



FY 2012 2nd Quarter Financial Report

City of Cottonwood



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City of Cottonwood
Fiscal Year 2012 – 2nd Quarter Report
For the period ending December 31, 2011

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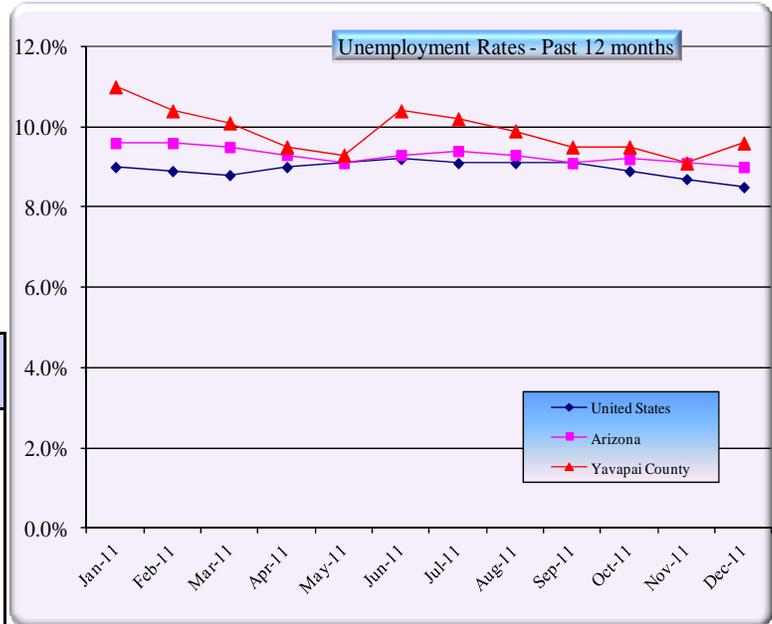
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Executive Summary

This report is a summary of the financial activity for the City of Cottonwood major operating funds. It is reflective of activity through the period ending December 31, 2011 and it should be noted that the information presented within this document is unaudited. This report also contains a brief description of each of the City's major revenue sources and expenditure data by fund. A detailed analysis of each is also presented, highlighting any issues or concerns. The executive section contains broad general data that affects the overall community.

Unemployment Data:

As we end this calendar year, depicted in the graph to the right and the chart below, the U.S. unemployment rate¹ has steadily declined to below 9%, showing some improvement from previous months. In contrast, the State of Arizona² as well as Yavapai County³ are showing more of a stabilization picture than a decline in its rates. Yet this is an improvement from where we were a year ago.



	United States	Arizona	Yavapai County
Jan-11	9.0%	9.6%	11.0%
Feb-11	8.9%	9.6%	10.4%
Mar-11	8.8%	9.5%	10.1%
Apr-11	9.0%	9.3%	9.5%
May-11	9.1%	9.1%	9.3%
Jun-11	9.2%	9.3%	10.4%
Jul-11	9.1%	9.4%	10.2%
Aug-11	9.1%	9.3%	9.9%
Sep-11	9.1%	9.1%	9.5%
Oct-11	8.9%	9.2%	9.5%
Nov-11	8.7%	9.1%	9.1%
Dec-11	8.5%	9.0%	9.6%

Regardless of the disparity in the numbers, the economy is not expected to completely recover until the housing market improves dramatically. These two issues continue to hamper every level of the economy, making a full fiscal recovery difficult.

The City of Cottonwood fiscal situation continues to be a stable one. The local economy is showing some signs of stability which is good at this point.

It is this stability and the continued departmental support to keep the line on expenditures that are making our overall fiscal year successful.

	Consolidated	
	Budget	2nd Qtr Actual
Revenues	\$27,526,910	\$11,843,663
Operating Expenditures	25,556,420	10,589,104
Capital Outlay	23,139,900	2,444,579
Debt Service	4,590,595	2,295,534
Revenues over (under)		
Expenditures	(25,760,005)	(3,485,555)
Other Funding Sources & Uses	10,609,050	(318,122)
Revenues & other funding sources & uses over (under)		
Expenditures	(15,150,955)	(3,803,677)
Beginning Fund Balance	23,349,196	23,349,196
Ending Fund Balance	\$8,198,241	\$19,545,519

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

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

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

GENERAL FUND

During the second fiscal quarter the General Fund continues its struggle with the local economy. The City continues with its current cost containment measures and stringent limitations on any new programming in order to keep from using its precious fiscal resources.

Local sales tax:

This is the General Fund’s major source of revenue at almost 50% of normal operating expenditures. This single revenue is monitored very closely for changes both positive and negative.

In the second quarter our local sales tax is up by 2.0% over last fiscal year at this time. The City of Cottonwood, unlike other communities, is not experiencing the large 5 – 7% upward swing in local sales tax revenues. Currently the General Fund is in relative good shape due to the shift of sales tax from other funds to the General Fund in order to keep it stable.

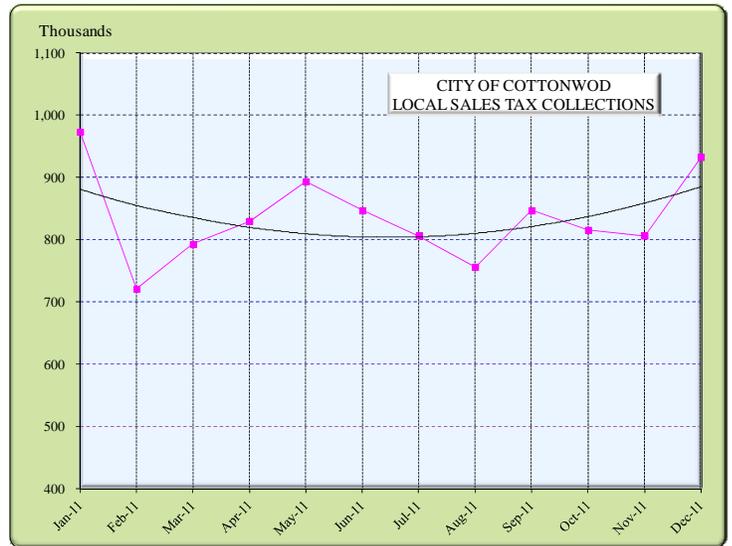
State Shared Sales Tax:

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

At the end of this quarter, this state shared revenue source was up by 7.7%. It is anticipated that this source will level off at about 7% for fiscal year end which is still an impressive increase in this economy.

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

General Fund		
	Budget	2nd Qtr Actual
Revenues	\$15,219,955	\$6,550,857
Operating Expenditures	14,737,095	6,498,013
Capital Outlay	1,806,160	711,671
Debt Service	0	0
Revenues over (under)		
Expenditures	(1,323,300)	(658,828)
Other Funding Sources & Uses	(939,495)	(593,837)
Revenues & other funding sources & uses over (under)		
Expenditures	(2,262,795)	(1,252,665)
Beginning Fund Balance	6,852,547	6,852,547
Ending Fund Balance	\$4,589,752	\$5,599,883



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

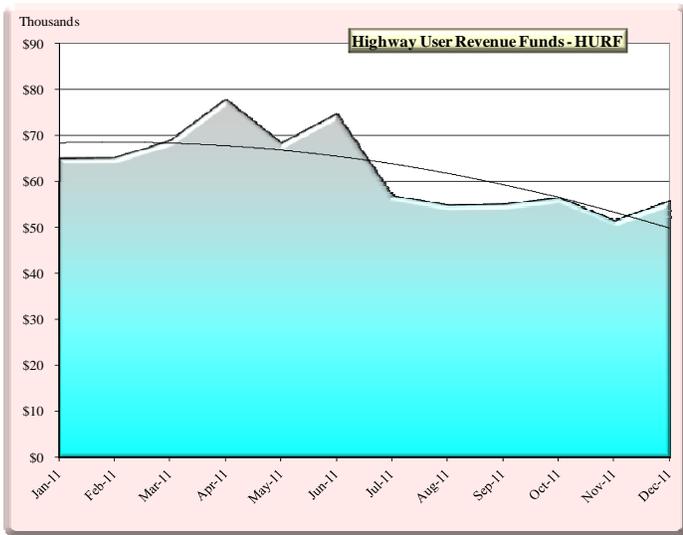
Our current success managing these measures is to the credit of our City personnel, who have taken on additional responsibilities, all the while core services have not deteriorate and recreational programming was immaterially affected.

SPECIAL REVENUE FUNDS

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

HURF Revenues:

HURF⁴ revenues are currently at 2001 levels for the same period. Much of what is happening to this fund is the doing of the legislature as it continues to raid HURF to support the Arizona Department of Public Safety and the Arizona Motor Vehicle Division. We are hopeful that this practice will end during this legislative session as the State fiscal condition continues to improve. Currently there are bills asking for the State General Fund to absorb the cost of operating the Motor Vehicle Division.



Over the next few months costs will increase as the 12th Street project from Fir St. to SR89A completes its design work. Another project in the works for the near future is the reconstruction of Mingus Avenue from Willard Street to SR 89A. Both these project are multimillion dollar projects and will more likely be financed through a bond or a Greater Arizona Development Authority (GADA) Loan.

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

	Consolidated	
	Budget	2nd Qtr Actual
Revenues	\$2,484,250	\$450,085
Operating Expenditures	2,206,025	954,899
Capital Outlay	5,930,640	613,116
Debt Service	0	0
Revenues over (under) Expenditures	(5,652,415)	(1,117,930)
Other Funding Sources & Uses	4,328,545	275,715
Revenues & other funding sources & uses over (under) Expenditures	(1,323,870)	(842,215)
Beginning Fund Balance	809,404	809,404
Ending Fund Balance	(\$514,466)	(\$32,811)

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

Operating expenditures were at 33.6%, which is over 16.4% below where they should be at this time of year. Most every line item is in line with where it should be or below.

	HURF	
	Budget	2nd Qtr Actual
Revenues	795,725	319,679
Operating Expenditures	1,067,900	359,314
Capital Outlay	4,723,645	613,116
Debt Service	0	0
Revenues over (under) Expenditures	(4,995,820)	(652,750)
Other Funding Sources & Uses	3,750,000	0
Revenues & other funding sources & uses over (under) Expenditures	(1,245,820)	(652,750)
Beginning Fund Balance	583,424	583,424
Ending Fund Balance	(\$662,396)	(\$69,326)

⁴ The HURF funds streets maintenance, street construction.

CAPITAL PROJECTS

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

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

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

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

Below are the major projects expected to be funded by these reserves in this fiscal year. Some of these costs are remaining from previous year's project not completed in FY 2011, others are projects that are on the drawing board and are planned to begin construction in this fiscal year.

		Capital Improvements	
		Budget	2nd Qtr Actual
Revenues		\$405,000	\$90,191
Operating Expenditures		0	0
Capital Outlay		7,607,600	187,419
Debt Service		0	
Revenues over (under)			
Expenditures		(7,202,600)	(97,228)
Other Funding Sources & Uses		(3,000,000)	0
Revenues & other funding sources & uses over (under)			
Expenditures		(10,202,600)	(97,228)
Beginning Fund Balance		14,212,682	14,212,682
Ending Fund Balance		\$4,010,082	\$14,115,454

Capital outlay:

	Budget	Y-T-D	% Used
Investment Expenses	0	1,988	0.00%
Railroad Wash	165,000	0	0.00%
6th St- Silver Springs Wet Cr	120,000	0	0.00%
Camino Real - Oak Creek Wash Wet CR	120,000	0	0.00%
Capital Projects	5,500,000	0	0.00%
Land Acquisition	50,000	81,405	162.81%
Architecture - City Hall	100,000	10,495	10.50%
Old Town Jail Remodel	60,200	626	1.04%
Old Court Bldg Remodel	102,800	65,835	64.04%
Old Town Parking & Rear Utility	190,000	15,444	8.13%
Riverfront Park Ramada Parking	114,600	1,544	1.35%
Fire Station 2 (GADA) Design	120,000	0	0.00%
Portal Signs COC	10,000	0	0.00%
Gardner Bldg Demo	70,000	0	0.00%
Rec Center Solar	600,000	83	0.01%
Communications Architecture	285,000	10,000	3.51%
Total Expenditures	7,607,600	187,419	2.46%

ENTERPRISE FUNDS

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

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

	Enterprise Funds			
	Wastewater		Water	
	Budget	2nd Qtr Actual	Budget	2nd Qtr Actual
Revenues	\$1,465,900	\$681,007	\$5,824,620	\$3,204,912
Operating Expenditures	1,870,645	705,098	6,701,055	1,394,460
Capital Outlay	4,182,650	128,649	3,612,850	803,723
Debt Service	0	0	2,527,310	1,263,655
Revenues over (under) Expenditures	(4,587,395)	(152,741)	(7,016,595)	(256,927)
Other Funding Sources & Uses	7,000,000	0	3,220,000	0
Revenues & other funding sources & uses over (under) Expenditures	\$2,412,605	(\$152,741)	(\$3,796,595)	(\$256,927)

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

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

DEBT SERVICE FUNDS

	Debt Service	
	Budget	2nd Qtr Actual
Revenues	\$2,063,435	\$858,840
Operating Expenditures		1,031,879
Capital Outlay		
Debt Service	2,063,285	1,031,879
Revenues over (under) Expenditures	150	(1,204,919)
Other Funding Sources & Uses	0	0
Revenues & other funding sources & uses over (under) Expenditures	150	(173,040)
Beginning Fund Balance	1,210,126	1,210,126
Ending Fund Balance	\$1,210,276	\$1,037,087

This fund began the year in good shape, as in the past. 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 independent auditors. The debt service for the Recreation Center is solely funded by sales tax revenues.

As a note, all enterprise fund debt service is expensed to the fund itself, unless it is funded through an outside source. Currently, all water debt service is funded through user fees therefore the debt service is in the enterprise fund.

BRIEF OVERVIEW

We keep looking for faint signs to guide us during these difficult times. We seem to be turning the corner ever so slightly, but remain cautiously optimistic that it will continue to improve.

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

As we close out our 2nd fiscal quarter, the City continues with its traditional fiscally responsible posture on doing their everyday business while looking for ways to reduce costs, provide quality essential services, and protect its staff. It shall continue to maintain reasonable reserves for unforeseeable emergencies as is sensible.

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

General Fund - 01	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$8,951,235	\$4,247,168	47.45%
Licenses & permits	122,000	66,220	54.28%
Intergovernmental revenue	2,493,805	1,108,906	44.47%
Charges for services	2,694,795	957,355	35.53%
Fines & forfeitures	153,000	96,649	63.17%
Uses of monies & properties	46,000	27,463	59.70%
Miscellaneous revenues	759,120	47,096	6.20%
Total revenues	15,219,955	6,550,857	43.04%
Expenditures:			
Operating:			
Administration	665,860	304,981	45.80%
Personnel	184,800	67,992	36.79%
Council	513,405	198,124	38.59%
Natural resources	164,195	19,079	11.62%
City Clerk	255,115	107,445	42.12%
Finance	354,435	180,450	50.91%
IT Services	93,305	59,165	63.41%
Purchasing	73,010	38,053	52.12%
Planning & zoning	313,285	141,735	45.24%
Police	3,454,580	1,662,025	48.11%
Ordinance Enforcement	185,800	101,196	54.47%
Communications	768,720	320,207	41.65%
Economic Development	101,405	43,833	43.23%
Fire	2,606,735	1,145,470	43.94%
Court	419,935	179,809	42.82%
Legal	317,580	125,799	39.61%
Engineering	523,595	221,638	42.33%
Parks & recreation	331,200	252,632	76.28%
Pool	156,490	55,386	35.39%
Weightroom	0	0	0.00%
Rec Center Operations	1,397,220	605,697	43.35%
Building maintenance	416,845	189,849	45.54%
Custodial	132,000	65,387	49.54%
Public Works	311,830	179,296	57.50%
Non-departmental	995,750	232,765	23.38%
Subtotal maintenance and operations	14,737,095	6,498,013	44.09%
Capital outlay:	1,806,160	711,671	39.40%
Total Expenditures	16,543,255	7,209,684	43.58%
Excess (deficiency) of revenues over (under) expenditures	(1,323,300)	(658,828)	
Other financing sources (uses):			
Operating transfers in	23,490	11,745	50.00%
Sales of City Equipment	2,000	449	22.47%
Capital leases	(370,450)	(318,571)	86.00%
Transfers out	(594,535)	(287,460)	48.35%
Total other financing sources (uses)	(939,495)	(593,837)	63.21%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,262,795)	(1,252,665)	
Fund balance, July 1, 2011 (un-audited)		6,852,547	
Estimated fund balance @ June 30, 2012		\$5,599,883	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

HURF - 02

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Intergovernmental revenue	\$781,725	319,451	40.86%
Uses of monies & properties	2,000	229	11.43%
Miscellaneous revenues	12,000	0	0.00%
Total revenues	795,725	319,679	40.17%
Expenditures:			
Operating:			
Salaries	160,100	64,245	40.13%
Overtime	2,000	1,402	70.11%
Health & life insurance	52,245	22,196	42.48%
Temp employees	0	0	0.00%
Clothing allowance	2,000	579	28.96%
Travel & training	500	54	10.88%
Subscriptions & dues	150	0	0.00%
Gas & oil	19,000	7,796	41.03%
Vehicle maintenance	10,000	3,069	30.69%
Equipment maintenance	25,000	25,832	103.33%
Computer support	1,155	447	38.72%
Operational supplies	1,800	296	16.46%
Office supplies	300	1,226	408.82%
Utilities	8,925	3,732	41.81%
Telephone	1,890	930	49.20%
Street lights	46,000	23,171	50.37%
Legal advertising	450	0	0.00%
Engineering Services	0	0	0.00%
General counsel	0	0	0.00%
Postage & freight	200	34	16.76%
Bank charges	300	31	10.17%
Tools	3,000	1,272	42.39%
Equipment rental	10,500	70	0.67%
Building maintenance & repair	300	0	0.00%
Liability insurance	13,860	9,121	65.81%
Worker's compensation	9,085	6,553	72.13%
Social security	9,975	4,096	41.06%
AZ state retirement	17,290	7,062	40.84%
Employee physicals	500	100	20.00%
Medicare tax	2,330	958	41.11%
Liability claims deductible	0	193	0.00%
Continuing education	0	0	0.00%
Indirect costs to general fund	443,545	93,709	21.13%
Culverts	5,000	0	0.00%
Materials	20,000	7,846	39.23%
Street signs	14,000	7,755	55.39%
Street marking	47,000	0	0.00%
Rodeo Dr. St. Reimbursement	0	0	0.00%
Pavement Preservation	5,000	1,281	25.62%
Contractual services	33,000	8,045	24.38%
Equipment purchase	98,000	56,212	57.36%
Street light contingency	3,500	0	0.00%
Subtotal maintenance and operations	1,067,900	359,314	33.65%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

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		0.00%
Pavement Preservation	632,000	565,872	89.54%
Street Contingency	851,050	1,126	0.13%
Sidewalk Additions	137,000		0.00%
10th st & Main Project	50,000		0.00%
W Mingus Reconstruction	2,338,195	25,302	1.08%
12th St 89A to Fir	695,400	16,820	2.42%
6th street bridge	10,000	3,990	39.90%
Willard St Bridge	10,000	7	0.00%
Total Expenditures	5,791,545	972,430	16.79%
Excess (deficiency) of revenues over (under) expenditures	(6,063,720)	(652,750)	
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	(2,313,720)	(652,750)	
Fund balance, July 1, 2011 (un-audited)		583,424	
Estimated fund balance @ June 30, 2012		(\$69,326)	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Library - 03

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Other income	\$13,420	\$6,695	49.89%
Interest income	130	318	244.52%
City Sales Tax	270	0	0.00%
Yavapai county	197,250	236	0.12%
AZ LSCA/Yavapai county grant	39,000	0	0.00%
Gates grant	0	399	0.00%
Total revenues	250,070	7,647	3.06%
Expenditures:			
Operating:			
Salaries	352,040	180,095	51.16%
Health & life insurance	68,890	34,334	49.84%
Temp employees	18,720	9,039	48.28%
Holiday pay	0	0	0.00%
Travel & training	600	461	76.90%
Subscriptions & dues	180	12	6.93%
Gas & oil	0	0	0.00%
Vehicle maintenance	0	0	0.00%
Equipment maintenance	9,400	4,111	43.74%
Computer support	1,890	2,266	119.88%
Collection expenses	2,900	1,020	35.18%
Office supplies	6,300	1,537	24.40%
Copier supplies	945	2,682	283.76%
Utilities	56,500	28,623	50.66%
Telephone	10,000	4,421	44.21%
Special Dept. Supplies	0	0	0.00%
Youth programs	380	0	0.00%
Legal advertising	0	0	0.00%
Postage & freight	5,560	2,671	48.03%
Book purchases	25,000	13,687	54.75%
District - Materials	0	0	0.00%
Network & technology expenses	35,020	6,811	19.45%
Annual volunteer appreciation	0	0	0.00%
Liability Insurance	23,320	7,815	33.51%
Worker's compensation	3,940	1,567	39.77%
Social security	23,720	11,555	48.71%
AZ state retirement	37,840	18,098	47.83%
Medicare tax	5,550	2,702	48.69%
Continuing education	0	0	0.00%
Recruitment Cost	400	300	75.00%
Indirect costs to general fund	142,255	60,024	42.19%
Subtotal maintenance and operations	831,350	393,831	47.37%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Library - 03 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Capital outlay:	49,000	0	0.00%
Total expenditures	<u>880,350</u>	<u>393,831</u>	<u>44.74%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(630,280)</u>	<u>(386,183)</u>	
Other financing sources (uses):			
Operating transfers in	556,230	278,115	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>556,230</u>	<u>278,115</u>	<u>50.00%</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(74,050)</u>	<u>(108,068)</u>	
Fund balance, July 1, 2011 (un-audited)		<u>73,324</u>	
Estimated fund balance @ June 30, 2012		<u><u>(\$34,745)</u></u>	

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2011

Cemetery 04

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Interest Income	\$10	\$0	0.00%
Charges for services	1,700	1,450	85.29%
Total revenues	1,710	1,450	84.80%
Expenditures:			
Utilities	19,000	14,368	75.62%
Telephone	0	157	0.00%
Grave Liners	3,000	0	0.00%
Miscellaneous Expense	500	497	99.40%
Indirect Costs	9,400	27,662	294.28%
Subtotal maintenance and operations	31,900	42,685	133.81%
Capital improvements	0	0	0.00%
Total expenditures	31,900	42,685	133.81%
Excess (deficiency) of revenues over (under) expenditures	(30,190)	(41,235)	
Other financing sources (uses):			
Operating transfers in	18,690	9,345	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)	18,690	9,345	50.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(11,500)	(31,890)	
Fund balance, July 1, 2011 (un-audited)		(0)	
Estimated fund balance @ June 30, 2012		(\$31,890)	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Airport - 05	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Other Income	\$0	\$0	0.00%
Late Fees	\$100	\$29	28.84%
Tie down rent	22,500	10,608	47.15%
Airpark Rents	0	0	0.00%
FBO building rental income	0	0	0.00%
1 Fuel sales income	200,000	80,409	40.20%
Land lease fees	33,000	4,470	13.55%
City hangar lease fees	30,650	25,785	84.13%
Total revenues	286,250	121,301	42.38%
Expenditures:			
Equipment maintenance	8,000	4,583	57.28%
Computer Support	0	27	0.00%
Operational Supplies	2,000	2,307	115.34%
2 Airport Annual Event	6,000	10,381	173.02%
Utilities	12,075	5,848	48.43%
Telephone	870	371	42.62%
General Counsel	0	0	0.00%
Contractual Services	2,100	0	0.00%
Fuel Expense	175,000	77,928	44.53%
Bank Charges	475	3,214	676.57%
Building maintenance	3,000	353	11.75%
Liability Insurance	5,300	5,628	106.19%
Equipment Purchase	0	244	0.00%
Indirect costs	60,055	48,187	0.00%
Subtotal maintenance and operations	274,875	159,070	57.87%
Capital improvements - hangars	0	0	0.00%
Total expenditures	274,875	159,070	57.87%
Excess (deficiency) of revenues over (under) expenditures	11,375	(37,769)	
Other financing sources (uses):			
Operating transfers in	19,615	0	0.00%
Proceeds from lease purchase	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	(23,490)	(11,745)	50.00%
Total other financing sources (uses)	(3,875)	(11,745)	303.10%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	7,500	(49,514)	
Fund balance, July 1, 2011 (un-audited)		(4,040)	
Estimated fund balance @ June 30, 2012		(\$53,554)	

Notes:

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

2

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Sewer Consolidated - 06

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Charges for services	1,429,900	648,529	45.35%
Uses of monies & properties	10,500	11,391	108.49%
Miscellaneous revenues	25,500	21,087	82.69%
Total revenues	1,465,900	681,007	46.46%
Expenditures:			
Operating:			
Salaries	379,640	173,739	45.76%
Overtime	36,000	23,559	65.44%
Health & life insurance	92,180	33,831	36.70%
Temporary Employees	0	0	0.00%
Clothing allowance	2,500	1,657	66.28%
Holiday pay	1,000	551	55.07%
Travel & training	2,000	399	19.95%
Subscriptions & dues	750	45	6.00%
Printing & forms	750	1,098	146.34%
Bad debt expense	12,000	0	0.00%
Gas & oil	11,000	4,439	40.36%
Vehicle maintenance	7,000	3,347	47.81%
Equipment maintenance	150,000	56,505	37.67%
Chlorine	2,500	2,142	85.69%
Polymer	16,000	6,716	41.98%
Computer support	4,000	705	17.62%
Operational supplies	28,000	4,745	16.95%
Office supplies	1,900	1,159	61.01%
Copier Supplies	750	456	60.85%
Utilities	367,600	189,140	51.45%
Telephone	3,400	2,146	63.12%
Legal Advertising	2,400	4,070	169.58%
General Counsel	0	0	0.00%
Contractual services	54,000	13,481	24.97%
Sludge disposal	100,000	30,934	30.93%
Postage & freight	6,400	1,426	22.28%
Bank Charges	0	0	0.00%
Odor control supplies	0	0	0.00%
Lab / testing	50,000	22,878	45.76%
Tools	1,500	340	22.64%
Equipment rental	1,500	528	35.19%
Building maintenance	23,000	165	0.72%
Liability insurance	38,600	17,590	45.57%
Worker's compensation	11,280	3,773	33.45%
Social security	25,890	12,051	46.55%
AZ state retirement	44,900	20,004	44.55%
Employee physicals	100	0	0.00%
Medicare tax	6,050	2,819	46.59%
ADEQ annual fee	15,000	6,000	40.00%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Indirect costs to general fund	371,055	62,663	16.89%
Subtotal maintenance and operations	1,870,645	705,098	37.69%

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2011

Sewer Consolidated - 06 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Capital Outlay:	4,182,650	128,649	3.08%
Total Expenditures	<u>6,053,295</u>	<u>833,748</u>	<u>13.77%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,587,395)</u>	<u>(152,741)</u>	
Other Financing Sources (Uses):			
Operating transfers in	3,000,000	0	0.00%
Proceeds from bonds / loans	4,000,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total other financing sources (uses)	<u>7,000,000</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>\$2,412,605</u></u>	<u><u>(\$152,741)</u></u>	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

**Sewer Construction
& Administration - 06**

Adopted Budget	Y-T-D	% Used
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Revenues:

City sales tax	\$0	\$0	0.00%
User fees - admin residential	135,000	66,799	49.48%
User fees - admin commercial	23,900	11,700	48.95%
User fees - admin multi-residential	90,000	44,393	49.33%
Recovery of bad debts	0	(555)	0.00%
Sale of City Property	0	0	0.00%
Other income	5,500	0	0.00%
Interest income	10,000	5,604	56.04%
Interest - equipment reserve	0	5,578	0.00%
Interest - expansion fund	0	0	0.00%
Interest - bond reserve fund	0	0	0.00%
Total revenues	264,400	133,518	50.50%

Expenditures:

Administration

Salaries	91,730	43,646	47.58%
Overtime and Holiday Pay	1,000	1,469	146.93%
Health & life insurance	26,330	7,221	27.43%
Temp Employees	0	0	0.00%
Travel & training	0	12	0.00%
Subscriptions & dues	0	0	0.00%
Printing & forms	750	1,098	146.34%
Bad debt expense	12,000	0	0.00%
Equipment maintenance	0	0	0.00%
Computer support	1,500	165	10.97%
Office supplies	400	622	155.50%
Copier Supplies	250	1	0.23%
Utilities	2,600	1,589	61.13%
Telephone	0	585	0.00%
General Counsel	0	0	0.00%
Contractual Services	4,000	4,223	105.58%
Legal advertising	2,400	3,912	0.00%
Postage & freight	400	0	0.00%
Bank charges	0	0	0.00%
Liability insurance	5,900	5,051	85.60%
Worker's compensation	480	88	18.33%
Social security	5,750	2,709	47.11%
AZ state retirement	9,970	4,557	45.71%
Medicare tax	1,340	634	47.29%
Continuing education	0	0	0.00%
Indirect costs to general fund	371,055	62,663	16.89%
Subtotal maintenance and operations	537,855	140,244	26.07%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

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

	Adopted		
	Budget	Y-T-D	% Used
Capital outlay	6,250	0	0.00%
Construction:			
Legal fees	0	0	0.00%
Legal Advertising	500	26	5.28%
Investment Expense	400	325	81.35%
ADEQ Gardner Prop Cleanup	0	0	0.00%
Rodeo Dr. Reimbursement	0	0	0.00%
260-Design	100,000	0	0.00%
260-Construction	0	0	0.00%
Line extensions	255,000	7,195	2.82%
Pump System Upgrade	0	0	0.00%
Riverfront WWTP Design	3,000,000	995	0.03%
Effluent disposal system	0	238	0.00%
WWTP-Master Plan	0	0	0.00%
WWTP-Head Works	0	26	0.00%
Lift Station	150,000	79,683	53.12%
WWTP-Upgrades	400,000	9,724	2.43%
Recl H2O Pump System Upgrade	0	26,872	0.00%
Construction General	185,000	34	0.02%
Parking Lot Reconstruction	57,000	0	0.00%
Subtotal construction expenses	4,147,900	125,119	3.02%
Total Expenditures	4,692,005	265,364	5.66%
Excess (deficiency) of revenues over (under) expenditures	(4,427,605)	(131,846)	
Other Financing Sources (Uses):			
Operating transfers in	3,000,000	0	0.00%
Proceeds from other sources	4,000,000	0	0.00%
Capital leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	7,000,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,572,395	(131,846)	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual

Quarterly Report Ending December 31, 2011

Sewer Maintenance & Operations- 06

	Adopted Budget		
		Y-T-D	% Used
Revenues:			
City sales tax	\$0	\$0	0.00%
User fees - M&O residential	458,500	196,214	42.79%
User fees - M&O multi-residential	305,000	124,742	40.90%
User fees - M&O commercial	400,500	174,282	43.52%
Tap fees	0	0	0.00%
Reserves -	0	4,283	0.00%
Impact fees	8,000	24,502	306.28%
Effluent Revenue	9,000	5,898	65.53%
Building Rental	0	0	0.00%
Late fees - interest charges	20,000	17,358	86.79%
Connection fees	500	210	42.00%
Total revenues	1,201,500	547,489	45.57%

Expenditures:

Operating:

Salaries	287,910	130,093	45.19%
Overtime	35,000	22,089	63.11%
Health & life insurance	65,850	26,610	40.41%
Temporary Employees	0	0	0.00%
Clothing allowance	2,500	1,657	66.28%
Holiday pay	1,000	551	55.07%
Travel & training	2,000	386	19.32%
Subscriptions & dues	750	45	6.00%
Gas & oil	11,000	4,439	40.36%
Vehicle maintenance	7,000	3,347	47.81%
Equipment maintenance	150,000	56,505	37.67%
Chlorine	2,500	2,142	85.69%
Polymer	16,000	6,716	41.98%
Computer support	2,500	540	21.60%
Operational supplies	28,000	4,745	16.95%
Office supplies	1,500	537	35.81%
Copier supplies	500	456	91.16%
Utilities	365,000	187,551	51.38%
Telephone	3,400	1,561	45.91%
Legal advertising	0	158	0.00%
Contractual services	50,000	9,258	18.52%
Sludge disposal	100,000	30,934	30.93%
Postage & freight	6,000	1,426	23.77%
Odor control supplies	0		0.00%
Lab / testing	50,000	22,878	45.76%
Tools	1,500	340	22.64%
Equipment rental	1,500	528	35.19%
Building maintenance	23,000	165	0.72%
Liability insurance	32,700	12,539	38.35%
Worker's compensation	10,800	3,685	34.12%
Social security	20,140	9,342	46.39%
AZ state retirement	34,930	15,447	44.22%
Employee physicals	100	0	0.00%
Medicare tax	4,710	2,185	46.39%
ADEQ annual fee	15,000	6,000	40.00%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	1,332,790	564,854	42.38%

1,361,290

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2011

Sewer Maintenance & Operations- 06
 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Capital Outlay:	28,500	3,530	12.39%
Total Expenditures	<u>1,361,290</u>	<u>568,384</u>	<u>41.75%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(159,790)</u>	<u>(20,895)</u>	
Other Financing Sources (Uses):		0	
Operating transfers in	0	0	0.00%
Proceeds from bonds	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0.00%</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(159,790)</u>	<u>(20,895)</u>	

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2011

Grants - 07 & 08

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Intergovernmental revenue	\$1,150,495	\$0	0.00%
Other Income	0	7	0.00%
Total revenues	1,150,495	7	0.00%
Expenditures:			
Capital Outlay:	1,157,995		0.00%
Total Expenditures	1,157,995	0	0.00%
Excess (deficiency) of revenues over (under) expenditures	(7,500)	7	
Other Financing Sources (Uses):			
Operating Transfers In	7,500	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out		0	0.00%
Total other financing sources (uses)	7,500	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	7	
Fund balance, July 1, 2010 (un-audited)		156,696	
Estimated fund balance @ June 30, 2012		\$156,704	

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2011

Alt. Firefighter's Pension - 09

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$23,750	\$28,298	119.15%
Uses of monies & properties	40,000	(21,138)	-52.85%
Total revenues	63,750	7,160	11.23%
Expenditures:			
Benefits	3,600	1,800	50.00%
Administration	6,800	2,954	43.44%
Total Expenditures	10,400	4,754	45.71%
Excess (deficiency) of revenues over (under) expenditures	53,350	2,406	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	0	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	53,350	2,406	
Fund balance, July 1, 2011 (un-audited)		129,603	
Estimated fund balance @ June 30, 2012		\$132,009	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Employee Benefit Trust - 10

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$0	\$0	0.00%
Reinsurance reimbursements	0	0	0.00%
Miscellaneous revenues	0	612	0.00%
Total revenues	0	612	0.00%
Expenditures:			
Premiums	30,000	0	0.00%
Benefits	0	0	0.00%
Miscellaneous	1,200	500	0.00%
Total Expenditures	31,200	500	1.60%
Excess (deficiency) of revenues over (under) expenditures	(31,200)	112	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	0	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(31,200)	112	
Fund balance, July 1, 2011 (un-audited)		134,833	
Estimated fund balance @ June 30, 2012		\$134,944	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Capital Projects - 11

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Use of monies & properties	0	90,191	0.00%
Other Income	0	0	0.00%
Intergovernmental revenue	405,000	0	0.00%
Total revenues	405,000	90,191	22.27%
Expenditures:			
Capital outlay:			
Investment Expenses	0	1,988	0.00%
Railroad Wash	165,000	0	0.00%
6th St- Silver Springs Wet Cr	120,000	0	0.00%
Camino Real - Oak Creek Wash Wet CR	120,000	0	0.00%
Capital Projects	5,500,000	0	0.00%
Land Acquisition	50,000	81,405	162.81%
Architecture - City Hall	100,000	10,495	10.50%
Old Town Jail Remodel	60,200	626	1.04%
Old Court Bldg Remodel	102,800	65,835	64.04%
Old Town Parking & Rear Utility	190,000	15,444	8.13%
Riverfront Park Ramada Parking	114,600	1,544	1.35%
Fire Station 2 (GADA) Design	120,000	0	0.00%
Portal Signs COC	10,000	0	0.00%
Gardner Bldg Demo	70,000	0	0.00%
Rec Center Solar	600,000	83	0.01%
Communications Architecture	285,000	10,000	3.51%
Total Expenditures	7,607,600	187,419	2.46%
Excess (deficiency) of revenues over (under) expenditures	(7,202,600)	(97,228)	
Other Financing Sources (Uses):			
Operating Transfers In	285,000	0	0.00%
Proceeds from Bonds / Leases	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	(3,285,000)	0	0.00%
Total other financing sources (uses)	(3,000,000)	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(10,202,600)	(97,228)	
Fund balance, July 1, 2011 (un-audited)		14,212,682	
Estimated fund balance @ June 30, 2012		\$14,115,454	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Debt Service - 13

	Adopted Budget	Y-T-D	% Used
Revenues:			
Taxes	\$2,062,585	\$858,710	41.63%
Uses of monies & properties	850	129	15.21%
Total revenues	2,063,435	858,840	41.62%
Expenditures:			
Trustee fees	360	0	0.00%
Rodeo Drive Reimbursement	0	0	0.00%
Debt service:		0	
Interest	812,925	408,963	50.31%
Principal	1,250,000	622,917	49.83%
Total Expenditures	2,063,285	1,031,879	50.01%
Excess (deficiency) of revenues over (under) expenditures	150	(173,040)	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	0	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	150	(173,040)	
Fund balance, July 1, 2011 (un-audited)		1,210,126	
Estimated fund balance @ June 30, 2012		\$1,037,087	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Water Consolidated - 16

	Adopted		
	Budget	Y-T-D	% Used
Revenues: Note 1			
Taxes	\$0	\$0	0.00%
Charges for services	4,902,530	2,700,383	55.08%
Uses of monies & properties	588,450	313,542	53.28%
Miscellaneous revenues	333,640	190,987	57.24%
Total revenues	5,824,620	3,204,912	55.02%
Expenditures:			
Operating:			
Salaries	611,380	264,223	43.22%
Overtime	81,500	54,098	66.38%
Health & life insurance	193,490	84,080	43.45%
Temporary Employees	0	209	0.00%
Clothing allowance	6,000	3,796	63.27%
Holiday pay	2,000	1,196	59.79%
Travel & training	8,500	3,726	43.84%
Subscriptions & dues	1,600	682	42.63%
Printing & forms	14,000	4,232	30.23%
Bad debt expense	0	0	0.00%
Gas & oil	40,000	23,134	57.84%
Vehicle maintenance	12,000	16,414	136.78%
Equipment maintenance	240,000	59,271	24.70%
Chlorine	100,000	20,857	20.86%
Polymer	0	0	0.00%
Computer support	4,500	1,685	37.45%
Operational supplies	25,000	10,163	40.65%
Office supplies	11,000	7,781	70.74%
Copier Supplies	1,500	0	0.03%
Verde River Days	1,000	1,000	100.00%
Public Relations	0	0	0.00%
Utilities	339,200	213,217	62.86%
Telephone	28,420	7,108	25.01%
Legal Advertising	3,000	1,202	40.06%
Contractual services	235,800	47,361	20.09%
Water System Evaluation	0	0	0.00%
General Counsel	5,000	416	8.32%
Contractual SVCS-M&O	0	21,124	0.00%
Postage & freight	37,500	20,777	55.41%
Bank Charges	0	7	0.00%
Lab / testing	25,000	5,603	22.41%
Tools	4,000	1,055	26.37%
Equipment rental	2,000	0	0.00%
Building maintenance	4,500	19,635	436.33%
Liability insurance	80,290	30,956	38.56%
Liability Insurance Deductible	0	0	0.00%
Worker's compensation	22,450	10,255	45.68%
Social security	43,080	19,181	44.52%
AZ state retirement	71,170	32,047	45.03%
Employee physicals	0	0	0.00%
Medicare tax	10,080	4,486	44.50%
ADEQ annual fee	50,000	0	0.00%
Continuing education	500	0	0.00%
Payment Assistance Program	15,500	0	0.00%
Verde River Basin Partnership	0	0	0.00%
Trust Land Annexation	0	564	0.00%
Arsenic System Maintenance	250,000	232,240	92.90%
Reserve replacement fund	0	0	0.00%
Reserve Resource Development	2,853,590	0	0.00%
Reserve Water Advisory	166,350	9,677	5.82%
Reserve Adjudication	213,780	30,065	14.06%
Reserve Water Conservation	175,740	0	0.00%
Indirect costs to general fund	710,635	130,938	18.43%
Subtotal maintenance and operations	6,701,055	1,394,460	20.81%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Water Consolidated - 16 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Debt Service	2,527,310	1,263,655	50.00%
Capital Outlay:	3,612,850	803,723	22.25%
Total Expenditures	<u>12,841,215</u>	<u>3,461,839</u>	<u>26.96%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,016,595)</u>	<u>(256,927)</u>	<u>3.66%</u>
Other Financing Sources (Uses):			
Operating transfers in	0	0	0.00%
Proceeds from bonds / loans	3,220,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total other financing sources (uses)	<u>3,220,000</u>	<u>0</u>	<u>0.00%</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income	<u><u>(\$3,796,595)</u></u>	<u><u>(\$256,927)</u></u>	

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Water Construction & Administration - 16	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
City sales tax	\$0		0.00%
User fees	4,673,930	2,582,453	55.25%
Service Turn Ons	63,000	31,625	50.20%
Meter Installation	13,200	2,050	15.53%
Impact Fees	60,000	36,381	60.64%
Collection fees/late fees	92,400	47,874	51.81%
Reimbursement Clarkdale	325,000	185,811	57.17%
Res-Resource Development Fees	420,000	233,966	55.71%
Res-Water Advisory Committee	33,600	18,960	56.43%
Res-Adjudication	42,000	23,831	56.74%
Res-Water Conservation	26,400	14,619	55.38%
Recapture Agreements	0		0.00%
Other income	8,640	5,176	0.00%
Building Rental	7,800	3,250	41.67%
Sale of City Property	100		0.00%
Drought Water Shortage PP	0		0.00%
Interest income	58,650	18,834	32.11%
Total revenues	5,824,720	3,204,830	55.02%
Expenditures:			
Administration			
Salaries	130,160	61,687	47.39%
Overtime and Holiday Pay	1,500	2,119	141.23%
Health & life insurance	39,230	14,587	37.18%
Temp Employees	0	0	0.00%
Travel & training	1,000	1,074	107.38%
Subscriptions & dues	100	0	0.00%
Printing & forms	14,000	4,232	30.23%
Bad debt expense	0	0	0.00%
Equipment maintenance	1,000	0	0.00%
Computer support	3,000	435	14.50%
Office supplies	3,000	6,245	208.15%
Copier Supplies	500	0	0.09%
Utilities	4,200	1,590	37.87%
Telephone	3,220	1,741	54.06%
Contractual Services	100,000	18,606	18.61%
Public Relations	0	0	0.00%
Growth Premium	30,000	6,000	20.00%
Water System Evaluation	0	0	0.00%
General Counsel	5,000	416	8.32%
Legal advertising	1,000	1,035	103.48%
Postage & freight	36,000	20,384	56.62%
AWOR Fee	0	7,017	#DIV/0!
Bank charges	0	7	0.00%
Liability insurance	17,290	10,732	62.07%
Worker's compensation	570	78	13.68%
Social security	8,160	3,818	46.79%
AZ state retirement	14,150	6,444	45.54%
Medicare tax	1,910	893	46.74%
Continuing education	0	0	0.00%
Indirect costs to general fund	710,635	130,938	18.43%
Payment Assistance Program	15,500	0	0.00%
Verde River Basin Partnership	0	0	0.00%
Trust Land Annexation	0	564	0.00%
Reserve Resource Development	2,853,590	0	0.00%
Reserve Water Advisory	166,350	9,677	5.82%
Reserve Adjudication	213,780	30,065	14.06%
Reserve Water Conservation	175,740	0	0.00%
Unrestricted Reserve	0	0	0.00%
Subtotal maintenance and operations	4,550,585	340,382	7.48%

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget to Actual
 Quarterly Report Ending December 31, 2011

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

	Adopted		
	Budget	Y-T-D	% Used
Capital outlay	151,350	32,832	21.69%
Construction:			
Legal Advertising	0	0	0.00%
Investment Expense	3,500	1,471	42.02%
Building Purchase	0	0	0.00%
Aresinic Mitigation	0	0	0.00%
Bonding Expense	0	0	0.00%
Valve Replacement	0	2,958	0.00%
Aid in Lieu of Construction	130,000	121,252	93.27%
Fire Hydrant Improvements	250,000	173,118	69.25%
HWY 260 H2O System Upgrades	1,250,000	0	0.00%
Well Booster Station	750,000	216	0.03%
Well Improvements	100,000	35,905	35.91%
Construction General	114,000	0	0.00%
W Mingus Reconstruction/Sys Upgrades	256,000	16,750	6.54%
Water System Upgrades	500,000	327,247	65.45%
Line Extensions	0	80,224	0.00%
Land Acquisition	0	0	0.00%
Subtotal construction expenses	3,353,500	759,141	22.64%
Total Expenditures	8,055,435	1,132,354	14.06%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Water Maintenance & Operations- 16

Adopted Budget	Y-T-D	% Used
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Expenditures:

Operating:

Salaries	481,220	202,536	42.09%
Overtime	80,000	51,980	64.97%
Health & life insurance	154,260	69,493	45.05%
Temporary Employees	0	209	0.00%
Clothing allowance	6,000	3,796	63.27%
Holiday pay	2,000	1,196	59.79%
Travel & training	7,500	2,653	35.37%
Subscriptions & dues	1,500	682	45.47%
Gas & oil	40,000	23,134	57.84%
Vehicle maintenance	12,000	16,414	136.78%
Equipment maintenance	239,000	59,271	24.80%
Chemicals	100,000	20,857	20.86%
Polymer	0	0	0.00%
Computer support	1,500	1,250	83.33%
Operational supplies	25,000	10,163	40.65%
Office supplies	8,000	1,537	19.21%
Copier supplies	1,000	0	0.00%
Verde River Days	1,000	1,000	100.00%
Utilities	335,000	211,627	63.17%
Telephone	25,200	5,367	21.30%
Legal advertising	2,000	167	8.36%
Contractual services	105,800	15,738	14.88%
Contractual SVCS-M&O	0	21,124	0.00%
Postage & freight	1,500	394	26.24%
Lab / testing	25,000	5,603	22.41%
Tools	4,000	1,055	26.37%
Equipment rental	2,000	0	0.00%
Building maintenance	4,500	19,635	436.33%
Liability insurance	63,000	20,224	32.10%
Worker's compensation	21,880	10,177	46.51%
Social security	34,920	15,363	44.00%
AZ state retirement	57,020	25,603	44.90%
Employee physicals	0	0	0.00%
Medicare tax	8,170	3,593	43.98%
ADEQ annual fee	50,000	0	0.00%
Arsenic System Maintenance	250,000	232,240	92.90%
Liability Insurance Deductible	0	0	0.00%
Continuing education	500	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	2,150,470	1,054,079	49.02%

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Quarterly Report Ending December 31, 2011

Water Debt Service - 16

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Use of monies & properties	0	82	0.00%
Other Income	0	0	0.00%
Intergovernmental revenue	0	0	0.00%
Total Revenues	0	82	0.00%
Debt Service:			
Principal	965,000	482,500	50.00%
Interest	1,559,310	779,655	50.00%
Trustee Fees	3,000	1,500	50.00%
Capital Outlay:	108,000	11,751	10.88%
Total Expenditures	4,785,780	1,275,406	26.65%
Excess (deficiency) of revenues over (under) expenditures	4,785,780	1,929,424	
Other Financing Sources (Uses):			
Operating transfers in	0	0	0.00%
Proceeds from bonds	3,220,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	3,220,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(3,796,495)	797,152	