

To: Honorable Madame Mayor Joens & Council October 31, 2008

Via: Douglas Bartosh, City Manager *DB*

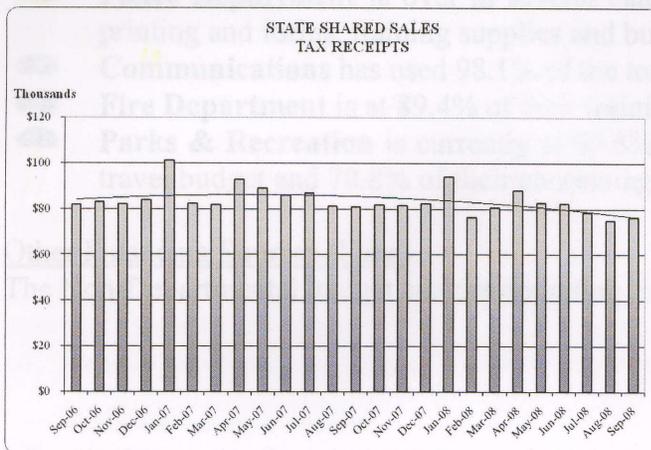
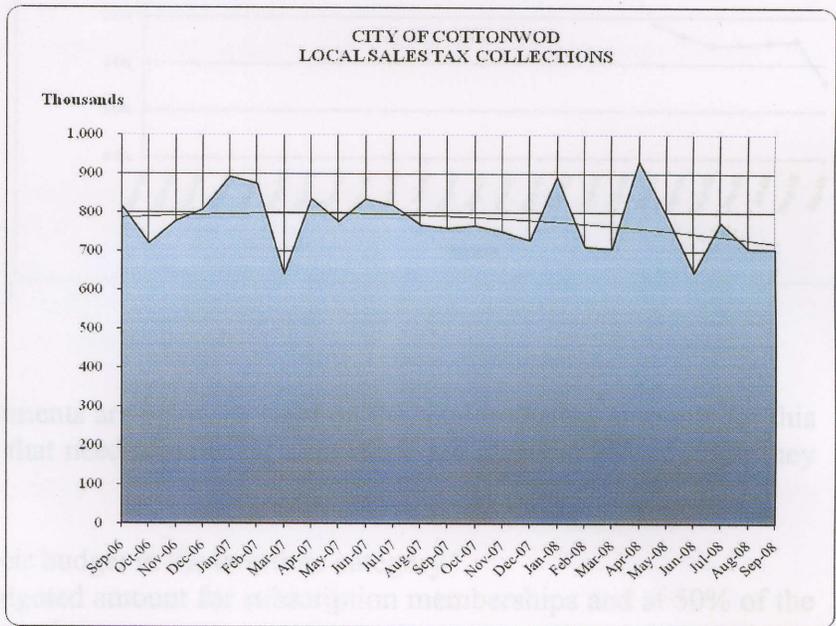
From: Kirsten Lennon, Accounting / Budget Manager *K.L.*  
 Rudy Rodriguez, Finance Director *R.R.*

Subject: Revenue & Expenditure Reports – Period ending September 30, 2008

**GENERAL FUND**

Revenues

Sales tax revenues have started FY 2008-09 on a sour note. Currently sales tax is 4% below estimates and 7% below last year's at this time. The City will continue to tighten its belt, and attempt to keep up with the decreasing revenue. Directives have been sent out asking for a minimum of a 5% cut across the board be compiled to help weather this economic dilemma. The City is looking at cuts in continuing education, travel, training, and contractual services budgets. It is also scheduling capital purchases for later in the year, if not eliminating or moving them into next year. An evaluation of the Cost of Living Adjustment<sup>1</sup> scheduled for January 1<sup>st</sup> will also take place. As you know the 0.8% sales tax increase starts on November 1<sup>st</sup> with



the increase in revenues actually being received by the City in January. With the national unemployment rate at 6.1%, the highest it has been in years, people are cutting back their spending and that means fewer sales tax dollars. As a reminder, in the 2009 budget the increase was contemplated and therefore must be adjusted accordingly.

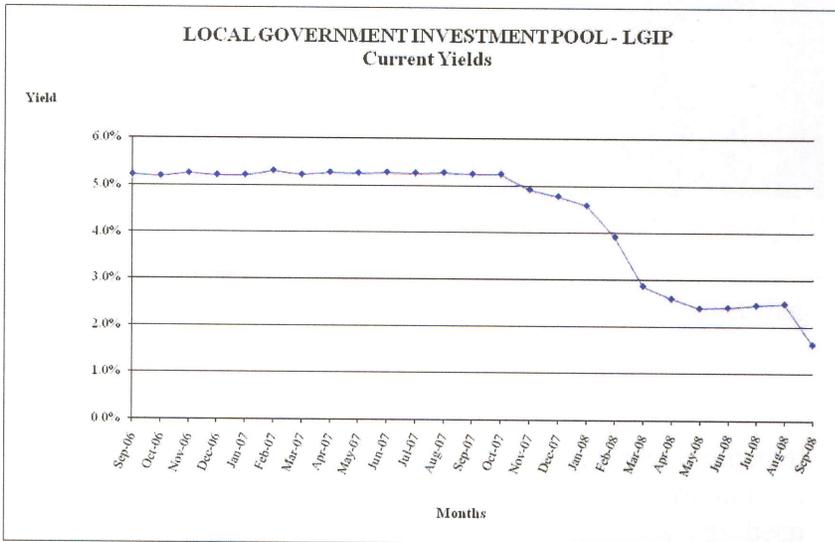
The State Shared revenues came in 7.79% below last year's cumulatively at this time but fairly even with the estimates for FY 2007-08, by the State.

<sup>1</sup> Cost of Living (COLA) is approximately \$100,000/year for each 1% = cost for ½ year is \$200,000

State Shared Income Tax revenues are presently right on track at 25% of the budgeted amount for FY 2008-09. This is yet another of the state shared revenues that are estimated by the State and distributed based on collections from two years ago. These revenues usually come in as proposed by the state.

Current Motor vehicle taxes estimates are slightly below the budgeted amount. The Motor Vehicle Tax is lower than last year at this time by 7.27%. The City of Cottonwood finished paying back, in July, the \$2,436.06 being paid monthly to the County due to calculation errors made some years ago.

Interest rates started dropping in September 2007 and have continuously declined. Since we moved our investments out of Pool 5 and into the safer Pool 7 in September, the interest rates are down to 1.6%. The interest line item is at only 12.7% of the budgeted amount due to the decline in the interest rate and the large demands on reserve funds. The City also lost \$92,000 dollars invested in LGIP due to the bankruptcy of Lehman Brothers, Inc.<sup>2</sup>



Expenditures

At the end of the first quarter most departments are below or right on the total budgeted amounts for this time period. There are a few line items that need monitoring since they are over the 25% margin they should be at September 30:

-  **Administration** is at 78.8% of their budget in the overtime category
-  **City Council** is at 75% of the budgeted amount for subscription memberships and at 50% of the \$5,000 budget to the Youth Commission.
-  **Finance Department** is at 82.1% of the amount budgeted for travel & training
-  **Police Department** is over in several categories which include subscriptions & memberships, printing and forms, training supplies and building supplies
-  **Communications** has used 98.1% of the total amount budgeted for travel/training
-  **Fire Department** is at 89.4% of their training budget
-  **Parks & Recreation** is currently at 69.8% of their temporary employee budget, 81.7% of their travel budget and 78.8% of their continuing education budget.

Other Financing Sources (Uses)

The Non-Departmental budget and the operating transfers out to other departments are right on track.

<sup>2</sup> As a note, staff is contemplating moving additional idle reserves out of the LGIP and into short term government securities to bolster it earnings without additional risk.

## SPECIAL REVENUE FUNDS

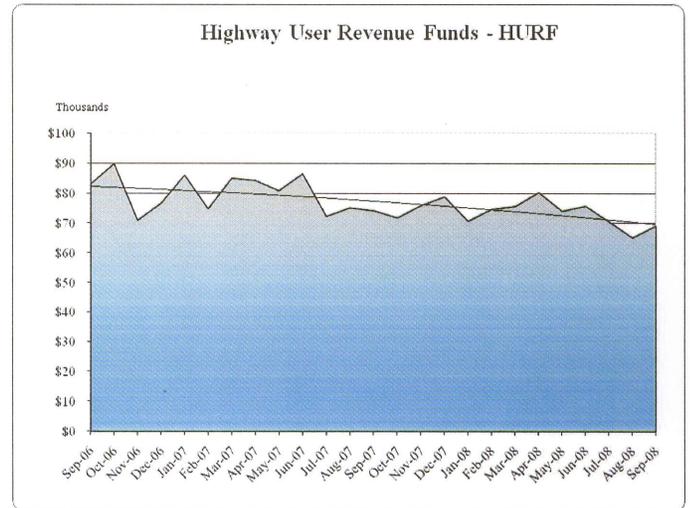
### Highway User Revenue Fund (HURF)<sup>3</sup>

#### Revenues

HURF revenues are currently at only 13.5% of the budgeted amount. With the HURF Tax coming in 6.84% below where it was this time last year being half of those revenues.

#### Expenditures

The Street Department budget is currently at 27% with the Street Construction budget at 8% of the budgeted amount. The Willard Street Extension project is already under way and has used 32.77% of the \$910,000 budgeted, there are still numerous projects budgeted in the Street Construction budget that remain to be started in FY 2008-09.



#### Cottonwood Area Transit (C.A.T.)

C.A.T. revenues are at only 6.5% of the budgeted amount. Since Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) took over the billings to Arizona Department of Transportation (ADOT) for reimbursement, it seems that the lag time on reimbursements has been extended. The expenditures for C.A.T. are below the 25% budgeted for the first quarter and look good except for the Vehicle Maintenance line item which is at 54.15%.

#### Library

Currently, the General Fund operating transfers are right on target for the Library at \$164,953. But because we have not yet received funding from Yavapai County so the Library's operating revenues are only at 2.38%.

Operating expenditures are currently at 22.9% but there are a few line items that we should keep an eye on and those are temporary employees which is currently at 73.71% and copier supplies which is already at 96.34% of the total amount budgeted.

#### Airport

The revenues for the Airport are doing better than expected since the City took over the fuel supply and restructured the fuel override allocation.<sup>4</sup> The City's goal in providing the fuel is to maintain a safe and adequate fuel supply at a competitive price throughout Northern Arizona. The City has also taken over the tie downs; (covered and open) in order to improve collection. Currently the City has improved its collection to nearly 100%. The Airport hangar and land lease billings were sent out in September 2008.

The expenditures for this fund are doing well at 20.06% of the total budget. 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.

<sup>3</sup> The HURF funds streets maintenance, street construction, and also funds any shortfalls of the Cottonwood Area Transit System.

<sup>4</sup> The fuel allocation was modified through an arrangement between the Fixed Base Operator (FBO) AEROBEAR and the City of Cottonwood, beginning June 2007. Originally the \$1 fuel override was split 2.5 City/97.5 AEROBEAR and was modified to 50/50. Since the installation of the Self Serve System the City of Cottonwood sets the fuel price with only a 25¢ override for AEROBEAR.

### Grants

At present there is not much activity in this fund but some of the projects budgeted will be starting in the near future.

## **CAPITAL PROJECTS**

### Capital Projects

This fund reflects the Library Expansion Project which is almost completely expensed; there are a still few outstanding invoices for this project. The Construction Manager at Risk has started work on the Recreation Center Project and the expenditures for this project should be increasing steadily as we gear up to building the Recreation Center.

## **ENTERPRISE FUNDS**

### Sewer

Overall, revenues are at 20.88% for the year of the budgeted amount and are close to target. The transfers in budgeted for the Sewer Department from the Debt Service fund will not begin until needed to cover the planned capital expenditures.

Expenses for Operations & Maintenance (O&M) and Administration are right on target at 24.8% and the Sewer Construction Expenditures are currently at only 1% of the budgeted amount. There are just two line items in the Operations & Maintenance budget that need to be checked; they are Equipment Rental at 108.05% and Chlorine at 64.5%.

### Water

The water fund revenues are currently at 26% of the budgeted amount which is good to say the least, though it provides marginal coverage for the Debt Service payments.

O&M and Administration expenditures are both doing really well, with O&M currently at 24.74% of its budget and Administration around 18% of its budget without reserves. The only cause for concern might be the 99.93% usage of the tools budget in the O&M side, the 77.34% use of overtime in the administration budget, and the 82.72% total of the budgeted Office supplies for administration.

## **DEBT SERVICE FUNDS**

### Debt Service

As in the past, This fund continues to be in good shape. Sales taxes and interest income provide most of the revenues for this fund and all expenditures are principal and interest on loans and bond issues. Only Library debt is remaining at September 30, 2008.

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

General Fund - 01	Adopted		
	Budget	Y-T-D	% Used
<b>Revenues:</b>			
Taxes	\$10,929,330	\$1,683,391	15.40%
Licenses & permits	378,100	49,812	13.17%
Intergovernmental revenue	3,437,320	639,348	18.60%
Charges for services	780,120	118,776	15.23%
Fines & forfeitures	216,000	54,127	25.06%
Uses of monies & properties	94,090	20,331	21.61%
Miscellaneous revenues	194,500	21,939	11.28%
<b>Total revenues</b>	<b>16,029,460</b>	<b>2,587,724</b>	<b>16.14%</b>
<b>Expenditures:</b>			
<b>Operating:</b>			
Administration	427,960	83,815	19.58%
Personnel	246,690	39,824	16.14%
Council	984,890	69,461	7.05%
Natural resources	127,845	23,722	18.56%
Finance	478,180	97,980	20.49%
IT Services	84,960	21,756	25.61%
Planning & zoning	328,710	77,856	23.69%
Building inspection	186,110	34,957	18.78%
Police	3,271,315	669,737	20.47%
Animal control	104,110	20,592	19.78%
Communications	623,350	116,966	18.76%
Economic Development	82,260	17,354	21.10%
Fire	1,769,300	360,112	20.35%
Court	428,200	93,607	21.86%
Legal	275,500	46,382	16.84%
Engineering	346,720	72,815	21.00%
Parks & recreation	657,830	176,491	26.83%
Pool	113,310	50,520	44.59%
Weightroom	12,730	2,534	19.90%
Building maintenance	631,160	109,288	17.32%
Custodial	137,480	34,572	25.15%
Non-departmental	2,255,090	604,683	26.81%
<b>Subtotal maintenance and operations</b>	<b>13,573,700</b>	<b>2,825,023</b>	<b>20.81%</b>
Capital outlay:	1,040,500	171,667	16.50%
<b>Total Expenditures</b>	<b>14,614,200</b>	<b>2,996,690</b>	<b>20.51%</b>
Excess (deficiency) of revenues over (under) expenditures	1,415,260	(408,966)	
<b>Other financing sources (uses):</b>			
Operating transfers in	23,490	5,873	25.00%
Sales of City Equipment	5,000	3,110	0.00%
Capital leases	(385,050)	0	0.00%
Transfers out	(694,510)	(175,585)	25.28%
<b>Total other financing sources (uses)</b>	<b>(1,051,070)</b>	<b>(166,603)</b>	<b>15.85%</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	364,190	(575,569)	
Fund balance, July 1, 2008 (unaudited)		3,629,490	
Estimated fund balance @ June 30, 2009		\$3,053,921	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

**HURF - 02**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Intergovernmental revenue	\$4,534,250	611,810	13.49%
Uses of monies & properties	42,400	7,676	18.10%
Miscellaneous revenues	8,400	160	1.90%
Total revenues	4,585,050	619,646	13.51%
	6,218,410		
<b>Expenditures:</b>			
<b>Operating:</b>			
Salaries	239,550	47,950	20.02%
Overtime	1,000	0	0.00%
Health & life insurance	59,470	12,664	21.29%
Temp employees	0	0	0.00%
Clothing allowance	4,500	1,875	41.67%
Travel & training	1,200	0	0.00%
Subscriptions & dues	200	0	0.00%
Gas & oil	17,300	4,684	27.08%
Vehicle maintenance	11,000	2,717	24.70%
Equipment maintenance	11,000	10,273	93.39%
Computer support	700	297	0.00%
Operational supplies	1,700	335	19.72%
Office supplies	600	121	20.22%
Utilities	4,500	987	21.93%
Telephone	2,200	402	18.28%
Street lights	45,000	11,551	25.67%
Legal advertising	500	0	0.00%
Engineering Services	2,000	0	0.00%
General counsel	0	0	0.00%
Postage & freight	250	0	0.00%
Bank charges	300	55	0.00%
Tools	2,800	1,217	43.48%
Equipment rental	25,000	1,699	6.79%
Building maintenance & repair	0	0	0.00%
Liability insurance	20,000	6,243	31.22%
Worker's compensation	18,850	2,967	15.74%
Social security	14,910	2,858	19.17%
AZ state retirement	22,730	4,536	19.96%
Employee physicals	700	269	38.43%
Medicare tax	3,490	668	19.15%
Liability claims deductible	0	0	0.00%
Continuing education	0	0	0.00%
Indirect costs to general fund	100,000	26,785	26.79%
Culverts	5,000	0	0.00%
Materials	35,000	819	2.34%
Street signs	12,000	1,161	9.68%
Street marking	40,000	0	0.00%
Rodeo Dr. St. Reimbursement	0	7,209	0.00%
Contractual services	35,500	10,891	30.68%
Equipment purchase	59,500	57,779	0.00%
Street light contingency	4,000	0	0.00%
Subtotal maintenance and operations	802,450	219,014	27.29%

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

HURF - 02 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Debt Service:			
Principal	0	0	0.00%
Interest	0	0	0.00%
Capital Outlay:			
Pavement Preservation	350,000	0	0.00%
Street Contingency	645,960	21,680	3.36%
Sidewalk Additions	80,000	0	0.00%
12th Street Project	460,000	0	0.00%
W Mingus Reconstruction	1,030,000	0	0.00%
12th ST Nacog 89-a to fir	1,595,000	0	0.00%
Paula St. Reconstruction	345,000	0	0.00%
Willard Extension	910,000	298,222	32.77%
Total Expenditures	6,218,410	538,916	8.67%
Excess (deficiency) of revenues over (under) expenditures	(1,633,360)	80,730	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	0	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,633,360)	80,730	
Fund balance, July 1, 2007 (unaudited)		1,633,360	
Estimated fund balance @ June 30, 2008		\$1,714,090	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

**CATS - 02**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Intergovernmental revenue	\$1,425,670	41,129	2.88%
Charges for services	141,990	60,654	42.72%
Total revenues	1,567,660	101,783	6.49%
<b>Expenditures:</b>			
Salaries	355,600	63,954	17.98%
Overtime	4,000	173	4.32%
Health/life insurance	90,960	18,541	20.38%
Temporary employee	32,600	4,310	13.22%
Clothing allowance	1,300	100	7.68%
Holiday pay	1,000	0	0.00%
Travel/training	2,760	500	18.12%
Subscriptions/dues	400	0	0.00%
Gas & oil	75,900	22,867	30.13%
Vehicle maintenance	67,100	36,334	54.15%
Equipment maintenance	0	0	0.00%
Radio maintenance	1,870	87	4.63%
Computer Support	1,220	193	15.85%
Office supplies	4,500	925	20.54%
Copier supplies	1,000	115	11.48%
Utilities	2,000	110	5.52%
Telephone	6,280	1,291	20.56%
Printing & forms	6,000	0	0.00%
Advertising	16,800	0	0.00%
Postage & freight	750	88	11.72%
Contractual Services	42,970	4,502	0.00%
Audit expense	2,780	0	0.00%
Liability insurance	22,270	7,300	32.78%
State compensation insurance	22,660	3,074	13.57%
Social security	24,400	4,063	16.65%
AZ retirement	37,190	6,087	16.37%
Employee physicals / drug tests	2,710	621	22.92%
Medicare	5,510	950	17.24%
Continuing education	0	413	0.00%
Indirect costs to GF	35,430	4,922	13.89%
Subtotal maintenance and operations	867,960	181,518	20.91%
Capital Outlay:	699,700	12,714	1.82%
Total Expenditures	1,567,660	194,232	12.39%
Excess (deficiency) of revenues over (under) expenditures	0	(92,449)	
<b>Other Financing Sources (Uses):</b>			
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	0	(92,449)	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

**Library - 03**

	Adopted		
	Budget	Y-T-D	% Used
<b>Revenues:</b>			
Other income	\$19,200	\$4,715	24.56%
Interest income	4,350	278	6.39%
Collection income	0	0	0.00%
Yavapai county	186,400	0	0.00%
AZ LSCA/Yavapai county grant	0	0	0.00%
Gates grant	0	0	0.00%
Total revenues	209,950	4,993	2.38%
<b>Expenditures:</b>			
<b>Operating:</b>			
Salaries	418,700	79,866	19.07%
Health & life insurance	71,300	16,868	23.66%
Temp employees	10,000	7,371	73.71%
Holiday pay	0	0	0.00%
Travel & training	570	225	0.00%
Subscriptions & dues	180	0	0.00%
Gas & oil	0	0	0.00%
Vehicle maintenance	0	0	0.00%
Equipment maintenance	6,070	1,451	23.90%
Computer support	4,500	216	4.79%
Collection expenses	3,410	483	14.17%
Office supplies	10,000	4,363	43.63%
Copier supplies	590	568	96.34%
Utilities	46,820	15,123	32.30%
Telephone	9,100	2,671	29.35%
Special Dept. Supplies	0	0	0.00%
Youth programs	1,120	0	0.00%
Legal advertising	0	0	0.00%
Postage & freight	6,610	1,951	29.51%
Book purchases	82,250	18,673	22.70%
District - Materials	0	0	0.00%
Network & technology expenses	39,780	13,926	35.01%
Annual volunteer appreciation	790	424	53.73%
Liability Insurance	15,000	7,316	0.00%
Worker's compensation	1,370	679	49.56%
Social security	25,960	5,237	20.17%
AZ state retirement	39,570	7,502	18.96%
Medicare tax	6,070	1,225	20.18%
Continuing education	0	0	0.00%
Indirect costs to general fund	70,000	13,051	18.64%
Subtotal maintenance and operations	869,760	199,188	22.90%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending September 30, 2008

**Library - 03 (page 2)**

	<b>Adopted Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Capital outlay:	0	0	0.00%
Total expenditures	<u>869,760</u>	<u>199,188</u>	<u>22.90%</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(659,810)</u>	 <u>(194,195)</u>	
	(458,460)		
Other financing sources (uses):			
Operating transfers in	659,810	164,953	25.00%
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>659,810</u>	<u>164,953</u>	<u>25.00%</u>
 Excess of revenues and other financing sources over (under) expenditures and other financing uses	 <u>0</u>	 <u>(29,242)</u>	
Fund balance, July 1, 2007 (unaudited)		0	
 Estimated fund balance @ June 30, 2008		 <u><u>(\$29,242)</u></u>	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

**Airport - 05**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Other Income	\$0	\$124	0.00%
Tie down rent	9,300	8,392	90.24%
Airpark Rents	0	0	0.00%
FBO building rental income	14,400	3,600	25.00%
Fuel sales income	217,800	63,114	28.98%
Land lease fees	33,000	15,720	47.64%
City hangar lease fees	23,300	7,816	33.55%
Total revenues	297,800	98,767	33.17%
Expenditures:			
Equipment maintenance	12,000	1,039	8.66%
Utilities	16,000	3,080	19.25%
Telephone	1,360	337	24.74%
General Counsel	10,000	0	0.00%
Fuel Expense	198,000	38,100	19.24%
Miscellaneous	4,500	3,757	83.49%
Building maintenance	14,500	30	0.20%
Liability Insurance	8,000	5,175	64.69%
Equipment Purchase	0		0.00%
Indirect costs	25,000	6,514	0.00%
Subtotal maintenance and operations	289,360	58,032	20.06%
Capital improvements - hangars	0	0	
Total expenditures	289,360	58,032	20.06%
Excess (deficiency) of revenues over (under) expenditures	8,440	40,736	
Other financing sources (uses):			
Operating transfers in	0	0	0.00%
Proceeds from lease purchase	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	(39,990)	(6,398)	16.00%
Total other financing sources (uses)	(39,990)	(6,398)	16.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(31,550)	34,338	
Fund balance, July 1, 2007 (unaudited)		39,575	
Estimated fund balance @ June 30, 2008		\$73,913	

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Quarterly Report Ending September 30, 2008

**Sewer Consolidated - 06**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Taxes	\$0	\$0	0.00%
Charges for services	1,803,500	378,585	20.99%
Uses of monies & properties	137,620	26,778	19.46%
Miscellaneous revenues	45,600	9,389	20.59%
<b>Total revenues</b>	<b>1,986,720</b>	<b>414,751</b>	<b>20.88%</b>
<b>Expenditures:</b>			
<b>Operating:</b>			
Salaries	366,600	67,872	18.51%
Overtime	31,500	8,199	26.03%
Health & life insurance	70,100	16,212	23.13%
Temporary Employees	0	0	0.00%
Clothing allowance	4,000	1,451	36.29%
Holiday pay	1,660	159	9.57%
Travel & training	3,000	455	15.17%
Subscriptions & dues	1,000	404	40.40%
Printing & forms	2,000	0	0.00%
Bad debt expense	9,000	3,862	42.91%
Gas & oil	9,500	1,720	18.10%
Vehicle maintenance	8,000	864	10.79%
Equipment maintenance	115,000	36,045	31.34%
Chlorine	2,000	1,290	64.50%
Polymer	20,000	3,801	19.01%
Computer support	6,000	1,614	26.90%
Operational supplies	17,000	7,958	46.81%
Office supplies	2,500	480	19.20%
Copier Supplies	1,250	8	0.66%
Utilities	301,500	99,131	32.88%
Telephone	5,000	824	16.48%
Legal Advertising	1,500	0	0.00%
General Counsel	1,300	0	0.00%
Contractual services	80,000	8,557	10.70%
Sludge disposal	110,000	27,750	25.23%
Postage & freight	9,000	2,788	30.98%
Bank Charges	5,000	397	7.94%
Odor control supplies	0	0	0.00%
Lab / testing	43,000	6,018	14.00%
Tools	3,000	1,385	46.18%
Equipment rental	2,000	2,161	108.05%
Building maintenance	3,000	0	0.00%
Liability insurance	23,400	12,054	51.51%
Worker's compensation	15,080	1,283	8.51%
Social security	24,170	4,663	19.29%
AZ state retirement	36,830	7,236	19.65%
Employee physicals	120	0	0.00%
Medicare tax	5,650	1,091	19.30%
ADEQ annual fee	15,000	0	0.00%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Indirect costs to general fund	79,000	20,737	26.25%
<b>Subtotal maintenance and operations</b>	<b>1,433,660</b>	<b>348,469</b>	<b>24.31%</b>

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending September 30, 2008

**Sewer Consolidated - 06 (page 2)**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Capital Outlay:	8,251,000	143,207	1.74%
Total Expenditures	<u>9,684,660</u>	<u>491,676</u>	<u>5.08%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,697,940)</u>	<u>(76,925)</u>	
Other Financing Sources (Uses):			
Operating transfers in	3,818,475	0	0.00%
Proceeds from bonds / loans	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>3,818,475</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>(\$3,879,465)</u></u>	<u><u>(\$76,925)</u></u>	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

**Sewer Construction  
& Administration - 06**

Adopted Budget	Y-T-D	% Used
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Revenues:

City sales tax	\$0	\$0	#DIV/0!
User fees - admin residential	132,000	32,925	24.94%
User fees - admin commercial	22,500	4,372	19.43%
User fees - admin multi-residential	89,000	22,215	24.96%
Recovery of bad debts	0	(341)	0.00%
Other income	500	285	0.00%
Interest income	25,000	20,348	81.39%
Interest - equipment reserve	100,000	5,841	5.84%
Interest - expansion fund	620	33	5.34%
Interest - bond reserve fund	10,000	461	4.61%
Total revenues	379,620	86,138	22.69%

Carry over

Expenditures:

Administration

Salaries	56,640	10,977	19.38%
Overtime and Holiday Pay	2,500	625	0.00%
Health & life insurance	13,630	2,951	21.65%
Temp Employees	0	0	0.00%
Travel & training	0	0	0.00%
Subscriptions & dues	0	0	0.00%
Printing & forms	2,000	0	0.00%
Bad debt expense	9,000	3,862	42.91%
Equipment maintenance	0	0	0.00%
Computer support	2,000	290	14.51%
Office supplies	500	0	0.00%
Copier Supplies	250	8	0.00%
Utilities	1,500	562	37.47%
Telephone	900	0	0.00%
General Counsel	1,300	0	0.00%
Contractual Services	20,000	523	0.00%
Legal advertising	0	0	0.00%
Postage & freight	5,000	1,921	38.43%
Bank charges	5,000	397	0.00%
Liability insurance	2,400	1,777	0.00%
Worker's compensation	190	30	15.79%
Social security	3,670	676	18.41%
AZ state retirement	5,590	1,103	19.73%
Medicare tax	860	158	18.38%
Continuing education	0	0	0.00%
Indirect costs to general fund	79,000	20,737	26.25%
Subtotal maintenance and operations	211,930	46,596	21.99%

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

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

	Adopted		
	Budget	Y-T-D	% Used
Capital outlay	0	21,814	0.00%
Construction:			
Legal fees	0	0	0.00%
Legal Advertising	0	0	0.00%
Investment Expense	0	2,467	0.00%
Rodeo Dr. Reimbursement	0	0	0.00%
260-Design	0	0	0.00%
260-Construction	1,900,000	93,382	1.18%
Line extensions	0	0	0.00%
Pump System Upgrade	150,000	0	0.00%
Bella Montana Plant	5,600,000	0	0.00%
Effluent disposal system	0	0	0.00%
WWTP-Master Plan	110,000	0	0.00%
WWTP-Head Works	300,000	0	0.00%
Lift Station	90,000	206	1.18%
Reuse Station-Construction	0	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	8,150,000	96,055	1.18%
Total Expenditures	8,361,930	164,465	1.97%
Excess (deficiency) of revenues over (under) expenditures	(7,982,310)	(78,327)	
Other Financing Sources (Uses):			
Operating transfers in	3,818,475	0	0.00%
Proceeds from WIFA loan	0	0	
Capital leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	3,818,475	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,163,835)	(78,327)	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

**Sewer Maintenance & Operations- 06**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Revenues:			
City sales tax	\$0	\$0	0.00%
User fees - M&O residential	460,000	110,865	24.10%
User fees - M&O multi-residential	300,000	74,913	24.97%
User fees - M&O commercial	470,000	111,504	23.72%
Tap fees	0	0	0.00%
Impact fees	300,000	14,269	0.00%
Effluent Revenue	30,000	7,521	0.00%
Building Rental	29,100	5,500	0.00%
Late fees - interest charges	16,000	3,945	0.00%
Connection fees	2,000	95	0.00%
Total revenues	1,607,100	328,613	20.45%

Expenditures:

Operating:

Salaries	309,960	56,895	18.36%
Overtime	29,000	7,574	26.12%
Health & life insurance	56,470	13,261	23.48%
Temporary Employees	0	0	0.00%
Clothing allowance	4,000	1,451	36.29%
Holiday pay	1,660	159	9.57%
Travel & training	3,000	455	15.17%
Subscriptions & dues	1,000	404	40.40%
Gas & oil	9,500	1,720	18.10%
Vehicle maintenance	8,000	864	10.79%
Equipment maintenance	115,000	36,045	31.34%
Chlorine	2,000	1,290	64.50%
Polymer	20,000	3,801	19.01%
Computer support	4,000	1,324	33.10%
Operational supplies	17,000	7,958	46.81%
Office supplies	2,000	480	24.00%
Copier supplies	1,000	0	0.00%
Utilities	300,000	98,569	32.86%
Telephone	4,100	824	20.09%
Legal advertising	1,500	0	0.00%
Contractual services	60,000	8,035	13.39%
Sludge disposal	110,000	27,750	25.23%
Postage & freight	4,000	867	21.67%
Odor control supplies	0	0	0.00%
Lab / testing	43,000	6,018	14.00%
Tools	3,000	1,385	46.18%
Equipment rental	2,000	2,161	108.05%
Building maintenance	3,000	0	0.00%
Liability insurance	21,000	10,277	48.94%
Worker's compensation	14,890	1,253	8.42%
Social security	20,500	3,987	19.45%
AZ state retirement	31,240	6,133	19.63%
Employee physicals	120	0	0.00%
Medicare tax	4,790	932	19.47%
ADEQ annual fee	15,000	0	0.00%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	1,221,730	301,873	24.71%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending September 30, 2008

**Sewer Maintenance & Operations- 06**  
 (page 2)

	Adopted		
	Budget	Y-T-D	% Used
Capital Outlay:	101,000	25,338	25.09%
Total Expenditures	1,322,730	327,211	24.74%
Excess (deficiency) of revenues over (under) expenditures	284,370	1,402	
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	284,370	1,402	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Grants - 07 & 08**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Intergovernmental revenue	\$1,143,500	\$13,615	1.19%
Other Income	\$0	\$10	0.00%
Total revenues	1,143,500	13,625	1.19%
<b>Expenditures:</b>			
Capital Outlay:	1,160,000	47,298	4.08%
Total Expenditures	1,160,000	47,298	4.08%
Excess (deficiency) of revenues over (under) expenditures	(16,500)	(33,672)	
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	16,500	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)	16,500	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	(33,672)	
Fund balance, July 1, 2007 (unaudited)		0	
Estimated fund balance @ June 30, 2008		(33,672)	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
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**Alt. Firefighter's Pension - 09**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$41,600	\$0	0.00%
Uses of monies & properties	3,850	0	0.00%
Total revenues	45,450	0	0.00%
Expenditures:			
Benefits	3,600	0	0.00%
Administration	14,000	3,771	26.94%
Total Expenditures	17,600	3,771	21.43%
Excess (deficiency) of revenues over (under) expenditures	27,850	(3,771)	
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	27,850	(3,771)	
Fund balance, July 1, 2007 (unaudited)		162,260	
Estimated fund balance @ June 30, 2008		\$158,489	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

**Employee Benefit Trust - 10**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$0	\$0	0.00%
Reinsurance reimbursements	0	0	0.00%
Miscellaneous revenues	15,730	813	5.17%
Total revenues	15,730	813	5.17%
Expenditures:			
Premiums	6,000	3,036	50.60%
Benefits	0	0	0.00%
Miscellaneous	0	500	0.00%
Total Expenditures	6,000	3,536	58.93%
Excess (deficiency) of revenues over (under) expenditures	9,730	(2,722)	
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	9,730	(2,722)	
Fund balance, July 1, 2007 (unaudited)		253,520	
Estimated fund balance @ June 30, 2008		\$250,798	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

**Capital Projects - 11**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$1,591,965	\$0	0.00%
Use of monies & properties	602,780	204,537	33.93%
Other Income	0	0	0.00%
Intergovernmental revenue	0	0	0.00%
Total revenues	2,194,745	204,537	9.32%
	1,348,640		
Expenditures:			
Capital outlay:			
Rodeo Drive Reimbursements	0	0	0.00%
Investment Expenses	0	882	0.00%
Contingency	1,545,000	0	0.00%
Riverfront Park Improvements	125,000	0	0.00%
Viejo Park	60,000	0	0.00%
Tennis Center Resurface	40,000	0	0.00%
Old Town Parking	335,000	0	0.00%
Cemetery	575,000	0	0.00%
Issuance Cost	431,170	0	0.00%
Land Acquisition	675,000	0	0.00%
Construction	13,170,405	0	0.00%
Furnishing & Equipment	885,390	0	0.00%
Architectural	1,380,000	291,899	21.15%
Evidence Building	350,000	0	0.00%
Library Expansion	2,904,640	66,741	2.30%
Railroad wash improvements	0	3,516	0.00%
Total Expenditures	22,476,605	363,038	1.62%
Excess (deficiency) of revenues over (under) expenditures	(20,281,860)	(158,501)	
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	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	(20,281,860)	(158,501)	
Fund balance, July 1, 2007 (unaudited)		16,908,225	
Estimated fund balance @ June 30, 2008		\$16,749,724	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

**Debt Service - 13**

	<b>Adopted Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Taxes	\$154,030	\$25,672	16.67%
Uses of monies & properties	469,150	114,429	24.39%
Total revenues	623,180	140,101	22.48%
<b>Expenditures:</b>			
Trustee fees	0	16,447	0.00%
Rodeo Drive Reimbursement	0	0	0.00%
<b>Debt service:</b>			
Interest	37,000	9,250	25.00%
Principal	120,000	30,000	25.00%
Total Expenditures	157,000	55,697	35.48%
Excess (deficiency) of revenues over (under) expenditures	466,180	84,404	
<b>Other Financing Sources (Uses):</b>			
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	466,180	84,404	
Fund balance, July 1, 2007 (unaudited)		9,319,370	
Estimated fund balance @ June 30, 2008		\$9,403,774	

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

Quarterly Report Ending September 30, 2008

**Water Consolidated - 16**

	Adopted		
	Budget	Y-T-D	% Used
Revenues: Note 1			
Taxes	\$0	\$0	0.00%
Charges for services	5,275,000	1,317,460	24.98%
Uses of monies & properties	1,037,200	269,058	25.94%
Miscellaneous revenues	425,000	165,434	38.93%
Total revenues	6,737,200	1,751,952	26.00%
Expenditures:			
Operating:			
Salaries	608,510	118,760	19.52%
Overtime	63,500	23,552	37.09%
Health & life insurance	127,990	27,660	21.61%
Temporary Employees	0	0	0.00%
Clothing allowance	6,000	3,311	55.19%
Holiday pay	2,300	511	22.23%
Travel & training	12,500	3,522	28.17%
Subscriptions & dues	3,200	308	9.63%
Printing & forms	14,500	6,158	42.47%
Bad debt expense	0	0	0.00%
Gas & oil	35,000	14,641	41.83%
Vehicle maintenance	18,000	1,704	9.46%
Equipment maintenance	377,000	143,407	38.04%
Chlorine	30,000	11,778	39.26%
Polymer	200,000	0	0.00%
Computer support	4,500	714	15.88%
Operational supplies	28,000	8,299	29.64%
Office supplies	11,000	5,564	50.58%
Copier Supplies	1,500	62	4.11%
Utilities	381,000	106,376	27.92%
Telephone	15,000	2,348	15.66%
Legal Advertising	2,000	1,104	55.19%
Contractual services	275,500	51,518	18.70%
Water System Evaluation	0	0	0.00%
General Counsel	7,000	0	0.00%
Sludge disposal	0	0	0.00%
Postage & freight	41,500	9,422	22.70%
Bank Charges	10,000	894	8.94%
Odor control supplies	0	0	0.00%
Lab / testing	25,000	7,368	29.47%
Tools	6,000	5,996	99.93%
Equipment rental	5,000	816	16.32%
Building maintenance	5,000	1,070	21.41%
Liability insurance	52,000	21,227	40.82%
Worker's compensation	33,980	4,175	12.29%
Social security	41,660	8,433	20.24%
AZ state retirement	63,500	13,291	20.93%
Employee physicals	0	0	0.00%
Medicare tax	9,740	1,972	20.25%
ADEQ annual fee	28,500	0	0.00%
Continuing education	1,500	0	0.00%
Payment Assistance Program	0	0	#DIV/0!
Verde River Basin Partnership	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Reserve Resource Development	1,331,000	0	0.00%
Reserve Water Advisory	67,300	2,574	3.82%
Reserve Adjudication	106,590	1,060	0.99%
Reserve Water Conservation	81,360	1,500	1.84%
Indirect costs to general fund	187,000	29,364	15.70%
Subtotal maintenance and operations	4,320,630	640,457	14.82%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending September 30, 2008

**Water Consolidated - 06 (page 2)**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Debt Service	2,521,180	618,114	24.52%
Capital Outlay:	4,843,000	381,259	7.87%
Total Expenditures	11,684,810	1,639,830	14.03%
Excess (deficiency) of revenues over (under) expenditures	(4,947,610)	112,123	-2.27%
Other Financing Sources (Uses):			
Operating transfers in	0	0	
Proceeds from bonds / loans	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	0	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income	(\$4,947,610)	\$112,123	

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

Quarterly Report Ending September 30, 2008

**Water Construction  
& Administration - 06**

Adopted Budget		
	Y-T-D	% Used

Revenues:

City sales tax	\$0	\$0	0.00%
User fees	5,100,000	1,271,777	24.94%
Service Turn Ons	65,000	15,600	24.00%
Meter Installation	40,000	1,150	2.88%
Impact Fees	0	8,483	0.00%
Collection fees/late fees	70,000	20,400	29.14%
Reimbursement Clarkdale	400,000	158,000	39.50%
Res-Resource Development Fees	435,000	106,212	24.42%
Res-Water Advisory Committee	35,000	8,497	24.28%
Res-Adjudication	44,500	10,885	24.46%
Res-Water Conservation	26,000	6,634	25.52%
Recapture Agreements	0	5,089	0.00%
Other income	25,000	2,345	9.38%
Building Rental	0	1,300	0.00%
Drought Water Shortage PP	0	50	0.00%
Interest income	241,600	134,967	55.86%
<b>Total revenues</b>	<b>6,482,100</b>	<b>1,751,390</b>	<b>27.02%</b>

Expenditures:

Administration

Salaries	98,520	20,350	20.66%
Overtime and Holiday Pay	1,500	1,160	77.34%
Health & life insurance	25,290	5,536	21.89%
Temp Employees	0	0	0.00%
Travel & training	2,500	384	15.36%
Subscriptions & dues	200	0	0.00%
Printing & forms	14,500	6,158	42.47%
Bad debt expense	0	0	0.00%
Equipment maintenance	2,000	300	0.00%
Computer support	2,000	661	33.05%
Office supplies	2,000	1,654	82.72%
Copier Supplies	500	21	4.20%
Utilities	6,000	782	13.03%
Telephone	6,000	816	13.60%
Contractual Services	50,500	9,974	19.75%
Growth Premium	100,000	6,000	6.00%
Water System Evaluation	0	0	0.00%
General Counsel	7,000	0	0.00%
Legal advertising	0	1,035	0.00%
Postage & freight	40,000	9,400	23.50%
Bank charges	10,000	894	8.94%
Liability insurance	10,000	4,899	48.99%
Worker's compensation	320	54	16.88%
Social security	6,200	1,254	20.23%
AZ state retirement	9,450	2,038	21.57%
Medicare tax	1,450	293	20.22%
Continuing education	0	0	0.00%
Indirect costs to general fund	187,000	29,364	15.70%
Payment Assistance Program	0	0	0.00%
Verde River Basin Partnership	0	0	0.00%
Reserve Resource Development	1,331,000	0	0.00%
Reserve Water Advisory	67,300	2,574	3.82%
Reserve Adjudication	106,590	1,060	0.99%
Reserve Water Conservation	81,360	1,500	1.84%
Unrestricted Reserve	0	0	0.00%
<b>Subtotal maintenance and operations</b>	<b>2,169,180</b>	<b>108,161</b>	<b>4.99%</b>

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

Water Construction & Administration - 06 (page 2)	Adopted		
	Budget	Y-T-D	% Used
Capital outlay	750,000	38,345	5.11%
Construction:			
Investment Expense	0	358	0.00%
Aresinic Mitigation	925,000	41,522	4.49%
Construction Manager at Risk	1,025,000	154,566	15.08%
Valve Replacement	0	0	0.00%
Aid in Lieu of Construction	143,000	146,467	0.00%
Fire Hydrant Improvements	500,000	0	0.00%
HWY 260 H2O System Upgrades	1,500,000	0	0.00%
Ramada Relocation	0	0	0.00%
Land acquisition	0	0	0.00%
Lift Station	0	0	0.00%
Reuse Station-Construction	0	0	0.00%
Construction - general	0	0	0.00%
Construction - solids handling	0	0	0.00%
		0	0.00%
Subtotal construction expenses	4,093,000	342,914	8.38%
Total Expenditures	7,012,180	489,420	6.98%
Excess (deficiency) of revenues over (under) expenditures	(530,080)	1,261,970	
Other Financing Sources (Uses):			
Operating transfers in	0	0	0.00%
Proceeds from Bond	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	(530,080)	1,261,970	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending September 30, 2008

**Water Maintenance & Operations- 16**

Adopted Budget	Y-T-D	% Used
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Expenditures:

Operating:

Salaries	509,990	98,410	19.30%
Overtime	62,000	22,392	36.12%
Health & life insurance	102,700	22,123	21.54%
Temporary Employees	0	0	0.00%
Clothing allowance	6,000	3,311	55.19%
Holiday pay	2,300	511	22.23%
Travel & training	10,000	3,138	31.38%
Subscriptions & dues	3,000	308	10.27%
Gas & oil	35,000	14,641	41.83%
Vehicle maintenance	18,000	1,704	9.46%
Equipment maintenance	375,000	143,107	38.16%
Chemicals	30,000	11,778	39.26%
Polymer	200,000	0	0.00%
Computer support	2,500	54	2.14%
Operational supplies	28,000	8,299	29.64%
Office supplies	9,000	3,909	43.43%
Copier supplies	1,000	41	4.07%
Utilities	375,000	105,594	28.16%
Telephone	9,000	1,533	17.03%
Legal advertising	2,000	69	3.44%
Contractual services	125,000	35,544	28.44%
Contractual SVCS-M&O	0	0	0.00%
Postage & freight	1,500	22	1.46%
Odor control supplies	0	0	0.00%
Lab / testing	25,000	7,368	29.47%
Tools	6,000	5,996	99.93%
Equipment rental	5,000	816	16.32%
Building maintenance	5,000	1,070	21.41%
Liability insurance	42,000	16,328	38.88%
Worker's compensation	33,660	4,121	12.24%
Social security	35,460	7,179	20.24%
AZ state retirement	54,050	11,253	20.82%
Employee physicals	0	0	0.00%
Medicare tax	8,290	1,679	20.25%
ADEQ annual fee	28,500	0	0.00%
Continuing education	1,500	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	2,151,450	532,296	24.74%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending September 30, 2008

**Water Maintenance & Operations- 06**  
 (page 2)

Revenues:

	Adopted Budget	Y-T-D	% Used
Use of monies & properties	255,100	562	0.00%
Other Income	0	0	
Intergovernmental revenue	0	0	
<b>Total Revenues</b>	<b>255,100</b>	<b>562</b>	<b>0.00%</b>

Debt Service:

Principal	865,000	202,500	23.41%
Interest	1,653,180	415,614	25.14%
Trustee Fees	3,000	0	0.00%
Capital Outlay:	0	0	0.00%

**Total Expenditures**

<b>4,672,630</b>	<b>1,150,972</b>	<b>24.63%</b>
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Excess (deficiency) of revenues over (under)  
 expenditures

4,672,630	1,150,972
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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)**

<b>0</b>	<b>0</b>	<b>0.00%</b>
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Excess of revenues and other financing  
 sources over (under) expenditures and  
 other financing uses

4,672,630	1,150,972
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## **BRIEF OVERVIEW**

Every time you look in the newspaper you see another article about home foreclosures, Investment Companies and Banks going bankrupt and just the general economic downturn that is currently forcing financial problems on everyone. America as a whole is tightening its belt.

With the Stock Market down and the banks in a panic and hoarding reserves, the City too needs to start conserving and maintaining its reserves. Some departments will need to be more aware of what they are spending and develop a plan to minimize their overages.

Remember that the sales tax increase from 2.2% to 3% on November 1 was already budgeted. It makes sense to take a conservative approach in order for the 0.8% to make a difference. The decline in the 2.2% will also affect the 0.8% portion. Anything less than a conservative budget reduction approach will come back to haunt us in the form of a reduction in workforce. The City has taken to losing jobs as a last resort. We may not fill some vacancies, but as in the past, we will strive to avoid a forced reduction in staffing.