



To: Honorable Madame Mayor Joens & Council April 21, 2011

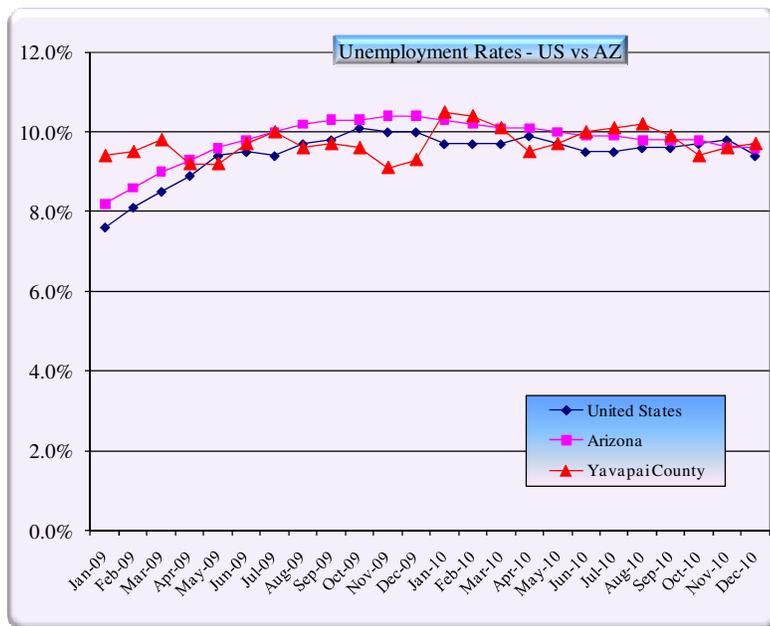
Via: Douglas Bartosh, City Manager

From: Rudy Rodriguez, Administrative Services General Manager

Subject: Revenue & Expenditure Reports – Period ending December 31, 2010

At the end of the year we are beginning to see a glimmer of hope as the unemployment numbers seem to be declining. It should be noted that a declining unemployment rate is key to economic recovery. There are numerous other indicators, but for simplicity sake we will discuss only a couple factors that dictate an improving local economy, unemployment and housing. Though not very obvious in the graph, the associated chart paints a clearer picture. With the U.S. unemployment rate slowly dropping to 9.4%¹, the State of Arizona unemployment rate remained static at around 9.6%² over the same period.

Yavapai County continues struggling around a 9.4% to 9.9%³ range.



Period	United States	Arizona	Yavapai County
Jan-10	9.7%	10.3%	10.5%
Feb-10	9.7%	10.2%	10.4%
Mar-10	9.7%	10.1%	10.1%
Apr-10	9.9%	10.1%	9.5%
May-10	9.7%	10.0%	9.7%
Jun-10	9.5%	9.9%	10.0%
Jul-10	9.5%	9.9%	10.1%
Aug-10	9.6%	9.8%	10.2%
Sep-10	9.6%	9.8%	9.9%
Oct-10	9.7%	9.8%	9.4%
Nov-10	9.8%	9.6%	9.6%
Dec-10	9.4%	9.6%	9.7%

The local housing market continues to have a steady activity due to the high inventory of existing homes. Foreclosed

homes valued at a fraction their former prices still make up a sizeable percentage of the current housing supply. New home construction continues to be weak compared to pre-2007 levels and is expected to stay low for months to come.

According to Trulia, a leading resource for real estate professionals, homebuyers and sellers, the median sales price for homes in Cottonwood AZ for January to March 2011 was \$90,675. This represents a

¹ Bureau of Labor Statistics - United States

² Bureau of Labor Statistics - Arizona

³ Economagic.com

17.2% decline, or \$18,775, compared to the prior quarter and a decrease of 17.6% compared to the prior year. Sales prices have decreased in value 59.7% over the past 5 years in Cottonwood. The average listing price for homes was \$192,289 for the week ending Apr 06, which represents an increase of 1.4%, or \$2,686, compared to the prior week and a decline of 1.3%, or \$2,550, compared to the week ending Mar 16. Average price per square foot for Cottonwood AZ was \$74, a decrease of 18.7% compared to the same period last year.⁴

Despite the many struggles facing the City of Cottonwood, there are still several prospective businesses looking to move to the area around the SR260 corridor.

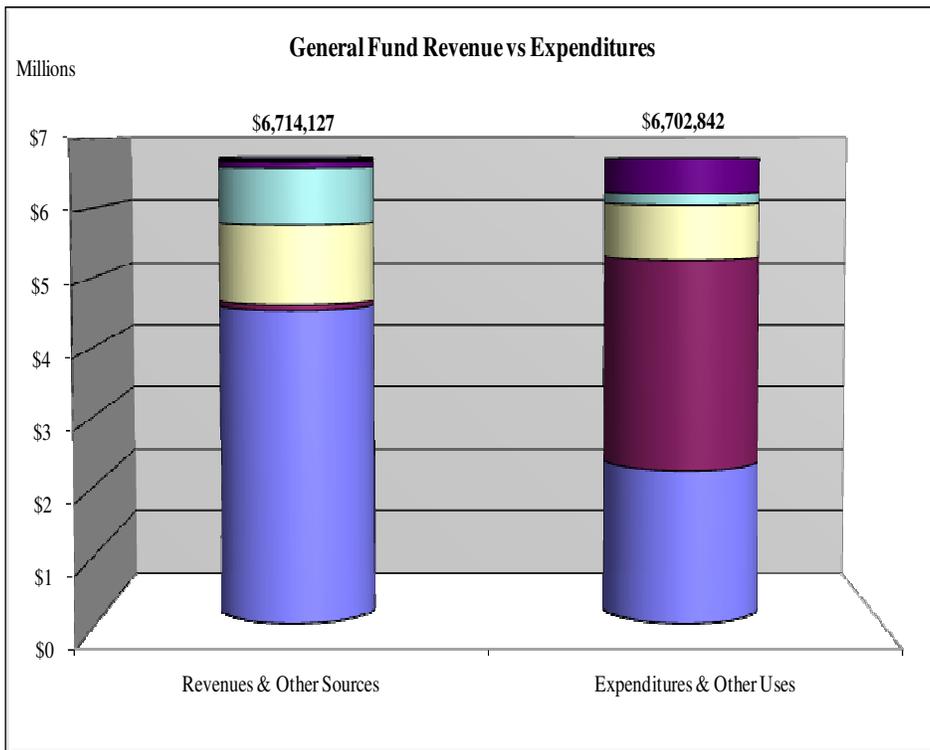
GENERAL FUND

Overview

The City of Cottonwood is doing relatively well this year despite the down economy. Good planning and a conservative perspective helps to weather this fiscal crisis we're in. It is evident by the graph below and chart to the left that current revenues are slightly above current expenditures.

Remembering that this is a snapshot in time and that some capital equipment purchases have been delayed until the latter part of the year, this picture may change drastically. Currently, however, we are making efforts to stay this course and finish the year in a positive position, with little to no use of fund balance reserves.

Taxes	\$4,535,602
Licenses & permits	73,390
Intergovernmental revenue	1,153,254
Charges for services	811,357
Fines & forfeitures	73,235
Uses of monies & properties	22,674
Miscellaneous revenues	30,122
Other Sources	14,493
Revenues & Other Sources	\$6,714,127
General Government	\$2,224,357
Public Safety	3,034,723
Cultural & Recreation	785,765
Capital Equipment	162,134
Other Uses	495,863
Expenditures & Other Uses	\$6,702,842

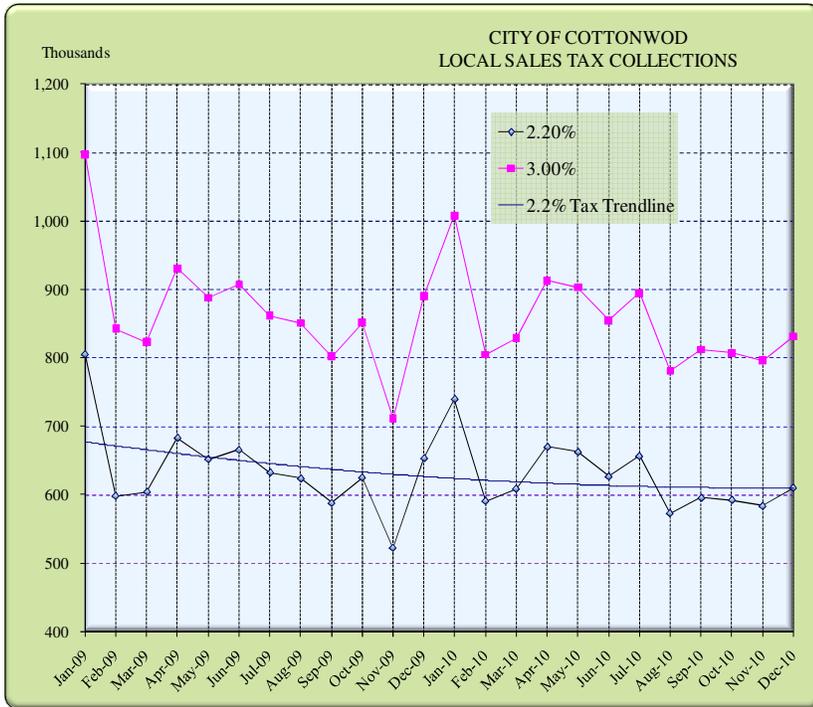


Revenues

Comparing month to month local sales tax collection, Cottonwood is down 0.89% over the same time last fiscal year. This is important to note since a 6% loss was estimated at budget time, expecting the economy to recover at a slower pace. This 6% shortfall was to be about a \$600,000 to the FY 11 budget.

We are in a relatively good position though some of our other revenues are not doing well.

⁴ http://www.trulia.com/real_estate/Cottonwood-Arizona/market-trends/



Local sales tax continues being Cottonwood’s #1 major revenue source for the General Fund at slightly over 50% of the normal operating revenues. This single revenue is monitored very closely for changes both positive and negative.

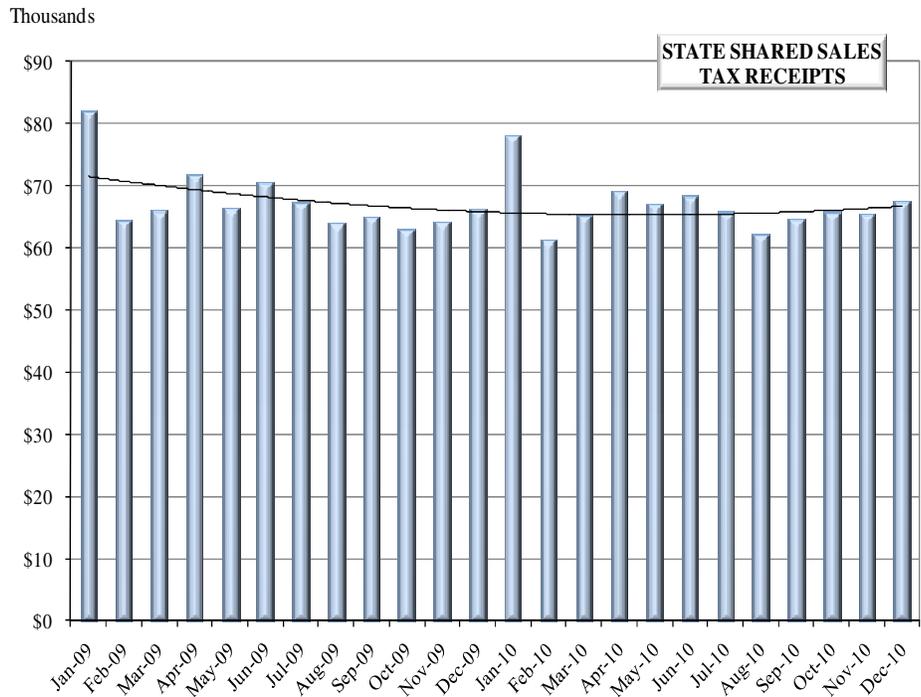
What this means to the City of Cottonwood is that sales appear to be coming back slowly and we may be seeing the beginning of a recovery for our local economy. This is good news for a community that survives predominately on Sales Tax.

State Shared Income Tax revenues are \$528,517 at the end of the second fiscal quarter. This state shared revenue that is projected by the

Arizona Department of Revenue and the League of Arizona Cities and Towns. The distribution is based on income tax collections from two years prior. These revenues usually come in as proposed by the state. The current fiscal year estimate is \$1,056,880. This is \$345,260 less than last year’s \$1,402,140. As a reminder, Cottonwood has lost nearly \$566,528 in revenue from this source alone since 2009.

The State Shared Sales Tax is not doing as well as estimated by the Arizona Department of Revenue. Currently it is 2.1% behind state estimates for the second quarter of the fiscal year. This revenue sources is down \$179,944 from its all time high of \$1,032,214 in 2007.

Cottonwood’s Motor Vehicle Taxes ended the first six months of the fiscal year with a loss over last year of 2.5%. The annual collection is anticipated to be \$595,440 which put this revenue around FY 2005 levels.



With the sharp drop in revenues, all departments are being asked to continue reducing their budgets and looking for efficiencies. At this time of year most departmental expenditures are at or below the 50% mark for the year.

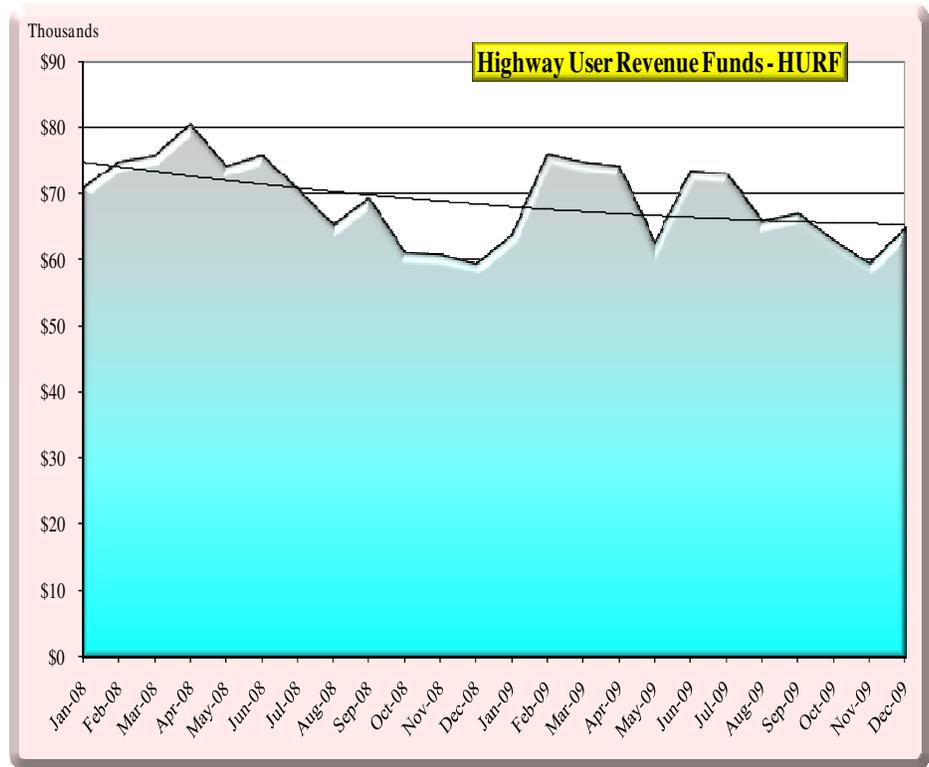
SPECIAL REVENUE FUNDS

Highway User Revenue Fund (HURF)⁵

Revenues

HURF revenues are currently down 4% from estimates at mid fiscal year with \$359,967 in the HURF coffers. The auspicious thing is that this fund started with about \$940K in reserves at July 1, 2010 and at mid-year we had only tapped into it by \$97K. This revenue source continues to show some improvement and we are waiting for the legislature to make some decisions on whether it will raid it for the Arizona Department of Public Safety.

We should have some news by the next quarterly report.



Expenditures

The Street Department operational budget is currently at 46.4% with the Street Construction budget at 9.6% of the budgeted amount. The street department budget is also being affected by the down turn in the economy. Streets, as other departments, have reduced their operational costs due to the economy. The capital projects planned with borrowed money are still in the works, however, moving slower than anticipated. Already it looks like both the Mingus Avenue Extension Project from Willard Street to SR89A and the 12th Street project from Fir St. to 89A will be shifted into fiscal year. Both these project are anticipated to be funded through some financing mechanism.

Cottonwood Area Transit (C.A.T.)

As of January 1, 2011, C.A.T. will finally be merged into the Northern Arizona Intergovernmental Public Transportation Authority (N.A.I.P.T.A.). For more information please use this link <http://www.naipta.az.gov/media/pdf/CAT-NAIPTA%20Press%20Release.pdf>.

Library

The General Fund's operating transfers to the Library are on target for the year. We have, however, not yet received the Yavapai County contribution of \$98,625. As a reminder, our library receives two equal contributions annually from the County. We are fortunate that the General Fund transfers in to the Library fund are covering its expenditures. Currently, the Library Fund balance is \$48,807.

Operating expenditures are at 46.8%, slightly below where they should be at this time of year. Most every line item is in line where it should be.

⁵ The HURF funds streets maintenance, street construction, and also funds any shortfalls of the Cottonwood Area Transit System.

Airport

The revenues for the Airport are not doing as well as projected, now that the FBO is handling the fuel. This new FBO arrangement has allowed us to have someone full time at the airport as well as having a certified aircraft mechanic available for repairs. The City's continues to have improved collections on tie downs; (covered and open), airport hangars and land lease billings. Revenues are currently at 43.8% of projections.

The expenditures for this fund are where they should be at 50.2% at the end of the first half of the fiscal year. The Airport continues to make transfers to the General Fund as repayment for the construction of the T-hangars back in FY 2000-01. These transfers to the General Fund will expire in 2013.

Their fund balance deficit has increased to -\$13,802 from -\$10,103 at the beginning of the year. This deficit will be covered by the one-time general fund transfer at year end.

Grants

There has been very little activity in this fund. We will continue to monitor the fund and continue reporting in our quarterly reports.

CAPITAL PROJECTS

Capital Projects

Listed below is the Capital Projects listing for FY 2011 and related expenditures.

	Adopted Budget	Y-T-D	% Used
Investment Expenses	0	999	0.00%
Riverfront Park Improvements	116,000	1,322	0.00%
Land Acquisition		300,760	0.00%
Fire Station Design	120,000	0	0.00%
Old Town Parking	150,000	0	0.00%
Old Town Jail	70,000	8,746	0.00%
Architecture - Communciations Bldg.	360,000	26,250	7.29%
Rec Center Remaining Expenses	0	179,955	0.00%
Court Counstruction	0	68,239	0.00%
Old Court Bldg Remodel	100,000	0	0.00%
Evidence Building	0	29,753	0.00%
Architecture-City Hall	100,000	0	0.00%
Library Parking Lot	78,000	0	0.00%
Portal Signs	5,000	0	0.00%
Total Expenditures	1,099,000	616,024	56.05%

As you can see, we have a many projects planned for this year. Funding for these projects is initially to be through the Capital Improvement Fund which began the year with a \$14.8M balance. This fund, though large, has little income potential at this time. Its only revenue source at this time is through investment income, which, as you may know, is at an all time low. In the future, it may be wise to shift some sales tax to replenish the fund or seek financing to reimburse the fund.

ENTERPRISE FUNDS

Wastewater

Revenues for wastewater are slightly behind anticipated by 1.1%. This enterprise continues to struggle with revenues due to foreclosures and loss of investment income. The overall reason is the current economy and its slow turnaround after such a deep recession. Revenues are reviewed on a regular basis for any new developments. It should be noted that for a number of years this enterprise has been operating with a deficit. This situation has been noted in several annual wastewater reports; however, the losses have been minimal and are being absorbed by wastewater reserves. As a reminder a rate increase was proposed last year, and it was decided that the rates should remain the same and that wastewater should absorb any additional costs from its reserves. The budgeted transfer of \$500,000 from the capital improvement fund has not materialized; however, the amount is ready and available as needed.

Expenses for current Operations & Maintenance (O&M) and Administration are looking very good as they are slightly behind where they should be at this time of year. All capital projects that rolled over from last year are still being designed and some may be rolled into FY 2012. As a reminder there is a planned debt issuance in this fund of about \$4,000,000 for the construction of the SR260 extension and other line extensions. This too will most likely be rolled into next fiscal year.

Water

The water fund revenues are on target with estimates for the first half of the fiscal year. The small increase in the rates has assisted this fund to close the bond coverage requirement gap; however, there is still need for improvement. Grant Hamill, the City's our finance consultant has warned us that we may need to increase our rates a bit more in order to refinance our current debt. Any rate increase proposal will be brought before the City Council for their approval or modification.

The consolidated operations and administration are trending 10% behind budget allocations excluding all reserves. This trend was anticipated as part of closing the gap on coverage and has not affected any of the service areas. Even though we are not at the required 1.35x coverage, the water utility continues to look into cost cutting measures as part of their everyday operations. Below is the Capital Improvements section of the water utility.

	Adopted Budget	Y-T-D	% Used
Construction:			
Investment Expense	4,000	1,881	0.00%
Building Purchase	0	14,286	0.00%
Aresinic Mitigation	250,000	283,003	113.20%
Bonding Expense	33,690,000	0	0.00%
Valve Replacement	25,000	0	0.00%
Aid in Lieu of Construction	130,000	117,374	0.00%
Fire Hydrant Improvements	500,000	27,136	5.43%
HWY 260 H2O System Upgrades	1,250,000	450	0.04%
Well Booster Station	25,000	25,261	101.05%
Well Improvements	0	31,018	0.00%
Well Acquisitions	250,000	0	0.00%
W Mingus Reconstruction/Sys Upgrades	256,000	0	0.00%
Water System Upgrades	500,000	102,175	0.00%
Land Acquisition	200,000	0	0.00%
Subtotal construction expenses	37,080,000	602,586	1.63%

DEBT SERVICE FUNDS

Debt Service

As in the past, this fund continues to be in good shape. Sales taxes and little interest income provide all of the revenues for this fund. Expenditures consist of principal and interest on loans and bond issues. Also included are any trustee fees assessed for managing the Debt Service Accounts. As of June 1, 2008 the payment for the Recreation Center Bonds were transferred to the Debt Service accounts on recommendation from our external auditors. The debt service for the Recreation Center is solely funded by sales tax revenues.

BRIEF OVERVIEW

There are subtle signs that the local economy is trying to turn around. Until we see a clear direction, the City will continue in its traditional fiscally responsible ways of doing business by maintaining its high quality of services while looking for ways to reduce cost and protect its staff. Departments are becoming more aware of what and where they are spending taxpayer dollars. We are committed to protecting our core reserves and will work keep costs down where ever prudently achievable.

The sales tax increase of .8% has been the key to keeping staff and services intact over the past nearly 36 months. Despite not offering a merit increase to date we continue to keep our employees whole by retaining all their benefits and not reducing hours. We continue to protect our current level of services, while maintaining our fiscal integrity and positive outlook.

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

General Fund - 01	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$8,421,320	\$4,535,602	53.86%
Licenses & permits	114,000	73,390	64.38%
Intergovernmental revenue	2,655,720	1,153,254	43.43%
Charges for services	1,574,800	811,357	51.52%
Fines & forfeitures	133,100	73,235	55.02%
Uses of monies & properties	37,700	22,674	60.14%
Miscellaneous revenues	575,875	30,122	5.23%
Total revenues	13,512,515	6,699,634	49.58%
Expenditures:			
Operating:			
Administration	646,000	293,772	45.48%
Personnel	143,860	62,114	43.18%
Council	452,490	160,731	35.52%
Natural resources	56,010	29,737	53.09%
City Clerk	229,435	106,389	46.37%
Finance	339,630	183,973	54.17%
IT Services	88,630	33,401	37.69%
Planning & zoning	294,140	143,356	48.74%
Police	3,266,680	1,547,769	47.38%
Animal control	180,385	62,679	34.75%
Communications	687,750	298,434	43.39%
Economic Development	94,490	39,498	41.80%
Fire	2,472,375	1,125,841	45.54%
Court	419,355	181,188	43.21%
Legal	300,770	134,958	44.87%
Engineering	448,760	214,734	47.85%
Parks & recreation	256,920	179,135	69.72%
Pool	111,490	56,726	50.88%
Weightroom	0	0	0.00%
Rec Center Operations	1,370,435	549,904	40.13%
Building maintenance	436,305	229,629	52.63%
Custodial	112,500	56,645	50.35%
Public Works	262,905	120,087	45.68%
Non-departmental	378,500	234,144	61.86%
Subtotal maintenance and operations	13,049,815	6,044,845	46.32%
Capital outlay:	6,349,265	162,134	2.55%
Total Expenditures	19,399,080	6,206,979	32.00%
Excess (deficiency) of revenues over (under) expenditures	(5,886,565)	492,655	
Other financing sources (uses):			
Operating transfers in	23,490	13,703	58.33%
Sales of City Equipment	10,000	791	7.91%
Capital leases	(441,710)	(127,599)	28.89%
Transfers out	(649,125)	(368,264)	56.73%
Total other financing sources (uses)	(1,057,345)	(481,370)	45.53%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(6,943,910)	11,285	
Fund balance, July 1, 2010 (audited)		6,969,407	
Estimated fund balance @ June 30, 2011		\$6,980,692	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

HURF - 02

Revenues:

	Adopted Budget	Y-T-D	% Used
Intergovernmental revenue	\$781,725	359,967	46.05%
Uses of monies & properties	2,000	808	40.40%
Miscellaneous revenues	12,000	120	1.00%
Total revenues	795,725	360,895	45.35%

Expenditures:

Operating:

Salaries	191,070	100,571	52.64%
Overtime	750	986	131.42%
Health & life insurance	52,140	20,043	38.44%
Temp employees	0	0	0.00%
Clothing allowance	2,000	724	36.19%
Travel & training	200	0	0.00%
Subscriptions & dues	150	85	56.67%
Gas & oil	19,000	8,422	44.33%
Vehicle maintenance	10,000	5,003	50.03%
Equipment maintenance	25,000	7,863	31.45%
Computer support	1,100	712	64.69%
Operational supplies	1,800	1,194	66.31%
Office supplies	600	0	0.00%
Utilities	8,500	4,006	47.13%
Telephone	1,800	980	54.44%
Street lights	46,400	22,704	48.93%
Legal advertising	450	0	0.00%
Engineering Services	1,000	500	0.00%
General counsel	0	0	0.00%
Postage & freight	200	24	12.08%
Bank charges	0	152	0.00%
Tools	3,000	1,869	62.29%
Equipment rental	12,000	2,449	20.41%
Building maintenance & repair	0	28,337	0.00%
Liability insurance	13,200	10,261	77.74%
Worker's compensation	10,740	6,881	64.07%
Social security	11,895	6,104	51.32%
AZ state retirement	18,895	8,172	43.25%
Employee physicals	700	83	11.86%
Medicare tax	2,780	1,428	51.35%
Liability claims deductible	0	0	0.00%
Continuing education	0	0	0.00%
Indirect costs to general fund	144,000	58,345	40.52%
Culverts	5,000	0	0.00%
Materials	26,000	4,382	16.85%
Street signs	14,000	6,879	49.14%
Street marking	50,000	98	0.20%
Rodeo Dr. St. Reimbursement	0	0	0.00%
Contractual services	32,000	16,305	50.95%
Equipment purchase	0	3,464	0.00%
Street light contingency	3,500	0	0.00%
Subtotal maintenance and operations	709,870	329,024	46.35%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

HURF - 02 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Debt Service:			
Principal	0	0	0.00%
Interest	0	0	0.00%
Capital Outlay:			
Equipment	0	30,898	0.00%
Pavement Preservation	300,000	17,455	5.82%
Street Contingency	295,645	0	0.00%
Sidewalk Additions	80,000	7	0.01%
12th Street Project	0	0	0.00%
W Mingus Reconstruction	1,275,000	4,682	0.37%
12th St 89A to Fir	2,130,000	0	0.00%
Paula St. Reconstruction	0	0	0.00%
Willard Extension	0	75,716	0.00%
Total Expenditures	4,790,515	457,780	9.56%
Excess (deficiency) of revenues over (under) expenditures	(3,994,790)	(96,885)	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	3,750,000	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	3,750,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(244,790)	(96,885)	
Fund balance, July 1, 2010 (audited)		939,523	
Estimated fund balance @ June 30, 2011		\$842,638	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

CATS - 02

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Intergovernmental revenue	\$840,140	272,023	32.38%
Charges for services	119,230	45,737	38.36%
Total revenues	959,370	317,761	33.12%
Expenditures:			
Salaries	348,080	164,808	47.35%
Overtime	4,000	1,331	33.29%
Health/life insurance	100,565	43,735	43.49%
Temporary employee	43,000	6,337	14.74%
Clothing allowance	1,280	0	0.00%
Holiday pay	0	143	0.00%
Travel/training	4,620	1,155	25.00%
Subscriptions/dues	0	1,420	0.00%
Gas & oil	109,870	31,784	28.93%
Vehicle maintenance	126,000	55,773	44.26%
Equipment maintenance	0	0	0.00%
Radio maintenance	2,900	100	3.45%
Computer Support	0	0	0.00%
Office supplies	10,960	392	3.57%
Copier supplies	500	201	40.16%
Utilities	0	0	0.00%
Telephone	0	0	0.00%
Printing & forms	7,750	133	1.72%
Advertising	26,110	1,921	7.36%
Postage & freight	500	919	183.85%
Contractual Services	108,130	42,784	39.57%
Audit expense	800	800	114.91%
Liability insurance	26,160	10,145	38.78%
State compensation insurance	14,975	6,182	41.28%
Social security	24,495	10,234	41.78%
AZ retirement	34,680	16,398	47.28%
Employee physicals / drug tests	3,600	583	16.19%
Medicare	5,730	2,393	41.77%
Continuing education	0	0	0.00%
Indirect costs to GF	65,000	31,587	48.60%
Subtotal maintenance and operations	1,069,705	431,257	40.32%
Capital Outlay:	158,695	0	0.00%
Total Expenditures	1,228,400	431,257	35.11%
Fund balance, July 1, 2008 (unaudited)			
Excess (deficiency) of revenues over (under) expenditures	(269,030)	(113,497)	
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			
	(269,030)	(113,497)	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

Library - 03

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Other income	\$20,150	\$7,980	39.61%
Interest income	130	51	39.10%
Collection income	0	0	0.00%
Yavapai county	197,250	299	0.15%
AZ LSCA/Yavapai county grant	0	0	0.00%
Gates grant	0	0	0.00%
Total revenues	217,530	8,331	3.83%
Expenditures:			
Operating:			
Salaries	352,260	165,722	47.05%
Health & life insurance	77,165	33,600	43.54%
Temp employees	30,500	9,053	29.68%
Holiday pay	0	0	0.00%
Travel & training	180	269	0.00%
Subscriptions & dues	180	429	238.33%
Gas & oil	0	0	0.00%
Vehicle maintenance	0	0	0.00%
Equipment maintenance	9,400	4,230	45.00%
Computer support	1,200	887	73.91%
Collection expenses	2,870	0	0.00%
Office supplies	6,000	3,461	57.69%
Copier supplies	730	726	99.40%
Utilities	50,000	30,446	60.89%
Telephone	11,900	4,278	35.95%
Special Dept. Supplies	0	0	0.00%
Youth programs	0	190	0.00%
Legal advertising	0	0	0.00%
Postage & freight	8,000	2,532	31.65%
Book purchases	20,000	9,294	46.47%
District - Materials	0	0	0.00%
Network & technology expenses	34,020	5,922	17.41%
Annual volunteer appreciation	800	0	0.00%
Liability Insurance	22,210	11,693	52.65%
Worker's compensation	840	2,262	269.29%
Social security	23,730	10,593	44.64%
AZ state retirement	34,695	16,449	47.41%
Medicare tax	5,550	2,495	44.95%
Continuing education	0	0	0.00%
Recruitment Cost	0	260	0.00%
Indirect costs to general fund	118,000	64,526	54.68%
Subtotal maintenance and operations	810,230	379,316	46.82%

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2010

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	Adopted		
	Budget	Y-T-D	% Used
Capital outlay:	0	0	0.00%
Total expenditures	810,230	379,316	46.82%
Excess (deficiency) of revenues over (under) expenditures	(592,700)	(370,985)	
Other financing sources (uses):			
Operating transfers in	592,700	345,742	58.33%
Proceeds from bonds	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	592,700	345,742	58.33%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	(25,244)	
Fund balance, July 1, 2010 (audited)		74,051	
Estimated fund balance @ June 30, 2011		\$48,807	

Budget to Actual
Quarterly Report Ending December 31, 2010

Cemetery 04

	Adopted Budget	Y-T-D	% Used
Revenues:			
Interest Income	\$10	\$2	21.70%
Charges for services	\$2,300	\$1,250	0.00%
Total revenues	2,310	1,252	54.21%
Expenditures:			
Utilities	22,000	12,631	57.41%
Telephone	620	226	36.37%
Grave Liners	2,800	0	0.00%
Miscellaneous Expense	500	626	125.10%
Indirect Costs	15,000	1,603	10.69%
Subtotal maintenance and operations	40,920	15,085	36.86%
Capital improvements - hangars	0	0	0.00%
Total expenditures	40,920	15,085	36.86%
Excess (deficiency) of revenues over (under) expenditures	(38,610)	(13,833)	
Other financing sources (uses):			
Operating transfers in	38,610	22,523	58.33%
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)	38,610	22,523	58.33%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	8,690	
Fund balance, July 1, 2010 (audited)		0	
Estimated fund balance @ June 30, 2011		\$8,690	

Notes:

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

2

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

Budget to Actual
Quarterly Report Ending December 31, 2010

Airport - 05

	Adopted Budget	Y-T-D	% Used
Revenues:			
Other Income	\$1,000	\$0	0.00%
Late Fees	\$0	\$139	0.00%
Tie down rent	22,500	10,158	45.15%
Airpark Rents	0	0	0.00%
FBO building rental income	26,400	13,500	51.14%
1 Fuel sales income	4,800	0	0.00%
Land lease fees	33,000	5,595	16.96%
City hangar lease fees	30,650	22,440	73.21%
Total revenues	118,350	51,833	43.80%
Expenditures:			
Equipment maintenance	9,000	3,374	37.49%
Operational Supplies	4,000	230	5.75%
2 Airport Annual Event	5,000	6,471	129.43%
Utilities	11,500	5,468	47.55%
Telephone	1,150	398	34.60%
General Counsel	0	0	0.00%
Contractual Services	2,000	1,069	0.00%
Fuel Expense	0	0	0.00%
Bank Charges	0	236	0.00%
Building maintenance	24,000	3,241	13.50%
Liability Insurance	5,200	0	0.00%
Equipment Purchase	0	0	0.00%
Indirect costs	41,700	31,446	75.41%
Subtotal maintenance and operations	103,550	51,932	50.15%
Capital improvements - hangars	0	0	0.00%
Total expenditures	103,550	51,932	50.15%
Excess (deficiency) of revenues over (under) expenditures	14,800	(100)	
Other financing sources (uses):			
Operating transfers in	17,815	0	0.00%
Proceeds from lease purchase	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	(32,615)	(13,703)	42.01%
Total other financing sources (uses)	(14,800)	(13,703)	92.58%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	(13,802)	
Fund balance, July 1, 2010 (audited)		(10,103)	
Estimated fund balance @ June 30, 2011		(23,905)	

Notes:

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

²

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

Sewer Consolidated - 06

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Charges for services	1,250,900	639,412	51.12%
Uses of monies & properties	60,500	(5,531)	-9.14%
Miscellaneous revenues	44,500	29,349	65.95%
Total revenues	1,355,900	663,230	48.91%
Expenditures:			
Operating:			
Salaries	380,590	176,520	46.38%
Overtime	36,000	24,664	68.51%
Health & life insurance	86,245	31,281	36.27%
Temporary Employees	0	0	0.00%
Clothing allowance	2,500	0	0.00%
Holiday pay	2,000	487	24.35%
Travel & training	2,000	265	13.23%
Subscriptions & dues	750	0	0.00%
Printing & forms	1,500	1,098	73.19%
Bad debt expense	12,000	3,843	32.03%
Gas & oil	8,000	5,527	69.08%
Vehicle maintenance	7,000	3,557	50.81%
Equipment maintenance	150,000	51,420	34.28%
Chlorine	2,000	2,142	107.11%
Polymer	16,000	7,485	46.78%
Computer support	4,000	4,559	113.98%
Operational supplies	28,000	7,020	25.07%
Office supplies	1,600	622	38.86%
Copier Supplies	750	181	24.19%
Utilities	316,500	185,655	58.66%
Telephone	3,000	2,041	68.04%
Legal Advertising	0	0	0.00%
General Counsel	0	0	0.00%
Contractual services	54,000	7,758	14.37%
Sludge disposal	100,000	29,972	29.97%
Postage & freight	11,000	5,293	48.12%
Bank Charges	400	0	0.00%
Odor control supplies	0	0	0.00%
Lab / testing	50,000	24,764	49.53%
Tools	1,500	35	2.35%
Equipment rental	1,500	292	19.46%
Building maintenance	3,000	0	0.00%
Liability insurance	36,750	23,707	64.51%
Worker's compensation	11,275	3,326	29.50%
Social security	25,955	12,427	47.88%
AZ state retirement	41,225	20,083	48.72%
Employee physicals	0	83	0.00%
Medicare tax	6,070	2,906	47.88%
ADEQ annual fee	15,000	4,611	30.74%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Indirect costs to general fund	110,000	43,027	39.12%
Subtotal maintenance and operations	1,528,110	686,650	44.93%

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2010

Sewer Consolidated - 06 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Capital Outlay:	3,872,050	45,240	1.17%
Total Expenditures	5,400,160	731,890	13.55%
Excess (deficiency) of revenues over (under) expenditures	(4,044,260)	(68,661)	
Other Financing Sources (Uses):		0	
Operating transfers in	500,000	0	0.00%
Proceeds from bonds / loans	4,000,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	4,500,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income	\$455,740	(\$68,661)	

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2010

**Sewer Construction
 & Administration - 06**

Adopted		
Budget	Y-T-D	% Used

Revenues:

City sales tax	\$0	\$0	0.00%
User fees - admin residential	135,000	66,600	49.33%
User fees - admin commercial	23,900	11,761	49.21%
User fees - admin multi-residential	90,000	44,543	49.49%
Recovery of bad debts	0	(20)	0.00%
Sale of City Property	0	0	0.00%
Other income	5,500	0	0.00%
Interest income	30,000	28	0.09%
Interest - equipment reserve	28,000	0	0.00%
Interest - expansion fund	2,000	(5,664)	-283.21%
Interest - bond reserve fund	0	0	0.00%
Total revenues	314,400	117,247	37.29%

Expenditures:

Administration

Salaries	92,780	41,127	44.33%
Overtime and Holiday Pay	1,000	1,593	159.33%
Health & life insurance	24,635	6,575	26.69%
Temp Employees	0	0	0.00%
Travel & training	0	0	0.00%
Subscriptions & dues	0	0	0.00%
Printing & forms	1,500	1,098	73.19%
Bad debt expense	12,000	3,843	32.03%
Equipment maintenance	0	0	0.00%
Computer support	1,500	2,679	178.59%
Office supplies	400	0	0.00%
Copier Supplies	250	8	3.22%
Utilities	1,500	1,436	95.74%
Telephone	0	434	0.00%
General Counsel	0	0	0.00%
Contractual Services	4,000	2,395	59.87%
Legal advertising	0	0	0.00%
Postage & freight	6,000	3,406	56.77%
Bank charges	400	0	0.00%
Liability insurance	5,610	4,021	71.67%
Worker's compensation	485	54	11.13%
Social security	5,815	2,672	45.95%
AZ state retirement	9,235	4,360	47.21%
Medicare tax	1,360	625	45.96%
Continuing education	0	0	0.00%
Indirect costs to general fund	110,000	43,027	39.12%
Subtotal maintenance and operations	278,470	119,354	42.86%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

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

	Adopted		
	Budget	Y-T-D	% Used
Capital outlay	0	0	0.00%
Construction:			
Legal fees	50	0	0.00%
Legal Advertising	0	0	0.00%
Investment Expense	4,000	227	0.00%
ADEQ Gardner Prop Cleanup	200,000	3,148	1.57%
Rodeo Dr. Reimbursement	0	0	0.00%
260-Design	0	0	0.00%
260-Construction	1,900,000	0	0.00%
Line extensions	255,000	5,883	0.00%
Pump System Upgrade	0	0	0.00%
Riverfront WWTP Design	500,000	4,030	0.00%
Effluent disposal system	0	0	0.00%
WWTP-Master Plan	0	0	0.00%
WWTP-Head Works	0	0	0.00%
Lift Station	400,000	0	0.35%
WWTP-Upgrades	500,000	0	0.00%
Construction - general	0	0	0.00%
Construction - solids handling	0	0	0.00%
Consultant service	0	0	0.00%
Subtotal construction expenses	3,759,050	13,289	0.35%
Total Expenditures	4,037,520	132,642	3.29%
Excess (deficiency) of revenues over (under) expenditures	(3,723,120)	(15,396)	
Other Financing Sources (Uses):			
Operating transfers in	500,000	0	0.00%
Proceeds from other sources	4,000,000	0	0.00%
Capital leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	4,500,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,367,700		
	776,880	(15,396)	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

Sewer Maintenance & Operations- 06

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
City sales tax	\$0	\$0	0.00%
User fees - M&O residential	380,000	177,638	46.75%
User fees - M&O multi-residential	250,000	120,696	48.28%
User fees - M&O commercial	355,000	171,082	48.19%
Tap fees	0	0	0.00%
Impact fees	8,000	37,979	474.74%
Effluent Revenue	9,000	9,113	101.26%
Building Rental	19,000	19,200	101.05%
Late fees - interest charges	20,000	10,169	50.85%
Connection fees	500	105	21.00%
Total revenues	1,041,500	545,983	52.42%
Expenditures:			
Operating:			
Salaries	287,810	135,393	47.04%
Overtime	35,000	23,070	65.91%
Health & life insurance	61,610	24,706	40.10%
Temporary Employees	0	0	0.00%
Clothing allowance	2,500	0	0.00%
Holiday pay	2,000	487	24.35%
Travel & training	2,000	265	13.23%
Subscriptions & dues	750	0	0.00%
Gas & oil	8,000	5,527	69.08%
Vehicle maintenance	7,000	3,557	50.81%
Equipment maintenance	150,000	51,420	34.28%
Chlorine	2,000	2,142	107.11%
Polymer	16,000	7,485	46.78%
Computer support	2,500	1,880	75.22%
Operational supplies	28,000	7,020	25.07%
Office supplies	1,200	622	51.81%
Copier supplies	500	173	34.67%
Utilities	315,000	184,219	58.48%
Telephone	3,000	1,607	53.56%
Legal advertising	0	0	0.00%
Contractual services	50,000	5,363	10.73%
Sludge disposal	100,000	29,972	29.97%
Postage & freight	5,000	1,887	37.74%
Odor control supplies	0	0	0.00%
Lab / testing	50,000	24,764	49.53%
Tools	1,500	35	2.35%
Equipment rental	1,500	292	19.46%
Building maintenance	3,000	0	0.00%
Liability insurance	31,140	19,686	63.22%
Worker's compensation	10,790	3,272	30.32%
Social security	20,140	9,755	48.44%
AZ state retirement	31,990	15,723	49.15%
Employee physicals	0	83	0.00%
Medicare tax	4,710	2,281	48.44%
ADEQ annual fee	15,000	4,611	30.74%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	1,249,640	567,296	45.40%

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2010

Sewer Maintenance & Operations- 06
 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Capital Outlay:	113,000	31,951	28.28%
Total Expenditures	1,362,640	599,248	43.98%
Excess (deficiency) of revenues over (under) expenditures	(321,140)	(53,265)	
Other Financing Sources (Uses):		0	
Operating transfers in	0	0	0.00%
Proceeds from bonds	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	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	(321,140)	(53,265)	

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2010

Grants - 07 & 08

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Intergovernmental revenue	\$448,870	\$0	0.00%
Other Income	0	1	0.00%
Total revenues	448,870	1	0.00%
Expenditures:			
Capital Outlay:	457,995	0	0.00%
Total Expenditures	457,995	0	0.00%
Excess (deficiency) of revenues over (under) expenditures	(9,125)	0	
Other Financing Sources (Uses):			
Operating Transfers In	9,125	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)	9,125	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	0	
Fund balance, July 1, 2010 (audited)		156,996	
Estimated fund balance @ June 30, 2011		\$156,996	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

Alt. Firefighter's Pension - 09

	Adopted		
	Budget	Y-T-D	
Revenues:			
Contributions	\$750	\$214	28.55%
Uses of monies & properties	43,000	30,348	70.58%
Total revenues	43,750	30,562	69.86%
Expenditures:			
Benefits	13,600	3,268	24.03%
Administration	4,000	2,765	69.12%
Total Expenditures	17,600	6,033	34.28%
Excess (deficiency) of revenues over (under) expenditures	26,150	24,529	0
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	26,150	24,529	
Fund balance, July 1, 2010 (audited)		82,973	
Estimated fund balance @ June 30, 2011		\$107,502	

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2010

Employee Benefit Trust - 10

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$0	\$0	0.00%
Reinsurance reimbursements	0	0	0.00%
Miscellaneous revenues	4,000	(806)	-20.14%
Total revenues	4,000	(806)	-20.14%
Expenditures:			
Premiums	30,000	13,465	44.88%
Benefits	0	0	0.00%
Miscellaneous	24,000	0	0.00%
Total Expenditures	54,000	13,465	24.94%
Excess (deficiency) of revenues over (under) expenditures	(50,000)	(14,271)	
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	(50,000)	(14,271)	
Fund balance, July 1, 2010 (audited)		200,101	
Estimated fund balance @ June 30, 2011		\$185,830	

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Quarterly Report Ending December 31, 2010

Capital Projects - 11

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Use of monies & properties	0	(131,651)	0.00%
Other Income	0	0	0.00%
Intergovernmental revenue	0	0	0.00%
Total revenues	0	(131,651)	0.00%
Expenditures:			
Capital outlay:			
Investment Expenses	0	999	0.00%
Riverfront Park Improvements	116,000	1,322	0.00%
Land Acquisition		300,760	0.00%
Fire Station Design	120,000	0	0.00%
Old Town Parking	150,000	0	0.00%
Old Town Jail	70,000	8,746	0.00%
Architecture - Communciations Bldg.	360,000	26,250	7.29%
Rec Center Remaining Expenses	0	179,955	0.00%
Court Counstruction	0	68,239	0.00%
Old Court Bldg Remodel	100,000	0	0.00%
Evidence Building	0	29,753	0.00%
Architecture-City Hall	100,000	0	0.00%
Library Parking Lot	78,000	0	0.00%
Portal Signs	5,000	0	0.00%
Total Expenditures	1,099,000	616,024	56.05%
Excess (deficiency) of revenues over (under) expenditures	(1,099,000)	(747,675)	
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	(500,000)	0	0.00%
Total other financing sources (uses)	(500,000)	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,599,000)	(747,675)	
Fund balance, July 1, 2010 (audited)		14,828,396	
Estimated fund balance @ June 30, 2011		<u>\$14,080,721</u>	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

Debt Service - 13

	Adopted Budget	Y-T-D	% Used
	Revenues:		
Taxes	\$1,701,775	\$1,012,320	59.49%
Uses of monies & properties	110	746	677.80%
Total revenues	1,701,885	1,013,066	59.53%
Expenditures:			
Trustee fees	20,000	360	0.00%
Rodeo Drive Reimbursement	0	0	0.00%
Debt service:		0	
Interest	865,025	432,514	50.00%
Principal	1,205,000	602,500	50.00%
Total Expenditures	2,090,025	1,035,374	49.54%
Excess (deficiency) of revenues over (under) expenditures	(388,140)	(22,308)	
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	(388,140)	(22,308)	
Fund balance, July 1, 2010 (audited)		1,210,129	
Estimated fund balance @ June 30, 2011		\$1,187,821	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

Water Consolidated - 16

	Adopted		
	Budget	Y-T-D	% Used
Revenues: Note 1			
Taxes	\$0	\$0	0.00%
Charges for services	5,114,960	2,548,954	49.83%
Uses of monies & properties	657,820	247,006	37.55%
Miscellaneous revenues	75,000	195,861	261.15%
Total revenues	5,847,780	2,991,822	51.16%
Expenditures:			
Operating:			
Salaries	645,480	271,094	42.00%
Overtime	51,500	73,797	143.30%
Health & life insurance	192,390	77,564	40.32%
Temporary Employees	0	0	0.00%
Clothing allowance	6,000	3,986	66.43%
Holiday pay	2,000	1,016	0.00%
Travel & training	9,000	639	7.10%
Subscriptions & dues	1,600	632	39.50%
Printing & forms	15,000	6,631	44.21%
Bad debt expense	0	0	0.00%
Gas & oil	40,000	17,552	43.88%
Vehicle maintenance	12,000	8,335	69.46%
Equipment maintenance	201,000	129,949	64.65%
Chlorine	100,000	25,921	25.92%
Polymer	0	0	0.00%
Computer support	4,000	2,637	65.93%
Operational supplies	14,000	17,054	121.81%
Office supplies	7,500	7,225	96.34%
Copier Supplies	2,500	194	7.77%
Verde River Days	1,000	1,000	100.00%
Utilities	304,000	180,385	59.34%
Telephone	14,500	13,596	93.77%
Legal Advertising	1,500	397	26.43%
Contractual services	280,000	52,094	18.61%
Water System Evaluation	0	0	0.00%
General Counsel	0	0	0.00%
Contractual SVCS-M&O	400,000	0	0.00%
Postage & freight	36,500	33,601	92.06%
Bank Charges	0	0	0.00%
Lab / testing	20,000	6,936	34.68%
Tools	4,000	2,276	56.89%
Equipment rental	3,000	76	2.55%
Building maintenance	2,500	4,008	160.33%
Liability insurance	47,540	47,676	100.29%
Worker's compensation	34,160	9,534	27.91%
Social security	43,340	20,760	47.90%
AZ state retirement	65,620	34,093	51.96%
Employee physicals	0	0	0.00%
Medicare tax	10,140	4,855	47.88%
ADEQ annual fee	30,000	24,497	81.66%
Continuing education	0	0	0.00%
Payment Assistance Program	10,500	0	0.00%
Verde River Basin Partnership	0	0	0.00%
Trust Land Annexation	0	2,922	0.00%
Arsenic System Maintenance	250,000	2,597	0.00%
Reserve replacement fund	0	0	0.00%
Reserve Resource Development	1,996,800	0	0.00%
Reserve Water Advisory	95,660	1,677	1.75%
Reserve Adjudication	140,350	11,257	8.02%
Reserve Water Conservation	123,220	1,500	1.22%
Indirect costs to general fund	368,000	173,153	47.05%
Subtotal maintenance and operations	5,586,300	1,273,117	22.79%

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2010

Water Consolidated - 16 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Debt Service	2,518,800	1,257,652	49.93%
Capital Outlay:	37,212,800	661,036	1.78%
Total Expenditures	45,317,900	3,191,805	7.04%
 Excess (deficiency) of revenues over (under) expenditures	(39,470,120)	(199,983)	0.51%
 Other Financing Sources (Uses):			
Operating transfers in	0	0	0.00%
Proceeds from bonds / loans	36,910,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	36,910,000	0	0.00%
 Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income	(\$2,560,120)	(\$199,983)	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

**Water Construction
& Administration - 16**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
City sales tax	\$0	\$0	0.00%
User fees	4,970,000	2,325,309	46.79%
Service Turn Ons	56,900	31,125	54.70%
Meter Installation	2,000	9,648	482.40%
Impact Fees	5,850	137,423	2349.11%
Collection fees/late fees	80,210	45,450	56.66%
Reimbursement Clarkdale	27,000	189,544	702.01%
Res-Resource Development Fees	420,760	217,041	51.58%
Res-Water Advisory Committee	33,665	17,449	51.83%
Res-Adjudication	43,125	22,190	51.46%
Res-Water Conservation	26,280	13,554	51.58%
Recapture Agreements	0	0	0.00%
Other income	48,000	6,317	0.00%
Building Rental	7,800	3,250	41.67%
Drought Water Shortage PP	0	0	0.00%
Interest income	125,910	(26,644)	-21.16%
Total revenues	5,847,500	2,991,656	51.16%

Expenditures:

Administration

Salaries	128,670	57,435	44.64%
Overtime and Holiday Pay	1,500	2,523	168.17%
Health & life insurance	36,690	12,529	34.15%
Temp Employees	0	0	0.00%
Travel & training	1,500	170	11.35%
Subscriptions & dues	100	0	0.00%
Printing & forms	15,000	6,631	44.21%
Bad debt expense	0	0	0.00%
Equipment maintenance	1,000	0	0.00%
Computer support	3,000	1,306	43.53%
Office supplies	1,500	2,492	166.13%
Copier Supplies	500	105	21.07%
Utilities	4,000	1,641	41.01%
Telephone	4,500	1,531	34.01%
Contractual Services	100,000	21,426	21.43%
Growth Premium	30,000	15,000	50.00%
Water System Evaluation	0	0	0.00%
General Counsel	0	0	0.00%
Legal advertising	500	0	0.00%
Postage & freight	35,000	20,954	59.87%
Bank charges	0	0	0.00%
Liability insurance	17,290	2,346	13.57%
Worker's compensation	560	86	15.36%
Social security	8,070	3,788	46.93%
AZ state retirement	12,820	6,181	48.22%
Medicare tax	1,890	886	46.86%
Continuing education	0	0	0.00%
Indirect costs to general fund	368,000	173,153	47.05%
Payment Assistance Program	10,500	0	0.00%
Verde River Basin Partnership	0	0	0.00%
Trust Land Annexation	0	2,922	0.00%
Reserve Resource Development	1,996,800	0	0.00%
Reserve Water Advisory	95,660	1,677	1.75%
Reserve Adjudication	140,350	11,257	8.02%
Reserve Water Conservation	123,220	1,500	1.22%
Unrestricted Reserve	0	0	0.00%
Subtotal maintenance and operations	3,138,620	347,537	11.07%

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2010

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

	Adopted		
	Budget	Y-T-D	% Used
Capital outlay	100,000	1,688	1.69%
Construction:			
Investment Expense	4,000	1,881	0.00%
Building Purchase	0	14,286	0.00%
Aresinic Mitigation	250,000	283,003	113.20%
Bonding Expense	33,690,000	0	0.00%
Valve Replacement	25,000	0	0.00%
Aid in Lieu of Construction	130,000	117,374	0.00%
Fire Hydrant Improvements	500,000	27,136	5.43%
HWY 260 H2O System Upgrades	1,250,000	450	0.04%
Well Booster Station	25,000	25,261	101.05%
Well Improvements	0	31,018	0.00%
Well Acquisitions	250,000	0	0.00%
W Mingus Reconstruction/Sys Upgrades	256,000	0	0.00%
Water System Upgrades	500,000	102,175	0.00%
Land Acquisition	200,000	0	0.00%
Subtotal construction expenses	37,080,000	602,586	1.63%
Total Expenditures	40,318,620	951,811	2.36%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2010

Water Maintenance & Operations- 16

Adopted Budget	Y-T-D	% Used
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Expenditures:

Operating:

Salaries	516,810	213,659	41.34%
Overtime	50,000	71,274	142.55%
Health & life insurance	155,700	65,035	41.77%
Temporary Employees	0	0	0.00%
Clothing allowance	6,000	3,986	66.43%
Holiday pay	2,000	1,016	0.00%
Travel & training	7,500	469	6.25%
Subscriptions & dues	1,500	632	42.13%
Gas & oil	40,000	17,552	43.88%
Vehicle maintenance	12,000	8,335	69.46%
Equipment maintenance	200,000	129,949	64.97%
Chemicals	100,000	25,921	25.92%
Polymer	0	0	0.00%
Computer support	1,000	1,331	133.14%
Operational supplies	14,000	17,054	121.81%
Office supplies	6,000	4,733	78.89%
Copier supplies	2,000	89	4.45%
Verde River Days	1,000	1,000	100.00%
Utilities	300,000	178,744	59.58%
Telephone	10,000	12,065	120.65%
Legal advertising	1,000	397	39.65%
Contractual services	150,000	15,668	10.45%
Contractual SVCS-M&O	400,000	0	0.00%
Postage & freight	1,500	12,647	843.14%
Lab / testing	20,000	6,936	34.68%
Tools	4,000	2,276	56.89%
Equipment rental	3,000	76	2.55%
Building maintenance	2,500	4,008	160.33%
Liability insurance	30,250	45,330	149.85%
Worker's compensation	33,600	9,448	28.12%
Social security	35,270	16,972	48.12%
AZ state retirement	52,800	27,912	52.86%
Employee physicals	0	0	0.00%
Medicare tax	8,250	3,969	48.11%
ADEQ annual fee	30,000	24,497	81.66%
Arsenic System Maintenance	250,000	2,597	1.04%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	2,447,680	925,579	37.81%

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Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2010

Water Debt Service - 16

	Adopted Budget	Y-T-D	% Used
	Revenues:		
Use of monies & properties	280	166	59.21%
Other Income	0	0	0.00%
Intergovernmental revenue	0	0	0.00%
Total Revenues	280	166	59.21%
Debt Service:			
Principal	920,000	460,000	50.00%
Interest	1,592,300	796,152	50.00%
Trustee Fees	6,500	1,500	23.08%
Capital Outlay:	32,800	56,762	173.06%
Total Expenditures	4,999,280	1,314,414	26.29%
Excess (deficiency) of revenues over (under) expenditures	4,999,280	1,677,242	
Other Financing Sources (Uses):			
Operating transfers in	0	0	0.00%
Proceeds from bonds	36,910,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	36,910,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,560,120)	725,596	