



FY 2012 3rd Quarter Financial Report

City of Cottonwood



Compiled by:

Jesus R. Rodriguez, CGFM

Administrative Services General Mgr

Kirsten Lennon,

Accounting & Budget Manager

City of Cottonwood
Fiscal Year 2012 – 3rd Quarter Report
For the period ending March 31, 2012

Table of Contents

Executive Summary	1
General Fund	2
Special Revenue Fund	3
Capital Projects Fund	4
Enterprise Funds	5
Brief Overview	6
Departmental Worksheets	7

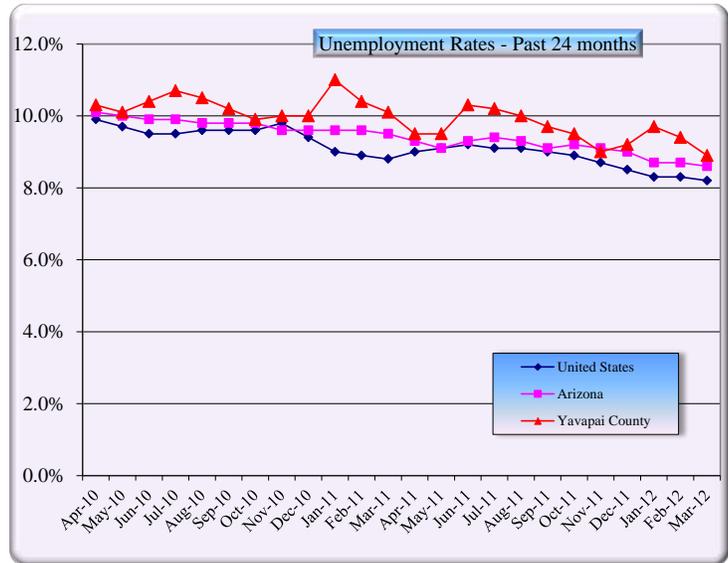
Executive Summary

This report is a summary of the financial activity for the City of Cottonwood major operating funds. It is reflective of activity through the period ending March 31, 2012 and it should be noted that the information presented within this document is unaudited. This report also contains a brief description of each of the City's major revenue sources and expenditure data by fund. A detailed analysis of each is also presented, highlighting any issues or concerns. The executive section contains broad general data that affects the overall community.

Unemployment Data:

As we complete the third quarter of this calendar year we can see in the chart below that the U.S. unemployment rate¹ has steadily declined to below 8.5%, showing some improvement from previous months. The State of Arizona² too is seeing some improvements. Yavapai County³ on the other hand has been fluctuating in both directions and finally broke the 9% barrier. The graph also shows that there has been improvement over the past

Monthly	United States	Arizona	Yavapai County
Apr-10	9.9%	10.1%	10.3%
May-10	9.7%	10.0%	10.1%
Jun-10	9.5%	9.9%	10.4%
Jul-10	9.5%	9.9%	10.7%
Aug-10	9.6%	9.8%	10.5%
Sep-10	9.6%	9.8%	10.2%
Oct-10	9.6%	9.8%	9.9%
Nov-10	9.8%	9.6%	10.0%
Dec-10	9.4%	9.6%	10.0%
Jan-11	9.0%	9.6%	11.0%
Feb-11	8.9%	9.6%	10.4%
Mar-11	8.8%	9.5%	10.1%
Apr-11	9.0%	9.3%	9.5%
May-11	9.1%	9.1%	9.5%
Jun-11	9.2%	9.3%	10.3%
Jul-11	9.1%	9.4%	10.2%
Aug-11	9.1%	9.3%	10.0%
Sep-11	9.0%	9.1%	9.7%
Oct-11	8.9%	9.2%	9.5%
Nov-11	8.7%	9.1%	9.0%
Dec-11	8.5%	9.0%	9.2%
Jan-12	8.3%	8.7%	9.7%
Feb-12	8.3%	8.7%	9.4%
Mar-12	8.2%	8.6%	8.9%



	Consolidated	
	Budget	3rd Qtr Actual
Revenues	\$27,526,910	\$17,089,628
Operating Expenditures	25,556,420	17,137,817
Capital Outlay	23,139,900	2,177,804
Debt Service	4,590,595	3,444,203
Revenues over (under)		
Expenditures	(25,760,005)	(5,670,196)
Other Funding Sources & Uses		
	10,609,050	(354,102)
Revenues & other funding sources & uses over (under)		
Expenditures	(15,150,955)	(6,024,299)
Beginning Fund Balance	23,563,825	23,563,825
Ending Fund Balance	\$8,412,870	\$17,539,526

24 months. These numbers are great news yet continued improvements will require a turnaround in the housing market. These two issues go hand-in-hand where the recovery is concerned.

The City of Cottonwood fiscal situation continues to be a stable one despite the local economy. It is this stability and the continued departmental support to keep the line on expenditures that are making our overall fiscal situation so successful.

¹ <http://data.bls.gov/pdq/SurveyOutputServlet>

² http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LASST04000003

³ <http://www.economagic.com/em-cgi/data.exe/blsla/laupa04070003>

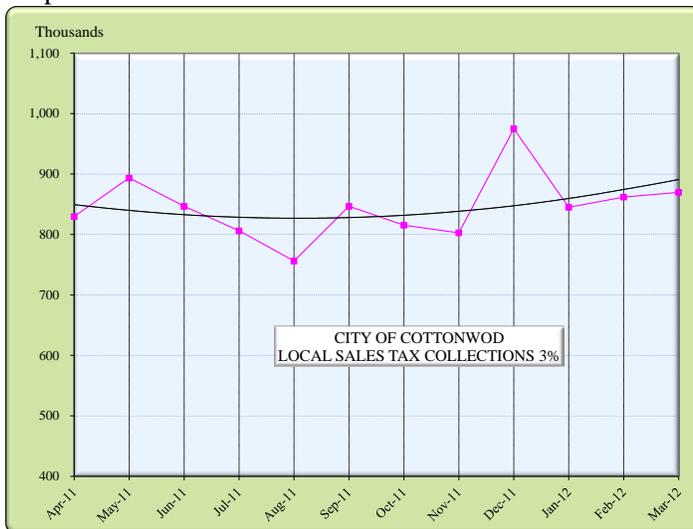
GENERAL FUND

During the third fiscal quarter the General Fund continues to deal with a tough local economy. All departments are well aware of the issues that the City has been facing for over four years. Their efforts at cost containment have helped the City be so fiscally sound.

Local sales tax:

This is the General Fund's major source of revenue at slightly more than 50% of normal operating expenditures. This revenue is monitored very closely for changes both positive and negative.

At the end of the third quarter our local sales tax is up by 3.2% over last fiscal year for the same period. The City of Cottonwood is still not expected to have the 5 – 7% increases like other communities, however, it is expected to have some small but yet much needed increase in its sales tax. The General Fund continues to be in relative good shape due to the shift of sales tax from other funds to the General Fund in order to keep it stable.



revenues and other small revenue sources; the City's General Fund has lost over \$3M in potential revenues. These losses were and continue to be absorbed by a well timed .8% sales tax increase, a structural reorganization, freezing and / or eliminating some positions, and overall reduction in costs. These cost containment measures have all been very hard on departmental staffs.

Our current success managing these measures is to the credit of our City personnel, who have taken on additional responsibilities, all the while core services have not deteriorate and recreational programming was immaterially affected.

General Fund		
Budget	3rd Qtr Actual	
Revenues	\$15,219,955	\$10,258,848
Operating Expenditures	14,737,095	10,693,650
Capital Outlay	1,806,160	0
Debt Service	0	0
Revenues over (under)		
Expenditures	(1,323,300)	(434,802)
Other Funding Sources & Uses	(939,495)	(767,675)
Revenues & other funding sources & uses over (under)		
Expenditures	(2,262,795)	(1,202,477)
Beginning Fund Balance	7,055,905	7,055,905
Ending Fund Balance	\$4,793,110	\$5,853,428

State Shared Sales Tax:

This revenue is sales tax collected by the state and distributed to the various incorporated communities. In contrast to local sales tax, the State of Arizona is doing well in this third quarter of FY 2012.

At the end of this quarter, this state shared revenue source was up by 6.5%. It is anticipated that this source will level off at about 7% for fiscal year end which is still an impressive increase in this economy.

The revenue losses that the City of Cottonwood endured over the past four years have been quite large. Including local sales tax, state shared

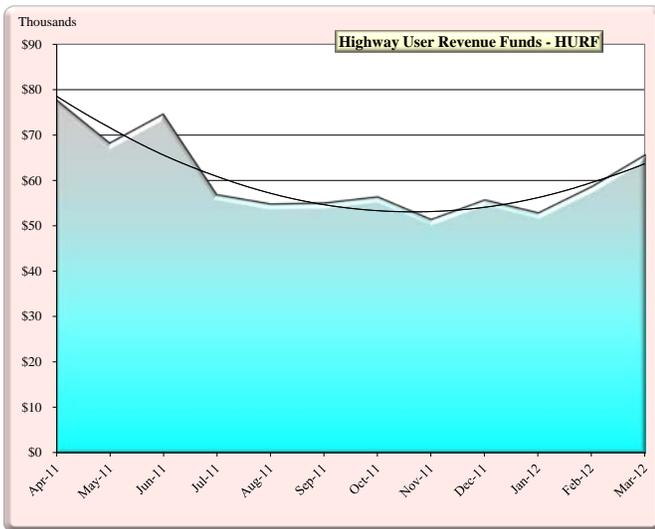


SPECIAL REVENUE FUNDS

The Special Revenues Funds include the Highway User Revenue Fund (HURF) or Streets Fund, the Library Fund, Cemetery Fund, Airport Fund, and Grants Fund. Overall the Special Revenue Funds are performing as expected. Many of these funds are supported by the General Fund through transfers in. The HURF being the largest of the Special Revenue Funds is the one we will concentrate on in these reports unless there is something of concern in the other funds.

HURF Revenues:

HURF⁴ revenues are currently at about FY 2001 levels for the same period. Much of what is happening to this fund is due to the legislature as it continues to raid HURF to support the Arizona Department of Public Safety and the Arizona Motor Vehicle Division. We are hopeful that this practice will end during future legislative sessions as the State fiscal condition continues to improve.



Costs have begun to increase in the capital outlay as the reconstruction of Mingus Avenue from Willard Street to SR 89A gets going. Another project in the works for the near future is the 12th Street project from Fir St. to SR89A design work. Both these project are multimillion dollar projects and will more likely be financed through a bond or a Greater Arizona Development Authority (GADA) Loan.

All other special revenue funds are relatively small and subsidized by the General Fund through contributions or transfers in. There are no significant items to report at this time.

Special Revenues		
Budget	3rd Qtr Actual	
Revenues	\$2,484,250	\$897,716
Operating Expenditures	2,206,025	1,513,016
Capital Outlay	5,930,640	709,750
Debt Service	0	0
Revenues over (under)		
Expenditures	(5,652,415)	(1,325,051)
Other Funding Sources & Uses	4,328,545	413,573
Revenues & other funding sources & uses over (under)		
Expenditures	(1,323,870)	(911,479)
Beginning Fund Balance	804,308	804,308
Ending Fund Balance	(\$519,562)	(\$107,171)

This revenue has declined nearly 33% since 2007 losing about \$320,000 over the last four year. Much of the loss is again related to the state and its fiscal problems.

Operating expenditures were at 59.6%, which is below where they should be at this time of year by 15.4%. Most every line item is in line with where it should be or below.

HURF		
Budget	3rd Qtr Actual	
Revenues	795,725	594,191
Operating Expenditures	1,067,900	636,652
Capital Outlay	4,723,645	683,628
Debt Service	0	0
Revenues over (under)		
Expenditures	(4,995,820)	(726,089)
Other Funding Sources & Uses	3,750,000	0
Revenues & other funding sources & uses over (under)		
Expenditures	(1,245,820)	(726,089)
Beginning Fund Balance	583,364	583,364
Ending Fund Balance	(\$662,456)	(\$142,725)

⁴ The HURF funds streets maintenance, street construction.

CAPITAL PROJECTS

This fund continues to be healthy; however, this fund has been tapped into heavily over recent years to take advantage of acquiring necessary assets and remodeling them for needed office space at reduced construction costs. The City of Cottonwood continues to push large sums of monies into the local economy to keep local contractors working and construction projects moving forward.

It has been the City's priority to use these funds at this time to assist in supporting the local economy. The City does this to keep unemployment in the construction sector from climbing higher as it waits for the local and state economic base to improve.

The remaining reserves in this fund are anticipated to pay for the Wastewater Reclamation Facility at Riverfront Park, which will provide much need reclaimed water to the area, and provide financial support for a New City Hall while a financing package can be arranged.

It should be noted that in the near future, the City of Cottonwood will need to begin replenishing these reserves for potential needs just as it did in the past. This Capital Improvements Fund was accumulated from excess 1% sales tax over nearly two decades.

Below are the major projects expected to be funded by these reserves for the remainder of this fiscal year. Some of these costs are remaining from previous year's project not completed in FY 2011, others are projects that are on the drawing board and are planned to begin construction in this fiscal year. It is apparent that not all of these projects will come to fruition in this fiscal year and will be rolled over into the following fiscal year via the budget process currently under way.

	Capital Improvements	
	Budget	3rd Qtr Actual
Revenues	\$405,000	\$110,044
Operating Expenditures	0	0
Capital Outlay	7,607,600	211,614
Debt Service	0	
Revenues over (under)		
Expenditures	(7,202,600)	(101,570)
Other Funding Sources & Uses	(3,000,000)	0
Revenues & other funding sources & uses over (under)		
Expenditures	(10,202,600)	(101,570)
Beginning Fund Balance	14,212,682	14,212,682
Ending Fund Balance	\$4,010,082	\$14,111,113

	Adopted Budget		
	Y-T-D	% Used	
Capital outlay:			
Investment Expenses	0	4,356	0.00%
Railroad Wash	165,000	0	0.00%
6th St- Silver Springs Wet Cr	120,000	0	0.00%
Camino Real - Oak Creek Wash Wet CR	120,000	0	0.00%
Capital Projects	5,500,000	0	0.00%
Land Acquisition	50,000	81,405	162.81%
Architecture - City Hall	100,000	11,345	11.35%
Old Town Jail Remodel	60,200	1,709	2.84%
Old Court Bldg Remodel	102,800	70,280	68.37%
Old Town Parking & Rear Utility	190,000	15,444	8.13%
Riverfront Park Ramada Parking	114,600	5,144	4.49%
Fire Station 2 (GADA) Design	120,000	0	0.00%
Portal Signs COC	10,000	1,849	18.49%
Gardner Bldg Demo	70,000	0	0.00%
Rec Center Solar	600,000	83	0.01%
Communications Architecture	285,000	20,000	7.02%
Total Expenditures	7,607,600	211,614	2.78%

ENTERPRISE FUNDS

Both these funds are programmed to use some of their reserves during the course of the 2012 fiscal year.

It is not uncommon for the wastewater system to take a loss since it has not raised rates for a decade. The water system has also used some reserves despite showing some improvement in its cash flow, as well as its debt service coverage.

Both these systems are still behind on their revenue and are in need of a rate adjustment to compensate for the bad economy, the effects of conservation and increasing costs to maintain the current level of service.

The City staff, along with some City Council members, and Citizens from within the City limits and outside the city limits are working through a rate study in-house this year in anticipation of a rate adjustment. It is planned to begin in mid to late October of this year.

		Enterprise Funds			
		Wastewater		Water	
		Budget	3rd Qtr Actual	Budget	3rd Qtr Actual
Revenues		\$1,465,900	\$967,472	\$5,824,620	\$3,301,492
Operating Expenditures		1,870,645	1,144,974	6,701,055	2,233,423
Capital Outlay		4,182,650	326,746	3,612,850	929,693
Debt Service		0	0	2,527,310	1,896,232
Revenues over (under)					
Expenditures		(4,587,395)	(504,248)	(7,016,595)	(1,757,857)
Other Funding Sources & Uses		7,000,000	0	3,220,000	0
Revenues & other funding sources & uses over (under)					
Expenditures		\$2,412,605	(\$504,248)	(\$3,796,595)	(\$1,757,857)

DEBT SERVICE FUNDS

This fund began the year in good shape; with some sales taxes and a little interest income providing all of the revenues for this fund. Expenditures consist of principal and interest on loans and bond issues. Also included are any trustee fees assessed for managing the Debt Service Accounts.

As of June 1, 2008 the payment for the Recreation Center Bonds were transferred to the Debt Service accounts on recommendation from our independent auditors. The debt service for the Recreation Center is solely funded by sales tax revenues.

Currently, all water debt service is funded through user fees and other operational revenues, and therefore the debt service for the water utility is reflected in the enterprise fund.

		Debt Service	
		Budget	3rd Qtr Actual
Revenues		\$2,063,435	\$1,546,195
Operating Expenditures			1,547,970
Capital Outlay			
Debt Service		2,063,285	1,547,970
Revenues over (under)			
Expenditures		150	(1,549,746)
Other Funding Sources & Uses		0	0
Revenues & other funding sources & uses over (under)			
Expenditures		150	(1,776)
Beginning Fund Balance		1,210,126	1,210,126
Ending Fund Balance		\$1,210,276	\$1,208,351

BRIEF OVERVIEW

We keep looking for signs to provide some guidance during these difficult times. We are confident that the economy is gently turning the corner, and we remain cautiously optimistic in our future planning.

Key to our sustained success during these tough economic times has been the sales tax increase of .8% early in the downturn. This increase has allowed the City to maintain the high level of services we have all been accustomed to having.

As we close out our 3rd fiscal quarter, the City continues with its traditional fiscally responsible stance in doing their everyday business while looking for ways to reduce costs, provide quality essential services, and protect its staff. It shall continue to maintain reasonable reserves for unforeseeable emergencies as is sensible.

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

Airport - 05

	Adopted Budget	Y-T-D	% Used
Revenues:			
Other Income	\$0	\$0	0.00%
Late Fees	\$100	\$108	108.15%
Tie down rent	22,500	15,665	69.62%
Airpark Rents	0	0	0.00%
FBO building rental income	0	0	0.00%
1 Fuel sales income	200,000	116,058	58.03%
Land lease fees	33,000	6,530	19.79%
Oil Sales	0	109	0.00%
City hangar lease fees	30,650	30,611	99.87%
Total revenues	286,250	169,082	59.07%
Expenditures:			
Equipment maintenance	8,000	4,583	57.28%
Computer Support	0	47	0.00%
Operational Supplies	2,000	2,701	135.03%
2 Airport Annual Event	6,000	10,453	174.22%
Utilities	12,075	9,701	80.34%
Telephone	870	557	64.06%
General Counsel	0	0	0.00%
Contractual Services	2,100	310	14.76%
Fuel Expense	175,000	116,580	66.62%
Oil Expense	0	109	#DIV/0!
Bank Charges	475	4,608	970.11%
Building maintenance	3,000	353	11.75%
Liability Insurance	5,300	5,628	106.19%
Equipment Purchase	0	244	0.00%
Indirect costs	60,055	79,795	0.00%
Subtotal maintenance and operations	274,875	235,668	85.74%
Capital improvements - hangars	0	0	0.00%
Total expenditures	274,875	235,668	85.74%
Excess (deficiency) of revenues over (under) expenditures	11,375	(66,586)	
Other financing sources (uses):			
Operating transfers in	19,615	0	0.00%
Proceeds from lease purchase	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	(23,490)	(17,618)	75.00%
Total other financing sources (uses)	(3,875)	(17,618)	454.65%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	7,500	(84,203)	
Fund balance, July 1, 2011		(10,103)	
Estimated fund balance @ June 30, 2012		(\$94,306)	

Notes:

1 A new FBO was put in place as of January 1st and all fuel sales went to the new FBO

2 This is a annual event and all expenditures will be final after the event in October.

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

Sewer Consolidated - 06

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Charges for services	1,429,900	922,360	64.51%
Uses of monies & properties	10,500	14,943	142.32%
Miscellaneous revenues	25,500	30,169	118.31%
Total revenues	1,465,900	967,472	66.00%
Expenditures:			
Operating:			
Salaries	379,640	277,553	73.11%
Overtime	36,000	35,696	99.15%
Health & life insurance	92,180	50,995	55.32%
Temporary Employees	0	0	0.00%
Clothing allowance	2,500	1,307	52.28%
Holiday pay	1,000	996	99.55%
Travel & training	2,000	887	44.34%
Subscriptions & dues	750	135	18.00%
Printing & forms	750	1,326	176.86%
Bad debt expense	12,000	0	0.00%
Gas & oil	11,000	7,008	63.71%
Vehicle maintenance	7,000	4,373	62.48%
Equipment maintenance	150,000	93,475	62.32%
Chlorine	2,500	2,142	85.69%
Polymer	16,000	13,412	83.83%
Computer support	4,000	978	24.44%
Operational supplies	28,000	9,472	33.83%
Office supplies	1,900	989	52.07%
Copier Supplies	750	456	60.85%
Utilities	367,600	301,740	82.08%
Telephone	3,400	3,319	97.62%
Legal Advertising	2,400	158	6.60%
General Counsel	0	371	0.00%
Contractual services	54,000	17,206	31.86%
Sludge disposal	100,000	53,338	53.34%
Postage & freight	6,400	7,669	119.82%
Bank Charges	0	0	0.00%
Odor control supplies	0	0	0.00%
Lab / testing	50,000	35,711	71.42%
Tools	1,500	340	22.64%
Equipment rental	1,500	528	35.19%
Building maintenance	23,000	165	0.72%
Liability insurance	38,600	17,590	45.57%
Worker's compensation	11,280	5,787	51.30%
Social security	25,890	19,131	73.89%
AZ state retirement	44,900	31,729	70.67%
Employee physicals	100	0	0.00%
Medicare tax	6,050	4,474	73.96%
ADEQ annual fee	15,000	8,520	56.80%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Indirect costs to general fund	371,055	135,998	36.65%
Subtotal maintenance and operations	1,870,645	1,144,974	61.21%

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending March 31, 2012

Sewer Consolidated - 06 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Capital Outlay:	4,182,650	326,746	7.81%
Total Expenditures	6,053,295	1,471,720	24.31%
Excess (deficiency) of revenues over (under) expenditures	(4,587,395)	(504,248)	
Other Financing Sources (Uses):			
Operating transfers in	3,000,000	0	0.00%
Proceeds from bonds / loans	4,000,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	7,000,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income	\$2,412,605	(\$504,248)	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

**Sewer Construction
& Administration - 06**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
City sales tax	\$0		0.00%
User fees - admin residential	135,000	89,996	66.66%
User fees - admin commercial	23,900	17,561	73.48%
User fees - admin multi-residential	90,000	66,589	73.99%
Recovery of bad debts	0	(522)	0.00%
Sale of City Property	0	0	0.00%
Other income	5,500	0	0.00%
Interest income	10,000	6,835	68.35%
Interest - equipment reserve	0	172	0.00%
Interest - expansion fund	0	7,726	0.00%
Interest - bond reserve fund	0		0.00%
Total revenues	264,400	188,358	71.24%

Expenditures:

Administration

Salaries	91,730	68,568	74.75%
Overtime and Holiday Pay	1,000	2,145	214.47%
Health & life insurance	26,330	10,901	41.40%
Temp Employees	0	0	0.00%
Travel & training	0	12	0.00%
Subscriptions & dues	0	0	0.00%
Printing & forms	750	1,326	176.86%
Bad debt expense	12,000	0	0.00%
Equipment maintenance	0	0	0.00%
Computer support	1,500	205	13.64%
Office supplies	400	449	112.15%
Copier Supplies	250	1	0.23%
Utilities	2,600	27,106	1042.53%
Telephone	0	818	0.00%
General Counsel	0	371	0.00%
Contractual Services	4,000	4,696	117.40%
Legal advertising	2,400	0	0.00%
Postage & freight	400	4,927	1231.80%
Bank charges	0	0	0.00%
Liability insurance	5,900	5,051	85.60%
Worker's compensation	480	121	25.21%
Social security	5,750	4,246	73.84%
AZ state retirement	9,970	7,100	71.21%
Medicare tax	1,340	993	74.13%
Continuing education	0		0.00%
Indirect costs to general fund	371,055	135,998	36.65%
Subtotal maintenance and operations	537,855	275,032	51.13%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

**Sewer Construction
& Administration - 06 (page 2)**

	Adopted		
	Budget	Y-T-D	% Used
Capital outlay	6,250	5,504	0.00%
Construction:			
Legal fees	0	0	0.00%
Legal Advertising	500	26	5.28%
Investment Expense	400	434	108.55%
ADEQ Gardner Prop Cleanup	0	0	0.00%
Rodeo Dr. Reimbursement	0	0	0.00%
260-Design	100,000	0	0.00%
260-Construction	0	0	0.00%
Line extensions	255,000	7,820	3.07%
Pump System Upgrade	0	0	0.00%
Riverfront WWTP Design	3,000,000	165,758	5.53%
Effluent disposal system	0	238	0.00%
WWTP-Master Plan	0	0	0.00%
WWTP-Head Works	0	26	0.00%
Lift Station	150,000	90,678	60.45%
WWTP-Upgrades	400,000	12,333	3.08%
Recl H2O Pump System Upgrade	0	27,794	0.00%
Construction General	185,000	34	0.02%
Parking Lot Reconstruction	57,000	0	0.00%
Subtotal construction expenses	4,147,900	305,141	7.36%
Total Expenditures	4,692,005	585,678	12.48%
Excess (deficiency) of revenues over (under) expenditures	(4,427,605)	(397,320)	
Other Financing Sources (Uses):			
Operating transfers in	3,000,000	0	0.00%
Proceeds from other sources	4,000,000	0	0.00%
Capital leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	7,000,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,572,395	(397,320)	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

Sewer Maintenance & Operations- 06

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
City sales tax	\$0		0.00%
User fees - M&O residential	458,500	252,064	54.98%
User fees - M&O multi-residential	305,000	199,592	65.44%
User fees - M&O commercial	400,500	255,447	63.78%
Tap fees	0		0.00%
Reserves -	0	4,283	0.00%
Impact fees	8,000	34,452	430.65%
Effluent Revenue	9,000	6,660	74.00%
Building Rental	0	0	0.00%
Late fees - interest charges	20,000	26,407	132.03%
Connection fees	500	210	42.00%
Total revenues	1,201,500	779,114	64.85%
Expenditures:			
Operating:			
Salaries	287,910	208,985	72.59%
Overtime	35,000	33,551	95.86%
Health & life insurance	65,850	40,095	60.89%
Temporary Employees	0	0	0.00%
Clothing allowance	2,500	1,307	52.28%
Holiday pay	1,000	996	99.55%
Travel & training	2,000	874	43.72%
Subscriptions & dues	750	135	18.00%
Gas & oil	11,000	7,008	63.71%
Vehicle maintenance	7,000	4,373	62.48%
Equipment maintenance	150,000	93,475	62.32%
Chlorine	2,500	2,142	85.69%
Polymer	16,000	13,412	83.83%
Computer support	2,500	773	30.92%
Operational supplies	28,000	9,472	33.83%
Office supplies	1,500	541	36.04%
Copier supplies	500	456	91.16%
Utilities	365,000	274,634	75.24%
Telephone	3,400	2,502	73.57%
Legal advertising	0	158	0.00%
Contractual services	50,000	12,510	25.02%
Sludge disposal	100,000	53,338	53.34%
Postage & freight	6,000	2,741	45.69%
Odor control supplies	0		0.00%
Lab / testing	50,000	35,711	71.42%
Tools	1,500	340	22.64%
Equipment rental	1,500	528	35.19%
Building maintenance	23,000	165	0.72%
Liability insurance	32,700	12,539	38.35%
Worker's compensation	10,800	5,666	52.46%
Social security	20,140	14,885	73.91%
AZ state retirement	34,930	24,629	70.51%
Employee physicals	100	0	0.00%
Medicare tax	4,710	3,481	73.91%
ADEQ annual fee	15,000	8,520	56.80%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	1,332,790	869,942	65.27%
	1,361,290		

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending March 31, 2012

Sewer Maintenance & Operations- 06
 (page 2)

	Adopted Budget	Y-T-D	% Used
Capital Outlay:	28,500	16,100	56.49%
Total Expenditures	<u>1,361,290</u>	<u>886,043</u>	<u>65.09%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(159,790)</u>	<u>(106,929)</u>	
Other Financing Sources (Uses):		0	
Operating transfers in	0	0	0.00%
Proceeds from bonds	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0.00%</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(159,790)</u>	<u>(106,929)</u>	

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending March 31, 2012

Grants - 07 & 08

	Adopted		
	Budget	Y-T-D	
Revenues:			
Intergovernmental revenue	\$1,150,495	\$12,500	1.09%
Other Income	0	7	0.00%
Total revenues	1,150,495	12,507	1.09%
Expenditures:			
Capital Outlay:	1,157,995	12,603	1.09%
Total Expenditures	1,157,995	12,603	1.09%
Excess (deficiency) of revenues over (under) expenditures	(7,500)	(96)	
Other Financing Sources (Uses):			
Operating Transfers In	7,500	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out		0	0.00%
Total other financing sources (uses)	7,500	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	(96)	
Fund balance, July 1, 2011		156,996	
Estimated fund balance @ June 30, 2012		\$156,900	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

Alt. Firefighter's Pension - 09

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$23,750	\$28,300	119.16%
Uses of monies & properties	40,000	(21,138)	-52.85%
Total revenues	63,750	7,162	11.23%
Expenditures:			
Benefits	3,600	1,800	50.00%
Administration	6,800	2,984	43.88%
Total Expenditures	10,400	4,784	46.00%
Excess (deficiency) of revenues over (under) expenditures	53,350	2,378	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	0	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	53,350	2,378	
Fund balance, July 1, 2011		145,971	
Estimated fund balance @ June 30, 2012		\$148,349	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

Employee Benefit Trust - 10

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$0	\$0	0.00%
Reinsurance reimbursements	0	0	0.00%
Miscellaneous revenues	0	699	0.00%
Total revenues	0	699	0.00%
Expenditures:			
Premiums	30,000	0	0.00%
Benefits	0	0	0.00%
Miscellaneous	1,200	500	0.00%
Total Expenditures	31,200	500	1.60%
Excess (deficiency) of revenues over (under) expenditures	(31,200)	199	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	0	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(31,200)	199	
Fund balance, July 1, 2011 (un-audited)		134,833	
Estimated fund balance @ June 30, 2012		\$135,032	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

Capital Projects - 11

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Use of monies & properties	0	110,044	0.00%
Other Income	0	0	0.00%
Intergovernmental revenue	405,000	0	0.00%
Total revenues	405,000	110,044	27.17%
Expenditures:			
Capital outlay:			
Investment Expenses	0	4,356	0.00%
Railroad Wash	165,000	0	0.00%
6th St- Silver Springs Wet Cr	120,000	0	0.00%
Camino Real - Oak Creek Wash Wet CR	120,000	0	0.00%
Capital Projects	5,500,000	0	0.00%
Land Acquisition	50,000	81,405	162.81%
Architecture - City Hall	100,000	11,345	11.35%
Old Town Jail Remodel	60,200	1,709	2.84%
Old Court Bldg Remodel	102,800	70,280	68.37%
Old Town Parking & Rear Utility	190,000	15,444	8.13%
Riverfront Park Ramada Parking	114,600	5,144	4.49%
Fire Station 2 (GADA) Design	120,000	0	0.00%
Portal Signs COC	10,000	1,849	18.49%
Gardner Bldg Demo	70,000	0	0.00%
Rec Center Solar	600,000	83	0.01%
Communications Architecture	285,000	20,000	7.02%
Total Expenditures	7,607,600	211,614	2.78%
Excess (deficiency) of revenues over (under) expenditures	(7,202,600)	(101,570)	
Other Financing Sources (Uses):			
Operating Transfers In	285,000	0	0.00%
Proceeds from Bonds / Leases	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	(3,285,000)	0	0.00%
Total other financing sources (uses)	(3,000,000)	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(10,202,600)	(101,570)	
Fund balance, July 1, 2011 (un-audited)		14,212,682	
Estimated fund balance @ June 30, 2012		\$14,111,113	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

Debt Service - 13

	Adopted Budget	Y-T-D	% Used
Revenues:			
Taxes	\$2,062,585	\$1,545,679	74.94%
Uses of monies & properties	850	516	60.73%
Total revenues	2,063,435	1,546,195	74.93%
Expenditures:			
Trustee fees	360	360	0.00%
Rodeo Drive Reimbursement	0	0	0.00%
Debt service:		0	
Interest	812,925	612,194	75.31%
Principal	1,250,000	935,417	74.83%
Total Expenditures	2,063,285	1,547,970	75.02%
Excess (deficiency) of revenues over (under) expenditures	150	(1,776)	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	0	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	150	(1,776)	
Fund balance, July 1, 2011		1,210,126	
Estimated fund balance @ June 30, 2012		\$1,208,351	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

Water Consolidated - 16

	Adopted		
	Budget	Y-T-D	% Used
Revenues: Note 1			
Taxes	\$0	\$0	0.00%
Charges for services	4,902,530	2,713,955	55.36%
Uses of monies & properties	588,450	316,773	53.83%
Miscellaneous revenues	333,640	270,763	81.15%
Total revenues	5,824,620	3,301,492	56.68%
Expenditures:			
Operating:			
Salaries	611,380	421,988	69.02%
Overtime	81,500	89,447	109.75%
Health & life insurance	193,490	129,418	66.89%
Temporary Employees	0	209	0.00%
Clothing allowance	6,000	4,036	67.27%
Holiday pay	2,000	2,533	126.67%
Travel & training	8,500	4,439	52.22%
Subscriptions & dues	1,600	2,198	137.38%
Printing & forms	14,000	15,985	114.18%
Bad debt expense	0	0	0.00%
Gas & oil	40,000	34,771	86.93%
Vehicle maintenance	12,000	21,945	182.88%
Equipment maintenance	240,000	104,386	43.49%
Chlorine	100,000	27,130	27.13%
Polymer	0	0	0.00%
Computer support	4,500	2,755	61.23%
Operational supplies	25,000	17,169	68.68%
Office supplies	11,000	4,597	41.79%
Copier Supplies	1,500	1	0.04%
Verde River Days	1,000	1,000	100.00%
Public Relations	0	0	0.00%
Utilities	339,200	300,538	88.60%
Telephone	28,420	10,418	36.66%
Legal Advertising	3,000	1,202	40.06%
Contractual services	235,800	59,477	25.22%
Water System Evaluation	0	0	0.00%
General Counsel	5,000	920	18.40%
Contractual SVCS-M&O	0	66,471	0.00%
Postage & freight	37,500	26,326	70.20%
Bank Charges	0	7	0.00%
Lab / testing	25,000	6,035	24.14%
Tools	4,000	1,232	30.79%
Equipment rental	2,000	0	0.00%
Building maintenance	4,500	20,163	448.06%
Liability insurance	80,290	30,956	38.56%
Liability Insurance Deductible	0	0	0.00%
Worker's compensation	22,450	16,131	71.85%
Social security	43,080	30,902	71.73%
AZ state retirement	71,170	51,595	72.50%
Employee physicals	0	0	0.00%
Medicare tax	10,080	7,227	71.69%
ADEQ annual fee	50,000	24,656	49.31%
Continuing education	500	0	0.00%
Payment Assistance Program	15,500	0	0.00%
Verde River Basin Partnership	0	0	0.00%
Trust Land Annexation	0	686	0.00%
Arsenic System Maintenance	250,000	307,395	122.96%
Reserve replacement fund	0	0	0.00%
Reserve Resource Development	2,853,590	0	0.00%
Reserve Water Advisory	166,350	9,677	5.82%
Reserve Adjudication	213,780	38,094	17.82%
Reserve Water Conservation	175,740	297	0.17%
Indirect costs to general fund	710,635	339,013	47.71%
Subtotal maintenance and operations	6,701,055	2,233,423	33.33%

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending March 31, 2012

Water Consolidated - 16 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Debt Service	2,527,310	1,896,232	75.03%
Capital Outlay:	3,612,850	929,693	25.73%
Total Expenditures	<u>12,841,215</u>	<u>5,059,348</u>	<u>39.40%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,016,595)</u>	<u>(1,757,857)</u>	<u>25.05%</u>
Other Financing Sources (Uses):			
Operating transfers in	0	0	0.00%
Proceeds from bonds / loans	3,220,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total other financing sources (uses)	<u>3,220,000</u>	<u>0</u>	<u>0.00%</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income	<u><u>(\$3,796,595)</u></u>	<u><u>(\$1,757,857)</u></u>	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

**Water Construction
& Administration - 16**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
City sales tax	\$0		0.00%
User fees	4,673,930	2,582,453	55.25%
Service Turn Ons	63,000	31,625	50.20%
Meter Installation	13,200	2,050	15.53%
Impact Fees	60,000	49,953	83.26%
Collection fees/late fees	92,400	47,874	51.81%
Reimbursement Clarkdale	325,000	265,444	81.68%
Res-Resource Development Fees	420,000	233,966	55.71%
Res-Water Advisory Committee	33,600	18,960	56.43%
Res-Adjudication	42,000	23,831	56.74%
Res-Water Conservation	26,400	14,619	55.38%
Recapture Agreements	0		0.00%
Other income	8,640	5,319	0.00%
Building Rental	7,800	5,200	66.67%
Sale of City Property	100		0.00%
Drought Water Shortage PP	0		0.00%
Interest income	58,650	19,946	34.01%
Total revenues	5,824,720	3,301,240	56.68%

Expenditures:

Administration

Salaries	130,160	96,677	74.28%
Overtime and Holiday Pay	1,500	2,839	189.28%
Health & life insurance	39,230	22,152	56.47%
Temp Employees	0	0	0.00%
Travel & training	1,000	1,074	107.38%
Subscriptions & dues	100	128	128.00%
Printing & forms	14,000	15,985	114.18%
Bad debt expense	0	0	0.00%
Equipment maintenance	1,000	0	0.00%
Computer support	3,000	524	17.48%
Office supplies	3,000	2,755	91.82%
Copier Supplies	500	1	0.11%
Utilities	4,200	2,369	56.41%
Telephone	3,220	2,506	77.84%
Contractual Services	100,000	25,783	25.78%
Public Relations	0	0	0.00%
Growth Premium	30,000	0	0.00%
Water System Evaluation	0	0	0.00%
General Counsel	5,000	920	18.40%
Legal advertising	1,000	0	0.00%
Postage & freight	36,000	25,815	71.71%
AWOR Fee	0	14,034	#DIV/0!
Bank charges	0	7	0.00%
Liability insurance	17,290	10,732	62.07%
Worker's compensation	570	131	22.98%
Social security	8,160	5,953	72.96%
AZ state retirement	14,150	9,971	70.46%
Medicare tax	1,910	1,392	72.88%
Continuing education	0	0	0.00%
Indirect costs to general fund	710,635	339,013	47.71%
Payment Assistance Program	15,500	0	0.00%
Verde River Basin Partnership	0	0	0.00%
Trust Land Annexation	0	686	0.00%
Reserve Resource Development	2,853,590	0	0.00%
Reserve Water Advisory	166,350	9,677	5.82%
Reserve Adjudication	213,780	38,094	17.82%
Reserve Water Conservation	175,740	297	0.17%
Unrestricted Reserve	0	0	0.00%
Subtotal maintenance and operations	4,550,585	629,514	13.83%

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Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending March 31, 2012

**Water Construction
 & Administration - 16 (page 2)**

	Adopted		
	Budget	Y-T-D	% Used
Capital outlay	151,350	38,336	25.33%
Construction:			
Legal Advertising	0	0	0.00%
Investment Expense	3,500	2,716	77.60%
Building Purchase	0	0	0.00%
Aresinic Mitigation	0	0	0.00%
Bonding Expense	0	0	0.00%
Valve Replacement	0	2,958	0.00%
Aid in Lieu of Construction	130,000	121,252	93.27%
Fire Hydrant Improvements	250,000	176,044	70.42%
HWY 260 H2O System Upgrades	1,250,000	0	0.00%
Well Booster Station	750,000	216	0.03%
Well Improvements	100,000	63,583	63.58%
Construction General	114,000	0	0.00%
W Mingus Reconstruction/Sys Upgrades	256,000	16,750	6.54%
Water System Upgrades	500,000	426,400	85.28%
Line Extensions	0	79,677	0.00%
Land Acquisition	0	0	0.00%
Subtotal construction expenses	3,353,500	889,595	26.53%
Total Expenditures	8,055,435	1,557,444	19.33%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

Water Maintenance & Operations- 16

	Adopted		
	Budget	Y-T-D	% Used
Expenditures:			
Operating:			
Salaries	481,220	325,311	67.60%
Overtime	80,000	86,608	108.26%
Health & life insurance	154,260	107,266	69.54%
Temporary Employees	0	209	0.00%
Clothing allowance	6,000	4,036	67.27%
Holiday pay	2,000	2,533	126.67%
Travel & training	7,500	3,365	44.87%
Subscriptions & dues	1,500	2,070	138.00%
Gas & oil	40,000	34,771	86.93%
Vehicle maintenance	12,000	21,945	182.88%
Equipment maintenance	239,000	104,386	43.68%
Chemicals	100,000	27,130	27.13%
Polymer	0	0	0.00%
Computer support	1,500	2,231	148.74%
Operational supplies	25,000	17,169	68.68%
Office supplies	8,000	1,842	23.03%
Copier supplies	1,000	0	0.00%
Verde River Days	1,000	1,000	100.00%
Utilities	335,000	298,169	89.01%
Telephone	25,200	7,911	31.39%
Legal advertising	2,000	1,202	60.10%
Contractual services	105,800	19,660	18.58%
Contractual SVCS-M&O	0	66,471	0.00%
Postage & freight	1,500	511	34.04%
Lab / testing	25,000	6,035	24.14%
Tools	4,000	1,232	30.79%
Equipment rental	2,000	0	0.00%
Building maintenance	4,500	20,163	448.06%
Liability insurance	63,000	20,224	32.10%
Worker's compensation	21,880	16,000	73.13%
Social security	34,920	24,949	71.45%
AZ state retirement	57,020	41,624	73.00%
Employee physicals	0	0	0.00%
Medicare tax	8,170	5,835	71.42%
ADEQ annual fee	50,000	24,656	49.31%
Arsenic System Maintenance	250,000	307,395	122.96%
Liability Insurance Deductible	0	0	0.00%
Continuing education	500	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	2,150,470	1,603,909	74.58%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2012

Water Debt Service - 16

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Use of monies & properties	0	251	0.00%
Other Income	0	0	0.00%
Intergovernmental revenue	0	0	0.00%
Total Revenues	0	251	0.00%
Debt Service:			
Principal	965,000	723,750	75.00%
Interest	1,559,310	1,169,483	75.00%
Trustee Fees	3,000	3,000	100.00%
Capital Outlay:	108,000	1,763	1.63%
Total Expenditures	4,785,780	1,897,995	39.66%
Excess (deficiency) of revenues over (under) expenditures	4,785,780	1,403,245	
Other Financing Sources (Uses):			
Operating transfers in	0	0	0.00%
Proceeds from bonds	3,220,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	3,220,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(3,796,495)	(153,948)	