Town of Payson, Arizona

Financial Status Report

Month of July, 2016

Given to Council September 14, 2016

Prepared by: Hope A. Cribb, Finance Manager

UNAUDITED

EXECUTIVE SUMMARY

Town of Payson, Arizona

Executive Summary

Budget As of July 31, 2016

8.3% of the year has elapsed

Fund	Year to Date Revenues	Year to Date Expenditures	Year to Date Balance	Carry Forward	Adjusted Balance
General Fund	522,064	756,094	(234,030)	1,571,976	1,337,946
HURF Fund	-	187,842	(187,842)	650,948	463,106
P & R Facility Imprv. Fund	1,495	-	1,495	34,805	36,300
Gifts & Grants Fund	-	-	-	68,304	68,304
Bed Tax Fund	-	16,739	(16,739)	277,496	260,757
Department of Justice Fund	250	-	250	27,713	27,963
Police Impound Fee Fund	150	-	150	-	150
Library Fund	1,567	13,560	(11,993)	-	(11,993)
Magistrate Court FTG/JCEF	-	-	-	89,398	89,398
Airport Fund	11,946	5,257	6,689	-	6,689
Event Center Fund	890	2,151	(1,261)	-	(1,261)
Insurance Fund	87,443	-	87,443	30,297	117,740
Grant Capital Projects Fund	-	93,282	(93,282)	5	(93,277)
Public Safety Bonds	-	-	-	154,549	154,549
Timber Ridge Impr District Fund	-	-	-	-	
CAP Trust Fund	-	3,511	(3,511)	188,271	184,760
General Debt Service Fund	-	-	-	-	-
Westerly Rd Debt Service Fund	-	750	(750)	-	(750)
Airport Hangers/Yard Facility DS Fund	-	-	-	-	-
Public Safety Improvements DS Fund	-	295,000	(295,000)	414,945	119,945
Timber Ridge ID Debt Service Fund	-	-	-	-	-
Water	619,137	959,916	(340,779)	3,190,446	2,849,667
Totals	1,244,942	2,334,102	(1,089,160)	6,699,153	5,609,993

THE BEGINNING BALANCES ARE UNAUDITED

ANALYSIS

Not all funds or all revenue/expenditures will be analyzed here. Here, major categories and/or significant events will be highlighted in this Executive Summary.

HIGHLIGHTS

Items of note that occurred during July are as follows:

Due to the new reporting format from the Dept. of Revenue the monthly sales tax breakdown cannot be shown at this time. Some July revenues were accrued back to June so it seems that we did not receive any revenue on those line items.

Dispatch fees for both Police and Fire were billed and we received the grant money for Phase 2 of the American Gulch, $17,800.

The annual principal payment to WIFA was paid, $680,400; Cragin expenses, $128,000; the annual dues to the League of Cities and Towns and to CAAG were paid; the annual software maintenance contract for Public Safety was paid, $150,000; Manzanita Drive expenditures, $58,300; HURF equipment lease payment, $36,700; CDBG expenses paid, $93,200; and the principal payment on the GO Bonds , $295,000.

FUNDS

In the table above, several funds are showing a negative fund balance as of July 31, 2016. This means that using the beginning fund balance as a starting point, adding revenues received through July 31 and subtracting expenditures through July 31, these funds have spent more than they had available to spend. The reasons for the negative fund balances are:

Library Fund: This fund may show a negative on and off during the year. Currently, it is showing a negative fund balance because the funding from the Gila County Library District has not been enough to cover expenditures. At year-end, a budgeted transfer occurs from the General Fund to zero out the fund balance and start the new year with a fresh slate.

Event Center: This fund will end the year with a positive fund balance, but it may show a negative fund balance through-out the year. There is a budgeted transfer from the Bed Tax fund to cover any deficit this fund may have at the end of the year.

Grant Capital Projects Fund: This will turn positive when a reimbursement is requested for expenditures relating to the applicable grant.

Westerly Rd Debt Service Fund: This fund will end the year with a positive fund balance once the assessments are invoiced and the year end transfer is done.

General Fund

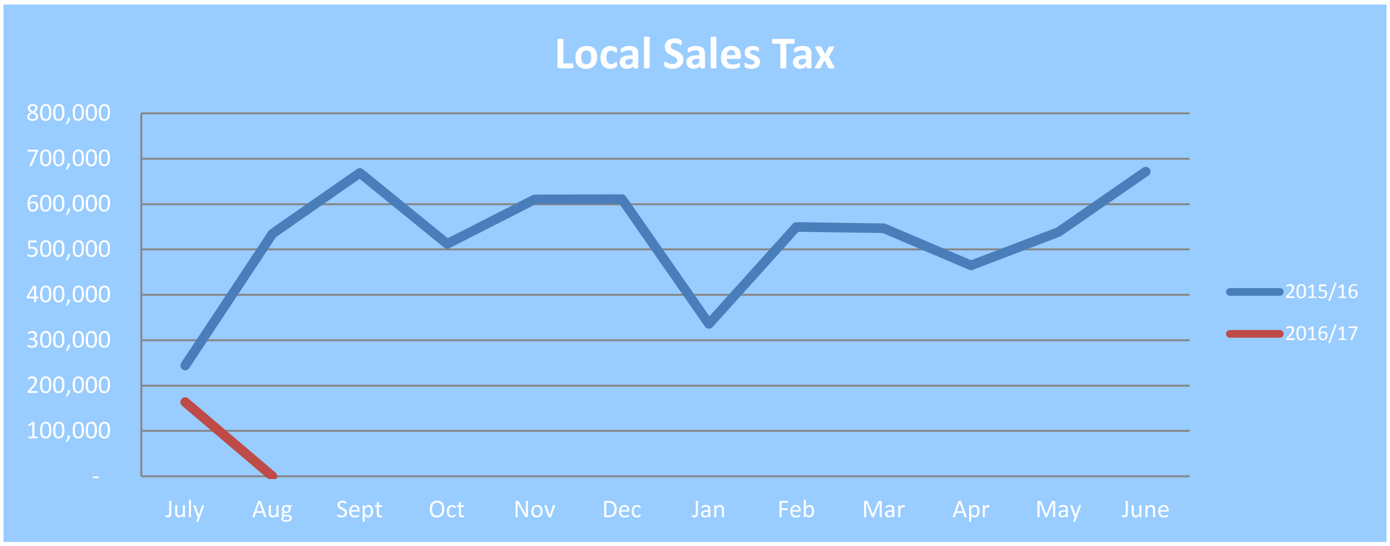
The general fund is the most elastic fund of the Town of Payson. This fund contains the revenue and expenditures not required to be in a different fund. Since this fund takes in most of the revenues and pays most of the expenditures related to the general operations of the Town, it is the point where the trends of the operations can best be seen.

REVENUE

The largest revenue source for the general fund comes from local sales tax. Local sales tax is a very elastic revenue, in that it is driven completely by the spending ability of citizens and visitors to our area.

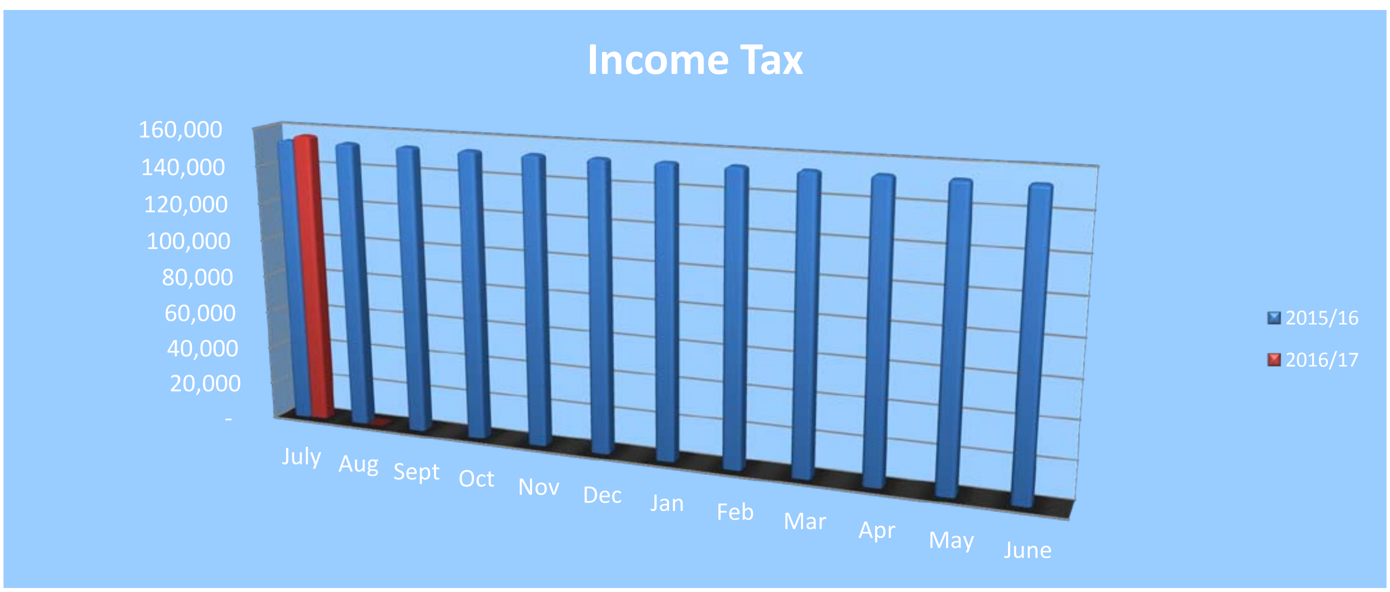
Local Sales Tax = $164,061

As of July, 2016 local sales tax revenue is **DOWN $79,942** for the year over the same time last year.



Urban Revenue Sharing = $156,546

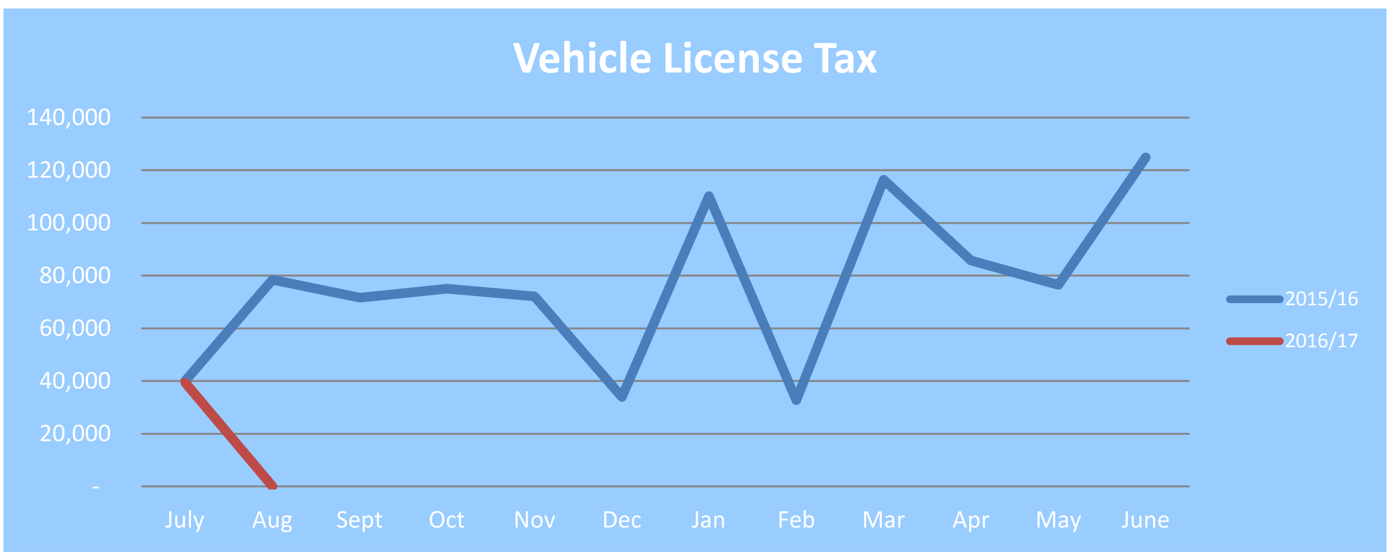
Urban Revenue Sharing (income tax) **UP $3,026** for the year as compared to this time last fiscal year.
The shared income tax amount is based on State income tax collections from two years ago. The revenue will be the same each month, meaning that the year end total will be higher than last year. We budgeted for the higher amount.



State Shared Revenues
State shared revenue come to the Town on a weekly basis, in some cases. They are wired into our Local Government Investment Pool (LGIP) account; an email is sent to the Town and journal entries are done to post the revenue to the proper revenue source In the general fund, state shared revenues consist of: Sales Tax (state) and Vehicle License Tax.

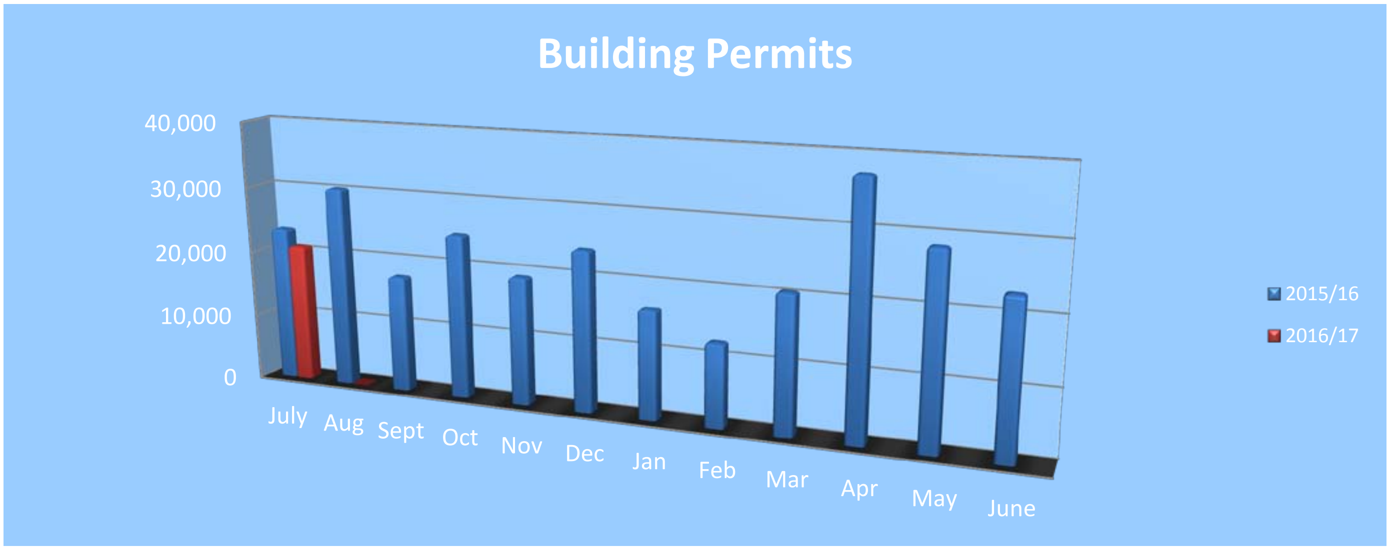
Sales Tax (state) = $0
There is no tax reflected for July because the payment received in July was for June and was accrued to June.

Vehicle License Tax (VLT) = $39,504
VLT is **DOWN $547** as compared to year to date through July of last fiscal year.
Once again the payments from the State are erratic, sometimes once per month, other times three times per month.



Construction Related
In the general fund, construction related revenue consists of: Building permits, Right-of-way permits, Code review, Plan review, zoning review, inspections, and Engineering review. These revenues are also elastic because if people can't/won't buy, builders can't/won't build causing a decrease in these revenues to the Town.

Building Permits = $20,977
Building permit revenue is **DOWN $2564** for the year as compared to this time last year.



Plan Review = $10,024
Plan review revenue is **UP $2226** for the year as compared to last fiscal year.

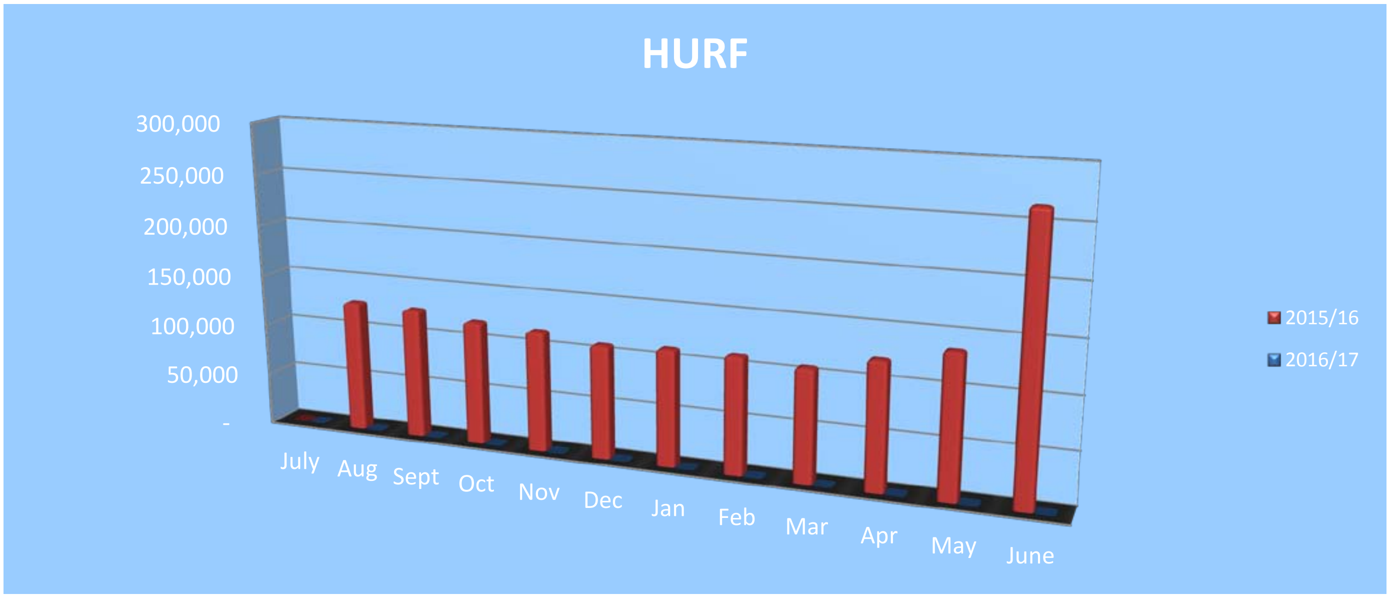
Various	Received Thru Juy-16	Compared to Jul-15	Budget	% Received
Right-of-way permits	$165	$233 DOWN	$5,000	3%
Fire Code review	795	$394 DOWN	5,000	16%
Zoning review	925	$385 DOWN	30,000	3%
Inspections	70	$20 UP	10,000	1%
Engineering review	580	$230 DOWN	20,000	3%

HURF

The Highway Users Revenue Fund (HURF) is funded through state shared revenue resulting from a tax on gasoline sales. The distribution is based on population.

HURF - $0

There is no tax reflected for July because the payment received in July was for June and was accrued to June.



GENERAL FUND EXPENDITURES

For several months it may appear that some departments are over budget. Those departments paid annual bills in advance.

Information Technology-Paid the annual maintenance contract on the Public Safety software.

REVENUE

Town of Payson, Arizona

Revenue Analysis By Function - Adopted Budget

As of July 31, 2016

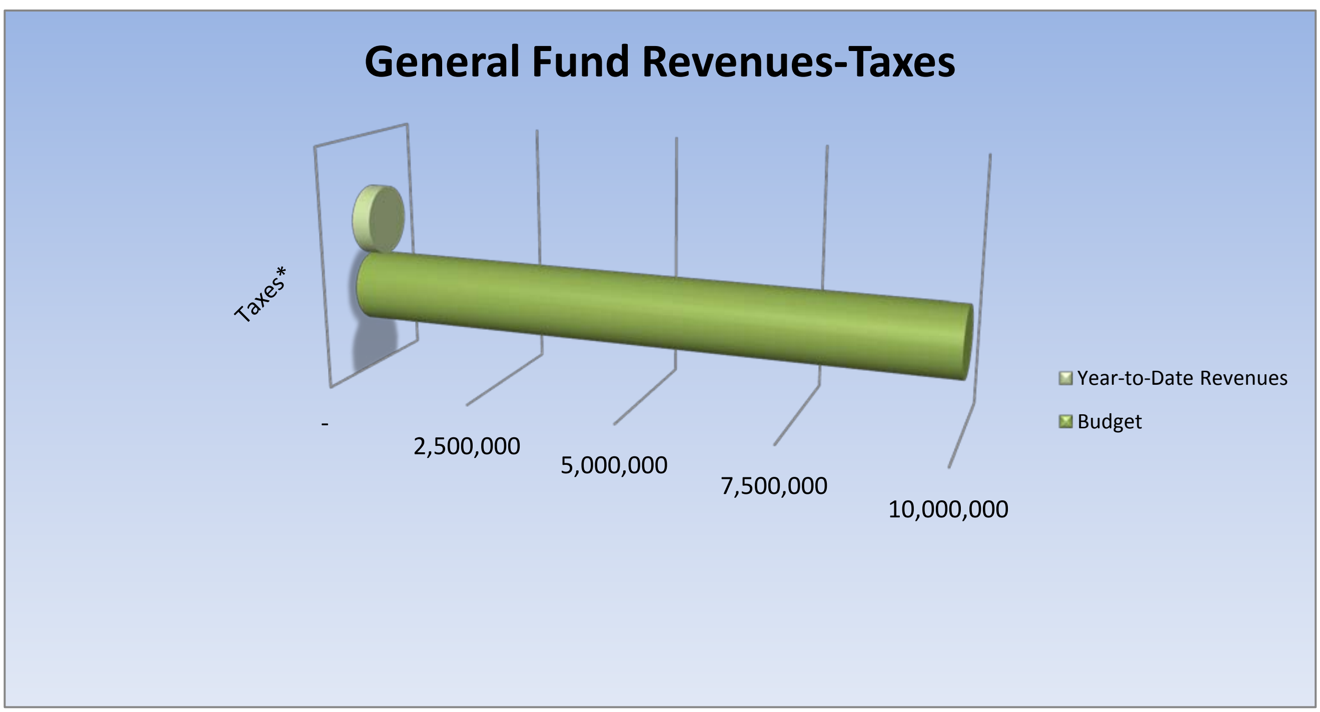
8% of the year has elapsed

Non-Restricted General Fund

Category	2016/17 Adopted Budget	2016/17 Year-to-Date Revenues	2016/17 Current Collections Should be	2016/17 Revenue Remaining to be Collected	2016/17 YTD % Received	2016/17 % to be Received
Taxes*	11,678,400	360,111	917,992	11,318,289	3.08%	96.92%
Licenses & Permits*	896,500	27,354	43,125	869,146	3.05%	96.95%
Intergovernmental	963,800	64,127	80,317	899,673	6.65%	93.35%
Charges for Services*	927,500	68,210	58,250	859,290	7.35%	92.65%
Fines & Forfeitures	110,000	-	9,167	110,000	0.00%	100.00%
Miscellaneous	195,600	2,262	16,300	193,338	1.16%	98.84%
Transfers In	147,000	-	12,250	147,000	0.00%	100.00%
Total Non-Restricted General Fund	14,918,800	522,064	1,137,400	14,396,736	3.50%	96.50%

*Calculated seasonal revenue for 'should be' column.

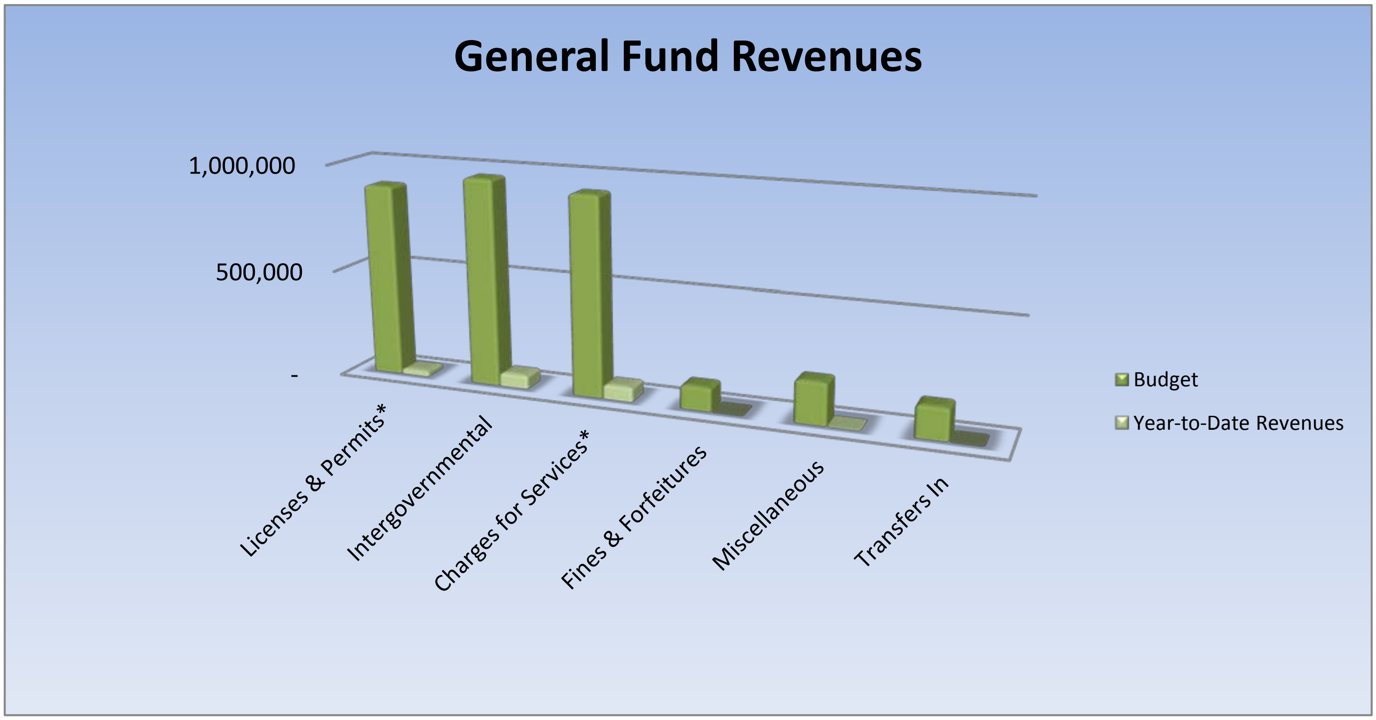
Note: Fire Service Agreement Fees have been moved from Intergovernmental to Charges for Services



Town of Payson, Arizona

Revenue Analysis By Function - Adopted Budget

As of July 31, 2016



Restricted Operating Revenues

Fund	2016/17 Adopted Budget	2016/17 Year-to-Date Revenues	2016/17 Current Collections Should be	2016/17 Revenue Remaining to be Collected	2016/17 YTD % Received	2016/17 % to be Received
202 HURF Fund	2,435,600	-	202,967	2,435,600	0.00%	100.00%
206 P&R Improvement Fund	15,000	1,495	1,250	13,505	9.97%	90.03%
210 Gifts & Grants Fund (1)	12,000	-	1,000	12,000	0.00%	0.00%
214 Bed Tax Fund*	270,000	-	-	270,000	0.00%	100.00%
215 Department of Justice Fund (2)	45,000	250	3,750	44,750	0.56%	99.44%
216 Police Impound Fund	-	150	-	(150)	100.00%	0.00%
224 Library Fund*	378,700	1,567	1,667	377,133	0.41%	99.59%
233 Magistrate Court-FTG	1,000	-	83	1,000	0.00%	100.00%
260 Airport Fund (1)	255,900	11,946	21,325	243,954	4.67%	95.33%
265 Event Center Fund*	167,500	890	3,000	166,610	0.53%	99.47%
290 Insurance Fund	2,024,000	87,443	168,667	1,936,557	4.32%	95.68%
Total Restricted Operating Revenues	5,604,700	103,741	403,708	5,500,959	1.85%	98.15%

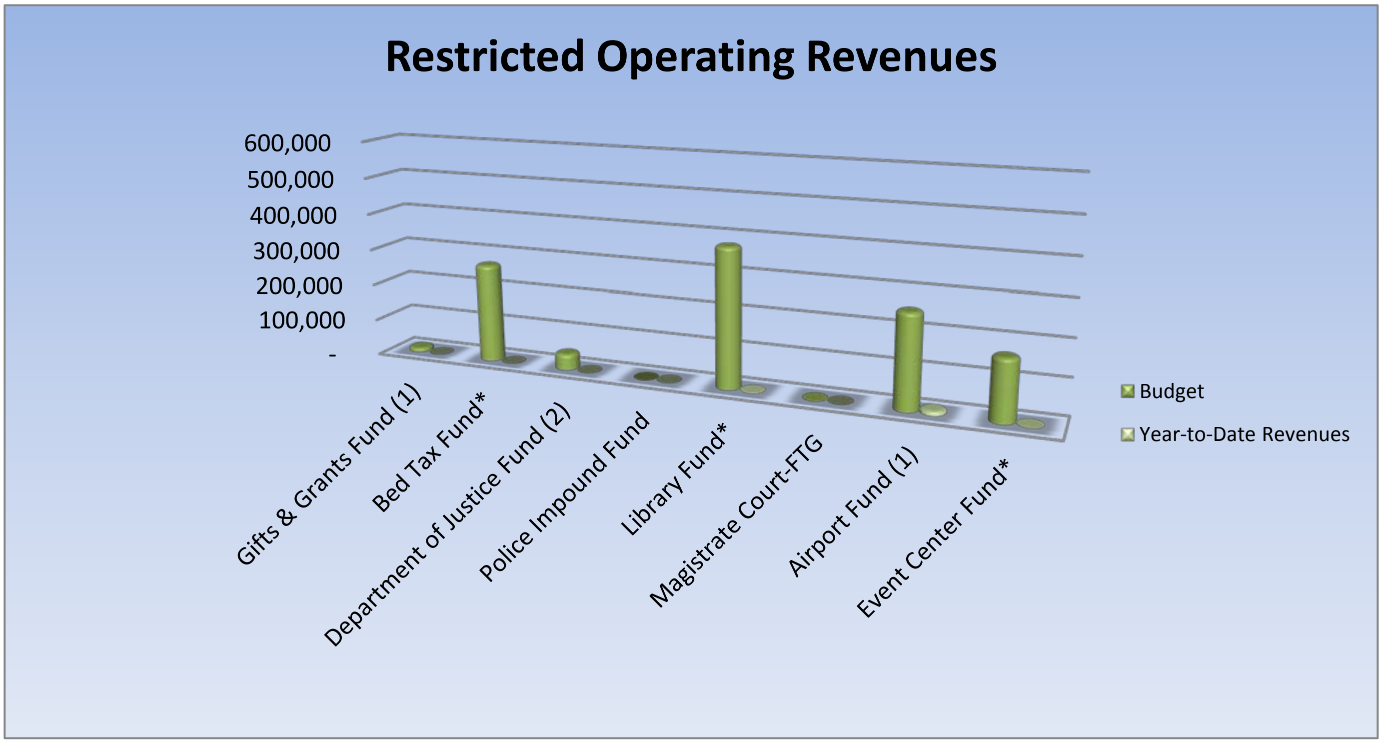
Includes Transfers In

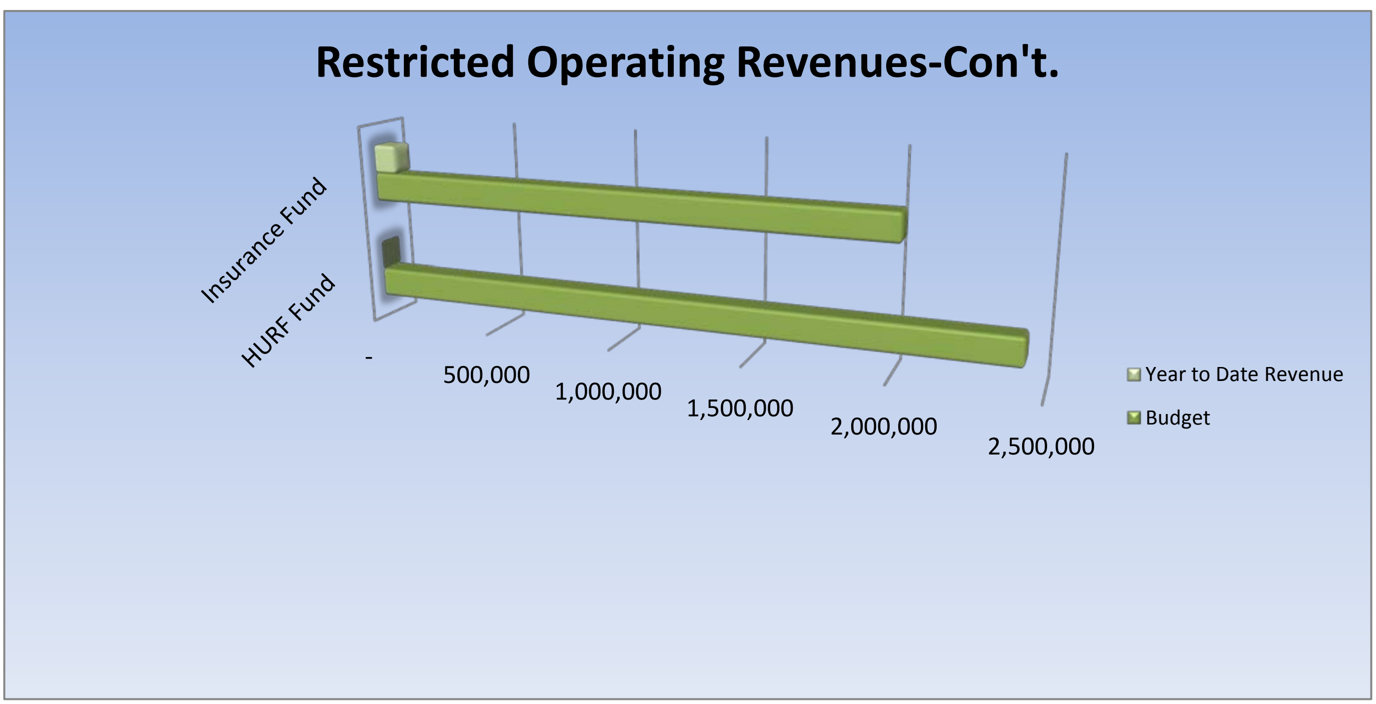
(1) Grant Revenue (2) Not regulary scheduled, based on service calls, contracts with other entities, etc.

*Calculated seasonal revenue for 'should be' column.

Town of Payson, Arizona

Revenue Analysis By Function - Adopted Budget
As of July 31, 2016





Town of Payson, Arizona

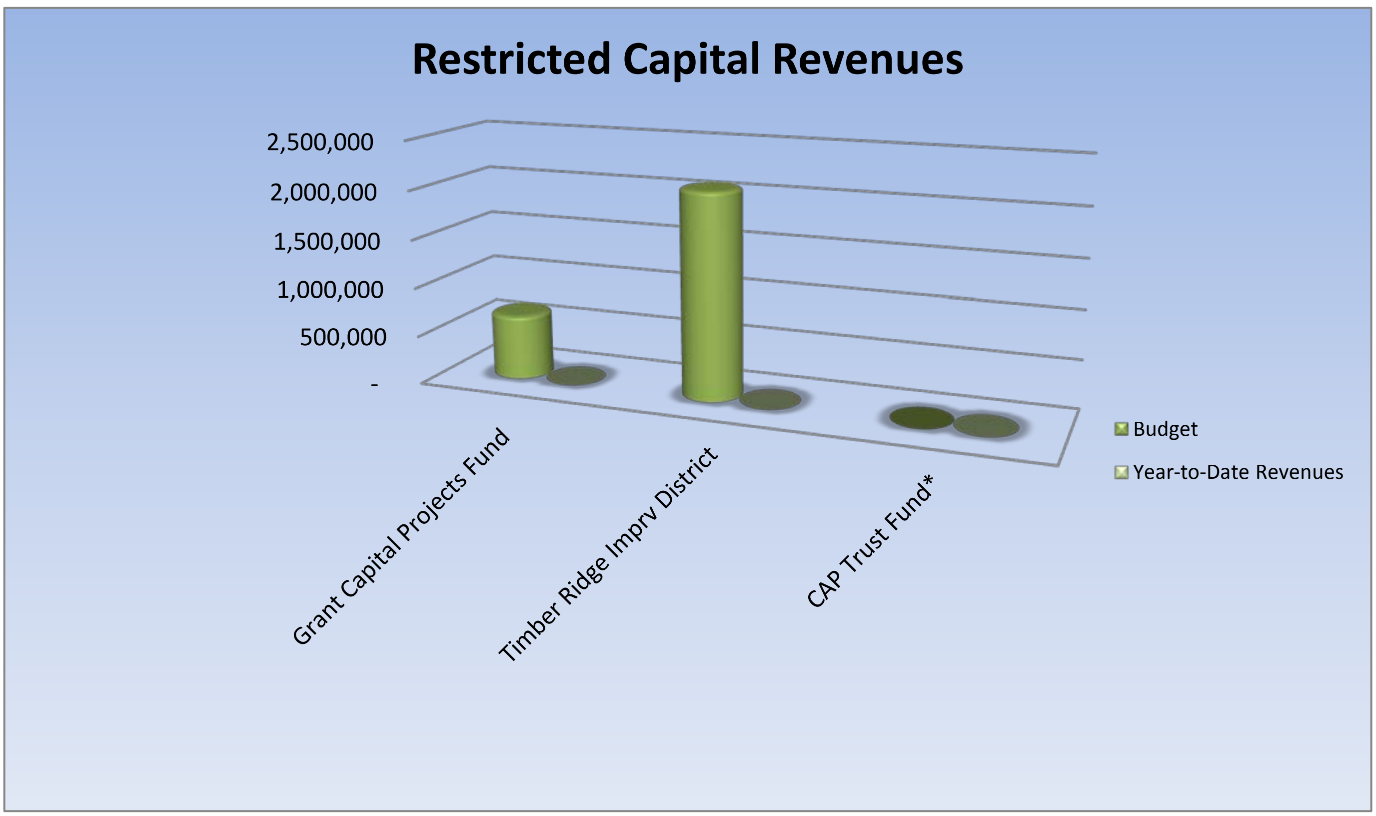
Revenue Analysis By Function - Adopted Budget

As of July 31, 2016

Restricted Capital Revenues

Fund	2016/17 Adopted Budget	2016/17 Year-to-Date Revenues	2016/17 Current Collections Should be	2016/17 Revenue Remaining to be Collected	2016/17 YTD % Received	2016/17 % to be Received
403 Grant Capital Projects Fund	667,100	-	55,592	667,100	0.00%	100.00%
434 Timber Ridge Imprv District	2,100,000	-	175,000	2,100,000	0.00%	0.00%
460 CAP Trust Fund*	-	-	-	-	0.00%	0.00%
Total Restricted Capital Revenues	2,767,100	-	230,592	2,767,100	0.00%	100.00%

* Includes transfers in



Town of Payson, Arizona

Revenue Analysis By Function - Adopted Budget

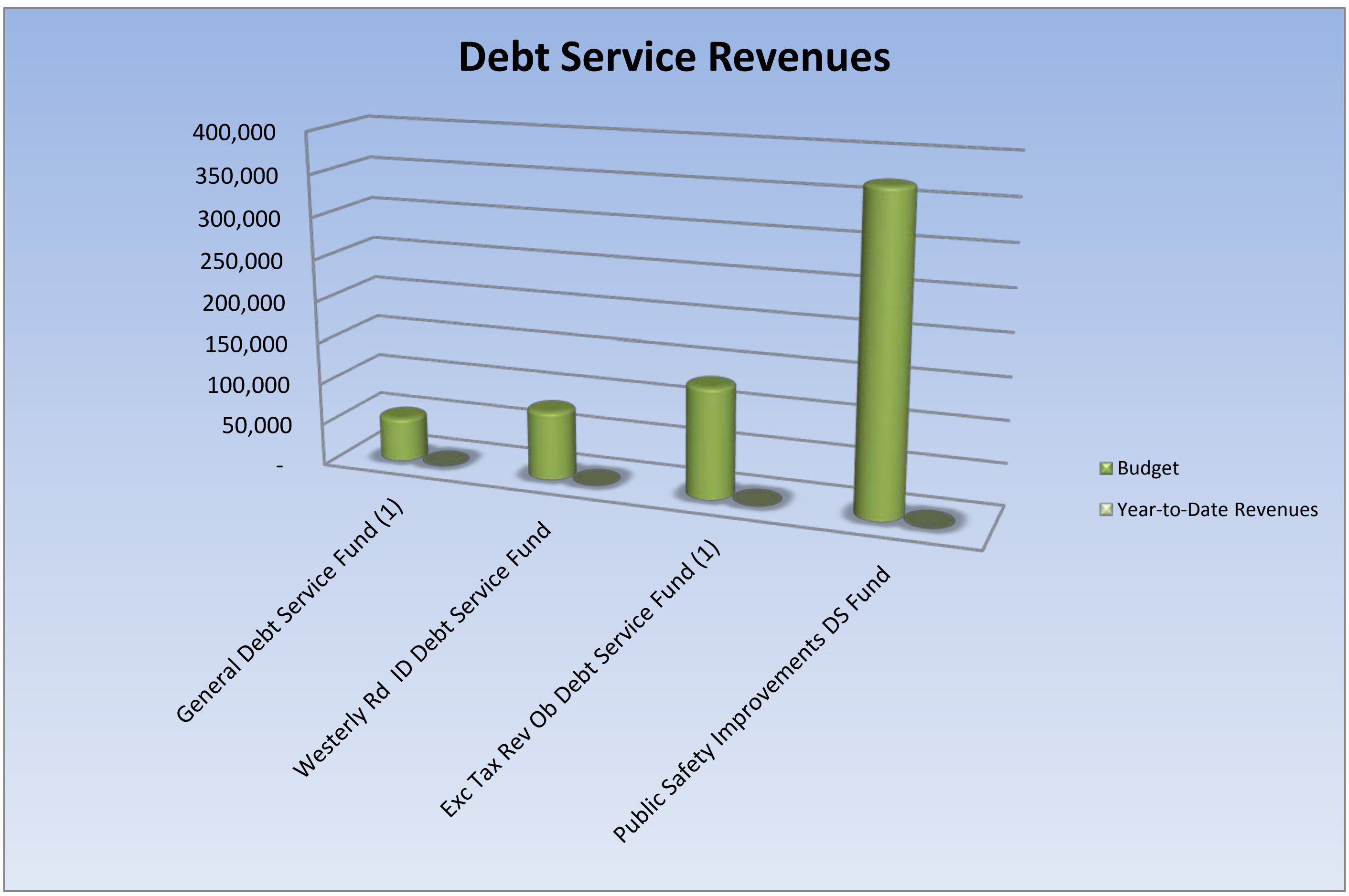
As of July 31, 2016

Debt Service Revenues

	Fund	2016/17 Adopted Budget	2016/17 Year-to-Date Revenues	2016/17 Current Collections Should be	2016/17 Revenue Remaining to be Collected	2016/17 YTD % Received	2016/17 % to be Received
801	General Debt Service Fund (1)	52,900	-	4,408	52,900	0.00%	100.00%
812	Westerly Rd ID Debt Service Fund	82,300	-	6,858	82,300	0.00%	100.00%
822	Exc Tax Rev Ob Debt Service Fund (1)	132,000	-	11,000	132,000	0.00%	100.00%
823	Public Safety Improvements DS Fund	370,000	-	30,833	370,000	0.00%	100.00%
824	Timber Ridget ID Debt Service Fund	40,000	-	3,333	40,000	-	1
Debt Service Revenues		677,200	-	56,433	677,200	0.00%	100.00%

* Includes transfers in

1 Transfer from the General Fund is done at the end of the year (June 2016).



Town of Payson, Arizona

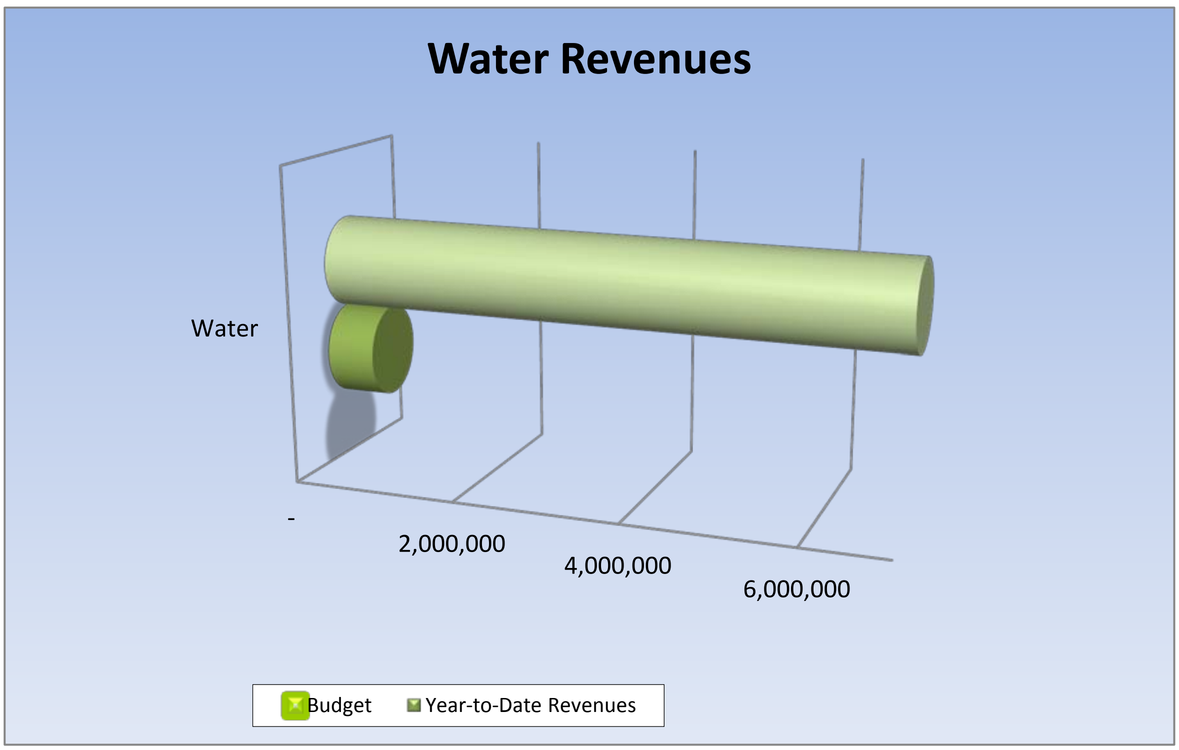
Revenue Analysis By Function - Adopted Budget

As of July 31, 2016

Utility Enterprise Revenues

Fund	2016/17 Adopted Budget	2016/17 Year-to-Date Revenues	2016/17 Current Collections Should be	2016/17 Revenue Remaining to be Collected	2016/17 YTD % Received	2016/17 % to be Received
Water	22,657,100	619,137	1,888,092	22,037,963	2.73%	97.27%
Utility Enterprise Revenues	22,657,100	619,137	1,888,092	22,037,963	2.73%	97.27%

* Includes transfers in

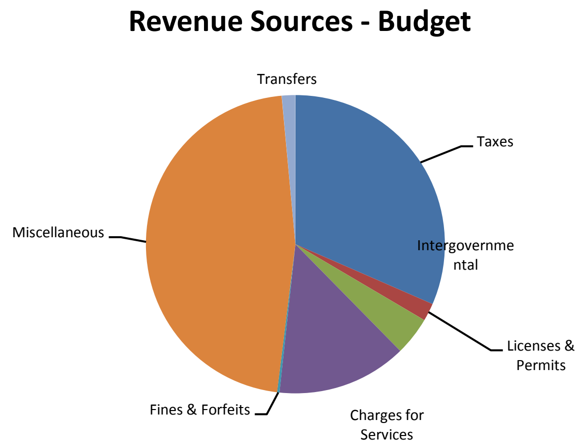


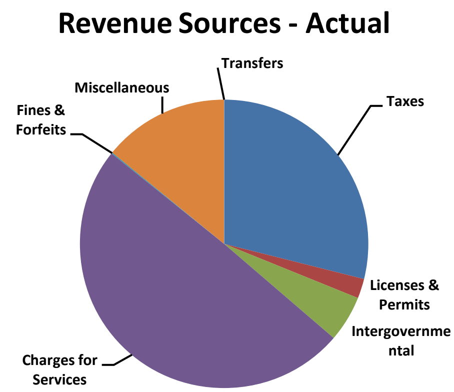
Town of Payson, Arizona

Revenue Analysis By Source - All Funds - Adopted Budget

As of July 31, 2016

8% of the year has elapsed





Revenue Source	Budget	Year-to-Date	Remaining
Taxes	**$ 14,711,200**	**360,111**	**$ 14,351,089**
Sales Tax	8,515,300	164,061	8,351,239
Income Tax	1,878,500	156,546	1,721,954
Property Tax	672,500	-	672,500
Vehicle License Tax	982,100	39,504	942,596
Highway Users Gas Tax	1,592,800	-	1,592,800
Gila County Tax	800,000	-	800,000
Bed Tax	270,000	-	270,000
Licenses & Permits	**896,500**	**27,354**	**$ 869,146**
Franchise Fees	379,000	-	379,000
Business Licenses	71,000	5,350	65,650
Construction Related	430,000	21,142	408,858
Various	16,500	862	15,638
Intergovernmental	**1,941,700**	**64,378**	**$ 1,877,322**
Grants	914,300	(228)	914,528
Various	1,027,400	64,606	962,794
Charges for Services	**6,553,700**	**615,995**	**$ 5,937,705**
Water	5,641,500	570,737	5,070,763
Airport	102,200	11,846	90,354
Construction Related	295,000	11,599	283,401
Fire Fees	401,000	20,970	380,030
Law Enforcement	65,000	278	64,722
Various	49,000	565	48,435
Fines & Forfeitures	**127,000**	**1,567**	**$ 125,433**
Miscellaneous	**21,710,500**	**175,537**	**$ 21,534,963**
Recreation	247,500	37,333	210,167
Interest Earnings	9,000	-	9,000
Development Fees	225,000	27,459	197,541
Construction Contributions	-	-	-
Private Contributions	14,400	-	14,400
Employee Insurance	2,024,000	87,443	1,936,557
Lease/Purchase, Debt Proceeds	18,700,000	-	18,700,000
Special Assessments	56,500	-	56,500
Various	434,100	23,302	410,798
Transfers In	**684,300**	**-**	**$ 684,300**
TOTAL	**$ 46,624,900**	**$ 1,244,942**	**$ 45,379,958**

EXPENDITURES

Town of Payson, Arizona

Expenditure Analysis - Adopted Budget

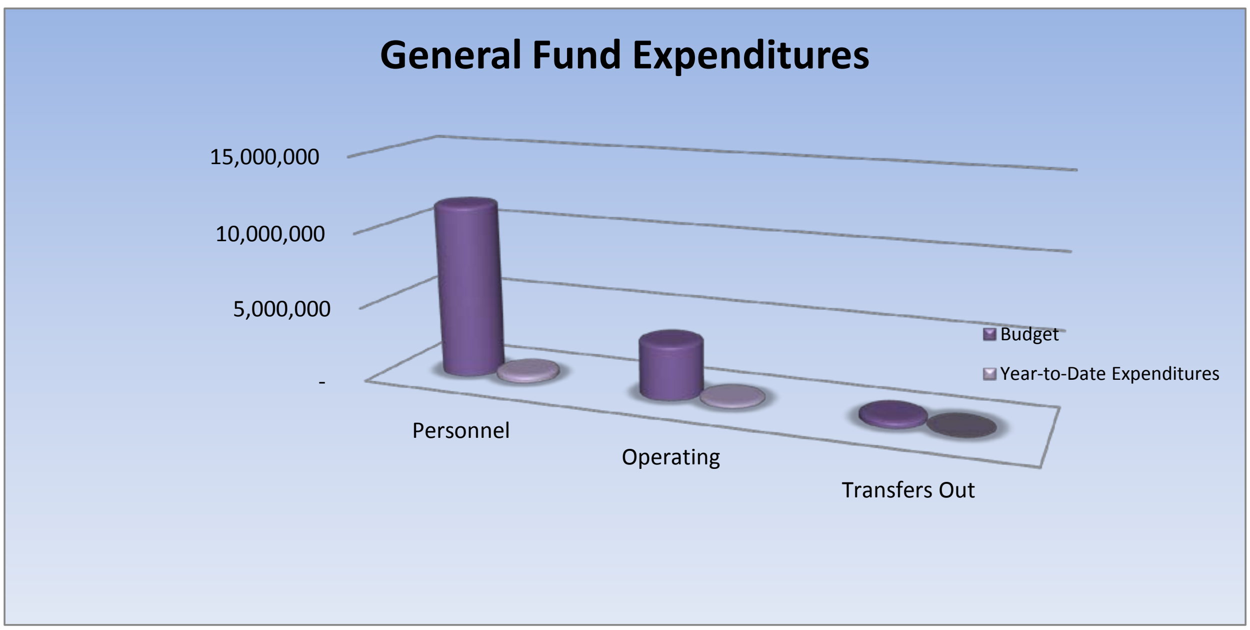
As of July 31, 2016

8% of the year has elapsed

<u>Non-Restricted General Fund</u>

Category	2016/17 Adopted Budget	2016/17 Year-to-Date Expenditures	2016/17 Expenditures Remaining to be Spent	2016/17 YTD % Spent	2016/17 % to be Spent
Personnel	11,556,400	476,471	11,079,929	4%	96%
Operating	3,608,700	279,623	3,329,077	8%	92%
Transfers Out	442,100	-	442,100	0%	100%
Total Non-Restricted General Fund	15,607,200	756,094	14,851,106	5%	95%

* Includes transfers out



Town of Payson, Arizona

Expenditure Analysis - Adopted Budget

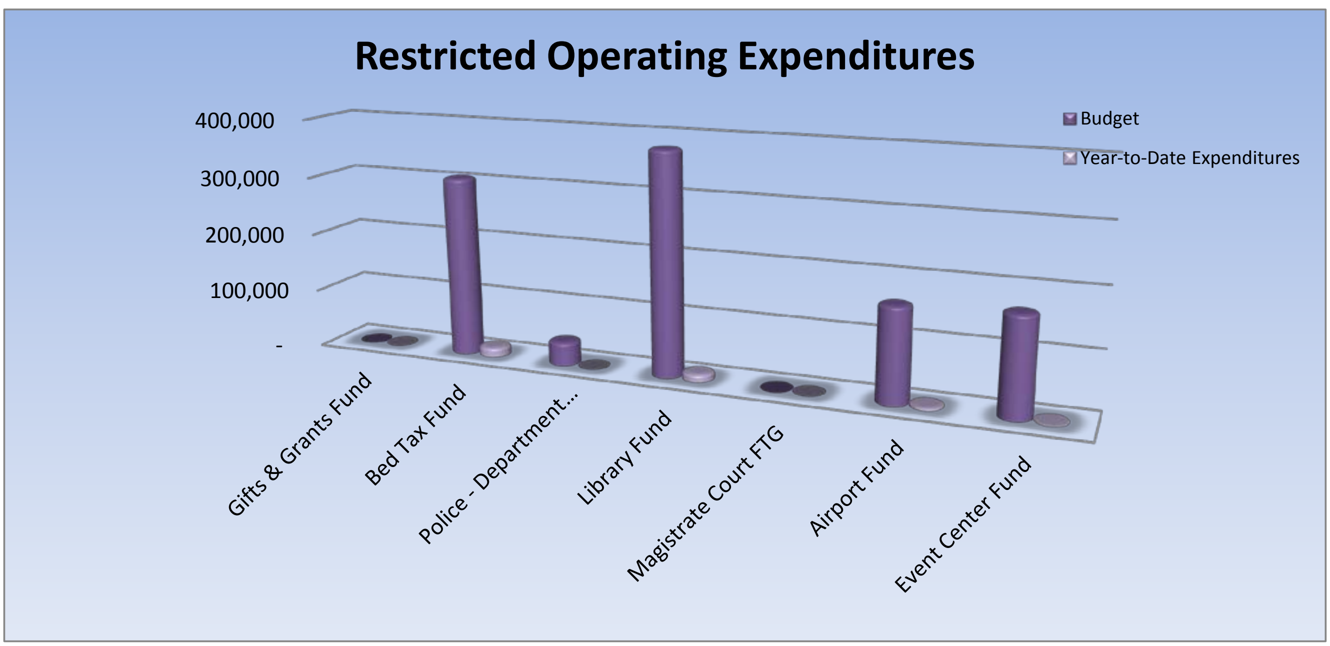
As of July 31, 2016

8% of the year has elapsed

Restricted Operating Expenditures

Fund	2016/17 Original Budget	2016/17 Year-to-Date Expenditures	2016/17 Expenditures Remaining to be Spent	2016/17 YTD % Spent	2016/17 % to be Spent
202 HURF Fund	1,933,600	129,568	1,804,032	7%	93%
206 P&R Facilities Imprv. Fund	-	-	-	0%	100%
210 Gifts & Grants Fund	-	-	-	0%	100%
214 Bed Tax Fund	307,900	16,739	291,161	5%	95%
215 Police - Department of Justice	40,500	-	40,500	0%	100%
224 Library Fund	378,700	13,560	365,140	4%	96%
233 Magistrate Court FTG	-	-	-	0%	100%
260 Airport Fund	160,900	5,257	155,643	3%	97%
265 Event Center Fund	167,500	2,151	165,349	1%	99%
290 Insurance Fund	2,024,000	-	2,024,000	0%	100%
Total Restricted Operating Expenditures	5,013,100	167,275	4,845,825	3%	97%

* Includes transfers out

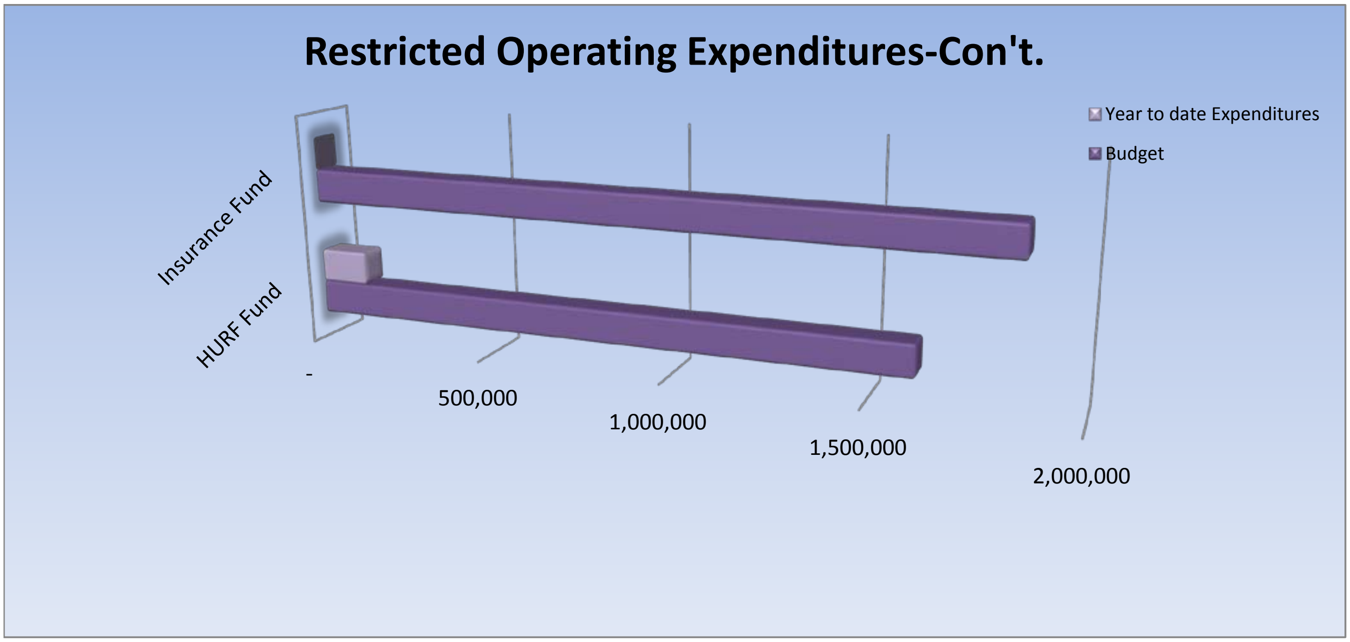


Town of Payson, Arizona

Expenditure Analysis - Adopted Budget

As of July 31, 2016

8% of the year has elapsed



Restricted Capital Expenditures

Fund	2016/17 Original Budget	2016/17 Year-to-Date Expenditures	2016/17 Expenditures Remaining to be Spent	2016/17 YTD % Spent	2016/17 % to be Spent
202 HURF Fund	1,065,000	58,274	1,006,726	5%	95%
206 P&R Facilities Imprv. Fund	-	-	-	0%	100%
212 Wildlands/Urban Program Fund	-	-	-	0%	0%
260 Airport Fund	95,000	-	95,000	0%	100%
403 Grant Capital Projects Fund	667,100	93,282	573,818	14%	86%
408 Park Development Fund	-	-	-	0%	0%
409 Public Safety Development	-	-	-	0%	0%
417 Green Valley Redevelopment	-	-	-	0%	0%
425 Public Safety Improvements	150,100	-	150,100	0%	100%
434 Timber Ridge Imprv District	2,100,000	-	2,100,000	0%	100%
460 CAP Trust Fund	225,000	3,511	221,489	2%	98%
661 Water Fund	18,376,000	148,845	18,227,155	1%	99%
Total Restricted Capital Expenditures	22,678,200	303,912	22,374,288	1.34%	98.66%

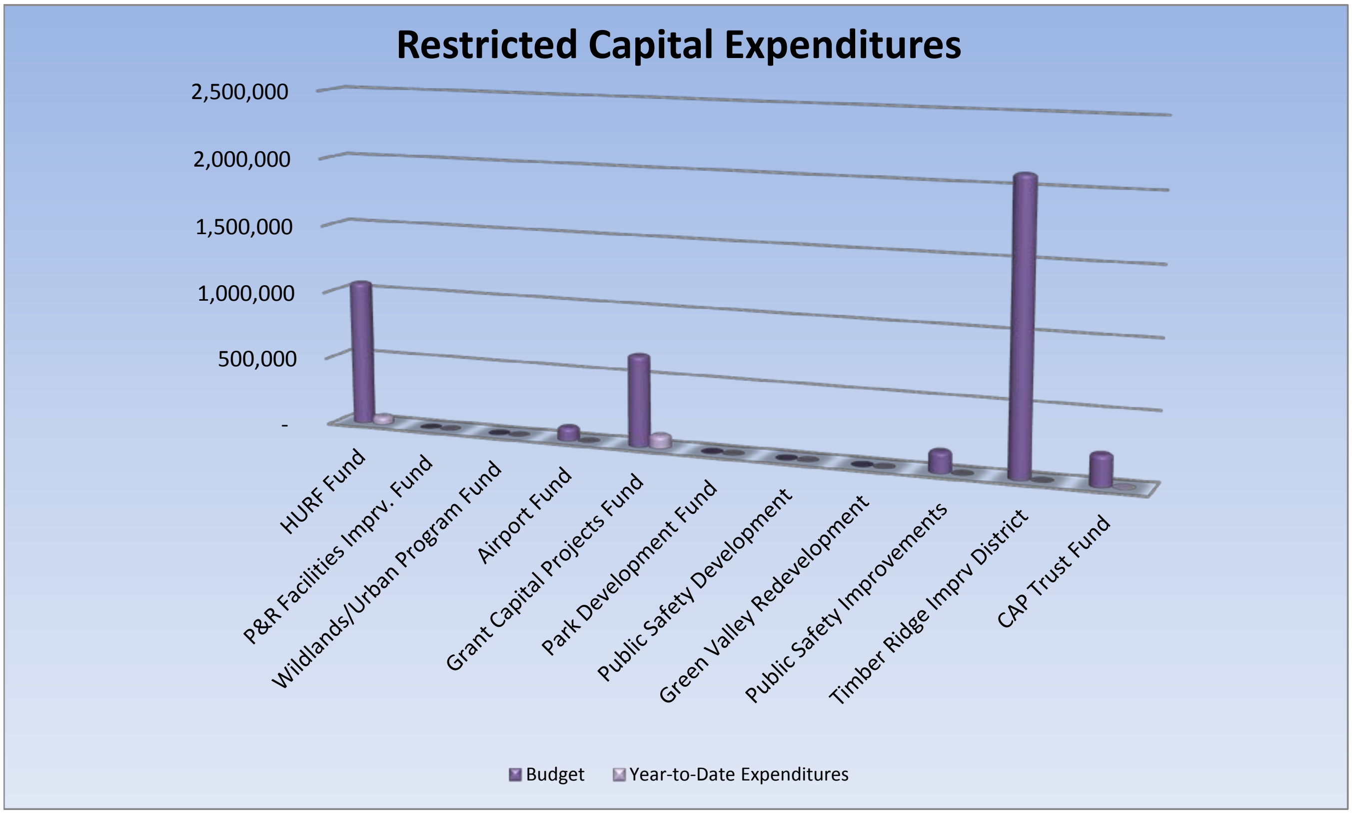
* Includes transfers out

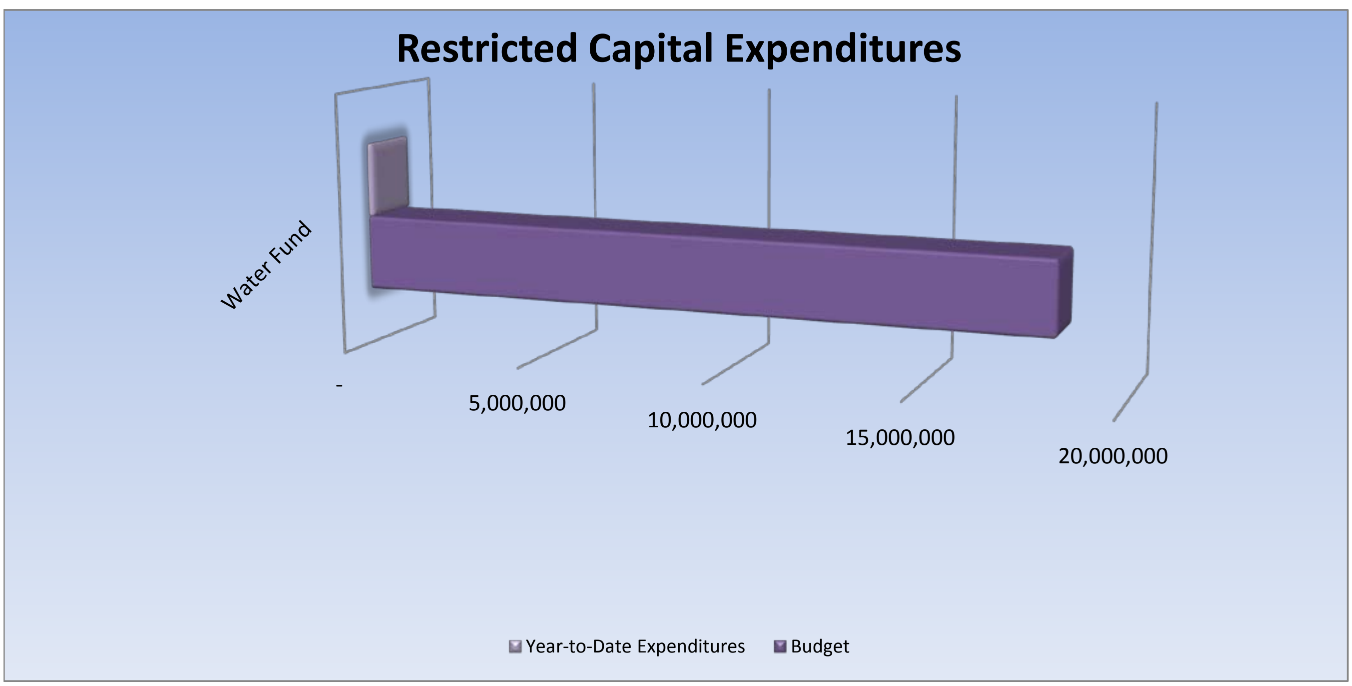
Town of Payson, Arizona

Expenditure Analysis - Adopted Budget

As of July 31, 2016

8% of the year has elapsed





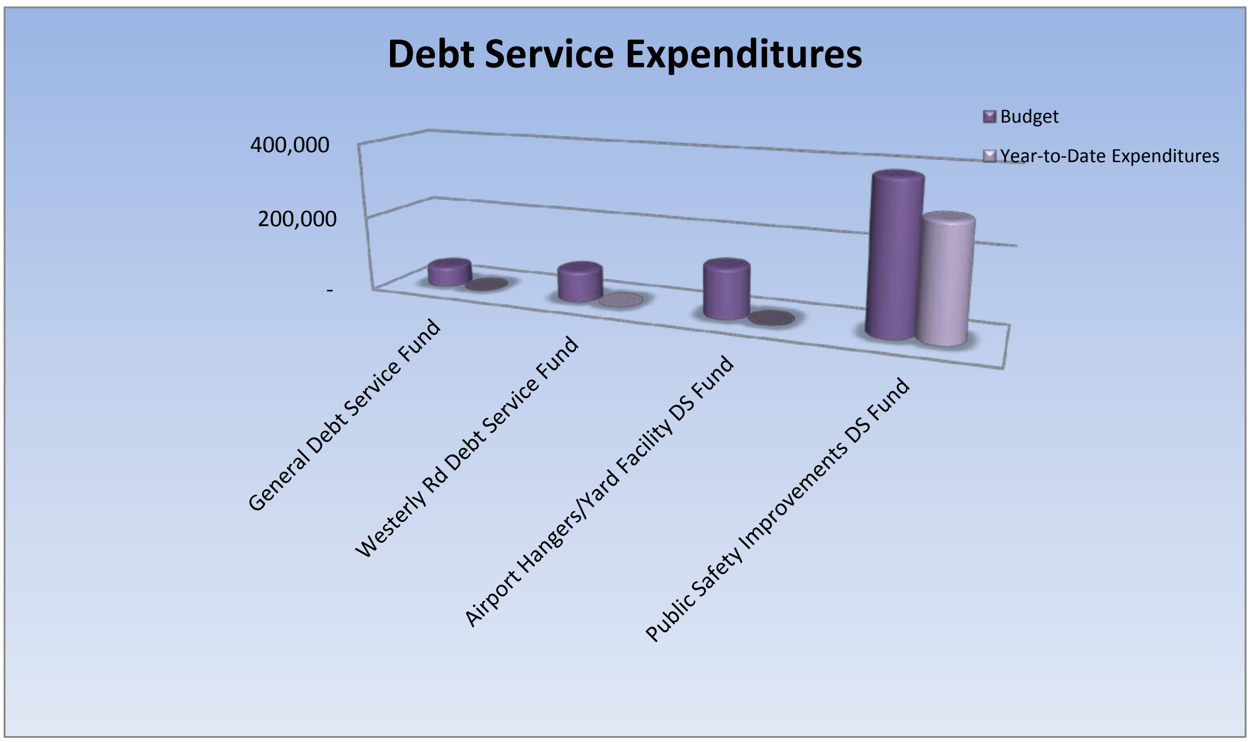
Town of Payson, Arizona

Expenditure Analysis - Adopted Budget
As of July 31, 2016
8% of the year has elapsed

Debt Service Expenditures

Fund	2016/17 Original Budget	2016/17 Year-to-Date Expenditures	2016/17 Expenditures Remaining to be Spent	2016/17 YTD % Spent	2016/17 % to be Spent
801 General Debt Service Fund	52,900	-	52,900	0%	100%
812 Westerly Rd Debt Service Fund	82,300	750	81,550	1%	99%
822 Airport Hangers/Yard Facility DS Fund	132,000	-	132,000	0%	100%
823 Public Safety Improvements DS Fund	385,300	295,000	90,300	77%	23%
824 Timber Ridge ID Debt Service Fund	40,000	-	40,000	0%	100%
Debt Service Expenditures	692,500	295,750	396,750	42.71%	57.29%

* Includes transfers out, many of the debt service funds require final payment in December



Town of Payson, Arizona

Expenditure Analysis - Adopted Budget

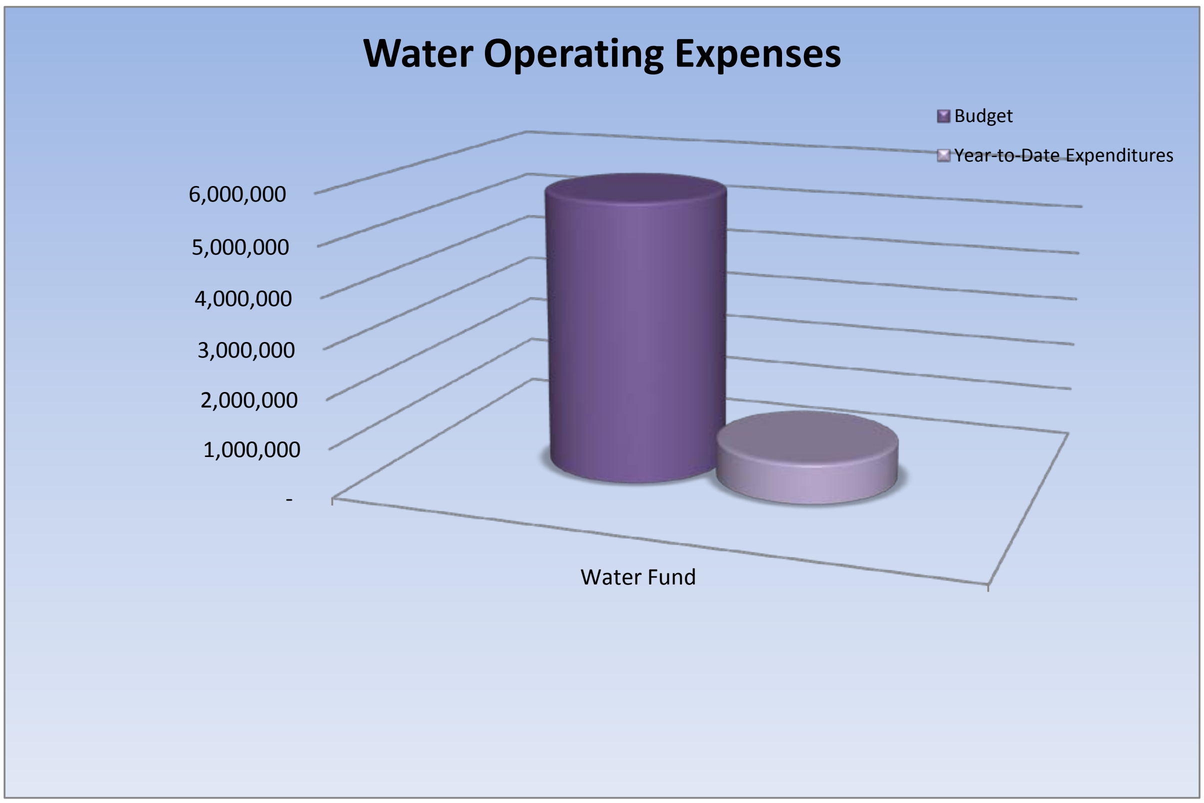
As of July 31, 2016

8% of the year has elapsed

Utility Enterprise Expenses

Fund	2016/17 Original Budget	2016/17 Year-to-Date Expenditures	2016/17 Expenditures Remaining to be Spent	2016/17 YTD % Spent	2016/17 % to be Spent
661 Water Fund	5,677,800	811,071	4,866,729	14%	86%
Utility Enterprise Expenses	5,677,800	811,071	4,866,729	14.28%	85.72%

* Includes transfers out



GENERAL

FUND

Town of Payson, Arizona

Summary of Revenues by category and Operating Expenditures by Department - Revised Budget

For the *General Fund* Only

For the month ended July 31, 2016 - 8.3% of Year Lapsed

	Revised	**Current Month**		**Year to Date**		Unrealized	Remaining
Revenues by Category	Budget	Estimate	Actual	Estimate	Actual	Balance	% to be collected/spent
Taxes	$ 11,678,400	$ 973,200	$ 360,111	$ 973,200	$ 360,111	$ 11,318,289	96.92%
Licenses and Permits	$ 896,500	$ 74,708	$ 27,354	$ 74,708	$ 27,354	$ 869,146	96.95%
Intergovernmental Revenue	$ 963,800	$ 80,317	$ 64,127	$ 80,317	$ 64,127	$ 899,673	93.35%
Charges for Services	$ 927,500	$ 77,292	$ 68,210	$ 77,292	$ 68,210	$ 859,290	92.65%
Fines and Forefeitures	$ 110,000	$ 9,167	$ -	$ 9,167	$ -	$ 110,000	100.00%
Miscellaneous Revenue	$ 195,600	$ 16,300	$ 2,262	$ 16,300	$ 2,262	$ 193,338	98.84%
Transfers In	$ 147,000	$ 12,250	$ -	$ 12,250	$ -	$ 147,000	100.00%
Total Revenues	$ 14,918,800	$ 1,243,233	$ 522,064	$ 1,243,233	$ 522,064	$ 14,396,736	96.50%
Expenditures by Department							
Council	$ 106,700	$ 8,892	$ 7,136	$ 8,892	$ 7,136	$ 99,564	93.31%
Manager	$ 210,700	$ 17,558	$ 7,719	$ 17,558	$ 7,719	$ 202,981	96.34%
Clerk	$ 212,600	$ 17,717	$ 10,132	$ 17,717	$ 10,132	$ 202,468	95.23%
Elections	$ 41,000	$ 3,417	$ -	$ 3,417	$ -	$ 41,000	100.00%
Informations Technology	$ 644,900	$ 53,742	$ 168,472	$ 53,742	$ 168,472	$ 476,428	73.88%
Financial Services	$ 369,900	$ 30,825	$ 11,727	$ 30,825	$ 11,727	$ 358,173	96.83%
Human Resources	$ 226,500	$ 18,875	$ 7,894	$ 18,875	$ 7,894	$ 218,606	96.51%
Attorney	$ 425,700	$ 35,475	$ 15,055	$ 35,475	$ 15,055	$ 410,645	96.46%
Tourism	$ 122,700	$ 10,225	$ 5,378	$ 10,225	$ 5,378	$ 117,322	95.62%
Magistrate Court	$ 198,100	$ 16,508	$ 2,196	$ 16,508	$ 2,196	$ 195,904	98.89%
Central Services	$ 1,343,100	$ 111,925	$ 37,590	$ 111,925	$ 37,590	$ 1,305,510	97.20%
Police	$ 5,557,600	$ 463,133	$ 228,993	$ 463,133	$ 228,993	$ 5,328,607	95.88%
Fire	$ 3,386,300	$ 282,192	$ 152,823	$ 282,192	$ 152,823	$ 3,233,477	95.49%
Community Development	$ 1,217,800	$ 101,483	$ 32,234	$ 101,483	$ 32,234	$ 1,185,566	97.35%
Parks & Recreation	$ 1,101,500	$ 91,792	$ 68,747	$ 91,792	$ 68,747	$ 1,032,753	93.76%
Transfers Out	$ 442,100	$ 36,842	$ -	$ 36,842	$ -	$ 442,100	100.00%
Total Expenditures	$ 15,607,200	$ 1,300,600	$ 756,096	$ 1,300,600	$ 756,096	$ 14,851,104	95.16%
Total Revenues over (under)							
Total Expenditures	$ (688,400)		$ (234,032)		$ (234,032)		
Beginning fund balance	$ 1,571,976		Beg fund balance		$ 1,571,976		
Ending balance over(under)	$ 883,576		Ending balance		$ 1,337,944		