
INTEROFFICE MEMO

DATE: OCTOBER 22, 2012
TO: MAYOR AND CITY COUNCIL
TIM ERNSTER, CITY MANAGER
CC: DEPARTMENT HEADS, CITY ASSISTANTS, & BUDGET OVERSIGHT COMMITTEE
FROM: BARBARA ASHLEY
RE: **MONTHLY REPORT - AUGUST 2012**

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

General Fund:

The General Fund is the City's operating fund and is categorized as an unassigned fund balance. These funds are for the operations of the City. This fund consist of City sales taxes (60%), bed taxes, state shared revenue, service charges, permits, licenses and fines. The designated amount is what has been appropriated to transfer to the Capital and Streets fund for accelerated projects.

Please note: As of July 1, 2012 the City has reduced the allocation of City Sales taxes to the Wastewater fund and increased the General fund by 6%.

a) For August 2012:

• Total revenues received	\$ 772,000
• Total expenditures were	<u>\$ 724,649</u>
o Positive cash flow of	\$ 47,351

Fiscal Year-to-date through August 2012:

• Total revenues received	\$1,751,978
• Total expenditures were	<u>\$1,527,530</u>
o Positive cash flow of	\$ 224,448

Revenue collected through August 2012 increased in comparison to the same period through August 2011 by approximately 3.24%. Expenditures have decreased for the same time frame by approximately 9.22%. (page 5 of the attachment)

b) City sales taxes collected for August 2012 decreased over August 2011 by approximately 6.17%. (page 3 of the attachment)

Bed taxes collected for August 2012 decreased over August 2011 by approximately 5.04%. Please remember, there have been several corrections to this tax category and the fluctuations will now be reflected in the year-over-year comparisons. We are attempting to include a report by tax period, rather than actual collections. This should clarify the fluctuations in reporting. (page 3 of the attachment)

Sales and bed tax collections combined for August 2012 over August 2011 decreased by approximately 5.22%. Currently we have approximately 66 taxpayer accounts that are delinquent 90 days or more. As stated in the previous month, these past due accounts affect the City's year-to-year comparisons. Staff still expects to have some if not all resolved in the next 30 days. Staff has projected our sales taxes would have shown an increase over last year by approximately 7% had these payments been made. Outreach to these taxpayers continues. (page 3 of the attachment)

- c) State shared revenue collections are on target with the AZ Dept. of Revenue's budget estimates. Revenue collected for the month August 2012 compared to August 2011 are as follows; State sales tax increased 3.28%, income tax increased by 21.02%, VLT (vehicle license tax) for Coconino County increased 7.42% and Yavapai County increased 3.31%. (page 4 of the attachment)
- d) Overall expenditures through August 2012, per department are cumulatively below the target approximately 6.4% and have decreased from last fiscal year by approximately \$155,079. (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 detail may be more useful as projects are started and possibly completed during the fiscal year. (page 6 of the attachment)

- e) The Special Revenue Fund consists of the City's state shared revenues of Highway User Revenue Funds (HURF) and Grant Funds. The HURF dollars are restricted to use of streets/right-of-way maintenance and improvements and the Grant dollars are restricted to the terms of each grant the City applies for and is granted. All dollars are categorized as restricted.
The HURF monies received for August 2012 have increased from August 2011 by approximately 13.48%. (page 4 and 6 of the attachment)

For August 2012:

• Total revenues received	\$ 65,712
• Total expenditures were	<u>\$ 47,831</u>
o Positive cash flow of	\$ 17,881

Fiscal Year-to-date through August 2012:

• Total revenues received	\$ 131,466
• Total expenditures were	<u>\$ 111,477</u>
o Positive cash flow of	\$ 19,989

- f) The Capital Fund is comprised of the following funds; Capital Projects, Development Impact Fees, Community Facility Districts, and the Arts Fund. Most of these dollars are restricted to the use of what they are collected for through the permit process.

Any dollars that are un-assigned are City sales taxes that have been transferred to the Capital fund.

Any restricted dollars would consist of development impact and community facilities fees and private funds that have been donated to the City for specific projects.

Any committed dollars would consist of unspent bond dollars that have been reallocated towards the debt service payments and taxes received from the Coconino County Flood Control District.

Any designated dollars are for what has been appropriated for capital projects within these funds. (page 6 of the attachment)

For August 2012:

• Total revenues received	\$ 19,615
• Total expenditures were	<u>\$ 0</u>
○ Positive cash flow of	\$ 19,615

Fiscal Year-to-date through August 2012:

• Total revenues received	\$ 72,399
• Total expenditures were	<u>\$ 26,304</u>
○ Positive cash flow of	\$ 46,095

- 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. These dollars are restricted to the maintenance and improvements of the Wastewater system, plant and debt service.

The designated amount is what has been appropriated for capital projects within the Wastewater Treatment Plant.

Please note: As of July 1, 2012 the City has reduced the allocation of City Sales taxes to the Wastewater fund by 6%.

For August 2012:

• Total revenues received	\$ 804,813
• Total expenditures were	<u>\$ 187,001</u>
○ Positive cash flow of	\$ 617,813

Fiscal Year-to-date through August 2012:

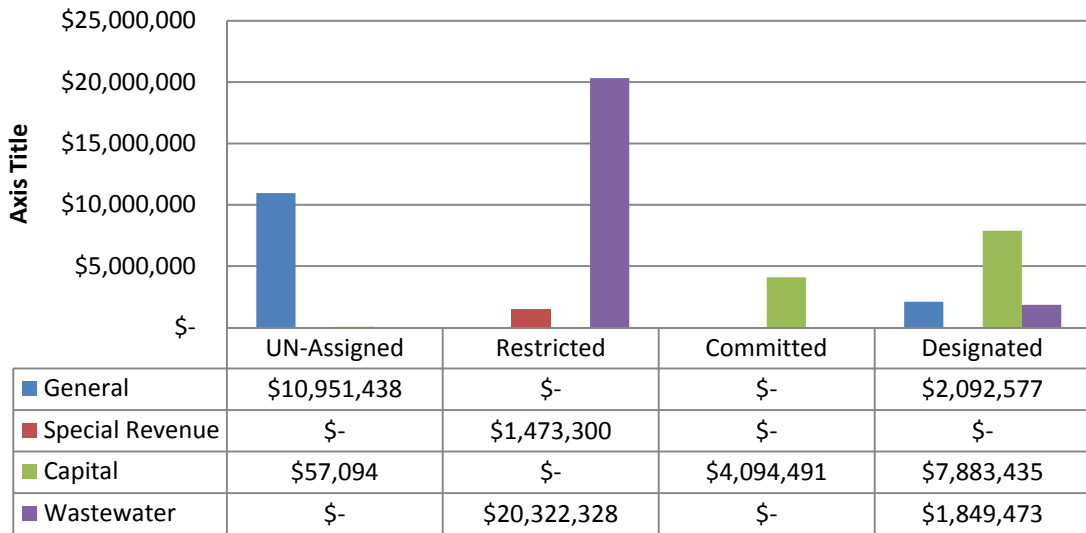
• Total revenues received	\$ 1,709,254
• Total expenditures were	<u>\$ 385,914</u>
○ Positive cash flow of	\$ 1,323,341

- h) Expenditures for the current fiscal year through August 2012 compared to August 2011 have decreased \$226,288. 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)

Fund Balances:

See the chart below reflecting the City's fund balances by fund and category of use.

**UN-Audited Fund Balance
August 31, 2012**



Fund/Category	Un-Assigned	Restricted	Committed	Designated
General Fund	City sales taxes (60%), bed taxes, state shared revenue, service charges, permits, licenses and fines,			appropriations for capital projects
Special Revenue Funds		state shared revenues of Highway User Revenue Funds (HURF) and Grant Funds		
Capital Funds	City sales taxes	development impact fees, community facilities fees and private funds	Series 2007 bond and Coconino County Flood Control District taxes	City sales taxes, development impact fees, community facilities fees and private funds
Wastewater Fund		sewer service fees, permit fees, City sales taxes and miscellaneous sewer charges		appropriations for capital projects

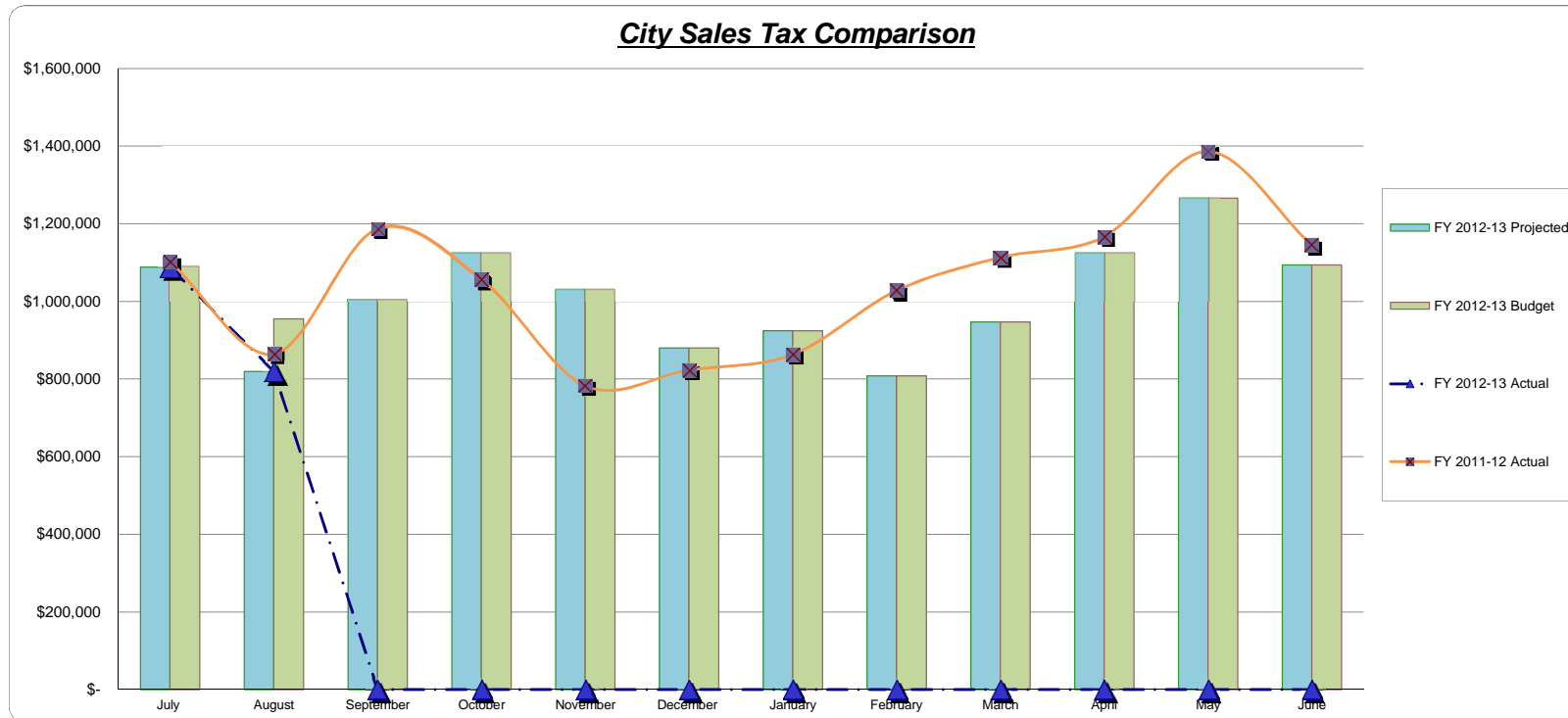
Please feel free to contact my office with any questions.
Attachments

City of Sedona
Sales Tax Worksheet*
August 31, 2012

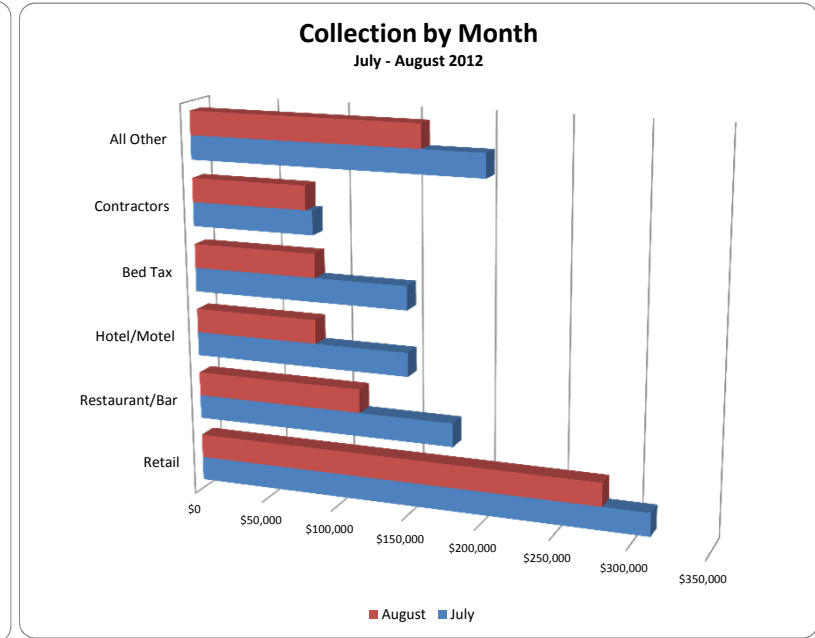
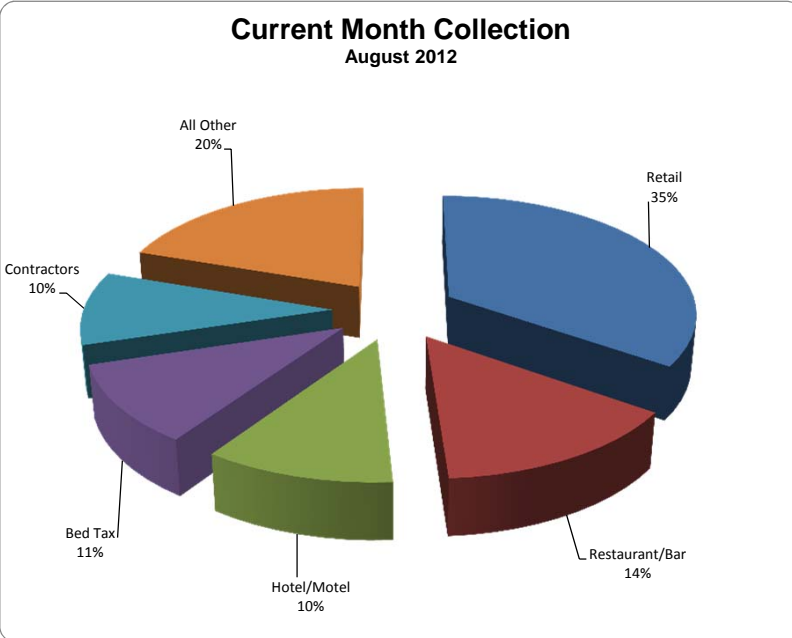
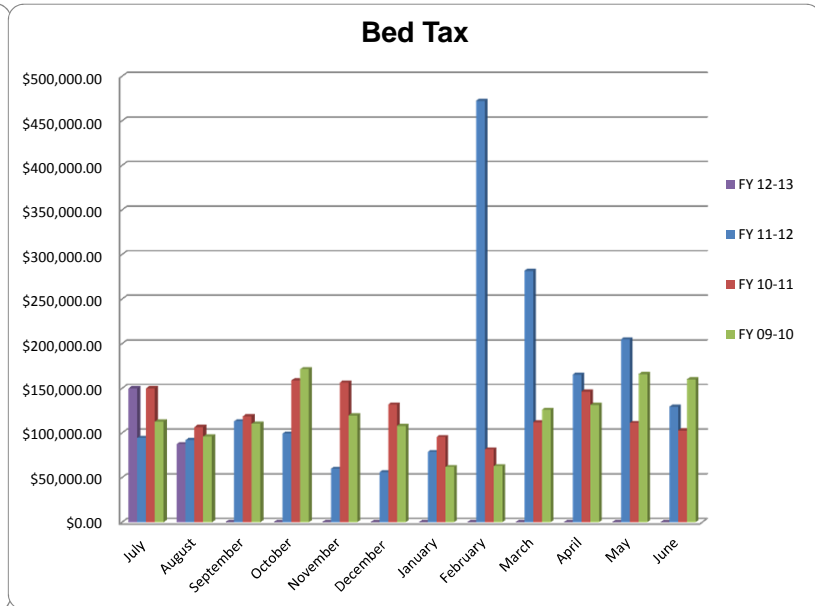
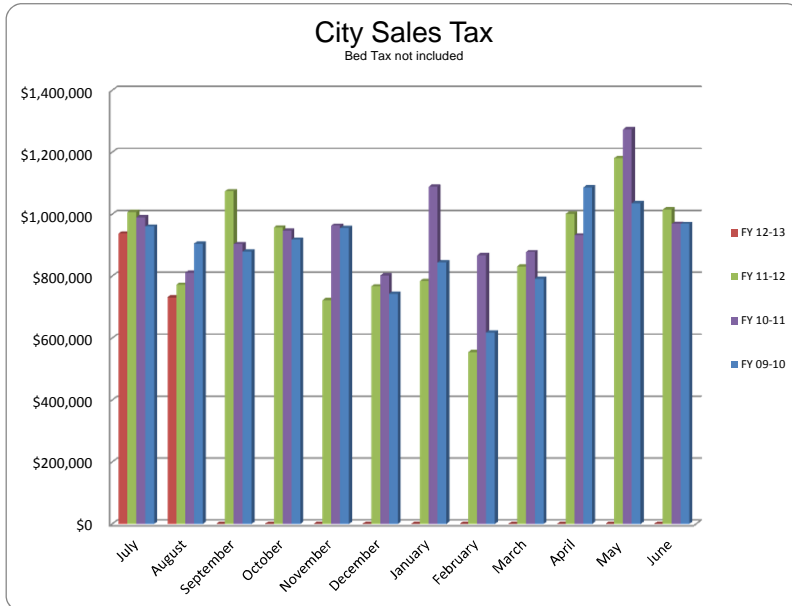
Month	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	2013 Budget	2013 Collections	Budget Variance	% Change from 2012	% Change from Budget
July	987,755	1,021,011	1,181,174	1,069,178	1,253,632	1,252,755	1,073,215	1,140,395	1,101,956	1,092,113	1,088,014	(4,099)	-1.27%	-0.38%
August	938,115	1,043,646	1,095,421	1,058,491	1,230,340	1,090,523	1,001,376	917,875	864,440	955,375	819,342	(136,033)	-5.22%	-14.24%
September	957,697	972,637	1,049,959	1,032,607	1,137,149	1,017,988	990,181	1,022,615	1,187,427	1,007,113	0			
October	937,372	1,090,521	1,139,917	1,178,952	1,155,616	1,601,792	1,089,433	1,105,755	1,056,689	1,126,321	0			
November	937,372	1,116,598	1,331,960	1,331,215	1,361,830	1,191,160	1,075,186	1,119,830	782,513	1,033,483	0			
December	999,121	944,662	1,074,367	1,156,793	1,132,785	963,540	851,434	933,873	823,212	880,252	0			
January	830,649	918,105	1,052,208	1,092,120	1,026,332	938,932	906,327	1,184,462	863,249	924,048	0			
February	748,373	739,579	810,751	918,581	909,590	731,583	681,004	949,379	1,027,743	808,401	0			
March	859,229	880,416	1,102,828	1,076,654	985,533	1,027,075	917,669	989,770	1,113,254	947,255	0			
April	1,147,949	1,153,061	1,316,931	1,383,320	1,406,892	1,130,233	1,218,124	1,078,369	1,166,803	1,126,470	0			
May	1,167,307	1,214,920	1,371,983	1,452,116	1,345,307	1,414,982	1,201,785	1,385,563	1,386,404	1,265,575	0			
June	1,155,541	1,182,999	1,370,439	1,415,780	1,309,472	1,172,116	1,128,769	1,071,808	1,144,613	1,093,651	0			
Total	\$11,666,480	\$12,278,155	\$13,897,940	\$14,165,807	\$14,254,478	\$13,532,679	\$12,134,503	\$12,899,694	\$12,518,303	\$12,260,058	\$1,907,356	(140,132)	-3.00%	-6.84%

* 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*
August 31, 2012



CITY SALES TAX COLLECTION SUMMARY FY 2012-2013

8/30/2012

	<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	58.69% \$150,025.75	3.45% \$562,792.75	\$712,818.50	-19.04% \$375,195.18	\$375,195.18	-1.27% \$1,088,013.68	June
August	-5.04% \$87,577.20	5.29% \$439,058.87	\$526,636.07	-17.60% \$292,705.86	\$292,705.86	-5.22% \$819,341.93	July
September	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	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
TOTAL 2012-2013	\$237,602.95	\$1,001,851.62	\$1,239,454.57	\$667,901.04	\$667,901.04	\$1,907,355.61	
TOTAL FY 2011-2012	\$186,763.99	\$961,001.24		\$818,630.69		\$1,966,395.92	
DIFFERENCE	\$50,838.96	\$40,850.38		(\$150,729.65)		(\$59,040.31)	
% INCR/DECR	27.22%	4.25%		-18.41%		-3.00%	
Total City Sales Tax comparison			-6.17%				
COLLECTION BY AGENCY:							
REVENUE DISCOVERY SYSTEMS - RDS:							
July	\$150,025.75	\$558,462.17	\$708,487.92	\$372,308.12	\$372,308.12	\$1,080,796.04	June
August	\$86,230.58	\$433,696.75	\$519,927.33	\$289,131.12	\$289,131.12	\$809,058.45	July
September	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	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
TOTAL 2011-2012	\$236,256.33	\$992,158.92	\$1,228,415.25	\$661,439.24	\$661,439.24	\$1,889,854.49	
ARIZONA DEPARTMENT OF REVENUE - AzDOR:							
July	\$0.00	\$4,330.58	\$4,330.58	\$2,887.06	\$2,887.06	\$7,217.64	June
August	\$1,346.62	\$5,362.12	\$6,708.74	\$3,574.74	\$3,574.74	\$10,283.48	July
September	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	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
TOTAL 2011-2012	\$1,346.62	\$9,692.70	\$11,039.32	\$6,461.80	\$6,461.80	\$17,501.12	

**ARIZONA DEPARTMENT OF REVENUE
2012-2013
STATE SHARED REVENUE**

GENERAL FUND:

STREETS FUND:

		STATE SALES TAX		STATE INCOME TAX		VEHICLE LICENSE TAX COCONINO COUNTY		YAVAPAI COUNTY		H.U.R.F.
July	5.02%	\$66,719.51	21.02%	\$85,387.09	-1.37%	\$9,359.91	4.65%	\$33,051.27	4.07%	\$60,622.72
August	3.28%	\$62,245.42	21.08%	\$85,387.09	7.42%	\$10,551.48	3.31%	\$35,207.88	13.48%	\$64,980.84
September										
October										
November										
December										
January										
February										
March										
April										
May										
June										
TOTAL 2012-2013		\$128,964.93		\$170,774.18		\$19,911.39		\$68,259.15		\$125,603.56
TOTAL 2011-2012		\$123,800.56		\$141,074.81		\$19,312.37		\$65,664.23		\$115,515.33
DIFFERENCE		\$5,164.37		\$29,699.37		\$599.02		\$2,594.92		\$10,088.23
% INCR/DECR		4.17%		21.05%		3.10%		3.95%		8.73%

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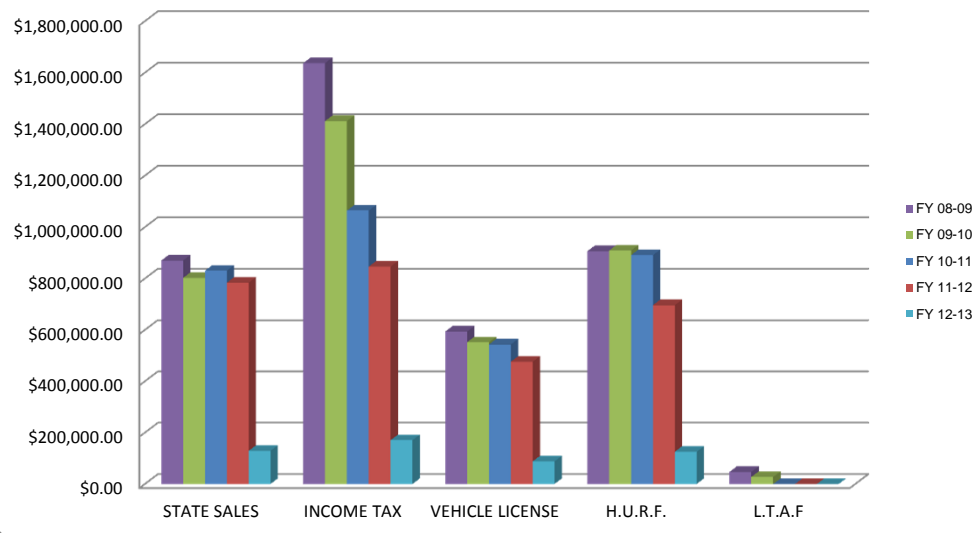
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\$513,513.21

State Shared Revenues



**City of Sedona
FY 2012/13
All Other Funds Budget Comparison**

August-12

	<u>Budget</u>	<u>FYTD Actual</u>	<u>Balance</u>	<u>8% Target</u>	<u>Prior FYTD</u>	<u>PY to CY Comparison</u>
<u>Special Revenue Funds</u>						
Revenue	\$2,215,403 **	\$131,466	(2,083,937)	5.9%	\$163,787	-19.73%
Expenditures	\$4,096,842	\$113,703 *	(3,983,139)	2.8%	\$115,481	-1.54%
Revenue over Expenditures	<u>(1,881,439)</u>	<u>17,763</u>			<u>48,307</u>	
<u>Capital Projects Funds</u>						
Revenue	\$478,699 **	\$59,298	(419,401)	12.4%	\$72,442	-18.14%
Expenditures	\$8,324,264	\$13,203 *	(8,311,061)	0.2%	\$13,479	-2.05%
Revenue over Expenditures	<u>(7,845,565)</u>	<u>46,095</u>			<u>58,963</u>	
<u>Wastewater Enterprise Fund</u>						
Revenue	10,202,441 **	1,709,254	(8,493,187)	16.8%	1,748,031	-2.22%
WW Administration	653,279	84,453 *	(568,826)	12.9%	72,891	15.86%
WW Construction	2,864,684	35,298 *	(2,829,386)	1.2%	247,819	-85.76%
WW Treatment Plant	2,351,826	264,413 *	(2,087,413)	11.2%	216,658	22.04%
WW Debt Service	6,093,726	1,750 *	(6,091,976)	0.0%	74,834	-97.66%
Revenue over Expenditures	<u>(1,761,074)</u>	<u>1,323,341</u>			<u>1,135,830</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>\$1,900,018</u>		<u>\$512,820</u> *		<u>0</u>		<u>1,387,198</u>	<u>1,243,099</u>	<u>11.59%</u>

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

* NOTE: Amounts do not include "encumbrances".