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**INTEROFFICE MEMO**

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DATE: MARCH 14, 2014  
TO: MAYOR AND CITY COUNCIL  
TIM ERNSTER, CITY MANAGER  
KAREN DAINES, ASSISTANT CITY MANAGER  
CC: DEPARTMENT HEADS AND CITY ASSISTANTS  
FROM: TABATHA MILLER, FINANCE DIRECTOR  
RE: **MONTHLY REPORT –JANUARY 2014**

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I am pleased to present to you the monthly financial report for January 2014. This report will also summarize the financial position of the City of Sedona for the first seven months of the current 2013-2014 fiscal year (July 1, 2013 through June 30, 2014). The report addresses the three major funds of the City: General Fund, Highway Users Revenue Fund (HURF) or Streets Fund, and Wastewater Fund. As always, if there is information that you would like to see added to the report, your feedback and suggestions are welcome. If you review these reports monthly, you will notice that Attachment G has been expanded to show both General Fund expenditures and revenue sources compared to budget. Additionally, both Attachment G and Attachment H (Fund expenditure comparisons) include an estimate of projected expenditures at year end. The following analysis will be covered in this report:

- Total revenues by Fund for the month of January 2014 compared to the month of January 2013;
- Total revenues by Fund cumulative from July through January 2014 (fiscal year to date) compared to cumulative totals from July through January 2013 (prior fiscal year to date);
- Total budgeted revenues and expenditures for the General Fund with percentage of revenues received and funds expended compared to actual revenues received or expended through January 2014 versus the prior fiscal year;
- Total City Sales Tax collections (including bed tax and before allocation to Wastewater Fund) comparing January 2014 to January 2013 and comparing fiscal year totals for July through January 2014 to July through January 2013;
- City Sales Tax collections (excluding bed taxes and before allocation to Wastewater Fund) comparing January 2014 to January 2013 and comparing fiscal year totals for July through January 2014 to July through January 2013;
- Total Bed Taxes collections comparing January 2014 to January 2013 and comparing fiscal year totals for July through January 2014 to July through January 2013;

- State Shared Revenue in General Fund (sales tax, income tax, vehicle license tax) comparing January 2014 to January 2013 and comparing fiscal year totals for July through January 2014 to July through January 2013;
- HURF revenues comparing January 2014 to January 2013 and comparing fiscal year totals for July through January 2014 to July through January 2013;
- Wastewater revenues comparing January 2014 to January 2013 and comparing fiscal year totals for July through January 2014 to July through January 2013;
- Fund balance for each of the funds as of January 31, 2014;
- Total budgeted revenues and expenditures by source and department for the General Fund through January 2014 compared to estimated year-end actuals; and
- Total expenditures by fund through July through January 2014, compared to budget, including estimated year-end expenditure totals.

**General Fund**

**Revenues**

The General Fund revenues include major revenue categories such as local sales tax, bed tax, and state shared revenues. State shared revenues include state income tax, sales tax, and auto lieu taxes distributed by the Counties of Coconino and Yavapai. Together, these sources make up approximately 83% of the total General Fund revenues. The total revenues collected in the General Fund for the month of January 2014 were as follows:

Revenues collected in January	\$	1,132,878
Expenditures in January	\$	1,242,649
Negative cash flow for January, 2014	\$	(109,771)

Notable in January, 2014 was the a third pay date for city employees and as a result the General Fund expenditures for this month will be approximately \$251,000 higher than a typical month. The City pays employees bi-weekly, so there are 26 pay periods in a full year. This means that twice a year a 3<sup>rd</sup> payday will increase that month's expenditures, since the payroll expenses are posted as of the pay date.

The cumulative fiscal year General Fund revenues, July 2013 through January 2014 were as follows:

Total revenues received	\$	7,747,767
Total expenditures	\$	7,077,541
Cumulative FY positive cash flow	\$	670,226

Total cumulative fiscal year revenues collected through January 2014 increased in comparison to the same period through January 2013 by 11.55% (Table 1.)

**Table 1**

<b>Fund</b>	<b>7/1/12 to 01/31/13 Revenues to Date</b>	<b>7/1/13 to 01/31/14 Revenues to Date</b>	<b>Variance</b>	<b>% of Increase FY13 to FY14 through January</b>
General Fund	\$ 6,945,698	\$ 7,747,767	\$ 802,069	11.55%

It is a positive sign when revenues increase from the same time period over the prior fiscal year, however, it is important to determine if it is in line with what the City budgeted for revenues in the current fiscal year. The following tables (Table 2 & 3) present the Budgeted Revenues for fiscal years 2013 and 2014, compared to the actual revenue collections to date of July through January. If the revenues come in equally each month, by the end of January the City should have collected 58.31% (8.33% X 6 months) of the year's revenue. However, there can be timing issues due to fluctuations in sales tax and bed tax collections, so trends over a number of years need to be developed to make sure the City is on target with past collection activity. Based on the revenues collected from July through January 2014 compared to year to date collections in 2013, the collections in the current year are slightly higher (1%) than the prior fiscal year. (Table 2 & 3).

**Table 2**

<b>Fund</b>	<b>FY 2013 Budgeted Revenues</b>	<b>7/1/12 to 01/31/13 Revenues to Date</b>	<b>% of FY13 Budget Collected to Date</b>
General Fund	\$ 12,383,809	\$ 6,945,698	56.09%

**Table 3**

<b>Fund</b>	<b>FY 2014 Budgeted Revenues</b>	<b>7/1/13 to 01/31/14 Revenues to Date</b>	<b>% of FY14 Budget Collected to Date</b>
General Fund	\$ 13,571,822	\$ 7,747,767	57.09%

The total sales and bed taxes combined for January 2014 over January 2013 increased by 45.33%. This is the total sales taxes collected before any distribution of the sales tax to the Wastewater Fund. If you would look at this month alone, this amount of increase could lead to an assumption that annual revenue is trending much higher than expected. However, as presented in Attachment A – Total Sales Tax Worksheet, collections fluctuate from month to month.

As pointed out in prior reports, monthly fluctuations are also a result of when the collections were posted in the month. This is a timing issue and not an indicator that sales and bed taxes are dramatically increasing or dramatically decreasing. Table 4 on the next page illustrates that much of the monthly fluctuations is due to when the taxes are collected and posted.

*Table 4 (Total City Sales Tax & Bed Tax)*

Month Reported	Total RDS Reported Collections	Collections for Month Reported	Collections for Prior Periods	% Collected for Prior Periods	% Change from 2013
July, 2013	\$ 1,085,823	\$ 810,723	\$ 275,101	25%	-0.14%
August, 2013	939,470	686,800	252,670	27%	14.4%
September, 2013	1,327,888	946,676	382,211	29%	20.3%
October, 2013	903,592	739,127	164,465	18%	-28.0%
November, 2013	1,306,479	761,584	545,152	42%	0.2%
December, 2013	929,578	664,411	265,167	29%	-13.7%
January, 2014	938,266	617,044	321,222	34%	45.3%

As presented in Attachment A, cumulative sales and bed taxes collected for the current fiscal year through January 2014 increased over fiscal year 2012-13 through January 2013 by 5%. Also impacting collections this month is the bed tax rate increase from 3.0% to 3.5%, effective January 1, 2014. Approximately \$13,525 is attributable to this change in rate. If you remove the increase due to the change in bed tax rate, the year to date increase over the prior year is 4.84%.

Attachment A also shows the fiscal year 2014 “seasonally budgeted” total sales and bed taxes of \$12,799,099 compared to the year to date collections of \$7,432,991 which is an increase over budget of 3.17%. The “seasonally budgeted” total is based on what the actual collections were by month for the past 4 years. If you remove the increase associated with the change in bed tax rate, collections would be 2.98% above budgeted projections.

In Attachment B – City Sales Tax Worksheet Excluding Bed Taxes the City collections for January 2014 increased from January 2013 by 37.12%. While this may appear significant, the change from the prior month reflects when collections were posted, as reflected in Table 4 above. If you look at the month to month comparisons, you will see quite a bit of fluctuation both up and down. It is important to look at this number cumulatively. Collections for the fiscal year to date 2014 compared to fiscal year to date 2013 are up 4.75%.

In comparing the actual sales tax collections for this fiscal year to the seasonally adjusted monthly budget allocations, revenues are right on target with a very small variance from budget of .94% (less than 1%).

In Attachment C – City Bed Tax Worksheet, the City’s collections for bed taxes for January 2014 increased by 133.76% from January 2013 collections. However, the cumulative collections (which provides a more complete financial picture) for July through January 2014 were 6.94% higher compared to the July through January 2013 collections. Taking in to account the \$13,525 in collections associated with the change in bed tax rate from 3.0% to 3.5%, collections for July through January 2014 were 5.45% higher than the prior year. A positive sign, but bed taxes like sales taxes fluctuate monthly based on the timing of collections.

The City Council, by policy has approved an allocation of the sales tax to be split as follows; 65% to the General Fund and 35% to the Wastewater Fund. When comparing sales tax collections from the prior year within the General Fund or the Wastewater Fund, remember that

in the prior fiscal year (2013) the allocation was 60% to the General Fund and 40% to the Wastewater Fund. Attachment D – City Sales Tax Collection Summary, reflects the total city sales and bed tax numbers reflected in Attachments A through C, but presents the allocation between the two funds by month. This is provided for informational purposes only because the trends of collections have been discussed in the other Attachments.

State shared revenues are the state sales tax, income tax and the auto lieu tax (vehicle license tax) collected by Coconino and Yavapai County and distributed to the City. In Attachment E, collection for the month of January 2014 compared to January 2013 shows increases in State sales tax of 12.54%, State income tax of 9.22%, VLT (vehicle license tax) for Coconino County of 6.75% and Yavapai County of 7.71%.

Collections for the fiscal year through January 2014 compared to fiscal year through January 2013 show increases in State sales taxes 7.31%, State income taxes 9.22%, VLT for Coconino County 3.12% and Yavapai County 5.83%.

As mentioned before, this increase in state sales taxes is a positive sign for the economy and for the City of Sedona. Presented in Tables 5 and 6, last fiscal year to date, the City had received 56.1% of the sales taxes compared to 58.3% for this fiscal year to date, 53.4% compared to 56.1% of the auto lieu taxes received fiscal year to date and 58.3% compared to 58.3% of the state income tax received fiscal year to date.

**Table 5**

State Shared Taxes	2012-2013 Budget	FY January 13 YTD			% of Budget Received to Date
		Actual	Variance		
Sales Taxes	\$ 838,795	\$ 470,579	\$ 368,216	56.1%	
Auto Lieu Tax	\$ 521,246	\$ 278,382	\$ 242,864	53.4%	
State Revenue Sharing (Income Tax)	\$ 1,024,552	\$ 597,710	\$ 426,842	58.3%	

**Table 6**

State Shared Taxes	2013-2014 Budget	FY January 14 YTD			% of Budget Received to Date
		Actual	Variance		
Sales Taxes	\$ 866,854	\$ 504,957	\$ 361,897	58.3%	
Auto Lieu Tax	\$ 521,935	\$ 292,887	\$ 229,048	56.1%	
State Revenue Sharing (Income Tax)	\$ 1,119,108	\$ 652,814	\$ 466,294	58.3%	

Expenditures

Total expenditures collected through January 2014 increased in comparison to the same period through January 2013 by 18.98%.

**Table 7**

Fund	7/1/12 to 01/31/13 Expenditures to Date	7/1/13 to 01/31/14 Expenditures to Date	Variance	% of Increase FY13 to FY14 through January
General Fund	\$ 5,948,665	\$ 7,077,541	\$ 1,128,876	18.98%

As explained with the revenue collections, it is important to compare the budgeted expenditures to the actual expenditures to date. If the expenditures are equal each month, by the end of January the City should have expended 58.31% (8.33% X 6 months). However, just as with revenues, there can be timing issues due to number of pay periods in a month (as applies in January and discussed earlier), one time large purchases, and annual contracts paid during a month, so trends over a number of years need to be developed to make sure the City is on target with past expenditure activity, and if not, further research as to the reasons why should be completed. This way if it appears that expenditures may exceed budget by fiscal year end, adjustments can be made before that happens. As reflected in Table 8, 54.15% of the FY14 General Fund Budget has been expended to date.

**Table 8**

<b>Fund</b>	<b>2013-2014 Expenditure Budget</b>	<b>7/1/13 to 1/31/14 Expenditures to Date</b>	<b>Variance</b>	<b>% of Budget Expended to Date</b>
General Fund	\$ 13,070,504	\$ 7,077,541	\$ 5,992,963	54.15%

Based on the percent of budgeted expenditures made from July through January 2013 compared to year to date expenditures in 2014 (48.44%), the expenditures are 5.71% more than the same time period last fiscal year, but still well below the 58.31%. Indicating that year-end totals will be slightly below budget (see Attachment G for estimated totals).

The General Fund unrestricted fund balance is presented on Attachment F and is \$14,966,002 at the end of January 2014. Attachment G presents more detail for the 2014 General Fund fiscal year budgeted revenues by source and department expenditures year to date through January 2014.

### **HURF (Street Fund)**

The Streets Fund is funded through the State shared revenues of Highway User Revenue Funds (HURF) otherwise known as the gas tax. These dollars are restricted to use of streets/right-of-way maintenance and improvements.

Revenues collected in January	\$	61,644
Expenditures in January	\$	65,643
Negative cash flow for January 2014	\$	(3,999)

Fiscal Year totals through January 2014:

Total revenues received	\$	433,488
Total expenditures	\$	521,253
Cumulative FY negative cash flow	\$	(87,765)

## Revenue

The HURF monies received for January 2014 increased from January 2013 by 10.17% (see Attachment E). Cumulative HURF revenue received for the current fiscal year through January 2014 increased over fiscal year 2012-13 through January 2013 by approximately 3.73% (Table 9).

**Table 9**

<b>Fund</b>	<b>7/1/12 to 01/31/13 Revenues to Date</b>	<b>7/1/13 to 01/31/14 Revenues to Date</b>	<b>Variance</b>	<b>% of Increase FY12 to FY13 through December</b>
Streets Fund	\$ 417,907	\$ 433,488	\$ 15,581	3.73%

As pointed out in the General Fund analysis, it is also important to review what the City budgeted for revenue in the current year. The following tables (Table 10 & 11) present the Budgeted Revenues for fiscal years 2013 and 2014, compared to actual revenue collections to date for July through January. Again, if revenues come in equally each month, by the end of January the City should have collected 58.31% of the year's revenue. As you can see in both this fiscal year to date and last, collections are just above 58.31% - at 60.15% and 59.78%, respectively.

**Table 10**

<b>Fund</b>	<b>FY 2013 Budgeted Revenues</b>	<b>7/1/12 to 01/31/13 Revenues to Date</b>	<b>% of FY13 Budget Collected to Date</b>
Streets Fund	\$ 694,758	\$ 417,907	60.15%

**Table 11**

<b>Fund</b>	<b>FY 2014 Budgeted Revenues</b>	<b>7/1/13 to 01/31/14 Revenues to Date</b>	<b>% of FY14 Budget Collected to Date</b>
Streets Fund	\$ 725,084	\$ 433,488	59.78%

## Expenditures

As set forth in Table 12 (below) total expenditures collected through January 2014 have decreased significantly in comparison to the same period through January 2013. Much of the activity in the Streets Fund is from paving and maintenance projects, so spending will not necessarily be consistent from month-to-month or year-to-year. The Public Works department has confirmed that most of the budgeted expenditures will be spent by fiscal year-end.

**Table 12**

<b>Fund</b>	<b>7/1/12 to 01/31/13 Expenditures to Date</b>	<b>7/1/13 to 01/31/14 Expenditures to Date</b>	<b>Variance</b>	<b>% of Increase FY13 to FY14 through January</b>
Streets Fund	\$ 1,242,166	\$ 521,253	\$ (720,913)	-58.04%

The Streets Fund restricted fund balance is presented on Attachment F and is (\$87,765) at the end of January 2014. This does not include a transfer in from the General Fund that was budgeted at \$1.5 million and will be transferred depending on the actual expenditure amounts at fiscal year-end. The total expenditure budget for the HURF fund is \$2,266,077.

**Wastewater Fund**

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.

Revenues collected in January	\$ 793,414
Expenditures in January	\$ 538,074
Positive cash flow for January 2014	\$ 255,340

Fiscal Year totals through January 2014:

Total revenues received	\$ 5,767,923
Total expenditures	\$ 3,352,377
Cumulative FY positive cash flow	\$ 2,415,546

**Revenues**

Revenues collected from July through January for the current fiscal year are 3.07% less than collections from July through January of the prior fiscal year (see Table 13, below). This is primarily the result of reducing the portion of sales tax allocated to the Wastewater fund from 40% to 35% beginning July 1, 2013.

**Table 13**

<b>Fund</b>	<b>7/1/12 to 1/31/13 Revenues to Date</b>	<b>7/1/13 to 1/31/14 Revenues to Date</b>	<b>Variance</b>	<b>% of Increase FY13 to FY14 through December</b>
Wastewater Fund	\$ 5,950,807	\$ 5,767,923	\$ (182,884)	-3.07%



Revenue collections for July through January, 2014 are 56.43% of total 2014 fiscal year budgeted revenues (Table 15). This is slightly lower than 58.33% for the same period last fiscal year (Table 14).

**Table 14**

<b>Fund</b>	<b>FY 2013 Budgeted Revenues</b>	<b>7/1/12 to 1/31/13 Revenues to Date</b>	<b>% of FY13 Budget Collected to Date</b>
Wastewater Fund	\$ 10,202,441	\$ 5,950,807	58.33%

**Table 15**

<b>Fund</b>	<b>FY 2014 Budgeted Revenues</b>	<b>7/1/13 to 1/31/14 Revenues to Date</b>	<b>% of FY14 Budget Collected to Date</b>
Wastewater Fund	\$ 10,221,580	\$ 5,767,923	56.43%

Expenses

Unlike the General Fund expenditures, there is much less consistency in month-to-month comparisons of the Wastewater expenses. For example, the percent of budget expended in the Wastewater Fund for the first seven months of 2014 is only 27% (see Table 16), compared to the 58.31%, if funds are expended equally each month (as already discussed). At first glance, it may appear that the Wastewater fund will be well below budget for expenses. But, it is very important to consider that 50% of this funds total expense budget is debt service and most of that (43% or \$5.3 million) is not paid until June, the last month of the fiscal year. Additionally, a portion (22%) of the Wastewater Fund's budgeted expenses are related to capital projects, which are characterized by inconsistent spending on a month-to-month basis.

**Table 16**

	2014 Budget		Actual YTD 1/31/2014		Variance	% of Budget
<b>Wastewater Administration</b>						
Debt Service (Interest and Principal)	\$ 6,092,237	\$ 792,849	\$ 5,299,388		13%	
Wages and Benefits	\$ 632,828	\$ 408,869	\$ 223,959		65%	
Purchased goods and services	\$ 275,990	\$ 139,023	\$ 136,967		50%	
Total Program Budget	\$ 7,001,055	\$ 1,340,741	\$ 5,660,314		19%	
<b>Wastewater Capital</b>						
Wages and Benefits	\$ 112,186	\$ 62,616	\$ 49,570		56%	
Capital	\$ 2,580,633	\$ 864,924	\$ 1,715,709		34%	
Total Program Budget	\$ 2,692,819	\$ 927,540	\$ 1,765,279		34%	
<b>Wastewater Treatment Plant</b>						
Wages and Benefits	\$ 682,663	\$ 367,744	\$ 314,919		54%	
Purchased goods and services	\$ 369,209	\$ 108,868	\$ 260,341		29%	
Maintenance	\$ 917,565	\$ 314,084	\$ 603,481		34%	
Utilities	\$ 555,549	\$ 293,400	\$ 262,149		53%	
Total Program Budget	\$ 2,524,986	\$ 1,084,096	\$ 1,440,890		43%	
<b>Total Wastewater Fund Expense Budget</b>	<b>\$ 12,218,860</b>	<b>\$ 3,352,377</b>	<b>\$ 8,866,483</b>		<b>27%</b>	

The Wastewater Fund balance is presented on Attachment F and is \$19,763,116 at the end of January 2014. Please note that capital costs will appear as projects are completed and the debt service paid at year end will reduce the projected Wastewater Fund balance.

## **Summary**

In summary, as of January 2014, there are no concerns regarding the collections of the revenue or expenditures to date compared to the budgeted amounts for the fiscal year. Overall, revenues are on track and expenditures are expected to be slightly below budget at year end. We will continue to monitor and report on a monthly basis.

Please feel free to contact me with any questions.

- Attachment A – Total Sales Tax Worksheet
- Attachment B – City Sales Tax Worksheet Excluding Bed Tax
- Attachment C – City Bed Tax Worksheet
- Attachment D – City Sales Tax Collection Summary
- Attachment E – State Shared Revenue
- Attachment F – Fund Balances Revenue vs. Expenses Summary
- Attachment G – General Fund Revenue and Expense Budget Comparison
- Attachment H - Fund Expenditure Budget Comparison

**Attachment A - City of Sedona**

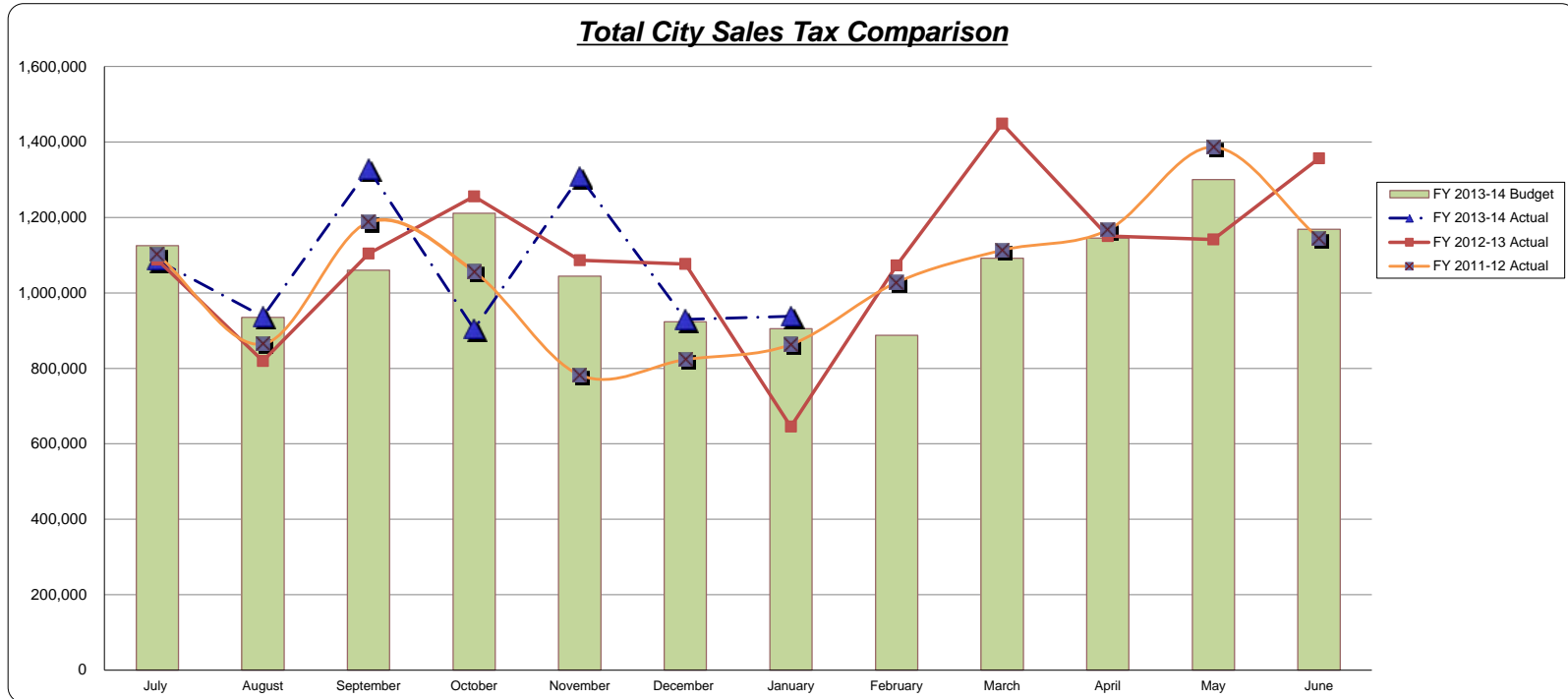
**Total Sales Tax Worksheet\***

**January 31, 2014**

Month	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	2014 Budget	2014 Collections	Budget Variance	% Change from 2013	% Change from Budget
July	1,021,011	1,181,174	1,069,178	1,253,632	1,252,755	1,073,215	1,140,395	1,101,956	1,088,014	1,125,247	1,086,522	(38,725)	-0.14%	-3.44%
August	1,043,646	1,095,421	1,058,491	1,230,340	1,090,523	1,001,376	917,875	864,440	819,342	934,761	937,493	2,732	14.42%	0.29%
September	972,637	1,049,959	1,032,607	1,137,149	1,017,988	990,181	1,022,615	1,187,427	1,104,196	1,060,554	1,328,651	268,096	20.33%	25.28%
October	1,090,521	1,139,917	1,178,952	1,155,616	1,601,792	1,089,433	1,105,755	1,056,689	1,255,918	1,211,006	904,003	(307,003)	-28.02%	-25.35%
November	1,116,598	1,331,960	1,331,215	1,361,830	1,191,160	1,075,186	1,119,830	782,513	1,086,679	1,044,351	1,308,479	264,128	20.41%	25.29%
December	944,662	1,074,367	1,156,793	1,132,785	963,540	851,434	933,873	823,212	1,076,903	923,625	929,578	5,953	-13.68%	0.64%
January	918,105	1,052,208	1,092,120	1,026,332	938,932	906,327	1,184,462	863,249	645,615	905,124	938,266	33,142	45.33%	3.66%
February	739,579	810,751	918,581	909,590	731,583	681,004	949,379	1,027,743	1,072,545	887,854	0	0		
March	880,416	1,102,828	1,076,654	985,533	1,027,075	917,669	989,770	1,113,254	1,448,814	1,091,884	0	0		
April	1,153,061	1,316,931	1,383,320	1,406,892	1,130,233	1,218,124	1,078,369	1,166,803	1,150,427	1,145,652	0	0		
May	1,214,920	1,371,983	1,452,116	1,345,307	1,414,982	1,201,785	1,385,563	1,386,404	1,141,710	1,300,248	0	0		
June	1,182,999	1,370,439	1,415,780	1,309,472	1,172,116	1,128,769	1,071,808	1,144,613	1,356,956	1,168,794	0	0		
<b>Total</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>\$12,518,303</b>	<b>\$13,247,119</b>	<b>\$12,799,099</b>	<b>\$7,432,991</b>	<b>\$228,324</b>	<b>5.04%</b>	<b>3.17%</b>

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

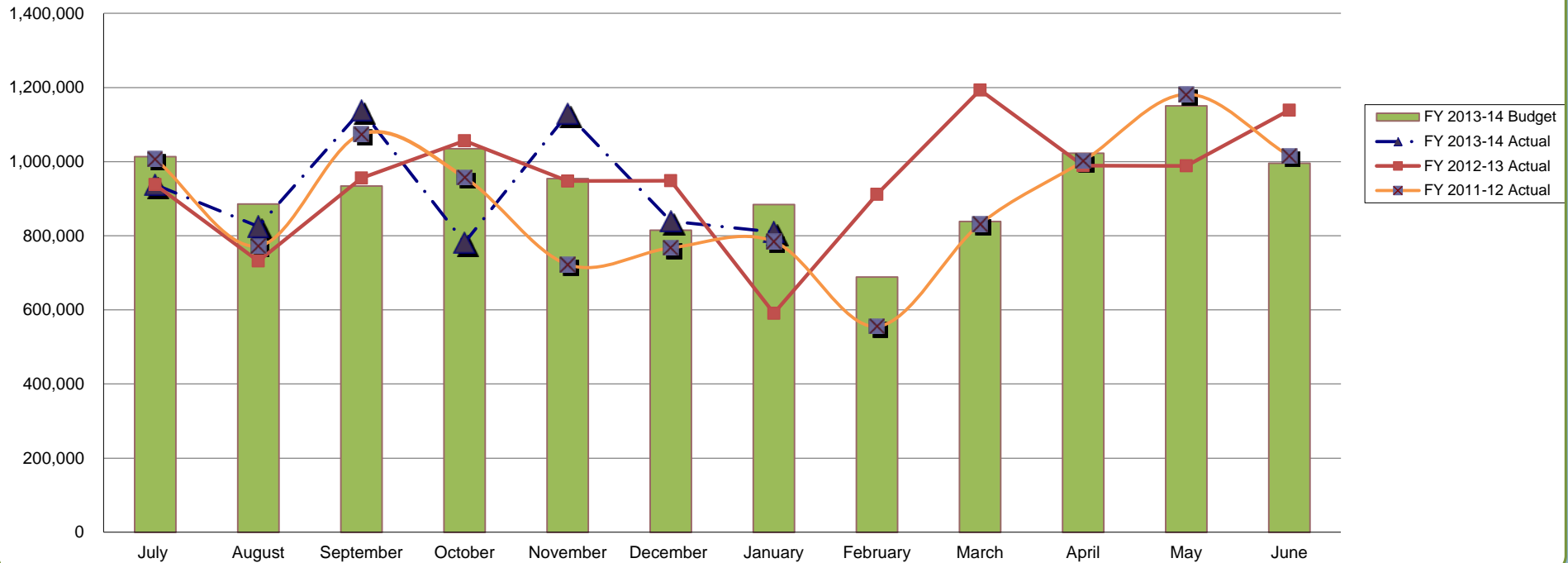
\*\* The fiscal year is July 1 through June 30.



**Attachment B - City of Sedona**  
**City Sales Tax Worksheet Excluding Bed Tax**  
**January 31, 2014**

Month	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	2014 Budget	2014 Collections	Budget Variance	% Change from 2013	% Change from Budget
July	910,058	996,957	974,527	1,090,471	1,091,663	960,327	990,290	1,007,417	937,988	1,013,429	937,622	(75,807)	-0.04%	-7.48%
August	929,412	959,309	936,208	1,078,206	946,048	905,211	811,116	772,215	731,765	885,764	825,310	(60,454)	12.78%	-6.83%
September	864,026	935,943	913,440	995,314	900,249	879,793	903,806	1,074,275	955,485	934,429	1,138,765	204,336	19.18%	21.87%
October	926,902	993,857	1,028,001	1,003,308	1,404,914	917,945	946,879	957,297	1,056,130	1,035,190	781,123	(254,067)	-26.04%	-24.54%
November	966,713	1,132,828	1,150,409	1,153,786	1,050,768	955,527	963,330	722,572	947,436	954,161	1,129,307	175,146	19.20%	18.36%
December	829,911	945,040	1,030,312	996,414	849,411	743,467	802,029	767,186	948,476	815,328	839,078	23,750	-11.53%	2.91%
January	837,052	932,005	984,569	922,971	845,338	844,478	1,089,035	784,573	590,805	884,131	810,137	(73,994)	37.12%	-8.37%
February	674,747	721,147	829,764	820,913	652,309	618,218	867,842	555,349	911,795	688,442	0			
March	791,033	946,908	952,748	865,714	895,830	791,810	877,814	831,578	1,193,049	838,346	0			
April	993,347	1,136,679	1,189,178	1,205,553	978,642	1,086,706	931,961	1,001,545	989,177	1,022,993	0			
May	1,083,436	1,168,552	1,236,550	1,134,980	1,185,283	1,035,951	1,274,314	1,181,525	988,778	1,150,359	0			
June	1,034,180	1,284,106	1,236,953	1,087,411	1,015,169	968,830	969,086	1,015,347	1,138,780	995,594	0			
<b>Total</b>	<b>\$10,840,817</b>	<b>\$12,153,331</b>	<b>\$12,462,660</b>	<b>\$12,355,039</b>	<b>\$11,815,623</b>	<b>\$10,708,262</b>	<b>\$11,427,502</b>	<b>\$10,670,880</b>	<b>\$11,389,664</b>	<b>\$11,218,166</b>	<b>\$6,461,343</b>	<b>(61,089)</b>	<b>4.75%</b>	<b>-0.94%</b>

**City Sales Tax Comparison**

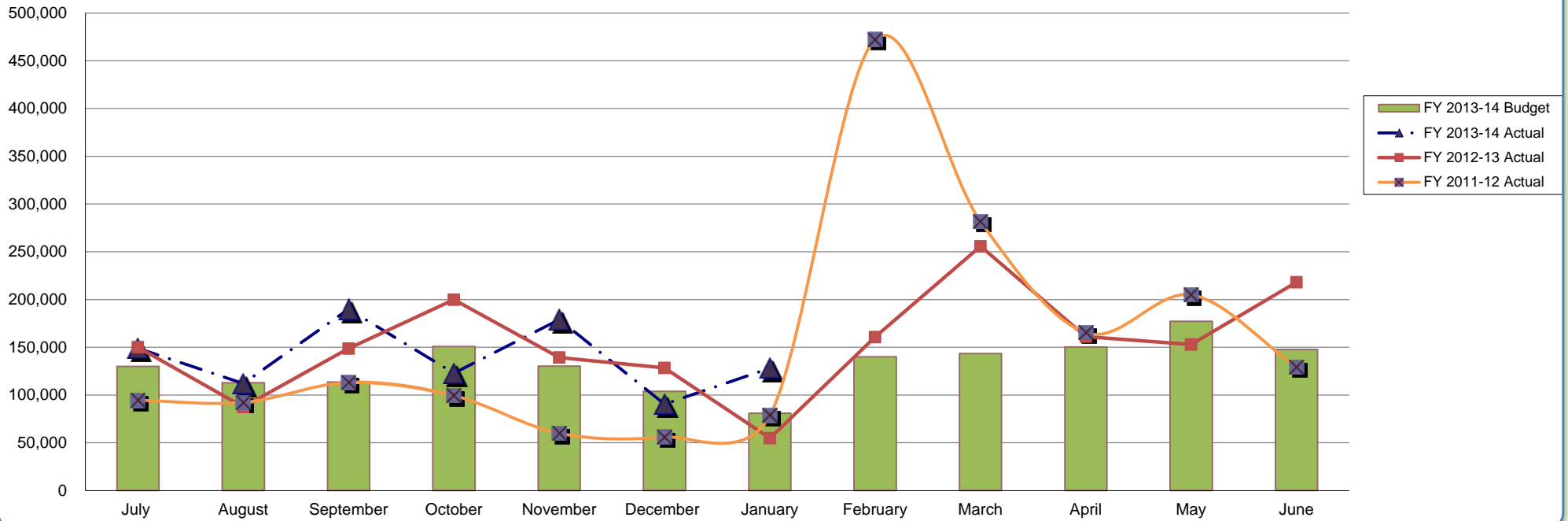


**Attachment C - City of Sedona**  
**City BED Tax Worksheet\***  
**January 31, 2014**

Month	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	2014 Budget	2014 Collections*	Budget Variance	% Change from 2013	% Change from Budget
July	110,953	184,217	94,651	163,161	161,092	112,888	150,106	94,538	150,026	129,929	148,900	18,970	-0.75%	14.60%
August	114,234	136,112	122,283	152,135	144,475	96,165	106,760	92,226	87,577	112,811	112,183	(628)	28.10%	-0.56%
September	108,611	114,016	119,167	141,835	117,740	110,387	118,808	113,153	148,710	113,666	189,886	76,220	27.69%	67.06%
October	163,619	146,060	150,951	152,308	196,878	171,488	158,876	99,392	199,788	150,777	122,880	(27,897)	-38.49%	-18.50%
November	149,885	199,132	180,805	208,044	140,392	119,659	156,500	59,941	139,243	130,264	179,171	48,907	28.68%	37.54%
December	114,751	129,327	126,481	136,372	114,129	107,967	131,845	56,026	128,427	103,847	90,500	(13,347)	-29.53%	-12.85%
January	81,053	120,203	107,551	103,361	93,595	61,849	95,428	78,675	54,811	80,966	128,129	47,163	133.76%	58.25%
February	64,832	89,605	88,817	88,677	79,274	62,786	81,537	472,393	160,750	139,899	0			
March	89,383	155,920	123,907	119,819	131,246	125,860	111,956	281,677	255,765	143,444	0			
April	159,715	180,252	194,142	201,339	151,591	131,418	146,407	165,257	161,250	150,238	0			
May	131,484	203,431	215,566	210,327	229,699	165,834	111,249	204,880	152,932	177,328	0			
June	148,818	86,333	178,827	222,061	156,948	159,939	102,722	129,266	218,176	147,763	0			
<b>Total</b>	<b>\$1,437,338</b>	<b>\$1,744,609</b>	<b>\$1,703,147</b>	<b>\$1,899,439</b>	<b>\$1,717,057</b>	<b>\$1,426,241</b>	<b>\$1,472,193</b>	<b>\$1,847,423</b>	<b>\$1,857,455</b>	<b>\$1,580,933</b>	<b>\$971,648</b>	<b>\$149,388</b>	<b>6.94%</b>	<b>18.17%</b>

\* Effective January, 2014 the bed tax rate was increased from 3.0% to 3.5%. For the month of January, 2014, \$13,525 can be attributed to the change in bed tax rate.

**City BED Tax Comparison**



## Attachment D CITY SALES TAX COLLECTION SUMMARY

		<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>
<b>July</b>	-0.8%	\$148,900	8.3%	\$609,455	\$758,354	-12.5%	\$328,168	\$328,168	-0.1%	\$1,086,522	June
<b>August</b>	28.1%	\$112,183	22.2%	\$536,452	\$648,635	-1.3%	\$288,859	\$288,859	14.4%	\$937,493	July
<b>September</b>	27.7%	\$189,886	29.1%	\$740,197	\$930,083	4.3%	\$398,568	\$398,568	20.3%	\$1,328,651	August
<b>October</b>	-38.5%	\$122,880	-19.9%	\$507,730	\$630,610	-35.3%	\$273,393	\$273,393	-28.0%	\$904,003	September
<b>November</b>	28.7%	\$179,171	29.1%	\$734,050	\$913,221	4.3%	\$395,258	\$395,258	20.4%	\$1,308,479	October
<b>December</b>	-29.5%	\$90,500	-4.2%	\$545,401	\$635,901	-22.6%	\$293,677	\$293,677	-13.7%	\$929,578	November
<b>January</b>	133.8%	\$128,129	48.6%	\$526,589	\$654,718	20.0%	\$283,548	\$283,548	45.3%	\$938,266	December
<b>February</b>		\$0		\$0	\$0		\$0	\$0		\$0	January
<b>March</b>		\$0		\$0	\$0		\$0	\$0		\$0	February
<b>April</b>		\$0		\$0	\$0		\$0	\$0		\$0	March
<b>May</b>		\$0		\$0	\$0		\$0	\$0		\$0	April
<b>June</b>		\$0		\$0	\$0		\$0	\$0		\$0	May
<b>TOTAL 2013-2014</b>		<b>\$971,649</b>		<b>\$4,199,873</b>	<b>\$5,171,521</b>		<b>\$2,261,470</b>	<b>\$2,261,470</b>		<b>\$7,432,991</b>	
TOTAL FY 2012-2013		\$908,582		\$3,700,851			\$2,467,234			\$7,076,666	
<b>DIFFERENCE</b>		<b>\$63,067</b>		<b>\$499,022</b>			<b>(\$205,764)</b>			<b>\$356,325</b>	
<b>% INCR/DECR</b>		<b>6.94%</b>		<b>13.48%</b>			<b>-8.34%</b>			<b>5.04%</b>	
Total City Sales Tax comparison					<b>4.75%</b>						

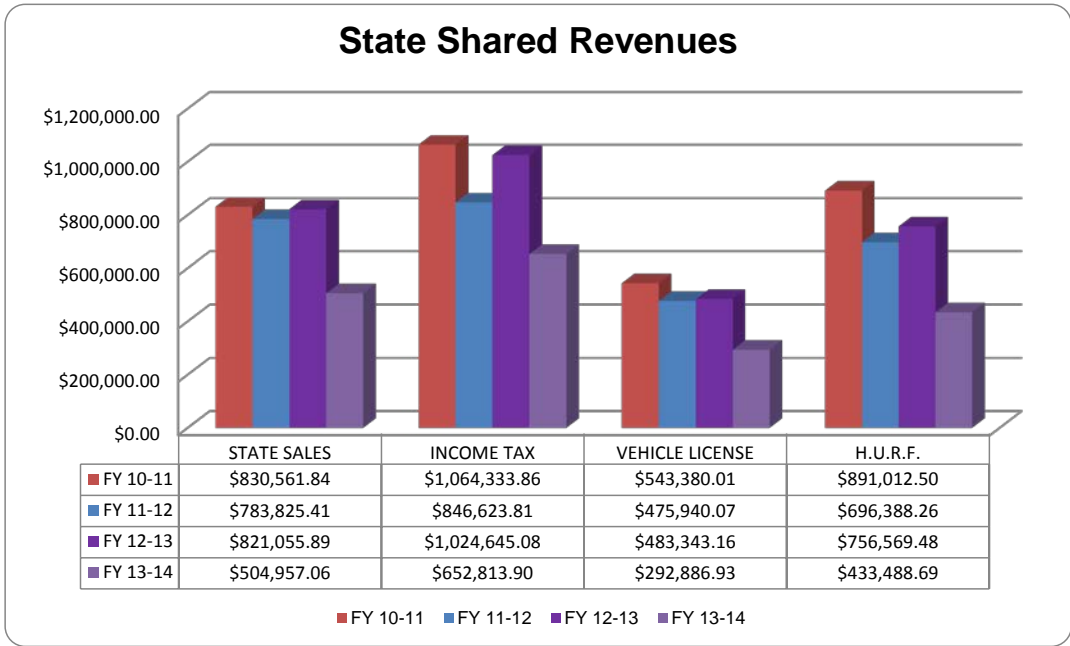
**Attachment E**  
**ARIZONA DEPARTMENT OF REVENUE**  
**2013-2014**  
**STATE SHARED REVENUE**

**GENERAL FUND:**

**STREETS FUND:**

	STATE SALES TAX		STATE INCOME TAX		VEHICLE LICENSE TAX				H.U.R.F.	
					COCONINO COUNTY		YAVAPAI COUNTY			
July	5.34%	\$70,280	9.22%	\$93,259	4.09%	\$9,742	4.00%	\$34,372	10.84%	\$67,196
August	8.17%	\$67,333	9.22%	\$93,259	-2.28%	\$10,311	-0.86%	\$34,905	-2.33%	\$63,464
September	6.78%	\$68,844	9.22%	\$93,259	7.99%	\$9,193	13.52%	\$31,802	2.32%	\$64,163
October	4.98%	\$67,859	9.22%	\$93,259	0.39%	\$9,679	2.87%	\$34,519	4.67%	\$59,962
November	5.90%	\$68,875	9.22%	\$93,259	-2.50%	\$8,164	3.48%	\$28,846	1.57%	\$58,340
December	6.31%	\$71,415	9.22%	\$93,259	9.02%	\$8,972	12.83%	\$30,124	-0.33%	\$58,718
January	12.54%	\$90,351	9.22%	\$93,259	6.75%	\$9,145	7.71%	\$33,114	10.17%	\$61,645
February										
March										
April										
May										
June										
<b>TOTAL 2013-2014</b>		<b>\$504,957</b>		<b>\$652,814</b>		<b>\$65,205</b>		<b>\$227,682</b>		<b>\$433,489</b>
TOTAL 2012-2013		\$470,579		\$597,710		\$63,234		\$215,148		\$417,907
<b>DIFFERENCE</b>		<b>\$34,378</b>		<b>\$55,104</b>		<b>\$1,971</b>		<b>\$12,534</b>		<b>\$15,582</b>
<b>% INCR/DECR</b>		<b>7.31%</b>		<b>9.22%</b>		<b>3.12%</b>		<b>5.83%</b>		<b>3.73%</b>

**\$1,884,147**



# Attachment F - Fund Balances

## Revenue vs Expenses Summary

Fiscal Year: 2013-2014  
 Fiscal Period: January



**City of Sedona**

102 Roadrunner Drive  
 Sedona, AZ 86336

Fund	Description	Fund Balance 7/1/2013*	Revenues Jan-14	Expenses Jan-14	Revenue over Expenditure YTD	Fund Balance 1/31/2014
10	General Fund	14,295,776	7,747,767	7,077,541	670,226	14,966,002
		<u>14,295,776</u>	<u>7,747,767</u>	<u>7,077,541</u>	<u>670,226</u>	<u>14,966,002</u>
11	Streets Fund	0	433,488	521,253	-87,765	-87,765
16	Grants Fund	159,832	41,168	62,581	-21,413	138,419
18	P.A.N.T. Fund	0	0	0	0	0
		<u>159,832</u>	<u>474,656</u>	<u>583,834</u>	<u>-109,178</u>	<u>50,654</u>
20	Development Impact Fees Fund	3,548,809	217,835	28,849	188,986	3,737,795
22	Capital Fund	5,903,143	314,875	1,260,993	-946,118	4,957,025
24	CFD Summit Fund	61,141	14	0	14	61,155
25	CFD Fairfield Fund	845,817	116	12,355	-12,239	833,578
26	Art In Public Places Fund	47,060	44	3,930	-3,886	43,174
		<u>10,405,970</u>	<u>532,884</u>	<u>1,306,127</u>	<u>-773,243</u>	<u>9,632,727</u>
59	Wastewater Enterprise Fund	17,347,570	5,767,923	3,352,377	2,415,546	19,763,116
		<u>17,347,570</u>	<u>5,767,923</u>	<u>3,352,377</u>	<u>2,415,546</u>	<u>19,763,116</u>
	Report Totals:	<u><b>42,209,148</b></u>	<u><b>14,523,230</b></u>	<u><b>12,319,879</b></u>	<u><b>2,203,351</b></u>	<u><b>44,412,499</b></u>

\*Reports prior to September 2013 were unaudited, these are now audited fund balances for FY13.

General Fund
Special Revenue Fund
Capital Fund
Wastewater Fund



Attachment G - General Ledger  
 General Fund Budget Comparison  
 January, 2014

Department	Description	Budget	YTD Actual	Variance	% of Budget	Estimated Year End Actuals	% of Budget
10	<b>GENERAL FUND</b>						
	<b>REVENUES BY SOURCE</b>						
	CITY SALES TAX	\$ 7,291,808	\$ 4,265,175	\$ 3,026,633	58%	\$ 7,300,000	100%
	BED TAX	\$ 1,580,933	\$ 971,649	\$ 609,284	61%	\$ 1,826,000	116%
	FRANCHISE FEES	\$ 742,073	\$ 376,463	\$ 365,610	51%	\$ 742,000	100%
	VEHICLE LICENSE TAXES	\$ 521,935	\$ 292,886	\$ 229,049	56%	\$ 521,000	100%
	STATE SALES TAX	\$ 866,754	\$ 504,957	\$ 361,797	58%	\$ 875,000	101%
	STATE INCOME TAX	\$ 1,119,108	\$ 652,814	\$ 466,294	58%	\$ 1,119,000	100%
	IN-LIEU FEES	\$ 304,500	\$ 38,881	\$ 265,619	13%	\$ 305,000	100%
	FINES & FORFEITURES	\$ 282,414	\$ 76,536	\$ 205,878	27%	\$ 155,000	55%
	LICENSES & PERMITS	\$ 272,583	\$ 245,579	\$ 27,004	90%	\$ 341,000	125%
	CHARGES FOR SERVICES	\$ 119,580	\$ 32,519	\$ 87,061	27%	\$ 83,000	69%
	INTEREST	\$ 249,109	\$ 84,130	\$ 164,979	34%	\$ 202,000	81%
	MISCELLANEOUS	\$ 221,025	\$ 206,178	\$ 14,847	93%	\$ 311,500	141%
	<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 13,571,822</b>	<b>\$ 7,747,767</b>	<b>\$ 5,824,055</b>	<b>57%</b>	<b>\$ 13,780,500</b>	<b>102%</b>
	<b>EXPENDITURES BY DEPARTMENT</b>						
5210	CITY COUNCIL	\$ 53,840	\$ 29,867	\$ 23,973	55%	\$ 53,840	100%
5220	CITY MANAGER	\$ 698,982	\$ 389,478	\$ 309,504	56%	\$ 691,992	99%
5221	HUMAN RESOURCES	\$ 181,238	\$ 106,195	\$ 75,043	59%	\$ 181,238	100%
5222	FINANCIAL SERVICES	\$ 473,470	\$ 222,082	\$ 251,388	47%	\$ 435,592	92%
5224	INFORMATION TECHNOLOGY	\$ 738,277	\$ 490,199	\$ 248,078	66%	\$ 738,277	100%
5230	LEGAL	\$ 460,686	\$ 263,710	\$ 196,976	57%	\$ 460,686	100%
5240	CITY CLERK	\$ 239,306	\$ 117,337	\$ 121,969	49%	\$ 239,306	100%
5242	PARKS & RECREATION	\$ 359,249	\$ 190,518	\$ 168,731	53%	\$ 359,249	100%
5245	GENERAL SERVICES	\$ 3,043,110	\$ 1,770,840	\$ 1,272,270	58%	\$ 3,043,110	100%
5310	COMMUNITY DEVELOPMENT	\$ 1,146,286	\$ 536,886	\$ 609,400	47%	\$ 1,111,897	97%
5320	PUBLIC WORKS	\$ 1,845,964	\$ 1,028,041	\$ 817,923	56%	\$ 1,845,964	100%
5510	POLICE	\$ 3,517,752	\$ 1,786,281	\$ 1,731,471	51%	\$ 3,482,574	99%
5520	MUNICIPAL COURT	\$ 312,344	\$ 146,107	\$ 166,237	47%	\$ 306,097	98%
	<b>TOTAL GENERAL FUND EXPENSES</b>	<b>\$ 13,070,504</b>	<b>\$ 7,077,541</b>	<b>\$ 5,992,963</b>	<b>54%</b>	<b>\$ 12,949,824</b>	<b>99%</b>

Attachment H - General Ledger  
Fund Expenditure Comparison  
January, 2014

Department	Description	Budget	YTD Actual	Variance	% of Budget	Estimated Year End Expenditures	% of Budget
10	<u>GENERAL FUND</u>	\$ 13,070,504	\$ 7,077,541	\$ 5,992,961	54%	\$ 12,949,824	99%
11	<u>STREETS FUND EXPENDITURES</u>	\$ 2,266,077	\$ 521,253	\$ 1,744,824	23%	\$ 2,266,077	100%
16	<u>GRANTS FUND</u>	\$ 1,058,500	\$ 62,581	\$ 995,919	6%	\$ 370,475	35%
18	<u>P.A.N.T. FUND</u>	\$ 84,056	\$ -	\$ 84,056	0%	\$ 84,056	100%
20	<u>DEVELOPMENT IMPACT FEES FUND</u>	\$ 1,943,000	\$ 28,889	\$ 1,914,111	1%	\$ 1,043,000	54%
22	<u>CAPITAL FUND</u>	\$ 4,669,302	\$ 1,260,993	\$ 3,408,309	27%	\$ 3,819,302	82%
25	<u>CFD FAIRFIELD FUND</u>	\$ 770,000	\$ 12,355	\$ 757,645	2%	\$ 570,000	74%
26	<u>ART IN PUBLIC PLACES FUND</u>	\$ 65,000	\$ 3,930	\$ 61,070	6%	\$ 40,000	62%
59	<u>WASTEWATER ENTERPRISE FUND</u>						
5250	WASTEWATER ADMINISTRATION	\$ 7,001,055	\$ 1,340,741	\$ 5,660,314	19%	\$ 7,001,055	100%
5252	WASTEWATER CAPITAL	\$ 2,692,819	\$ 927,540	\$ 1,765,279	34%	\$ 2,423,537	90%
5253	WASTEWATER TREATMENT PLANT	\$ 2,524,986	\$ 1,084,096	\$ 1,440,890	43%	\$ 2,398,737	95%
	TOTAL WASTEWATER FUND EXPENSES	\$ 12,218,860	\$ 3,352,377	\$ 8,866,483	27%	\$ 12,218,860	100%
	TOTAL EXPENSES ALL FUNDS	\$ 36,145,299	\$ 12,319,919	\$ 23,825,378	34%	\$ 33,361,594	92.3%