
INTEROFFICE MEMO

DATE: MAY 8, 2012
TO: MAYOR AND CITY COUNCIL
TIM ERNSTER, CITY MANAGER
CC: DEPARTMENT HEADS, CITY ASSISTANTS, & BUDGET OVERSIGHT COMMITTEE
FROM: BARBARA ASHLEY
RE: **MONTHLY REPORT - MARCH 2012**

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

General Fund:

- a) For March 2012:
- Total revenues received \$ 1,145,226
 - Total expenditures were \$ 941,276
 - Positive cash flow of \$ 203,950

Fiscal Year totals through March 2012:

- Total revenues received \$ 8,493,000
- Total expenditures were \$ 7,863,004
 - Positive cash flow of \$ 629,996

The General Fund unrestricted fund balance is \$13,033,432

Revenue collected through March 2012 decreased in comparison to the same period through March 2011 by approximately 1.91%. Expenditures have increased for the same time frame by approximately 6.44%. These numbers are cumulative. (page 6 of the attachment)

- b) Included with this month's activity, we continue to see corrections being made by City taxpayers completing and filing amended returns to correct the categories in which they were applying their Sales and Bed tax collections. Most of the corrections filed this month are for calendar year 2011. With the corrections posting to this month, monthly collection amounts between categories, especially retail and bed tax, are still shifting. City staff and RDS continue to encourage these taxpayers to file amended returns and continue filing in the correct categories. The City's collections should reflect a truer collection of tax by category in the future. This month's activity is still out of the normal, not as much as last month, but should start to level as all corrections are posted.

- c) Also this month, the City refunded taxpayers approximately \$9,400 in the categories of Contractors and Use Tax. *Corrections* affecting Bed, Retail and Restaurant categories totaled approximately \$149,525. City taxpayers filing without payment affected the Bed, Communications, and Contractors, Personal Property, Restaurant/Bar and Retail categories with approximately \$45,000 in taxes due to the City.
- d) City sales taxes collected for March 2012 decreased over March 2011 by approximately 5.27%. The current fiscal year through March 2012 decreased over fiscal year 2010-11 through March 2011 by approximately 9.45%. (page 4 of the attachment)

Bed taxes collected for March 2012 increased over March 2011 by approximately 10% before the corrections were made. With the corrections made, the Bed taxes collected for the current fiscal year through March 2012 increased over fiscal year 2010-11 through March 2011 by approximately 21.25%. (page 4 of the attachment)

Sales and bed taxes combined for March 2012 over March 2011 are up approximately 12.48%. Cumulative taxes collected for the current fiscal year through March 2012 decreased over fiscal year 2010-11 through March 2011 by approximately 5.8%. Staff continues to work with RDS and taxpayers on collection efforts. (page 4 of the attachment)

- e) State shared revenues continue with the anticipated decreases with State sales and income tax collections remaining within the City's targeted budget. Vehicle licensing is below budget by approximately 9.8%. Collection for the month March 2012 compared to March 2011, State sales tax decreased 7.05%, income tax remains down at 20.45%, VLT (vehicle license tax) for Coconino County decreased 27.91% and Yavapai County decreased 24.36%. Collections for the fiscal year through March 2012 compared to fiscal year 2010-11 through March 2011 show decreases in State sales taxes 5.82%, State income taxes 20.45%, VLT for Coconino County 15.91% and Yavapai County 13.16%. (page 5 of the attachment)
- f) Overall expenditures through March 2012, per department are cumulatively below the target approximately 13% and have increased from last fiscal year by approximately \$475,818. (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)

- g) 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 March 2012 have decreased from March 2011 by approximately 16.28%. The continued decrease was

anticipated, but collections are slightly above the City's budget approximately 4.5%. Currently expenditures have exceeded revenue through March 2012. (page 5 and 7 of the attachment)

For March 2012:

- Total revenues received \$ 67,180
- Total expenditures were \$ 87,933
- Negative cash flow of \$ - 20,753

Fiscal Year totals through March 2012:

- Total revenues received \$ 513,866
- Total expenditures were \$1,020,554
- Negative cash flow of \$ - 506,688

The Streets Fund restricted fund balance is \$ 961,458

- h) 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 March 2012:

- Total revenues received \$ 849,454
- Total expenditures were \$ 483,619
- Positive cash flow of \$ 365,835

Fiscal Year totals through March 2012:

- Total revenues received \$ 7,505,131
- Total expenditures were \$ 4,298,270
- Positive cash flow of \$ 3,206,861

The Wastewater Fund balance is \$21,186,947

- i) Expenditures for the current fiscal year through March 2012 compared to fiscal year 2010-11 through March 2011 have decreased \$644,372. Capital cost will appear as projects are completed. Debt service payments are made in January and June of each year. (page 7 of the attachment)

Please feel free to contact my office with any questions.

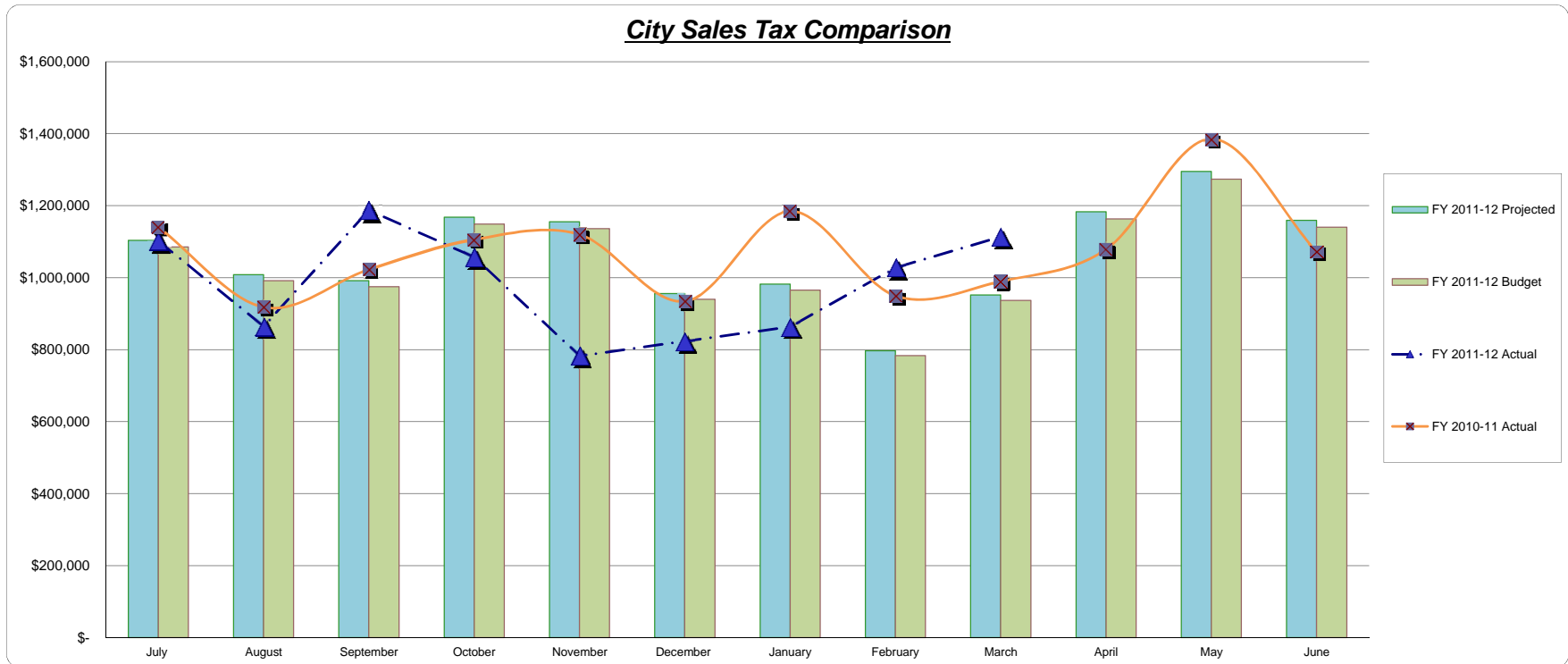
Attachments

City of Sedona
Sales Tax Worksheet*
March 31, 2012

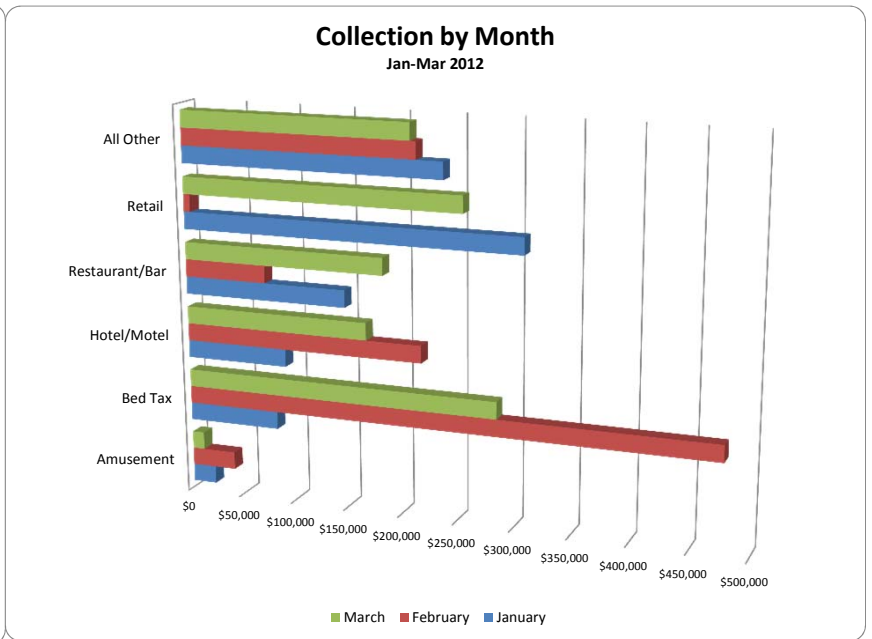
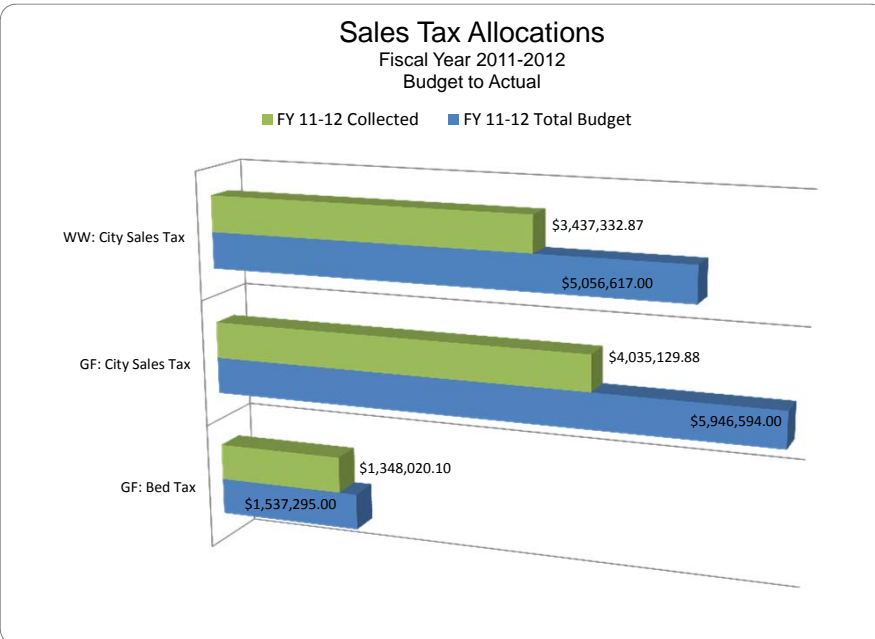
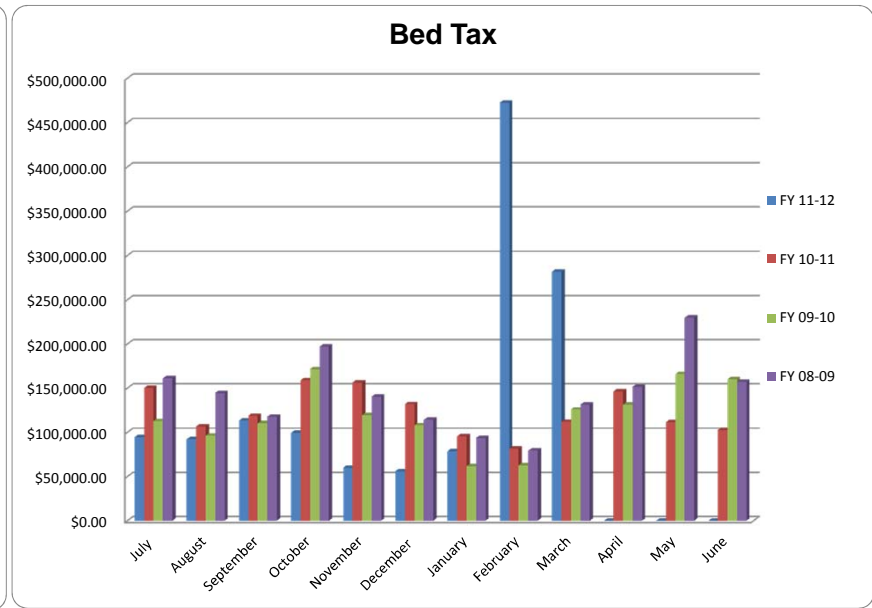
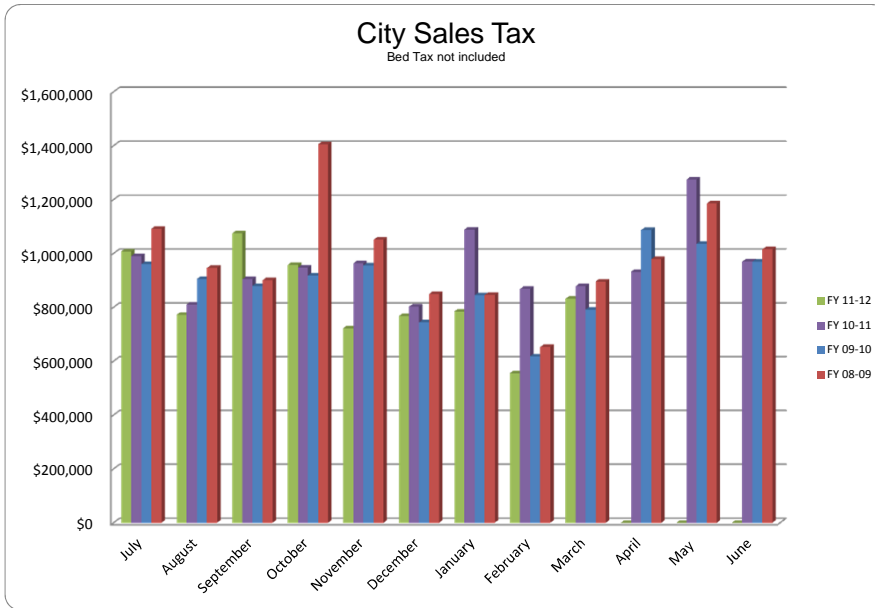
Month	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	2012 Budget	2012 Collections	Budget Variance	% Change from 2011	% Change from Budget
July	933,022	949,697	987,755	1,021,011	1,181,174	1,069,178	1,253,632	1,252,755	1,073,215	1,140,395	1,085,614	1,101,956	16,341	-3.37%	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	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	1,113,254	176,752	12.48%	18.87%
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	\$8,820,483	(142,776)	-5.80%	-1.59%

* Bed tax is included due to reporting inconsistencies by vendors.
 ** The fiscal year is July 1 through June 30.

cumulative averages

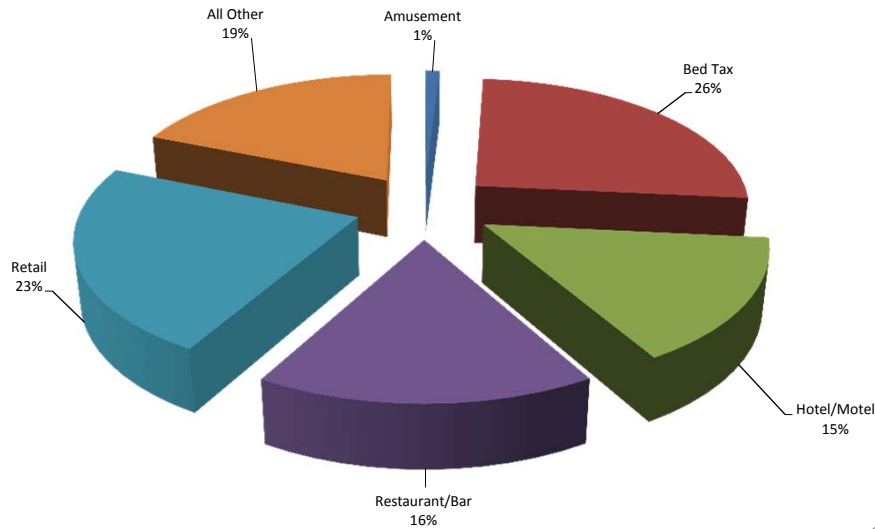


City of Sedona
Sales Tax Worksheet*
March 31, 2012

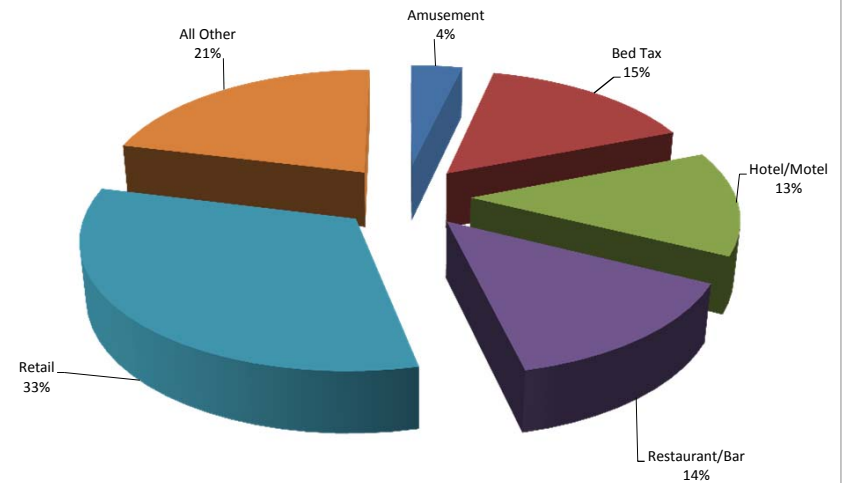


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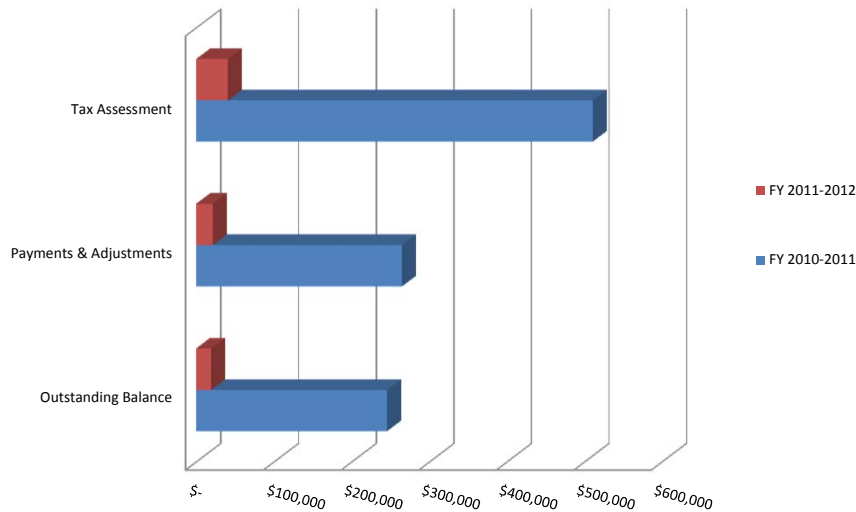
Current Month Collection



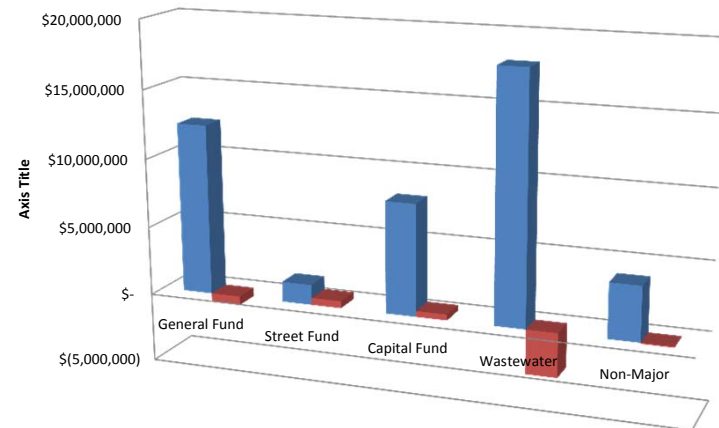
Fiscal Year to date Collection



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	(629,995)	506,688	424,017	(3,206,860)	(69,024)

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

3/31/2012

	<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	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	151.60%	\$281,676.84	-5.27%	\$449,051.88	\$730,728.72	-5.27%	\$382,525.67	\$382,525.67	12.48%	\$1,113,254.39	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		\$1,348,020.10		\$4,035,129.88	\$5,383,149.98		\$3,437,332.87	\$3,437,332.87		\$8,820,482.85	
TOTAL FY 2010-2011		\$1,111,814.51		\$4,456,155.81		\$3,795,984.53		\$3,795,984.53		\$9,363,954.85	
DIFFERENCE		\$236,205.59		(\$421,025.93)		(\$358,651.66)		(\$358,651.66)		(\$543,472.00)	
% INCR/DECR		21.25%	b	-9.45%	b	-9.45%		-9.45%		-5.80%	

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	\$281,676.64	\$443,497.38	\$725,174.02	\$377,794.06	\$377,794.06	\$1,102,968.08	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	\$1,341,328.70	\$3,984,993.75	\$5,326,322.45	\$3,394,624.30	\$3,394,624.30	\$8,720,946.75				

<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	\$0.20	\$5,554.50	\$5,554.70	\$4,731.61	\$4,731.61	\$10,286.31	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	\$6,691.40	\$50,136.13	\$56,827.53	\$42,708.57	\$42,708.57	\$99,536.10				

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

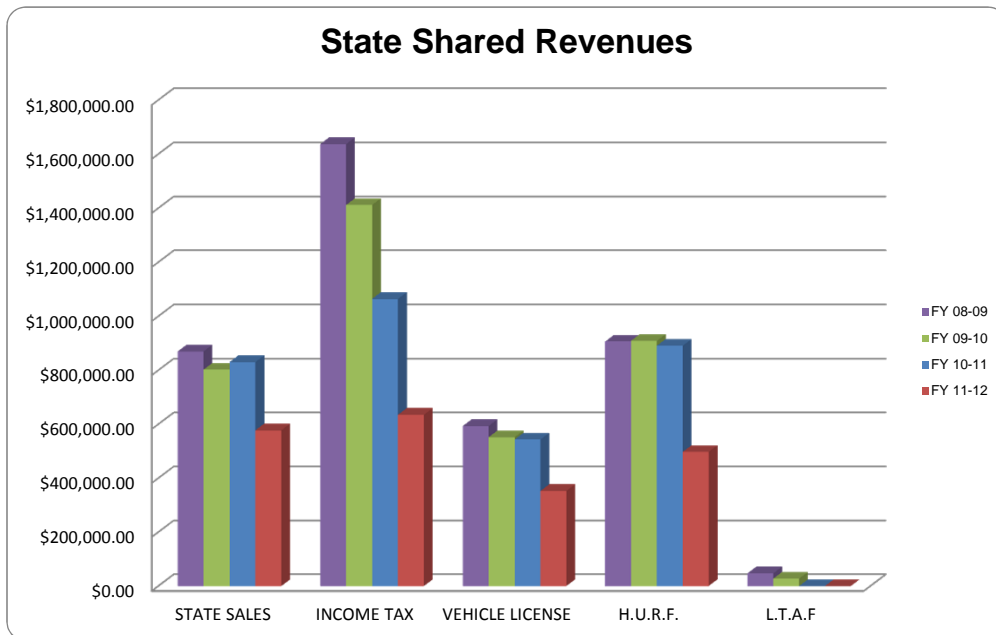
GENERAL FUND:

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	-7.05%	\$65,797.61	-20.45%	\$70,554.90	-27.91%	\$9,120.23	-24.36%	\$31,949.50	-16.28%	\$61,610.98
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		\$577,676.36		\$634,994.10		\$79,398.71		\$273,327.21		\$497,350.69
TOTAL 2010-2011		\$613,345.74		\$798,250.45		\$94,415.78		\$314,764.55		\$658,437.81
DIFFERENCE		(\$35,669.38)		(\$163,256.35)		(\$15,017.07)		(\$41,437.34)		(\$161,087.12)
% INCR/DECR		-5.82%		-20.45%		-15.91%		-13.16%		-24.47%

c c c c e

\$2,062,747.07



City of Sedona
FY 2011/12 General Fund Budget Comparison

March-12

<u>General Fund</u>						
<u>Revenues</u>	<u>Budget</u>	<u>FYTD Actual</u>	<u>Balance</u>	<u>75% Target</u>	<u>Prior FYTD</u>	<u>PY to CY Comparison</u>
Bed Tax	1,537,295 **	1,348,020	(189,275)	87.7%	1,111,815	21.25%
City Sales Tax	6,196,594 **	4,095,474	(2,101,120)	66.1%	4,630,580	-11.56%
Franchise Fees	715,026 **	542,484	(172,542)	75.9%	538,752	0.69%
Vehicle License Tax	535,325 **	352,726	(182,599)	65.9%	409,180	-13.80%
State Sales Tax	758,909 **	577,676	(181,233)	76.1%	613,346	-5.82%
State Income Tax	846,649 **	634,959	(211,690)	75.0%	798,250	-20.46%
Fines	234,968 **	167,065	(67,903)	71.1%	173,173	-3.53%
Licenses & Permits	134,573 **	173,301	38,728	128.8%	79,448	118.13%
Charges for Services	109,846 **	95,763	(14,083)	87.2%	74,891	27.87%
Contributions & Donations	- **	-	0	0.0%	-	0.00%
Interest	351,315 **	110,884	(240,431)	31.6%	90,745	22.19%
Miscellaneous	483,240 **	394,647	(88,593)	81.7%	137,757	186.48%
	<u>11,903,740 **</u>	<u>8,493,000</u>	<u>(3,410,740)</u>	<u>71.3%</u>	<u>8,657,935</u>	<u>-1.91%</u>

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

<u>Expenditures</u>	<u>Budget</u>	<u>FYTD Actual</u>	<u>Balance</u>	<u>75% Target</u>	<u>Prior FYTD</u>	<u>PY to CY Comparison</u>
City Council	77,979	48,724 *	29,255	62.5%	48,377	0.72%
City Manager	579,017	402,887 *	176,130	69.6%	375,726	7.23%
Human Resources	1,789,337	1,273,878 *	515,459	71.2%	1,055,349	20.71%
Financial Services	357,759	259,433 *	98,326	72.5%	229,422	13.08%
Information Systems	535,860	415,481 *	120,379	77.5%	365,497	13.68%
Legal	364,530	246,436 *	118,094	67.6%	227,201	8.47%
City Clerk (moved to City Mgr's budget)	-	- *	0	0.0%	-	0.00%
Community Services	1,954,191	1,692,025 *	262,166	86.6%	178,687	846.92%
General Services	2,412,808	653,404 *	1,759,404	27.1%	2,184,100	-70.08%
Contingencies	300,000	-	300,000	0.0%	81,237	0.00%
Community Development	848,407	567,548 *	280,859	66.9%	547,547	3.65%
Public Works	987,458	630,344 *	357,114	63.8%	512,811	22.92%
Arts & Culture (moved to City Mgr's budget)	-	- *	0	0.0%	-	0.00%
Police	2,184,491	1,503,173 *	681,318	68.8%	1,408,517	6.72%
Municipal Court	332,463	169,671 *	162,792	51.0%	172,715	-1.76%
	<u>12,724,300</u>	<u>7,863,004</u>	<u>4,861,296</u>	<u>61.8%</u>	<u>7,387,186</u>	<u>6.44%</u>

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

<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>
General Fund	<u>8,493,000</u>	<u>7,863,004 *</u>	<u>0</u>	<u>629,995</u>	<u>1,270,749</u>
					<u>-50.42%</u>

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

March-12

	Budget	FYTD Actual	Balance	75% Target	Prior FYTD	PY to CY Comparison
<u>Streets Fund</u>						
Revenue	664,520 **	513,866	(150,654)	77.3%	672,377	-23.57%
Expenditures	1,643,479	1,020,554 *	(622,925)	62.1%	673,460	51.54%
Revenue over Expenditures	<u>(978,959)</u>	<u>(506,688)</u>			<u>(1,083)</u>	
<u>Capital Projects Fund</u>						
Revenue	1,863,874 **	77,281	(1,786,593)	4.1%	389,128	-80.14%
Expenditures	3,578,692	587,045 *	(2,991,647)	16.4%	131,438	346.63%
Revenue over Expenditures	<u>(1,714,818)</u>	<u>(509,764)</u>			<u>257,690</u>	
<u>Wastewater Enterprise Fund</u>						
Revenue	10,175,025 **	7,505,131	(2,669,894)	73.8%	7,167,685	4.71%
WW Administration	559,345	389,538 *	(169,807)	69.6%	402,850	-3.30%
WW Construction	4,242,597	1,536,106 *	(2,706,491)	36.2%	2,084,796	-26.32%
WW Treatment Plant	2,127,215	1,258,780 *	(868,435)	59.2%	1,257,724	0.08%
WW Debt Service	5,784,147	1,113,846 *	(4,670,301)	19.3%	1,197,272	-6.97%
Revenue over Expenditures	<u>(2,538,279)</u>	<u>3,206,860</u>			<u>2,225,042</u>	
<u>All Other Funds</u>						
Revenue	3,302,853 **	527,947	(2,774,906)	16.0%	362,351	45.70%
Expenditures	4,783,618	458,923 *	(4,324,695)	9.6%	679,065	-32.42%
Revenue over Expenditures	<u>(1,480,765)</u>	<u>69,024</u>			<u>(316,714)</u>	

Revenue / Expense	Actual Revenues	- Actual Expenditures	+/- Transfers and/or Reserve	= YTD Rev over Exp	PYTD Rev over Exp	
Total	<u>8,624,224</u>	<u>6,364,792</u> *	<u>0</u>	<u>2,259,432</u>	<u>2,164,935</u>	4.36%

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

*NOTE: Amounts do not include "encumbrances".