



To: Honorable Madame Mayor Joens & Council

October 27, 2011

Via: Douglas Bartosh, City Manager

From: Rudy Rodriguez, Administrative Services General Manager  
Kirsten Lennon, Accounting / Budget Manager

Subject: Revenue & Expenditure Reports – Period ending June 30, 2011

We are trying to change the format of the quarterly report to make it a bit shorter and less cumbersome to read. Though the fund and departmental details are still attached, a general and high level approach to the information is being added.

Period	United States	Arizona	Yavapai County
Jul-09	9.4%	10.0%	10.6%
Aug-09	9.7%	10.2%	10.4%
Sep-09	9.8%	10.3%	10.6%
Oct-09	10.1%	10.3%	10.7%
Nov-09	10.0%	10.4%	10.4%
Dec-09	10.0%	10.4%	10.7%
Jan-10	9.7%	10.3%	11.6%
Feb-10	9.7%	10.2%	11.0%
Mar-10	9.7%	10.1%	10.9%
Apr-10	9.9%	10.1%	10.3%
May-10	9.7%	10.0%	10.1%
Jun-10	9.5%	9.9%	10.4%
Jul-10	9.5%	9.9%	10.7%
Aug-10	9.6%	9.8%	10.5%
Sep-10	9.6%	9.8%	10.2%
Oct-10	9.6%	9.8%	9.9%
Nov-10	9.8%	9.6%	10.0%
Dec-10	9.4%	9.6%	10.0%
Jan-11	9.0%	9.6%	11.0%
Feb-11	8.9%	9.6%	10.4%
Mar-11	8.8%	9.5%	10.1%
Apr-11	9.0%	9.3%	9.5%
May-11	9.1%	9.1%	9.1%
Jun-11	9.2%	9.3%	9.3%

As we end Fiscal Year 2011, the fourth quarter is showing some improvement for the State of Arizona as well as Yavapai County. As depicted in the graph above and the chart to the



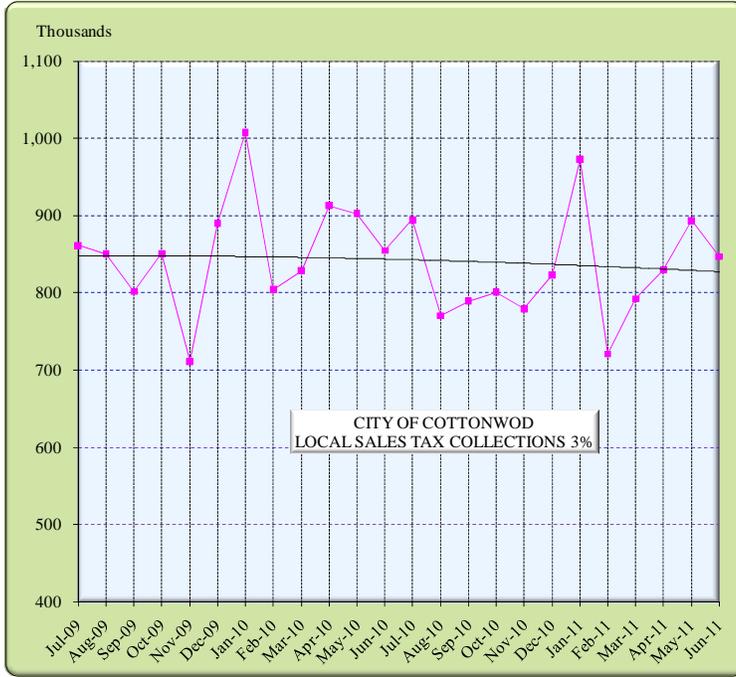
left, the U.S. unemployment rate is in the low 9%, just slightly higher than the previous quarter. In contrast, the State of Arizona as well as Yavapai County are showing slight improvements with percentages, in the mid to lower 9s compared to high 9s and double digits of previous quarters<sup>1</sup>.

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

<sup>1</sup> Economagic.com

**GENERAL FUND**

As the General Fund continues to struggle in the bad economy, the City continues with its current cost containment measures and stringent limitations on any new programming in order to keep from using its precious fiscal resources.



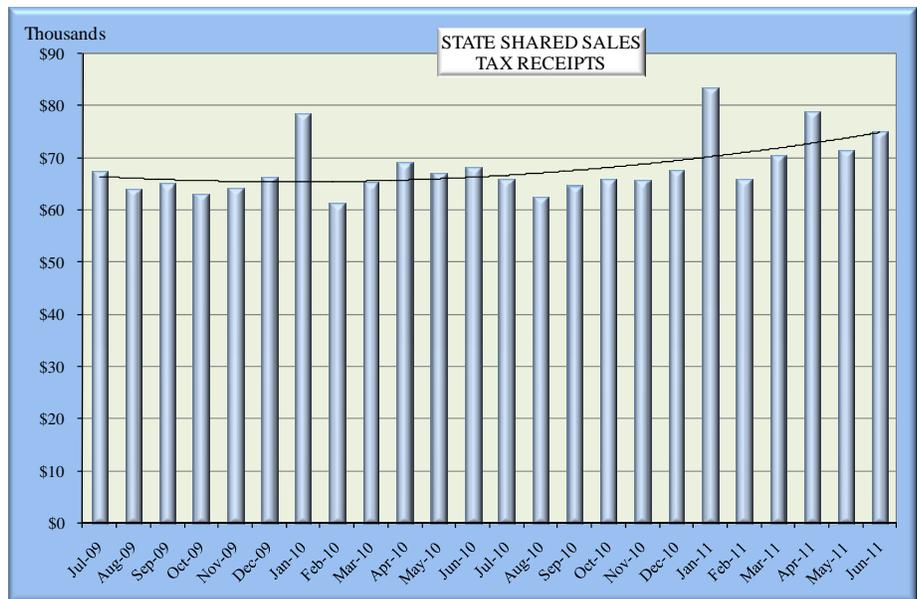
General Fund	
Operating Revenues	\$14,071,824
Operating Expenditures	12,791,177
Capital Outlay	492,931
Debt Service	0
<b>Total Expenditures</b>	<b>13,284,108</b>
Revenues + / - Expenditures	787,716
Other Financing Sources (Uses)	(947,793)
Inc. or (dec.) in Fund Balance	(160,077)
Beginning Fund Balance	6,969,407
Estimated Fund Balance	\$6,809,330

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

Our local sales tax ended the fiscal year down by 3.5% or about \$362,000. The City of Cottonwood, unfortunately, did not experience the slight upward swing in local sales tax as other communities have done.

In contrast, State Shared Sales Tax Revenues did very well in FY 2011. By year end this revenue source was up by 4.6% over last fiscal year and expected to continue to improve.

Here is a reality check on the magnitude of the revenue losses that the City of Cottonwood suffered over the past nearly four years. Including local sales tax, state shared revenues and other small revenue sources; the City’s General Fund has lost over \$3M in revenues. These losses were absorbed by a well timed .8% sales tax increase, a structural reorganization, freezing and / or eliminating some positions, and overall reduction in costs. All the while City core services did not deteriorate and recreational programming suffered only slightly.

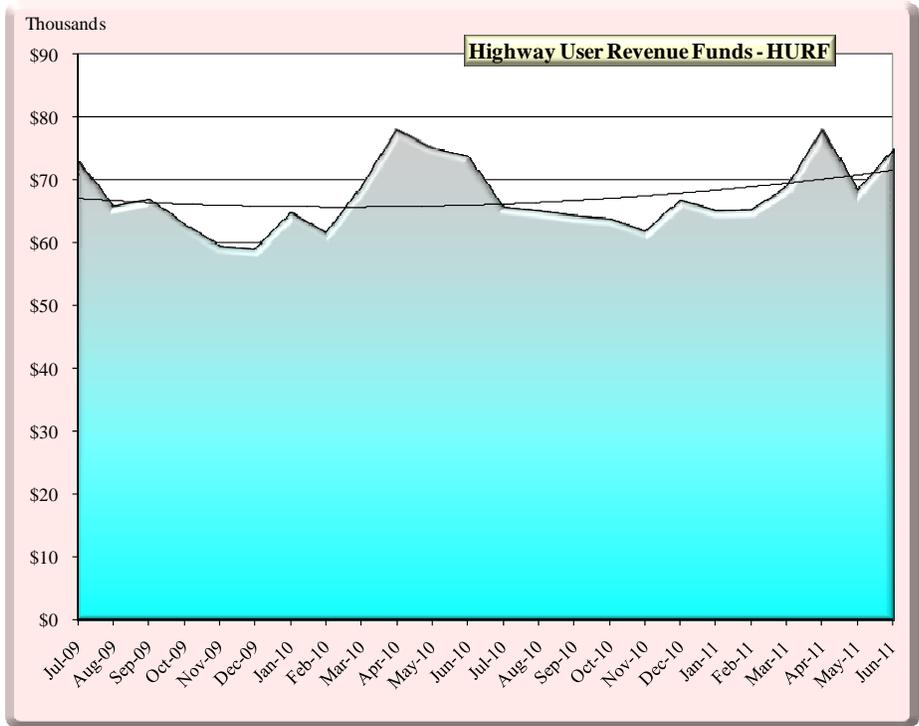


## SPECIAL REVENUE FUNDS

Over all the Special Revenue Funds performed as anticipated. There was nothing extraordinary from any of these funds.

Highway User Revenue Funds -HURF<sup>2</sup> revenues are currently between 2003 and 2004 levels, so we do have a lot of ground to cover before we are back to where we should be. The biggest area of concern with the HURF is how the state legislature is tapping into these sources for their public safety and other needs.

It is expected that HURF will remain stagnant for a few years until the state quits raiding it for its programs.



Special Revenue Funds						
	HURF	CAT	Library	Cemetery	Airport	Grants
Operating Revenues	\$1,007,857	\$309,378	\$213,172	\$1,403	\$163,566	\$4
Operating Expenditures	627,859	888,400	798,374	19,587	164,113	303
Capital Outlay	161,352	0	0	0	0	0
Debt Service	0	0	0	0	0	0
Total Expenditures	789,211	888,400	798,374	19,587	164,113	303
Revenues + / - Expenditures	218,646	(579,022)	(585,202)	(18,184)	(547)	(299)
Other Financing Sources (Uses)	0	0	585,202	18,184	547	0
Inc. or (dec.) in Fund Balance	218,646	(579,022)	0	0	0	(299)
Beginning Fund Balance	939,523	0	74,051		10,103	156,996
Estimated Fund Balance	\$1,158,169	(\$579,022)	\$74,051	\$0	\$10,103	\$156,697

C.A.T. revenues trailed behind expenditures with the transition to Northern Arizona Intergovernmental Public Transit Authority - NAIPTA earlier this year. The large deficit includes nearly \$280,000 in cash from Cottonwood to assist NAIPTA with the lag time necessary for reimbursements from Arizona Department Of Transportation - ADOT. There is also a \$100,000 credit that will be applied to next

<sup>2</sup> The HURF funds streets maintenance, street construction, and also funds any shortfalls of the Cottonwood Area Transit System.

fiscal year's billing due to over-billing from NAIPTA. The overall deficit will be absorbed by HURF this year and the General Fund will take over CAT funding in the future.

The Library gets generous support from the General Fund. This year's operating transfers to the Library was \$585,202 or nearly 66% of the library's total operating budget. All the Yavapai County library contributions were in prior to year end totaling \$196,049 or 24.6% of the overall budget.

Operating expenditures were at 93.2%, slightly below where they should be at the end of the year. Most every line item is in line with where it should be.

All other funds are relatively small and subsidized by the General Fund through contributions or transfers in.

**CAPITAL PROJECTS**

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

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

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

	Capital Projects
Operating Revenues	(\$2,682)
Operating Expenditures	0
Capital Outlay	738,512
Debt Service	
Total Expenditures	738,512
Revenues + / - Expenditures	(741,194)
Other Financing Sources (Uses)	0
Inc. or (dec.) in Fund Balance	(741,194)
Beginning Fund Balance	14,828,396
Estimated Fund Balance	\$14,087,202

Capital outlay:	
Investment Expenses	999
Riverfront Park Improvements	1,321
Land Acquisition	302,710
Old Town Parking	36,679
Old Town Jail	22,311
Architecture - Communciations Bldg.	75,443
Rec Center Remaining Expenses	183,496
Court Counstruction	68,239
Old Court Bldg Remodel	16,610
Evidence Building	29,753
Garrison Park	950
Total Expenditures	738,512

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

To the left are the major projects funded through these reserves in the past fiscal year. Some of these projects reflect costs remaining from a previous year's project completed in FY 2011 others are projects that are on the drawing board and planned to be constructed in future

years as it becomes feasible and all studies are completed.

**ENTERPRISE FUNDS**

	Enterprise Funds	
	Wastewater Collection	Water Distribution
Operating Revenues	\$1,427,658	\$5,728,698
Operating Expenditures	1,461,646	2,943,830
Capital Outlay	147,726	975,496
Debt Service	0	2,515,304
<b>Total Expenditures</b>	<b>1,609,372</b>	<b>6,434,630</b>
Revenues + / - Expenditures	(181,714)	(705,932)
Other Financing Sources (Uses)	0	0
Inc. or (dec.) in Fund Balance	(181,714)	(705,932)
Beginning Fund Balance		
Estimated Fund Balance	(\$181,714)	(\$705,932)

Both these funds have used some of their reserves to complete the 2011 fiscal year.

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

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

The City staff will be preparing its rate study in-house this year in anticipation of a rate adjustment. It is planned by begin in mid to late October of this year.

**DEBT SERVICE FUNDS**

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

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

	Debt Services
Operating Revenues	\$2,071,076
Operating Expenditures	0
Capital Outlay	0
Debt Service	2,071,076
<b>Total Expenditures</b>	<b>2,071,076</b>
Revenues + / - Expenditures	0
Other Financing Sources (Uses)	0
Inc. or (dec.) in Fund Balance	0
Beginning Fund Balance	1,210,139
Estimated Fund Balance	\$1,210,139

**BRIEF OVERVIEW**

As has been the case over recent years, there seems to be no two economists that will come to the same conclusion when the economy will turn around. Locally, we keep looking for subtle signs to guide us during these difficult times.

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

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

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

General Fund - 01	Adopted		
	Budget	Y-T-D	% Used
<b>Revenues:</b>			
Taxes	\$8,421,320	\$9,245,800	109.79%
Licenses & permits	114,000	119,155	104.52%
Intergovernmental revenue	2,655,720	2,606,903	98.16%
Charges for services	1,574,800	1,765,957	112.14%
Fines & forfeitures	133,100	167,312	125.70%
Uses of monies & properties	37,700	57,933	153.67%
Miscellaneous revenues	575,875	108,763	18.89%
<b>Total revenues</b>	<b>13,512,515</b>	<b>14,071,824</b>	<b>104.14%</b>
<b>Expenditures:</b>			
<b>Operating:</b>			
Administration	646,000	635,853	98.43%
Personnel	143,860	127,987	88.97%
Council	452,490	372,225	82.26%
Natural resources	56,010	48,855	87.23%
City Clerk	229,435	253,381	110.44%
Finance	339,630	342,966	100.98%
IT Services	88,630	96,249	108.60%
Purchasing	0	15,134	0.00%
Planning & zoning	294,140	309,641	105.27%
Police	3,266,680	3,315,595	101.50%
Animal control	180,385	150,569	83.47%
Communications	687,750	685,229	99.63%
Economic Development	94,490	93,857	99.33%
Fire	2,472,375	2,374,804	96.05%
Court	419,355	374,926	89.41%
Legal	300,770	301,269	100.17%
Engineering	448,760	460,290	102.57%
Parks & recreation	256,920	321,404	125.10%
Pool	111,490	94,879	85.10%
Weightroom	0	0	0.00%
Rec Center Operations	1,370,435	1,180,161	86.12%
Building maintenance	436,305	517,921	118.71%
Custodial	112,500	112,257	99.78%
Public Works	262,905	262,576	99.87%
Non-departmental	378,500	343,151	90.66%
<b>Subtotal maintenance and operations</b>	<b>13,049,815</b>	<b>12,791,177</b>	<b>98.02%</b>
Capital outlay:	6,349,265	492,931	7.76%
<b>Total Expenditures</b>	<b>19,399,080</b>	<b>13,284,109</b>	<b>68.48%</b>
Excess (deficiency) of revenues over (under) expenditures	(5,886,565)	787,715	
<b>Other financing sources (uses):</b>			
Operating transfers in	23,490	23,490	100.00%
Sales of City Equipment	10,000	6,662	66.62%
Capital leases	(441,710)	(350,523)	79.36%
Transfers out	(649,125)	(627,423)	96.66%
<b>Total other financing sources (uses)</b>	<b>(1,057,345)</b>	<b>(947,793)</b>	<b>89.64%</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(6,943,910)	(160,078)	
Fund balance, July 1, 2010 (audited)		6,969,407	
Estimated fund balance @ June 30, 2011		<u>\$6,809,329</u>	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

**HURF - 02**

	<b>Adopted Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Intergovernmental revenue	\$781,725	978,479	125.17%
Uses of monies & properties	2,000	1,345	67.26%
Miscellaneous revenues	12,000	28,033	233.61%
Total revenues	795,725	1,007,857	126.66%
<b>Expenditures:</b>			
<b>Operating:</b>			
Salaries	191,070	168,903	88.40%
Overtime	750	1,465	195.34%
Health & life insurance	52,140	37,945	72.78%
Temp employees	0	1,073	0.00%
Clothing allowance	2,000	0	0.00%
Travel & training	200	20	10.00%
Subscriptions & dues	150	85	56.67%
Gas & oil	19,000	17,988	94.67%
Vehicle maintenance	10,000	6,106	61.06%
Equipment maintenance	25,000	16,191	64.77%
Computer support	1,100	1,388	126.19%
Operational supplies	1,800	1,765	98.08%
Office supplies	600	44	7.36%
Utilities	8,500	8,295	97.59%
Telephone	1,800	1,901	105.59%
Street lights	46,400	41,112	88.60%
Legal advertising	450	0	0.00%
Engineering Services	1,000	500	0.00%
General counsel	0	0	0.00%
Postage & freight	200	24	12.08%
Bank charges	0	427	0.00%
Tools	3,000	3,249	108.31%
Equipment rental	12,000	2,694	22.45%
Building maintenance & repair	0	33,187	0.00%
Liability insurance	13,200	13,058	98.93%
Worker's compensation	10,740	12,743	118.65%
Social security	11,895	10,532	88.54%
AZ state retirement	18,895	15,518	82.13%
Employee physicals	700	83	11.86%
Medicare tax	2,780	2,463	88.60%
Liability claims deductible	0	0	0.00%
Continuing education	0	0	0.00%
Indirect costs to general fund	144,000	141,750	98.44%
Culverts	5,000	301	6.02%
Materials	26,000	21,428	82.41%
Street signs	14,000	14,146	101.04%
Street marking	50,000	21,092	42.18%
Rodeo Dr. St. Reimbursement	0	0	0.00%
Contractual services	32,000	24,577	76.80%
Equipment purchase	0	3,464	0.00%
Street light contingency	3,500	2,342	66.91%
Subtotal maintenance and operations	709,870	627,859	88.45%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending June 30, 2011

**HURF - 02 (page 2)**

	Adopted		
	Budget	Y-T-D	% Used
Debt Service:			
Principal	0	0	0.00%
Interest	0	0	0.00%
Capital Outlay:			
Equipment	0	32,994	0.00%
Pavement Preservation	300,000	17,455	5.82%
Street Contingency	295,645	0	0.00%
Sidewalk Additions	80,000	20,928	26.16%
12th Street Project	0	0	0.00%
W Mingus Reconstruction	1,275,000	10,782	0.85%
12th St 89A to Fir	2,130,000	3,477	0.16%
Paula St. Reconstruction	0	0	0.00%
Willard Extension	0	75,716	0.00%
Total Expenditures	4,790,515	789,210	16.47%
Excess (deficiency) of revenues over (under) expenditures	(3,994,790)	218,647	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	3,750,000	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	3,750,000	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(244,790)	218,647	
Fund balance, July 1, 2010 (audited)		939,523	
Estimated fund balance @ June 30, 2011		\$1,158,170	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

**CATS - 02**

	Adopted		
	Budget	Y-T-D	% Used
<b>Revenues:</b>			
Intergovernmental revenue	\$840,140	270,312	32.17%
Charges for services	119,230	39,066	32.76%
Total revenues	959,370	309,378	32.25%
<b>Expenditures:</b>			
Salaries	348,080	193,147	55.49%
Overtime	4,000	1,357	33.93%
Health/life insurance	100,565	43,842	43.60%
Temporary employee	43,000	7,022	16.33%
Clothing allowance	1,280	143	11.15%
Holiday pay	0	520	0.00%
Travel/training	4,620	1,162	25.16%
Subscriptions/dues	0	1,427	0.00%
Gas & oil	109,870	31,797	28.94%
Vehicle maintenance	126,000	56,298	44.68%
Equipment maintenance	0	0	0.00%
Radio maintenance	2,900	100	3.45%
Computer Support	0	0	0.00%
Office supplies	10,960	392	3.57%
Copier supplies	500	201	40.16%
Utilities	0	0	0.00%
Telephone	0	0	0.00%
Printing & forms	7,750	133	1.72%
Advertising	26,110	1,921	7.36%
Postage & freight	500	921	184.26%
Contractual Services	108,130	461,586	426.88%
Audit expense	800	800	115.17%
Liability insurance	26,160	10,145	38.78%
State compensation insurance	14,975	6,182	41.28%
Social security	24,495	12,064	49.25%
AZ retirement	34,680	17,652	50.90%
Employee physicals / drug tests	3,600	583	16.19%
Medicare	5,730	2,821	49.24%
Continuing education	0	0	0.00%
Indirect costs to GF	65,000	36,185	55.67%
Subtotal maintenance and operations	1,069,705	888,400	83.05%
Capital Outlay:	158,695	0	0.00%
Total Expenditures	1,228,400	888,400	72.32%
Fund balance, July 1, 2008 (unaudited)			
Excess (deficiency) of revenues over (under) expenditures	(269,030)	(579,022)	
<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			
	(269,030)	(579,022)	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

**Library - 03**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Other income	\$20,150	\$17,015	84.44%
Interest income	130	138	105.83%
Collection income	0	0	0.00%
Yavapai county	197,250	196,019	99.38%
AZ LSCA/Yavapai county grant	0	0	0.00%
Gates grant	0	0	0.00%
Total revenues	217,530	213,172	98.00%
Expenditures:			
Operating:			
Salaries	352,260	361,398	102.59%
Health & life insurance	77,165	63,342	82.09%
Temp employees	30,500	19,654	64.44%
Holiday pay	0	0	0.00%
Travel & training	180	627	0.00%
Subscriptions & dues	180	469	260.56%
Gas & oil	0	0	0.00%
Vehicle maintenance	0	0	0.00%
Equipment maintenance	9,400	8,517	90.60%
Computer support	1,200	1,884	156.97%
Collection expenses	2,870	2,246	78.27%
Office supplies	6,000	6,484	108.07%
Copier supplies	730	728	99.70%
Utilities	50,000	53,294	106.59%
Telephone	11,900	9,009	75.70%
Special Dept. Supplies	0	0	0.00%
Youth programs	0	190	0.00%
Legal advertising	0	0	0.00%
Postage & freight	8,000	5,880	73.50%
Book purchases	20,000	24,244	121.22%
District - Materials	0	0	0.00%
Network & technology expenses	34,020	24,846	73.03%
Annual volunteer appreciation	800	638	79.81%
Liability Insurance	22,210	14,881	67.00%
Worker's compensation	840	3,813	453.93%
Social security	23,730	23,254	98.00%
AZ state retirement	34,695	35,717	102.95%
Medicare tax	5,550	5,456	98.30%
Continuing education	0	0	0.00%
Recruitment Cost	0	400	0.00%
Indirect costs to general fund	118,000	131,401	111.36%
Subtotal maintenance and operations	810,230	798,374	98.54%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending June 30, 2011

**Library - 03 (page 2)**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Capital outlay:	0	0	0.00%
Total expenditures	810,230	798,374	98.54%
Excess (deficiency) of revenues over (under) expenditures	(592,700)	(585,202)	
Other financing sources (uses):			
Operating transfers in	592,700	585,202	98.73%
Proceeds from bonds	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	592,700	585,202	98.73%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	(0)	
Fund balance, July 1, 2010 (audited)		74,051	
Estimated fund balance @ June 30, 2011		\$74,051	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

**Cemetery 04**

	<b>Adopted Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Interest Income	\$10	\$3	30.60%
Charges for services	\$2,300	\$1,400	0.00%
Total revenues	2,310	1,403	60.74%
<b>Expenditures:</b>			
Utilities	22,000	15,663	71.19%
Telephone	620	445	71.77%
Grave Liners	2,800	0	0.00%
Miscellaneous Expense	500	627	125.32%
Indirect Costs	15,000	2,853	19.02%
Subtotal maintenance and operations	40,920	19,587	47.87%
Capital improvements - hangars	0	0	0.00%
Total expenditures	40,920	19,587	47.87%
Excess (deficiency) of revenues over (under) expenditures	(38,610)	(18,184)	
<b>Other financing sources (uses):</b>			
Operating transfers in	38,610	18,184	47.10%
Proceeds from lease purchase	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	38,610	18,184	47.10%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	0	
Fund balance, July 1, 2010 (audited)		0	
Estimated fund balance @ June 30, 2011		\$0	

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

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Other Income	\$1,000	\$0	0.00%
Late Fees	\$0	\$229	0.00%
Tie down rent	22,500	18,527	82.34%
Airpark Rents	0	0	0.00%
FBO building rental income	26,400	18,585	70.40%
1 Fuel sales income	4,800	61,028	1271.41%
Land lease fees	33,000	36,685	111.17%
City hangar lease fees	30,650	28,513	93.03%
Total revenues	118,350	163,566	138.21%
<b>Expenditures:</b>			
Equipment maintenance	9,000	6,579	73.10%
Operational Supplies	4,000	1,714	42.86%
2 Airport Annual Event	5,000	6,471	129.43%
Utilities	11,500	11,595	100.83%
Telephone	1,150	739	64.23%
General Counsel	0	0	0.00%
Contractual Services	2,000	2,158	0.00%
Fuel Expense	0	51,766	0.00%
Bank Charges	0	1,915	0.00%
Building maintenance	24,000	10,545	43.94%
Liability Insurance	5,200	76	1.46%
Equipment Purchase	0	0	0.00%
Indirect costs	41,700	70,554	169.19%
Subtotal maintenance and operations	103,550	164,113	158.49%
Capital improvements - hangars	0	0	0.00%
Total expenditures	103,550	164,113	158.49%
Excess (deficiency) of revenues over (under) expenditures	14,800	(546)	
<b>Other financing sources (uses):</b>			
Operating transfers in	17,815	24,036	0.00%
Proceeds from lease purchase	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	(32,615)	(23,490)	72.02%
Total other financing sources (uses)	(14,800)	546	-3.69%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	0	
Fund balance, July 1, 2010 (audited)		(10,103)	
Estimated fund balance @ June 30, 2011		(\$10,103)	

Notes:

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

2

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

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
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**Sewer Consolidated - 06**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Taxes	\$0	\$0	0.00%
Charges for services	1,250,900	1,323,604	105.81%
Uses of monies & properties	60,500	26,326	43.51%
Miscellaneous revenues	44,500	77,729	174.67%
Total revenues	1,355,900	1,427,658	105.29%
Expenditures:			
Operating:			
Salaries	380,590	386,314	101.50%
Overtime	36,000	52,440	145.67%
Health & life insurance	86,245	66,292	76.86%
Temporary Employees	0	88	0.00%
Clothing allowance	2,500	0	0.00%
Holiday pay	2,000	1,088	54.40%
Travel & training	2,000	1,419	70.96%
Subscriptions & dues	750	87	11.60%
Printing & forms	1,500	1,098	73.19%
Bad debt expense	12,000	3,843	32.03%
Gas & oil	8,000	12,261	153.26%
Vehicle maintenance	7,000	5,015	71.64%
Equipment maintenance	150,000	156,261	104.17%
Chlorine	2,000	2,142	107.11%
Polymer	16,000	14,105	88.16%
Computer support	4,000	5,692	142.29%
Operational supplies	28,000	17,593	62.83%
Office supplies	1,600	1,791	111.97%
Copier Supplies	750	549	73.20%
Utilities	316,500	343,668	108.58%
Telephone	3,000	4,172	139.06%
Legal Advertising	0	0	0.00%
General Counsel	0	0	0.00%
Contractual services	54,000	22,814	42.25%
Sludge disposal	100,000	58,579	58.58%
Postage & freight	11,000	11,352	103.20%
Bank Charges	400	0	0.00%
Odor control supplies	0	44	0.00%
Lab / testing	50,000	45,516	91.03%
Tools	1,500	2,457	163.83%
Equipment rental	1,500	782	52.13%
Building maintenance	3,000	479	15.96%
Liability insurance	36,750	30,168	82.09%
Worker's compensation	11,275	7,031	62.36%
Social security	25,955	27,032	104.15%
AZ state retirement	41,225	43,632	105.84%
Employee physicals	0	166	0.00%
Medicare tax	6,070	6,322	104.16%
ADEQ annual fee	15,000	15,651	104.34%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Indirect costs to general fund	110,000	113,702	103.37%
Subtotal maintenance and operations	1,528,110	1,461,646	95.65%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending June 30, 2011

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

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Capital Outlay:	3,872,050	147,726	3.82%
Total Expenditures	<u>5,400,160</u>	<u>1,609,372</u>	<u>29.80%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,044,260)</u>	<u>(181,714)</u>	
Other Financing Sources (Uses):		0	
Operating transfers in	500,000	0	0.00%
Proceeds from bonds / loans	4,000,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	<u>4,500,000</u>	<u>0</u>	<u>0.00%</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income	<u>\$455,740</u>	<u>(\$181,714)</u>	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

**Sewer Construction  
& Administration - 06**

Adopted Budget	Y-T-D	% Used
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Revenues:

City sales tax	\$0	\$0	0.00%
User fees - admin residential	135,000	125,366	92.86%
User fees - admin commercial	23,900	23,104	96.67%
User fees - admin multi-residential	90,000	88,733	98.59%
Recovery of bad debts	0	(15)	0.00%
Sale of City Property	0	1,796	0.00%
Other income	5,500	0	0.00%
Interest income	30,000	18,844	62.81%
Interest - equipment reserve	28,000	0	0.00%
Interest - expansion fund	2,000	4,797	239.86%
Interest - bond reserve fund	0	0	0.00%
Total revenues	314,400	262,624	83.53%

Expenditures:

Administration

Salaries	92,780	90,014	97.02%
Overtime and Holiday Pay	1,000	3,311	331.14%
Health & life insurance	24,635	13,410	54.43%
Temp Employees	0	0	0.00%
Travel & training	0	0	0.00%
Subscriptions & dues	0	0	0.00%
Printing & forms	1,500	1,098	73.19%
Bad debt expense	12,000	3,843	32.03%
Equipment maintenance	0	0	0.00%
Computer support	1,500	3,160	210.66%
Office supplies	400	589	147.19%
Copier Supplies	250	13	5.18%
Utilities	1,500	2,585	172.31%
Telephone	0	933	0.00%
General Counsel	0	0	0.00%
Contractual Services	4,000	11,208	280.21%
Legal advertising	0	0	0.00%
Postage & freight	6,000	6,982	116.36%
Bank charges	400	0	0.00%
Liability insurance	5,610	5,120	91.26%
Worker's compensation	485	137	28.25%
Social security	5,815	5,737	98.65%
AZ state retirement	9,235	9,353	101.28%
Medicare tax	1,360	1,342	98.68%
Continuing education	0	0	0.00%
Indirect costs to general fund	110,000	113,702	103.37%
Subtotal maintenance and operations	278,470	272,535	97.87%

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

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

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Capital outlay	0	0	0.00%
Construction:			
Legal fees	50	0	0.00%
Legal Advertising	0	173	0.00%
Investment Expense	4,000	227	0.00%
ADEQ Gardner Prop Cleanup	200,000	3,148	1.57%
Rodeo Dr. Reimbursement	0	0	0.00%
260-Design	0	0	0.00%
260-Construction	1,900,000	0	0.00%
Line extensions	255,000	5,883	0.00%
Pump System Upgrade	0	0	0.00%
Riverfront WWTP Design	500,000	10,995	0.00%
Effluent disposal system	0	0	0.00%
WWTP-Master Plan	0	0	0.00%
WWTP-Head Works	0	0	0.00%
Lift Station	400,000	0	0.69%
WWTP-Upgrades	500,000	0	0.00%
Recl H2O Pump System Upgrade	0	5,446	0.00%
Construction - solids handling	0	0	0.00%
Consultant service	0	0	0.00%
Subtotal construction expenses	<u>3,759,050</u>	<u>25,872</u>	<u>0.69%</u>
Total Expenditures	<u>4,037,520</u>	<u>298,407</u>	<u>7.39%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,723,120)</u>	<u>(35,783)</u>	
Other Financing Sources (Uses):			
Operating transfers in	500,000	0	0.00%
Proceeds from other sources	4,000,000	0	0.00%
Capital leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	<u>4,500,000</u>	<u>0</u>	<u>0.00%</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>2,367,700</u>	<u>776,880</u>	<u>(35,783)</u>

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

**Sewer Maintenance & Operations- 06**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
City sales tax	\$0	\$0	0.00%
User fees - M&O residential	380,000	385,786	101.52%
User fees - M&O multi-residential	250,000	274,581	109.83%
User fees - M&O commercial	355,000	350,009	98.59%
Tap fees	0	0	0.00%
Reserves -	0	10,874	0.00%
Impact fees	8,000	55,413	692.66%
Effluent Revenue	9,000	18,817	209.07%
Building Rental	19,000	35,200	185.26%
Late fees - interest charges	20,000	31,671	158.35%
Connection fees	500	2,684	536.80%
Total revenues	1,041,500	1,165,034	111.86%
Expenditures:			
Operating:			
Salaries	287,810	296,301	102.95%
Overtime	35,000	49,128	140.37%
Health & life insurance	61,610	52,882	85.83%
Temporary Employees	0	88	0.00%
Clothing allowance	2,500	0	0.00%
Holiday pay	2,000	1,088	54.40%
Travel & training	2,000	1,419	70.96%
Subscriptions & dues	750	87	11.60%
Gas & oil	8,000	12,261	153.26%
Vehicle maintenance	7,000	5,015	71.64%
Equipment maintenance	150,000	156,261	104.17%
Chlorine	2,000	2,142	107.11%
Polymer	16,000	14,105	88.16%
Computer support	2,500	2,532	101.27%
Operational supplies	28,000	17,593	62.83%
Office supplies	1,200	1,203	100.23%
Copier supplies	500	536	107.21%
Utilities	315,000	341,084	108.28%
Telephone	3,000	3,239	107.97%
Legal advertising	0	0	0.00%
Contractual services	50,000	11,606	23.21%
Sludge disposal	100,000	58,579	58.58%
Postage & freight	5,000	4,370	87.40%
Odor control supplies	0	44	0.00%
Lab / testing	50,000	45,516	91.03%
Tools	1,500	2,457	163.83%
Equipment rental	1,500	782	52.13%
Building maintenance	3,000	479	15.96%
Liability insurance	31,140	25,049	80.44%
Worker's compensation	10,790	6,894	63.89%
Social security	20,140	21,295	105.74%
AZ state retirement	31,990	34,278	107.15%
Employee physicals	0	166	0.00%
Medicare tax	4,710	4,980	105.74%
ADEQ annual fee	15,000	15,651	104.34%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	1,249,640	1,189,111	95.16%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending June 30, 2011

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

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Capital Outlay:	113,000	121,854	107.84%
Total Expenditures	<u>1,362,640</u>	<u>1,310,965</u>	<u>96.21%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(321,140)</u>	<u>(145,931)</u>	
Other Financing Sources (Uses):		0	
Operating transfers in	0	0	0.00%
Proceeds from bonds	0	0	0.00%
Capital leases	0	0	0.00%
Transfers out	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0.00%</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(321,140)</u>	<u>(145,931)</u>	

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	\$448,870	\$0	0.00%
Other Income	0	4	0.00%
Total revenues	448,870	4	0.00%
<b>Expenditures:</b>			
Capital Outlay:	457,995	303	0.07%
Total Expenditures	457,995	303	0.07%
0			
Excess (deficiency) of revenues over (under) expenditures	(9,125)	(299)	
0			
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	9,125	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	9,125	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	(299)	
Fund balance, July 1, 2010 (audited)		156,996	
Estimated fund balance @ June 30, 2011		\$156,697	

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

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$750	\$25,159	3354.49%
Uses of monies & properties	43,000	37,140	86.37%
Total revenues	43,750	62,299	142.40%
Expenditures:			
Benefits	13,600	3,600	26.47%
Administration	4,000	19,878	496.95%
Total Expenditures	17,600	23,478	133.40%
Excess (deficiency) of revenues over (under) expenditures	26,150	38,821	0
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	0	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	26,150	38,821	
Fund balance, July 1, 2010 (audited)		82,973	
Estimated fund balance @ June 30, 2011		\$121,794	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Employee Benefit Trust - 10**

	Adopted		
	Budget	Y-T-D	% Used
Revenues:			
Contributions	\$0	\$0	0.00%
Reinsurance reimbursements	0	0	0.00%
Miscellaneous revenues	4,000	(367)	-9.19%
Total revenues	4,000	(367)	-9.19%
Expenditures:			
Premiums	30,000	43,917	146.39%
Benefits	0	0	0.00%
Miscellaneous	24,000	0	0.00%
Total Expenditures	54,000	43,917	81.33%
Excess (deficiency) of revenues over (under) expenditures	(50,000)	(44,284)	
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	0	0	0.00%
Total other financing sources (uses)	0	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(50,000)	(44,284)	
Fund balance, July 1, 2010 (audited)		200,101	
Estimated fund balance @ June 30, 2011		\$155,817	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Capital Projects - 11**

	Adopted		
	Budget	Y-T-D	% Used
<b>Revenues:</b>			
Taxes	\$0	\$0	0.00%
Use of monies & properties	0	(2,682)	0.00%
Other Income	0	0	0.00%
Intergovernmental revenue	0	0	0.00%
Total revenues	0	(2,682)	0.00%
<b>Expenditures:</b>			
Capital outlay:			
Investment Expenses	0	999	0.00%
Riverfront Park Improvements	116,000	1,321	0.00%
Land Acquisition	0	302,710	0.00%
Fire Station Design	120,000	0	0.00%
Old Town Parking	150,000	36,679	24.45%
Old Town Jail	70,000	22,311	0.00%
Architecture - Communciations Bldg.	360,000	75,443	20.96%
Rec Center Remaining Expenses	0	183,496	0.00%
Court Counstruction	0	68,239	0.00%
Old Court Bldg Remodel	100,000	16,610	0.00%
Evidence Building	0	29,753	0.00%
Architecture-City Hall	100,000	0	0.00%
Garrison Park	0	950	0.00%
Library Parking Lot	78,000	0	0.00%
Portal Signs	5,000	0	0.00%
Total Expenditures	1,099,000	738,512	67.20%
Excess (deficiency) of revenues over (under) expenditures	(1,099,000)	(741,194)	
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	0	0	0.00%
Proceeds from Bonds / Leases	0	0	0.00%
Capital Leases	0	0	0.00%
Transfers Out	(500,000)	0	0.00%
Total other financing sources (uses)	(500,000)	0	0.00%
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,599,000)	(741,194)	
Fund balance, July 1, 2010 (audited)		14,828,396	
Estimated fund balance @ June 30, 2011		\$14,087,202	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Debt Service - 13**

	<b>Adopted Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Taxes	\$1,701,775	\$2,069,747	121.62%
Uses of monies & properties	110	1,329	1208.33%
Total revenues	1,701,885	2,071,076	121.69%
<b>Expenditures:</b>			
Trustee fees	20,000	1,049	0.00%
Rodeo Drive Reimbursement	0	0	0.00%
Debt service:		0	
Interest	865,025	865,027	100.00%
Principal	1,205,000	1,205,000	100.00%
Total Expenditures	2,090,025	2,071,076	99.09%
Excess (deficiency) of revenues over (under) expenditures	(388,140)	0	
<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	(388,140)	0	
Fund balance, July 1, 2010 (audited)		1,210,129	
Estimated fund balance @ June 30, 2011		\$1,210,129	

Statement of Revenues, Expenditures and Changes in Fund Balance  
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**Water Consolidated - 16**

	Adopted		
	Budget	Y-T-D	% Used
Revenues: Note 1			
Taxes	\$0	\$0	0.00%
Charges for services	5,114,960	4,786,371	93.58%
Uses of monies & properties	657,820	594,187	90.33%
Miscellaneous revenues	75,000	348,139	464.19%
Total revenues	5,847,780	5,728,698	97.96%
Expenditures:			
Operating:			
Salaries	645,480	599,699	92.91%
Overtime	51,500	146,324	284.12%
Health & life insurance	192,390	154,127	80.11%
Temporary Employees	0	0	0.00%
Clothing allowance	6,000	5,205	86.74%
Holiday pay	2,000	2,318	0.00%
Travel & training	9,000	4,197	46.64%
Subscriptions & dues	1,600	1,130	70.65%
Printing & forms	15,000	7,658	51.05%
Bad debt expense	0	0	0.00%
Gas & oil	40,000	38,780	96.95%
Vehicle maintenance	12,000	15,468	128.90%
Equipment maintenance	201,000	247,460	123.11%
Chlorine	100,000	59,795	59.80%
Polymer	0	0	0.00%
Computer support	4,000	7,161	179.02%
Operational supplies	14,000	15,782	112.73%
Office supplies	7,500	16,879	225.06%
Copier Supplies	2,500	2,292	91.70%
Verde River Days	1,000	1,000	100.00%
Public Relations	0	5,040	
Utilities	304,000	347,336	114.26%
Telephone	14,500	46,109	317.99%
Legal Advertising	1,500	458	30.54%
Contractual services	280,000	109,409	39.07%
Water System Evaluation	0	0	0.00%
General Counsel	0	0	0.00%
Contractual SVCS-M&O	400,000	312,112	0.00%
Postage & freight	36,500	40,488	110.92%
Bank Charges	0	0	0.00%
Lab / testing	20,000	7,647	38.24%
Tools	4,000	5,999	149.98%
Equipment rental	3,000	76	2.55%
Building maintenance	2,500	7,283	291.32%
Liability insurance	47,540	60,669	127.62%
Liability Insurance Deductible	0	119	
Worker's compensation	34,160	19,867	58.16%
Social security	43,340	45,077	104.01%
AZ state retirement	65,620	73,809	112.48%
Employee physicals	0	0	0.00%
Medicare tax	10,140	10,542	103.96%
ADEQ annual fee	30,000	24,517	81.72%
Continuing education	0	0	0.00%
Payment Assistance Program	10,500	10,500	100.00%
Verde River Basin Partnership	0	0	0.00%
Trust Land Annexation	0	8,552	0.00%
Arsenic System Maintenance	250,000	115,903	0.00%
Reserve replacement fund	0	0	0.00%
Reserve Resource Development	1,996,800	0	0.00%
Reserve Water Advisory	95,660	1,677	1.75%
Reserve Adjudication	140,350	21,257	15.15%
Reserve Water Conservation	123,220	1,500	1.22%
Indirect costs to general fund	368,000	342,610	93.10%
Subtotal maintenance and operations	5,586,300	2,943,830	52.70%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending June 30, 2011

**Water Consolidated - 16 (page 2)**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Debt Service	2,518,800	2,515,304	99.86%
Capital Outlay:	37,212,800	975,496	2.62%
Total Expenditures	45,317,900	6,434,630	14.20%
 Excess (deficiency) of revenues over (under) expenditures	 (39,470,120)	 (705,933)	 1.79%
 Other Financing Sources (Uses):			
Operating transfers in	0	0	0.00%
Proceeds from bonds / loans	36,910,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
Total other financing sources (uses)	36,910,000	0	0.00%
 Excess of revenues and other financing sources over (under) expenditures and other financing uses - Net Income	 <u>(\$2,560,120)</u>	 <u>(\$705,933)</u>	

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

**Water Construction  
& Administration - 16**

	Adopted Budget	Y-T-D	% Used
Revenues:			
City sales tax	\$0	\$0	0.00%
User fees	4,970,000	4,497,781	90.50%
Service Turn Ons	56,900	47,700	83.83%
Meter Installation	2,000	11,198	559.90%
Impact Fees	5,850	162,211	2772.84%
Collection fees/late fees	80,210	67,482	84.13%
Reimbursement Clarkdale	27,000	324,933	1203.45%
Res-Resource Development Fees	420,760	440,821	104.77%
Res-Water Advisory Committee	33,665	35,536	105.56%
Res-Adjudication	43,125	40,889	94.81%
Res-Water Conservation	26,280	27,534	104.77%
Recapture Agreements	0	40	0.00%
Other income	48,000	11,395	0.00%
Building Rental	7,800	7,800	100.00%
Sale of City Property	0	11,771	0.00%
Drought Water Shortage PP	0	0	0.00%
Interest income	125,910	41,259	32.77%
Total revenues	5,847,500	5,728,349	97.96%
Expenditures:			
Administration			
Salaries	128,670	132,296	102.82%
Overtime and Holiday Pay	1,500	5,228	348.51%
Health & life insurance	36,690	25,568	69.69%
Temp Employees	0	0	0.00%
Travel & training	1,500	1,969	131.28%
Subscriptions & dues	100	125	125.00%
Printing & forms	15,000	7,658	51.05%
Bad debt expense	0	0	0.00%
Equipment maintenance	1,000	1,328	132.78%
Computer support	3,000	4,498	149.94%
Office supplies	1,500	10,133	675.54%
Copier Supplies	500	380	75.96%
Utilities	4,000	2,790	69.75%
Telephone	4,500	3,072	68.26%
Contractual Services	100,000	46,089	46.09%
Public Relations	0	5,040	0.00%
Growth Premium	30,000	28,500	95.00%
Water System Evaluation	0	0	0.00%
General Counsel	0	0	0.00%
Legal advertising	500	0	0.00%
Postage & freight	35,000	39,198	111.99%
Bank charges	0	0	0.00%
Liability insurance	17,290	2,984	17.26%
Worker's compensation	560	169	30.18%
Social security	8,070	8,486	105.16%
AZ state retirement	12,820	13,832	107.89%
Medicare tax	1,890	1,984	104.99%
Continuing education	0	0	0.00%
Indirect costs to general fund	368,000	342,610	93.10%
Payment Assistance Program	10,500	10,500	100.00%
Verde River Basin Partnership	0	0	0.00%
Trust Land Annexation	0	8,552	0.00%
Reserve Resource Development	1,996,800	0	0.00%
Reserve Water Advisory	95,660	1,677	1.75%
Reserve Adjudication	140,350	21,257	15.15%
Reserve Water Conservation	123,220	1,500	1.22%
Unrestricted Reserve	0	0	0.00%
Subtotal maintenance and operations	3,138,620	727,423	23.18%

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget to Actual  
 Quarterly Report Ending June 30, 2011

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

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
Capital outlay	100,000	58,584	58.58%
Construction:			
Legal Advertising	0	62	0.00%
Investment Expense	4,000	3,425	0.00%
Building Purchase	0	8,483	0.00%
Aresinic Mitigation	250,000	129,996	52.00%
Bonding Expense	33,690,000	0	0.00%
Valve Replacement	25,000	0	0.00%
Aid in Lieu of Construction	130,000	117,374	0.00%
Fire Hydrant Improvements	500,000	127,150	25.43%
HWY 260 H2O System Upgrades	1,250,000	450	0.04%
Well Booster Station	25,000	57,203	228.81%
Well Improvements	0	159,233	0.00%
Well Acquisitions	250,000	0	0.00%
W Mingus Reconstruction/Sys Upgrades	256,000	4,752	0.00%
Water System Upgrades	500,000	231,409	0.00%
Line Extensions	0	(3,122)	0.00%
Land Acquisition	200,000	0	0.00%
Subtotal construction expenses	37,080,000	836,415	2.26%
Total Expenditures	40,318,620	1,622,423	4.02%

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

**Water Maintenance & Operations- 16**

Adopted Budget	Y-T-D	% Used
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Expenditures:

Operating:

Salaries	516,810	467,403	90.44%
Overtime	50,000	141,096	282.19%
Health & life insurance	155,700	128,559	82.57%
Temporary Employees	0	0	0.00%
Clothing allowance	6,000	5,205	86.74%
Holiday pay	2,000	2,318	0.00%
Travel & training	7,500	2,228	29.71%
Subscriptions & dues	1,500	1,005	67.02%
Gas & oil	40,000	38,780	96.95%
Vehicle maintenance	12,000	15,468	128.90%
Equipment maintenance	200,000	246,132	123.07%
Chemicals	100,000	59,795	59.80%
Polymer	0	0	0.00%
Computer support	1,000	2,663	266.28%
Operational supplies	14,000	15,782	112.73%
Office supplies	6,000	6,746	112.44%
Copier supplies	2,000	1,913	95.63%
Verde River Days	1,000	1,000	100.00%
Utilities	300,000	344,546	114.85%
Telephone	10,000	43,037	430.37%
Legal advertising	1,000	397	39.65%
Contractual services	150,000	34,820	23.21%
Contractual SVCS-M&O	400,000	312,112	0.00%
Postage & freight	1,500	1,290	85.98%
Lab / testing	20,000	7,647	38.24%
Tools	4,000	5,999	149.98%
Equipment rental	3,000	76	2.55%
Building maintenance	2,500	7,283	291.32%
Liability insurance	30,250	57,685	190.69%
Worker's compensation	33,600	19,698	58.63%
Social security	35,270	36,590	103.74%
AZ state retirement	52,800	59,977	113.59%
Employee physicals	0	0	0.00%
Medicare tax	8,250	8,557	103.73%
ADEQ annual fee	30,000	24,517	81.72%
<b>Arsenic System Maintenance</b>	250,000	115,903	46.36%
<b>Liability Insurance Deductible</b>	0	119	0.00%
Continuing education	0	0	0.00%
Reserve replacement fund	0	0	0.00%
Subtotal maintenance and operations	2,447,680	2,216,346	90.55%

2,296,842.18

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual  
Quarterly Report Ending June 30, 2011

**Water Debt Service - 16**

	<b>Adopted</b>		
	<b>Budget</b>	<b>Y-T-D</b>	<b>% Used</b>
<b>Revenues:</b>			
Use of monies & properties	280	348	124.32%
Other Income	0	0	0.00%
Intergovernmental revenue	0	0	0.00%
<b>Total Revenues</b>	<b>280</b>	<b>348</b>	<b>124.32%</b>
<b>Debt Service:</b>			
Principal	920,000	920,000	100.00%
Interest	1,592,300	1,592,304	100.00%
Trustee Fees	6,500	3,000	46.15%
<b>Capital Outlay:</b>	32,800	80,497	245.42%
<b>Total Expenditures</b>	<b>4,999,280</b>	<b>2,595,801</b>	<b>51.92%</b>
Excess (deficiency) of revenues over (under) expenditures	4,999,280	3,132,549	
<b>Other Financing Sources (Uses):</b>			
Operating transfers in	0	0	0.00%
Proceeds from bonds	36,910,000	0	0.00%
Capital leases	0	0	0.00%
Transfers out	0	0	0.00%
<b>Total other financing sources (uses)</b>	<b>36,910,000</b>	<b>0</b>	<b>0.00%</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,560,120)	1,510,474	