
INTEROFFICE MEMO

DATE: MAY 18, 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 – MARCH 2014**

I am pleased to present to you the monthly financial report for March 2014. This report will also summarize the financial position of the City of Sedona for the first nine 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. The following analysis will be covered in this report:

- Total revenues by Fund for the month of March 2014 compared to the month of March 2013;
- Total revenues by Fund cumulative from July through March 2014 (fiscal year to date) compared to cumulative totals from July through March 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 March 2014 versus the prior fiscal year;
- Total City Sales Tax collections (including bed tax and before allocation to Wastewater Fund) comparing March 2014 to March 2013 and comparing fiscal year totals for July through March 2014 to July through March 2013;
- City Sales Tax collections (excluding bed taxes and before allocation to Wastewater Fund) comparing March 2014 to March 2013 and comparing fiscal year totals for July through March 2014 to July through March 2013;
- Total Bed Taxes collections comparing March 2014 to March 2013 and comparing fiscal year totals for July through March 2014 to July through March 2013;
- State Shared Revenue in General Fund (sales tax, income tax, vehicle license tax) comparing March 2014 to March 2013 and comparing fiscal year totals for July through March 2014 to July through March 2013;
- HURF revenues comparing March 2014 to March 2013 and comparing fiscal year totals for July through March 2014 to July through March 2013;

- Wastewater revenues comparing March 2014 to March 2013 and comparing fiscal year totals for July through March 2014 to July through March 2013;
- Fund balance for each of the funds as of March 31, 2014;
- Estimated Fund Balance for each of the funds as of June 30, 2014;
- Total budgeted revenues and expenditures by source and department for the General Fund through March 2014 compared to estimated year-end actuals; and
- Total expenditures by fund for July through March 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 March 2014 were as follows:

Revenues collected in March	\$	1,503,533
Expenditures in March	\$	1,058,566
Positive cash flow for March, 2014	\$	444,967

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

Total revenues received	\$	10,167,505
Total expenditures	\$	8,966,327
Cumulative FY positive cash flow	\$	1,201,178

Total cumulative fiscal year revenues collected through March 2014 increased in comparison to the same period through March 2013 by 9.23% (Table 1.)

Table 1

Fund	7/1/12 to 03/31/13 Revenues to Date	7/1/13 to 03/31/14 Revenues to Date	Variance	% of Increase FY13 to FY14 through March
General Fund	\$ 9,308,493	\$ 10,167,505	\$ 859,012	9.23%

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 March. If the revenues come in equally each month, by the end of March the City should have collected 75% (8.33% X 9 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 March 2014 compared to year to date collections in 2013, the collections in the current year are just slightly less (Less than 1%) than the prior fiscal year. (Table 2 & 3).

Table 2

Fund	FY 2013 Budgeted Revenues	7/1/12 to 03/31/13 Revenues to Date	% of FY13 Budget Collected to Date
General Fund	\$ 12,383,809	\$ 9,308,493	75.17%

Table 3

Fund	FY 2014 Budgeted Revenues	7/1/13 to 03/31/14 Revenues to Date	% of FY14 Budget Collected to Date
General Fund	\$ 13,571,822	\$ 10,167,505	74.92%

The total sales and bed taxes combined for March 2014 over March 2013 increased by 1.65%. This is the total sales taxes collected before any distribution of the sales tax to the Wastewater Fund. See Attachment A – Total Sales Tax Worksheet.

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 (below) 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 FY 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%
February, 2014	929,703	637,841	291,862	31%	-13.3%
March, 2014	1,471,984	1,029,613	442,371	30%	1.7%

As presented in Attachment A, cumulative sales and bed taxes collected for the current fiscal year through March 2014 increased over fiscal year 2012-13 through March 2013 by 2.68%. Also impacting collections this year is the bed tax rate increase from 3.0% to 3.5%, effective January 1, 2014. Approximately \$34,060 is attributable to this change in rate for March and

\$66,701 for the year to date. If you remove the increase due to the change in bed tax rate, the year to date increase over the prior year is 2.0%.

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 \$9,855,282 which is an increase over budget of 7.3%. 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 6.6% above budgeted projections.

In Attachment B – City Sales Tax Worksheet Excluding Bed Taxes the City collections for March 2014 increased from March 2013 by 3.45%. Collections for the fiscal year to date 2014 compared to fiscal year to date 2013 are up 2.65%. In comparing the actual sales tax collections for this fiscal year to the seasonally adjusted monthly budget allocations, revenues are 5.51% above budget.

In Attachment C – City Bed Tax Worksheet, the City’s collections for bed taxes for March 2014 decreased by 6.8% from March 2013 collections. However, the cumulative collections (which provides a more complete financial picture) for July through March 2014 were 2.84% higher compared to the July through March 2013 collections. Adjusting the \$66,701 in collections associated with the change in bed tax rate from 3.0% to 3.5% on January 1, 2014, collections for July through March 2014 were 2.2% lower than the prior year. However, it should be noted that Bed Tax Collections for the prior year for March (2013) were higher than normal and may have included payments from prior periods.

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 March 2014 compared to March 2013 shows increases in State sales tax of 8.1%, State income tax of 9.2%, VLT (vehicle license tax) for Coconino County is up - 8.4% and Yavapai County of 11%.

Collections for the fiscal year through March 2014 compared to fiscal year through March 2013 show increases in State sales taxes 6.9%, State income taxes 9.1%, VLT for Coconino County 2.8% and Yavapai County 5.7%.

Expenditures

Total expenditures through March 2014 increased in comparison to the same period through March 2013 by 11.1%.

Table 5

Fund	7/1/12 to 3/31/13 Expenditures to Date	7/1/13 to 3/31/14 Expenditures to Date	Variance	% of Increase FY13 to FY14 To Date
General Fund	\$ 8,069,399	\$ 8,966,327	\$ 896,928	11.12%

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 March the City should have expended 75% (8.33% X 9 months). However, just as with revenues, there can be timing issues due to number of pay periods in a month, 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 6, 68.6% of the FY14 General Fund Budget has been expended to date.

Table 6

Fund	2013-2014 Expenditure Budget	7/1/13 to 3/31/14 Expenditures to Date	Variance	% of Budget Expended to Date
General Fund	\$ 13,070,504	\$ 8,966,327	\$ 4,104,177	68.60%

Based on the percent of budgeted expenditures made from July through March 2013 compared to year to date expenditures in 2014 (65.7%), the expenditures are 2.9% more than the same time period last fiscal year, but still well below the 75%. Indicating that year-end totals will be slightly below budget (see Attachment H for estimated totals).

The General Fund unrestricted fund balance is presented on Attachment F and is \$15,496,954 at the end of March 2014. Attachment H presents more detail for the 2014 General Fund fiscal year budgeted revenues by source and department expenditures year to date through March 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 March	\$	67,700
Expenditures in March	\$	149,668
Negative cash flow for March 2014	\$	(81,968)

Fiscal Year totals through March 2014:

Total revenues received	\$	559,313
Total expenditures	\$	708,187
Cumulative FY negative cash flow	\$	(148,874)

Revenue

The HURF monies received for March 2014 increased from March 2013 by 3.16% (see Attachment E). Cumulative Streets Fund revenue received for the current fiscal year through March 2014 increased over fiscal year 2012-13 through March 2013 by approximately 2.13% (Table 7).

Table 7

Fund	7/1/12 to 03/31/13 Revenues to Date	7/1/13 to 03/31/14 Revenues to Date	Variance	% of Increase FY13 to FY14 through March
Streets Fund	\$ 547,654	\$ 559,313	\$ 11,659	2.13%

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 8 & 9) present the Budgeted Revenues for fiscal years 2013 and 2014, compared to actual revenue collections to date for July through March. Again, if revenues come in equally each month, by the end of January the City should have collected 75% of the year's revenue. As you can see in both this fiscal year to date and last, collections are just above 75% - at 78.83% and 77.14%, respectively.

Table 8

Fund	FY 2013 Budgeted Revenues	7/1/12 to 03/31/13 Revenues to Date	% of FY13 Budget Collected to Date
Streets Fund	\$ 694,758	\$ 547,654	78.83%

Table 9

Fund	FY 2014 Budgeted Revenues	7/1/13 to 03/31/14 Revenues to Date	% of FY14 Budget Collected to Date
Streets Fund	\$ 725,084	\$ 559,313	77.14%

Expenditures

As set forth in Table 10 (below) total expenditures through March 2014 have decreased significantly in comparison to the same period through March 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 10

Fund	7/1/12 to 03/31/13 Expenditures to Date	7/1/13 to 03/31/14 Expenditures to Date	Variance	% of Increase FY13 to FY14 through March
Streets Fund	\$ 1,358,795	\$ 708,187	\$ (650,608)	-47.88%

The Streets Fund restricted fund balance is presented on Attachment F and is (\$148,874) at the end of March 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 March	\$ 915,190
Expenditures in March	\$ 319,692
Positive cash flow for March 2014	\$ 595,498

Fiscal Year totals through March 2014:

Total revenues received	\$ 7,465,618
Total expenditures	\$ 3,936,476
Cumulative FY positive cash flow	\$ 3,529,142

Revenues

Revenues collected from July through March for the current fiscal year are 3.57% less than collections from July through March of the prior fiscal year (see Table 11, next page). 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 11

Fund	7/1/12 to 03/31/13 Revenues to Date	7/1/13 to 03/31/14 Revenues to Date	Variance	% of Increase FY13 to FY14 through March
Wastewater Fund	\$ 7,742,061	\$ 7,465,618	\$ (276,443)	-3.57%

Revenue collections for July through March, 2014 are 73% of total 2014 fiscal year budgeted revenues (Table 13). This is slightly lower than 76% for the same period last fiscal year (Table 12). This is expected, because of the reduced sales tax allocation and the decision to keep monthly rates at the 2012-2013 levels for this fiscal year.

Table 12

Fund	FY 2013 Budgeted Revenues	7/1/12 to 03/31/13 Revenues to Date	% of FY13 Budget Collected to Date
Wastewater Fund	\$ 10,202,441	\$ 7,742,061	75.88%

Table 13

Fund	FY 2014 Budgeted Revenues	7/1/13 to 03/31/14 Revenues to Date	% of FY14 Budget Collected to Date
Wastewater Fund	\$ 10,221,580	\$ 7,465,618	73.04%

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 nine months of 2014 is only 32% (see Table 14), compared to the 75%, 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 14

	2014 Budget		Actual YTD		Variance	% of Budget	
			3/31/2014				
Wastewater Administration							
Debt Service (Interest and Principal)	\$	6,092,237	\$	796,131	\$	5,296,106	13%
Wages and Benefits	\$	632,828	\$	516,391	\$	116,437	82%
Purchased goods and services	\$	275,990	\$	170,509	\$	105,481	62%
Total Program Budget	\$	7,001,055		1,483,031	\$	5,518,024	21%
Wastewater Capital							
Wages and Benefits	\$	112,186	\$	77,850	\$	34,336	69%
Capital	\$	2,580,633	\$	927,866	\$	1,652,767	36%
Total Program Budget	\$	2,692,819	\$	1,005,716	\$	1,687,103	37%
Wastewater Treatment Plant							
Wages and Benefits	\$	682,663	\$	450,305	\$	232,358	66%
Purchased goods and services	\$	369,209	\$	156,453	\$	212,756	42%
Maintenance	\$	917,565	\$	454,222	\$	463,343	50%
Utilities	\$	555,549	\$	386,749	\$	168,800	70%
Total Program Budget	\$	2,524,986	\$	1,447,729	\$	1,077,257	57%
Total Wastewater Fund Expense Budget	\$	12,218,860	\$	3,936,476	\$	8,282,384	32%

The Wastewater Fund balance is presented on Attachment F and is \$20,876,712 at the end of March 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 March 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 in the General Fund revenues are expected to be almost \$500,000 above budgeted. Likewise, expenditures in every fund are expected to be below budget at year end. Specifically, expenditures in the General Fund are expected to be approximately \$500,00 less than budget. This results in almost \$1 million more at year end in Fund Balance for the General Fund. 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: Year to Date
- Attachment G – Fund Balances Revenue vs. Expenses Summary: Est. 2014 Year End
- Attachment H – General Fund Revenue and Expense Budget Comparison
- Attachment I – Fund Expenditure Budget Comparison

Attachment A - City of Sedona

Total Sales Tax Worksheet*

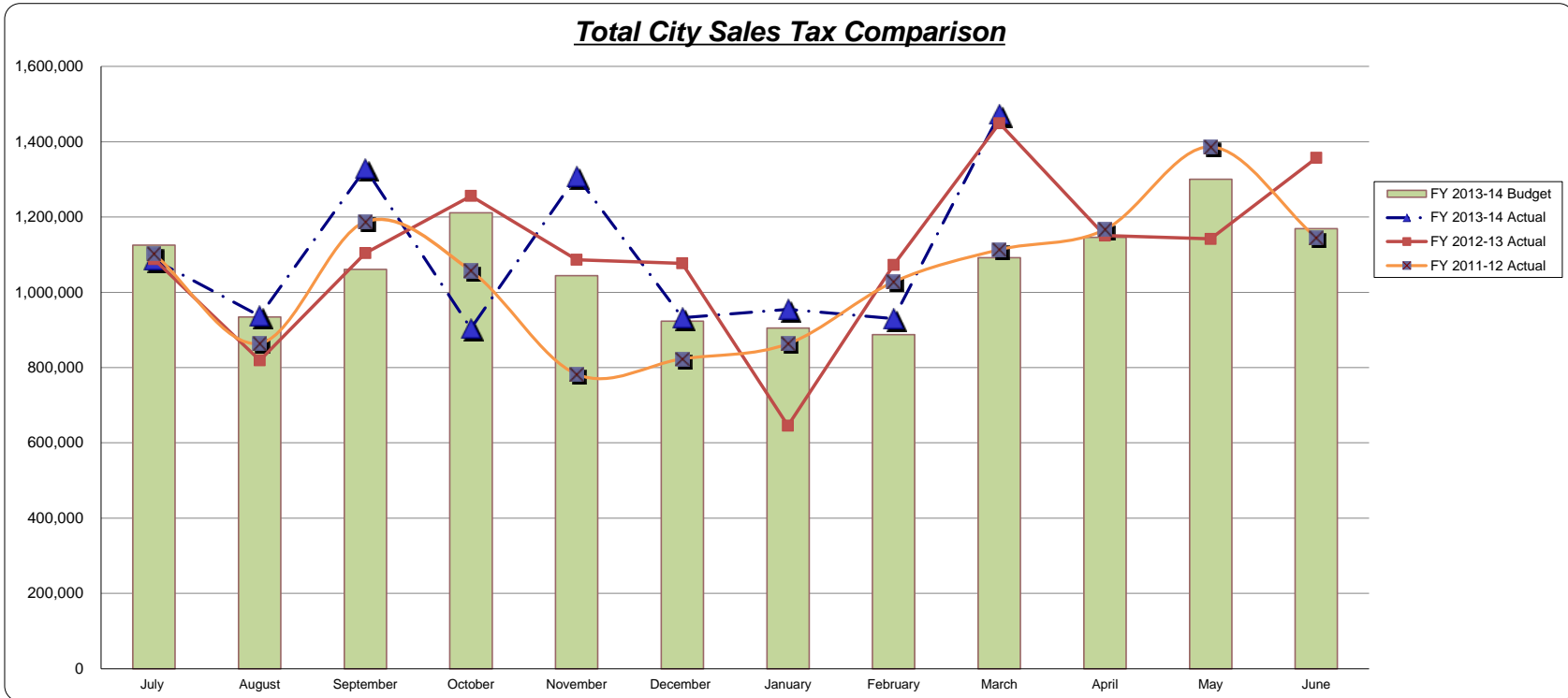
March 31, 2014

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	932,384	8,759	-13.42%	0.95%
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	955,059	49,936	47.93%	5.52%
February	739,579	810,751	918,581	909,590	731,583	681,004	949,379	1,027,743	1,072,545	887,854	930,028	42,174	-13.29%	4.75%
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	1,472,664	380,780	1.65%	34.87%
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		
Total	\$12,278,155	\$13,897,940	\$14,165,807	\$14,254,478	\$13,532,679	\$12,134,503	\$12,899,694	\$12,518,303	\$13,247,119	\$12,799,099	\$9,855,282	\$670,877	2.68%	7.30%

cumulative averages

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

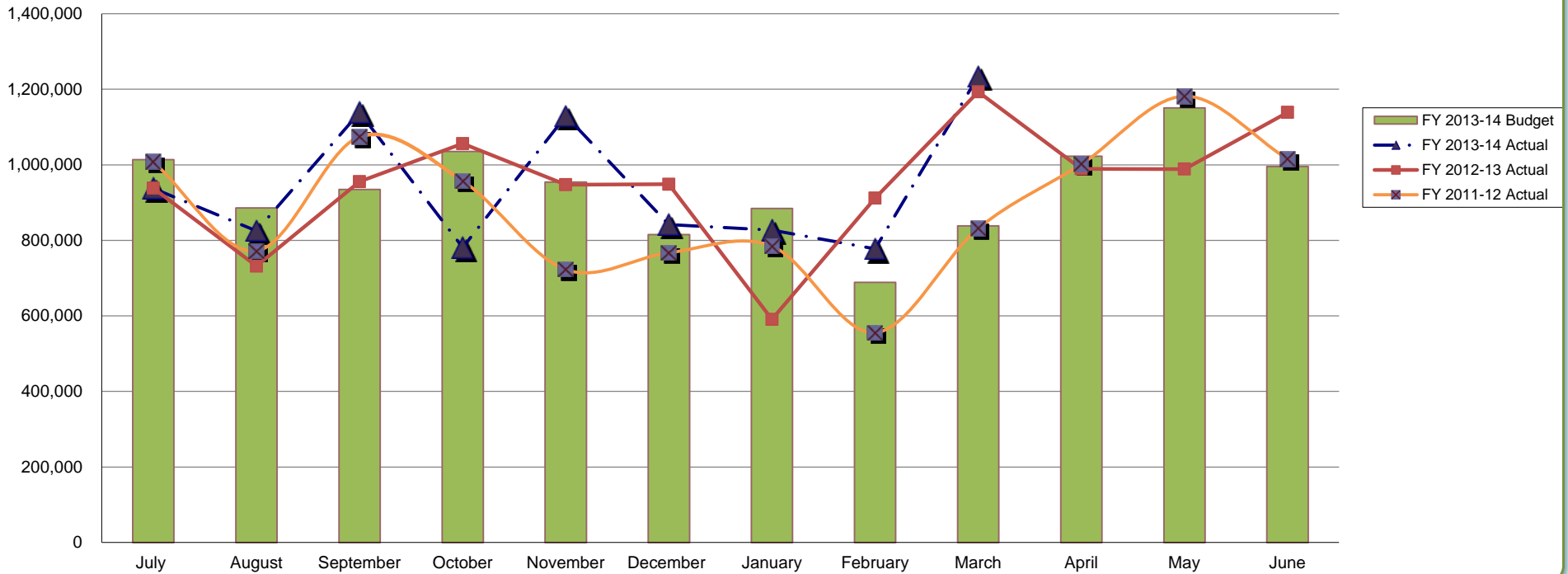
** The fiscal year is July 1 through June 30.



Attachment B - City of Sedona
City Sales Tax Worksheet Excluding Bed Tax
March 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	841,884	26,556	-11.24%	3.26%
January	837,052	932,005	984,569	922,971	845,338	844,478	1,089,035	784,573	590,805	884,131	826,930	(57,200)	39.97%	-6.47%
February	674,747	721,147	829,764	820,913	652,309	618,218	867,842	555,349	911,795	688,442	777,367	88,925	-14.74%	12.92%
March	791,033	946,908	952,748	865,714	895,830	791,810	877,814	831,578	1,193,049	838,346	1,234,256	395,910	3.45%	47.23%
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			
Total	\$10,840,817	\$12,153,331	\$12,462,660	\$12,355,039	\$11,815,623	\$10,708,262	\$11,427,502	\$10,670,880	\$11,389,664	\$11,218,166	\$8,492,564	443,345	2.65%	5.51%

City Sales Tax Comparison

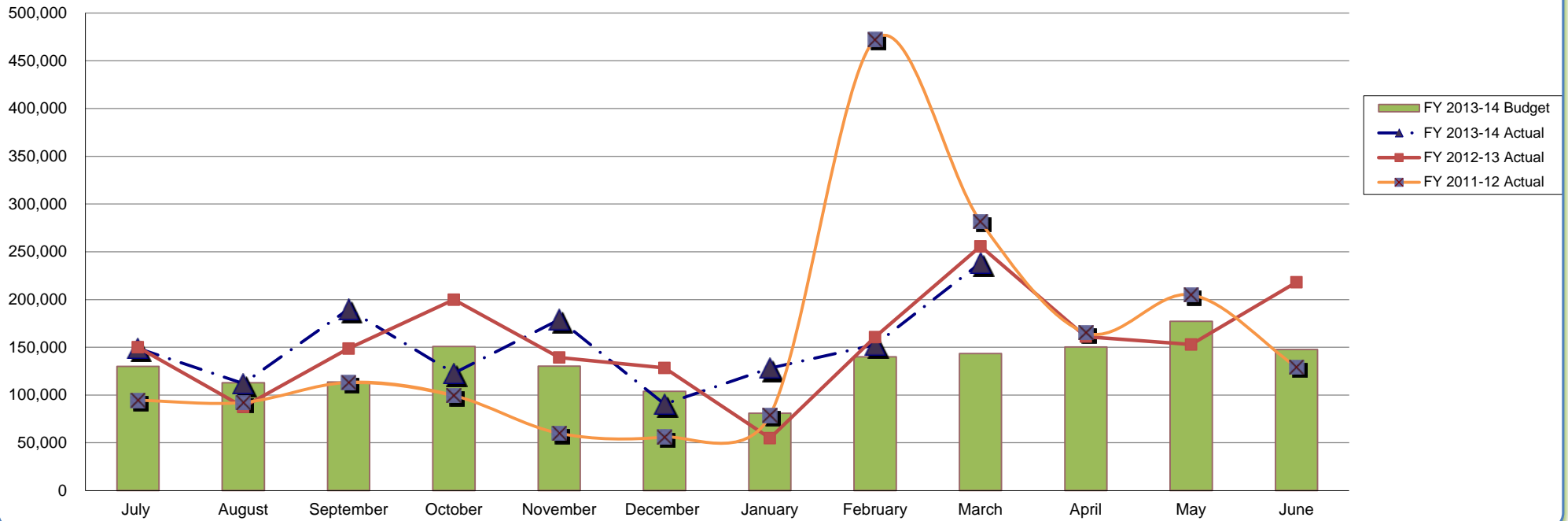


**Attachment C - City of Sedona
City BED Tax Worksheet*
March 31, 2014**

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	152,660	12,761	-5.03%	9.12%
March	89,383	155,920	123,907	119,819	131,246	125,860	111,956	281,677	255,765	143,444	238,408	94,965	-6.79%	66.20%
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			
Total	\$1,437,338	\$1,744,609	\$1,703,147	\$1,899,439	\$1,717,057	\$1,426,241	\$1,472,193	\$1,847,423	\$1,857,455	\$1,580,933	\$1,362,717	\$257,113	2.84%	23.26%

* Effective January 1, 2014 the bed tax rate was increased from 3.0% to 3.5%. For the months of January through March 2014, \$66,701 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>	
July	-0.8%	\$148,900	8.3%	\$609,455	\$758,354	-12.5%	\$328,168	\$328,168	-0.1%	\$1,086,522	June
August	28.1%	\$112,183	22.2%	\$536,452	\$648,635	-1.3%	\$288,859	\$288,859	14.4%	\$937,493	July
September	27.7%	\$189,886	29.1%	\$740,197	\$930,083	4.3%	\$398,568	\$398,568	20.3%	\$1,328,651	August
October	-38.5%	\$122,880	-19.9%	\$507,730	\$630,610	-35.3%	\$273,393	\$273,393	-28.0%	\$904,003	September
November	28.7%	\$179,171	29.1%	\$734,050	\$913,221	4.3%	\$395,258	\$395,258	20.4%	\$1,308,479	October
December	-29.5%	\$90,500	-3.8%	\$547,224	\$637,724	-22.3%	\$294,659	\$294,659	-13.4%	\$932,384	November
January	133.8%	\$128,129	51.6%	\$537,505	\$665,634	22.5%	\$289,426	\$289,426	47.9%	\$955,059	December
February	-5.0%	\$152,660	-7.6%	\$505,289	\$657,949	-25.4%	\$272,079	\$272,079	-13.3%	\$930,028	January
March	-6.8%	\$238,408	12.1%	\$802,266	\$1,040,675	-9.5%	\$431,990	\$431,990	1.6%	\$1,472,664	February
April		\$0		\$0	\$0		\$0	\$0		\$0	March
May		\$0		\$0	\$0		\$0	\$0		\$0	April
June		\$0		\$0	\$0		\$0	\$0		\$0	May
TOTAL 2013-2014		\$1,362,717		\$5,520,167	\$6,882,884		\$2,972,398	\$2,972,398		\$9,855,282	
TOTAL FY 2012-2013		\$1,325,097		\$4,963,758		\$3,309,172		\$9,598,026			
DIFFERENCE		\$37,621		\$556,410		(\$336,774)		\$257,256			
% INCR/DECR		2.84%		11.21%		-10.18%		2.68%			
				Total City Sales Tax comparison	2.65%						

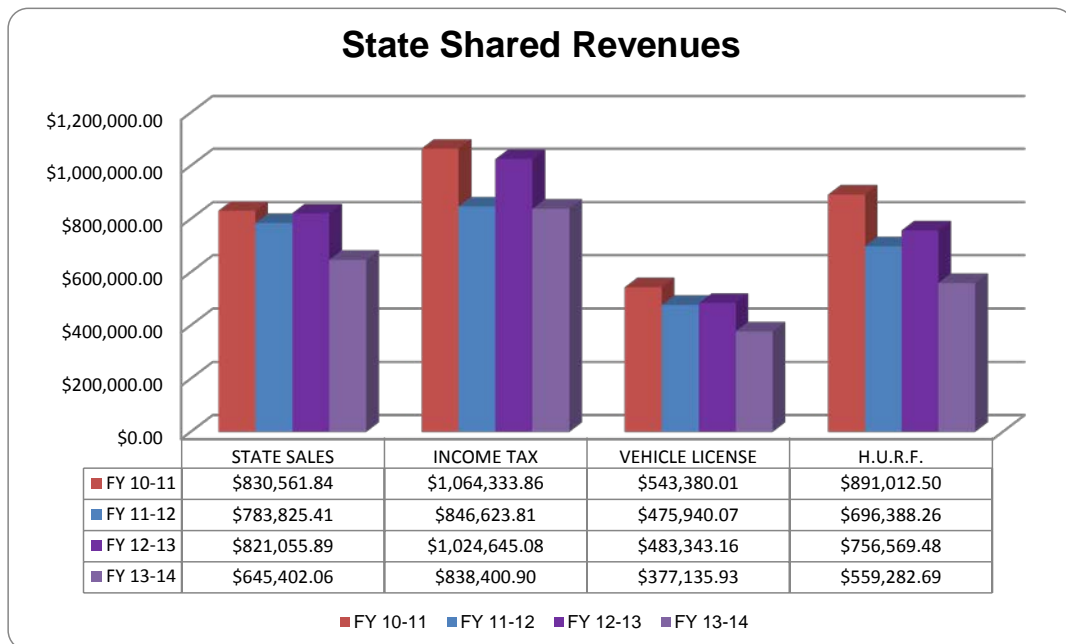
**Attachment E
ARIZONA DEPARTMENT OF REVENUE
2013-2014
STATE SHARED REVENUE**

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	2.75%	\$68,271	8.17%	\$92,360	-5.41%	\$8,038	-1.04%	\$29,557	-0.12%	\$58,124
March	8.11%	\$72,174	9.18%	\$93,227	8.36%	\$10,109	11.04%	\$36,545	3.16%	\$67,670
April										
May										
June										
TOTAL 2013-2014		\$645,402		\$838,401		\$83,352		\$293,784		\$559,283
TOTAL 2012-2013		\$603,784		\$768,484		\$81,062		\$277,927		\$541,700
DIFFERENCE		\$41,618		\$69,917		\$2,291		\$15,857		\$17,583
% INCR/DECR		6.89%		9.10%		2.83%		5.71%		3.25%

\$2,420,222



Attachment H- General Ledger
 General Fund Budget Comparison
 March, 2014

Department	Description	Budget	YTD Actual	Variance	% of Budget	Estimated Year End Actuals	% of Budget
10	GENERAL FUND						
REVENUES BY SOURCE							
	CITY SALES TAX	\$ 7,291,808	\$ 5,575,603	\$ 1,716,205	76%	\$ 7,500,000	103%
	BED TAX***	\$ 1,580,933	\$ 1,362,717	\$ 218,216	86%	\$ 1,918,000	121%
	FRANCHISE FEES*	\$ 742,073	\$ 557,227	\$ 184,846	75%	\$ 742,000	100%
	VEHICLE LICENSE TAXES	\$ 521,935	\$ 377,137	\$ 144,798	72%	\$ 522,000	100%
	STATE SALES TAX	\$ 866,754	\$ 645,402	\$ 221,352	74%	\$ 875,000	101%
	STATE INCOME TAX	\$ 1,119,108	\$ 838,401	\$ 280,707	75%	\$ 1,119,000	100%
	IN-LIEU FEES**	\$ 304,500	\$ 39,352	\$ 265,148	13%	\$ 425,000	140%
	FINES & FORFEITURES	\$ 282,414	\$ 106,262	\$ 176,152	38%	\$ 140,000	50%
	LICENSES & PERMITS	\$ 272,583	\$ 307,724	\$ (35,141)	113%	\$ 350,000	128%
	CHARGES FOR SERVICES	\$ 119,580	\$ 41,718	\$ 77,862	35%	\$ 70,000	59%
	INTEREST	\$ 249,109	\$ 83,616	\$ 165,493	34%	\$ 150,000	60%
	MISCELLANEOUS	\$ 221,025	\$ 232,346	\$ (11,321)	105%	\$ 250,000	113%
	TOTAL GENERAL FUND REVENUES	\$ 13,571,822	\$ 10,167,505	\$ 3,404,317	75%	\$ 14,061,000	104%
EXPENDITURES BY DEPARTMENT							
5210	CITY COUNCIL	\$ 53,840	\$ 37,629	\$ 16,211	70%	\$ 52,763	98%
5220	CITY MANAGER	\$ 698,982	\$ 500,339	\$ 198,643	72%	\$ 695,487	100%
5221	HUMAN RESOURCES	\$ 181,238	\$ 140,016	\$ 41,222	77%	\$ 183,543	101%
5222	FINANCIAL SERVICES	\$ 473,470	\$ 304,753	\$ 168,717	64%	\$ 417,139	88%
5224	INFORMATION TECHNOLOGY	\$ 738,277	\$ 571,379	\$ 166,898	77%	\$ 738,277	100%
5230	LEGAL	\$ 460,686	\$ 338,893	\$ 121,793	74%	\$ 460,686	100%
5240	CITY CLERK	\$ 239,306	\$ 173,278	\$ 66,028	72%	\$ 239,306	100%
5242	PARKS & RECREATION	\$ 359,249	\$ 225,503	\$ 133,746	63%	\$ 359,249	100%
5245	GENERAL SERVICES	\$ 3,043,110	\$ 2,259,172	\$ 783,938	74%	\$ 3,191,666	105%
5310	COMMUNITY DEVELOPMENT	\$ 1,146,286	\$ 665,384	\$ 480,902	58%	\$ 963,418	84%
5320	PUBLIC WORKS	\$ 1,845,964	\$ 1,297,193	\$ 548,771	70%	\$ 1,845,964	100%
5510	POLICE	\$ 3,517,752	\$ 2,260,639	\$ 1,257,113	64%	\$ 3,140,077	89%
5520	MUNICIPAL COURT	\$ 312,344	\$ 192,149	\$ 120,195	62%	\$ 279,605	90%
	TOTAL GENERAL FUND EXPENDITURES	\$ 13,070,504	\$ 8,966,327	\$ 4,104,177	69%	\$ 12,567,181	96%
	CHANGE TO FUND BALANCE BEFORE TRANSFERS	\$ 501,318	\$ 1,201,178	\$ (699,860)	240%	\$ 1,493,819	298%

*Franchise Fees are paid quarterly.

**Paid annually and typically in arrears.

***City Bed tax rate increased from 3.0% to 3.5%, effective 01-01-2014, \$66,701 is attributable to the change in bed tax rate for January through March.

Attachment I - General Ledger
Fund Expenditure Comparison
March, 2014

Department	Description	Budget	YTD Actual	Variance	% of Budget	Estimated Year End Expenditures	% of Budget
10	<u>GENERAL FUND</u>	\$ 13,070,504	\$ 8,966,327	\$ 5,992,961	69%	\$ 12,567,181	96%
11	<u>STREETS FUND EXPENDITURES</u>	\$ 2,266,077	\$ 708,187	\$ 1,557,890	31%	\$ 2,039,469	90%
16	<u>GRANTS FUND</u>	\$ 1,058,500	\$ 109,239	\$ 949,261	10%	\$ 375,000	35%
18	<u>P.A.N.T. FUND</u>	\$ 84,056	\$ -	\$ 84,056	0%	\$ -	0%
20	<u>DEVELOPMENT IMPACT FEES FUND</u>	\$ 1,943,000	\$ 692,676	\$ 1,250,324	36%	\$ 1,043,000	54%
22	<u>CAPITAL FUND</u>	\$ 4,669,302	\$ 1,738,594	\$ 2,930,708	37%	\$ 3,819,302	82%
25	<u>CFD FAIRFIELD FUND</u>	\$ 770,000	\$ 16,055	\$ 753,945	2%	\$ 25,000	3%
26	<u>ARTS IN PUBLIC PLACES FUND</u>	\$ 65,000	\$ 3,930	\$ 61,070	6%	\$ 10,000	15%
59	<u>WASTEWATER ENTERPRISE FUND</u>						
5250	WASTEWATER ADMINISTRATION	\$ 7,001,055	\$ 1,483,031	\$ 5,518,024	21%	\$ 6,623,301	95%
5252	WASTEWATER CAPITAL	\$ 2,692,819	\$ 1,005,717	\$ 1,687,102	37%	\$ 2,304,322	86%
5253	WASTEWATER TREATMENT PLANT	\$ 2,524,986	\$ 1,447,728	\$ 1,077,258	57%	\$ 2,294,208	91%
	TOTAL WASTEWATER FUND EXPENSES	\$ 12,218,860	\$ 3,936,476	\$ 8,282,384	32%	\$ 11,221,831	92%
	TOTAL EXPENDITURES/EXPENSES ALL FUNDS	\$ 36,145,299	\$ 16,171,484	\$ 21,862,599	45%	\$ 31,100,783	86.0%

Attachment F - Fund Balances

Revenue vs Expenses Summary

Fiscal Year: 2013-2014
 Fiscal Period: March



City of Sedona

102 Roadrunner Drive
 Sedona, AZ 86336

Fund	Description	Fund Balance 7/1/2013*	Revenues Mar-14	Expenses Mar-14	Revenue over Expenditure YTD	Fund Balance 3/31/2014
10	General Fund	14,295,776	10,167,505	8,966,327	1,201,178	15,496,954
		<u>14,295,776</u>	<u>10,167,505</u>	<u>8,966,327</u>	<u>1,201,178</u>	<u>15,496,954</u>
11	Streets Fund	0	559,313	708,187	-148,874	-148,874
16	Grants Fund	159,832	564,199	109,239	454,960	614,792
18	P.A.N.T. Fund	0	0	0	0	0
		<u>159,832</u>	<u>1,123,512</u>	<u>817,426</u>	<u>306,086</u>	<u>465,918</u>
20	Development Impact Fees Fund	3,548,809	299,799	692,676	-392,877	3,155,932
22	Capital Fund	5,903,143	335,677	1,738,594	-1,402,917	4,500,226
24	CFD Summit Fund	61,141	85	0	85	61,226
25	CFD Fairfield Fund	845,817	116	16,055	-15,939	829,878
26	Art In Public Places Fund	47,060	44	3,930	-3,886	43,174
		<u>10,405,970</u>	<u>635,721</u>	<u>2,451,255</u>	<u>-1,815,534</u>	<u>8,590,436</u>
59	Wastewater Enterprise Fund	17,347,570	7,465,618	3,936,476	3,529,142	20,876,712
		<u>17,347,570</u>	<u>7,465,618</u>	<u>3,936,476</u>	<u>3,529,142</u>	<u>20,876,712</u>
	Report Totals:	<u>42,209,148</u>	<u>19,392,356</u>	<u>16,171,484</u>	<u>3,220,872</u>	<u>45,430,020</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 - Estimated Year-End Fund Balances

Revenue vs Expenses Summary

Fiscal Year: 2013-2014
 Fiscal Period: Estimated Ending Balances 2014



City of Sedona

102 Roadrunner Drive
 Sedona, AZ 86336

Fund	Description	Fund Balance	Revenues & Transfers In	Expenses & Transfers Out	Revenue over Expenditure YTD	Fund Balance*
		7/1/2013	Jun-14	Jun-14		6/30/2014
10	General Fund	14,295,776	14,061,000	12,567,181	1,493,819	15,789,595
		<u>14,295,776</u>	<u>14,061,000</u>	<u>12,567,181</u>	<u>1,493,819</u>	<u>15,789,595</u>
11	Streets Fund	0	2,175,017	2,165,017	10,000	10,000
16	Grants Fund	159,832	575,000	375,000	200,000	359,832
18	P.A.N.T. Fund	0	0	0	0	0
		<u>159,832</u>	<u>2,750,017</u>	<u>2,540,017</u>	<u>210,000</u>	<u>369,832</u>
20	Development Impact Fees Fund	3,548,809	332,335	1,043,000	-710,665	2,838,144
22	Capital Fund	5,903,143	332,000	3,819,302	-3,487,302	2,415,841
24	CFD Summit Fund	61,141	40,000	0	40,000	101,141
25	CFD Fairfield Fund	845,817	136,432	25,000	111,432	957,249
26	Art In Public Places Fund	47,060	22,500	10,000	12,500	59,560
		<u>10,405,970</u>	<u>863,267</u>	<u>4,897,302</u>	<u>-4,034,035</u>	<u>6,371,935</u>
59	Wastewater Enterprise Fund	17,347,570	10,308,000	11,221,831	-913,831	16,433,739
		<u>17,347,570</u>	<u>10,308,000</u>	<u>11,221,831</u>	<u>-913,831</u>	<u>16,433,739</u>
Report Totals:		<u>42,209,148</u>	<u>27,982,284</u>	<u>31,226,331</u>	<u>-3,244,047</u>	<u>38,965,101</u>

Ending Fund Balance based on estimated revenues, expenses and fund transfers for the fiscal year 2014.

General Fund
Special Revenue Fund
Capital Fund
Wastewater Fund