

FY 2020 2nd Quarter Financial Report



"Inspiring a Vibrant Community"

City of Cottonwood



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City of Cottonwood
Fiscal Year 2020 – 2nd Quarter
For The Period Ending December 31, 2019

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EXECUTIVE SUMMARY

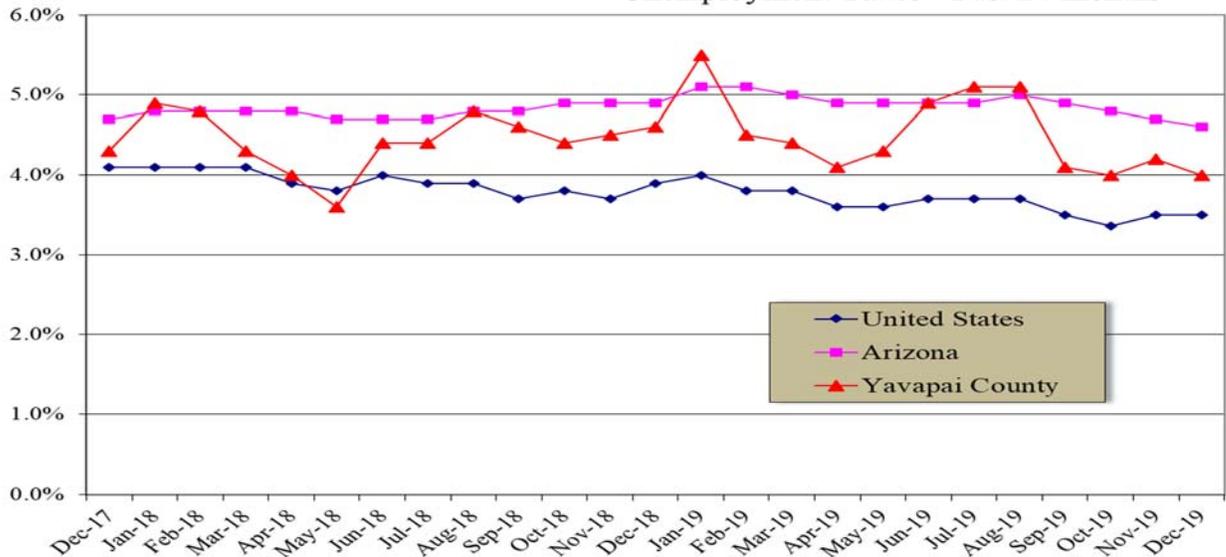
This unaudited quarterly report highlights notable items and issues impacting the City’s overall financial picture. The report includes Cottonwood’s major funds. Those funds being the General Fund, Highway User Revenue Fund (HURF), the two Enterprise Funds, the Capital Improvement Fund, and the Debt Service Fund. All funds are reflected in the attached printout.

¹Unemployment Information:

Yavapai unemployment numbers are currently trending lower than the state but weaker compared to the overall national numbers. Even though the current unemployment numbers are good, the lower the unemployment rate the more difficult it is to find reasonable employment or qualified help. These lower numbers also play a big factor in some of our overall cost for services. Unfortunately, most available jobs are still mostly minimum wage jobs. As a reminder, the minimum wage in AZ is currently \$11.00/hr. and will be going up to \$12.00/hr. in January 2020.

Monthly	United States	Arizona	Yavapai County
Dec-17	4.1%	4.7%	4.3%
Jan-18	4.1%	4.8%	4.9%
Feb-18	4.1%	4.8%	4.8%
Mar-18	4.1%	4.8%	4.3%
Apr-18	3.9%	4.8%	4.0%
May-18	3.8%	4.7%	3.6%
Jun-18	4.0%	4.7%	4.4%
Jul-18	3.9%	4.7%	4.4%
Aug-18	3.9%	4.8%	4.8%
Sep-18	3.7%	4.8%	4.6%
Oct-18	3.8%	4.9%	4.4%
Nov-18	3.7%	4.9%	4.5%
Dec-18	3.9%	4.9%	4.6%
Jan-19	4.0%	5.1%	5.5%
Feb-19	3.8%	5.1%	4.5%
Mar-19	3.8%	5.0%	4.4%
Apr-19	3.6%	4.9%	4.1%
May-19	3.6%	4.9%	4.3%
Jun-19	3.7%	4.9%	4.9%
Jul-19	3.7%	4.9%	5.1%
Aug-19	3.7%	5.0%	5.1%
Sep-19	3.5%	4.9%	4.1%
Oct-19	3.4%	4.8%	4.0%
Nov-19	3.5%	4.7%	4.2%
Dec-19	3.5%	4.6%	4.0%

Unemployment Rates - Past 24 months



¹ United States <http://data.bls.gov/timeseries/LNS14000000>
 Arizona <http://data.bls.gov/timeseries/LASST0400000000000003>
 Yavapai County <https://research.stlouisfed.org/fred2/series/AZYAVA0URN>

GENERAL FUND

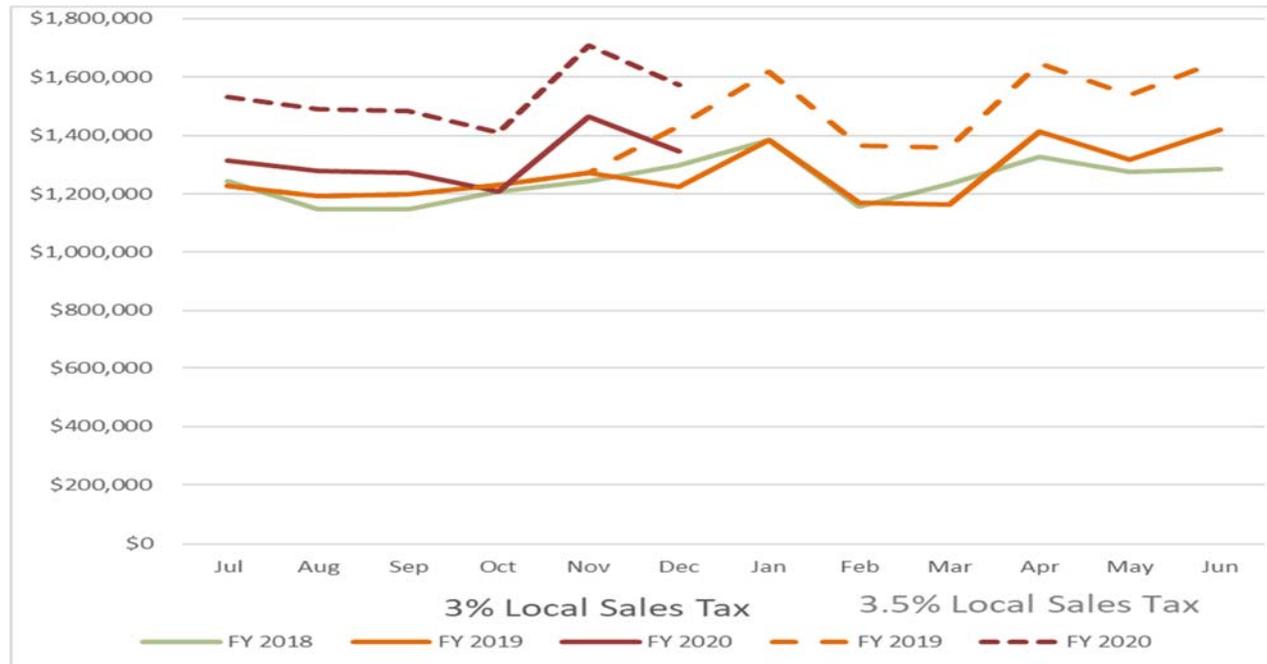
The following tables and graphs reflect the General Fund major revenue sources. All of the information compares monthly collections for similar periods from prior years. The major revenues consist of local sales tax as well as state shared resources.

Local Transaction Privilege Tax (TPT - also known as Sales Tax)

Our local sales tax makes up over 50% of the overall General Fund revenues and is the backstop for all other funds. As of the end of the first quarter we are at 21.8% or \$1.6M over the same period last year. This growth is partially due to the sales tax increase of .5% that happened in November 2018.

	FY 2018		FY 2019			FY 2020				
			3% Sales Tax	.5% Tax	3.5% Total TPT Tax	3%	0.50%	3.50%		
Jul	\$1,243,679	4.37%	\$1,227,250		\$1,227,250	-1.32%	\$1,313,030	\$219,988	\$1,533,018	6.99%
Aug	1,148,785	29.66%	1,192,257		1,192,257	3.78%	1,277,346	214,010	\$1,491,356	7.14%
Sep	1,145,988	15.40%	1,199,596		1,199,596	4.68%	1,272,025	213,118	\$1,485,142	6.04%
Oct	1,206,596	-4.62%	1,229,803		1,229,803	1.92%	1,206,705	202,174	\$1,408,879	-1.88%
Nov	1,244,185	19.89%	1,273,289		1,273,289	2.34%	1,463,345	245,172	\$1,708,517	14.93%
Dec	1,296,857	-17.33%	1,225,661	205,350	1,431,011	10.34%	1,347,153	225,705	\$1,572,859	9.91%
Jan	1,384,508	36.32%	1,384,825	232,017	1,616,842	16.78%				
Feb	1,155,765	32.16%	1,169,491	195,939	1,365,431	18.14%				
Mar	1,233,081	30.43%	1,162,709	194,803	1,357,511	10.09%				
Apr	1,325,004	-16.12%	1,411,805	236,537	1,648,342	24.40%				
May	1,275,937	32.20%	1,316,551	220,578	1,537,129	20.47%				
Jun	1,286,431	4.97%	1,420,085	237,924	1,658,009	28.88%				
	\$14,946,817	10.33%	\$15,213,321	\$1,523,148	\$16,736,469	11.97%	\$7,879,603	\$849,290	\$9,199,770	21.80%

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 tax rate was increased in 2010 by .8% to bring the total up to 3%. The current tax rate is three & one half percent (3.5%) after an increase of .5% this fiscal year to help fund the many needs through to the community.

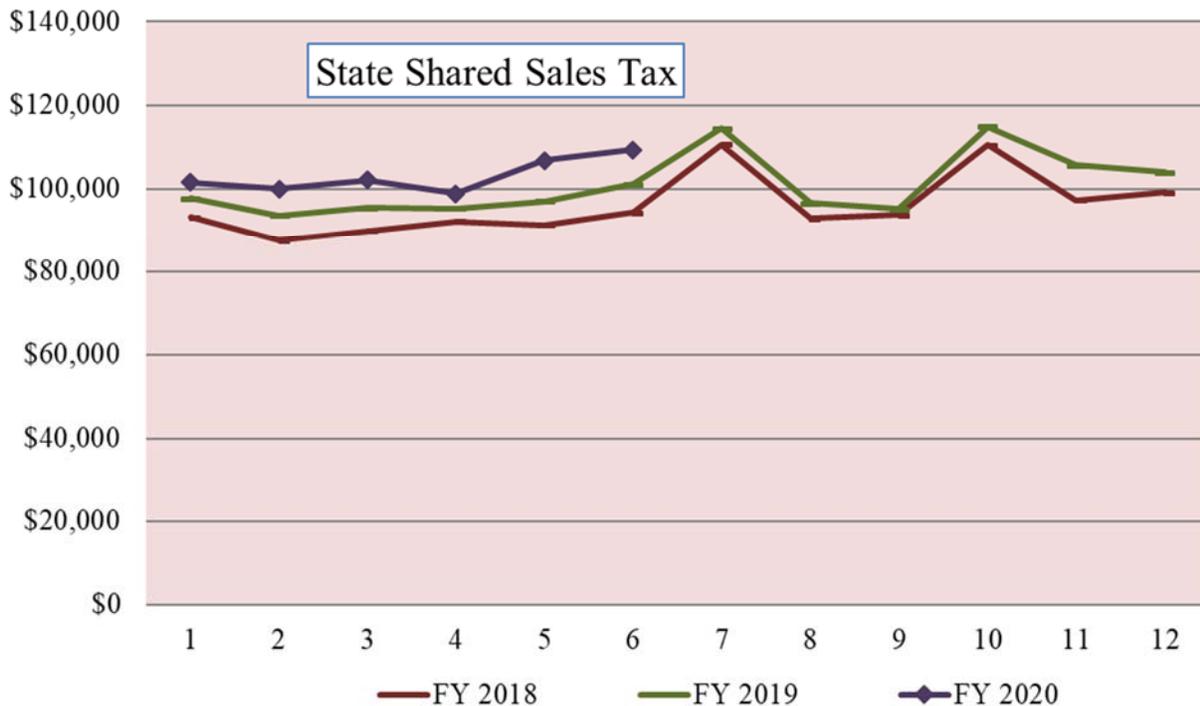


State Shared Sales Tax

This revenue is one of several state shared revenues that the City receives from the state. FY 2018 and FY 2019 were relatively strong years for this state shared revenue. FY 2020 is anticipated to continue that trend.

	FY 2018		FY 2019		FY 2020	
Jul	\$93,165	6.98%	\$97,708	4.88%	\$101,524	3.91%
Aug	87,338	1.40%	93,595	7.16%	99,959	6.80%
Sep	89,857	5.73%	95,331	6.09%	102,170	7.17%
Oct	92,151	7.18%	95,196	3.30%	98,768	3.75%
Nov	91,265	6.53%	96,964	6.24%	106,748	10.09%
Dec	94,223	6.54%	101,166	7.37%	109,397	8.14%
Jan	110,597	4.83%	114,576	3.60%		
Feb	92,819	9.39%	96,599	4.07%		
Mar	93,622	7.71%	95,064	1.54%		
Apr	110,581	10.64%	114,954	3.95%		
May	97,208	4.16%	105,722	8.76%		
Jun	99,161	5.27%	103,955	4.83%		
	\$1,151,987	6.37%	\$1,210,830	5.11%	\$618,565	6.66%

As a reminder, it took over nine years to recover and surpass our 2007 State Shared Sales Tax numbers. This revenue is 6.66% or \$38,605 over last year at this same time.



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.

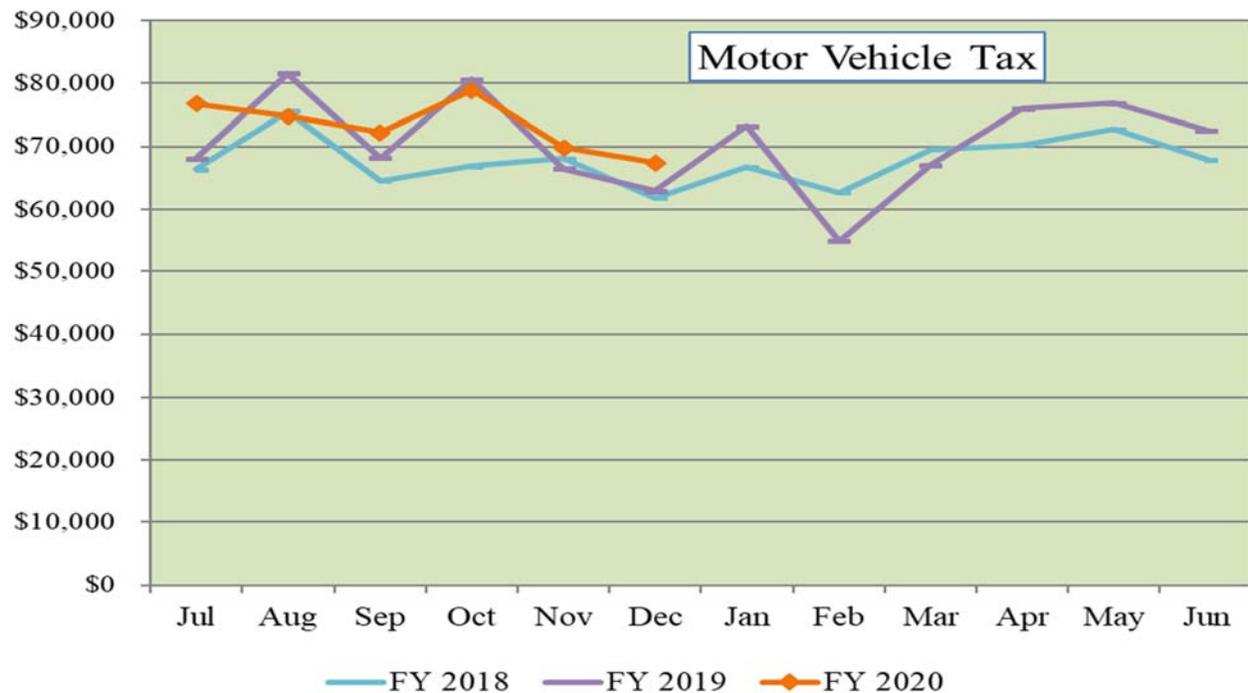
Motor Vehicle Tax

The Motor Vehicle Tax seems to have settled down from FY 2015 where every month was a wild guess where that number would end up. This revenue source has seen some improvements over the past three years with a steady 6%+ growth from year to year.

At the end of the first quarter of FY 2020 we are 2.81% or \$12,021 over last fiscal year at the same time. Our local dealerships have strongly supported our local economy, particularly during the long and deep economic downturn.

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.

	FY 2018		FY 2019		FY 2020	
Jul	\$66,387	4.38%	\$68,098	2.58%	\$76,743	12.69%
Aug	75,539	15.71%	81,549	7.96%	74,763	-8.32%
Sep	64,625	6.13%	68,232	5.58%	72,190	5.80%
Oct	66,875	7.05%	80,647	20.59%	78,948	-2.11%
Nov	68,117	12.25%	66,448	-2.45%	69,853	5.12%
Dec	61,815	11.80%	62,936	1.81%	67,435	7.15%
Jan	66,733	7.70%	73,273	9.80%		
Feb	62,666	0.13%	54,901	-12.39%		
Mar	69,586	2.89%	67,093	-3.58%		
Apr	70,281	9.50%	76,000	8.14%		
May	72,776	5.43%	76,872	5.63%		
Jun	67,963	5.12%	72,529	6.72%		
	\$813,363	7.27%	\$848,578	4.33%	\$439,932	2.81%



General Fund – Revenues vs Expenditures

Our General fund revenues are currently trending at 42.45% of the budgeted amount and half way through the year are below of operating expenditures by \$52K. This is partially due to the some revenues not having been received at December 31st, sales tax is currently on target at 50% of the budgeted amount.

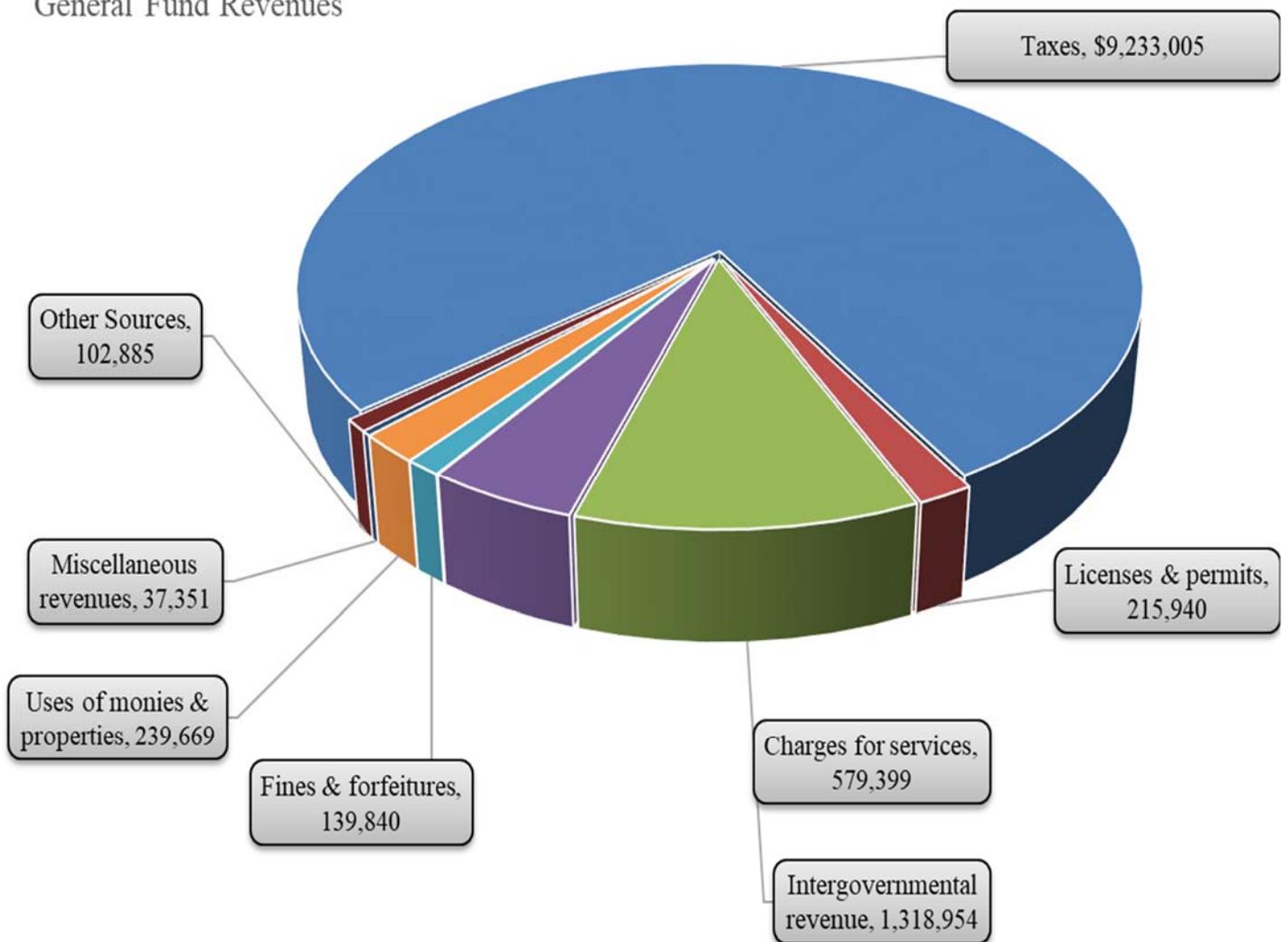
Staff is committed to help reduce costs wherever possible and is continually looking at efficiencies.

Regardless of finishing FY 2019 and the current quarter in good shape, we continue to look for savings wherever possible to help our fund balance. The 0.5% increase in Transaction Privilege Tax (TPT also called “Sales Tax”) initiated in November 2018 has helped.

Revenues & Other Sources

Taxes	\$9,233,005
Licenses & permits	215,940
Intergovernmental revenue	1,318,954
Charges for services	579,399
Fines & forfeitures	139,840
Uses of monies & properties	239,669
Miscellaneous revenues	37,351
Other Sources	102,885
Revenues & Other Sources	\$11,867,043

General Fund Revenues



The General Fund is still in a good financial position. Our audited General Fund balance increased during fiscal year 2019 and we started FY 2020 with a fund balance of \$4.8M, which is an increase of \$1.5M during the year.

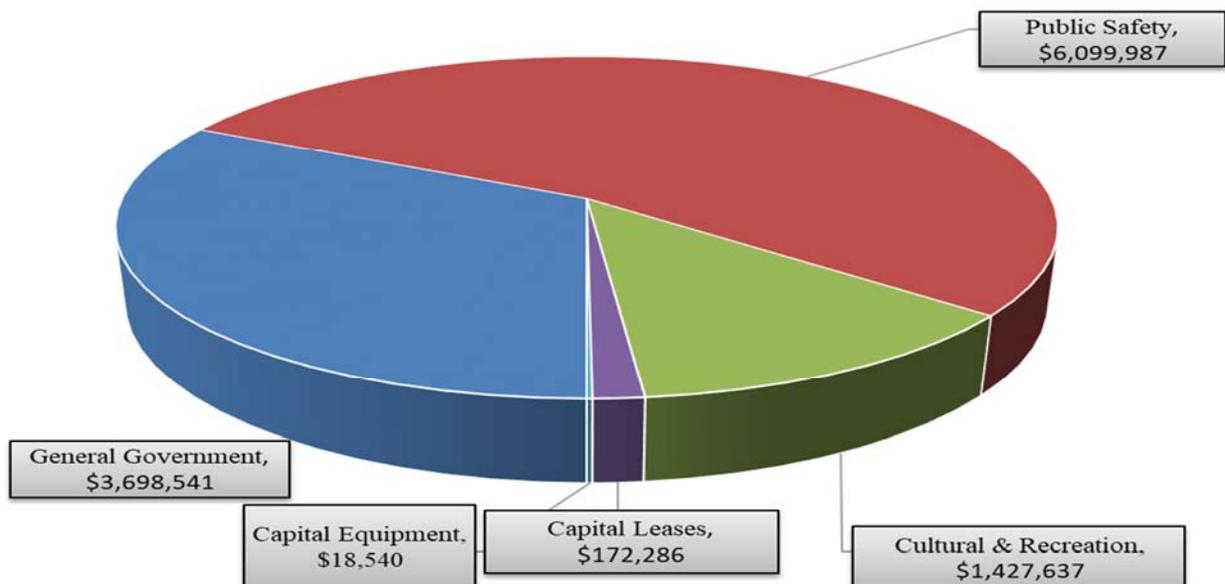
Moving forward, we need to keep in mind the concerns caused by Governmental Accounting Standards Board (GASB) Statement #68 – Accounting and Financial Reporting for Pension Plans. This ruling, now several years old impacts all municipal entities using Arizona State Retirement System (ASRS) and / or Public Safety Personnel Retirement System (PSPRS). All entities are now reflecting any pension plan underfunded liability on their respective financials. Current Comprehensive Annual Financial Reports (CAFRs) show a significant decline in net position. The concern as to how our city will deal with it in future years. Currently we are on track to fully eliminate our unfunded pension liabilities in the next 17 years.

Expenditures & Other Uses

General Government	\$3,698,541
Public Safety	6,099,987
Cultural & Recreation	1,427,637
Capital Leases	172,286
Capital Equipment	18,540
Transfers Out	502,848
Expenditures & Other Uses	\$11,919,839

Unfortunately, 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. During the “Great Recession” the markets did not provide sufficient returns to keep them fully funded causing much of the liability we are seeing today. 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 continue and we will continue to discuss revenue generation options

General Fund Expenditures



SPECIAL REVENUE FUNDS

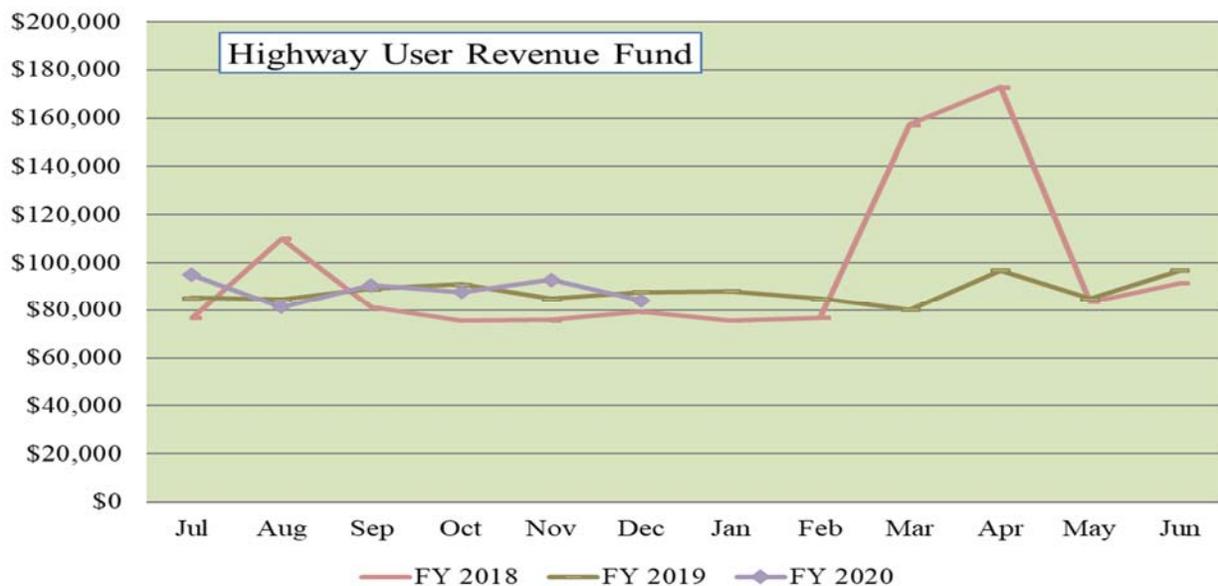
Special Revenue Funds consist of the Highway User Revenue Fund (HURF) and several other smaller funds, including CAT/LYNX, Library, Cemetery, Airport, and Grants.

Highway User Revenue Funds - HURF

This state shared revenue source is commonly called the Fuel Tax. It has seen some improvement over the years. The State passed a new fee in 2019 and elected to give Cities & Towns more of the HURF funds for needed projects with HB 2748. At the end of the 2nd Quarter, we are up by 1.69% or \$8,826 over last year at this time. The City also received an additional payment in the amount of \$197,800 due to HB 2748 which isn't included in the increase mentioned above.

	FY 2018		FY 2019		FY 2020	
Jul	\$76,735	-3.95%	\$85,233	11.07%	\$95,026	11.49%
Aug	110,067	53.36%	84,599	-23.14%	81,284	-3.92%
Sep	81,121	8.72%	89,068	9.80%	90,568	1.68%
Oct	75,723	0.45%	91,057	20.25%	87,704	-3.68%
Nov	75,933	4.77%	84,968	11.90%	92,868	9.30%
Dec	79,242	4.57%	87,841	10.85%	84,143	-4.21%
Jan	75,691	-32.47%	88,124	16.43%		
Feb	76,849	6.61%	84,865	10.43%		
Mar	157,367	91.57%	80,196	-49.04%		
Apr	172,899	90.46%	96,806	-44.01%		
May	83,589	1.49%	84,926	1.60%		
Jun	91,480	2.37%	96,804	5.82%		
	\$1,156,696	18.18%	\$1,054,487	-8.84%	\$531,592	1.69%

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.



Special Revenues Funds - continued

The following tables depict the other funds that make up the Special Revenue Funds group 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 currently outstanding and are anticipated to be received within the next 60 – 90 days. HURF will be using General Fund transfers in FY 2020 as it continues to work on the Mingus Avenue project, as well as monies from the City of Cottonwood 2015 Excise bond issue.

Special Revenue Funds					
HURF		CAT		Library	
Budget	2nd Qtr Actual	Budget	2nd Qtr Actual	Budget	2nd Qtr Actual
2,514,630	1,340,948	\$2,413,225	\$802,994	\$214,640	\$97,723
1,078,410	489,502	2,170,645	1,240,134	1,038,105	586,877
3,009,180	81,887	250,000	14,596	60,000	0
433,160	216,578	0	0	0	0
(2,006,120)	552,982	(7,420)	(451,737)	(883,465)	(489,154)
259,180	0	0	0	883,465	441,733
(1,746,940)	552,982	(7,420)	(451,737)	0	(47,422)
1,965,848	1,965,848	0	0	0	0
\$218,908	\$2,518,830	(\$7,420)	(\$451,737)	\$0	(\$47,422)
Special Revenue Funds					
Cemetery		Airport		Grants	
Budget	2nd Qtr Actual	Budget	2nd Qtr Actual	Budget	2nd Qtr Actual
\$500	\$325	\$100,600	\$77,391	\$2,437,685	\$4,500
122,730	30,748	70,975	54,944	0	0
0	0	0	0	2,877,310	10,809
0	0	0	0	0	0
(122,230)	(30,423)	29,625	22,447	(439,625)	(6,309)
122,230	61,115	(19,670)	0	438,580	10,809
0	30,692	9,955	22,447	(1,045)	4,500
0	0	72,150	72,150	9,483	9,483
\$0	\$30,692	\$82,105	\$94,597	\$8,438	\$13,983

	Capital Improvements	
	Budget	2nd Qtr Actual
Revenues	\$144,000	\$55,139
Operating Expenditures	0	0
Capital Outlay	150,000	61,062
Debt Service	0	
Revenues over (under) Expenditures	(6,000)	(5,923)
Other Funding Sources & Uses	(25,965)	0
Revenues & other funding sources & uses over (under) Expenditures	(31,965)	(5,923)
Beginning Fund Balance	537,964	537,964
Ending Fund Balance	\$505,999	\$532,041

CAPITAL IMPROVEMENTS FUND

This fund is traditionally in good fiscal shape. With the Riverfront Water Reclamation facility completed and awaiting final permitting, this funds budget shows no current action while the City works on building up Capital Reserves to do future projects. There is, however, monies available from an excise tax bond for street construction.

The Riverfront Water Reclamation Facility is expected to treat approximately 300k gallons of wastewater daily. It will provide reclaimed water to the area’s sport complex green areas and to replenish our aquifers using injection wells. The initial injection wells were not successful at Riverfront Park. We will continue to use the Mingus Injection well sites until a more suitable location is found.

Some of the fund balance from the issue of the excise tax bond is to take care of much needed street improvements. Another project funded by the bond was the Regional Communications Center that has been fully operational and is providing services to area fire services and our police department.

Below are capital outlay items funded through Yavapai Flood Control District Tax. These projects are on-going and have been partially funded by Yavapai County.

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Use of monies & properties	1,000	6,973	697.31%
Other Income	0	0	0.00%
Intergovernmental revenue	143,000	48,166	0.00%
Total revenues	144,000	55,139	0.00%
Expenditures:			
Capital outlay:			
Investment Expenses	7,000	1,292	18.46%
Railroad Wash Improvements	143,000	59,770	41.80%
Total Expenditures	150,000	61,062	40.71%

Over the past couple of years slightly over \$11,500,000 has been transfer from this fund to the Wastewater Enterprise Fund to pay for the construction of the Riverfront Water Reclamation Facility. That amount is not shown on the schedule below since it is a capital expense reflected in an Enterprise Fund. As a clarification, the Riverfront Water Reclamation Facility has not used any water revenue to fund its construction.

ENTERPRISE FUNDS

Water & Wastewater

The Water Enterprise Fund has been operating in the black since the City Council approved the last rate increases. FY 2013 was a turning point for the Water Enterprise Fund. During FY 2019 a rate increase was approved for the Waste Water fund to begin in September 2019 and every year for the next four years on July 1st. Though the old rates cover the operational and administrative portion of the department, many capital improvements need to be made. The Council elected to approve a plan that includes rate increases for the next five years to help with the completion of some needed repair and maintenance at the Mingus Water Reclamation Facility.

	Enterprise Funds			
	Wastewater		Water	
	Budget	2nd Qtr Actual	Budget	2nd Qtr Actual
Revenues	2,725,645	1,949,772	\$8,175,145	\$5,191,394
Operating Expenditures	2,217,830	1,045,452	8,660,330	1,918,807
Capital Outlay	2,800,725	596,055	3,633,970	194,349
Debt Service	0	0	1,835,200	918,593
Revenues over (under) Expenditures	(2,292,910)	308,266	(5,954,355)	2,159,645
Other Funding Sources & Uses	0	0	0	0
Revenues & other funding sources & uses over (under) Expenditures	(\$2,292,910)	\$308,266	(\$5,954,355)	\$2,159,645

The Water Utility refinanced their Municipal Property Corporation (MPC) Water Revenue Bonds, Series 2004 and 2006 a few years ago. There were substantial savings to utility customers over the life of the new Water Infrastructure Finance Authority (WIFA) loans.

The 2015 WIFA refinancing of the 2004 MPC Water Revenue Bonds will save approximately \$1.7M in interest expense, and there was \$550k in forgivable principle included in that refinance package, totaling over \$2.2M in savings. The WIFA loan required less debt service reserves, allowing an additional \$111,000 transferred from debt service reserves to the water utility's unrestricted fund reserves.

The completed refinancing of the 2006 MPC Water Revenue Bonds using a WIFA Loan included a \$1.9M waterline that WIFA granted along with \$800K in forgivable principle. The interest rate went from 5.0% 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.

The Wastewater Utility has a different set of issues. Financial resources are needed to accomplish the estimated \$7M worth of repairs needed at both the Mingus treatment facility and the five lift stations.

DEBT SERVICES FUND

This fund starts the year in good shape with sales taxes and interest income providing the revenue. Fund balance provides the remainder of necessary resources. 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 over two years ago 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. The sizeable debt service payment in the budget is the payoff of the GADA loan using the excise tax bond proceeds received in FY 2017. As a note, utility debt service is funded through user fees and other operational revenues, and therefore the debt service of the Enterprise Funds.

	Debt Service	
	Budget	2nd Qtr Actual
Revenues	\$1,640,765	\$683,787
Operating Expenditures		822,756
Capital Outlay		
Debt Service	1,644,115	822,756
Revenues over (under)		
Expenditures	(3,350)	(961,725)
Other Funding Sources & Uses	0	0
Revenues & other funding sources & uses over (under)		
Expenditures	(3,350)	(138,969)
Beginning Fund Balance	159,310	159,310
Ending Fund Balance	\$155,960	\$20,341

BRIEF OVERVIEW

As we complete the 2nd Quarter of the fiscal year, we are pleased to be in a good position financially. Our economy is still growing at a slower but steady pace and we continue providing outstanding services to our community. Many projects are anticipated to be completed in Fiscal year 2020 and to align with the Council's strategic plan.

We do, however, have some uneasiness over our current revenue generation and the ability to sustain the growth of our expenditures. Our lack of reserves is of some concern but the reserve balances are improving with the additional .5% sales tax that was approved in fiscal year 2019. Our local sales tax growth did not meet the 3% increase that was part of our budget projections for FY 2019 but still looked positive at 2% and we anticipate that FY 2020 will grow by 2% above FY 2019. A rate increase for the Planning & Zoning, Building Department and Engineering Department was approved and began on July 1st to more closely match the cost of plan reviews and permitting. The increase should help with cost recovery for these departments. To help the overall budget the Recreation Center has been working on ways to increase revenues and decrease costs to get closer to a 70-75% costs recovery. As we move forward in the new budget year, we are seeing that the increase to our TPT rate will be beneficial with helping our reserves and funding future projects. As always we will continue to look for strategic reductions to services and operations to help maintain a positive outlook for future years.

The City continues to be fiscally conservative in its everyday business. Staff is always looking for ways to reduce costs, while still providing quality essential services. 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 December 2019

	Ending FY 2019		
	Budget	Y-T-D	% Used
General Fund - 01			
Revenues:			
Taxes	18,963,785	9,233,005	48.69%
Licenses & permits	392,285	215,940	55.05%
Intergovernmental revenue	2,509,765	1,318,954	52.55%
Charges for services	1,256,685	579,399	46.11%
Fines & forfeitures	214,200	139,840	65.28%
Uses of monies & properties	226,100	239,669	106.00%
Miscellaneous revenues	4,147,785	37,351	0.90%
Total revenues	27,710,605	11,764,158	42.45%
Expenditures:			
Operating:			
Council	248,725	123,575	49.68%
City Clerk	248,285	149,645	60.27%
Administration	733,040	421,275	57.47%
Finance	451,975	270,755	59.90%
Personnel	254,745	133,889	52.56%
IT Services	981,500	518,766	52.85%
Purchasing	114,360	69,115	60.44%
Legal	412,155	219,545	53.27%
Court	541,865	281,902	52.02%
Planning & zoning	712,100	399,428	56.09%
Engineering	357,895	196,767	54.98%
Public Works	303,135	162,476	53.60%
Transfer Station	1,000	745	74.53%
Building maintenance	443,080	254,353	57.41%
Custodial	0	0	0.00%
Natural resources	188,455	12,238	6.49%
Non-departmental	728,595	313,002	42.96%
Police	5,469,175	3,068,176	56.10%
Communications	1,768,480	1,021,002	57.73%
Fire	3,435,075	1,887,540	54.95%
Ordinance Enforcement	223,455	123,269	55.17%
Parks & recreation	871,080	559,731	64.26%
Rec Center Operations	1,270,655	725,224	57.07%
Pool	123,850	70,153	56.64%
Youth Center	133,665	72,530	0.00%
Economic Development	303,955	171,064	56.28%
Subtotal maintenance and operations	20,320,300	11,226,165	55.25%
Capital outlay:	326,755	18,540	5.67%
Total Expenditures	20,647,055	11,244,705	54.46%
Excess (deficiency) of revenues over (under) expenditures	7,063,550	519,452	7.35%
Other financing sources (uses):			
Operating transfers in	0	0	0.00%
Sales of City Equipment	40,000	102,885	257.21%
Capital leases	(319,810)	(172,286)	53.87%
Transfers out	(1,657,820)	(502,848)	30.33%
Total other financing sources (uses)	(1,937,630)	(572,249)	29.53%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	5,125,920	(52,796)	
Fund balance, July 1, 2019(audited)		4,794,462	
Estimated fund balance @ June 30, 2019		\$4,741,666	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 2019

Library - 03

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Other income	\$21,000	\$9,513	45.30%
Interest income	40	104	260.48%
City Sales Tax	0	0	0.00%
Yavapai county	158,600	84,105	53.03%
AZ LSCA/Yavapai county grant	0	0	0.00%
Grant Revenues	35,000	4,000	0.00%
Total revenues	214,640	97,723	45.53%
Expenditures:			
Operating:			
Salaries	401,850	223,794	55.69%
Temp employees	45,000	30,814	68.47%
Overtime	0	205	0.00%
Social security	27,700	15,478	55.88%
Medicare tax	6,480	3,620	55.86%
AZ state retirement	48,660	26,822	55.12%
Health & life insurance	105,470	64,358	61.02%
Worker's compensation	9,670	2,503	25.88%
Book purchases	50,000	33,746	67.49%
Office supplies	4,000	1,890	47.24%
Copier supplies	3,000	482	16.06%
Equipment maintenance	5,500	2,413	43.88%
Bldg M&R - Library	25,000	10,083	40.33%
Contractual Services	0	0	0.00%
Collection expenses	1,800	931	51.71%
Bank Charges	0	1	0.00%
Recruitment Cost	500	340	68.00%
Computer support	8,600	4,745	55.17%
Legal advertising	500	450	0.00%
Utilities	51,000	25,701	50.39%
Telephone	1,915	1,016	53.08%
Network & technology expenses	35,000	17,024	48.64%
Youth programs	600	315	52.44%
Annual volunteer appreciation	1,000	70	6.98%
Travel & training	1,000	1,203	120.35%
Subscriptions & dues	8,000	1,091	0.00%
Postage & freight	2,000	401	20.07%
Liability Insurance	18,860	4,082	21.64%
Indirect costs to general fund	175,000	113,298	64.74%
District - Materials	0	0	0.00%
Subtotal maintenance and operations	1,038,105	586,877	56.53%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 2019

Library - 03 (page 2)

	Adopted Budget	Y-T-D	% Used
Capital outlay:	60,000	0	0.00%
Total expenditures	<u>1,098,105</u>	<u>586,877</u>	<u>53.44%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(883,465)</u>	<u>(489,154)</u>	
Other financing sources (uses):			
Operating transfers in	883,465	441,733	50.00%
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>883,465</u>	<u>441,733</u>	<u>50.00%</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>(47,422)</u>	
Fund balance, July 1, 2018 (audited)		<u>0</u>	
Estimated fund balance @ June 30, 2019		<u><u>(\$47,422)</u></u>	

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 2019

Cemetery 04

	Adopted Budget	Y-T-D	% Used
Revenues:			
Interest Income	\$0	\$0	0.00%
Charges for services	500	325	65.00%
Total revenues	500	325	65.00%
Expenditures:			
Utilities	30,680	23,351	76.11%
Telephone	0	0	0.00%
Grave Liners	0	0	0.00%
Miscellaneous Expense	75,050	6	0.01%
Indirect Costs	17,000	7,392	43.48%
Subtotal maintenance and operations	122,730	30,748	25.05%
Capital improvements	0	0	0.00%
Total expenditures	122,730	30,748	25.05%
Excess (deficiency) of revenues over (under) expenditures	(122,230)	(30,423)	
Other financing sources (uses):			
Operating transfers in	122,230	61,115	50.00%
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)	122,230	61,115	50.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	30,692	
Fund balance, July 1, 2018 (audited)		0	
Estimated fund balance @ June 30, 2019		\$30,692	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 2019

Airport - 05

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Other Income	\$100	\$0	0.00%
Late Fees	\$0	\$576	#DIV/0!
Tie down rent	19,000	9,854	51.86%
Airpark Rents	0	0	0.00%
FBO building rental income	0	0	0.00%
Fuel sales income	0	0	0.00%
Oil Sales	0	0	0.00%
Land lease fees	42,000	36,642	87.24%
City hangar lease fees	39,500	30,319	76.76%
Total revenues	100,600	77,391	76.93%
Expenditures:			
Operational Supplies	4,500	2,864	63.65%
Fuel Expense	0	4,167	0.00%
Oil Expense	0	0	0.00%
Office Supplies	150	152	101.66%
Vehicle Maintenance	0	0	0.00%
Equipment maintenance	9,500	6,864	72.26%
Building maintenance	1,000	47	4.65%
Contractual Services	2,000	3,775	188.75%
Bank Charges	0	300	0.00%
Computer Support	220	146	66.36%
General Counsel	0	0	0.00%
Utilities	16,000	11,091	69.32%
Telephone	1,285	678	52.73%
Airport Annual Event	0	0	0.00%
Liability Insurance	16,320	16,317	99.98%
Indirect costs	20,000	8,543	42.72%
Equipment Purchase	0	0	0.00%
Airport Improvements	0	0	0.00%
Subtotal maintenance and operations	70,975	54,944	77.41%
Capital improvements - hangars	0	0	0.00%
Total expenditures	70,975	54,944	77.41%
Excess (deficiency) of revenues over (under) expenditures	29,625	22,447	
Other financing sources (uses):			
Operating transfers in	0	0	0.00%
Proceeds from lease purchase	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	(19,670)	0	0.00%
Total other financing sources (uses)	(19,670)	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	9,955	22,447	
Fund balance, July 1, 2018 (audited)		72,150	
Estimated fund balance @ June 30, 2019		\$94,597	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 2019

HURF - 10

	Adopted Budget	Y-T-D	% Used
Revenues:			
Intergovernmental revenue	\$2,504,630	1,319,072	52.67%
Uses of monies & properties	10,000	14,862	148.62%
Miscellaneous revenues	0	7,014	0.00%
Total revenues	2,514,630	1,340,948	53.33%
Expenditures:			
Operating:			
Salaries	188,100	110,569	58.78%
Temp employees	3,750	2,985	0.00%
Overtime	0	39	0.00%
Social security	11,890	6,789	57.10%
Medicare tax	2,780	1,588	57.11%
AZ state retirement	23,230	13,753	59.20%
Health & life insurance	60,395	39,057	64.67%
Worker's compensation	33,700	9,236	27.41%
Clothing allowance	1,000	560	55.99%
Operational supplies	2,000	903	45.14%
Tools	500	329	65.82%
Gas & oil	15,500	1,605	10.35%
Materials	10,000	6,787	67.87%
Street signs	3,000	1,139	37.96%
Street marking	175,000	5,334	3.05%
Office supplies	200	0	0.00%
Vehicle maintenance	16,000	14,802	92.51%
Equipment maintenance	20,000	12,670	63.35%
Building maintenance & repair	0	0	0.00%
Pavement Preservation	0	65	0.00%
Contractual services	22,500	4,163	18.50%
Bank charges	0	130	0.00%
Employee physicals	500	90	18.00%
Computer support	365	159	43.49%
General counsel	0	0	0.00%
Engineering Services	0	0	0.00%
Legal advertising	0	0	0.00%
Utilities	12,825	6,925	54.00%
Street lights	72,100	32,713	45.37%
Telephone	600	532	88.73%
Culverts	500	79	15.89%
Travel & training	4,000	1,245	31.12%
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	25,975	6,803	26.19%
Liability claims deductible	0	0	0.00%
Indirect costs to general fund	370,000	208,455	56.34%
Street light contingency	0	0	0.00%
Equipment purchase	0	0	0.00%
Street Improvements	2,000	0	0.00%
Subtotal maintenance and operations	1,078,410	489,502	45.39%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 2019

HURF - 10 (page 2)

	Adopted Budget	Y-T-D	% Used
Debt Service:			
Principal	245,980	122,909	49.97%
Interest	187,180	93,669	50.04%
Capital Outlay:			
Street Contingency	50,000	0	0.00%
Pavement Preservation	750,000	60,316	8.04%
2015 Excise Bond - Trustee Fees	0	0	0.00%
6th Street Bridge	120,000	0	0.00%
Mingus/Main Signal	0	0	0.00%
10th St to Main Project	1,650,000	20,123	1.22%
12th ST NACOG 89-A to Fir	0	0	0.00%
Sidewalk Additions	359,180	0	0.00%
Mingus Willard to Main	0	1,448	0.00%
10 th Street	0	0	0.00%
Main St. Road Diet Grant	80,000	0	0.00%
HSIP Street Sign Replacement	0	0	0.00%
Total Expenditures	<u>4,520,750</u>	<u>787,966</u>	<u>17.43%</u>
Excess (deficiency) of revenues over (under) expenditures			
	<u>(2,006,120)</u>	<u>552,982</u>	
Other Financing Sources (Uses):			
Operating Transfers In	259,180	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)	<u>259,180</u>	<u>0</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>552,982</u>	
Fund balance, July 1, 2018 (audited)		<u>1,965,848</u>	
Estimated fund balance @ June 30, 2019		<u><u>\$2,518,830</u></u>	

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 2019

Grants - 11 & 12

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Intergovernmental revenue	\$2,437,685	\$4,500	0.18%
Other Income	0	0	0.00%
Total revenues	2,437,685	4,500	0.18%
Expenditures:			
Capital Outlay:	2,877,310	10,809	0.38%
Total Expenditures	2,877,310	10,809	0.38%
Excess (deficiency) of revenues over (under) expenditures	(439,625)	(6,309)	1.44%
Other Financing Sources (Uses):			
Operating Transfers In	438,580	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)	438,580	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,045)	(6,309)	
Fund balance, July 1, 2018 (audited)		9,483	
Estimated fund balance @ June 30, 2019		\$3,174	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 2019

CATS - 10

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Intergovernmental revenue	\$2,174,375	700,578	32.22%
Charges for services	238,850	102,416	42.88%
Total revenues	2,413,225	802,994	33.27%
Expenditures:			
Salaries	642,620	387,231	60.26%
Temporary employee	216,000	76,322	35.33%
Overtime	67,500	45,973	68.11%
Holiday pay	12,350	10,453	84.64%
Social security	58,180	31,048	53.37%
Medicare	13,610	7,261	53.35%
AZ retirement	87,490	55,911	63.91%
Health/life insurance	194,315	128,842	66.31%
State compensation insurance	62,070	16,474	26.54%
Clothing allowance	1,600	244	15.26%
Contractual Services	12,550	26,877	214.16%
Gas & oil	165,000	87,051	52.76%
Office supplies	7,000	3,243	46.33%
Copier supplies	4,640	1,050	22.64%
Vehicle maintenance	425,000	259,787	61.13%
Building Maintenance	2,000	8,454	422.69%
Equipment Maintenance	0	2,263	0.00%
Radio maintenance	15,300	8,200	53.59%
Postage & freight	12,550	87	0.69%
Audit expense	3,675	3,675	100.00%
Employee physicals / drug tests	3,470	1,642	47.32%
Computer Support	54,600	29,563	54.14%
Custodial Contract	6,190	3,785	61.15%
Advertising	18,025	8,197	45.47%
Printing & forms	12,985	8,000	61.61%
Utilities	8,825	4,910	55.64%
Telephone	11,475	8,933	77.85%
Travel/training	7,000	1,025	14.65%
Continuing education	0	0	0.00%
Subscriptions/dues	2,400	387	16.13%
Tools & Equipment	6,425	2,362	36.77%
Liability insurance	35,800	10,884	30.40%
Indirect costs to GF	0	0	0.00%
Subtotal maintenance and operations	2,170,645	1,240,134	57.13%
Capital Outlay:	250,000	14,596	0.00%
Fund b Total Expenditures	2,420,645	1,254,730	51.83%
Excess (deficiency) of revenues over (under) expenditures	(7,420)	(451,737)	
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	(7,420)	(451,737)	

Statement of Revenues, Expenditures and Changes in Fund Balance
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Quarterly Report Ending December 2019

Debt Service - 20	Adopted Budget	Y-T-D	% Used
Revenues:			
Taxes	\$1,640,115	\$683,380	41.67%
Uses of monies & properties	650	407	0.00%
Total revenues	1,640,765	683,787	41.67%
Expenditures:			
Trustee fees	4,200	2,700	64.29%
Rodeo Drive Reimbursement	0	0	0.00%
Debt service:			
Interest	469,360	234,780	50.02%
Principal	1,170,555	585,276	50.00%
Total Expenditures	1,644,115	822,756	50.04%
Excess (deficiency) of revenues over (under) expenditures	(3,350)	(138,969)	
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	(3,350)	(138,969)	
Fund balance, July 1, 2018 (audited)		159,310	
Estimated fund balance @ June 30, 2019		\$20,341	

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 2019

Capital Projects - 30

	Adopted Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Use of monies & properties	1,000	6,973	697.31%
Other Income	0	0	0.00%
Intergovernmental revenue	143,000	48,166	0.00%
Total revenues	144,000	55,139	0.00%
Expenditures:			
Capital outlay:			
Investment Expenses	7,000	1,292	18.46%
Railroad Wash Improvements	143,000	59,770	41.80%
Total Expenditures	150,000	61,062	40.71%
Excess (deficiency) of revenues over (under) expenditures	(6,000)	(5,923)	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds / Leases	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	(25,965)	0	0.00%
Total other financing sources (uses)	(25,965)	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(31,965)	(5,923)	
Fund balance, July 1, 2018 (audited)		537,964	
Estimated fund balance @ June 30, 2019		\$532,041	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 2019

Employee Benefit Trust - 60

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$0	\$0	0.00%
Reinsurance reimbursements	0	0	0.00%
Miscellaneous revenues	400	667	166.86%
Total revenues	400	667	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	(1,600)	667	
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	(1,600)	667	
Fund balance, July 1, 2018 (audited)		0	
Estimated fund balance @ June 30, 2019		\$667	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 2019

Alt. Firefighter's Pension - 70

	Adopted Budget	Y-T-D	% Used
Revenues:			
Contributions		\$0	0.00%
Uses of monies & properties	40,000	16,618	0.00%
Total revenues	40,000	16,618	0.00%
Expenditures:			
Benefits	1,800	900	50.00%
Administration	8,000	3,495	43.69%
Total Expenditures	9,800	4,395	44.85%
Excess (deficiency) of revenues over (under) expenditures	30,200	0 12,223	
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	30,200	12,223	
Fund balance, July 1, 2017 (audited)		198,917	
Estimated fund balance @ June 30, 2018		\$211,140	