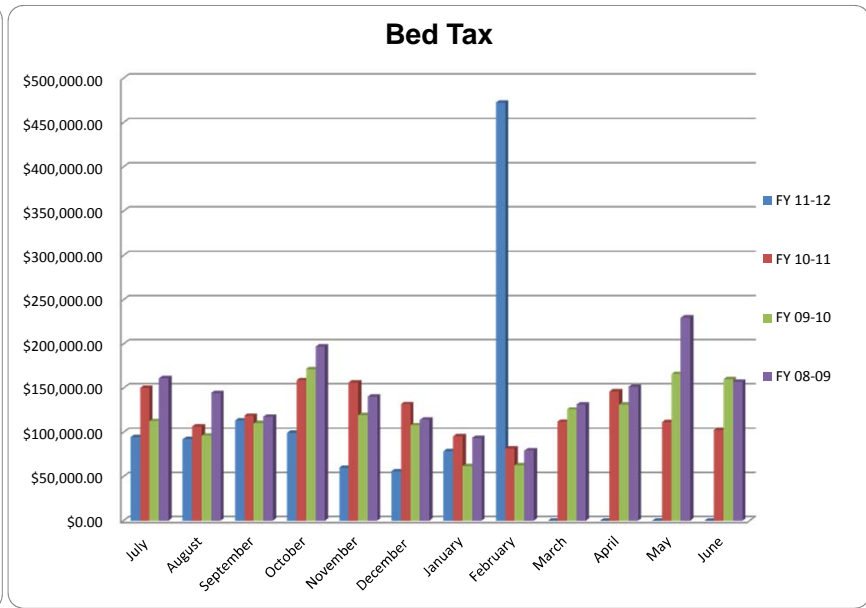
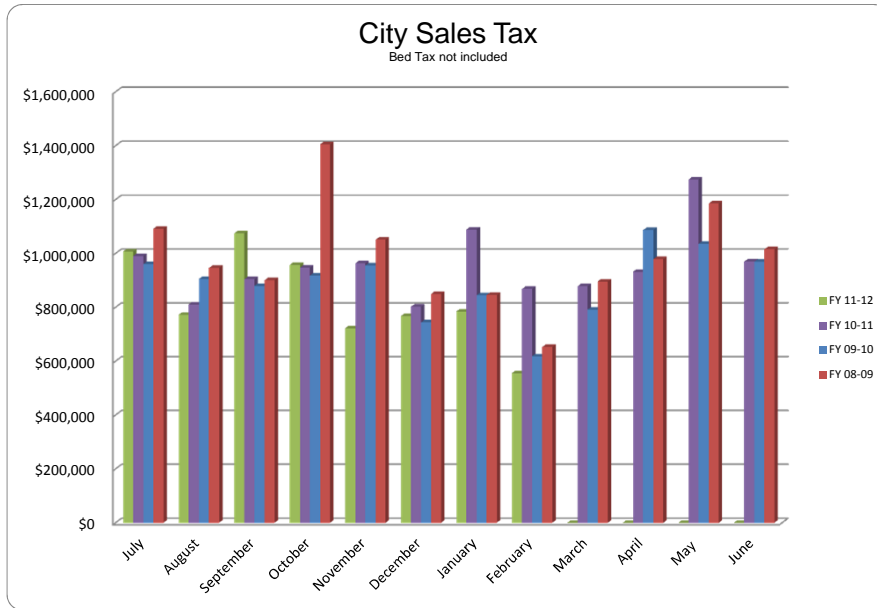
cumulative averages

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

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

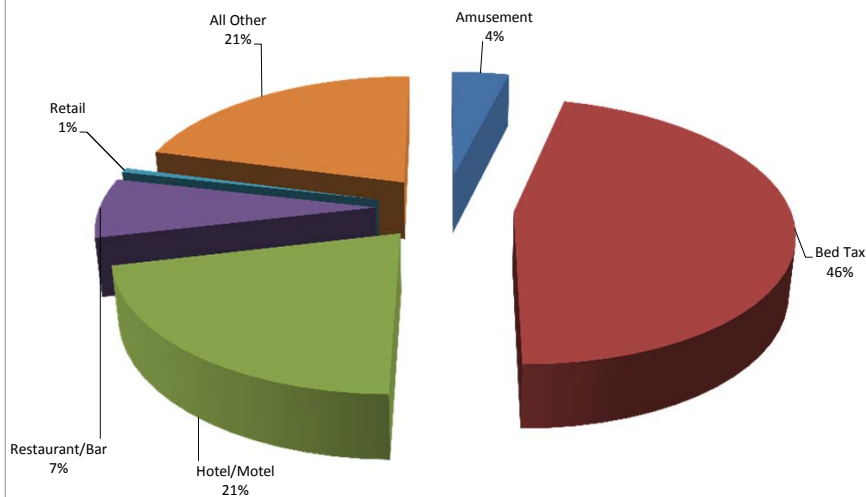


City of Sedona
Sales Tax Worksheet*
February 29, 2012

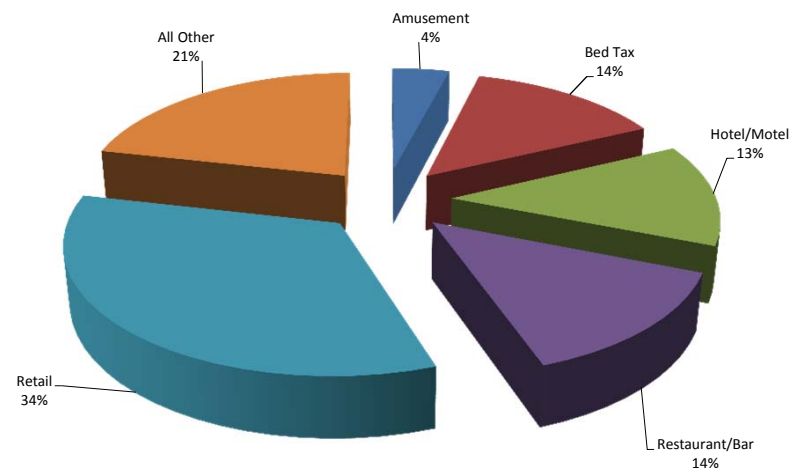


City of Sedona
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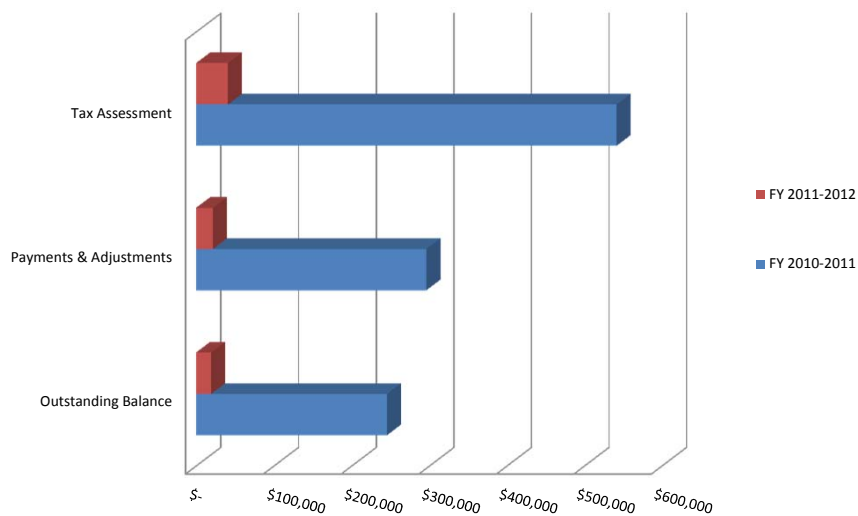
Current Month Collection



Fiscal Year to date Collection

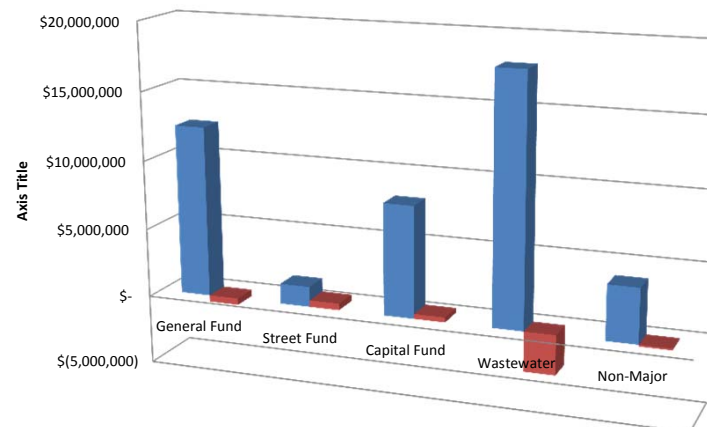


Sales Tax Audits



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	(476,657)	477,010	352,383	(2,881,231)	(115,262)

CITY SALES TAX COLLECTION SUMMARY FY 2011-2012

2/29/2012

	<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	479.36%	\$472,393.21	-36.01%	\$299,888.66	\$772,281.87	-36.01%	\$255,460.71	\$255,460.71	8.25%	\$1,027,742.58	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		\$1,066,343.26		\$3,586,078.00	\$4,652,421.26		\$3,054,807.20	\$3,054,807.20		\$7,707,228.46	
TOTAL FY 2010-2011		\$999,858.42		\$3,982,136.20			\$3,392,190.06			\$8,374,184.68	
DIFFERENCE		\$66,484.84		(\$396,058.20)			(\$337,382.86)			(\$666,956.22)	
% INCR/DECR		6.65%	b	-9.95%	b		-9.95%			-7.96%	

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	\$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	\$472,018.26	\$294,847.92	\$766,866.18	\$251,166.74	\$251,166.74	\$1,018,032.92	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	\$1,059,652.06	\$3,541,496.37	\$4,601,148.43	\$3,016,830.24	\$3,016,830.24	\$7,617,978.67				

<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	\$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	\$374.95	\$5,040.74	\$5,415.69	\$4,293.97	\$4,293.97	\$9,709.66	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	\$6,691.20	\$44,581.63	\$51,272.83	\$37,976.96	\$37,976.96	\$89,249.79				

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

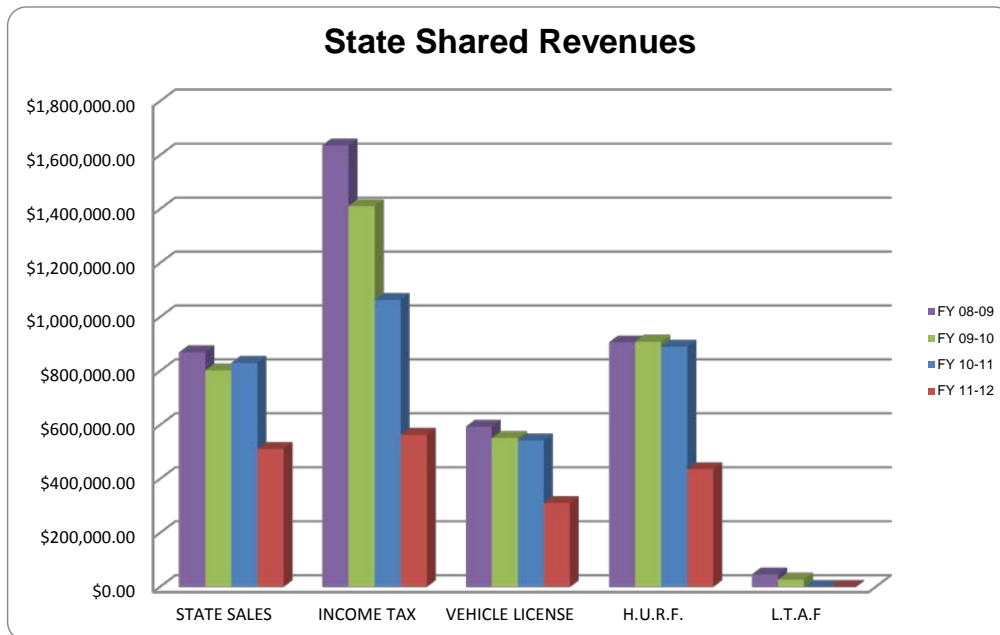
GENERAL FUND:

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	-6.31%	\$61,863.23	-20.45%	\$70,554.90	5.37%	\$9,051.95	0.55%	\$30,441.71	-21.53%	\$55,358.60
March		\$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		\$511,878.75		\$564,439.20		\$70,278.48		\$241,377.71		\$435,739.71
TOTAL 2010-2011		\$542,555.97		\$709,555.98		\$81,764.65		\$272,526.65		\$584,842.39
DIFFERENCE		(\$30,677.22)		(\$145,116.78)		(\$11,486.17)		(\$31,148.94)		(\$149,102.68)
% INCR/DECR		-5.65%		-20.45%		-14.05%		-11.43%		-25.49%

c c c c e

\$1,823,713.85



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

February-12

	<u>Budget</u>		<u>FYTD Actual</u>		<u>Balance</u>	<u>67% Target</u>	<u>Prior FYTD</u>	<u>PY to CY Comparison</u>
<u>Streets Fund</u>								
Revenue	664,520	**	446,686		(217,834)	67.2%	593,224	-24.70%
Expenditures	1,643,479		923,697	*	(719,782)	56.2%	631,355	46.30%
Revenue over Expenditures	<u>(978,959)</u>		<u>(477,010)</u>				<u>(38,131)</u>	
<u>Capital Projects Fund</u>								
Revenue	1,863,874	**	77,281		(1,786,593)	4.1%	355,816	-78.28%
Expenditures	3,578,692		489,272	*	(3,089,420)	13.7%	126,491	286.80%
Revenue over Expenditures	<u>(1,714,818)</u>		<u>(411,992)</u>				<u>229,325</u>	
<u>Wastewater Enterprise Fund</u>								
Revenue	10,175,025	**	6,655,676		(3,519,349)	65.4%	6,406,210	3.89%
WW Administration	559,345		339,192	*	(220,153)	60.6%	345,902	-1.94%
WW Construction	4,242,597		1,281,279	*	(2,961,318)	30.2%	1,725,918	-25.76%
WW Treatment Plant	2,127,215		1,076,684	*	(1,050,531)	50.6%	1,090,351	-1.25%
WW Debt Service	5,784,147		1,077,291	*	(4,706,856)	18.6%	1,160,717	-7.19%
Revenue over Expenditures	<u>(2,538,279)</u>		<u>2,881,231</u>				<u>2,083,321</u>	
<u>All Other Funds</u>								
Revenue	3,302,853	**	277,975		(3,024,878)	8.4%	336,477	-17.39%
Expenditures	4,783,618		162,713	*	(4,620,905)	3.4%	640,539	-74.60%
Revenue over Expenditures	<u>(1,480,765)</u>		<u>115,262</u>				<u>(304,062)</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>7,457,618</u>		<u>5,350,128</u>	*	<u>0</u>		<u>2,107,491</u>	<u>1,970,453</u>
								6.95%

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

*NOTE: Amounts do not include "encumbrances".

Business Class Totals	Total Tax Amount	Business Class Corrections & Adjustments	Amount Paid
Advertising	\$135.46		\$135.46
Amusement	\$40,441.72		\$40,441.72
Bed Tax	\$80,142.72	\$397,125.48 *	\$477,268.20
Commercial Lease	\$57,900.71	(\$2,093.98)	\$55,806.73
Communications	\$20,923.13	(\$3.56)	\$20,919.57
Contractors	\$73,741.55		\$73,741.55
Hotel/Motel	\$222,758.04	(\$4,450.65)	\$218,307.39
Job Printing	\$57.33		\$57.33
Owner Builder	\$193.77		\$193.77
Personal Property Real Estate	\$8,234.01	(\$18.07)	\$8,215.94
Publication	\$436.55		\$436.55
Restaurant/Bar	\$142,716.33	(\$67,635.71)	\$75,080.62
Retail	\$402,946.01	(\$397,044.38)	\$5,901.63
Telco Service	\$877.87		\$877.87
Transporting	\$1,637.52		\$1,637.52
UseTaxPurchases	\$21,311.24	(\$50.77)	\$21,260.47
Utilities	\$31,552.47		\$31,552.47
Grand Total	\$1,106,006.43	(\$74,171.64)	\$1,031,834.79

RDS Admin fees: \$11,350.18

\$337,142.42 * retail

\$56,279.67 * restaurant/bar

\$3,703.39 * hotel/motel

this breakdown is my best guesstimate without seeing the actual tax returns.