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**INTEROFFICE MEMO**

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**DATE:** JULY 31, 2012  
**TO:** MAYOR AND CITY COUNCIL  
TIM ERNSTER, CITY MANAGER  
**CC:** DEPARTMENT HEADS, CITY ASSISTANTS, & BUDGET OVERSIGHT COMMITTEE  
**FROM:** BARBARA ASHLEY  
**RE:** **MONTHLY REPORT - MAY 2012**

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

General Fund:

- a) For May 2012:
- Total revenues received \$ 1,071,891
  - Total expenditures were \$ 665,481
    - Positive cash flow of \$ 406,410

Fiscal Year totals through May 2012:

- Total revenues received \$10,540,037
- Total expenditures were \$ 9,154,157
  - Positive cash flow of \$ 1,385,880

The General Fund unrestricted fund balance is \$13,789,317

Revenue collected through May 2012 decreased in comparison to the same period through May 2011 by approximately 1.13%. Expenditures have increased for the same time frame by approximately 1.08%. These numbers are cumulative. (page 6 of the attachment)

- b) City sales taxes collected for May 2012 decreased over May 2011 by approximately 7.28%. The current fiscal year through May 2012 decreased over fiscal year 2010-11 through May 2011 by approximately 7.68%. (page 4 of the attachment)

Bed taxes collected for the current fiscal year through May 2012 increased over fiscal year 2010-11 through May 2011 by approximately 25.46%. Please remember, there have been several corrections to this tax category. (page 4 of the attachment)

Sales and bed taxes combined for May 2012 over May 2011 are slightly up approximately 0.06%. Cumulative taxes collected for the current fiscal year through May 2012 decreased over fiscal year 2010-11 through May 2011 by approximately 3.84%.

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

- c) Collection for the month May 2012 compared to May 2011, State sales tax decreased 6.61%, income tax remains down at 20.45%, VLT (vehicle license tax) for Coconino County decreased 5.23% and Yavapai County decreased 6.52%. Collections for the fiscal year through May 2012 compared to fiscal year 2010-11 through May 2011 show decreases in State sales taxes 6.13%, State income taxes 20.45%, VLT for Coconino County 14.9% and Yavapai County 12.26%. (page 5 of the attachment)
- d) Overall expenditures through May 2012, per department are cumulatively below the target approximately 20.1% and have increased from last fiscal year by approximately \$223,635. (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)

- 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 May 2012 have decreased from May 2011 by approximately 20.41%. The continued decrease was anticipated, but collections are slightly above the City's budget approximately 7%. Currently expenditures have exceeded revenue through May 2012. (page 5 and 7 of the attachment)

For May 2012:

• Total revenues received	\$ 59,236
• Total expenditures were	<u>\$ 68,719</u>
○ Negative cash flow of	\$ - 9,483

Fiscal Year totals through May 2012:

• Total revenues received	\$ 643,917
• Total expenditures were	<u>\$1,151,897</u>
○ Negative cash flow of	\$ - 507,980

The Streets Fund restricted fund balance is \$ 960,165

- 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 May 2012:

• Total revenues received	\$ 960,998
• Total expenditures were	<u>\$ 206,466</u>
○ Positive cash flow of	\$ 754,532

Fiscal Year totals through May 2012:

• Total revenues received	\$ 9,395,776
• Total expenditures were	<u>\$ 5,759,694</u>
○ Positive cash flow of	\$ 3,636,082

The Wastewater Fund balance is \$21,616,169

- g) Expenditures for the current fiscal year through May 2012 compared to fiscal year 2010-11 through May 2011 have decreased \$145,873. 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

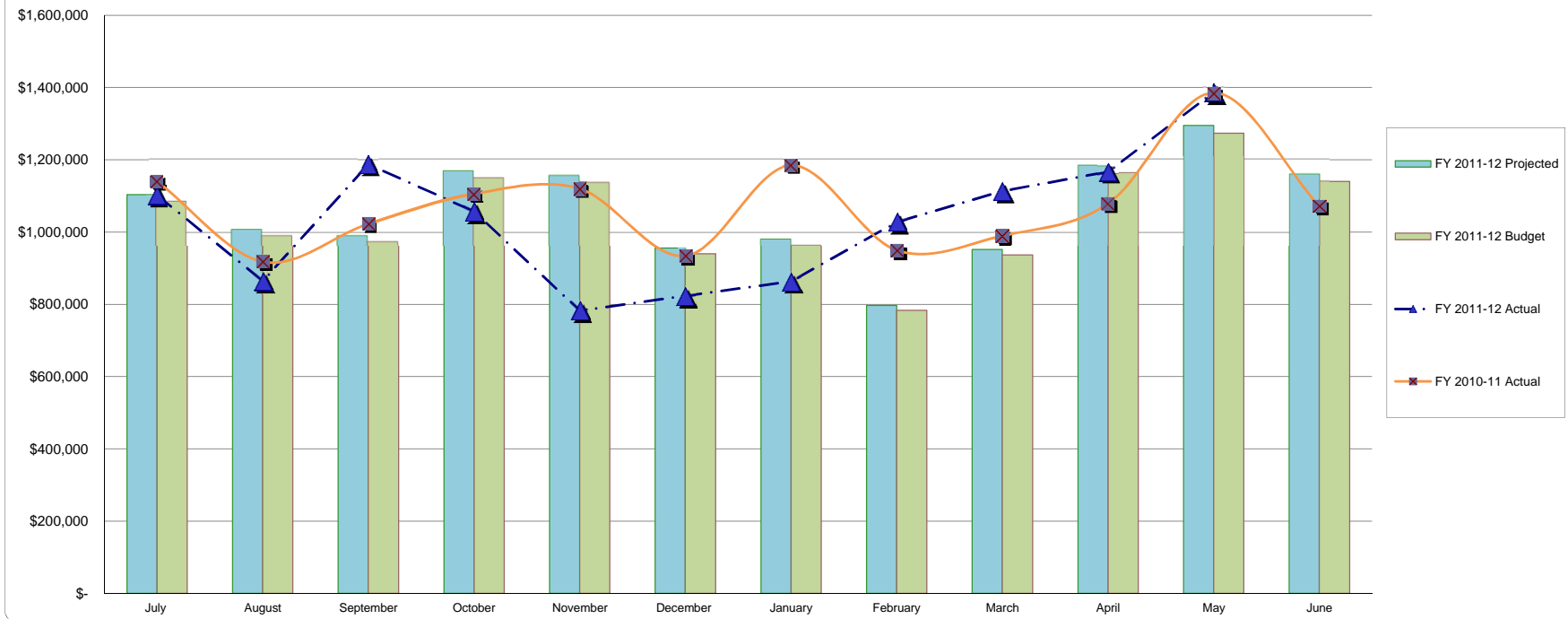
**City of Sedona**  
**Sales Tax Worksheet\***  
**May 31, 2012**

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	1,166,803	3,418	8.20%	0.29%
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	1,386,404	112,550	0.06%	8.84%
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>\$11,373,690</b>	<b>(26,808)</b>	<b>-3.84%</b>	<b>-0.24%</b>

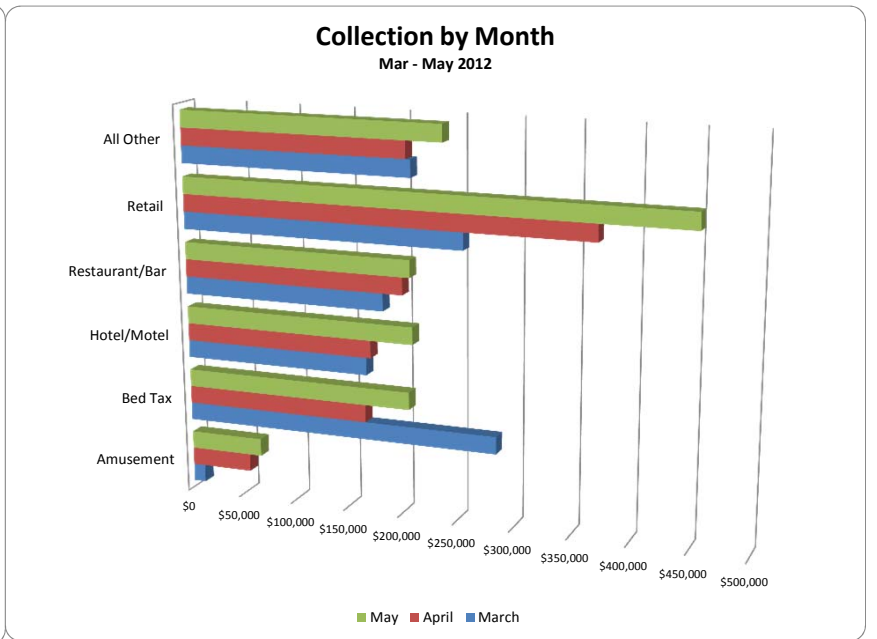
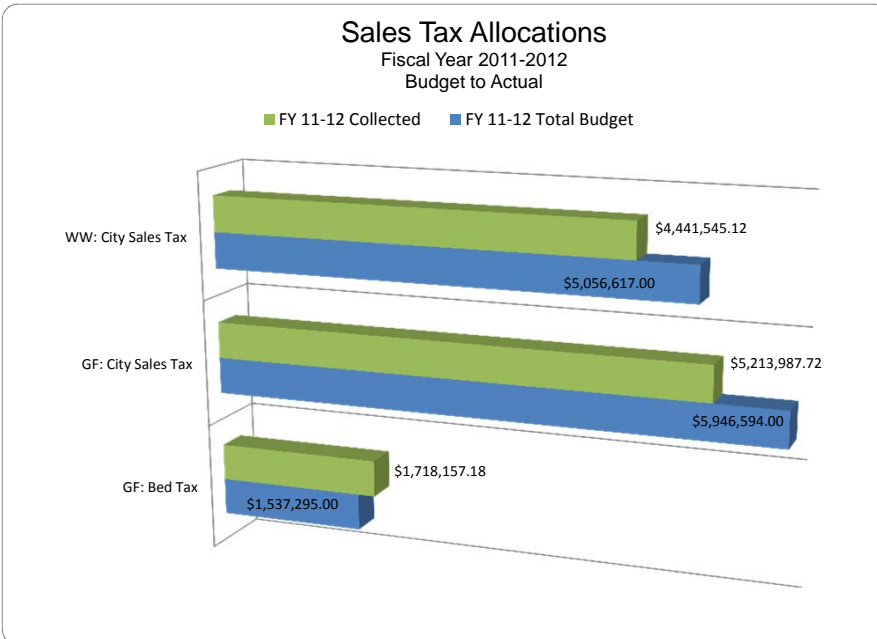
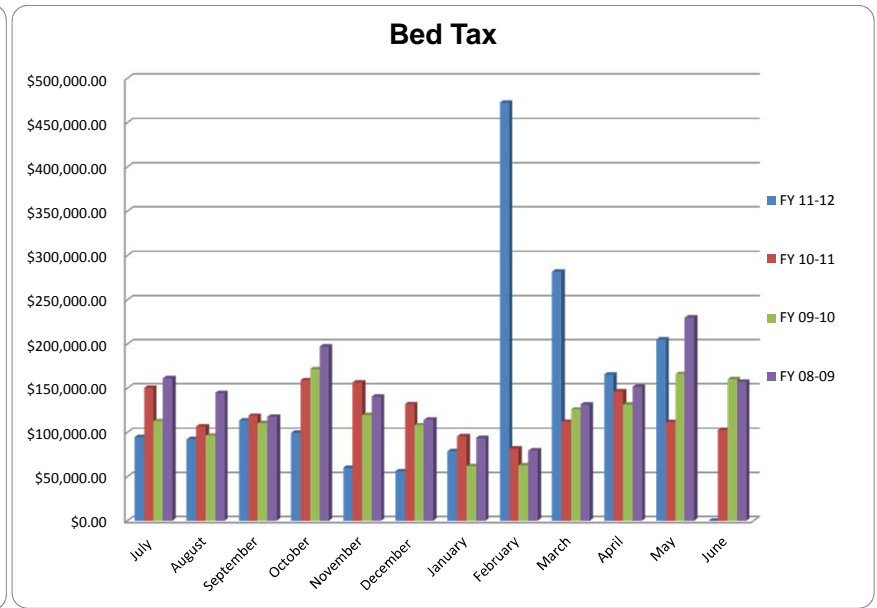
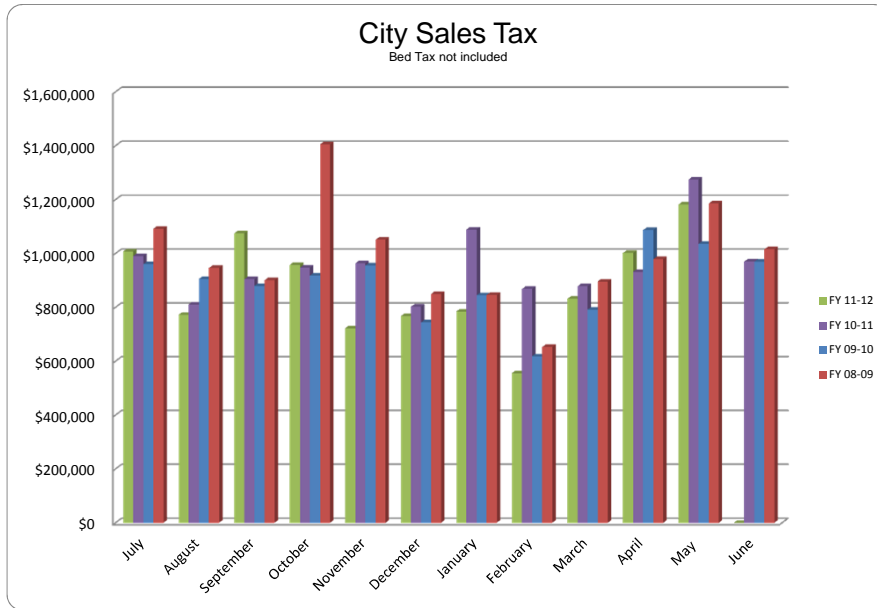
cumulative averages

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

**City Sales Tax Comparison**

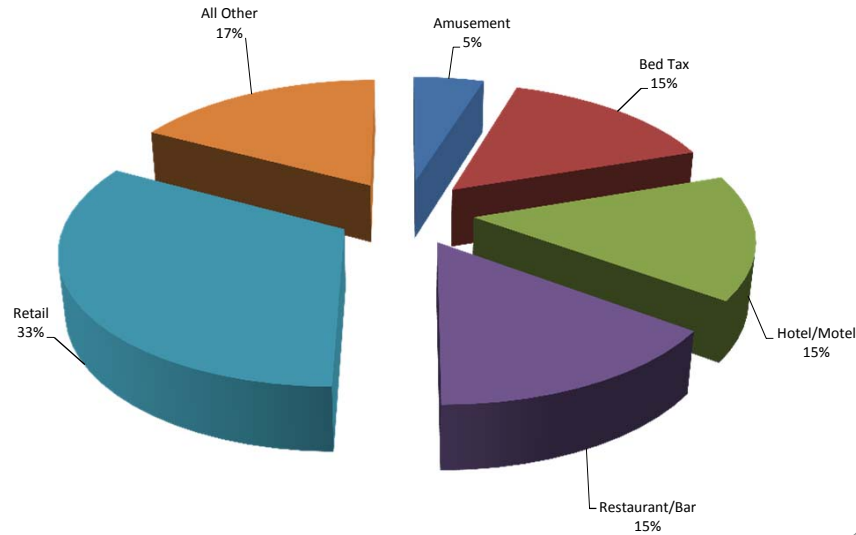


**City of Sedona**  
**Sales Tax Worksheet\***  
**May 31, 2012**

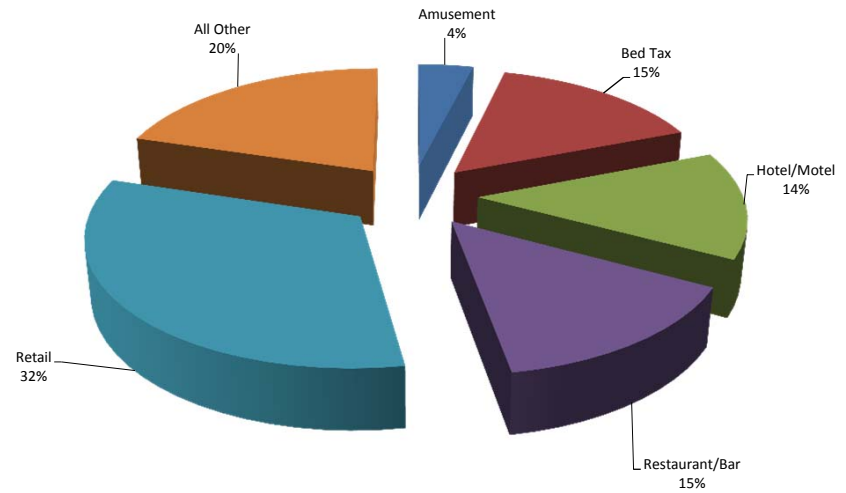


**City of Sedona**  
**Sales Tax Worksheet\***  
**May 31, 2012**

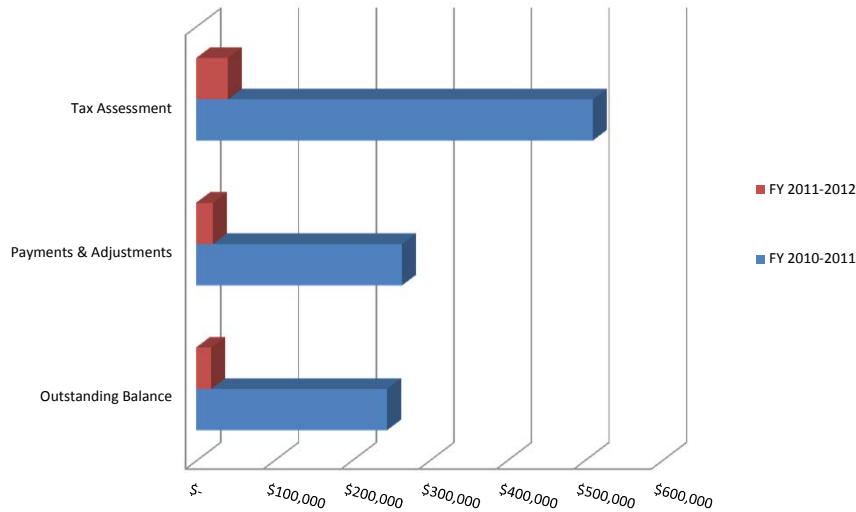
**Current Month Collection**



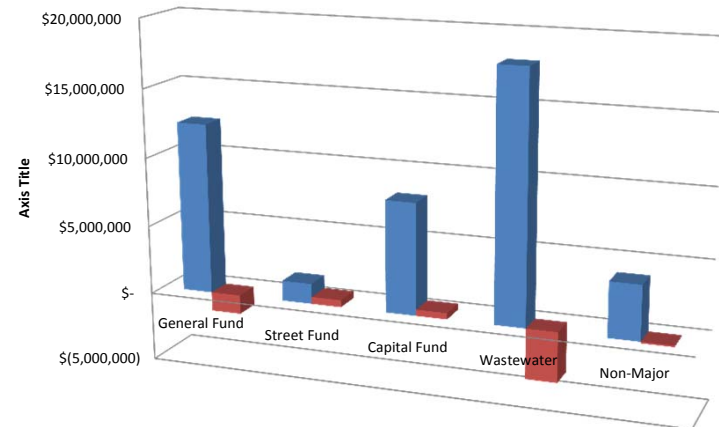
**Fiscal Year to date Collection**



**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	(1,385,880)	507,981	451,263	(3,636,082)	(98,695)

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

5/31/2012

	<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	12.88%	\$165,257.49	7.47%	\$540,834.43	\$706,091.92	7.47%	\$460,710.82	\$460,710.82	8.20%	\$1,166,802.74	March
May	84.16%	\$204,879.59	-7.28%	\$638,023.41	\$842,903.00	-7.28%	\$543,501.43	\$543,501.43	0.06%	\$1,386,404.43	April
June		\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	May
<b>TOTAL 2011-2012</b>		<b>\$1,718,157.18</b>		<b>\$5,213,987.72</b>	<b>\$6,932,144.90</b>		<b>\$4,441,545.12</b>	<b>\$4,441,545.12</b>		<b>\$11,373,690.02</b>	
TOTAL FY 2010-2011		\$1,369,470.78		\$5,647,544.47		\$4,810,871.17		\$4,810,871.17		\$11,827,886.42	
DIFFERENCE		\$348,686.40		(\$433,556.75)		(\$369,326.05)		(\$369,326.05)		(\$454,196.40)	
% INCR/DECR		<b>25.46%</b>	<b>b</b>	<b>-7.68%</b>	<b>b</b>	<b>-7.68%</b>		<b>-7.68%</b>		<b>-3.84%</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	\$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	\$281,676.84	\$443,497.38	\$725,174.02	\$377,794.06	\$377,794.06	\$1,102,968.08	February			
April	\$165,162.86	\$534,848.40	\$700,011.26	\$455,611.60	\$455,611.60	\$1,155,622.86	March			
May	\$204,680.78	\$627,061.25	\$831,742.03	\$534,163.29	\$534,163.29	\$1,365,905.32	April			
June	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	May			
<b>TOTAL 2011-2012</b>	<b>\$1,711,172.34</b>	<b>\$5,146,903.40</b>	<b>\$6,858,075.74</b>	<b>\$4,384,399.19</b>	<b>\$4,384,399.19</b>	<b>\$11,242,474.93</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	\$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	\$94.63	\$5,986.03	\$6,080.66	\$5,099.22	\$5,099.22	\$11,179.88	March			
May	\$198.81	\$10,962.16	\$11,160.97	\$9,338.14	\$9,338.14	\$20,499.11	April			
June	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	May			
<b>TOTAL 2011-2012</b>	<b>\$6,984.84</b>	<b>\$67,084.32</b>	<b>\$74,069.16</b>	<b>\$57,145.93</b>	<b>\$57,145.93</b>	<b>\$131,215.09</b>				

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

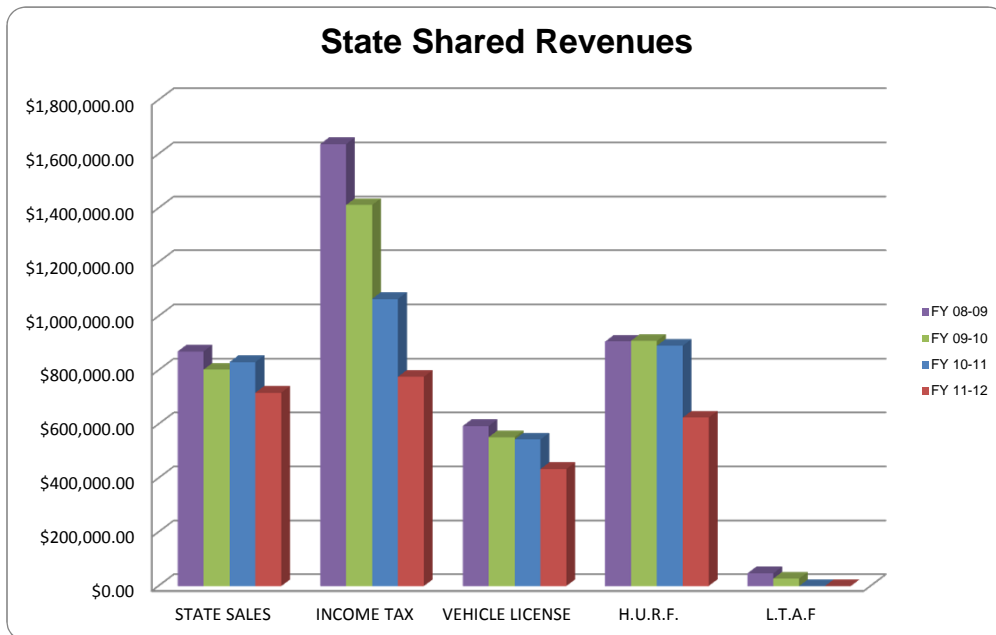
**GENERAL FUND:**

**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	-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	-8.14%	\$72,652.06	-20.45%	\$70,554.90	-15.18%	\$8,736.54	-9.68%	\$30,582.84	-19.66%	\$67,910.14
May	-6.61%	\$66,932.52	-20.45%	\$70,554.90	-5.23%	\$9,527.34	-6.52%	\$32,348.39	-20.41%	\$59,236.20
June		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
<b>TOTAL 2011-2012</b>		<b>\$717,260.94</b>		<b>\$776,103.90</b>		<b>\$97,662.59</b>		<b>\$336,258.44</b>		<b>\$624,497.03</b>
TOTAL 2010-2011		\$764,107.04		\$975,639.39		\$114,768.67		\$383,229.94		\$817,394.09
<b>DIFFERENCE</b>		<b>(\$46,846.10)</b>		<b>(\$199,535.49)</b>		<b>(\$17,106.08)</b>		<b>(\$46,971.50)</b>		<b>(\$192,897.06)</b>
<b>% INCR/DECR</b>		<b>-6.13%</b>		<b>-20.45%</b>		<b>-14.90%</b>		<b>-12.26%</b>		<b>-23.60%</b>

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**\$2,551,782.90**







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

May-12

	<u>Budget</u>	<u>FYTD Actual</u>	<u>Balance</u>	<u>92% Target</u>	<u>Prior FYTD</u>	<u>PY to CY Comparison</u>
<b><u>Streets Fund</u></b>						
Revenue	664,520 **	643,917	(20,603)	96.9%	837,511	-23.12%
Expenditures	1,643,479	1,151,897 *	(491,582)	70.1%	802,210	43.59%
Revenue over Expenditures	<u>(978,959)</u>	<u>(507,981)</u>			<u>35,302</u>	
<b><u>Capital Projects Fund</u></b>						
Revenue	1,863,874 **	141,169	(1,722,705)	7.6%	470,244	-69.98%
Expenditures	3,578,692	678,179 *	(2,900,513)	19.0%	208,563	225.17%
Revenue over Expenditures	<u>(1,714,818)</u>	<u>(537,010)</u>			<u>261,681</u>	
<b><u>Wastewater Enterprise Fund</u></b>						
Revenue	10,175,025 **	9,395,776	(779,249)	92.3%	8,963,415	4.82%
WW Administration	559,345	472,921 *	(86,424)	84.5%	506,560	-6.64%
WW Construction	4,242,597	2,634,309 *	(1,608,288)	62.1%	2,523,872	4.38%
WW Treatment Plant	2,127,215	1,537,468 *	(589,747)	72.3%	1,604,752	-4.19%
WW Debt Service	5,784,147	1,114,996 *	(4,669,151)	19.3%	1,270,383	-12.23%
Revenue over Expenditures	<u>(2,538,279)</u>	<u>3,636,082</u>			<u>3,057,848</u>	
<b><u>All Other Funds</u></b>						
Revenue	3,302,853 **	487,492	(2,815,361)	14.8%	597,699	-18.44%
Expenditures	4,783,618	388,767 *	(4,394,851)	8.1%	822,971	-52.76%
Revenue over Expenditures	<u>(1,480,765)</u>	<u>98,725</u>			<u>(225,272)</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>10,668,353</u>		<u>7,978,536</u> *		<u>0</u>		<u>2,689,816</u>	<u>3,129,559</u>
								<u>-14.05%</u>

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

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