
INTEROFFICE MEMO

DATE: OCTOBER 11, 2010
TO: MAYOR AND CITY COUNCIL,
TIM ERNSTER, CITY MANAGER, ALISON ZELMS, ASSISTANT CITY MANAGER
CC: DEPARTMENT HEADS, CITY ASSISTANTS
FROM: BARBARA ASHLEY
RE: REPORT FOR 12 MOS. ENDING JUNE 30, 2010

Please find attached the financial summary for the year-end June 30, 2010. As our audit has not been fully completed to date, these numbers are still considered unaudited. We have worked very hard over the last few weeks with the audit team to finalize the year. Our first draft document should be available by the end of October with the final Comprehensive Annual Financial Report – (CAFR) available sometime in late November or early December.

Below are explanations of important figures from the attached report. The numbers below correspond with notations on the report. Overall *actual* revenues for the fiscal year were flat and *actual* expenditures were reduced 13.5% when compared to the 2008/09 fiscal year.

1. The general fund closes the year with a surplus of approximately \$750,000.
2. The surplus from this fiscal year comes very close to canceling out the use of reserves from last fiscal year-end.
3. Mid-Year reductions to expenditures resulted in nearly \$1.6 million (or about 13%) less in expenditures than originally budgeted. Regarding expenditures the ‘Balance’ column reflects the mid-year budget cuts of approximately \$1 million as well as additional savings of approximately \$500,000.
4. Mid-Year adjustments to revenue allocation coupled with several categories that did better than anticipated created approximately \$390,000 in excess revenue over budget. Please note that on this summary in the revenue section, the column titled ‘Balance’, represent an excess of revenue over budget.
 - a. The reallocation of the Capital Sales taxes to the General Fund are reflected in the approximately \$404,000 overage in the City Sales Tax line. In other words, there wasn’t an increase in sales tax collected, but a reallocation.
 - b. The Miscellaneous revenue includes approximately \$100,000 generated in public auctions that the City held during the year. These auctions included vehicles that

INTEROFFICE MEMO: MONTHLY REPORTS

were determined to be in excess of the City's needs in the City's internal study as well as outdated computer equipment and furniture. This category also includes additional monies received from *In-lieu* fees that were negotiated in prior year agreements that have now taken effect.

Other revenue categories that came in lower than originally budgeted include Bed taxes, State Sales taxes, Court Fines, Miscellaneous charges for service and interest. Interest rates continually fell and remain very low within the Local Government Investment Pool where most of our reserves are invested. These lower revenues were anticipated mid-year and cuts were made to expenditures.

I hope that you find this new format easier to read and follow. I will continue to update the following months in the same format and I do welcome your comments. If you have any further questions, please feel free to contact my office or Alison Zelms in the City Manager's office.

ATTACHMENTS

**City of Sedona
FY 2009/10 General Fund Budget Comparison**

June-10

UNAUDITED

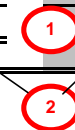
<u>Revenues</u>	<u>Budget</u>	<u>FYTD Actual</u>	<u>Balance</u>	<u>100% Target</u>	<u>Prior FYTD</u>	<u>PY to CY Comparison</u>
Bed Tax	1,766,478 **	1,426,241	(340,237)	80.7%	1,717,057	16.94%
City Sales Tax	4,485,242 **	4,888,750	403,508	109.0%	4,411,216	10.83%
Franchise Fees	654,559 **	666,326	11,767	101.8%	661,177	0.78%
Vehicle License Tax	506,158 **	551,996	45,838	109.1%	593,707	-7.03%
State Sales Tax	840,688 **	802,470	(38,218)	95.5%	870,023	-7.76%
State Income Tax	1,411,781 **	1,411,823	42	100.0%	1,637,088	-13.76%
Fines	312,350 **	301,115	(11,235)	96.4%	303,603	-0.82%
Licenses & Permits	184,545 **	243,997	59,452	132.2%	250,736	-2.69%
Charges for Services	132,284 **	119,740	(12,544)	90.5%	173,774	-31.09%
Contributions & Donations	- **	750	750	0.0%	100	650.00%
Interest	461,000 **	287,215	(173,785)	62.3%	476,892	-39.77%
Miscellaneous	65,000 **	510,004	445,004	784.6%	218,940	132.94%
	10,820,085 **	11,210,427	390,342	103.6%	11,314,313	-0.92%

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

<u>Expenditures</u>	<u>Budget</u>	<u>FYTD Actual</u>	<u>Balance</u>	<u>100% Target</u>	<u>Prior FYTD</u>	<u>PY to CY Comparison</u>
City Council	67,329	60,174 *	(7,155)	89.4%	81,985	-26.60%
City Manager	418,235	418,234 *	(1)	100.0%	363,920	14.92%
Human Resources	1,635,746	1,522,745 *	(113,001)	93.1%	1,688,403	-9.81%
Financial Services	177,079	176,575 *	(504)	99.7%	189,711	-6.92%
Information Systems	440,335	397,106 *	(43,229)	90.2%	414,844	-4.28%
Legal	366,159	345,258 *	(20,901)	94.3%	441,849	-21.86%
City Clerk	257,058	229,893 *	(27,165)	89.4%	210,818	9.05%
Parks & Recreation	611,361	565,266 *	(46,095)	92.5%	770,863	-26.67%
General Services	2,483,088	2,419,506 *	(63,582)	97.4%	2,949,126	-17.96%
Contingencies/Mid Yr Budget Cuts	1,091,176	-	(1,091,176)	0.0%	-	0.00%
Community Development	1,047,966	1,047,592 *	(374)	100.0%	1,307,580	-19.88%
Public Works	432,630	381,547 *	(51,083)	88.2%	379,493	0.54%
Arts & Culture	186,366	166,122 *	(20,244)	89.1%	286,056	-41.93%
Police	2,512,079	2,433,626 *	(78,453)	96.9%	2,667,790	-8.78%
Municipal Court	313,327	292,498 *	(20,829)	93.4%	336,158	-12.99%
	12,039,934	10,456,142	(1,583,792)	86.8%	12,088,596	-13.50%

*NOTE: Amounts do not include "encumbrances".

<u>Revenue / Expense</u>	<u>Actual Revenues</u>	<u>Actual Expenditures</u>	<u>Transfers and/or Reserve</u>	<u>YTD Rev over Exp</u>	<u>PYTD Rev over Exp</u>
General Fund	11,210,427	10,456,142 *	0	754,285	(774,282)



-197.42%

City of Sedona

Sales Tax Worksheet*

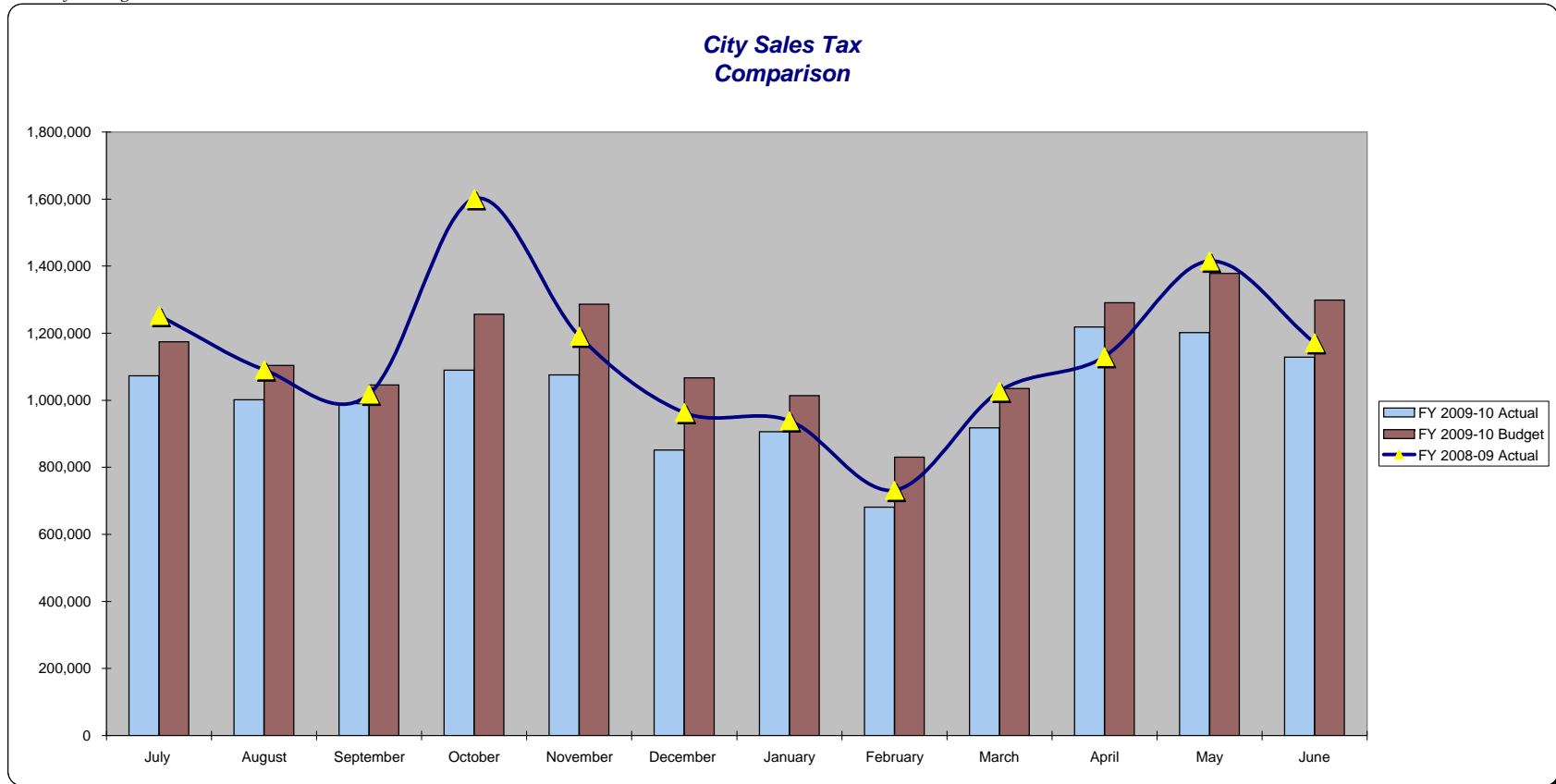
June 30, 2010

Month	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	2010 Budget	2010 Collections	Budget Variance	% Change from 2009	% Change from Budget
July	558,014	896,544	933,022	949,697	987,755	1,021,011	1,181,174	1,069,178	1,253,632	1,252,755	1,174,735	1,073,215	(101,519)	-16.73%	-9.46%
August	787,184	806,622	883,457	812,892	938,115	1,043,646	1,095,421	1,058,491	1,230,340	1,090,523	1,103,949	1,001,376	(102,573)	-8.90%	-10.24%
September	782,152	815,464	861,455	842,239	957,697	972,637	1,049,959	1,032,607	1,137,149	1,017,988	1,045,395	990,181	(55,214)	-2.81%	-5.58%
October	793,426	901,601	852,214	948,253	937,372	1,090,521	1,139,917	1,178,952	1,155,616	1,601,792	1,256,373	1,089,433	(166,940)	-47.03%	-15.32%
November	878,793	946,365	980,338	977,970	1,053,186	1,116,598	1,331,960	1,331,215	1,361,830	1,191,160	1,286,310	1,075,186	(211,124)	-10.79%	-19.64%
December	822,282	829,897	769,014	847,479	999,121	944,662	1,074,367	1,156,793	1,132,785	963,540	1,066,731	851,434	(215,298)	-13.17%	-25.29%
January	834,171	812,928	799,021	882,138	830,649	918,105	1,052,208	1,092,120	1,026,332	938,932	1,013,517	906,327	(107,190)	-3.60%	-11.83%
February	666,656	643,032	662,146	736,372	748,373	739,579	810,751	918,581	909,590	731,583	830,457	681,004	(149,452)	-7.43%	-21.95%
March	789,482	748,564	799,602	771,127	859,229	880,416	1,102,828	1,076,654	985,533	1,027,075	1,034,883	917,669	(117,213)	-11.92%	-12.77%
April	919,676	881,747	1,035,541	1,087,984	1,147,949	1,153,061	1,316,931	1,383,320	1,406,892	1,130,233	1,290,636	1,218,124	(72,512)	7.22%	-5.95%
May	1,067,394	997,709	1,094,861	1,084,585	1,167,307	1,214,920	1,371,983	1,452,116	1,345,307	1,414,982	1,378,621	1,201,785	(176,836)	-17.74%	-14.71%
June	1,025,380	1,038,580	980,892	1,060,217	1,155,541	1,182,999	1,370,439	1,415,780	1,309,472	1,172,116	1,298,912	1,128,769	(170,143)	-3.84%	-15.07%
Refund	290,554														
Total	\$10,215,164	\$10,319,052	\$10,651,562	\$11,000,954	\$11,782,294	\$12,278,155	\$13,897,940	\$14,165,807	\$14,254,478	\$13,532,679	\$13,780,518	\$12,134,503	(1,646,015)	-11.52%	-13.56%

cumulative averages

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

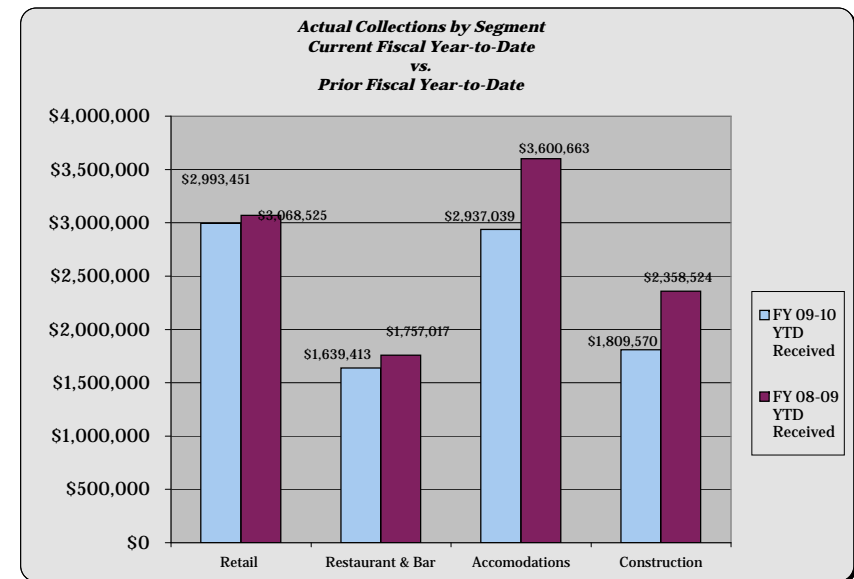
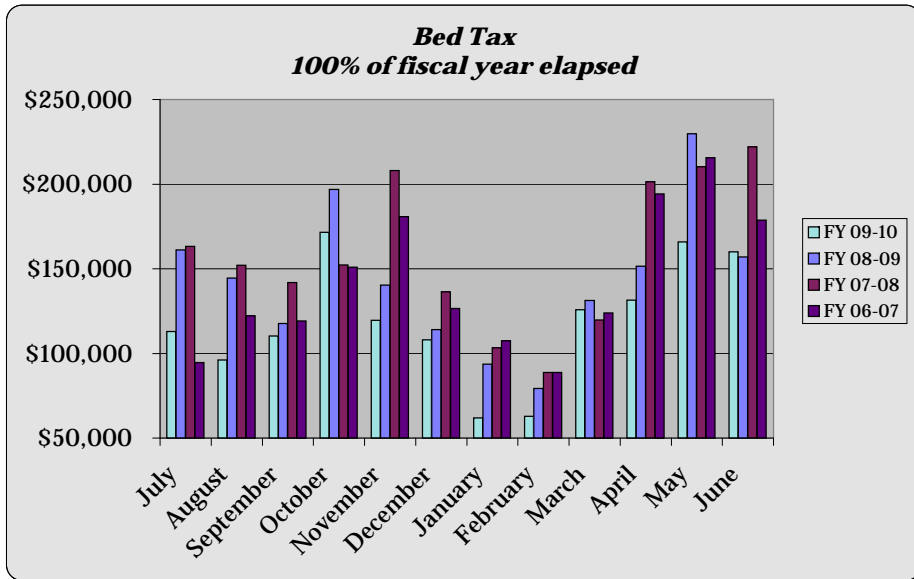
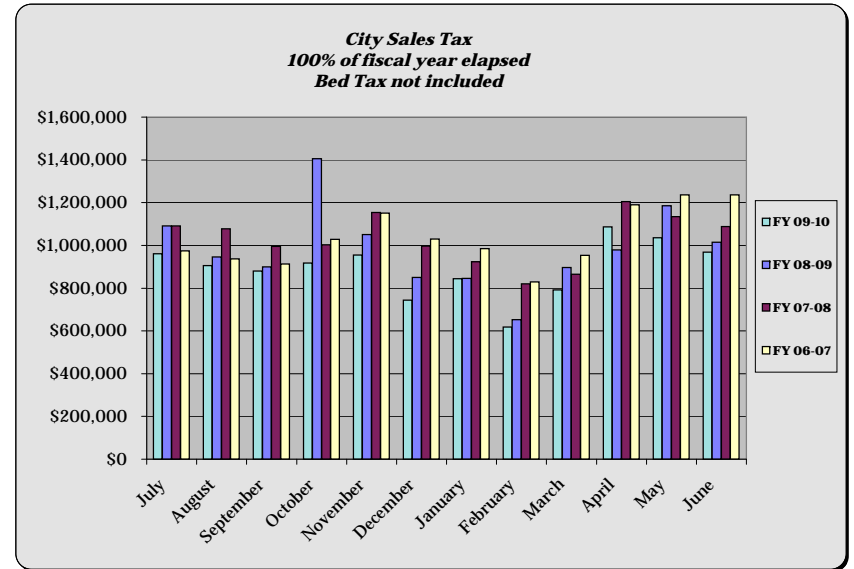
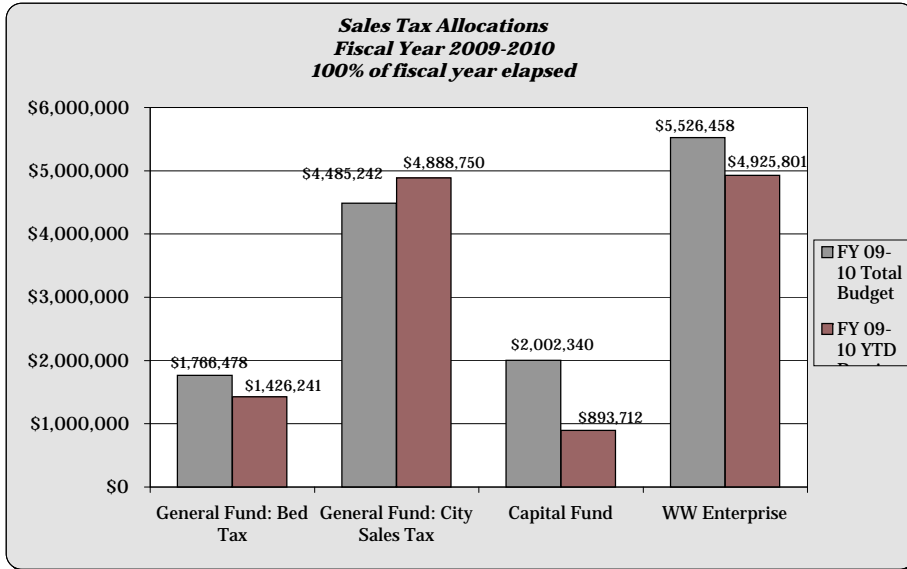
** The fiscal year is July 1 through June 30.



City of Sedona

Sales Tax Worksheet*

June 30, 2010



6/30/20

**ARIZONA DEPARTMENT OF REVENUE
2009-2010**

	% Inc/Dec	GENERAL FUND BED TAX	% Inc/Dec	GEN. FUND CITY SALES TAX	% Inc/Dec	CAPITAL FUND CITY SALES TAX	% Inc/Dec	WW FUND CITY SALES TAX	% Inc/Dec	TOTAL CITY SALES TAX	Month collected for:
July	-29.92%	\$112,888.02	-12.03%	\$358,522.21	-12.03%	\$160,054.56	-12.03%	\$441,750.58	-14.33%	\$1,073,215.37	June
August	-33.44%	\$96,164.69	-4.32%	\$337,945.55	-4.32%	\$150,868.55	-4.32%	\$416,397.20	-8.17%	\$1,001,375.99	July
September	-6.24%	\$110,387.38	-2.27%	\$328,456.15	-2.27%	\$146,632.21	-2.27%	\$404,704.90	-2.73%	\$990,180.64	August
October	-12.90%	\$171,488.23	-34.66%	\$342,699.30	-34.66%	\$152,990.76	-34.66%	\$422,254.50	-31.99%	\$1,089,432.79	September
November	-14.77%	\$119,658.98	-9.06%	\$356,729.99	-9.06%	\$159,254.46	-9.06%	\$439,542.31	-9.74%	\$1,075,185.74	October
December	-5.40%	\$107,967.39	-12.47%	\$277,560.84	-12.47%	\$123,911.09	-12.47%	\$341,994.61	-11.63%	\$851,433.93	November
January	-33.92%	\$61,849.33	44.50%	\$456,017.85	-100%	\$0.00	-0.10%	\$388,459.65	-3.47%	\$906,326.83	December
February	-20.80%	\$62,786.07	37.08%	\$333,837.88	-100%	\$0.00	-5.23%	\$284,380.42	-6.91%	\$681,004.37	January
March	-4.10%	\$125,859.63	27.85%	\$427,577.26	-100%	\$0.00	-11.61%	\$364,232.49	-10.65%	\$917,669.38	February
April	-13.31%	\$131,418.42	60.61%	\$586,821.22	-100%	\$0.00	11.04%	\$499,884.74	7.78%	\$1,218,124.38	March
May	-27.80%	\$165,833.66	26.42%	\$559,413.53	-100%	\$0.00	-12.60%	\$476,537.46	-15.07%	\$1,201,784.65	April
June	1.91%	\$159,938.80	38.04%	\$523,168.19	-100%	\$0.00	-4.56%	\$445,661.80	-3.70%	\$1,128,768.79	May
TOTAL 09-10		\$1,426,240.60		\$4,888,749.97		\$893,711.63		\$4,925,800.66		\$12,134,502.86	
TOTAL 08-09		\$1,717,057.13		\$4,411,165.83		\$1,969,270.42		\$5,435,186.45		\$13,532,679.83	
DIFFERENCE		(\$290,816.53)		\$477,584.14		(\$1,075,558.79)		(\$509,385.79)		(\$1,398,176.97)	
% INCR/DECR		-20.39%		9.77%				-10.34%		-11.52%	

	% Inc Dec	STREETS FUND HURF	% Inc Dec	STREETS FUND LTAF	% Inc Dec	GEN. FUND STATE SALES TAX	% Inc Dec	GEN. FUND INCOME TAX
Jul-09	6.74%	\$85,178.63	-51.83%	\$3,967.40	-14.47%	\$67,533.58	-13.76%	\$117,648.43
Aug-09	7.47%	\$80,770.89	-39.38%	\$4,956.28	-14.75%	\$64,269.88	-13.79%	\$117,648.43
Sep-09	-0.59%	\$80,077.80	0.00%	\$4,372.01	-15.01%	\$65,351.02	-13.76%	\$117,648.43
Oct-09	5.73%	\$72,722.51	0.00%	\$4,398.97	-15.06%	\$63,658.28	-13.76%	\$117,653.12
Nov-09	0.09%	\$67,018.01	-1.59%	\$4,665.76	-8.77%	\$64,518.27	-13.76%	\$117,653.11
Dec-09	-1.23%	\$64,609.89	-11.76%	\$5,100.14	-5.29%	\$66,429.78	-13.76%	\$117,653.11
Jan-10	-0.10%	\$70,479.93	-100%	\$0.00	-4.41%	\$78,665.40	-13.76%	\$117,653.11
Feb-10	-10.08%	\$66,170.10	-100%	\$0.00	-4.91%	\$61,546.19	-13.76%	\$117,653.11
Mar-10	-11.90%	\$73,121.28	-100%	\$0.00	-1.18%	\$65,525.45	-13.76%	\$117,653.11
Apr-10	0.75%	\$83,076.29	-100%	\$0.00	-4.34%	\$68,890.51	-13.76%	\$117,653.11
May-10	10.68%	\$81,118.18	-100%	\$0.00	1.03%	\$67,462.34	-13.76%	\$117,653.11
Jun-10	-2.43%	\$84,840.51	-100%	\$0.00	-3.16%	\$68,618.86	-13.76%	\$117,653.11
TOTAL 09-10		\$909,184.02		\$27,460.56		\$802,469.56		\$1,411,823.29
TOTAL 08-09		\$906,502.15		\$47,081.73		\$870,023.22		\$1,637,088.25
DIFFERENCE		\$2,681.87		(\$19,621.17)		(\$67,553.66)		(\$225,264.96)
% INCR/DECR		0.29%		-71.45%		-8.42%		-15.96%

Effective January 2010 the Capital Sales Tax allocation will remain in the General Fund.

Effective February 2010, the State of Arizona will not make LTAF Distributions due to budgetary constraints.

\$15,285,440.29

TOTAL 08-09 \$16,993,375.18
DIFFERENCE (\$1,707,934.89)
% INCR/DECR -11.17%