

# FY 2015 2nd Quarter Financial Report



## City of Cottonwood

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City of Cottonwood  
Fiscal Year 2015 – 2<sup>nd</sup> Quarter Report  
For The Period Ending December 31, 2014

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## EXECUTIVE SUMMARY

Monthly	United States	Arizona	Yavapai County	Cottonwood
Jan-13	7.9%	8.3%	9.2%	8.5%
Feb-13	7.7%	7.7%	8.4%	9.2%
Mar-13	7.5%	7.8%	8.3%	8.5%
Apr-13	7.5%	7.8%	8.2%	8.2%
May-13	7.5%	7.4%	7.6%	7.7%
Jun-13	7.5%	8.5%	8.7%	7.7%
Jul-13	7.3%	8.3%	8.2%	8.4%
Aug-13	7.2%	8.7%	8.5%	8.1%
Sep-13	7.2%	8.3%	8.1%	8.0%
Oct-13	7.2%	8.0%	7.7%	7.6%
Nov-13	7.0%	7.1%	6.9%	7.5%
Dec-13	6.7%	7.3%	7.3%	6.9%
Jan-14	6.6%	7.5%	7.8%	7.6%
Feb-14	6.7%	7.3%	6.9%	6.8%
Mar-14	6.7%	7.3%	7.2%	7.0%
Apr-14	6.3%	6.9%	5.9%	5.8%
May-14	6.3%	6.8%	6.0%	5.9%
Jun-14	6.1%	6.9%	7.1%	7.0%
Jul-14	6.2%	7.0%	7.0%	6.7%
Aug-14	6.1%	7.1%	7.1%	6.5%
Sep-14	5.9%	6.9%	6.9%	6.0%
Oct-14	5.7%	6.8%	6.8%	5.9%
Nov-14	5.8%	6.8%	6.8%	6.2%
Dec-14	5.6%	6.7%	6.7%	6.1%

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

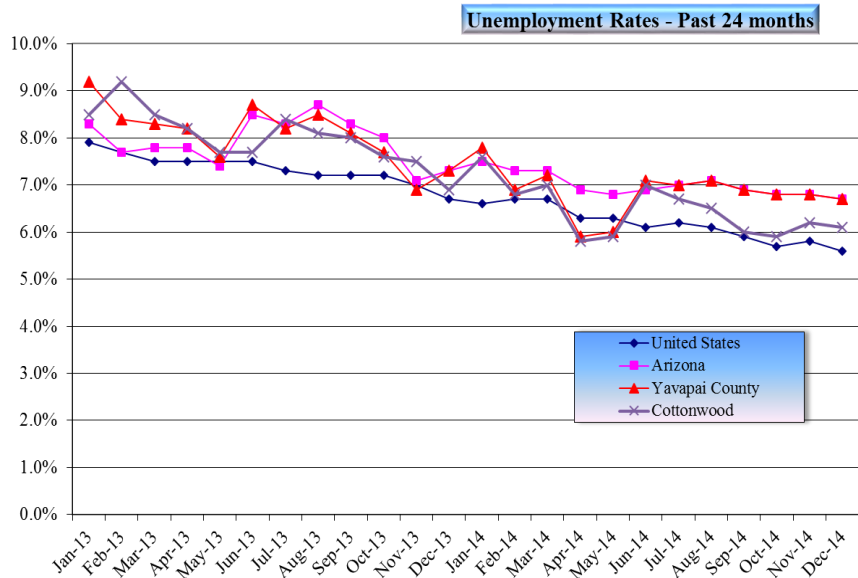
For more specific information, there are detail reports available at the end of this ten page summary. There are also many reports available on the City’s website at [www.cottonwoodaz.gov](http://www.cottonwoodaz.gov). If some questions arise from the information on this report or on the website, citizens can email the Administrative Services Department at [rrodriguez@cottonwoodaz.gov](mailto:rrodriguez@cottonwoodaz.gov) or call at (928) 340-2710. Finally, if it is necessary to come in person or mail comments, citizens can visit at 816 North Main Street, Cottonwood, AZ 86326.

### **Unemployment:**

Overall the City of Cottonwood has a steady

increase in its major revenue sources, except for the Highway User Revenue Fund – HURF. The one major issue that is effecting Cottonwood is that of relatively high unemployment in the area.

Unemployment has come down dramatically over the years. Since its peak of 11.8% back in January 2010 we have declined nearly 6% in recent months. This is an excellent indicator as to the job availability in our community, however, there is still a long way to go.<sup>1</sup> We are cautiously optimistic in the economic improvement of Cottonwood but are still looking for ways to reduce costs.



<sup>1</sup> Location on unemployment statistics

United States <http://data.bls.gov/timeseries/LNS14000000>

Arizona <http://www.ncsl.org/research/labor-and-employment/2014-state-unemployment-rates.aspx>

Yavapai County <http://azstats.gov/laus-data-query-tool/>

Cottonwood <https://laborstats.az.gov/sites/default/files/documents/files/laus-04cit-15-nsa.pdf>

**GENERAL FUND**

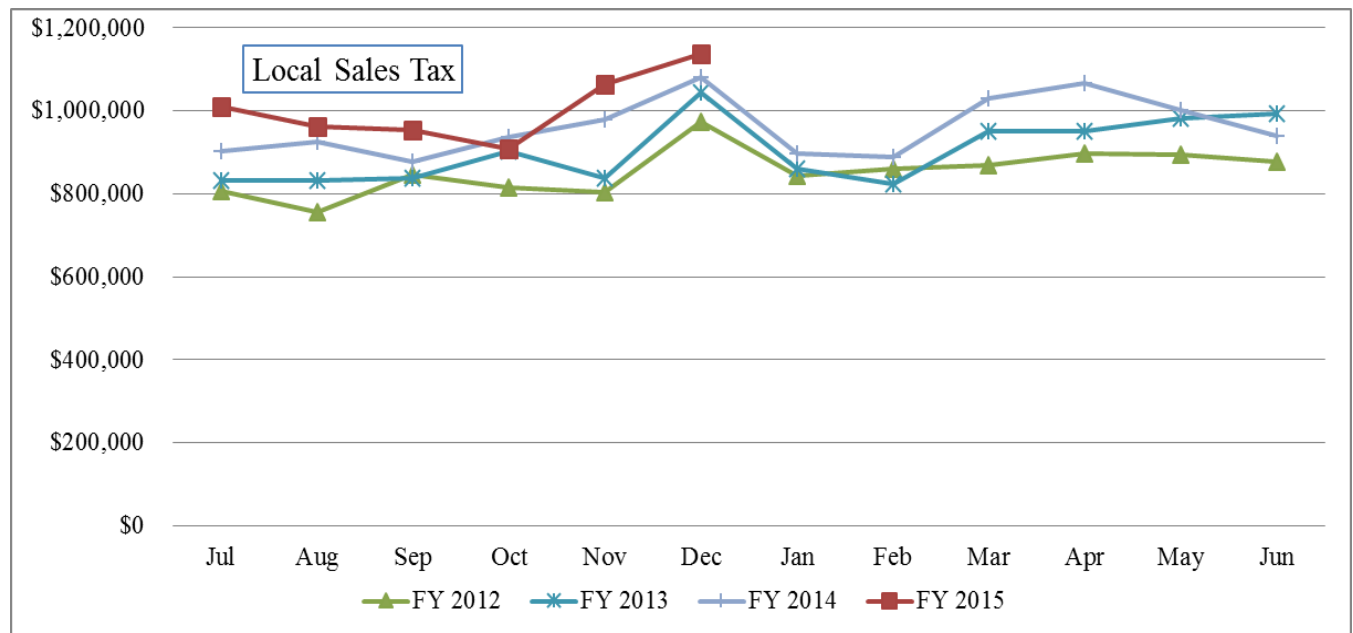
The following tables and graphs reflect the General Fund major revenue sources. All of the information compares monthly collections for similar periods from prior years. The major revenues consist of local sales tax as well as state shared resources.

Local Sales Tax

The local sales tax (3%) comprises over 50% of the overall General Fund revenues. We finished the year at 6.26% over last year at this same period. The current trend reflects an increase of 5.23% over last year at this time. We are being optimistic, since last year at this timeframe we were struggling, only to finish the year with relatively good sales tax numbers.

	FY 2012		FY 2013		FY 2014		FY 2015	
Jul	\$806,162	-9.90%	\$832,338	3.25%	\$902,118	8.38%	\$1,010,689	12.04%
Aug	756,158	-1.86%	831,993	10.03%	925,936	11.29%	962,616	3.96%
Sep	846,669	7.26%	837,190	-1.12%	876,758	4.73%	953,901	8.80%
Oct	815,403	1.83%	902,089	10.63%	935,859	3.74%	909,990	-2.76%
Nov	802,773	2.99%	837,340	4.31%	979,277	16.95%	1,064,350	8.69%
Dec	974,928	18.45%	1,043,128	7.00%	1,080,777	3.61%	1,137,286	5.23%
Jan	844,943	-13.16%	861,709	1.98%	897,108	4.11%		-100.00%
Feb	861,948	19.56%	824,472	-4.35%	889,440	7.88%		-100.00%
Mar	869,703	9.75%	950,700	9.31%	1,030,580	8.40%		-100.00%
Apr	896,389	8.03%	951,558	6.15%	1,067,508	12.19%		-100.00%
May	894,481	0.10%	982,181	9.80%	1,002,215	2.04%		-100.00%
Jun	878,408	3.75%	993,955	13.15%	940,480	-5.38%		-100.00%
	\$10,247,966	3.37%	\$10,848,654	5.86%	\$11,528,057	6.26%	\$6,038,832	-47.62%

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

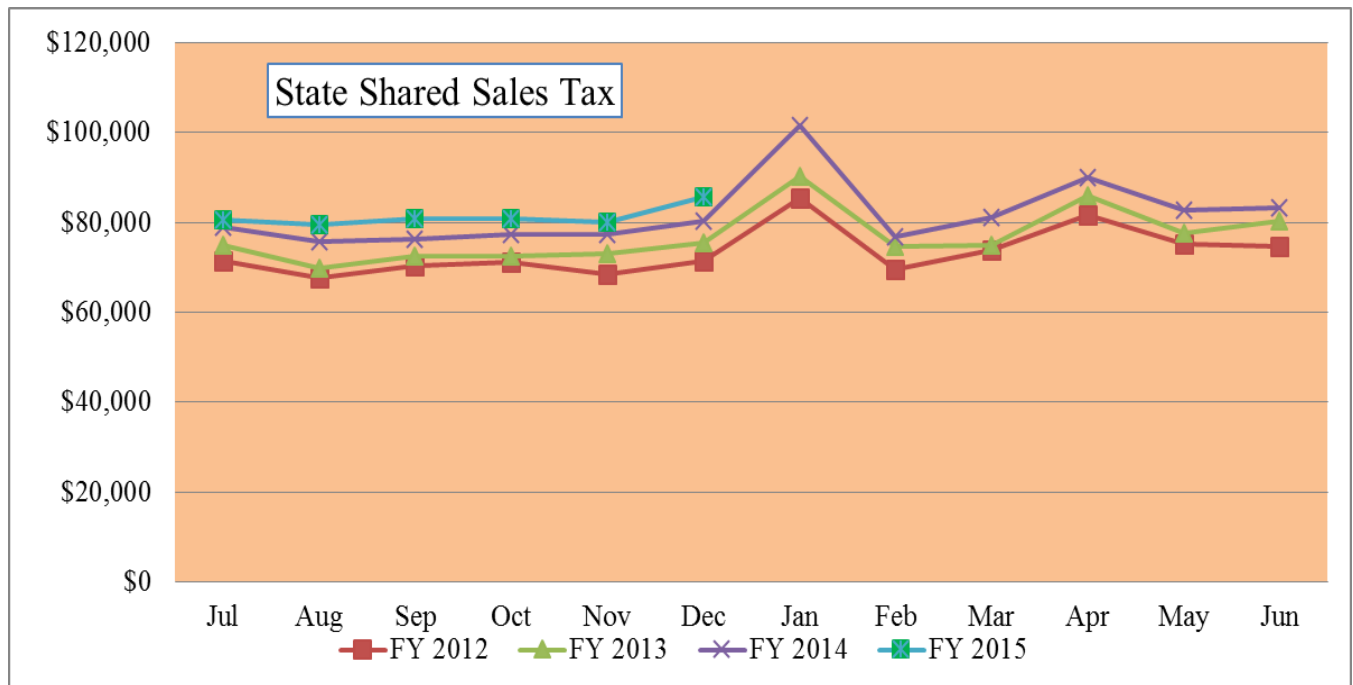


State Shared Sales Tax

This revenue is one of several state shared revenues. For the past three years this revenue stream has shown some steady improvements. Increases have ranged from 4 – 6%. Currently this revenue is trending more to the 5% range or about \$21,500 above last year.

	FY 2012		FY 2013		FY 2014		FY 2015	
Jul	\$71,347	8.94%	\$74,927	5.02%	\$78,926	5.34%	\$80,490	1.98%
Aug	67,683	9.01%	69,903	3.28%	75,616	8.17%	79,552	5.20%
Sep	70,271	9.18%	72,403	3.03%	76,206	5.25%	80,698	5.89%
Oct	71,058	8.41%	72,594	2.16%	77,314	6.50%	80,728	4.42%
Nov	68,373	4.75%	73,042	6.83%	77,348	5.90%	80,131	3.60%
Dec	71,372	5.97%	75,437	5.69%	80,201	6.32%	85,569	6.69%
Jan	85,272	2.56%	90,164	5.74%	101,466	12.54%		-100.00%
Feb	69,474	5.94%	74,616	7.40%	76,669	2.75%		-100.00%
Mar	73,892	5.10%	74,975	1.47%	81,052	8.10%		-100.00%
Apr	81,590	3.87%	86,010	5.42%	89,870	4.49%		-100.00%
May	75,166	5.60%	77,712	3.39%	82,615	6.31%		-100.00%
Jun	74,753	0.03%	80,278	7.39%	83,254	3.71%		-100.00%
	\$880,250	5.60%	\$922,061	4.75%	\$980,536	6.34%	\$487,167	-50.32%

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



We are estimating to be at our 2007 levels by the end of this fiscal year. FY 2007 was our high point of collections for state shared sales tax before the great recession.

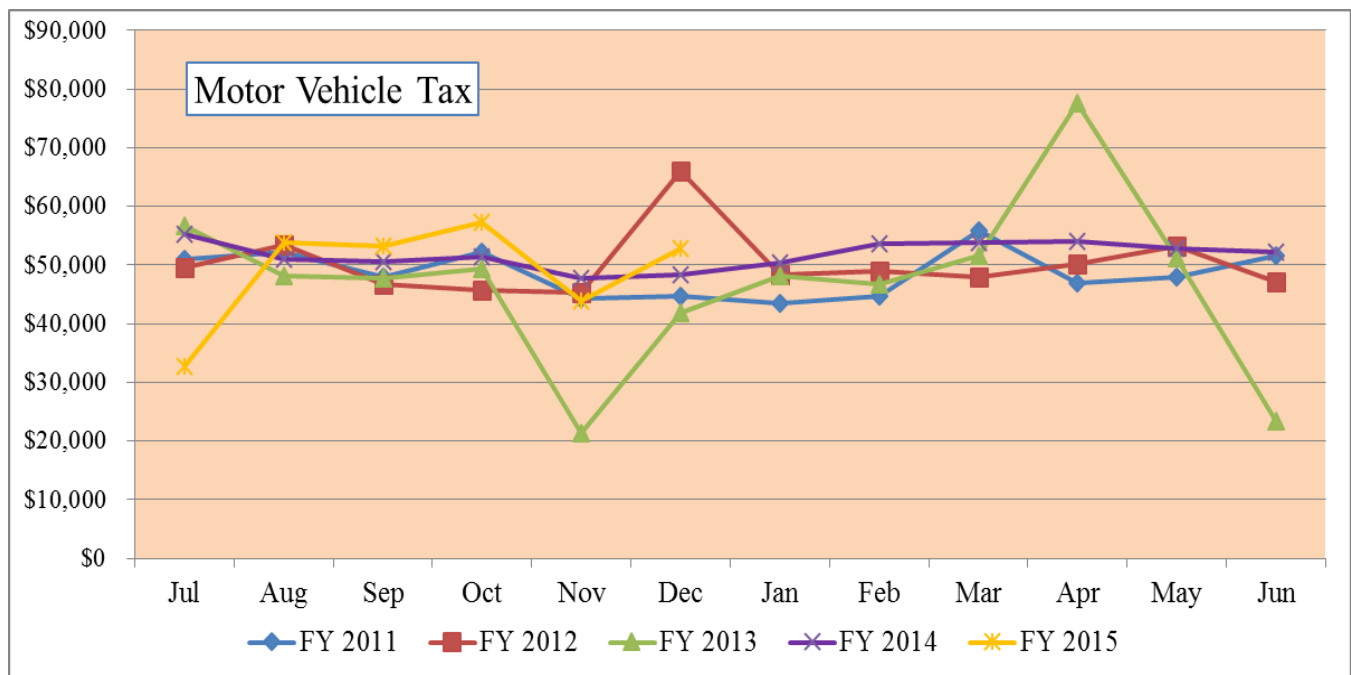
## Motor Vehicle Tax

The Motor Vehicle Tax has been all over the place for the past years. The State distribution has been very inconsistent where one month we will get one disbursement and the following month we get three, then two. This revenue source has not seen any substantial improvements over the past years.

	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015	
Jul	\$51,064	-9.55%	\$49,645	-2.78%	\$56,662	14.13%	\$55,274	-2.45%	\$32,681	-40.87%
Aug	52,155	2.56%	53,412	2.41%	48,232	-9.70%	50,992	5.72%	53,909	5.72%
Sep	47,916	-9.27%	46,781	-2.37%	47,737	2.04%	50,638	6.08%	53,159	4.98%
Oct	52,173	6.28%	45,786	-12.24%	49,369	7.83%	51,303	3.92%	57,376	11.84%
Nov	44,280	1.05%	45,280	2.26%	21,295	-52.97%	47,840	124.65%	43,919	-8.20%
Dec	44,738	-4.10%	66,025	47.58%	41,840	-36.63%	48,271	15.37%	52,788	9.36%
Jan	43,450	-72.00%	48,276	11.11%	48,182	-0.19%	50,317	4.43%		-100.00%
Feb	44,658	-36.80%	48,880	9.45%	46,809	-4.24%	53,701	14.72%		-100.00%
Mar	55,847	6.81%	47,984	-14.08%	51,577	7.49%	53,870	4.45%		-100.00%
Apr	46,935	101.76%	50,282	7.13%	77,643	54.41%	54,125	-30.29%		-100.00%
May	47,962	1.61%	53,316	11.16%	51,160	-4.04%	52,877	3.36%		-100.00%
Jun	51,529	-3.41%	47,167	-8.47%	23,343	-50.51%	52,289	124.00%		-100.00%
	\$582,707	-1.27%	\$602,832	3.45%	\$563,851	-6.47%	\$621,497	10.22%	\$293,832	-52.72%

This revenue is currently trending 3.4% below last year at this same time. Though a concern, it is not an indication of where we will be by year end since the state is still trying to get distributions out on a timely basis. The state estimated a loss of 5.8% or about \$38,400 for this fiscal year.

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



We are still well behind pre-recession levels and not sure when we will be back at those levels.

General Fund – Revenues vs Expenditures

Our General Fund operating revenues continue struggling to keep up with our expenditures. This was an anticipated scenario to some degree during the budget process. Fortunately, as of December 31, 2014 we have added almost \$300K to fund balance reserves. We do, however, still have some capital that has not been purchased but will be before the fiscal year end. The FY 2015 budget was a difficult one as we saw that the economic recovery is coming along very slowly.

The issue of revenues keeping up with expenditures has been discussed in the past and will continue to be an issue in the future. This FY 2015 budget season was more challenging than in the past due to the revenue constraints and increased demand for services. Our costs continue to rise and our revenues are not keeping up with the pace of rising costs.

	General Fund	
	Budget	2nd Qtr Actual
Revenues	\$22,240,955	\$8,201,704
Operating Expenditures	16,686,345	7,635,198
Capital Outlay	694,100	182,495
Debt Service	0	0
Revenues over (under) Expenditures	4,860,510	384,010
Other Funding Sources & Uses	(1,220,610)	(395,237)
Revenues & other funding sources & uses over (under) Expenditures	3,639,900	(11,227)
Beginning Fund Balance	5,825,707	5,825,707
Ending Fund Balance	\$9,465,607	\$5,814,480

REVENUES

Taxes	\$6,610,187
Licenses & permits	145,080
Intergovernmental revenue	832,328
Charges for services	476,694
Fines & forfeitures	111,822
Uses of monies & properties	17,618
Miscellaneous revenues	7,974
Other Sources	161,985
<b>Revenues &amp; Other Sources</b>	<b>\$8,363,689</b>

EXPENDITURES

General Government	\$3,122,739
Public Safety	847,935
Cultural & Recreation	3,664,524
Capital Equipment	182,495
Other Uses	557,222
<b>Expenditures &amp; Other Uses</b>	<b>\$8,374,916</b>

As we move forward into this fiscal year, be aware that Governmental Accounting Standards Board (GASB) Statement #68 – Accounting and Financial Reporting for Pension Plans will affect all entities using ASRS or PSPRS. All entities will be required to reflect any pension plan underfunding liability on their respective financials. ASRS & PSPRS will be providing the unfunded liability amount in early 2015.

The anticipated bonding process for street projects and the Communication Center has begun, however, will not come to fruition until the next calendar year. This financing will be welcomed since we have used large amounts of CIP reserves to move projects along. Many of these project have been talked about for years and are now coming to fruition. As you may recall, we will be reimbursing ourselves for project costs already incurred in order to restore our reserves.

Our overall fund balance continues to be fully funded in the General Fund, while other funds are not meeting the established Fund Balance Policy. This topic has been discussed in the past and is becoming more critical each

budget year. This is something that will need to be corrected in the near future. We will be preparing for such discussion during the next year at our Strategic Planning Meeting in January 2015.

## SPECIAL REVENUE FUNDS

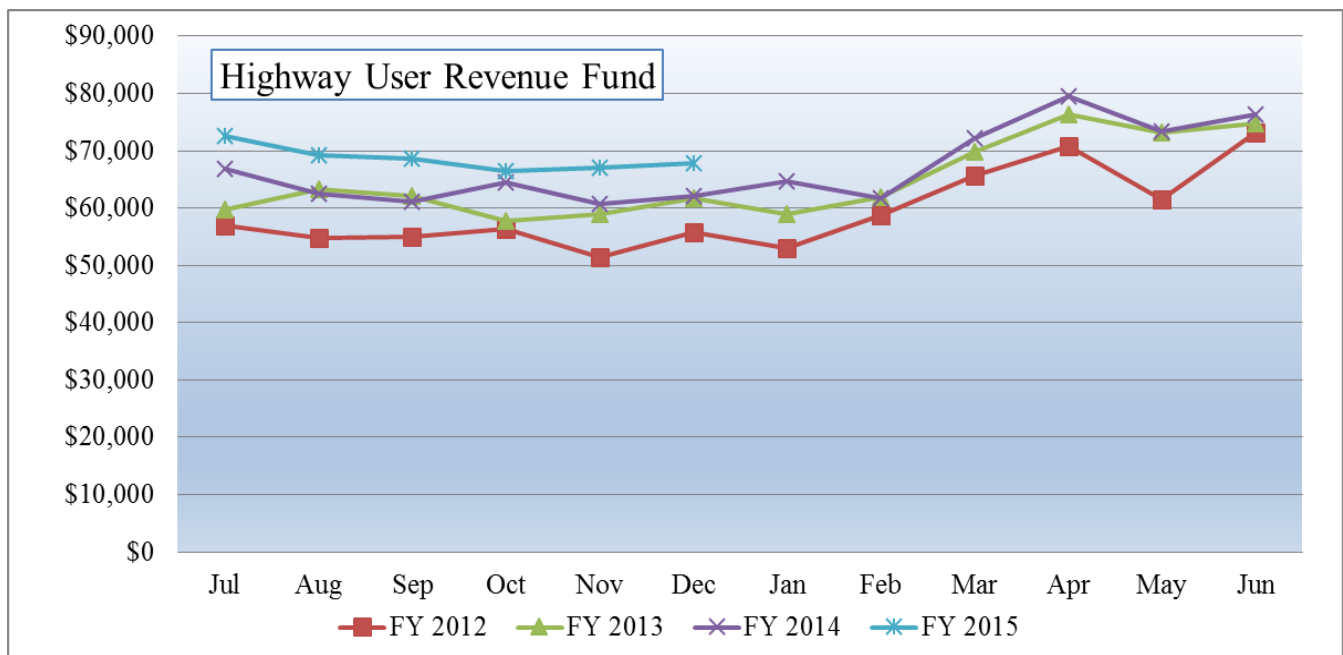
Special Revenue Funds consist of the Highway User Revenue Fund (HURF) and several other smaller funds, including CAT/LYNX, Library, Cemetery, Airport, and Grants.

### Highway User Revenue Funds - HURF

This is another state shared revenue source. It has not improved very much over the years, though it appears to be doing well at this time. The State is still using a portion of the HURF that is designated for cities and towns to assist with cost to the Department of Public Safety. At this time the HURF is 9% above last year at this same time period.

	FY 2012		FY 2013		FY 2014		FY 2015	
Jul	\$56,888	-13.20%	\$59,762	5.05%	\$66,861	11.88%	\$72,487	8.41%
Aug	54,841	-15.57%	63,241	15.32%	62,470	-1.22%	69,249	10.85%
Sep	55,049	-14.23%	62,182	12.96%	61,165	-1.64%	68,695	12.31%
Oct	56,436	-11.44%	57,683	2.21%	64,485	11.79%	66,391	2.96%
Nov	51,443	-16.68%	58,982	14.65%	60,776	3.04%	67,106	10.41%
Dec	55,755	-16.38%	61,771	10.79%	62,013	0.39%	67,781	9.30%
Jan	52,910	-18.58%	58,964	11.44%	64,643	9.63%		-100.00%
Feb	58,719	-9.80%	61,836	5.31%	61,689	-0.24%		-100.00%
Mar	65,709	-4.50%	69,754	6.16%	72,168	3.46%		-100.00%
Apr	70,756	-9.06%	76,304	7.84%	79,481	4.16%		-100.00%
May	61,582	-9.77%	73,104	18.71%	73,414	0.42%		-100.00%
Jun	73,144	-1.99%	74,681	2.10%	76,375	2.27%		-100.00%
	\$713,231	-11.55%	\$778,265	9.12%	\$805,540	3.50%	\$411,708	-48.89%

Description - Arizona cities receive a share of State Motor Vehicle Fuel Taxes (Highway User Revenue Funds). The formula is based on two separate calculations; the first half is based on a city's population in relation to the State's total population, the second is based on the county in which the revenues were generated. These funds must be utilized for the construction and maintenance of streets and highways. The state's forecast was for \$839,050, however if our current trend continues we can expect approximately \$878,000.





**Special Revenues Funds - continued**

The following tables depict the various sub-funds that make up the Special Revenue Funds in the City of Cottonwood budget. All of these funds have the continued support of the General Fund which cover any shortages in their bottom line. Most of the negative numbers are grants, transfers or receivables that are outstanding and are expected to be received within the next couple months. HURF will be getting some transfers in from the Capital Improvements Funds as well as outside bond funding for the major street projects that are currently in progress.

	Special Revenue Funds					
	HURF		CAT		Library	
	Budget	2nd Qtr Actual	Budget	2nd Qtr Actual	Budget	2nd Qtr Actual
Revenues	1,884,200	443,673	\$1,468,765	\$305,138	\$211,665	\$6,697
Operating Expenditures	1,331,270	448,250	1,374,040	619,633	916,615	439,107
Capital Outlay	9,250,700	1,567,826	736,465	22,438	13,480	6,082
Debt Service	0	0	0	0	0	0
Revenues over (under) Expenditures	(8,697,770)	(1,572,404)	(641,740)	(336,933)	(718,430)	(438,492)
Other Funding Sources & Uses	10,030,000	0	0	0	718,430	299,346
Revenues & other funding sources & uses over (under) Expenditures	1,332,230	(1,572,404)	(641,740)	(336,933)	0	(139,146)
Beginning Fund Balance	(444,200)	(444,200)	0	0	73,324	73,324
Ending Fund Balance	\$888,030	(\$2,016,604)	(\$641,740)	(\$336,933)	\$73,324	(\$65,823)

	Special Revenue Funds					
	Cemetery		Airport		Grants	
	Budget	2nd Qtr Actual	Budget	2nd Qtr Actual	Budget	2nd Qtr Actual
Revenues	\$900	\$1,055	\$333,300	\$120,381	\$1,052,000	\$104,403
Operating Expenditures	24,225	13,421	266,430	113,628	0	0
Capital Outlay	0	0	0	0	1,152,000	11,108
Debt Service	0	0	0	0	0	0
Revenues over (under) Expenditures	(23,325)	(12,366)	66,870	6,753	(100,000)	93,295
Other Funding Sources & Uses	19,225	8,010	(47,410)	0	127,410	11,108
Revenues & other funding sources & uses over (under) Expenditures	(4,100)	(4,355)	19,460	6,753	27,410	104,403
Beginning Fund Balance	0	0	(9,517)	(9,517)	161,641	161,641
Ending Fund Balance	(\$4,100)	(\$4,355)	\$9,943	(\$2,765)	\$189,051	\$266,044

## CAPITAL IMPROVEMENTS FUND

This fund continues to be in relatively good fiscal shape; however, the fund balance has declined over the past seven years. This decline is due to the City's decision to move forward with large street projects throughout the community, and look toward future financing to replenish the depleted reserves. As noted in a previous section of this report, the financing for these projects are currently moving forward.

During the recession the city used some of these accumulated funds to support the construction sector by acquiring buildings and rehabilitating them for much needed office space. In recent years the focus has shifted to taking care of street improvements. There is also a commitment to using these reserves to fund the Wastewater Reclamation Facility at Riverfront Park, which shall provide reclaimed water to the area sport fields and to replenish our aquifers. This fund also provided the needed financial support for the completion of the Communications Center while a financing package can be completed.

Below are the major projects funded by these reserves for this fiscal year. Some of these costs are remaining from previous year's projects, others are projects that are on the drawing board and are planned to begin construction later this fiscal year.

### Capital outlay:

Investment Expenses	8,700	2,233	25.66%
Software	70,000	28,172	40.25%
Capital Projects	235,000	4,349	1.85%
Old Town Parking Lot	0	9,230	0.00%
Kids Park	250,000	0	0.00%
Garrison Park	250,000	0	0.00%
Civic Center HVAC	160,000	1,917	1.20%
Riverfront Park	150,000	0	0.00%
Communications Center	1,283,600	1,401,239	109.16%
Railroad Wash Improvements	0	14,076	0.00%
<b>Total Expenditures</b>	<b>2,407,300</b>	<b>1,461,215</b>	<b>60.70%</b>

Capital Improvments	
Budget	2nd Qtr Actual
Revenues	\$180,000 (\$6,960)
Operating Expenditures	0 0
Capital Outlay	2,407,300 1,461,215
Debt Service	0
Revenues over (under)	
Expenditures	(2,227,300) (1,468,175)
Other Funding Sources & Uses	3,700,000 0
Revenues & other funding sources & uses over (under)	
Expenditures	1,472,700 (1,468,175)
Beginning Fund Balance	10,528,437 10,528,437
Ending Fund Balance	\$12,001,137 \$9,060,262

## ENTERPRISE FUNDS

### Wastewater and Water

The Enterprise Funds have begun to operate in the black. FY 2013 was a turning point for both the Water and Wastewater Enterprise Funds. The increase on October 1, 2013 immediately began to show improvement in the bottom line of both these funds. This increase, as well as the one scheduled to begin on January 1, 2015 were necessary in order to keep up with the rising cost of being in the water and wastewater business.

The table below does not take into consideration any proposed rate increase on the budget side since no proposals were made to city council at budget time. It is anticipated increases that were approved are to take place in the month of January and collections are not reflected until February 2015. This means that FY revenues will reflect only six months of additional revenue collections. The water budget included the full amount of reserves in the expense side of the budget, which skews the budget by over \$3.35M dollars. The past increase in rates as well as those coming up in the near future will help strengthen our reserves and allow us to meet our bond covenants. It will also allow us to put some revenue into reserves for these Enterprise Funds.

	Enterprise Funds			
	Wastewater		Water	
	Budget	2nd Qtr Actual	Budget	2nd Qtr Actual
Revenues	2,298,820	989,273	\$7,418,625	\$3,861,604
Operating Expenditures	1,913,830	899,328	7,301,450	1,991,949
Capital Outlay	8,945,240	148,339	1,783,550	209,208
Debt Service	0	0	12,554,460	1,064,758
Revenues over (under) Expenditures	(8,560,250)	(58,394)	(14,220,835)	595,688
Other Funding Sources & Uses	8,379,975	0	10,000,000	0
Revenues & other funding sources & uses over (under) Expenditures	(\$180,275)	(\$58,394)	(\$4,220,835)	\$595,688

The rate setting process will begin in the April or May timeframe. As a note, the process of increasing rates is a very long process. It will require committee meetings, work sessions, and public hearings. It also requires notices of intent to be published. Finally, there is the wait period before it takes effect.

Though we did not get a large contingent of water rate protestors at our rate hearings this year, we anticipate that there will be a big push at our water bond refinancing hearing with the Water Infrastructure Finance Authority (WIFA) board.

**DEBT SERVICES FUND**

This fund starts off the year in good shape; with sales taxes and interest income providing 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.

Currently only the Recreation Center Greater Arizona Development Authority (GADA) Bonds are accounted for in this fund. The debt service for the Recreation Center is solely funded by sales tax revenues. All water debt service is funded through user fees and other operational revenues, and therefore the debt service for the water utility is reflected in the enterprise fund.

**BRIEF OVERVIEW**

As we finish our first half of fiscal year 2015, we are pleased to see the economy slowly improving. We are also pleased with being able to continue providing the excellent services that our community is accustomed to getting from the city. Many projects that rolled over into this fiscal year continue to be worked on with the goal of completing them by fiscal year end. Events such as the Fall Carnival, Walkin’ on Main, and the 60<sup>th</sup> Annual Cottonwood Christmas Parade all brought many visitors to our community.

Despite our past and current success, we continue to express concern over our revenue generation not keeping up with our expenditures. Our local sales tax is coming along nicely, however, other revenues, mostly those related to the construction are still struggling. During this last budget season we struggled balancing the budget due to the needs for services. We will be looking to council for direction on some possible revenues opportunities during the Strategic Planning Retreat in January.

The City is still a keeping a fiscally conservative position in doing their everyday business while looking for ways to reduce costs, reorganize itself, provide quality essential services, and protect its staff. It continues to maintain reasonable reserves in its General Fund for unforeseeable emergencies as is prudent. We are still looking for ways to begin putting away funds and improving our fund balance position in other funds besides the General Fund.

		Debt Service	
		Budget	2nd Qtr Actual
Revenues		\$1,210,125	\$642,215
Operating Expenditures			642,558
Capital Outlay			
Debt Service		1,541,275	642,558
Revenues over (under)			
Expenditures		(331,150)	(642,901)
Other Funding Sources & Uses		0	0
Revenues & other funding sources & uses over (under)			
Expenditures		(331,150)	(343)
Beginning Fund Balance		1,210,126	1,210,126
Ending Fund Balance		\$878,976	\$1,209,783

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
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<b>General Fund - 01</b>	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Taxes	13,706,300	6,610,187	48.23%
Licenses & permits	300,000	145,080	48.36%
Intergovernmental revenue	2,335,470	832,328	35.64%
Charges for services	982,350	476,694	48.53%
Fines & forfeitures	263,000	111,822	42.52%
Uses of monies & properties	127,040	17,618	13.87%
Miscellaneous revenues	4,526,795	7,974	0.18%
Total revenues	22,240,955	8,201,704	36.88%
<b>Expenditures:</b>			
<b>Operating:</b>			
Council	228,000	74,632	32.73%
City Clerk	235,160	112,864	47.99%
Administration	876,795	390,910	44.58%
Finance	377,815	178,070	47.13%
Personnel	232,340	91,007	39.17%
IT Services	332,710	214,626	64.51%
Purchasing	72,420	32,270	44.56%
Legal	359,965	164,443	45.68%
Court	491,175	225,717	45.95%
Planning & zoning	514,620	233,518	45.38%
Engineering	412,580	204,777	49.63%
Public Works	378,950	172,108	45.42%
Transfer Station	163,380	63,483	38.86%
Building maintenance	499,440	174,329	34.90%
Custodial	132,000	79,480	60.21%
Natural resources	150,345	68,564	45.60%
Non-departmental	435,500	243,358	55.88%
Police	4,378,815	1,958,959	44.74%
Communications	1,155,220	500,678	43.34%
Fire	2,849,860	1,204,887	42.28%
Ordinance Enforcement	194,640	98,742	50.73%
Parks & recreation	510,360	325,615	63.80%
Rec Center Operations	1,347,575	666,408	49.45%
Pool	116,540	63,203	54.23%
Economic Development	240,140	92,550	38.54%
Subtotal maintenance and operations	16,686,345	7,635,198	45.76%
Capital outlay:	694,100	182,495	26.29%
Total Expenditures	17,380,445	7,817,694	44.98%
Excess (deficiency) of revenues over (under) expenditures	4,860,510	384,010	
<b>Other financing sources (uses):</b>			
Operating transfers in	0	0	0.00%
Sales of City Equipment	6,000	161,985	2699.75%
Capital leases	(488,955)	(249,866)	51.10%
Transfers out	(737,655)	(307,356)	41.67%
Total other financing sources (uses)	(1,220,610)	(395,237)	32.38%
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>			
	3,639,900	(11,227)	
Fund balance, July 1, 2014 (audited)		5,825,707	
Estimated fund balance @ June 30, 2015		\$5,814,480	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
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**HURF - 10**

	Adopted Budget	Y-T-D	% Used
Revenues:			
Intergovernmental revenue	\$1,884,050	443,640	23.55%
Uses of monies & properties	150	33	21.80%
Miscellaneous revenues	0	0	0.00%
Total revenues	1,884,200	443,673	23.55%
Expenditures:			
Operating:			
Salaries	185,460	84,977.49	45.82%
Temp employees	0	0	0.00%
Overtime	3,000	958.32	31.94%
Social security	11,690	4,987.12	42.66%
Medicare tax	2,730	1,166.39	42.72%
AZ state retirement	21,870	9,740.46	44.54%
Health & life insurance	55,415	23,788.52	42.93%
Worker's compensation	18,520	8,081.00	43.63%
Clothing allowance	1,500	810.44	54.03%
Operational supplies	1,200	593.31	49.44%
Tools	2,000	1,438.23	71.91%
Gas & oil	20,000	9,120.44	45.60%
Materials	18,000	5,575.48	30.97%
Street signs	5,000	2,178.04	43.56%
Street marking	42,500	0	0.00%
Office supplies	200	0	0.00%
Vehicle maintenance	8,000	2,931	36.64%
Equipment maintenance	15,000	12,457	83.05%
Building maintenance & repair	150	0	0.00%
Pavement Preservation	4,000	0	0.00%
Contractual services	247,000	11,264	4.56%
Bank charges	100	15	15.00%
Employee physicals	1,000	0	0.00%
Computer support	500	68	13.59%
General counsel	0	0	0.00%
Engineering Services	0	0	0.00%
Legal advertising	0	0	0.00%
Utilities	9,200	4,515	49.08%
Street lights	68,200	27,310	40.04%
Telephone	2,500	1,475	59.00%
Culverts	2,500	0	0.00%
Travel & training	500	0	0.00%
Continuing education	0	0	0.00%
Equipment rental	1,000	108	10.83%
Subscriptions & dues	100	0	0.00%
Postage & freight	50	0	0.00%
Liability insurance	17,010	27,781	163.32%
Liability claims deductible	0	0	0.00%
Indirect costs to general fund	517,275	0	0.00%
Street light contingency	3,500	206,910	5911.71%
Equipment purchase	43,000	0	0.00%
Street Improvements	1,600	0	0.00%
Subtotal maintenance and operations	1,331,270	448,250	33.67%

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending December 31, 2014

**HURF - 10 (page 2)**

	Adopted		
	Budget	Y-T-D	% Used
Debt Service:			
Principal	0	0	0.00%
Interest	0	0	0.00%
Capital Outlay:			
Street Light Contingency	10,000	0	0.00%
Pavement Preservation	250,000	0	0.00%
Mingus/Main Signal	5,000	0	0.00%
W Mingus Reconstruction	0	0	0.00%
12th ST NACOG 89-A to Fir	3,329,700	1,456,812	0.00%
Sidewalk Additions	80,000	36,841	46.05%
Mingus Willard to Main	5,526,000	24,162	0.00%
10 th Street	0	27,675	0.00%
Main St. Road Diet Grant	50,000	0	0.00%
HSIP Street Sign Replacement	0	22,335	0.00%
Total Expenditures	10,581,970	2,016,077	19.05%
Excess (deficiency) of revenues over (under) expenditures	(8,697,770)	(1,572,404)	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	10,030,000	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	10,030,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,332,230	(1,572,404)	
Fund balance, July 1, 2014 (audited)		(444,200)	
Estimated fund balance @ June 30, 2015		(\$2,016,604)	

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

Quarterly Report Ending December 31, 2014

**CATS - 10**

	<b>Adopted Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Intergovernmental revenue	\$1,273,465	204,446	16.05%
Charges for services	195,300	100,692	51.56%
Total revenues	1,468,765	305,138	20.78%
<b>Expenditures:</b>			
Salaries	471,740	190,391	40.36%
Temporary employee	149,000	68,449	45.94%
Overtime	17,200	17,374	101.01%
Holiday pay	6,500	4,570	70.31%
Social security	39,920	16,730	41.91%
Medicare	9,330	3,913	41.94%
AZ retirement	62,380	27,918	44.76%
Health/life insurance	126,140	57,585	45.65%
State compensation insurance	30,650	9,675	31.57%
Clothing allowance	3,500	747	21.35%
Contractual Services	123,500	1,491	1.21%
Gas & oil	123,500	86,241	69.83%
Office supplies	6,500	1,970	30.31%
Copier supplies	200	14	7.12%
Vehicle maintenance	87,000	60,309	69.32%
Building Maintenance	5,500	5,107	92.86%
Radio maintenance	6,500	7,727	118.87%
Postage & freight	29,150	8,933	30.64%
Audit expense	3,000	3,000	100.00%
Employee physicals / drug tests	1,980	1,480	74.75%
Computer Support	4,500	3,459	76.86%
Custodial Contract	0	2,728	0.00%
Advertising	9,200	4,244	46.13%
Printing & forms	8,800	5,794	65.84%
Utilities	12,500	3,881	31.05%
Telephone	9,300	3,629	39.02%
Travel/training	5,000	(140)	-2.80%
Continuing education	0	0	0.00%
Subscriptions/dues	100	1,475	1475.00%
Tools & Equipment	100	103	102.96%
Liability insurance	21,350	20,836	97.59%
Indirect costs to GF	0	0	0.00%
Subtotal maintenance and operations	1,374,040	619,633	45.10%
Capital Outlay:	736,465	22,438	0.00%
Fund b: Total Expenditures	2,110,505	642,071	30.42%
Excess (deficiency) of revenues over (under) expenditures	(641,740)	(336,933)	
<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	(641,740)	(336,933)	



Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
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**Library - 03**

	<b>Adopted Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Other income	\$25,640	\$6,687	26.08%
Interest income	25	10	41.76%
City Sales Tax	0	0	0.00%
Yavapai county	162,520	0	0.00%
AZ LSCA/Yavapai county grant	23,480	0	0.00%
Gates grant	0	0	0.00%
Total revenues	211,665	6,697	3.16%
<b>Expenditures:</b>			
<b>Operating:</b>			
Salaries	368,750	174,568	47.34%
Temp employees	46,640	18,400	39.45%
Overtime	0	0	
Holiday pay	0	0	0.00%
Social security	25,710	11,749	45.70%
Medicare tax	6,010	2,748	45.72%
AZ state retirement	42,780	20,089	46.96%
Health & life insurance	77,680	37,882	48.77%
Worker's compensation	4,240	2,366	55.80%
Gas & oil	0	0	0.00%
Book purchases	41,000	29,352	71.59%
Office supplies	4,000	2,657	66.42%
Copier supplies	3,500	3,332	95.20%
Vehicle maintenance	0	0	0.00%
Equipment maintenance	6,000	3,983	66.38%
Collection expenses	2,000	850	42.51%
Bank Charges	0	0	0.00%
Recruitment Cost	500	200	40.00%
Computer support	5,000	879	17.58%
Legal advertising	0	0	0.00%
Utilities	55,000	26,972	49.04%
Telephone	2,000	1,193	59.65%
Network & technology expenses	35,000	22,377	63.93%
Youth programs	450	129	28.58%
Annual volunteer appreciation	750	158	0.00%
Travel & training	800	362	45.26%
Subscriptions & dues	200	0	0.00%
Postage & freight	6,000	2,201	36.69%
Liability Insurance	17,000	10,418	61.28%
Indirect costs to general fund	165,605	66,242	40.00%
District - Materials	0	0	0.00%
Subtotal maintenance and operations	916,615	439,107	47.91%

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
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**Library - 03 (page 2)**

	<b>Adopted Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Capital outlay:	13,480	6,082	0.00%
Total expenditures	<u>930,095</u>	<u>445,189</u>	<u>47.86%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(718,430)</u>	<u>(438,492)</u>	
Other financing sources (uses):			
Operating transfers in	718,430	299,346	41.67%
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>718,430</u>	<u>299,346</u>	<u>41.67%</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>(139,146)</u>	
Fund balance, July 1, 2014 (audited)		<u>73,324</u>	
Estimated fund balance @ June 30, 2015		<u><u>(\$65,823)</u></u>	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Cemetery 04**

	<b>Adopted Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Interest Income	\$0	\$0	0.00%
Charges for services	900	1,055	117.22%
Total revenues	900	1,055	117.22%
<b>Expenditures:</b>			
Utilities	19,000	12,971	68.27%
Telephone	0	0	0.00%
Grave Liners	3,000	0	0.00%
Miscellaneous Expense	1,100	0	0.00%
Indirect Costs	1,125	450	40.00%
Subtotal maintenance and operations	24,225	13,421	55.40%
Capital improvements	0	0	0.00%
Total expenditures	24,225	13,421	55.40%
Excess (deficiency) of revenues over (under) expenditures	(23,325)	(12,366)	
<b>Other financing sources (uses):</b>			
Operating transfers in	19,225	8,010	41.67%
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)	19,225	8,010	41.67%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,100)	(4,355)	
Fund balance, July 1, 2014 (audited)		0	
Estimated fund balance @ June 30, 2015		(\$4,355)	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Airport - 05**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Other Income	\$0	\$0	0.00%
Late Fees	\$350	\$390	111.42%
Tie down rent	15,000	8,562	57.08%
Airpark Rents	0	0	0.00%
FBO building rental income	0	0	0.00%
Fuel sales income	245,000	76,212	31.11%
Oil Sales	50	59	0.00%
Land lease fees	32,900	10,078	30.63%
City hangar lease fees	40,000	25,080	62.70%
Total revenues	333,300	120,381	36.12%
Expenditures:			
Operational Supplies	1,000	745	74.48%
Fuel Expense	175,000	64,256	36.72%
Oil Expense	0	0	0.00%
Office Supplies	0	76	
Vehicle Maintenance	500	58	
Equipment maintenance	8,000	57	0.72%
Building maintenance	1,000	42	4.21%
Contractual Services	5,000	6,462	129.24%
Bank Charges	7,000	6,739	96.28%
Computer Support	120	40	
General Counsel	0	0	0.00%
Utilities	12,000	6,909	57.57%
Telephone	800	520	64.98%
Airport Annual Event	0	0	0.00%
Liability Insurance	8,200	8,200	100.00%
Indirect costs	48,810	19,524	0.00%
Equipment Purchase	0	0	0.00%
Airport Improvments	0	0	
Subtotal maintenance and operations	266,430	113,628	42.65%
Capital improvements - hangars	0	0	0.00%
Total expenditures	266,430	113,628	42.65%
Excess (deficiency) of revenues over (under) expenditures	66,870	6,753	
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	(47,410)	0	0.00%
Total other financing sources (uses)	(47,410)	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	19,460	6,753	
Fund balance, July 1, 2014 (audited)		(9,517)	
Estimated fund balance @ June 30, 2015		(\$2,765)	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Grants - 11 & 12**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Intergovernmental revenue	\$1,052,000	\$104,252	9.91%
Other Income	0	151	0.00%
Total revenues	1,052,000	104,403	9.92%
<b>Expenditures:</b>			
Capital Outlay:	1,152,000	11,108	0.96%
Total Expenditures	1,152,000	11,108	0.96%
Excess (deficiency) of revenues over (under) expenditures	(100,000)	93,295	
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	127,410	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)	127,410	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	27,410	93,295	
Fund balance, July 1, 2014 (audited)		161,641	
Estimated fund balance @ June 30, 2015		\$254,936	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Alt. Firefighter's Pension - 70**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$0	\$0	0.00%
Uses of monies & properties	0	16,851	0.00%
Total revenues	0	16,851	#DIV/0!
Expenditures:			
Benefits	3,600	0	0.00%
Administration	11,100	1,966	17.71%
Total Expenditures	14,700	1,966	13.37%
Excess (deficiency) of revenues over (under) expenditures	(14,700)	14,885	
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	(14,700)	14,885	
Fund balance, July 1, 2014 (audited)		136,969	
Estimated fund balance @ June 30, 2015		\$151,854	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Employee Benefit Trust - 60**

	<b>Adopted Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Contributions	\$0	\$0	0.00%
Reinsurance reimbursements	0	0	0.00%
Miscellaneous revenues	1,200	(56)	0.00%
Total revenues	1,200	(56)	0.00%
<b>Expenditures:</b>			
Premiums	0	0	0.00%
Benefits	0	0	0.00%
Miscellaneous	0	0	0.00%
Total Expenditures	0	0	#DIV/0!
Excess (deficiency) of revenues over (under) expenditures	1,200	(56)	
<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	1,200	(56)	
Fund balance, July 1, 2014 (audited)		93,436	
Estimated fund balance @ June 30, 2015		\$93,380	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Capital Projects - 30**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Use of monies & properties	180,000	(6,960)	-3.87%
Intergovernmental revenue	0	0	0.00%
Total revenues	180,000	(6,960)	-3.87%
Expenditures:			
Capital outlay:			
Investment Expenses	8,700	2,233	25.66%
Software	70,000	28,172	40.25%
Capital Projects	235,000	4,349	1.85%
Old Town Parking Lot	0	9,230	0.00%
Kids Park	250,000	0	0.00%
Garrison Park	250,000	0	0.00%
Civic Center HVAC	160,000	1,917	1.20%
Riverfront Park	150,000	0	0.00%
Communications Center	1,283,600	1,401,239	109.16%
Railroad Wash Improvements	0	14,076	0.00%
Total Expenditures	2,407,300	1,461,215	60.70%
Excess (deficiency) of revenues over (under) expenditures	(2,227,300)	(1,468,175)	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds / Leases	3,700,000	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	3,700,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,472,700	(1,468,175)	
Fund balance, July 1, 2014 (audited)		10,528,437	
Estimated fund balance @ June 30, 2015		\$9,060,262	



Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Debt Service - 20**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Taxes	\$1,210,125	\$642,198	53.07%
Uses of monies & properties	0	17	0.00%
Total revenues	1,210,125	642,215	53.07%
<b>Expenditures:</b>			
Trustee fees	0	360	0.00%
Rodeo Drive Reimbursement	0	0	0.00%
Debt service:		0	
Interest	666,275	277,615	41.67%
Principal	875,000	364,583	41.67%
Total Expenditures	1,541,275	642,558	41.69%
Excess (deficiency) of revenues over (under) expenditures	(331,150)	(343)	
<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	(331,150)	(343)	
Fund balance, July 1, 2014 (audited)		1,210,126	
Estimated fund balance @ June 30, 2015		\$1,209,783	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending December 31, 2014

**Water Consolidated - 50**

	Adopted		
	Budget	Y-T-D	% Used
Revenues: Note 1			
Taxes	\$0	\$1,913	0.00%
Charges for services	7,387,775	3,855,485	52.19%
Uses of monies & properties	18,850	631	3.35%
Miscellaneous revenues	12,000	3,575	29.79%
Total revenues	7,418,625	3,861,604	52.05%
Expenditures:			
Operating:			
Salaries	764,950	352,873	46.13%
Temporary Employees	0	0	0.00%
Overtime	114,160	43,097	37.75%
Holiday pay	2,000	1,683	84.13%
Social security	56,050	23,962	42.75%
Medicare tax	13,100	5,604	42.78%
AZ state retirement	104,870	46,128	43.99%
Health & life insurance	191,250	80,144	41.91%
Worker's compensation	29,600	12,687	42.86%
Clothing allowance	5,000	4,366	87.31%
Operational supplies	24,000	6,020	25.08%
Tools	3,500	2,874	82.12%
Gas & oil	45,000	21,436	47.64%
Chlorine	63,000	24,328	38.62%
Office supplies	7,500	5,077	67.69%
Copier Supplies	0	0	0.00%
Vehicle maintenance	15,000	4,665	31.10%
Equipment maintenance	176,000	64,662	36.74%
Building maintenance	3,000	271	0.00%
Arsenic System Maintenance	460,000	27,389	5.95%
Contractual services	77,000	52,359	68.00%
Bank Charges	0	6,348	0.00%
Employee physicals	450	737	0.00%
Computer support	2,900	5,104	176.01%
General Counsel	5,000	0	0.00%
Contractual SVCS-M&O	33,000	24,733	0.00%
Lab / testing	25,000	9,552	38.21%
Public Relations	0	694	0.00%
Legal Advertising	1,500	1,021	68.05%
Printing & forms	10,000	3,072	30.72%
Auction Fees	0	0	0.00%
Utilities	426,400	217,525	51.01%
Telephone	19,420	7,063	36.37%
ADEQ annual fee	26,000	16,684	64.17%
Payment Assistance Program	12,000	0	0.00%
Aid In Lieu of Construction	115,000	99,662	0.00%
Verde River Days	1,000	1,000	100.00%
Travel & training	8,000	1,334	16.68%
Continuing education	500	0	0.00%
Equipment rental	1,000	279	27.87%
Subscriptions & dues	2,000	650	32.50%
Postage & freight	46,200	14,985	32.44%
Liability insurance	62,500	49,894	79.83%
Liability Insurance Deductible	0	0	0.00%
Indirect costs to general fund	580,405	232,162	0.00%
Bad debt expense	0	0	0.00%
Lease Purchase Principal & Interest	418,195	418,188	0.00%
Trust Land Annexation	0	0	0.00%
Reserve Resource Development	3,000,000	87,397	0.00%
Reserve Water Advisory	100,000	0	0.00%
Reserve Adjudication	100,000	635	0.00%
Reserve Water Conservation	150,000	13,606	0.00%
Subtotal maintenance and operations	7,301,450	1,991,949	27.28%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending December 31, 2014

**Water Consolidated - 50 (page 2)**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Debt Service	12,554,460	1,064,758	8.48%
Capital Outlay:	1,783,550	209,208	11.73%
Total Expenditures	21,639,460	3,265,915	15.09%
 Excess (deficiency) of revenues over (under) expenditures	 (14,220,835)	 595,688	 -4.19%
 Other Financing Sources (Uses):			
Operating transfers in	0	0	0.00%
Proceeds from bonds / loans	10,000,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	10,000,000	0	0.00%
 Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income	 (\$4,220,835)	 \$595,688	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending December 31, 2014

**Water Construction  
& Administration - 50**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Impact Fees	60,000	(6,521)	-10.87%
User fees	6,240,000	3,358,925	53.83%
Meter Installation	14,100	10,475	74.29%
Service Turn Ons	58,300	37,690	64.65%
Drought Water Shortage PP	0	0	0.00%
Res-Resource Development Fees	460,000	231,687	50.37%
Res-Water Advisory Committee	37,250	18,772	50.39%
Res-Adjudication	46,780	23,597	50.44%
Res-Water Conservation	28,700	14,478	50.44%
Recapture Agreements	0	0	0.00%
Reimbursement Clarkdale	298,385	149,191	50.00%
Collection fees/late fees	144,260	17,191	0.00%
Interest income	6,935	631	9.09%
Building Rental	8,580	0	0.00%
Other income	12,000	3,575	0.00%
Sale of City Property	3,000	0	0.00%
City sales tax	\$0	<b>\$1,913</b>	0.00%
<b>Total revenues</b>	<b>7,418,290</b>	<b>3,861,604</b>	<b>52.06%</b>

Expenditures:

Administration

Salaries	180,090	80,926	44.94%
Overtime and Holiday Pay	5,000	1,064	21.29%
Social security	11,480	4,984	43.41%
Temp Employees	0	0	0.00%
Medicare tax	2,680	1,165	43.49%
AZ state retirement	21,470	9,511	44.30%
Health & life insurance	42,215	18,272	43.28%
Worker's compensation	1,250	148	11.84%
Office supplies	2,500	1,942	77.69%
Copier Supplies	0	0	0.00%
Equipment maintenance	0	245	0.00%
Contractual Services	30,000	36,258	120.86%
Bank charges	0	6,348	0.00%
Public Relations	0	694	0.00%
Computer support	0	3,286	0.00%
General Counsel	5,000	0	0.00%
Legal advertising	500	819	163.75%
Printing & forms	10,000	3,072	30.72%
Utilities	4,100	12,060	294.15%
Telephone	4,000	2,072	51.81%
Payment Assistance Program	12,000	0	0.00%
Travel & training	0	0	0.00%
Continuing education	0	0	0.00%
Subscriptions & dues	0	0	0.00%
Postage & freight	45,000	14,741	32.76%
Liability insurance	18,000	21,572	119.84%
Indirect costs to general fund	580,405	232,162	40.00%
Bad debt expense	0	0	0.00%
Trust Land Annexation	0	0	0.00%
Reserve Resource Development	3,000,000	87,397	2.91%
Reserve Water Advisory	100,000	0	0.00%
Reserve Adjudication	100,000	635	0.64%
Reserve Water Conservation	150,000	13,606	9.07%
Growth Premium	0	0	0.00%
Water System Evaluation	0	0	0.00%
Verde River Basin Partnership	0	0	0.00%
Unrestricted Reserve	0	0	0.00%
<b>Subtotal maintenance and operations</b>	<b>4,325,690</b>	<b>552,980</b>	<b>12.78%</b>

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending December 31, 2014

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

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Capital outlay	37,500	33,217	0.00%
Construction:			
Legal Advertising	0	0	0.00%
Investment Expense	0	519	0.00%
Building Purchase	0	0	0.00%
Aresinic Mitigation	750,000	29,802	0.00%
Bonding Expense	0	0	0.00%
Valve Replacement	0	0	0.00%
Aid in Lieu of Construction	0	7,601	0.00%
Fire Hydrant Improvements	400,000	17,096	4.27%
HWY 260 H2O System Upgrades	0	0	0.00%
Well Booster Station	150,000	0	0.00%
Well Improvements	75,000	31,985	42.65%
12th St 89A to Fir	0	0	0.00%
W Mingus Reconstruction/Sys Upgrades	0	0	0.00%
Water System Upgrades	160,000	20,904	13.07%
Line Extensions	0	0	0.00%
Impact Fee Study	43,500	1,049	2.41%
Subtotal construction expenses	1,578,500	108,956	6.90%
Total Expenditures	5,941,690	695,152	11.70%

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending December 31, 2014

**Water Maintenance & Operations- 50**

Adopted Budget	Y-T-D	% Used
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Expenditures:

Operating:

Salaries	584,860	271,947	46.50%
Overtime	109,160	42,032	38.51%
Holiday pay	2,000	1,683	84.13%
Social security	44,570	18,978	42.58%
Medicare tax	10,420	4,438	42.60%
AZ state retirement	83,400	36,617	43.90%
Health & life insurance	149,035	61,872	41.52%
Worker's compensation	28,350	12,539	44.23%
Clothing allowance	5,000	4,366	87.31%
Operational supplies	24,000	6,020	25.08%
Tools	3,500	2,874	82.12%
Gas & oil	45,000	21,436	47.64%
Chemicals	63,000	24,328	38.62%
Office supplies	5,000	3,135	62.70%
Vehicle maintenance	15,000	4,665	31.10%
Equipment maintenance	176,000	64,417	36.60%
Building maintenance	3,000	271	9.04%
Arsenic System Maintenance	460,000	27,389	5.95%
Contractual services	47,000	16,100	34.26%
Employee physicals	450	737	0.00%
Computer support	2,900	1,818	62.70%
Contractual SVCS-M&O	33,000	24,733	0.00%
Lab / testing	25,000	9,552	38.21%
Legal advertising	1,000	202	20.20%
Auction Fees	0	0	0.00%
Utilities	422,300	205,464	48.65%
Telephone	15,420	4,991	32.37%
ADEQ annual fee	26,000	16,684	64.17%
Aid in Lieu of Construction	115,000	99,662	86.66%
Verde River Days	1,000	1,000	100.00%
Travel & training	8,000	1,334	16.68%
Continuing education	500	0	0.00%
Equipment rental	1,000	279	27.87%
Subscriptions & dues	2,000	650	32.50%
Postage & freight	1,200	244	20.37%
Liability insurance	44,500	28,322	63.64%
Liability Insurance Deductible	0	0	0.00%
Lease Purchase Interest	385,355	385,351	0.00%
Lease Purchase Principal	32,840	32,837	0.00%
Subtotal maintenance and operations	2,975,760	1,438,969	48.36%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending December 31, 2014

**Water Debt Service - 50**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Use of monies & properties	335	0	0.00%
Other Income	0	0	0.00%
Intergovernmental revenue	0	0	0.00%
Total Revenues	335	0	0.00%
Debt Service:			
Principal	11,105,000	460,417	4.15%
Interest	1,446,460	602,692	41.67%
Trustee Fees	3,000	1,650	55.00%
Capital Outlay:	167,550	67,036	40.01%
Total Expenditures	15,697,770	1,131,794	7.21%
Excess (deficiency) of revenues over (under) expenditures	15,697,770	2,729,810	
Other Financing Sources (Uses):			
Operating transfers in	0	0	0.00%
Proceeds from bonds	10,000,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	10,000,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,220,835)	2,034,657	

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual

Quarterly Report Ending December 31, 2014

**Sewer Consolidated - 51**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Charges for services	1,750,200	762,436	43.56%
Uses of monies & properties	507,820	20	0.00%
Miscellaneous revenues	40,800	226,818	555.93%
Total revenues	2,298,820	989,273	43.03%
Expenditures:			
Operating:			
Salaries	504,960	205,656	40.73%
Temporary Employees	0	831	0.00%
Overtime	54,000	19,763	36.60%
Holiday pay	2,000	765	38.27%
Social security	34,780	13,927	40.04%
Medicare tax	8,140	3,257	40.01%
AZ state retirement	65,080	26,459	40.66%
Health & life insurance	98,130	40,123	0.00%
Worker's compensation	19,740	5,573	28.23%
Clothing allowance	2,100	456	21.71%
Operational supplies	14,000	10,518	75.13%
Tools	1,300	1,072	82.45%
Gas & oil	14,500	6,209	42.82%
Chlorine	2,500	2,223	88.90%
Polymer	16,500	8,343	0.00%
Odor control supplies	0	0	0.00%
Office supplies	2,900	1,415	48.80%
Copier Supplies	0	2	0.00%
Vehicle maintenance	5,500	2,420	44.00%
Equipment maintenance	150,000	144,227	0.00%
Building maintenance	26,000	1,543	0.00%
Contractual services	48,000	9,332	19.44%
Bank Charges	0	0	0.00%
Employee physicals	450	0	0.00%
Computer support	2,780	6,593	237.17%
General Counsel	0	2,171	0.00%
Lab / testing	45,000	21,912	48.69%
Sludge disposal	99,000	30,746	0.00%
Legal Advertising	450	0	0.00%
Printing & forms	500	0	0.00%
Utilities	378,290	199,537	52.75%
Telephone	4,700	2,527	53.77%
ADEQ annual fee	15,000	122	0.81%
Travel & training	2,000	723	36.16%
Continuing education	500	0	0.00%
Equipment rental	1,000	0	0.00%
Subscriptions & dues	500	650	130.00%
Postage & freight	11,500	3,715	32.30%
Liability insurance	32,000	26,504	82.83%
Indirect costs to general fund	250,030	100,012	0.00%
Bad debt expense	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	1,913,830	899,328	46.99%



Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending December 31, 2014

**Sewer Consolidated - 51 (page 2)**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Capital Outlay:	8,945,240	148,339	1.66%
Total Expenditures	10,859,070	1,047,667	9.65%
Excess (deficiency) of revenues over (under) expenditures	(8,560,250)	(58,394)	
Other Financing Sources (Uses):			
Operating transfers in	7,879,975	0	0.00%
Proceeds from bonds / loans	500,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	8,379,975	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income	(\$180,275)	(\$58,394)	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending December 31, 2014

**Sewer Construction  
& Administration - 51**

Adopted Budget	Y-T-D	% Used
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Revenues:

City sales tax	\$0	\$0	0.00%
User fees - admin residential	237,890	176,941	74.38%
User fees - admin commercial	41,400	18,918	45.70%
User fees - admin multi-residential	156,100	17,501	11.21%
Recovery of bad debts	0	0	0.00%
Sale of City Property	0	0	0.00%
Other income	0	105	0.00%
Interest income	0	20	0.00%
Interest - equipment reserve	0	0	0.00%
Interest - expansion fund	0	0	0.00%
Interest - bond reserve fund	0	0	0.00%
Total revenues	435,390	213,485	49.03%

Expenditures:

Administration

Salaries	125,780	51,941	41.30%
Temp Employees	0	831	0.00%
Overtime and Holiday Pay	1,000	0	0.00%
Social security	7,860	3,202	40.74%
Medicare tax	1,840	749	40.70%
AZ state retirement	14,710	6,122	41.62%
Health & life insurance	24,360	10,419	42.77%
Worker's compensation	1,070	137	12.80%
Office supplies	1,000	0	0.00%
Copier Supplies	0	2	0.00%
Equipment maintenance	0	0	0.00%
Contractual Services	3,000	4,330	144.34%
Bank charges	0	0	0.00%
Computer support	1,680	6,348	377.86%
General Counsel	0	2,171	0.00%
Legal advertising	450	0	0.00%
Printing & forms	500	0	0.00%
Utilities	3,290	3,599	109.39%
Telephone	1,400	885	0.00%
Travel & training	0	0	0.00%
Continuing education	0	0	0.00%
Subscriptions & dues	0	0	0.00%
Postage & freight	7,000	1,827	26.10%
Liability insurance	9,500	9,140	96.21%
Indirect costs to general fund	250,030	100,012	40.00%
Bad debt expense	0	0	0.00%
Subtotal maintenance and operations	454,470	201,715	44.38%

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending December 31, 2014

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

	Adopted		
	Budget	Y-T-D	% Used
Capital outlay	126,000	0	0.00%
Construction:			
Legal fees	0	0	0.00%
Legal Advertising	500	0	0.00%
Investment Expense	750	198	26.46%
Impact Fee Study	10,000	1,049	0.00%
260 Design	0	0	0.00%
Riverfront WWTP Deisng/Feasib	7,884,140	100,887	1.28%
Effluent Disposal System	0	0	0.00%
Lift Station	150,000	0	0.00%
Recl H2O Pump System Upgrade	0	0	0.00%
Construction - General	550,000	37,705	6.86%
WWTP Upgrades	191,000	8,500	0.00%
12th Street Fir 89A Reclamation	0	0	0.00%
Subtotal construction expenses	8,786,390	148,339	1.69%
Total Expenditures	9,366,860	350,054	3.74%
Excess (deficiency) of revenues over (under) expenditures	(8,931,470)	(136,569)	
Other Financing Sources (Uses):			
Operating transfers in	7,879,975	0	0.00%
Proceeds from other sources	500,000	0	0.00%
Capital leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	8,379,975	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(551,495)	(136,569)	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending December 31, 2014

**Sewer Maintenance & Operations- 51**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
City sales tax	\$0	\$0	0.00%
User fees - M&O residential	493,440	355,595	72.06%
User fees - M&O multi-residential	360,000	152,648	42.40%
User fees - M&O commercial	323,870	10,653	3.29%
Tap fees	0	0	0.00%
Reserves -	507,820	222,730	0.00%
Impact fees	127,000	24,500	19.29%
Effluent Revenue	10,500	5,680	54.09%
Building Rental	0	0	0.00%
Late fees - interest charges	40,800	3,983	9.76%
Connection fees	0	0	0.00%
Total revenues	1,863,430	775,788	41.63%
<b>Expenditures:</b>			
<b>Operating:</b>			
Salaries	379,180	153,715	40.54%
Temporary Employees	0	0	0.00%
Overtime	53,000	19,763	37.29%
Holiday pay	2,000	765	38.27%
Social security	26,920	10,725	39.84%
Medicare tax	6,300	2,508	39.81%
AZ state retirement	50,370	20,337	40.38%
Health & life insurance	73,770	29,704	40.27%
Worker's compensation	18,670	5,436	29.12%
Clothing allowance	2,100	456	21.71%
Operational supplies	14,000	10,518	75.13%
Tools	1,300	1,072	82.45%
Gas & oil	14,500	6,209	42.82%
Chlorine	2,500	2,223	88.90%
Polymer	16,500	8,343	50.56%
Odor control supplies	0	0	0.00%
Office supplies	1,900	1,415	74.48%
Copier supplies	0	0	0.00%
Vehicle maintenance	5,500	2,420	44.00%
Equipment maintenance	150,000	144,227	96.15%
Building maintenance	26,000	1,543	5.93%
Contractual services	45,000	5,002	11.12%
Employee physicals	450	0	0.00%
Computer support	1,100	245	22.29%
Lab / testing	45,000	21,912	48.69%
Sludge disposal	99,000	30,746	31.06%
Legal advertising	0	0	0.00%
Utilities	375,000	195,938	52.25%
Telephone	3,300	1,643	49.78%
ADEQ annual fee	15,000	122	0.81%
Travel & training	2,000	723	36.16%
Continuing education	500	0	0.00%
Equipment rental	1,000	0	0.00%
Subscriptions & dues	500	650	130.00%
Postage & freight	4,500	1,887	41.94%
Liability insurance	22,500	17,364	77.17%
Subtotal maintenance and operations	1,459,360	697,613	47.80%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending December 31, 2014

**Sewer Maintenance & Operations- 51**  
 (page 2)

	Adopted Budget	Y-T-D	% Used
Capital Outlay:	32,850	0	0.00%
Total Expenditures	1,492,210	697,613	46.75%
Excess (deficiency) of revenues over (under) expenditures	371,220	78,176	
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	371,220	78,176	