

FY 2017 3rd Quarter Financial Report



City of Cottonwood



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City of Cottonwood
Fiscal Year 2017 – 3rd Quarter Report
For The Period Ending March 31, 2017

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EXECUTIVE SUMMARY

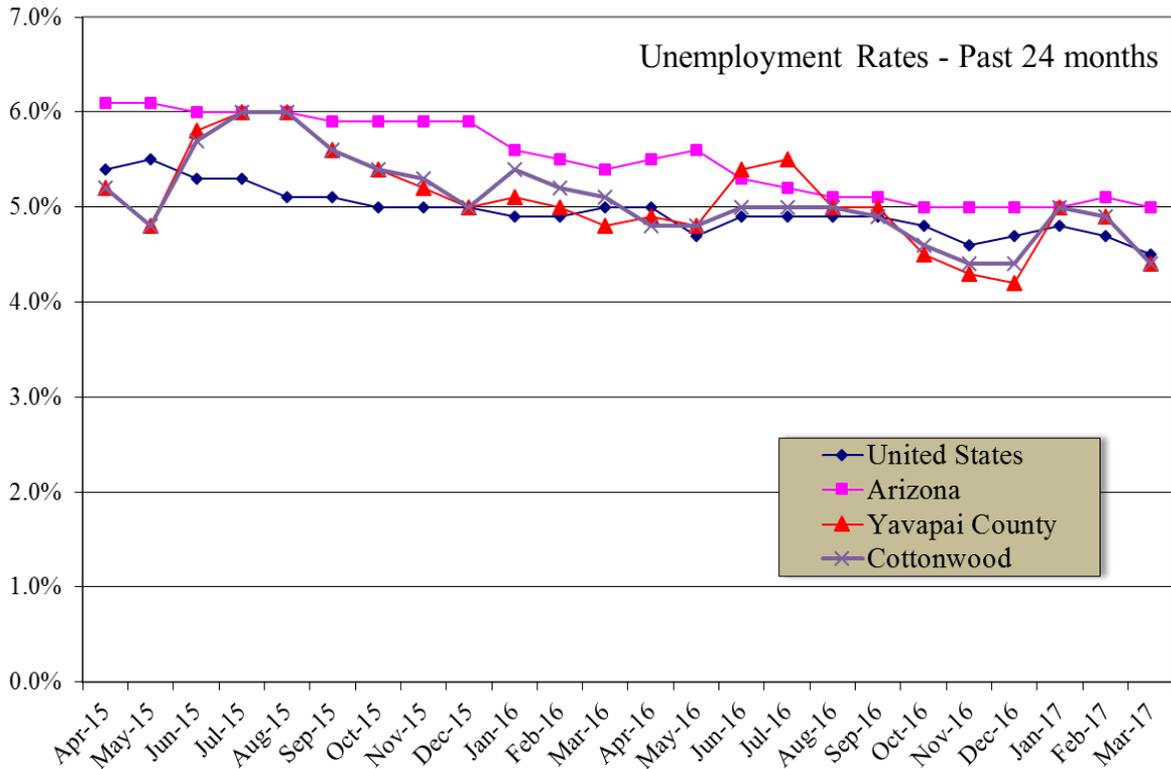
This report is a summary of significant items impacting the overall City as well as highlights of the City’s major revenues affecting the City’s larger funds. Those funds are the General Fund, Highway User Revenue Fund (HURF), the two Enterprise Funds, the Capital Improvement Fund, and the Debt Service Fund. All funds are reflected in the attached printout.

Unemployment Information:

Overall the City of Cottonwood has a slow but steady increase in its major revenue sources, including the Highway User Revenue Fund, also called the HURF. There continues to be a major issue that is affecting Cottonwood that concern continues to be unemployment

Unemployment has come down dramatically, since its peak of 11.8% back in January 2010. We have declined about 7.4 percentage points. This is an excellent sign for our city, however, there is still a ways to go to be in the 4% unemployment range at the turn of the century.

| Monthly | United States | Arizona | Yavapai County | Cottonwood |
|---------|---------------|---------|----------------|------------|
| Apr-15 | 5.4% | 6.1% | 5.2% | 5.2% |
| May-15 | 5.5% | 6.1% | 4.8% | 4.8% |
| Jun-15 | 5.3% | 6.0% | 5.8% | 5.7% |
| Jul-15 | 5.3% | 6.0% | 6.0% | 6.0% |
| Aug-15 | 5.1% | 6.0% | 6.0% | 6.0% |
| Sep-15 | 5.1% | 5.9% | 5.6% | 5.6% |
| Oct-15 | 5.0% | 5.9% | 5.4% | 5.4% |
| Nov-15 | 5.0% | 5.9% | 5.2% | 5.3% |
| Dec-15 | 5.0% | 5.9% | 5.0% | 5.0% |
| Jan-16 | 4.9% | 5.6% | 5.1% | 5.4% |
| Feb-16 | 4.9% | 5.5% | 5.0% | 5.2% |
| Mar-16 | 5.0% | 5.4% | 4.8% | 5.1% |
| Apr-16 | 5.0% | 5.5% | 4.9% | 4.8% |
| May-16 | 4.7% | 5.6% | 4.8% | 4.8% |
| Jun-16 | 4.9% | 5.3% | 5.4% | 5.0% |
| Jul-16 | 4.9% | 5.2% | 5.5% | 5.0% |
| Aug-16 | 4.9% | 5.1% | 5.0% | 5.0% |
| Sep-16 | 4.9% | 5.1% | 5.0% | 4.9% |
| Oct-16 | 4.8% | 5.0% | 4.5% | 4.6% |
| Nov-16 | 4.6% | 5.0% | 4.3% | 4.4% |
| Dec-16 | 4.7% | 5.0% | 4.2% | 4.4% |
| Jan-17 | 4.8% | 5.0% | 5.0% | 5.0% |
| Feb-17 | 4.7% | 5.1% | 4.9% | 4.9% |
| Mar-17 | 4.5% | 5.0% | 4.4% | 4.4% |



GENERAL FUND

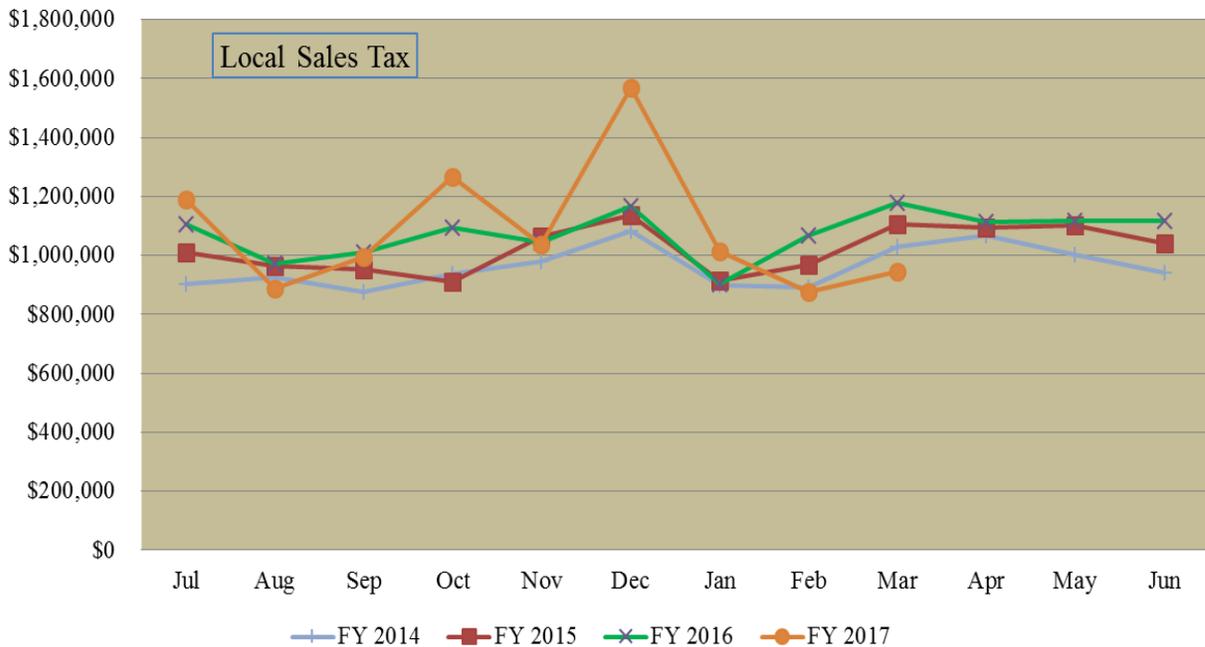
The following tables and graphs reflect the General Fund major revenue sources. All of the information compares monthly collections for similar periods from prior years. The major revenues consist of local sales tax as well as state shared resources.

Local Sales Tax

The local sales tax (3%) comprises over 50% of the overall General Fund revenues. The current trend reflects an increase of over 2.4% over the three quarters of the fiscal year. We are cautiously optimistic and expect that this trend will change as the fiscal year progresses.

| | FY 2014 | | FY 2015 | | FY 2016 | | FY 2017 | |
|-----|----------------|--------|----------------|--------|----------------|--------|---------------|----------|
| Jul | \$902,118 | 8.38% | \$1,010,689 | 12.04% | \$1,106,111 | 9.44% | \$1,191,580 | 7.73% |
| Aug | 925,936 | 11.29% | 962,616 | 3.96% | 972,558 | 1.03% | 885,969 | -8.90% |
| Sep | 876,758 | 4.73% | 953,901 | 8.80% | 1,009,710 | 5.85% | 993,048 | -1.65% |
| Oct | 935,859 | 3.74% | 909,990 | -2.76% | 1,095,712 | 20.41% | 1,265,041 | 15.45% |
| Nov | 979,277 | 16.95% | 1,064,350 | 8.69% | 1,044,333 | -1.88% | 1,037,756 | -0.63% |
| Dec | 1,080,777 | 3.61% | 1,137,286 | 5.23% | 1,167,113 | 2.62% | 1,568,633 | 34.40% |
| Jan | 897,108 | 4.11% | 913,590 | 1.84% | 904,463 | -1.00% | 1,015,661 | 12.29% |
| Feb | 889,440 | 7.88% | 967,464 | 8.77% | 1,066,400 | 10.23% | 874,551 | -17.99% |
| Mar | 1,030,580 | 8.40% | 1,106,094 | 7.33% | 1,179,638 | 6.65% | 945,395 | -19.86% |
| Apr | 1,067,508 | 12.19% | 1,095,223 | 2.60% | 1,115,079 | 1.81% | | -100.00% |
| May | 1,002,215 | 2.04% | 1,100,716 | 9.83% | 1,117,243 | 1.50% | | -100.00% |
| Jun | 940,480 | -5.38% | 1,039,657 | 10.55% | 1,115,321 | 7.28% | | -100.00% |
| | █ \$11,528,057 | 6.26% | █ \$12,261,576 | 6.36% | █ \$12,893,681 | 5.16% | █ \$9,777,634 | -24.17% |

The Transaction Privilege Tax (sales tax) is collected on the gross receipts of business activities. Until 1987, the tax rate was one percent. In 1987, the voters approved an increase of one percent to fund the construction of the wastewater collection/treatment system. Again, in 1992, the voters approved an additional two tenths percent increase to construct a new city library. The current tax rate is three percent (3%) after an increase of .8% in FY 2009.



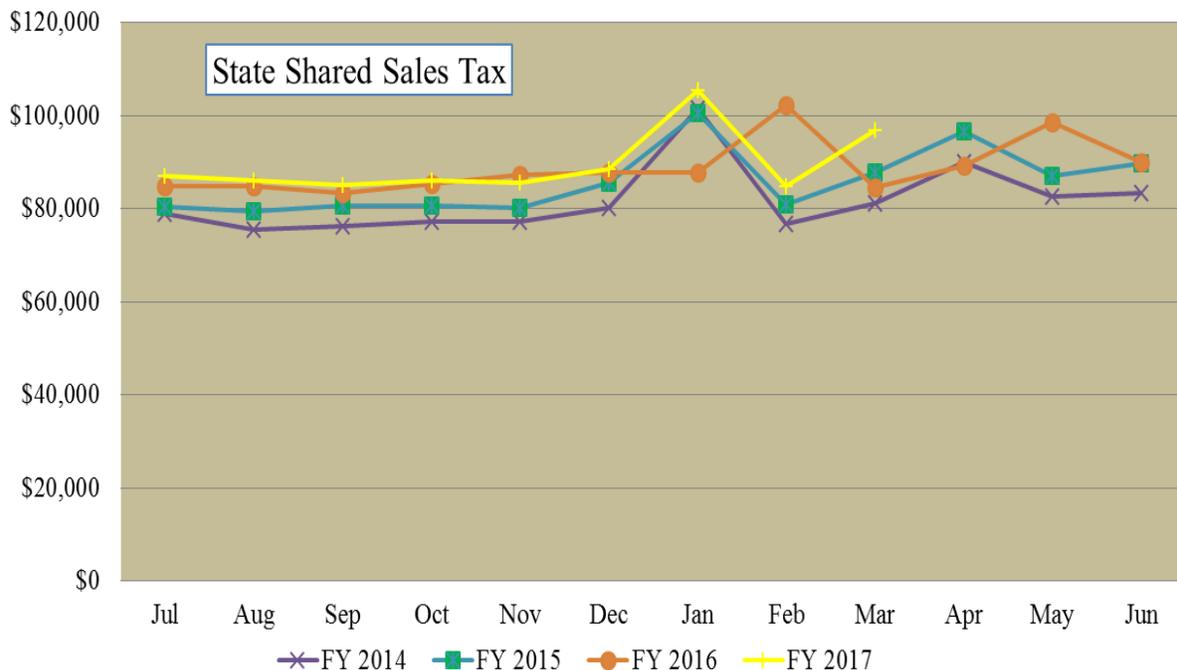
State Shared Sales Tax

This revenue is one of several state shared revenues. For the past three years this revenue stream has shown some steady improvements. Increases have ranged roughly 4 - 6%. Currently this revenue is trending more to the 2.0% range or about \$17,145 above last year.

It has taken over 10 years to surpass our 2007 State Shared Sales Tax numbers. Our FY 2007 was our high point of collections for state shared sales tax before the “Great Recession.” That revenue amount for that year was \$1,032,214. We are estimating to be at the \$1.1M range by year end.

| | FY 2014 | | FY 2015 | | FY 2016 | | FY 2017 | |
|-----|-----------|--------|-------------|--------|-------------|---------|-----------|----------|
| Jul | \$78,926 | 5.34% | \$80,409 | 1.88% | \$84,828 | 5.50% | \$87,090 | 2.67% |
| Aug | 75,616 | 8.17% | 79,552 | 5.20% | 84,941 | 6.77% | 86,133 | 1.40% |
| Sep | 76,206 | 5.25% | 80,698 | 5.89% | 83,476 | 3.44% | 84,988 | 1.81% |
| Oct | 77,314 | 6.50% | 80,728 | 4.42% | 85,388 | 5.77% | 85,977 | 0.69% |
| Nov | 77,348 | 5.90% | 80,131 | 3.60% | 87,178 | 8.79% | 85,674 | -1.73% |
| Dec | 80,201 | 6.32% | 85,569 | 6.69% | 87,828 | 2.64% | 88,436 | 0.69% |
| Jan | 101,466 | 12.54% | 100,481 | -0.97% | 87,828 | -12.59% | 105,505 | 20.13% |
| Feb | 76,669 | 2.75% | 80,866 | 5.47% | 102,375 | 26.60% | 84,848 | -17.12% |
| Mar | 81,052 | 8.10% | 87,669 | 8.16% | 84,585 | -3.52% | 96,921 | 14.58% |
| Apr | 89,870 | 4.49% | 96,493 | 7.37% | 89,187 | -7.57% | | 12.07% |
| May | 82,615 | 6.31% | 87,147 | 5.49% | 98,486 | 13.01% | | -100.00% |
| Jun | 83,254 | 3.71% | 89,672 | 7.71% | 89,929 | 0.29% | | -100.00% |
| | \$980,536 | 6.34% | \$1,029,415 | 4.98% | \$1,066,029 | 3.56% | \$805,572 | -24.43% |

Description - Arizona cities and towns share a portion of the total amount collected from the State Sales Tax. A city's portion of the State Sales Tax is based on the relationship of its population to the total population of all cities and towns within the state. The State has a separate tax code that differs from the City. For example, the State does not tax food whereas the City does. There is no direct correlation between City sales tax and State Shared Sales Tax.



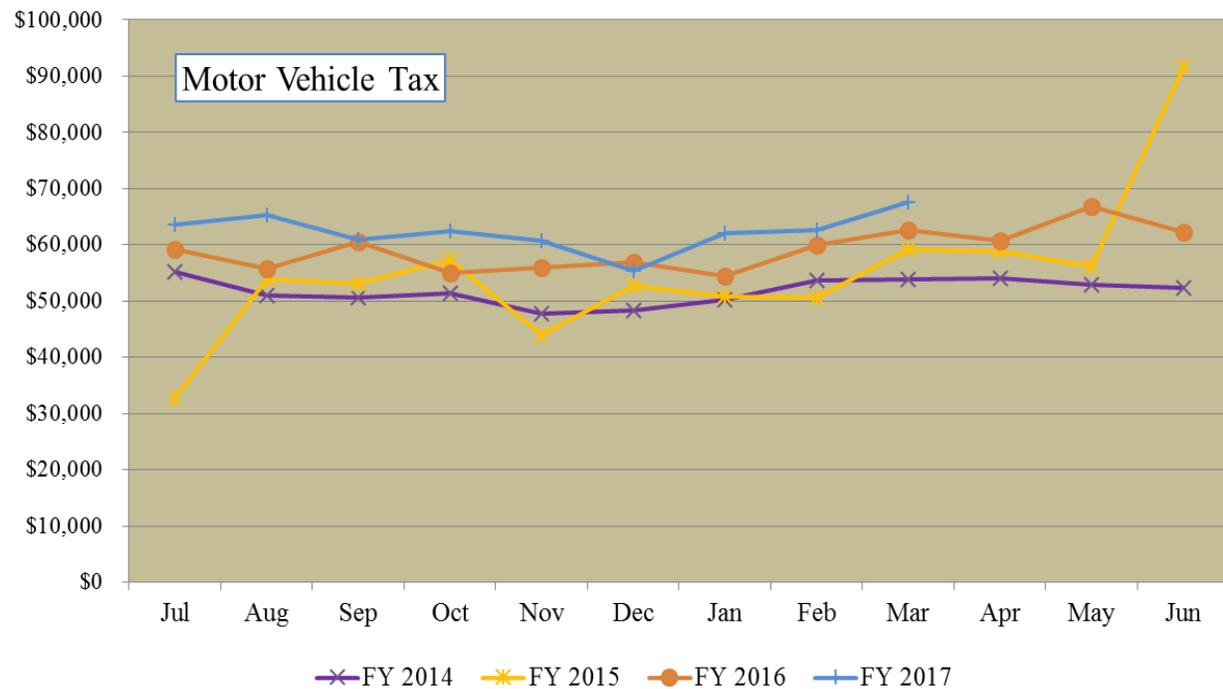
Motor Vehicle Tax

The Motor Vehicle Tax seems to have settled down from past years where every month was a wild guess where that number would end up. This revenue source has not seen any substantial improvements over the past years.

This revenue is currently trending 7.7% above last year at this same time. We do not expect it to stay at that level for the remainder of the year, however, we are optimistic that we will hit the 5% mark. Currently we are \$40,094 over last year at this time.

| | FY 2014 | | FY 2015 | | FY 2016 | | FY 2017 | |
|-----|-----------|---------|-----------|---------|-----------|---------|-----------|----------|
| Jul | \$55,274 | -2.45% | \$32,681 | -40.87% | \$59,097 | 80.83% | \$63,603 | 7.62% |
| Aug | 50,992 | 5.72% | 53,909 | 5.72% | 55,848 | 3.60% | 65,283 | 16.89% |
| Sep | 50,638 | 6.08% | 53,159 | 4.98% | 60,435 | 13.69% | 60,894 | 0.76% |
| Oct | 51,303 | 3.92% | 57,376 | 11.84% | 54,904 | -4.31% | 62,471 | 13.78% |
| Nov | 47,840 | 124.65% | 43,919 | -8.20% | 55,965 | 27.43% | 60,684 | 8.43% |
| Dec | 48,271 | 15.37% | 52,788 | 9.36% | 56,941 | 7.87% | 55,292 | -2.90% |
| Jan | 50,317 | 4.43% | 50,813 | 0.99% | 54,518 | 7.29% | 61,963 | 13.66% |
| Feb | 53,701 | 14.72% | 50,593 | -5.79% | 59,933 | 18.46% | 62,586 | 4.43% |
| Mar | 53,870 | 4.45% | 59,134 | 9.77% | 62,670 | 5.98% | 67,629 | 7.91% |
| Apr | 54,125 | -30.29% | 58,821 | 8.68% | 60,801 | 3.37% | | -100.00% |
| May | 52,877 | 3.36% | 56,080 | 6.06% | 66,727 | 18.99% | | -100.00% |
| Jun | 52,289 | 124.00% | 91,513 | 75.01% | 62,316 | -31.90% | | -100.00% |
| | \$621,497 | 10.22% | \$660,786 | 6.32% | \$710,155 | 7.47% | \$560,405 | -21.09% |

Description - Arizona cities receive a 25% share of the net revenues collected for the licensing of vehicles in their related county. Each city's share within their county is determined based on the city's population in relation to the county as a whole. These revenues are distributed by the State Treasurer.



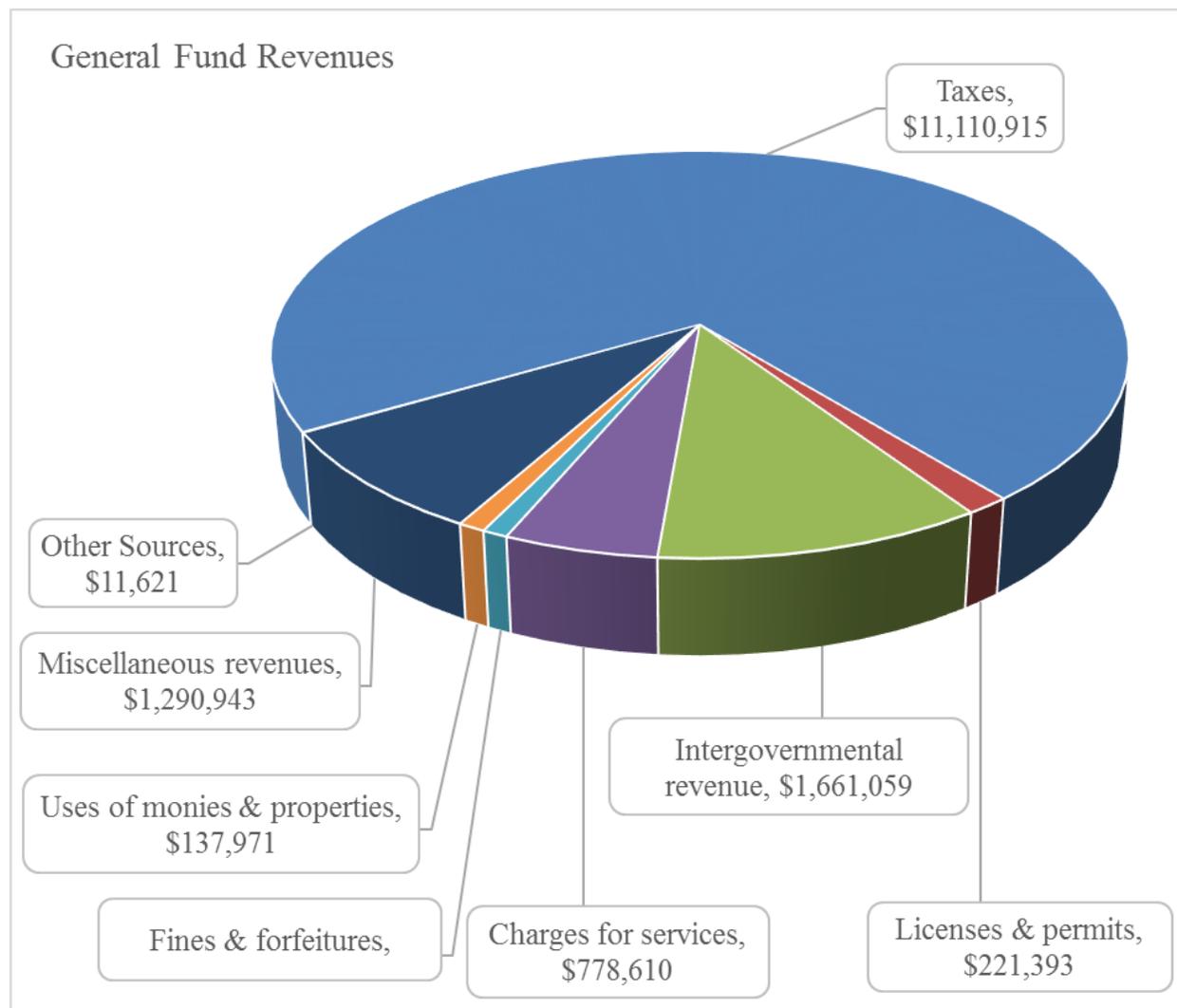
General Fund – Revenues vs Expenditures

Our General Fund operating revenues are still lagging to estimates, however not to our expenditures. This was an anticipated scenario to some degree during the budget process. As of March 31, 2017 we have not yet tapped into our fund balance reserves. We do, however, still have some capital that has not been acquired, however it will be acquired later this fiscal year.

The overall concern with revenues keeping up with expenditures has been discussed several times in the past and will continue to be an issue in the future. This FY 2018 budget season is still expected to be challenging as in past years. Our costs and demands on services continue to rise and our revenues are not keeping up. Our current General Fund balance is \$6.2M.

Revenues & Other Sources

| | |
|-------------------------------------|---------------------|
| Taxes | \$11,110,915 |
| Licenses & permits | 221,393 |
| Intergovernmental revenue | 1,661,059 |
| Charges for services | 778,610 |
| Fines & forfeitures | 129,817 |
| Uses of monies & propertie | 137,971 |
| Miscellaneous revenues | 1,290,943 |
| Other Sources | 11,621 |
| Revenues & Other Sources | \$15,342,329 |

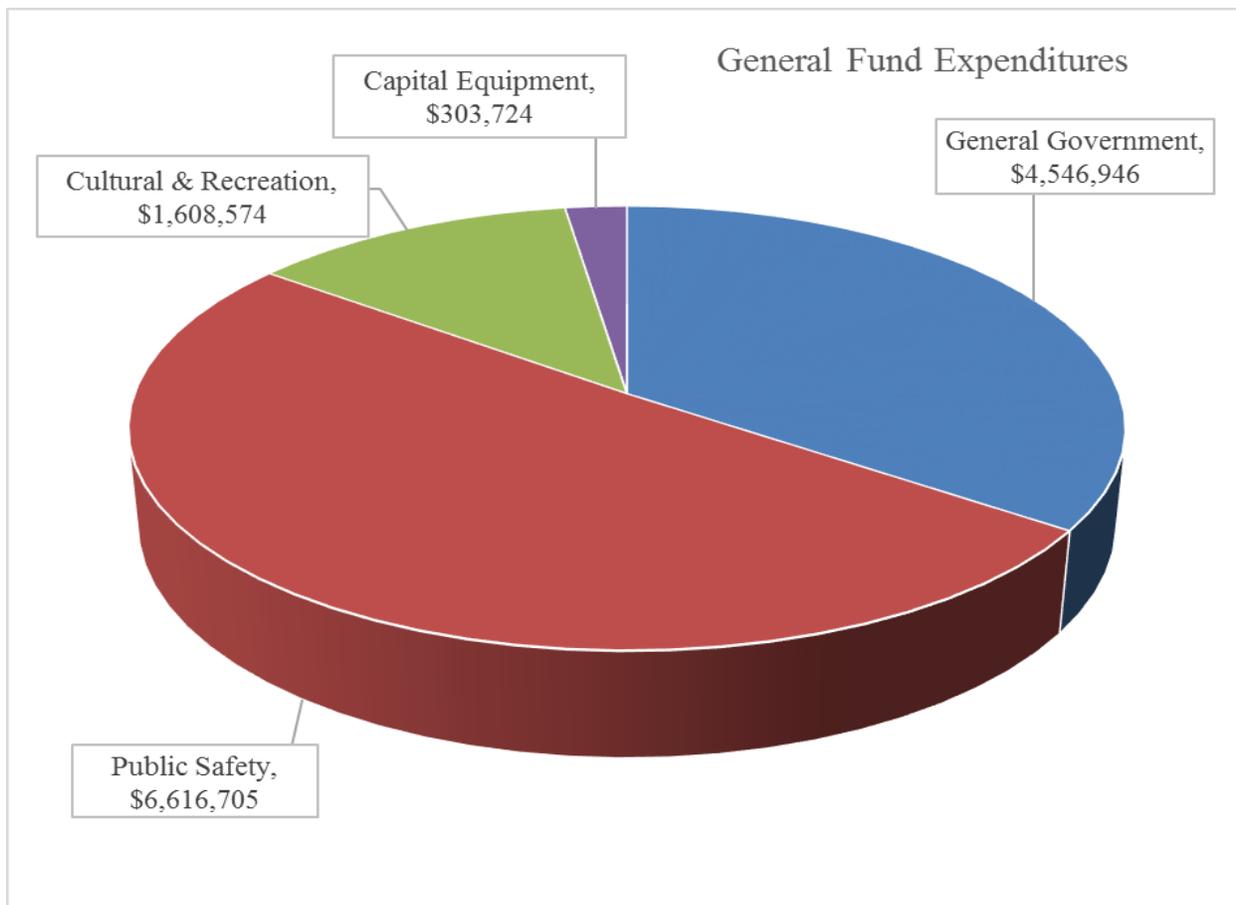


As we move forward into this fiscal year to finish out this year and future planning years, we need to continue to be aware that Governmental Accounting Standards Board (GASB) Statement #68 – Accounting and Financial Reporting for Pension Plans will continue to impact all municipal

| | |
|--------------------------------------|---------------------|
| <u>Expenditures & Other Uses</u> | |
| General Government | \$4,546,946 |
| Public Safety | 6,616,705 |
| Cultural & Recreation | 1,608,574 |
| Capital Equipment | 303,724 |
| Expenditures & Other Uses | <u>\$14,329,530</u> |

entities using Arizona State Retirement System (ASRS) and / or Public Safety Personnel Retirement System (PSPRS). All entities are now reflecting any pension plan underfunding liability on their respective financials. Future Comprehensive Annual Financial Reports (CAFRs) will show a significant decline in the net position and possibly go into a negative position.

Though not a grave concern at this time, it is still a concern as to how the city will deal with it in future years. That number will improve as the City pays down its pension liability in future years. Currently we are on track to fully fund our portion in the next 20 years, if not sooner.



As a note, the City of Cottonwood does not have control over the two retirement systems. Their actuaries perform the actuarial calculations and provide the City with the percentage of contribution that needs to be submitted to provide the pension with sufficient revenues to stay solvent. Unfortunately the markets during the “Great Recession” did not provide sufficient return to keep them fully funded.

Our overall fund balance continues to be fully funded in the General Fund. Other funds do not meet the established Fund Balance Policy due to weak revenue generation. This weakness is something that will need to be corrected in the future. We will be preparing for continued revenue discussions later this or next fiscal year. At that time options will be presented to the Council for their consideration.

SPECIAL REVENUE FUNDS

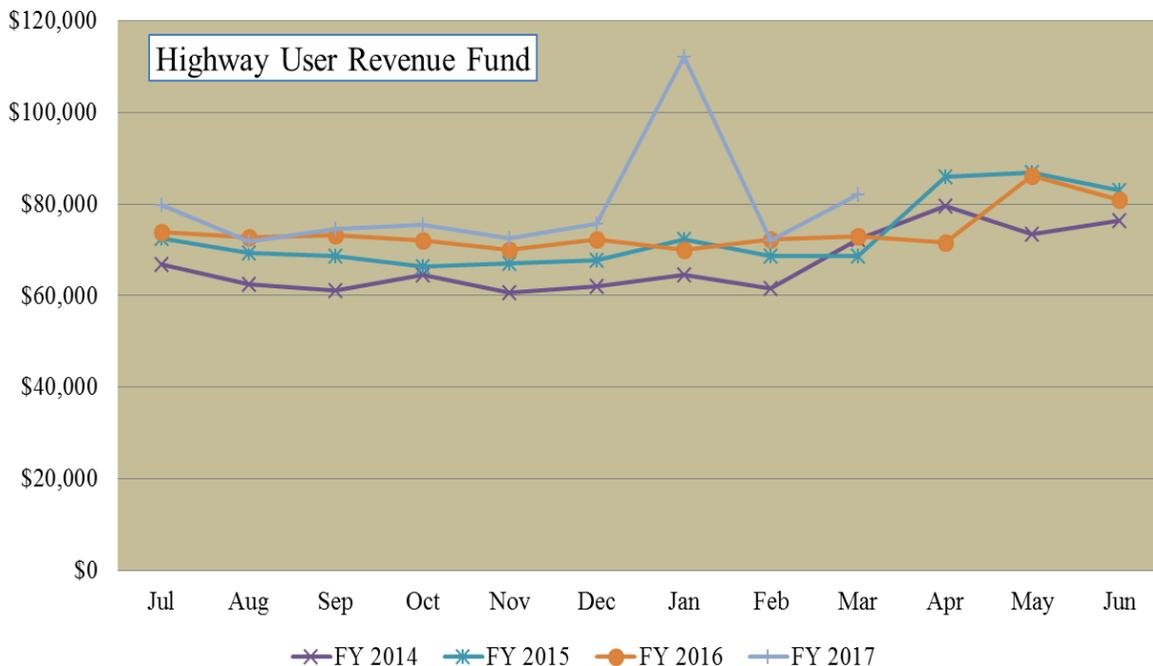
Special Revenue Funds consist of the Highway User Revenue Fund (HURF) and several other smaller funds, including CAT/LYNX, Library, Cemetery, Airport, and Grants.

Highway User Revenue Funds - HURF

This is another state shared revenue source. It is commonly called the Fuel Tax. It has improved slightly over the years. The State is using a portion of the HURF that is designated for cities and towns to assist with cost to the Department of Public Safety.

| | FY 2014 | | FY 2015 | | FY 2016 | | FY 2017 | |
|-----|-------------|--------|-------------|--------|-------------|---------|-------------|----------|
| Jul | \$66,861 | 11.88% | \$72,487 | 8.41% | \$73,939 | 2.00% | \$79,891 | 8.05% |
| Aug | 62,470 | -1.22% | 69,249 | 10.85% | 72,631 | 4.88% | 71,771 | -1.18% |
| Sep | 61,165 | -1.64% | 68,695 | 12.31% | 73,174 | 6.52% | 74,612 | 1.97% |
| Oct | 64,485 | 11.79% | 66,391 | 2.96% | 72,153 | 8.68% | 75,381 | 4.47% |
| Nov | 60,776 | 3.04% | 67,106 | 10.41% | 70,008 | 4.32% | 72,477 | 3.53% |
| Dec | 62,013 | 0.39% | 67,781 | 9.30% | 72,337 | 6.72% | 75,781 | 4.76% |
| Jan | 64,643 | 9.63% | 72,211 | 11.71% | 70,008 | -3.05% | 112,090 | 60.11% |
| Feb | 61,689 | -0.24% | 68,542 | 11.11% | 72,337 | 5.54% | 72,084 | -0.35% |
| Mar | 72,168 | 3.46% | 68,542 | -5.02% | 72,864 | 6.31% | 82,147 | 12.74% |
| Apr | 79,481 | 4.16% | 85,957 | 8.15% | 71,495 | -16.82% | | 26.98% |
| May | 73,414 | 0.42% | 86,824 | 18.27% | 86,054 | -0.89% | | -100.00% |
| Jun | 76,375 | 2.27% | 83,032 | 8.72% | 80,919 | -2.54% | | -100.00% |
| | █ \$805,540 | 3.50% | █ \$876,817 | 8.85% | █ \$887,919 | 1.27% | █ \$716,234 | -19.34% |

Description - Arizona cities receive a share of State Motor Vehicle Fuel Taxes (Highway User Revenue Funds). The formula is based on two separate calculations; the first half is based on a city's population in relation to the State's total population, the second is based on the county in which the revenues were generated. These funds must be utilized for the construction and maintenance of streets and highways. We are estimating that we will reach \$975K by the year end making this one of the best year since the "Great Recession."



Special Revenues Funds - continued

The following tables depict the other funds that make up the Special Revenue Funds in the City of Cottonwood budget. All of these funds have the General Fund as a backstop which covers any shortages in their bottom line. Most of the negative numbers are grants, transfers or receivables that are outstanding and are expected to be received within the next 60 days. HURF will be using much of the fund balance as it begins work on the Mingus Avenue project that the City of Cottonwood bonded for in 2015 using excise taxes to support the bond.

| | Special Revenue Funds | | | | | |
|---|-----------------------|----------------|-------------|----------------|-----------|----------------|
| | HURF | | CAT | | Library | |
| | Budget | 3rd Qtr Actual | Budget | 3rd Qtr Actual | Budget | 3rd Qtr Actual |
| Revenues | 2,392,370 | 1,161,710 | \$1,829,510 | \$977,527 | \$173,010 | \$103,651 |
| Operating Expenditures | 1,251,995 | 798,529 | 1,745,335 | 1,143,729 | 999,250 | 740,546 |
| Capital Outlay | 2,131,650 | 1,302,741 | 125,000 | 28,250 | 27,000 | 46,603 |
| Debt Service | 392,600 | 393,087 | 0 | 0 | 0 | 0 |
| Revenues over (under) Expenditures | (1,383,875) | (1,332,646) | (40,825) | (194,452) | (853,240) | (683,498) |
| Other Funding Sources & Uses | 200,000 | 150,000 | 0 | 0 | 853,240 | 639,930 |
| Revenues & other funding sources & uses over (under) Expenditures | (1,183,875) | (1,182,646) | (40,825) | (194,452) | 0 | (43,568) |
| Beginning Fund Balance | 3,617,055 | 3,617,055 | 0 | 0 | 0 | 0 |
| Ending Fund Balance | \$2,433,180 | \$2,434,409 | (\$40,825) | (\$194,452) | \$0 | (\$43,568) |

| | Special Revenue Funds | | | | | |
|---|-----------------------|----------------|-----------|----------------|-------------|----------------|
| | Cemetery | | Airport | | Grants | |
| | Budget | 3rd Qtr Actual | Budget | 3rd Qtr Actual | Budget | 3rd Qtr Actual |
| Revenues | \$900 | \$325 | \$339,970 | \$335,187 | \$2,056,105 | \$914,145 |
| Operating Expenditures | 38,100 | 41,431 | 297,660 | 264,113 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 | 2,114,155 | 1,045,766 |
| Debt Service | 0 | 0 | 0 | 0 | 0 | 0 |
| Revenues over (under) Expenditures | (37,200) | (41,106) | 42,310 | 71,075 | (58,050) | (131,620) |
| Other Funding Sources & Uses | 37,200 | 27,900 | (42,310) | 11,805 | 58,050 | 1,045,766 |
| Revenues & other funding sources & uses over (under) Expenditures | 0 | (13,206) | 0 | 82,880 | 0 | 914,145 |
| Beginning Fund Balance | 0 | 0 | 0 | 0 | 71,503 | 71,503 |
| Ending Fund Balance | \$0 | (\$13,206) | \$0 | \$82,880 | \$71,503 | \$985,648 |

CAPITAL IMPROVEMENTS FUND

This fund has been traditionally in good fiscal shape for many years. With the new Riverfront Water Reclamation being constructed, however, the fund balance is estimated to decline over the next nine to twelve months as construction draws are made to the contractor and the construction draws to near completion.

The Riverfront Water Reclamation Facility is expected to treat approximately 300k gallons of wastewater daily and will provide reclaimed water to the area sport fields and to replenish our aquifers using injection wells.

As a reminder, during the “great recession,” the city used some of these accumulated funds to support the construction sector by acquiring buildings and rehabilitating them for much needed office space. Another use of these funds was to take care of much needed street improvements. Some of these projects did have some financing available to make the completion possible. Lastly, this fund also provided some of the financial support for the New Regional Communications Center while the 2015 Excise Tax Bond was completed.

| | | Capital Improvements | |
|--|--|----------------------|----------------|
| | | Budget | 3rd Qtr Actual |
| Revenues | | \$723,960 | \$90,057 |
| Operating Expenditures | | 0 | 0 |
| Capital Outlay | | 1,113,190 | 607,204 |
| Debt Service | | 0 | |
| Revenues over (under) | | | |
| Expenditures | | (389,230) | (517,147) |
| Other Funding Sources & Uses | | (8,817,170) | 0 |
| Revenues & other funding sources & uses over (under) | | | |
| Expenditures | | (9,206,400) | (517,147) |
| Beginning Fund Balance | | 10,528,437 | 10,528,437 |
| Ending Fund Balance | | \$1,322,037 | \$10,011,290 |

Capital outlay:

| | Adopted | | |
|----------------------------|-----------|---------|--------|
| | Budget | Y-T-D | % Used |
| Investment Expenses | 9,000 | 7,737 | 85.97% |
| Kids Park Restroom | 240,730 | 180,899 | 75.15% |
| Garrison Park Restroom | 240,730 | 226,270 | 93.99% |
| Civic Center HVAC | 132,000 | 5,337 | 4.04% |
| Riverfront Park Restroom | 140,730 | 91,276 | 64.86% |
| Railroad Wash Improvements | 350,000 | 95,685 | 27.34% |
| Total Expenditures | 1,113,190 | 607,204 | 54.55% |

Above are the major projects anticipated to be funded by the 2015 Excise Tax Bond proceeds that will be paid from the escrow account. There is a \$11,500,000 transfer from this fund to the Wastewater Enterprise Fund to pay for the construction of the Riverfront Water Reclamation Facility that is currently underway, and was previously mentioned in this report. That amount is not shown on the schedule below since it is a capital expense reflected in an Enterprise Fund.

Railroad Wash improvements are funded by Yavapai County’s Flood Improvement Tax.

ENTERPRISE FUNDS

Wastewater and Water

Both the Enterprise Funds have been operating in the black since the City Council has approved annual rate increases. Four years ago, in FY 2013 was a turning point for both the Water and Wastewater Enterprise Funds. Though there has been improvement in our revenues generation, the utilities continue to need quite a bit of future capital investment.

| | Enterprise Funds | | | |
|---|------------------|----------------|---------------|----------------|
| | Wastewater | | Water | |
| | Budget | 3rd Qtr Actual | Budget | 3rd Qtr Actual |
| Revenues | 3,167,465 | 1,943,233 | \$8,347,025 | \$6,005,294 |
| Operating Expenditures | 1,830,900 | 1,453,573 | 7,568,380 | 2,312,532 |
| Capital Outlay | 11,855,525 | 5,005,487 | 5,401,860 | 547,298 |
| Debt Service | 0 | 0 | 1,973,920 | 1,403,557 |
| Revenues over (under) Expenditures | (10,518,960) | (4,515,827) | (6,597,135) | 1,741,907 |
| Other Funding Sources & Uses | 11,500,000 | 0 | 800,000 | 0 |
| Revenues & other funding sources & uses over (under) Expenditures | \$981,040 | (\$4,515,827) | (\$5,797,135) | \$1,741,907 |

The Water Utility had their Municipal Property Corporation (MPC) Water Revenue Bonds, Series 2004 and 2006 refinanced over the past couple of years. There were substantial savings to utility customers over the life of the new Water Infrastructure Finance Authority (WIFA) loans. These savings are in future interest payments and forgivable interest.

The 2015 WIFA refinancing will save approximately \$1,745,600 in interest expense, and there was \$550,000 in forgivable principle included in that refinance package, totaling over \$2,295,600 in cost savings. The WIFA loan required less debt service reserves, allowing an \$111,000 transferred from debt service reserves to the water utility's unrestricted fund reserves.

We completed the refinancing the 2006 MPC Water Revenue Bonds using a WIFA Loan as we did the previous year. Included was \$1.9M waterline that WIFA granted along with \$800K in forgivable principle. The interest rate went from 5% to 1.7% and removed about \$5M in liability from the City of Cottonwood books and allocated it to the Town of Clarkdale where it belonged.

This refinance package will save our utility customers approximately \$3,619,000 in future interest payments and allowed \$1,461,000 in debt service reserves to be put back into unrestricted fund reserves.

DEBT SERVICES FUND

This fund starts off the year in good shape; with sales taxes and interest income still providing all of the revenues for this particular fund. Expenditures consist of principal and interest on general government loans and bond issues. Also included are any trustee fees assessed for managing the debt service accounts.

The Recreation Center - Greater Arizona Development Authority (GADA) Bonds were refinanced earlier this year and will provide a savings of over \$1M in future interest payments. The debt service for the Recreation Center is solely funded by sales tax revenues, as part of the excise tax pledge on this debt issue. The refinance changed the loan to a bond issue.

| | Debt Service | |
|---|--------------|----------------|
| | Budget | 3rd Qtr Actual |
| Revenues | \$1,540,235 | \$1,340,168 |
| Operating Expenditures | | 1,855,535 |
| Capital Outlay | | |
| Debt Service | 1,540,235 | 1,855,535 |
| Revenues over (under) Expenditures | 0 | (2,370,903) |
| Other Funding Sources & Uses | 0 | 13,874,485 |
| Revenues & other funding sources & uses over (under) Expenditures | 0 | 13,359,117 |
| Beginning Fund Balance | 1,211,534 | 1,211,534 |
| Ending Fund Balance | \$1,211,534 | \$14,570,651 |

As a note, utility debt service is funded through user fees and other operational revenues, and therefore the debt service for the water and wastewater utilities would be reflected in their respective enterprise fund.

BRIEF OVERVIEW

As we finish our third quarter of fiscal year 2017, we are pleased that things keep falling into place as expected. Our economy is still in slow growth mode, and not as robust as we have been hoping for. We continue providing the excellent services that our community is accustomed to getting from the city. Many projects that are not completed by the end of this fiscal year will be rolled over into this year during the budget process.

We continue to have some apprehension over our current revenue generation that is not keeping up with our expenditures. Our local sales tax growth is doing fine and at projections, however, some other revenues, mostly those related to the construction are still struggling. As we move forward with this budget season we see some struggles in balancing the budget. Council direction at the past Strategic Planning session set some high marks for this coming year and we are taking it as a challenge for staff to balance the budget.

The City is still a keeping a fiscally conservative position in doing their everyday business while looking for ways to reduce costs and provide quality essential services, as well as protect its staff. It continues to maintain reasonable reserves in its General Fund for unforeseeable emergencies as is prudent.

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

| General Fund - 01 | Adopted | | |
|---|-------------|-------------|--------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| Taxes | 15,035,600 | 11,110,915 | 73.90% |
| Licenses & permits | 286,000 | 221,393 | 77.41% |
| Intergovernmental revenue | 2,579,545 | 1,661,059 | 64.39% |
| Charges for services | 1,159,175 | 778,610 | 67.17% |
| Fines & forfeitures | 218,000 | 129,817 | 59.55% |
| Uses of monies & properties | 145,200 | 137,971 | 95.02% |
| Miscellaneous revenues | 4,750,245 | 1,290,943 | 27.18% |
| Total revenues | 24,173,765 | 15,330,708 | 63.42% |
| Expenditures: | | | |
| Operating: | | | |
| Council | 206,940 | 145,657 | 70.39% |
| City Clerk | 249,965 | 188,307 | 75.33% |
| Administration | 741,910 | 521,556 | 70.30% |
| Finance | 445,025 | 314,938 | 70.77% |
| Personnel | 301,040 | 174,350 | 57.92% |
| IT Services | 570,980 | 369,177 | 64.66% |
| Purchasing | 99,680 | 70,898 | 71.13% |
| Legal | 586,115 | 322,515 | 55.03% |
| Court | 441,465 | 368,402 | 83.45% |
| Planning & zoning | 584,065 | 375,290 | 64.25% |
| Engineering | 297,200 | 235,788 | 79.34% |
| Public Works | 372,760 | 197,449 | 52.97% |
| Transfer Station | 255,430 | 123,503 | 48.35% |
| Building maintenance | 415,675 | 308,074 | 74.11% |
| Custodial | 160,000 | 102,059 | 63.79% |
| Natural resources | 167,085 | 118,398 | 70.86% |
| Non-departmental | 518,500 | 442,274 | 85.30% |
| Police | 4,924,525 | 3,317,521 | 67.37% |
| Communications | 1,749,755 | 1,130,584 | 64.61% |
| Fire | 2,940,035 | 2,019,281 | 68.68% |
| Ordinance Enforcement | 210,580 | 149,319 | 70.91% |
| Parks & recreation | 828,055 | 552,492 | 66.72% |
| Rec Center Operations | 1,280,305 | 913,935 | 71.38% |
| Pool | 118,310 | 74,687 | 63.13% |
| Youth Center | 0 | 67,459 | 0.00% |
| Economic Development | 245,330 | 168,312 | 68.61% |
| Subtotal maintenance and operations | 18,710,730 | 12,772,226 | 68.26% |
| Capital outlay: | 1,309,065 | 303,724 | 23.20% |
| Total Expenditures | 20,019,795 | 13,075,950 | 65.32% |
| Excess (deficiency) of revenues over (under) expenditures | 4,153,970 | 2,254,758 | |
| Other financing sources (uses): | | | |
| Operating transfers in | 0 | 0 | 0.00% |
| Sales of City Equipment | 20,000 | 11,621 | 58.10% |
| Capital leases | (433,490) | (423,944) | 97.80% |
| Transfers out | (1,106,180) | (829,635) | 75.00% |
| Total other financing sources (uses) | (1,519,670) | (1,241,959) | 81.73% |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | 2,634,300 | 1,012,799 | |
| Fund balance, July 1, 2016 (audited) | | 5,228,183 | |
| Estimated fund balance @ June 30, 2017 | | \$6,240,982 | |

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Quarterly Report Ending March 31, 2017

HURF - 10

| | Adopted | | |
|-------------------------------------|-------------|-----------|---------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| Intergovernmental revenue | \$2,390,370 | 1,161,823 | 48.60% |
| Uses of monies & properties | 2,000 | (754) | -37.68% |
| Miscellaneous revenues | 0 | 641 | 0.00% |
| Total revenues | 2,392,370 | 1,161,710 | 48.56% |
| Expenditures: | | | |
| Operating: | | | |
| Salaries | 179,890 | 128,362 | 71.36% |
| Temp employees | 0 | 0 | 0.00% |
| Overtime | 3,000 | 2,623 | 87.45% |
| Social security | 11,340 | 7,680 | 67.72% |
| Medicare tax | 2,650 | 1,796 | 67.78% |
| AZ state retirement | 21,000 | 15,037 | 71.61% |
| Health & life insurance | 56,710 | 44,838 | 79.06% |
| Worker's compensation | 16,130 | 15,858 | 98.31% |
| Clothing allowance | 1,200 | 385 | 32.09% |
| Operational supplies | 2,000 | 969 | 48.46% |
| Tools | 2,000 | 1,215 | 60.75% |
| Gas & oil | 14,500 | 12,530 | 86.42% |
| Materials | 10,000 | 7,959 | 79.59% |
| Street signs | 4,000 | 376 | 9.40% |
| Street marking | 51,600 | 0 | 0.00% |
| Office supplies | 100 | 32 | 32.48% |
| Vehicle maintenance | 8,400 | 3,621 | 43.11% |
| Equipment maintenance | 20,000 | 16,827 | 84.13% |
| Building maintenance & repair | 0 | 0 | 0.00% |
| Pavement Preservation | 4,000 | 0 | 0.00% |
| Contractual services | 15,000 | 5,881 | 39.21% |
| Bank charges | 0 | 494 | 0.00% |
| Employee physicals | 1,000 | 0 | 0.00% |
| Computer support | 225 | 153 | 67.87% |
| General counsel | 0 | 0 | 0.00% |
| Engineering Services | 0 | 0 | 0.00% |
| Legal advertising | 0 | 0 | 0.00% |
| Utilities | 10,450 | 8,572 | 82.03% |
| Street lights | 60,600 | 43,307 | 71.46% |
| Telephone | 1,500 | 953 | 63.52% |
| Culverts | 1,000 | 347 | 34.73% |
| Travel & training | 2,000 | 0 | 0.00% |
| Continuing education | 0 | 0 | 0.00% |
| Equipment rental | 0 | 0 | 0.00% |
| Subscriptions & dues | 0 | 0 | 0.00% |
| Postage & freight | 0 | 0 | 0.00% |
| Liability insurance | 24,200 | 35,213 | 145.51% |
| Liability claims deductible | 0 | 0 | 0.00% |
| Indirect costs to general fund | 475,000 | 238,722 | 50.26% |
| Street light contingency | 3,500 | 951 | 27.17% |
| Equipment purchase | 247,000 | 203,708 | 82.47% |
| Street Improvements | 2,000 | 119 | 0.00% |
| Subtotal maintenance and operations | 1,251,995 | 798,529 | 63.78% |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

HURF - 10 (page 2)

| | Adopted Budget | Y-T-D | % Used |
|---|---------------------------|---------------------------|---------------|
| Debt Service: | | | |
| Principal | 197,280 | 146,487 | 0.00% |
| Interest | 195,320 | 246,600 | 0.00% |
| Capital Outlay: | | | |
| Street Light Contingency | 0 | 0 | 0.00% |
| Pavement Preservation | 0 | 0 | 0.00% |
| 2015 Excise Bond - Trustee Fees | | 300 | 0.00% |
| Bond Issuance Costs | | 0 | 0.00% |
| Mingus/Main Signal | | 9,810 | 0.00% |
| 10th St to Main Project | 250,000 | 20,037 | 0.00% |
| 12th ST NACOG 89-A to Fir | | 55 | 0.00% |
| Sidewalk Additions | | 0 | 0.00% |
| Mingus Willard to Main | 1,861,650 | 1,272,539 | 68.36% |
| 10 th Street | | 0 | 0.00% |
| Main St. Road Diet Grant | | 0 | 0.00% |
| HSIP Street Sign Replacement | 20,000 | 0 | 0.00% |
| Total Expenditures | <u>3,776,245</u> | <u>2,494,356</u> | <u>66.05%</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,383,875)</u> | <u>(1,332,646)</u> | |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In | 200,000 | 150,000 | 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) | <u>200,000</u> | <u>150,000</u> | <u>0.00%</u> |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | <u>4,666,497</u> | <u>(1,182,646)</u> | |
| Fund balance, July 1, 2016 (audited) | | <u>3,617,055</u> | |
| Estimated fund balance @ June 30, 2017 | | <u><u>\$2,434,409</u></u> | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

CATS - 10

| | Adopted Budget | Y-T-D | % Used |
|---|-------------------|-----------|---------|
| | Revenues: | | |
| Intergovernmental revenue | \$1,646,510 | 839,880 | 51.01% |
| Charges for services | 183,000 | 137,647 | 75.22% |
| Total revenues | 1,829,510 | 977,527 | 53.43% |
| Expenditures: | | | |
| Salaries | 600,640 | 390,828 | 65.07% |
| Temporary employee | 248,000 | 115,980 | 46.77% |
| Overtime | 26,000 | 28,643 | 110.16% |
| Holiday pay | 9,250 | 8,386 | 90.66% |
| Social security | 54,800 | 32,366 | 59.06% |
| Medicare | 12,820 | 7,570 | 59.04% |
| AZ retirement | 73,005 | 53,287 | 72.99% |
| Health/life insurance | 192,825 | 119,260 | 61.85% |
| State compensation insurance | 29,130 | 22,624 | 77.67% |
| Clothing allowance | 2,760 | 623 | 22.58% |
| Contractual Services | 11,780 | 19,033 | 161.57% |
| Gas & oil | 143,750 | 85,879 | 59.74% |
| Office supplies | 5,000 | 4,210 | 84.20% |
| Copier supplies | 5,250 | 625 | 11.90% |
| Vehicle maintenance | 161,000 | 136,652 | 84.88% |
| Building Maintenance | 1,725 | 178 | 10.32% |
| Radio maintenance | 5,235 | 4,436 | 84.74% |
| Postage & freight | 11,780 | 119 | 1.01% |
| Audit expense | 3,150 | 3,000 | 95.24% |
| Employee physicals / drug tests | 3,680 | 2,115 | 57.47% |
| Computer Support | 10,485 | 28,620 | 272.97% |
| Custodial Contract | 13,205 | 4,704 | 0.00% |
| Advertising | 29,715 | 11,639 | 39.17% |
| Printing & forms | 9,845 | 8,084 | 82.11% |
| Utilities | 12,950 | 7,133 | 55.08% |
| Telephone | 8,380 | 6,128 | 73.13% |
| Travel/training | 5,250 | 4,434 | 84.45% |
| Continuing education | 0 | 0 | 0.00% |
| Subscriptions/dues | 16,225 | 1,574 | 9.70% |
| Tools & Equipment | 3,450 | 387 | 11.21% |
| Liability insurance | 34,250 | 35,211 | 102.81% |
| Indirect costs to GF | 0 | 0 | 0.00% |
| Subtotal maintenance and operations | 1,745,335 | 1,143,729 | 65.53% |
| Capital Outlay: | 125,000 | 28,250 | 0.00% |
| Fund b: Total Expenditures | 1,870,335 | 1,171,979 | 62.66% |
| Excess (deficiency) of revenues over (under) expenditures | (40,825) | (194,452) | |
| 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 | |
| Total other financing sources (uses) | 0 | 0 | 0.00% |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | (40,825) | (194,452) | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Library - 03

| | Adopted | | |
|-------------------------------------|----------|----------|---------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| Other income | \$18,000 | \$13,516 | 75.09% |
| Interest income | 10 | 26 | 261.40% |
| City Sales Tax | 0 | 0 | 0.00% |
| Yavapai county | 155,000 | 84,609 | 54.59% |
| AZ LSCA/Yavapai county grant | 0 | 0 | 0.00% |
| Gates grant | 0 | 5,500 | 0.00% |
| Total revenues | 173,010 | 103,651 | 59.91% |
| Expenditures: | | | |
| Operating: | | | |
| Salaries | 381,220 | 271,034 | 71.10% |
| Temp employees | 50,000 | 30,324 | 60.65% |
| Overtime | 0 | 25 | 0.00% |
| Social security | 26,740 | 18,179 | 67.98% |
| Medicare tax | 6,250 | 4,252 | 68.03% |
| AZ state retirement | 43,760 | 30,641 | 70.02% |
| Health & life insurance | 95,740 | 75,989 | 79.37% |
| Worker's compensation | 4,110 | 3,662 | 89.10% |
| Book purchases | 42,000 | 31,657 | 75.37% |
| Office supplies | 4,000 | 2,686 | 67.15% |
| Copier supplies | 3,100 | 1,924 | 62.05% |
| Equipment maintenance | 6,000 | 4,178 | 69.64% |
| Bldg M&R - Library | 30,000 | 24,801 | 82.67% |
| Collection expenses | 2,000 | 1,441 | 72.05% |
| Bank Charges | 30 | 0 | 0.00% |
| Recruitment Cost | 500 | 340 | 68.00% |
| Computer support | 2,350 | 3,632 | 154.57% |
| Legal advertising | 0 | 0 | 0.00% |
| Utilities | 55,000 | 41,928 | 76.23% |
| Telephone | 2,500 | 1,153 | 46.12% |
| Network & technology expenses | 35,000 | 26,360 | 75.31% |
| Youth programs | 500 | 339 | 67.74% |
| Annual volunteer appreciation | 800 | 230 | 28.80% |
| Travel & training | 850 | 449 | 52.83% |
| Subscriptions & dues | 0 | 0 | 0.00% |
| Postage & freight | 4,000 | 2,162 | 54.04% |
| Liability Insurance | 17,800 | 15,092 | 84.79% |
| Indirect costs to general fund | 185,000 | 148,069 | 80.04% |
| District - Materials | 0 | 0 | 0.00% |
| Subtotal maintenance and operations | 999,250 | 740,546 | 74.11% |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Library - 03 (page 2)

| | Adopted | | |
|---|------------------|--------------------------|---------------|
| | Budget | Y-T-D | % Used |
| Capital outlay: | 27,000 | 46,603 | 0.00% |
| Total expenditures | <u>1,026,250</u> | <u>787,148</u> | <u>76.70%</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(853,240)</u> | <u>(683,498)</u> | |
| Other financing sources (uses): | | | |
| Operating transfers in | 853,240 | 639,930 | 75.00% |
| 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>853,240</u> | <u>639,930</u> | <u>75.00%</u> |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | <u>0</u> | <u>(43,568)</u> | |
| Fund balance, July 1, 2016 (audited) | | <u>0</u> | |
| Estimated fund balance @ June 30, 2017 | | <u><u>(\$43,568)</u></u> | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Cemetery 04

| | Adopted | | |
|---|----------|------------|---------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| Interest Income | \$0 | \$0 | 0.00% |
| Charges for services | 900 | 325 | 36.11% |
| Total revenues | 900 | 325 | 36.11% |
| Expenditures: | | | |
| Utilities | 25,000 | 23,083 | 92.33% |
| Telephone | 0 | 0 | 0.00% |
| Grave Liners | 3,000 | 0 | 0.00% |
| Miscellaneous Expense | 100 | 176 | 175.86% |
| Indirect Costs | 10,000 | 18,172 | 181.72% |
| Subtotal maintenance and operations | 38,100 | 41,431 | 108.74% |
| Capital improvements | 0 | 0 | 0.00% |
| Total expenditures | 38,100 | 41,431 | 108.74% |
| Excess (deficiency) of revenues over (under) expenditures | (37,200) | (41,106) | |
| Other financing sources (uses): | | | |
| Operating transfers in | 37,200 | 27,900 | 75.00% |
| Proceeds from lease purchase | 0 | 0 | 0.00% |
| Capital leases | 0 | 0 | 0.00% |
| Transfers out | 0 | 0 | 0.00% |
| Total other financing sources (uses) | 37,200 | 27,900 | 75.00% |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | 0 | (13,206) | |
| Fund balance, July 1, 2016 (audited) | | 0 | |
| Estimated fund balance @ June 30, 2017 | | (\$13,206) | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Airport - 05

| | Adopted Budget | Y-T-D | % Used |
|---|---------------------------|--------------|---------------|
| | | | |
| Revenues: | | | |
| Other Income | \$0 | \$31,229 | 0.00% |
| Late Fees | \$600 | \$414 | 68.95% |
| Tie down rent | 18,900 | 13,718 | 72.58% |
| Airpark Rents | 0 | 0 | 0.00% |
| FBO building rental income | 0 | 0 | 0.00% |
| Fuel sales income | 247,000 | 153,444 | 62.12% |
| Oil Sales | 20 | 12 | 0.00% |
| Land lease fees | 38,850 | 88,365 | 227.45% |
| City hangar lease fees | 34,600 | 48,006 | 138.75% |
| Total revenues | 339,970 | 335,187 | 98.59% |
| Expenditures: | | | |
| Operational Supplies | 1,000 | 2,658 | 265.75% |
| Fuel Expense | 200,000 | 156,155 | 78.08% |
| Oil Expense | 0 | 5 | 0.00% |
| Office Supplies | 50 | 661 | 1321.26% |
| Vehicle Maintenance | 200 | 0 | 0.00% |
| Equipment maintenance | 2,500 | 6,015 | 240.58% |
| Building maintenance | 500 | 283 | 56.64% |
| Contractual Services | 7,000 | 21,061 | 300.87% |
| Bank Charges | 12,000 | 8,450 | 70.41% |
| Computer Support | 110 | 111 | 100.91% |
| General Counsel | 0 | 38 | 0.00% |
| Utilities | 14,500 | 11,851 | 81.73% |
| Telephone | 1,300 | 904 | 69.57% |
| Airport Annual Event | 0 | 0 | 0.00% |
| Liability Insurance | 8,500 | 9,426 | 110.89% |
| Indirect costs | 50,000 | 46,496 | 92.99% |
| Equipment Purchase | 0 | 0 | 0.00% |
| Airport Improvements | 0 | 0 | 0.00% |
| Subtotal maintenance and operations | 297,660 | 264,113 | 88.73% |
| Capital improvements - hangars | 0 | 0 | 0.00% |
| Total expenditures | 297,660 | 264,113 | 88.73% |
| Excess (deficiency) of revenues over (under) expenditures | 42,310 | 71,075 | |
| Other financing sources (uses): | | | |
| Operating transfers in | 15,740 | 11,805 | 0.00% |
| Proceeds from lease purchase | 0 | 0 | 0.00% |
| Capital leases | 0 | 0 | 0.00% |
| Transfers out | (58,050) | 0 | 0.00% |
| Total other financing sources (uses) | (42,310) | 11,805 | 0.00% |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | 0 | 82,880 | |
| Fund balance, July 1, 2016 (audited) | | 0 | |
| Estimated fund balance @ June 30, 2017 | | \$82,880 | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Sewer Consolidated - 51

| | Adopted | | |
|-------------------------------------|-----------|-----------|---------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| Taxes | \$0 | \$0 | 0.00% |
| Charges for services | 3,167,365 | 1,942,710 | 61.34% |
| Uses of monies & properties | 100 | 523 | 523.43% |
| Miscellaneous revenues | 0 | 0 | 0.00% |
| Total revenues | 3,167,465 | 1,943,233 | 61.35% |
| Expenditures: | | | |
| Operating: | | | |
| Salaries | 461,680 | 331,039 | 71.70% |
| Temporary Employees | 0 | 0 | 0.00% |
| Overtime | 50,600 | 38,650 | 76.38% |
| Holiday pay | 1,500 | 1,779 | 118.59% |
| Social security | 31,860 | 22,783 | 71.51% |
| Medicare tax | 7,450 | 5,328 | 71.52% |
| AZ state retirement | 58,980 | 42,410 | 71.91% |
| Health & life insurance | 97,500 | 78,353 | 0.00% |
| Worker's compensation | 14,200 | 10,490 | 73.87% |
| ASRS Pension Expense | 5,200 | 0 | 0.00% |
| Clothing allowance | 1,500 | 1,410 | 94.02% |
| Operational supplies | 25,000 | 11,763 | 47.05% |
| Tools | 1,600 | 447 | 27.91% |
| Gas & oil | 10,000 | 6,047 | 60.47% |
| Chlorine | 3,500 | 2,389 | 68.26% |
| Polymer | 16,700 | 21,088 | 0.00% |
| Odor control supplies | 0 | 0 | 0.00% |
| Office supplies | 2,650 | 2,469 | 93.17% |
| Copier Supplies | 0 | 0 | 0.00% |
| Vehicle maintenance | 6,000 | 2,164 | 36.06% |
| Equipment maintenance | 200,000 | 149,175 | 0.00% |
| Building maintenance | 1,000 | 346 | 0.00% |
| Contractual services | 60,000 | 52,976 | 88.29% |
| Bank Charges | 0 | 494 | 0.00% |
| Employee physicals | 660 | 79 | 0.00% |
| Computer support | 4,300 | 2,841 | 66.06% |
| General Counsel | 0 | 0 | 0.00% |
| Lab / testing | 45,000 | 33,878 | 75.28% |
| Sludge disposal | 92,700 | 73,134 | 0.00% |
| Legal Advertising | 50 | 0 | 0.00% |
| Printing & forms | 0 | 162 | 0.00% |
| Utilities | 356,500 | 284,525 | 79.81% |
| Telephone | 4,000 | 3,751 | 93.77% |
| ADEQ annual fee | 16,500 | 27,991 | 169.64% |
| Travel & training | 2,000 | 2,109 | 105.44% |
| Continuing education | 0 | 0 | 0.00% |
| Equipment rental | 0 | 0 | 0.00% |
| Subscriptions & dues | 0 | 980 | 0.00% |
| Postage & freight | 14,500 | 11,167 | 77.01% |
| Liability insurance | 37,770 | 30,182 | 79.91% |
| Indirect costs to general fund | 200,000 | 201,175 | 0.00% |
| Bad debt expense | 0 | 0 | 0.00% |
| Reserve replacement fund | 0 | 0 | 0.00% |
| Subtotal maintenance and operations | 1,830,900 | 1,453,573 | 79.39% |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Sewer Consolidated - 51 (page 2)

| | Adopted | | |
|--|----------------|---------------|---------------|
| | Budget | Y-T-D | % Used |
| Capital Outlay: | 11,855,525 | 5,005,487 | 42.22% |
| Total Expenditures | 13,686,425 | 6,459,060 | 47.19% |
| Excess (deficiency) of revenues over (under) expenditures | (10,518,960) | (4,515,827) | |
| Other Financing Sources (Uses): | | | |
| Operating transfers in | 11,500,000 | 0 | 0.00% |
| Proceeds from bonds / loans | 0 | 0 | 0.00% |
| Capital leases | 0 | 0 | 0.00% |
| Transfers out | 0 | 0 | 0.00% |
| Total other financing sources (uses) | 11,500,000 | 0 | 0.00% |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income | \$981,040 | (\$4,515,827) | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

**Sewer Construction
& Administration - 51**

| | Adopted | | |
|-------------------------------------|-----------|-----------|---------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| City sales tax | \$0 | \$0 | 0.00% |
| Impact fees | 0 | 0 | 0.00% |
| Connection fees | 200 | 315 | 0.00% |
| User fees - admin residential | 478,000 | 250,967 | 52.50% |
| User fees - admin commercial | 46,620 | 33,743 | 72.38% |
| User fees - admin multi-residential | 122,000 | 92,759 | 76.03% |
| User fees - M&O residential | 1,200,380 | 667,821 | 55.63% |
| User fees - M&O multi-residential | 575,890 | 344,550 | 59.83% |
| User fees - M&O commercial | 316,860 | 246,272 | 77.72% |
| Effluent Revenue | 10,000 | 9,887 | 98.87% |
| Reserves - | 322,375 | 222,541 | 69.03% |
| Debt Services Rate Revenue | 95,040 | 73,856 | 77.71% |
| Late fees - interest charges | 0 | 0 | 0.00% |
| Recovery of bad debts | 0 | 0 | 0.00% |
| Interest income | 100 | 523 | 523.43% |
| Interest - equipment reserve | 0 | 0 | 0.00% |
| Interest - expansion fund | 0 | 0 | 0.00% |
| Interest - bond reserve fund | 0 | 0 | 0.00% |
| Building Rental | 0 | 0 | 0.00% |
| Other income | 0 | 0 | 0.00% |
| Sale of City Property | 0 | 0 | 0.00% |
| Tap fees | 0 | 0 | 0.00% |
| Total revenues | 3,167,465 | 1,943,233 | 61.35% |
| Expenditures: | | | |
| Administration | | | |
| Salaries | 117,720 | 87,106 | 73.99% |
| Temp Employees | | 0 | 0.00% |
| Overtime and Holiday Pay | 600 | 333 | 55.42% |
| Social security | 7,340 | 5,357 | 72.99% |
| Medicare tax | 1,720 | 1,253 | 72.83% |
| AZ state retirement | 13,580 | 10,027 | 73.84% |
| Health & life insurance | 24,300 | 20,454 | 84.17% |
| Worker's compensation | 970 | 138 | 14.23% |
| ASRS Pension Expense | 5,200 | 0 | 0.00% |
| Office supplies | 750 | 1,065 | 142.06% |
| Copier Supplies | 0 | 0 | 0.00% |
| Equipment maintenance | 0 | 0 | 0.00% |
| Contractual Services | 15,000 | 6,170 | 41.14% |
| Bank charges | 0 | 494 | 0.00% |
| Computer support | 3,500 | 2,249 | 64.26% |
| General Counsel | 0 | 0 | 0.00% |
| Legal advertising | 50 | 0 | 0.00% |
| Printing & forms | 0 | 162 | 0.00% |
| Utilities | 4,500 | 2,744 | 60.98% |
| Telephone | 1,500 | 1,632 | 108.81% |
| Travel & training | 0 | 337 | 0.00% |
| Continuing education | 0 | 0 | 0.00% |
| Subscriptions & dues | 0 | 0 | 0.00% |
| Postage & freight | 10,000 | 11,057 | 110.57% |
| Liability insurance | 13,500 | 5,030 | 37.26% |
| Indirect costs to general fund | 200,000 | 201,175 | 100.59% |
| Bad debt expense | 0 | 0 | 0.00% |
| Subtotal maintenance and operations | 420,230 | 356,784 | 84.90% |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

**Sewer Construction
& Administration - 51 (page 2)**

| | Adopted | | |
|---|----------------|--------------|---------------|
| | Budget | Y-T-D | % Used |
| Capital outlay | 38,000 | 11,034 | 0.00% |
| Construction: | | | |
| Bond Issuance Costs | 0 | 0 | 0.00% |
| Water/Waste Water Master Plan | 28,900 | 22,273 | 77.07% |
| Legal fees | 0 | 0 | 0.00% |
| Legal Advertising | 0 | 0 | 0.00% |
| Investment Expense | 795 | 940 | 118.22% |
| Impact Fee Study | 0 | 0 | 0.00% |
| 260 Design | 0 | 0 | 0.00% |
| Riverfront WWTP Deisng/Feasib | 9,500,000 | 4,401,105 | 46.33% |
| Effluent Disposal System | 0 | 0 | 0.00% |
| Lift Station | 300,000 | 0 | 0.00% |
| Recl H2O Pump System Upgrade | 75,000 | 5,855 | 7.81% |
| Construction - General | 1,458,495 | 373,964 | 25.64% |
| WWTP Upgrades | 241,000 | 1,250 | 0.52% |
| 12th Street Fir 89A Reclamation | 0 | 0 | 0.00% |
| Subtotal construction expenses | 11,604,190 | 4,805,387 | 41.41% |
| Total Expenditures | 12,062,420 | 5,173,204 | 42.89% |
| Excess (deficiency) of revenues over (under) expenditures | (8,894,955) | (3,229,971) | |
| Other Financing Sources (Uses): | | | |
| Operating transfers in | 0 | 0 | 0.00% |
| Proceeds from other sources | 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 | (8,894,955) | (3,229,971) | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Sewer Maintenance & Operations- 51

| Adopted | | |
|---------|-------|--------|
| Budget | Y-T-D | % Used |

Expenditures:

Operating:

| | | | |
|--|------------------|------------------|---------------|
| Salaries | 343,960 | 243,934 | 70.92% |
| Temporary Employees | 0 | 0 | 0.00% |
| Overtime | 50,000 | 38,318 | 76.64% |
| Holiday pay | 1,500 | 1,779 | 118.59% |
| Social security | 24,520 | 17,426 | 71.07% |
| Medicare tax | 5,730 | 4,076 | 71.13% |
| AZ state retirement | 45,400 | 32,383 | 71.33% |
| Health & life insurance | 73,200 | 57,899 | 79.10% |
| Worker's compensation | 13,230 | 10,352 | 78.25% |
| Clothing allowance | 1,500 | 1,410 | 94.02% |
| Operational supplies | 25,000 | 11,763 | 47.05% |
| Tools | 1,600 | 447 | 27.91% |
| Gas & oil | 10,000 | 6,047 | 60.47% |
| Chlorine | 3,500 | 2,389 | 68.26% |
| Polymer | 16,700 | 21,088 | 126.28% |
| Odor control supplies | 0 | 0 | 0.00% |
| Office supplies | 1,900 | 1,403 | 73.86% |
| Copier supplies | 0 | 0 | 0.00% |
| Vehicle maintenance | 6,000 | 2,164 | 36.06% |
| Equipment maintenance | 200,000 | 149,175 | 74.59% |
| Building maintenance | 1,000 | 346 | 34.58% |
| Contractual services | 45,000 | 46,806 | 104.01% |
| Employee physicals | 660 | 79 | 11.97% |
| Computer support | 800 | 592 | 73.95% |
| Lab / testing | 45,000 | 33,878 | 75.28% |
| Sludge disposal | 92,700 | 73,134 | 78.89% |
| Legal advertising | 0 | 0 | 0.00% |
| Utilities | 352,000 | 281,781 | 80.05% |
| Telephone | 2,500 | 2,119 | 84.74% |
| ADEQ annual fee | 16,500 | 27,991 | 169.64% |
| Travel & training | 2,000 | 1,772 | 88.60% |
| Continuing education | 0 | 0 | 0.00% |
| Equipment rental | 0 | 0 | 0.00% |
| Subscriptions & dues | 0 | 980 | 0.00% |
| Postage & freight | 4,500 | 109 | 2.43% |
| Liability insurance | 24,270 | 25,152 | 103.63% |
| Subtotal maintenance and operations | 1,410,670 | 1,096,789 | 77.75% |

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending March 31, 2017

Sewer Maintenance & Operations- 51
 (page 2)

| | Adopted | | |
|---|-----------|-----------|--------|
| | Budget | Y-T-D | % Used |
| Capital Outlay: | 24,800 | 0 | 0.00% |
| Debt Service: | | | |
| Principal | 94,740 | 70,346 | 74.25% |
| Interest | 93,795 | 118,421 | 0.00% |
| Trustee Fees | 0 | 300 | 0.00% |
| Total Expenditures | 213,335 | 189,067 | 88.62% |
| Excess (deficiency) of revenues over (under) expenditures | (213,335) | (189,067) | |
| 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 | (213,335) | (189,067) | |

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending March 31, 2017

Grants - 11 & 12

| | Adopted | | |
|---|----------------|--------------|---------------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| Intergovernmental revenue | \$2,056,100 | \$914,142 | 44.46% |
| Other Income | 5 | 3 | 0.00% |
| Total revenues | 2,056,105 | 914,145 | 44.46% |
| Expenditures: | | | |
| Capital Outlay: | 2,114,155 | 1,045,766 | 49.46% |
| Total Expenditures | 2,114,155 | 1,045,766 | 49.46% |
| Excess (deficiency) of revenues over (under) expenditures | (58,050) | (131,620) | |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In | 58,050 | 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) | 58,050 | 0 | 0.00% |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | 78,624 | (131,620) | |
| Fund balance, July 1, 2016 (audited) | | 71,503 | |
| Estimated fund balance @ June 30, 2017 | | (\$60,117) | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Alt. Firefighter's Pension - 70

| | Adopted | | |
|---|---------|-----------|---------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| Contributions | \$0 | \$0 | 0.00% |
| Uses of monies & properties | 0 | 20,980 | 0.00% |
| Total revenues | 0 | 20,980 | 0.00% |
| Expenditures: | | | |
| Benefits | 3,600 | 1,800 | 50.00% |
| Administration | 1,810 | 3,138 | 173.36% |
| Total Expenditures | 5,410 | 4,938 | 91.27% |
| Excess (deficiency) of revenues over (under) expenditures | (5,410) | 16,043 | |
| 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 | (5,410) | 16,043 | |
| Fund balance, July 1, 2016 (audited) | | 145,602 | |
| Estimated fund balance @ June 30, 2017 | | \$161,645 | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Employee Benefit Trust - 60

| | Adopted | | |
|---|---------|----------|--------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| Contributions | \$0 | \$0 | 0.00% |
| Reinsurance reimbursements | 0 | 0 | 0.00% |
| Miscellaneous revenues | 700 | 1 | 0.08% |
| Total revenues | 700 | 1 | 0.00% |
| Expenditures: | | | |
| Premiums | 0 | 0 | 0.00% |
| Benefits | 0 | 0 | 0.00% |
| Miscellaneous | 2,000 | 0 | 0.00% |
| Total Expenditures | 2,000 | 0 | 0.00% |
| Excess (deficiency) of revenues over (under) expenditures | (1,300) | 1 | |
| 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 | (1,300) | 1 | |
| Fund balance, July 1, 2015 (audited) | | 66,226 | |
| Estimated fund balance @ June 30, 2017 | | \$66,227 | |

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Quarterly Report Ending March 31, 2017

Capital Projects - 30

| | Adopted Budget | Y-T-D | % Used |
|---|---------------------------|--------------|---------------|
| Capital outlay: | | | |
| Investment Expenses | 9,000 | 7,737 | 85.97% |
| Kids Park Restroom | 240,730 | 180,899 | 75.15% |
| Garrison Park Restroom | 240,730 | 226,270 | 93.99% |
| Civic Center HVAC | 132,000 | 5,337 | 4.04% |
| Riverfront Park Restroom | 140,730 | 91,276 | 64.86% |
| Railroad Wash Improvements | 350,000 | 95,685 | 27.34% |
| Total Expenditures | 1,113,190 | 607,204 | 54.55% |
| Excess (deficiency) of revenues over (under) expenditures | (389,230) | (517,147) | |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In | 2,682,830 | 0 | 0.00% |
| Transfers Out | (11,500,000) | 0 | 0.00% |
| Total other financing sources (uses) | (8,817,170) | 0 | 0.00% |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | (9,206,400) | (517,147) | |
| Fund balance, July 1, 2015 (audited) | | 10,528,437 | |
| Estimated fund balance @ June 30, 2017 | | \$10,011,290 | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Debt Service - 20

| | Adopted Budget | Y-T-D | % Used |
|---|---------------------------|---------------------|---------------|
| Revenues: | | | |
| Taxes | \$1,539,955 | \$1,339,216 | 86.96% |
| Uses of monies & properties | 280 | 952 | 340.03% |
| Total revenues | 1,540,235 | 1,340,168 | 87.01% |
| Expenditures: | | | |
| Trustee fees | 360 | 261,247 | 0.00% |
| Rodeo Drive Reimbursement | 0 | 0 | 0.00% |
| Debt service: | | 0 | |
| Interest | 594,875 | 703,054 | 118.19% |
| Principal | 945,000 | 891,234 | 94.31% |
| Total Expenditures | 1,540,235 | 1,855,535 | 120.47% |
| Excess (deficiency) of revenues over (under) expenditures | 0 | (515,367) | |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In | 0 | 0 | 0.00% |
| Proceeds from Bonds | 0 | 13,874,485 | 0.00% |
| Capital Leases | 0 | 0 | 0.00% |
| Transfers Out | 0 | 0 | 0.00% |
| Total other financing sources (uses) | 0 | 13,874,485 | 0.00% |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | 0 | 13,359,117 | |
| Fund balance, July 1, 2065 (audited) | | 1,211,534 | |
| Estimated fund balance @ June 30, 2017 | | \$14,570,651 | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Water Consolidated - 50

| | Adopted | | |
|-------------------------------------|-----------|-----------|----------|
| | Budget | Y-T-D | % Used |
| Revenues: Note 1 | | | |
| Taxes | \$0 | \$0 | 0.00% |
| Charges for services | 8,312,800 | 5,629,121 | 67.72% |
| Uses of monies & properties | 15,825 | 364,524 | 2303.47% |
| Miscellaneous revenues | 18,400 | 11,650 | 63.31% |
| Total revenues | 8,347,025 | 6,005,294 | 71.95% |
| Expenditures: | | | |
| Operating: | | | |
| Salaries | 824,200 | 587,358 | 71.26% |
| Temporary Employees | 0 | 0 | 0.00% |
| Overtime | 105,000 | 72,185 | 68.75% |
| Holiday pay | 2,500 | 3,638 | 145.53% |
| Social security | 57,770 | 40,126 | 69.46% |
| Medicare tax | 13,510 | 9,384 | 69.46% |
| AZ state retirement | 106,960 | 76,101 | 71.15% |
| Health & life insurance | 181,100 | 145,668 | 80.44% |
| Worker's compensation | 29,060 | 27,423 | 94.37% |
| Clothing allowance | 5,500 | 2,760 | 50.18% |
| Operational supplies | 22,000 | 28,960 | 131.64% |
| Tools | 3,500 | 4,716 | 134.73% |
| Gas & oil | 45,000 | 18,383 | 40.85% |
| Chlorine | 60,000 | 14,582 | 24.30% |
| Office supplies | 6,000 | 4,115 | 68.58% |
| Copier Supplies | 0 | 0 | 0.00% |
| Vehicle maintenance | 15,000 | 23,010 | 153.40% |
| Equipment maintenance | 180,700 | 168,464 | 93.23% |
| Building maintenance | 4,000 | 3,678 | 91.95% |
| Arsenic System Maintenance | 400,000 | 62,727 | 15.68% |
| Contractual services | 160,000 | 103,142 | 64.46% |
| Bank Charges | 0 | 32,576 | 0.00% |
| Employee physicals | 1,000 | 309 | 30.90% |
| Computer support | 10,400 | 6,169 | 59.32% |
| General Counsel | 0 | 0 | 0.00% |
| Contractual SVCS-M&O | 0 | 6,723 | 0.00% |
| Lab / testing | 28,000 | 4,002 | 14.29% |
| Public Relations | 0 | 0 | 0.00% |
| Legal Advertising | 250 | 122 | 48.68% |
| Printing & forms | 6,500 | 2,076 | 31.94% |
| Auction Fees | 0 | 100 | 0.00% |
| Utilities | 388,500 | 299,939 | 77.20% |
| Telephone | 13,650 | 10,320 | 75.61% |
| ADEQ annual fee | 26,000 | 25,257 | 97.14% |
| Payment Assistance Program | 12,000 | 0 | 0.00% |
| Aid In Lieu of Construction | 100,000 | 14,936 | 14.94% |
| Verde River Days | 1,000 | 0 | 0.00% |
| Travel & training | 4,500 | 3,648 | 81.07% |
| Continuing education | 0 | 0 | 0.00% |
| Equipment rental | 1,000 | 0 | 0.00% |
| Subscriptions & dues | 2,500 | 2,087 | 83.50% |
| Postage & freight | 40,750 | 23,923 | 58.71% |
| Liability insurance | 68,800 | 65,395 | 95.05% |
| Liability Insurance Deductible | 0 | 0 | 0.00% |
| Indirect costs to general fund | 450,000 | 277,646 | 61.70% |
| Bad debt expense | 0 | 0 | 0.00% |
| Lease Purchase Principal & Interest | 27,370 | 30,398 | 111.06% |
| Trust Land Annexation | 0 | 0 | 0.00% |
| Reserve Resource Development | 3,700,950 | 41,506 | 1.12% |
| Reserve Water Advisory | 261,850 | 3,479 | 1.33% |
| Reserve Adjudication | 31,850 | 44,383 | 139.35% |
| Reserve Water Conservation | 169,710 | 21,120 | 12.44% |
| Subtotal maintenance and operations | 7,568,380 | 2,312,532 | 30.56% |

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending March 31, 2017

Water Consolidated - 50 (page 2)

| | Adopted | | |
|--|-----------------------------|---------------------------|----------------|
| | Budget | Y-T-D | % Used |
| Debt Service | 1,973,920 | 1,403,557 | 71.11% |
| Capital Outlay: | 5,401,860 | 547,298 | 10.13% |
| Total Expenditures | <u>14,944,160</u> | <u>4,263,387</u> | <u>28.53%</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(6,597,135)</u> | <u>1,741,907</u> | <u>-26.40%</u> |
| Other Financing Sources (Uses): | | | |
| Operating transfers in | 0 | 0 | 0.00% |
| Proceeds from bonds / loans | 800,000 | 0 | 0.00% |
| Capital leases | 0 | 0 | 0.00% |
| Transfers out | 0 | 0 | 0.00% |
| Total other financing sources (uses) | <u>800,000</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>(\$5,797,135)</u></u> | <u><u>\$1,741,907</u></u> | |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

**Water Construction
& Administration - 50**

| | Adopted | | |
|-------------------------------|-----------|-----------|----------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| Impact Fees | 0 | 0 | 0.00% |
| User fees | 7,450,000 | 4,998,132 | 67.09% |
| Meter Installation | 30,300 | 19,850 | 65.51% |
| Service Turn Ons | 95,190 | 62,418 | 65.57% |
| Drought Water Shortage PP | 0 | 0 | 0.00% |
| Res-Resource Development Fees | 463,000 | 352,649 | 76.17% |
| Res-Water Advisory Committee | 37,600 | 28,571 | 75.99% |
| Res-Adjudication | 47,200 | 35,914 | 76.09% |
| Res-Water Conservation | 28,950 | 22,042 | 76.14% |
| Recapture Agreements | 0 | 0 | 0.00% |
| Reimbursement Clarkdale | 0 | 0 | 0.00% |
| Collection fees/late fees | 160,560 | 109,544 | 68.23% |
| Interest income | 6,600 | 355,353 | 5384.14% |
| Building Rental | 9,225 | 5,720 | 62.01% |
| Other income | 18,400 | 11,650 | 63.31% |
| Sale of City Property | 0 | 3,451 | 0.00% |
| City sales tax | 0 | 0 | 0.00% |
| Total revenues | 8,347,025 | 6,005,294 | 71.95% |

Expenditures:

| | | | |
|-------------------------------------|-----------|---------|---------|
| Administration | | | |
| Salaries | 159,910 | 110,578 | 69.15% |
| Overtime and Holiday Pay | 2,000 | 592 | 29.59% |
| Social security | 10,040 | 6,831 | 68.04% |
| Temp Employees | 0 | 0 | 0.00% |
| Medicare tax | 2,350 | 1,598 | 67.99% |
| AZ state retirement | 18,590 | 12,741 | 68.54% |
| Health & life insurance | 35,000 | 26,973 | 77.07% |
| Worker's compensation | 1,090 | 255 | 23.39% |
| Office supplies | 2,000 | 2,315 | 115.74% |
| Copier Supplies | 0 | 0 | 0.00% |
| Equipment maintenance | 5,700 | 0 | 0.00% |
| Contractual Services | 85,000 | 61,351 | 72.18% |
| Bank charges | 0 | 32,576 | 0.00% |
| Public Relations | 0 | 0 | 0.00% |
| Computer support | 6,600 | 4,189 | 63.47% |
| General Counsel | 0 | 0 | 0.00% |
| Legal advertising | 250 | 122 | 48.68% |
| Printing & forms | 6,500 | 2,076 | 31.94% |
| Utilities | 22,600 | 35,725 | 158.07% |
| Telephone | 3,650 | 2,580 | 70.68% |
| Payment Assistance Program | 12,000 | 0 | 0.00% |
| Travel & training | 0 | 60 | 0.00% |
| Continuing education | 0 | 0 | 0.00% |
| Subscriptions & dues | 0 | 0 | 0.00% |
| Postage & freight | 40,000 | 23,792 | 59.48% |
| Liability insurance | 29,000 | 15,092 | 52.04% |
| Indirect costs to general fund | 450,000 | 277,646 | 61.70% |
| Bad debt expense | 0 | 0 | 0.00% |
| Trust Land Annexation | 0 | 0 | 0.00% |
| Reserve Resource Development | 3,700,950 | 41,506 | 1.12% |
| Reserve Water Advisory | 261,850 | 3,479 | 1.33% |
| Reserve Adjudication | 31,850 | 44,383 | 139.35% |
| Reserve Water Conservation | 169,710 | 21,120 | 12.44% |
| Growth Premium | 0 | 0 | 0.00% |
| Water System Evaluation | 0 | 0 | 0.00% |
| Verde River Basin Partnership | 0 | 0 | 0.00% |
| Unrestricted Reserve | 0 | 0 | 0.00% |
| Subtotal maintenance and operations | 5,056,640 | 727,578 | 14.39% |

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending March 31, 2017

**Water Construction
 & Administration - 50(page 2)**

| | Adopted | | |
|--------------------------------------|----------------|--------------|---------------|
| | Budget | Y-T-D | % Used |
| Capital outlay | 28,980 | 31,510 | 108.73% |
| Construction: | | | |
| Legal Advertising | 0 | 0 | 0.00% |
| Investment Expense | 2,080 | 4,801 | 230.83% |
| Water/Waste Water Master Plan | 28,900 | 29,886 | 103.41% |
| Aresinic Mitigation | 500,000 | 0 | 0.00% |
| Bonding Expense | 0 | 0 | 0.00% |
| Line Replacement | 210,000 | 5,810 | 0.00% |
| Aid in Lieu of Construction | 0 | 0 | 0.00% |
| Fire Hydrant Improvements | 350,000 | 25,455 | 7.27% |
| HWY 260 H2O System Upgrades | 2,000,000 | 0 | 0.00% |
| Well Booster Station | 150,000 | 0 | 0.00% |
| Well Improvements | 275,000 | 109,847 | 39.94% |
| 12th St 89A to Fir | 0 | 0 | 0.00% |
| W Mingus Reconstruction/Sys Upgrades | 1,055,900 | 0 | 0.00% |
| Water System Upgrades | 160,000 | 38,925 | 24.33% |
| Line Extensions | 250,000 | 0 | 0.00% |
| Impact Fee Study | 0 | 0 | 0.00% |
| Subtotal construction expenses | 4,981,880 | 214,724 | 4.31% |
| Total Expenditures | 10,067,500 | 973,813 | 9.67% |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Water Maintenance & Operations- 50

| Adopted Budget | Y-T-D | % Used |
|-------------------|-------|--------|
|-------------------|-------|--------|

Expenditures:

Operating:

| | | | |
|-------------------------------------|-----------|-----------|---------|
| Salaries | 664,290 | 476,780 | 71.77% |
| Overtime | 103,000 | 71,593 | 69.51% |
| Holiday pay | 2,500 | 3,638 | 145.53% |
| Social security | 47,730 | 33,294 | 69.76% |
| Medicare tax | 11,160 | 7,787 | 69.77% |
| AZ state retirement | 88,370 | 63,360 | 71.70% |
| Health & life insurance | 146,100 | 118,695 | 81.24% |
| Worker's compensation | 27,970 | 27,168 | 97.13% |
| Clothing allowance | 5,500 | 2,760 | 50.18% |
| Operational supplies | 22,000 | 28,960 | 131.64% |
| Tools | 3,500 | 4,716 | 134.73% |
| Gas & oil | 45,000 | 18,383 | 40.85% |
| Chemicals | 60,000 | 14,582 | 24.30% |
| Office supplies | 4,000 | 1,800 | 45.01% |
| Vehicle maintenance | 15,000 | 23,010 | 153.40% |
| Equipment maintenance | 175,000 | 168,464 | 96.26% |
| Building maintenance | 4,000 | 3,678 | 91.95% |
| Arsenic System Maintenance | 400,000 | 62,727 | 15.68% |
| Contractual services | 75,000 | 41,791 | 55.72% |
| Employee physicals | 1,000 | 309 | 30.90% |
| Computer support | 3,800 | 1,980 | 52.10% |
| Contractual SVCS-M&O | 0 | 6,723 | 0.00% |
| Lab / testing | 28,000 | 4,002 | 14.29% |
| Legal advertising | 0 | 0 | 0.00% |
| Auction Fees | 0 | 100 | 0.00% |
| Utilities | 365,900 | 264,214 | 72.21% |
| Telephone | 10,000 | 7,740 | 77.40% |
| ADEQ annual fee | 26,000 | 25,257 | 97.14% |
| Aid in Lieu of Construction | 100,000 | 14,936 | 14.94% |
| Verde River Days | 1,000 | 0 | 0.00% |
| Travel & training | 4,500 | 3,588 | 79.74% |
| Continuing education | 0 | 0 | 0.00% |
| Equipment rental | 1,000 | 0 | 0.00% |
| Subscriptions & dues | 2,500 | 2,087 | 83.50% |
| Postage & freight | 750 | 131 | 17.48% |
| Liability insurance | 39,800 | 50,303 | 126.39% |
| Liability Insurance Deductible | 0 | 0 | 0.00% |
| Lease Purchase Interest | 18,030 | 21,154 | 117.33% |
| Lease Purchase Principal | 9,340 | 9,245 | 98.98% |
| Subtotal maintenance and operations | 2,511,740 | 1,584,954 | 63.10% |

2,902,740

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending March 31, 2017

Water Debt Service - 50

| | Adopted | | |
|---|-------------|-----------|--------|
| | Budget | Y-T-D | % Used |
| Revenues: | | | |
| Use of monies & properties | 0 | 0 | 0.00% |
| Other Income | 0 | 0 | 0.00% |
| Intergovernmental revenue | 0 | 0 | 0.00% |
| Total Revenues | 0 | 0 | 0.00% |
| Debt Service: | | | |
| Principal | 1,197,170 | 996,740 | 83.26% |
| Interest | 574,750 | 404,268 | 0.00% |
| Trustee Fees | 202,000 | 2,550 | 1.26% |
| Capital Outlay: | 391,000 | 301,063 | 77.00% |
| Total Expenditures | 4,876,660 | 3,289,575 | 67.46% |
| Excess (deficiency) of revenues over (under) expenditures | 4,876,660 | 2,715,719 | |
| Other Financing Sources (Uses): | | | |
| Operating transfers in | 0 | 0 | 0.00% |
| Proceeds from bonds | 800,000 | 0 | 0.00% |
| Capital leases | 0 | 0 | 0.00% |
| Transfers out | 0 | 0 | 0.00% |
| Total other financing sources (uses) | 800,000 | 0 | 0.00% |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | (5,797,135) | 1,741,907 | |