
INTEROFFICE MEMO

DATE: AUGUST 20, 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 – JUNE 2014**

I am pleased to present to you the monthly financial report for June 2014. This report will also summarize the financial position of the City of Sedona for the full 12 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 June 2014 compared to the month of June 2013;
- Total revenues by Fund cumulative from July through June 2014 (fiscal year to date) compared to cumulative totals from July through June 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 June 2014 versus the prior fiscal year;
- Total City Sales Tax collections (including bed tax and before allocation to Wastewater Fund) comparing June 2014 to June 2013 and comparing fiscal year totals for July through June 2014 to July through June 2013;
- City Sales Tax collections (excluding bed taxes and before allocation to Wastewater Fund) comparing June 2014 to June 2013 and comparing fiscal year totals for July through June 2014 to July through June 2013;
- Total Bed Taxes collections comparing June 2014 to June 2013 and comparing fiscal year totals for July through June 2014 to July through June 2013;
- State Shared Revenue in General Fund (sales tax, income tax, vehicle license tax) comparing June 2014 to June 2013 and comparing fiscal year totals for July through June 2014 to July through June 2013;
- HURF revenues comparing June 2014 to June 2013 and comparing fiscal year totals for July through June 2014 to July through June 2013;

- Wastewater revenues comparing June 2014 to June 2013 and comparing fiscal year totals for July through June 2014 to July through June 2013;
- 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 June 2014;
- Total budgeted revenues and expenditures by source and department for the Wastewater Fund through June 2014; and
- Total expenditures by fund for July through June 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 82% of the total General Fund revenues. The total revenues collected and expenditures in the General Fund for the month of June 2014 were as follows:

Revenues collected in June	\$	1,905,588
Expenditures in June	\$	1,607,317
Positive cash flow for June, 2014	\$	298,271

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

Total revenues received	\$	15,374,285
Total expenditures	\$	12,515,308
Cumulative FY positive cash flow	\$	2,858,977

Total cumulative fiscal year revenues collected through June 2014 increased in comparison to the same period through June 2013 by 13.71% (Table 1.)

Table 1

Fund	7/1/12 to 6/30/13 Revenues to Date	7/1/13 to 6/30/14 Revenues to Date	Difference	% of Change FY13 to FY14 through June
General Fund	\$ 13,520,819	\$ 15,374,285	\$ 1,853,466	13.71%

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 June. If the revenues come in equally each month, by the end of June the City should have collected 100% (8.33% X 12 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 June 2014 compared to year to date collections in 2013, the collections in the current year are higher than the prior fiscal year by more than 4%. (Table 2 & 3).

Table 2

Fund	FY 2013 Budgeted Revenues	7/1/12 to 6/30/13 Revenues to Date	% of FY13 Budget Collected to Date
General Fund	\$ 12,383,809	\$ 13,520,819	109.18%

Table 3

Fund	FY 2014 Budgeted Revenues	7/1/13 to 6/30/14 Revenues to Date	% of FY14 Budget Collected to Date
General Fund	\$ 13,571,822	\$ 15,374,285	113.28%

The total sales and bed taxes combined for the month of June 2014 over June 2013 increased by 2.9%. While this increase is small compared to other months this year, it is good news in light of the lingering impact of the Slide Fire in Oak Creek Canyon during the first part of June. Staff had projected as much as a ten percent decline of June 2014 over June 2013, based on reports from local businesses. See Attachment A – Total Sales Tax Worksheet.

As pointed out in prior reports, some of the monthly fluctuations are the 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%
April, 2014	1,607,952	1,198,160	410,453	26%	39.8%
May, 2014	1,416,688	1,198,160	472,773	33%	24.3%
June, 2014	1,377,558	932,441	445,117	32%	2.8%

As presented in Attachment A, cumulative sales and bed taxes collected for the current fiscal year through June 2014 increased over fiscal year 2012-13 through June 2013 by 7.8%. Also impacting collections this year is the bed tax rate increase from 3.0% to 3.5%, effective January 1, 2014. Approximately \$30,718 is attributable to this change in rate for June and \$172,806 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 6.5%.

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 \$14,278,206 which is an increase over budget of 11.6%. 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 10.2% above budgeted projections.

In Attachment B – City Sales Tax Worksheet Excluding Bed Taxes the City collections for June 2014 increased from June 2013 by 2.7%. Collections for the fiscal year to date 2014 compared to fiscal year to date 2013 are up 6.8%. In comparing the actual sales tax collections for this fiscal year to the seasonally adjusted monthly budget allocations, revenues are 8.4% above budget.

In Attachment C – City Bed Tax Worksheet, the City’s collections for bed taxes for June 2014 increased by 3.8% from June 2013 collections. However, the cumulative collections (which provides a more complete financial picture) for July through June 2014 were 14.0% higher compared to the July through June 2013 collections. Adjusting for the \$172,806 in collections associated with the change in bed tax rate from 3.0% to 3.5% on January 1, 2014, collections for July through June 2014 were 4.6% higher than the prior year.

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. The allocation for the upcoming fiscal year is 70% to the General Fund and

30% 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 June 2014 compared to June 2013 shows increases in State sales tax of 3.7%, State income tax of 9.2%, VLT (vehicle license tax) for Coconino County is up 7.1% and Yavapai County up 8.9%.

Collections for the fiscal year through June 2014 compared to fiscal year through June 2013 show increases in State sales taxes 6.3%, State income taxes 9.1%, VLT for Coconino County 3.2% and Yavapai County 5.8%.

Expenditures

Total expenditures through June 2014 increased in comparison to the same period through June 2013 by 10.03% (Table 5).

Table 5

Fund	7/1/12 to 6/30/13 Expenditures to Date	7/1/13 to 6/30/14 Expenditures to Date	Difference	% of Change FY13 to FY14 To Date
General Fund	\$ 11,373,947	\$ 12,515,308	\$ 1,141,361	10.03%

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 June and the end of the fiscal year the City should have expended 100% (8.33% X 12 months) of the budget. As reflected in Table 6, 95.75% of the FY14 General Fund Budget has been expended this fiscal year.

Table 6

Fund	2013-2014 Expenditure Budget	7/1/13 to 6/30/14 Expenditures to Date	Difference	% of Budget Expended to Date
General Fund	\$ 13,070,504	\$ 12,515,308	\$ 555,196	95.75%

Based on the percent of budgeted expenditures made from July through June 2013 compared to year-to-date expenditures in 2014 (92.6%), the expenditures are a little higher than last fiscal year, but still well below budget.

The General Fund estimated unrestricted fund balance is presented on Attachment F and is \$16,306,937 at the end of June 2014. Unlike the other revenue and expense figures presented though out this report, Attachment F includes the transfers in and out of funds in the yearend estimates. The transfers are excluded from the other projections so that a true revenue and expenditure picture is presented. However, these are important to include in order to get an accurate year end fund balance. Attachment G presents more detail for the 2014 General Fund fiscal year budgeted revenues by source and department expenditures year to date through June 2014.

HURF (Street Fund)

The Streets Fund is primarily 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 June	\$	75,069
Expenditures in June	\$	881,972
Cash flow for June, 2014	\$	(806,903)

Fiscal Year totals through June 2014:

Total revenues received	\$	780,913
Total expenditures	\$	1,799,340
Cumulative FY negative cash flow	\$	(1,018,427)

Revenue

The HURF funds received for June 2014 increased from June 2013 by 2.8% (see Attachment E). Cumulative Streets Fund revenue received for the current fiscal year through June 2014 increased over fiscal year 2012-13 through June 2013 by 1.27% (Table 7).

Table 7

Fund	7/1/12 to 6/30/13 Revenues to Date	7/1/13 to 6/30/14 Revenues to Date	Difference	% of Change FY13 to FY14 through June
Streets Fund	\$ 771,141	\$ 780,913	\$ 9,772	1.27%

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 June. Again, if revenues come in equally each month, by the end of June the City should have collected 100% of the year's revenue. As you can see in both this fiscal year to date and last, collections are above 100% - at 110.99% and 107.7%, respectively.

Table 8

Fund	FY 2013 Budgeted Revenues	7/1/12 to 6/30/13 Revenues to Date	% of FY13 Budget Collected to Date
Streets Fund	\$ 694,758	\$ 771,141	110.99%

Table 9

Fund	FY 2014 Budgeted Revenues	7/1/13 to 6/30/14 Revenues to Date	% of FY14 Budget Collected to Date
Streets Fund	\$ 725,084	\$ 780,913	107.70%

Expenditures

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

Table 10

Fund	7/1/12 to 6/30/13 Expenditures to Date	7/1/13 to 6/30/14 Expenditures to Date	Difference	% of Change FY13 to FY14 To Date
Streets Fund	\$ 2,282,502	\$ 1,799,340	\$ (483,162)	-21.17%

The Streets Fund estimated restricted fund balance is presented on Attachment F and is \$0 at the end of June 2014. This includes an estimated transfer in from the General Fund of \$1,018,527 that was budgeted at \$1.5 million. The reason that the fund balance at year end is \$0 is that it is heavily subsidized from the General Fund. 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 June	\$ 1,143,577
Expenditures in June	\$ 2,082,541
Cash flow for June, 2014	\$ (938,964)

Fiscal Year totals through June 2014:

Total revenues received	\$ 10,486,491
Total expenditures	\$ 9,837,241
Cumulative FY positive cash flow	\$ 649,250

Revenues

Revenues collected from July through June for the current fiscal year are 1.14% less than collections from July through June of the prior fiscal year (see Table 11). This is partially the result of reducing the portion of sales tax allocated to the Wastewater fund from 40% to 35% beginning July 1, 2013. The decrease is tempered by the increase in sales tax collections and the increase in capacity fees from the prior fiscal year.

Table 11

Fund	7/1/12 to 6/30/13 Revenues to Date	7/1/13 to 6/30/14 Revenues to Date	Difference	% of Change FY13 to FY14 through June
Wastewater Fund	\$ 10,607,814	\$ 10,486,491	\$ (121,323)	-1.14%

Revenue collections for July through June, 2014 are 102.59% of total 2014 fiscal year budgeted revenues (Table 13). This is a little lower than 103.97% 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 2014 Budgeted Revenues	7/1/13 to 6/30/14 Revenues to Date	% of FY14 Budget Collected to Date
Wastewater Fund	\$ 10,221,580	\$ 10,486,491	102.59%

Table 13

Fund	FY 2013 Budgeted Revenues	7/1/12 to 6/30/13 Revenues to Date	% of FY13 Budget Collected to Date
Wastewater Fund	\$ 10,202,441	\$ 10,607,814	103.97%

Expenses

A more detailed breakdown of both expenses revenues for the Wastewater Fund is presented as Attachment H. Overall, the expenses for the fund are at 81% of budget. Much of the savings is in the capital program and represents projects that did not progress as quickly as anticipated when budgeted. The expectation is these funds will be expended next year to complete those planned projects. The significant expenses for the month of June in the Wastewater fund are debt service payments of paid the last day of the fiscal year

The Wastewater estimated fund balance is presented on Attachment F and is \$17,911,464 at fiscal yearend.

Summary

In summary, the June 2014 or fiscal yearend presents a positive picture for the City. Preliminary revenue figures exceeded budget in the General Fund by \$1.8 million and in the Wastewater Fund by \$265,000. Preliminary expenditures are below budget in all funds. I use the term preliminary figures because the City is preparing for its annual audit by an independent C.P.A. firm and issuance of its final audit Comprehensive Annual Financial Statements for the 2013-14 year. Thus, the figures may be subject to adjustments.

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: Est. 2014 Year End
- Attachment G – General Fund Revenue and Expense Budget Comparison
- Attachment H – Wastewater Fund Revenue and Expense Budget Comparison
- Attachment I – Fund Expenditure Budget Comparison

Attachment A - City of Sedona

Total Sales Tax Worksheet*

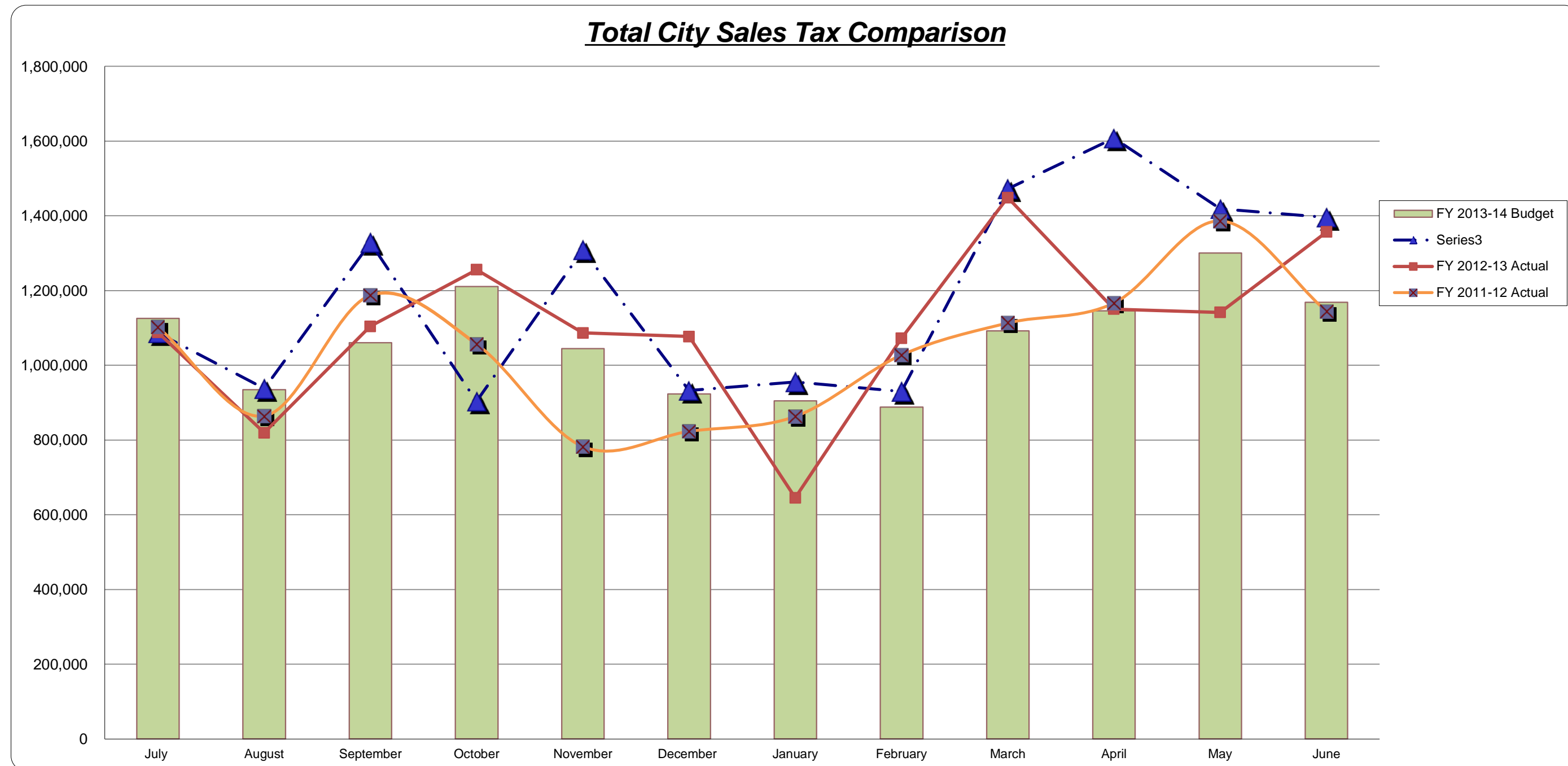
June 30, 2014

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	1,607,952	462,300	39.77%	40.35%
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	1,419,017	118,769	24.29%	9.13%
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	1,395,955	227,161	2.87%	19.44%
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	\$14,278,206	\$1,479,107	7.78%	11.56%

cumulative averages

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

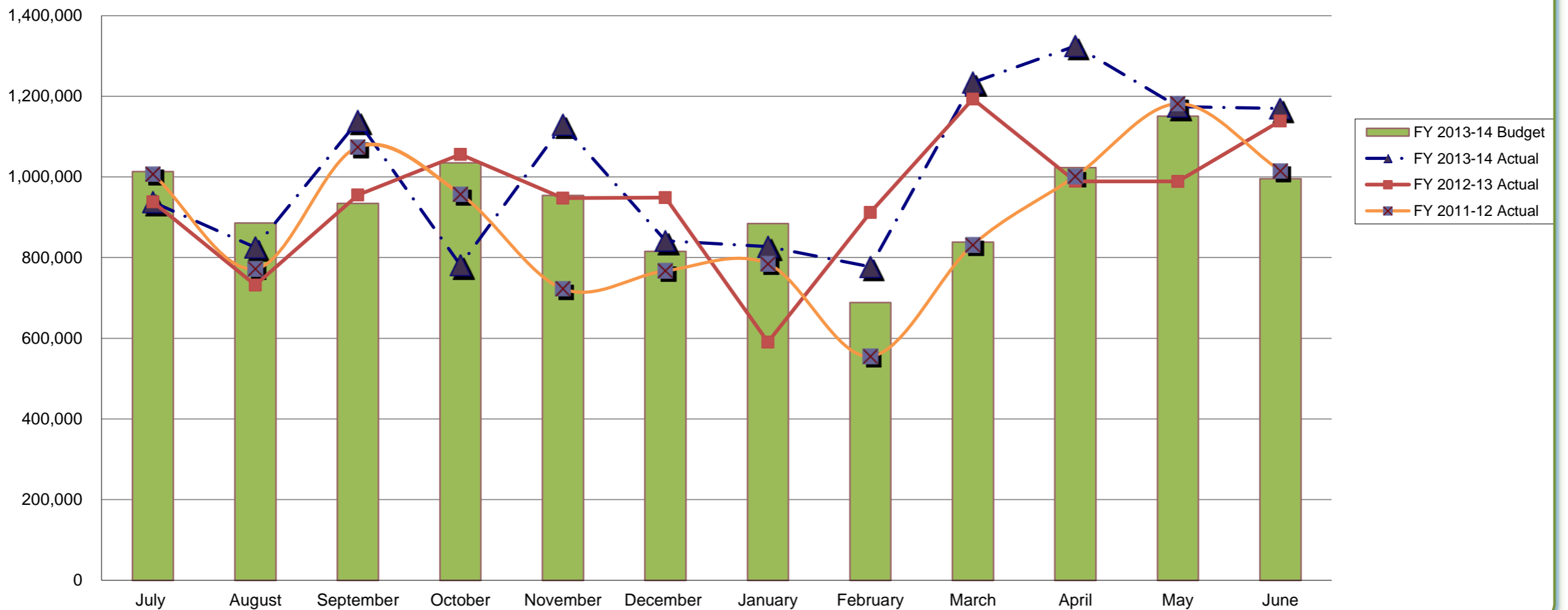
** The fiscal year is July 1 through June 30.



Attachment B - City of Sedona
City Sales Tax Worksheet Excluding Bed Tax
June 30, 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	1,324,875	301,882	33.94%	29.51%
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	1,174,385	24,026	18.77%	2.09%
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	1,169,572	173,978	2.70%	17.47%
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	\$12,161,396	943,230	6.78%	8.41%

City Sales Tax Comparison

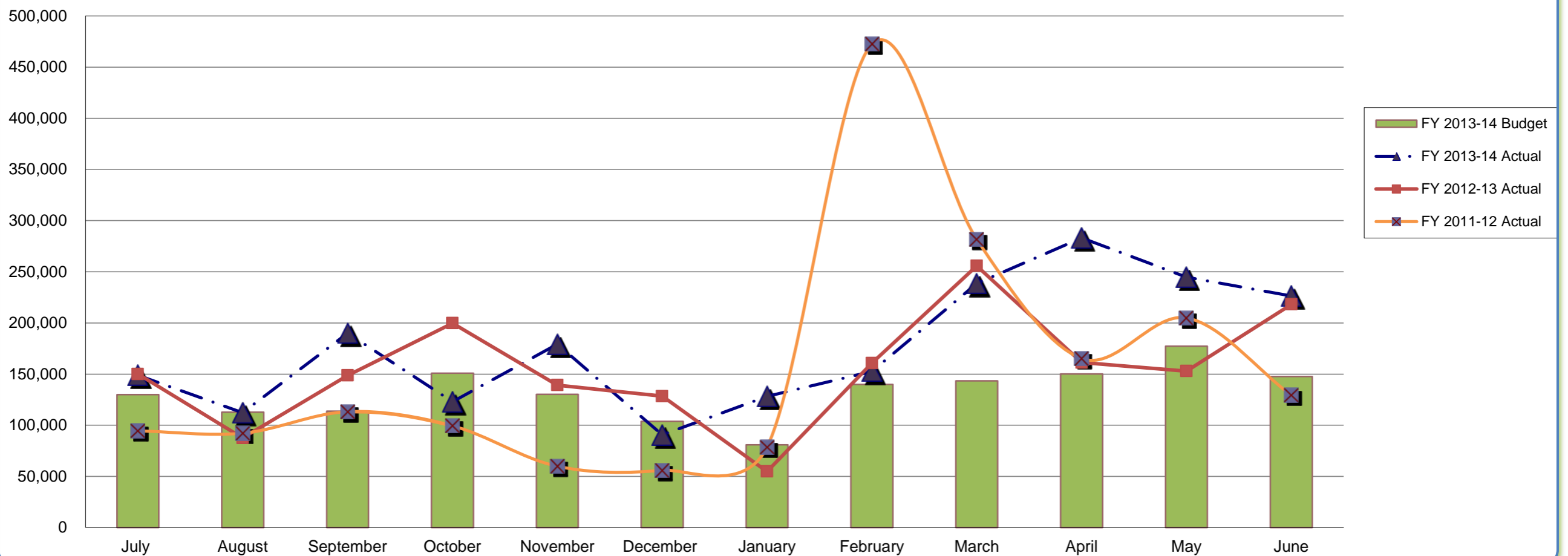


Attachment C - City of Sedona
City *BED* Tax Worksheet*
June 30, 2014

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	283,077	132,839	75.55%	88.42%
May	131,484	203,431	215,566	210,327	229,699	165,834	111,249	204,880	152,932	177,328	244,632	67,304	59.96%	37.95%
June	148,818	86,333	178,827	222,061	156,948	159,939	102,722	129,266	218,176	147,763	226,383	78,620	3.76%	53.21%
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	\$2,116,809	\$535,876	13.96%	33.90%

* Effective January 1, 2014 the bed tax rate was increased from 3.0% to 3.5%. For the months of January through June, 2014, \$172,806 can be attributed to the change in bed tax rate.

City *BED* Tax Comparison



**Attachment D
CITY SALES TAX COLLECTION SUMMARY
FY 2013-2014**

		<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	75.6%	\$283,077	45.1%	\$861,169	\$1,144,246	17.2%	\$463,706	\$463,706	39.8%	\$1,607,952	March
May	60.0%	\$244,632	28.7%	\$763,562	\$1,008,194	3.9%	\$410,823	\$410,823	24.3%	\$1,419,017	April
June	3.8%	\$226,383	11.3%	\$760,222	\$986,605	-10.1%	\$409,350	\$409,350	2.9%	\$1,395,955	May
TOTAL 2013-2014		\$2,116,810		\$7,905,119	\$10,021,929		\$4,256,277	\$4,256,277		\$14,278,206	
TOTAL FY 2012-2013		\$1,857,455		\$6,833,799			\$4,555,866			\$13,247,119	
DIFFERENCE		\$259,355		\$1,071,321			(\$299,588)			\$1,031,087	
% INCR/DECR		13.96%		15.68%			-6.58%			7.78%	
*The allocation of sales tax was modified from 60% to 65% to the General Fund and from 40% to 35% to the Wastewater Fund as of 7-1-2013											
Total City Sales Tax comparison					6.78%						

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

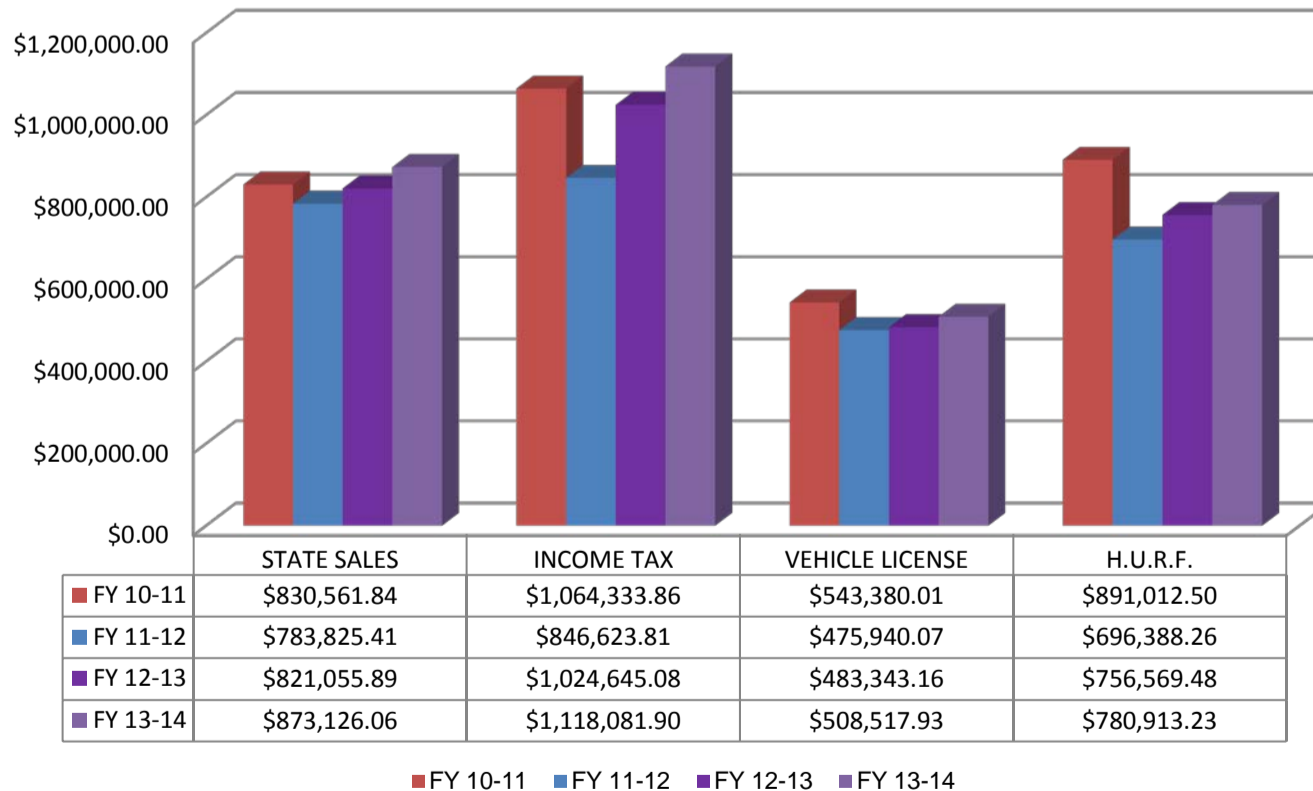
GENERAL FUND:

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	4.49%	\$80,025	9.18%	\$93,227	7.42%	\$9,920	7.86%	\$34,090	4.62%	\$76,107
May	6.31%	\$73,565	9.18%	\$93,227	-1.27%	\$9,170	1.63%	\$34,473	1.97%	\$70,454
June	3.71%	\$74,134	9.18%	\$93,227	7.08%	\$9,367	8.89%	\$34,362	2.80%	\$75,070
TOTAL 2013-2014		\$873,126		\$1,118,082		\$111,809		\$396,709		\$780,913
TOTAL 2012-2013		\$821,056		\$1,024,645		\$108,333		\$375,010		\$756,569
DIFFERENCE		\$52,070		\$93,437		\$3,476		\$21,699		\$24,344
% INCR/DECR		6.34%		9.12%		3.21%		5.79%		3.22%

\$3,280,639

State Shared Revenues



Attachment F - 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	15,544,996	13,533,835	2,011,161	16,306,937
		<u>14,295,776</u>	<u>15,544,996</u>	<u>13,533,835</u>	<u>2,011,161</u>	<u>16,306,937</u>
11	Streets Fund	0	1,799,340	1,799,340	0	0
16	Grants Fund	159,832	593,623	727,322	-133,699	26,133
18	P.A.N.T. Fund	0	0	0	0	0
		<u>159,832</u>	<u>2,392,963</u>	<u>2,526,662</u>	<u>-133,699</u>	<u>26,133</u>
20	Development Impact Fees Fund	3,548,809	494,298	988,600	-494,302	3,054,507
22	Capital Fund	5,903,143	1,002,576	3,504,491	-2,501,915	3,401,228
24	CFD Summit Fund	61,141	259,519	0	259,519	320,660
25	CFD Fairfield Fund	845,817	94,280	0	94,280	940,097
26	Art In Public Places Fund	47,060	22,600	11,000	11,600	58,660
		<u>10,405,970</u>	<u>1,873,273</u>	<u>4,504,091</u>	<u>-2,630,818</u>	<u>7,775,152</u>
59	Wastewater Enterprise Fund	17,347,570	10,486,491	9,922,597	563,894	17,911,464
		<u>17,347,570</u>	<u>10,486,491</u>	<u>9,922,597</u>	<u>563,894</u>	<u>17,911,464</u>
Report Totals:		<u>42,209,148</u>	<u>30,297,723</u>	<u>30,487,185</u>	<u>-189,462</u>	<u>42,019,686</u>

*Ending Fund Balance based on estimated revenues, expenses and fund transfers for the fiscal year 2014. Subject to final adjustments during audit

**Transfers between funds included in this report to show estimated year end fund balance.

General Fund
Special Revenue Fund
Capital Fund
Wastewater Fund

Attachment G - General Ledger
 General Fund Budget Comparison
 Through June 30, 2014

Department	Description	Budget	YTD Actual	Difference	% of Budget
10	<u>GENERAL FUND</u>				
REVENUES BY SOURCE					
	CITY SALES TAX	\$ 7,291,808	\$ 7,996,706	\$ (704,898)	110%
	BED TAX***	\$ 1,580,933	\$ 2,116,809	\$ (535,876)	134%
	FRANCHISE FEES*	\$ 742,073	\$ 738,632	\$ 3,441	100%
	VEHICLE LICENSE TAXES	\$ 521,935	\$ 508,519	\$ 13,416	97%
	STATE SALES TAX	\$ 866,754	\$ 873,126	\$ (6,372)	101%
	STATE INCOME TAX	\$ 1,119,108	\$ 1,118,082	\$ 1,026	100%
	IN-LIEU FEES**	\$ 304,500	\$ 806,652	\$ (502,152)	265%
	FINES & FORFEITURES	\$ 282,414	\$ 161,943	\$ 120,471	57%
	LICENSES & PERMITS	\$ 272,583	\$ 462,991	\$ (190,408)	170%
	CHARGES FOR SERVICES	\$ 119,580	\$ 64,000	\$ 55,580	54%
	INTEREST	\$ 249,109	\$ 147,836	\$ 101,273	59%
	MISCELLANEOUS	\$ 221,025	\$ 378,989	\$ (157,964)	171%
	TOTAL GENERAL FUND REVENUES	\$ 13,571,822	\$ 15,374,285	\$ (1,802,463)	113%
EXPENDITURES BY DEPARTMENT					
5210	CITY COUNCIL	\$ 53,840	\$ 54,220	\$ (380)	101%
5220	CITY MANAGER	\$ 698,982	\$ 713,560	\$ (14,578)	102%
5221	HUMAN RESOURCES	\$ 181,238	\$ 181,237	\$ 1	100%
5222	FINANCIAL SERVICES	\$ 473,470	\$ 425,542	\$ 47,928	90%
5224	INFORMATION TECHNOLOGY	\$ 747,277	\$ 716,212	\$ 31,065	96%
5230	LEGAL	\$ 460,686	\$ 475,327	\$ (14,641)	103%
5240	CITY CLERK	\$ 239,306	\$ 227,847	\$ 11,459	95%
5242	PARKS & RECREATION	\$ 350,249	\$ 333,198	\$ 17,051	95%
5245	GENERAL SERVICES	\$ 3,043,110	\$ 3,030,500	\$ 12,610	100%
5310	COMMUNITY DEVELOPMENT	\$ 1,146,286	\$ 940,660	\$ 205,626	82%
5320	PUBLIC WORKS	\$ 1,845,964	\$ 1,845,964	\$ -	100%
5510	POLICE	\$ 3,517,752	\$ 3,302,600	\$ 215,152	94%
5520	MUNICIPAL COURT	\$ 312,344	\$ 268,441	\$ 43,903	86%
	TOTAL GENERAL FUND EXPENDITURES	\$ 13,070,504	\$ 12,515,308	\$ 555,196	96%
	FO FUND BALANCE BEFORE TRANSFERS	\$ 501,318	\$ 2,858,977	\$ (2,357,659)	570%

*Franchise Fees are paid quarterly.

**Includes payment from prior periods

***City Bed tax rate increased from 3.0% to 3.5%, effective 01-01-2014, \$172,806 is attributable to the change in bed tax rate for January through June.

Transfers between funds excluded from this report.

Attachment H- General Ledger
Wastewater Fund Budget Comparison
Through June 30, 2014

Revenue	2014 Budget	Actual YTD 06/30/2014	Difference	% of Budget
Service Fees	\$ 5,922,035	\$ 5,421,995	\$ 500,040	92%
Sales Tax	\$ 4,010,818	\$ 4,467,957	\$ (457,139)	111%
Capacity Fees	\$ 101,500	\$ 469,579	\$ (368,079)	463%
Other Revenue	\$ 187,227	\$ 126,960	\$ 60,267	68%
Total Fund Revenue	\$ 10,221,580	\$ 10,486,491	\$ (264,911)	103%
Expenses				
Administration				
Debt Service (Interest and Principal)	\$ 6,092,237	\$ 5,662,602	\$ 429,635	93%
Wages and Benefits	\$ 632,828	\$ 691,221	\$ (58,393)	109%
Purchased goods and services	\$ 275,990	\$ 245,458	\$ 30,532	89%
Total Administration	\$ 7,001,055	6,599,281	\$ 401,774	94%
Wastewater Capital				
Wages and Benefits	\$ 112,186	\$ 104,160	\$ 8,026	93%
Capital	\$ 2,580,633	\$ 986,778	\$ 1,593,855	38%
Total Capital	\$ 2,692,819	\$ 1,090,938	\$ 1,601,881	41%
Wastewater Treatment Plant				
Wages and Benefits	\$ 682,663	\$ 605,277	\$ 77,386	89%
Purchased goods and services	\$ 369,209	\$ 315,656	\$ 53,553	85%
Maintenance	\$ 917,565	\$ 649,707	\$ 267,858	71%
Utilities	\$ 555,549	\$ 576,382	\$ (20,833)	104%
Total Operating	\$ 2,524,986	\$ 2,147,022	\$ 377,964	85%
Total Wastewater Fund Expense Budget	\$ 12,218,860	\$ 9,837,241	\$ 2,381,619	81%
Net Change to Fund Balance	\$ (1,997,280)	\$ 649,250	\$ (2,646,530)	-33%

Transfers between funds excluded from this report.

Attachment I- General Ledger
Fund Expenditure Comparison
Through June, 2014

Department	Description	Budget	YTD Actual	Difference	% of Budget
10	<u>GENERAL FUND</u>	\$ 13,070,504	\$ 12,515,308	\$ 555,196	96%
11	<u>STREETS FUND EXPENDITURES</u>	\$ 2,266,077	\$ 1,799,340	\$ 466,737	79%
16	<u>GRANTS FUND</u>	\$ 1,058,500	\$ 227,322	\$ 831,178	21%
18	<u>P.A.N.T. FUND</u>	\$ 84,056	\$ -	\$ 84,056	0%
20	<u>DEVELOPMENT IMPACT FEES FUND</u>	\$ 1,943,000	\$ 988,600	\$ 954,400	51%
22	<u>CAPITAL FUND</u>	\$ 4,669,302	\$ 3,225,924	\$ 1,443,378	69%
25	<u>CFD FAIRFIELD FUND</u>	\$ 770,000	\$ -	\$ 770,000	0%
26	<u>ARTS IN PUBLIC PLACES FUND</u>	\$ 65,000	\$ 11,255	\$ 53,745	17%
	<u>WASTEWATER ENTERPRISE FUND</u>	\$ 12,218,860	\$ 9,837,241	\$ 4,464,160	81%
	TOTAL EXPENDITURES/EXPENSES ALL FUNDS	\$ 36,145,299	\$ 28,604,990	\$ 9,622,850	79%

Transfers between funds excluded from this report.