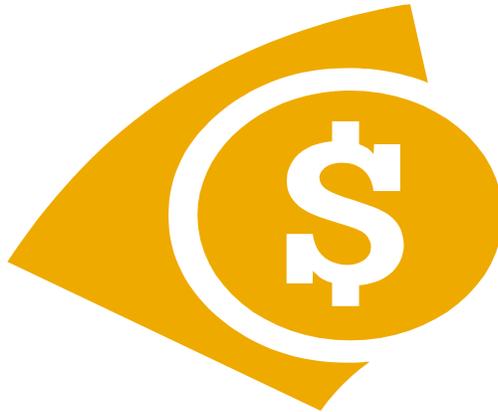


Town of Payson, Arizona



Financial Status Report



Month of February, 2018

Prepared by: Deborah Barber, CFO

Executive Summary

Fund Balance As of February 28, 2018 - Preliminary/Unaudited 66.7% of the Fiscal Year Has Elapsed

| Fund | Year to Date Revenues | Year to Date Expenditures | Year to Date Balance | Carry Forward | Adjusted Balance |
|---------------------------------|-----------------------|---------------------------|----------------------|-------------------|-------------------|
| General Fund | 10,490,091 | 9,446,025 | 1,044,066 | 2,084,869 | 3,128,935 |
| HURF Fund | 1,487,758 | 1,902,789 | (415,031) | 474,710 | 59,679 |
| P & R Facility Imprv. Fund | 6,470 | - | 6,470 | 50,503 | 56,973 |
| Gifts & Grants Fund | - | - | - | 15,000 | 15,000 |
| Bed Tax Fund | 171,514 | 101,318 | 70,196 | 337,483 | 407,679 |
| Department of Justice Fund | 38,552 | 2,370 | 36,182 | 57,583 | 93,765 |
| Police Impound Fee Fund | 9,900 | - | 9,900 | 8,000 | 17,900 |
| Library Fund* | 124,251 | 227,139 | (102,888) | - | (102,888) |
| Magistrate Court FTG/JCEF | 795 | - | 795 | 75,200 | 75,995 |
| Airport Fund* | 1,009,146 | 1,060,150 | (51,004) | - | (51,004) |
| Event Center Fund* | 42,503 | 95,956 | (53,453) | - | (53,453) |
| Contingency Fund | - | - | - | - | - |
| Insurance Fund | 1,041,593 | 972,793 | 68,800 | 31,432 | 100,232 |
| Grant Capital Projects Fund* | 67,065 | 50,688 | 16,377 | - | 16,377 |
| Public Safety Bonds | - | 8,275 | (8,275) | 140,384 | 132,109 |
| Timber Ridge Impr District Fund | - | - | - | - | - |
| American Gulch | - | - | - | - | - |
| CAP Trust Fund | 635 | 45,710 | (45,075) | 133,211 | 88,136 |
| Westerly Rd Debt Service Fund* | 51,932 | 75,650 | (23,718) | - | (23,718) |
| Airport Improvements DS Fund* | - | 127,891 | (127,891) | - | (127,891) |
| Public Safety Improve. DS Fund | 219,005 | 318,650 | (99,645) | 442,449 | 342,804 |
| Timber Ridge ID DS Fund | - | - | - | - | - |
| Water | 16,010,252 | 12,804,097 | 3,206,155 | 9,090,360 | 12,296,515 |
| Totals | 30,771,462 | 27,239,501 | 3,531,961 | 12,941,184 | 16,473,145 |

*These funds are likely to have negative fund balances at various times through the year:

- * Library District revenue comes in November and May. A Gen Fund transfer at year end will restore zero balance.
- * Airport. Grant revenue is received randomly through the year. GF transfer at year end to restore zero balance.
- * Event Center. Transfer from Bed Tax fund at year end will restore this fund to a zero balance.
- * Grant Capital Projects. Grant revenues are often received as reimbursements after moneys are spent.
- * Debt Service funds will be restored to zero at year end through budgeted transfers in.

HIGHLIGHTS

Town sales tax revenue continues to fluctuate from month to month, depending on when it is received by the Department of Revenue and when it is forwarded to the Town. Two-thirds of the way through this fiscal year, local sales tax revenue is within approximately \$25,000 of budgeted year-to-date revenues. Sales tax information and comparisons are presented in multiple formats on pages 4, 8, and 10 of this report.

* Water: Expenditures for the C. C. Cragin pipeline construction project came in at just under \$1,000,000 for February. As mentioned in the January report, a reimbursement of more than \$3,000,000 for January construction costs was delayed into February. Receipt of those funds brought the February fund balance for the Water Department back up to \$12,296,515.

* A payment of \$250,000 was applied to the unfunded PSPRS pension liability. This is the first half of the \$500,000 payment allocated for this purpose in the 2017/2018 budget.

* The Town's Capital Improvements Plan will be reviewed and updated at a Special Council Meeting on March 20, at 4:00 p.m. At this meeting Department Heads for the Town will have an opportunity to present capital item requests to Council for consideration in the 2018/2019 budget. Along with the Corporate Strategic Plan, reviewed by Council on March 6, the Capital Improvements Plan will set the tone and provide direction as Town staff begin to prepare the 2018/2019 budget.

* Every four years citizens of the Town of Payson are presented the opportunity to continue the Town's Alternative Expenditure Limitation, also known as Home Rule. This Alternative Expenditure Limitation was first adopted by the voters of the Town of Payson in 1980, and has been extended by vote of the people every four years since that time. Public hearings on this proposed extension will be conducted at Special Council Meetings for that purpose on March 22 and April 12, at 5:30 p.m. in the Council chambers. Information regarding the process and ramifications of Home Rule will be presented at these public hearings.

Respectfully submitted,
Deborah Barber, Chief Fiscal Officer

REVENUE

GENERAL FUND

LOCAL SALES TAX: February sales tax revenue brought us to \$1.4 million above prior year-to-date revenue, bringing us within approximately \$25,000 of year-to-date expectations. (See details on page 8.) Based on prior years, we can expect to see lower revenues through March and April.

| | |
|--|---------------------|
| <u>Local Sales Tax Year to Date</u> | \$ 5,924,233 |
| Compared to prior year: | \$ 4,511,934 |
| Difference to Date | \$ 1,412,299 |



STATE SHARED INCOME TAX: Revenue numbers in this category are provided by the State, and are based on State income tax collections from two years ago. The Town's share will be approximately the same for each month of this fiscal year. These revenues should closely match the budgeted revenue.

| | |
|---|---------------------|
| <u>State Income Tax Yr to Date</u> | \$ 1,277,899 |
| Compared to prior year: | \$ 1,252,366 |
| Difference to Date | \$ 25,533 |



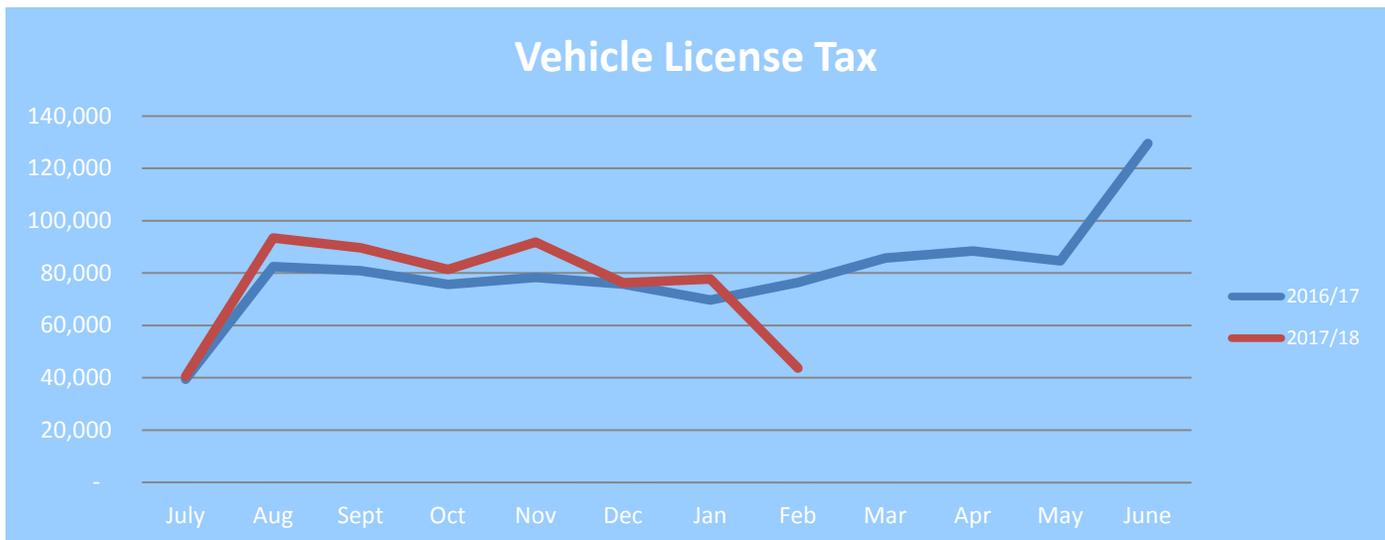
STATE SHARED SALES TAX: The Town receives a portion of State Sales Tax collections, which are deposited directly into our Local Government Investment Pool (LGIP) account. As with Town sales tax collections, the amount we receive can fluctuate depending on the economy and spending habits of the public.

| | |
|--|-------------------|
| <u>State Shared Sales Tax YTD</u> | \$ 909,505 |
| Compared to prior year: | \$ 809,971 |
| Difference to Date | \$ 99,534 |



VEHICLE LICENSE TAX: VLT is also a state shared revenue. This is another revenue source that follows the pattern of our local sales tax: higher than average in June, lower than average in July. February numbers appear to have dropped sharply only because the second February payment was delayed into March.

| | |
|---------------------------------------|-------------------|
| <u>Vehicle License Tax YTD</u> | \$ 594,763 |
| Compared to prior year: | \$ 578,770 |
| Difference to Date | \$ 15,993 |



Construction Related Revenue:

Like sales tax, construction related revenues are closely tied to our local economy. This category includes building permits, right-of-way permits, and inspections, as well as code, plan, zoning, and engineering review fees. Our two largest areas of construction related revenue are Building Permits and Plan Review Fees. Both of these areas continue to stay above prior year numbers for year-to-date revenue.

| | |
|---|-------------------|
| <u>Building Permits Year to Date</u> | \$ 214,149 |
| Compared to prior year: | \$ 178,762 |
| Difference to Date | \$ 35,387 |



| | |
|------------------------------------|-------------------|
| <u>Plan Review Fees YTD</u> | \$ 116,390 |
| Compared to prior year: | \$ 89,412 |
| Difference to Date | \$ 26,978 |

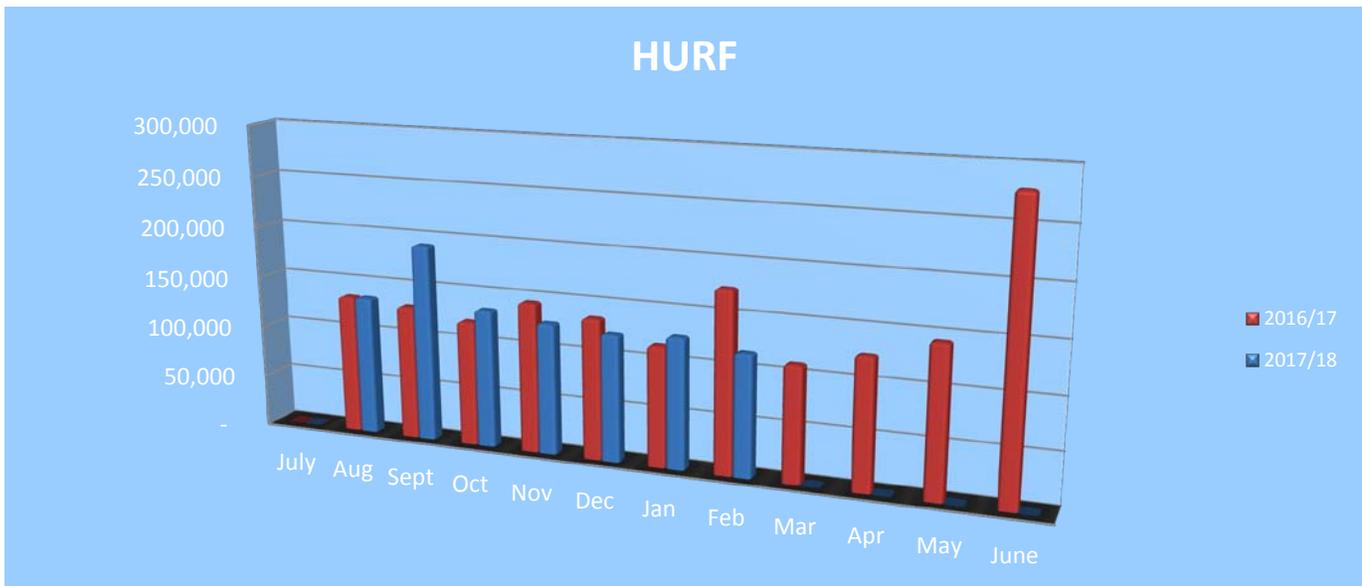


| <u>Various Construction Related Rev</u> | Year to Date | Prior YTD | Difference | Budget | Received |
|---|--------------|-----------|------------|---------|----------|
| Right-of-way permits | \$3,330 | 2,082 | \$1,248 | \$5,000 | 67% |
| Fire Code review | 11,268 | 4,265 | \$7,003 | 6,000 | 188% |
| Zoning review | 16,613 | 15,184 | \$1,429 | 25,000 | 66% |
| Inspections | 3,545 | 5,045 | (1,500) | 7,500 | 47% |
| Engineering review | 7,290 | 4,175 | 3,115 | 10,000 | 73% |

HIGHWAY USERS REVENUE FUND

HIGHWAY USERS REVENUE: This is a state shared revenue resulting from a tax on gasoline sales. The distribution is based on population, and funds are accounted for in a restricted use fund, to be used only for highway and street related projects. In February 2017 (prior fiscal year), and again in September 2017 (current fiscal year), we received an extra payment of approximately \$60,000. Currently we lag behind prior year by \$5,015.

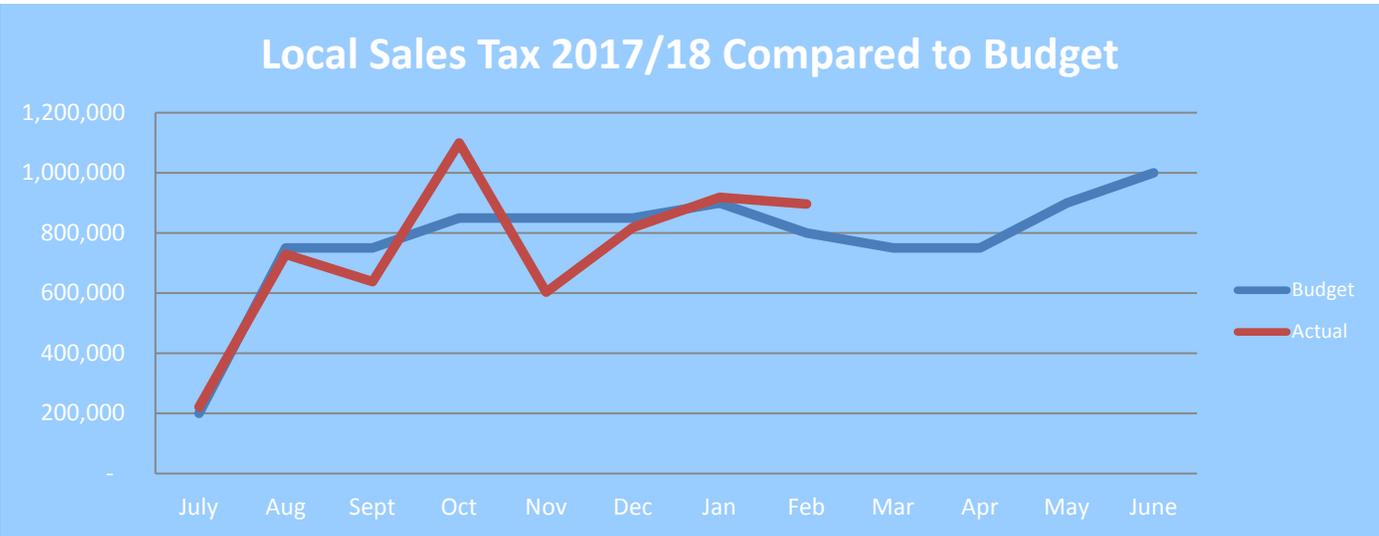
| | |
|---|-------------------|
| <u>HURF Revenue Year to Date</u> | \$ 957,673 |
| Compared to prior year: | \$ 962,688 |
| Difference to Date | \$ (5,015) |



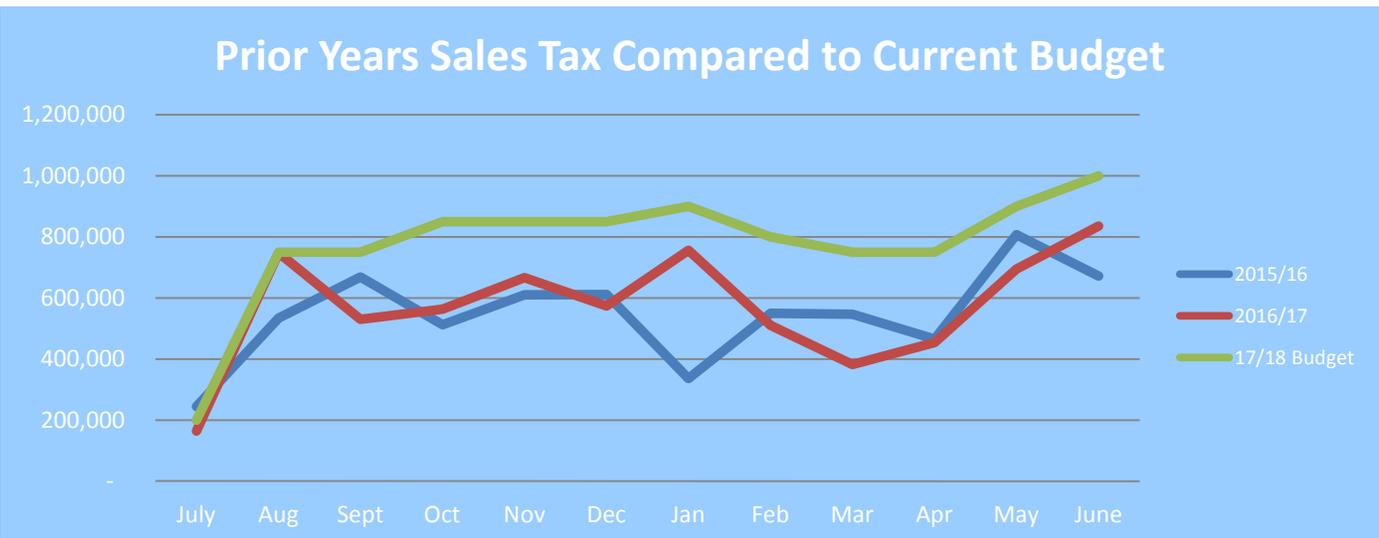
LOCAL SALES TAX RECAP

When projecting numbers for 2017/2018 Sales Tax Revenue we took into account the partial year increase in the sales tax rate, and spread that increase out over nine months. During the first eight months of the 2017/2018 fiscal year, even though revenue is up (see page 4), we still lag slightly behind budget projections. February revenues reduced the shortfall we saw in January by nearly \$100,000.

| | |
|--|---------------------|
| <u>Local Sales Tax Year to Date</u> | \$ 5,924,233 |
| Compared to Budget to Date: | \$ 5,950,000 |
| Over/(Under) Budget to Date | \$ (25,767) |



As you can see from the following graph, the one constant with Sales Tax Revenue is fluctuation. The purpose of this graph is to demonstrate general trends of Sales Tax Revenue. Looking back, revenue is usually lowest in July and highest in June due to our Modified Accrual Method of accounting. Reflecting the expected trend, we saw a slight increase in January, followed by a decrease in February. The decrease will likely continue in March and April, but revenues will be expected to rise again in May, and then even more for June.



Where is the sales tax increase being spent?

Increased costs in the 2017/2018 budget which are reflected in monthly expenditures:

- Increase in required employer contributions for Public Safety Personnel Retirement System
- Inflation of operating expenses for utilities, services, etc.
- State-mandated minimum wage increases and market study
- Increased employer portion of health insurance
- Gradual increase in fund balance for the General Fund
- Parks master plan

Still to come, June 30 or prior:

- \$250,000 payment to PSPRS for unfunded liability (\$250,000 was paid in February)
- \$50,000 transfer to Council contingency fund
- \$150,000 principal payment on water loan, plus interest
- Scheduled maintenance and repairs: replacing carpet, repairing steps and walkways
- Scheduled capital projects: data storage, communication equipment, and completion of playground refurbishment

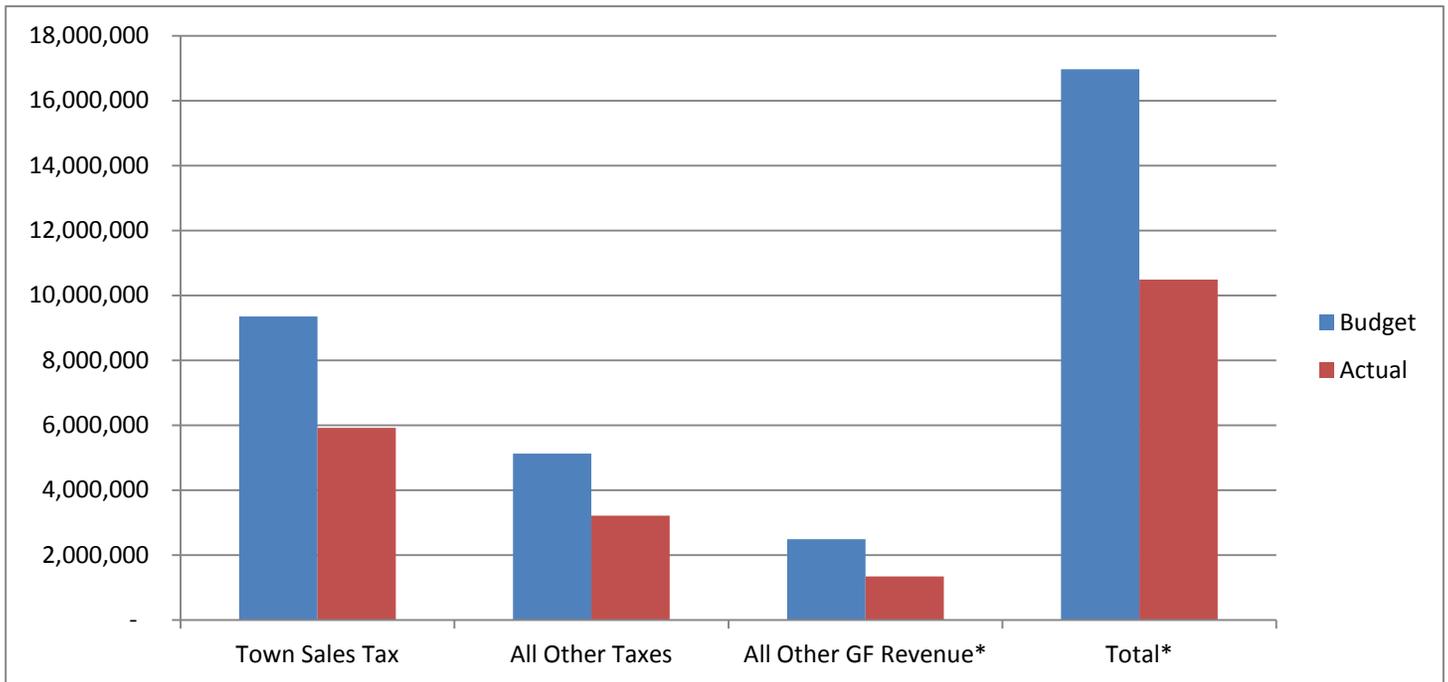
Town of Payson, Arizona
Revenue Analysis By Function - Adopted Budget
As of February 28, 2018--Preliminary/Unaudited
66.7% of the year has elapsed

Non-Restricted General Fund

| | Fiscal Year 2017/2018 | | | | | |
|--|------------------------------|-----------------------|-------------------------------|-----------------------------------|----------------|------------------|
| | Adopted Budget | Year-to-Date Revenues | Current Collections Should be | Revenue Remaining to be Collected | YTD % Received | % to be Received |
| <u>Category</u> | | | | | | |
| Taxes | 14,481,000 | 9,143,908 | 9,654,000 | 5,337,092 | 63.14% | 36.86% |
| Licenses & Permits | 788,500 | 446,695 | 525,667 | 341,805 | 56.65% | 43.35% |
| Intergovernmental | 755,100 | 330,039 | 503,400 | 425,061 | 43.71% | 56.29% |
| Charges for Services | 822,600 | 444,672 | 548,400 | 377,928 | 54.06% | 45.94% |
| Fines & Forfeitures | 90,000 | 58,409 | 60,000 | 31,591 | 64.90% | 35.10% |
| Miscellaneous | 33,300 | 66,368 | 22,200 | (33,068) | 199.30% | -99.30% |
| Transfers In | 360,000 | - | - | 360,000 | 0.00% | 100.00% |
| Total Non-Restricted General Fund | 17,330,500 | 10,490,091 | 11,313,667 | 6,840,409 | 60.53% | 39.47% |

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

General Fund Revenue--Budget to Actual 2017/2018



*Not Including Transfers

Town of Payson, Arizona
Revenue Analysis By Function - Adopted Budget
As of February 28, 2018--Preliminary/Unaudited
66.7% of the year has elapsed

Restricted Operating Revenues

| | Fiscal Year 2017/2018 | | | | | |
|--|------------------------------|-----------------------|-------------------------------|-----------------------------------|----------------|------------------|
| | Adopted Budget | Year-to-Date Revenues | Current Collections Should be | Revenue Remaining to be Collected | YTD % Received | % to be Received |
| <u>Fund</u> | | | | | | |
| 202 HURF Fund* | 2,549,000 | 1,487,758 | 1,699,333 | 1,061,242 | 58.37% | 41.63% |
| 206 P&R Improvement Fund | 15,000 | 6,470 | 10,000 | 8,530 | 43.13% | 56.87% |
| 210 Gifts & Grants Fund | - | - | - | - | 0.00% | 0.00% |
| 214 Bed Tax Fund | 300,000 | 171,514 | 200,000 | 128,486 | 57.17% | 42.83% |
| 215 Department of Justice Fund | 68,000 | 38,552 | 45,333 | 29,448 | 56.69% | 43.31% |
| 216 Police Impound Fund | 7,000 | 9,900 | 4,667 | (2,900) | 100.00% | 0.00% |
| 224 Library Fund* | 428,300 | 124,251 | 285,533 | 304,049 | 29.01% | 70.99% |
| 233 Magistrate Court-FTG | 1,000 | 795 | 667 | 205 | 79.50% | 20.50% |
| 260 Airport Fund * | 1,472,300 | 1,009,146 | 981,533 | 463,154 | 68.54% | 31.46% |
| 265 Event Center Fund* | 222,200 | 42,503 | 148,133 | 179,697 | 19.13% | 80.87% |
| 280 Contingency Fund* | 50,000 | - | - | 50,000 | 0.00% | 100.00% |
| 290 Insurance Fund* | 1,953,700 | 1,041,593 | 1,302,467 | 912,107 | 53.31% | 46.69% |
| Total Restricted Operating Revenues | 7,066,500 | 3,932,482 | 4,677,667 | 3,134,018 | 55.65% | 44.35% |

*Includes Transfers In

Restricted Capital Revenues

| | Fiscal Year 2017/2018 | | | | | |
|--|------------------------------|-----------------------|-------------------------------|-----------------------------------|----------------|------------------|
| | Adopted Budget | Year-to-Date Revenues | Current Collections Should be | Revenue Remaining to be Collected | YTD % Received | % to be Received |
| <u>Fund</u> | | | | | | |
| 403 Grant Capital Projects Fund* | 1,105,000 | 67,065 | - | 1,037,935 | 6.07% | 93.93% |
| 429 American Gulch | 150,000 | - | - | 150,000 | 0.00% | 100.00% |
| 434 Timber Ridge Imprv District | 2,100,000 | - | - | 2,100,000 | 0.00% | 100.00% |
| 460 CAP Trust Fund | - | 635 | - | (635) | 0.00% | 0.00% |
| Total Restricted Capital Revenues | 3,355,000 | 67,700 | - | 3,287,300 | 2.02% | 97.98% |

* Includes transfers in

Town of Payson, Arizona
Revenue Analysis By Function - Adopted Budget
As of February 28, 2018--Preliminary/Unaudited
66.7% of the year has elapsed

Debt Service Revenues

| | Fiscal Year 2017/2018 | | | | | |
|---|------------------------------|-----------------------|-------------------------------|-----------------------------------|----------------|------------------|
| | Adopted Budget | Year-to-Date Revenues | Current Collections Should be | Revenue Remaining to be Collected | YTD % Received | % to be Received |
| <u>Fund</u> | | | | | | |
| 812 Westerly Rd ID Debt Service Fund* | 78,900 | 51,932 | 52,600 | 26,968 | 65.82% | 34.18% |
| 822 Exc Tax Rev Ob Debt Service Fund* | 128,000 | - | 85,333 | 128,000 | 0.00% | 100.00% |
| 823 Public Safety Improvements DS Fund | 370,000 | 219,005 | 246,667 | 150,995 | 59.19% | 40.81% |
| 824 Timber Ridget ID Debt Service Fund* | 40,000 | - | - | 40,000 | 0.00% | 100.00% |
| | 616,900 | 270,937 | 384,600 | 345,963 | 43.92% | 56.08% |

Debt Service Revenues

* Transfers in are posted at the end of the fiscal year (June 2018).

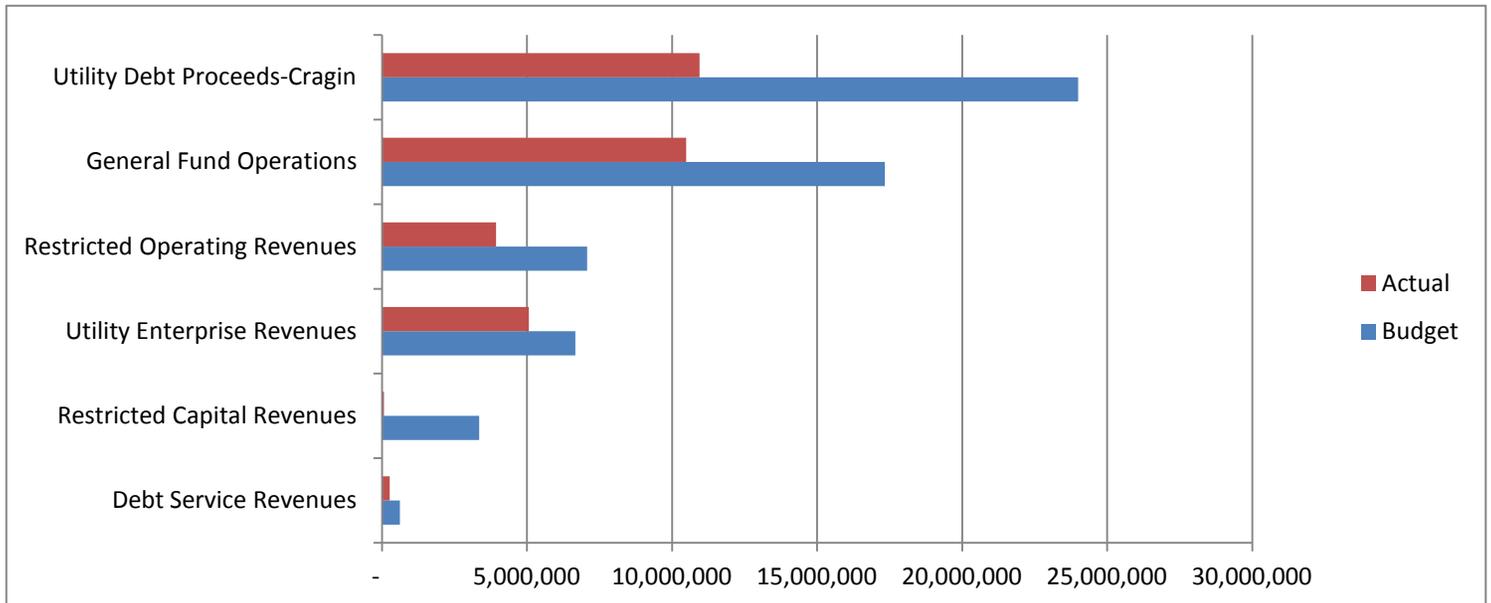
Utility Enterprise Revenues

| | Fiscal Year 2017/2018 | | | | | |
|-------------------|------------------------------|-----------------------|-------------------------------|-----------------------------------|----------------|------------------|
| | Adopted Budget | Year-to-Date Revenues | Current Collections Should be | Revenue Remaining to be Collected | YTD % Received | % to be Received |
| <u>Fund</u> | | | | | | |
| Water--All Other* | 6,663,500 | 5,059,606 | 4,442,333 | 1,603,894 | 75.93% | 24.07% |
| Debt Proceeds | 24,000,000 | 10,950,646 | 16,000,000 | 13,049,354 | 45.63% | 54.37% |
| | 30,663,500 | 16,010,252 | 20,442,333 | 14,653,248 | 52.21% | 47.79% |

Utility Enterprise Revenues

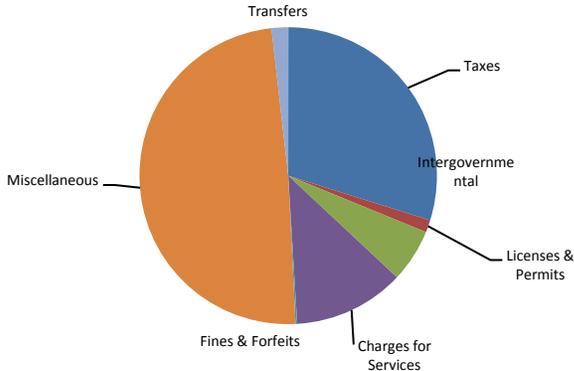
* Includes transfers in

Comparing Budgeted Revenues By Function

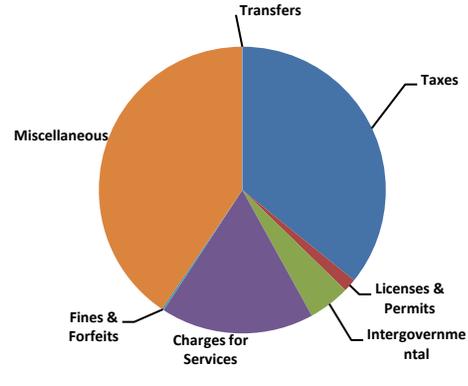


**Revenue Analysis By Source - All Funds - Adopted Budget
As of February 28, 2018--Preliminary/Unaudited
66.7% of the year has elapsed**

Revenue Sources - Budget



Revenue Sources - Actual

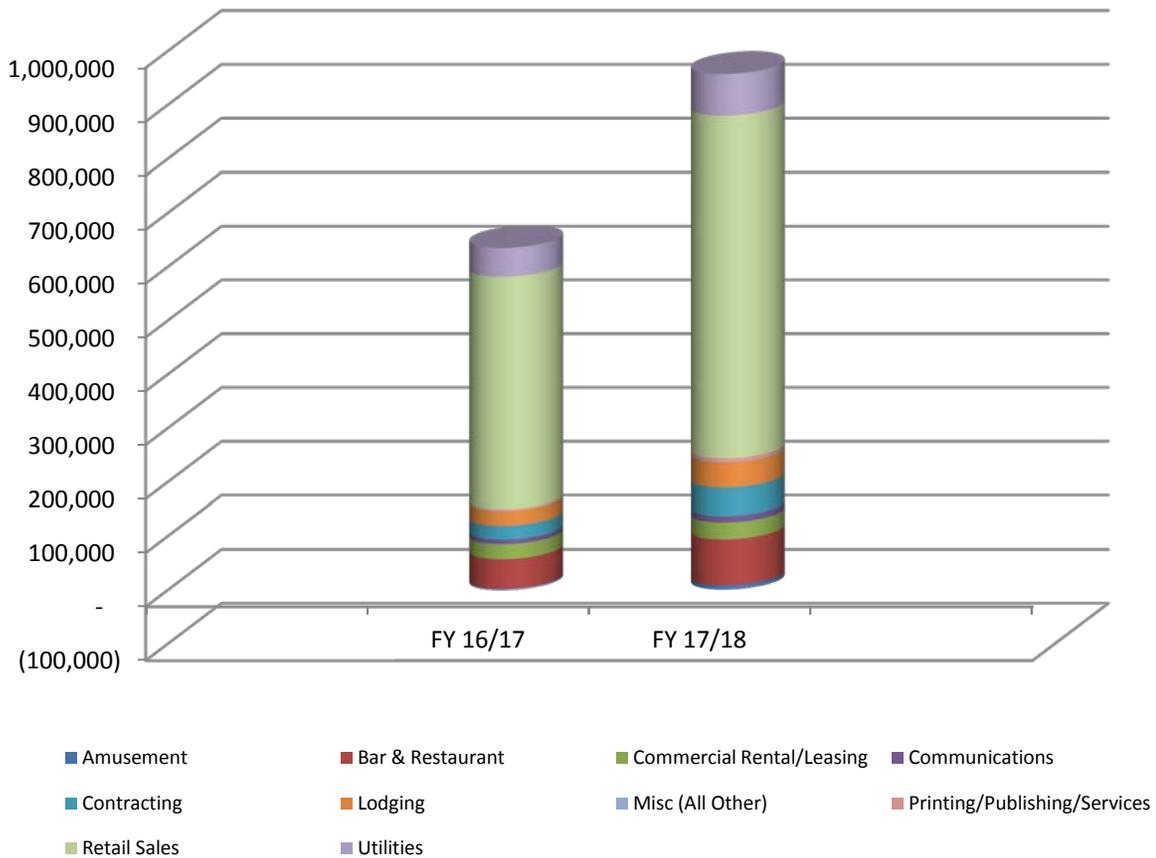


| Revenue Source | Budget | Year-to-Date | Remaining |
|--------------------------------|----------------------|----------------------|----------------------|
| Taxes | \$ 17,622,400 | \$ 11,022,175 | \$ 6,600,225 |
| Sales Tax | 11,179,000 | 7,052,744 | 4,126,256 |
| Income Tax | 1,926,000 | 1,277,900 | 648,100 |
| Property Tax | 675,000 | 437,506 | 237,494 |
| Vehicle License Tax | 1,071,000 | 594,763 | 476,237 |
| Highway Users Gas Tax | 1,646,400 | 957,673 | 688,727 |
| Gila County Tax | 825,000 | 530,075 | 294,925 |
| Bed Tax | 300,000 | 171,514 | 128,486 |
| Licenses & Permits | 788,500 | 446,695 | \$ 341,805 |
| Franchise Fees | 380,000 | 178,751 | 201,249 |
| Business Licenses | 72,000 | 49,515 | 22,485 |
| Construction Related | 335,000 | 217,479 | 117,521 |
| Various | 1,500 | 950 | 550 |
| Intergovernmental | 3,408,300 | 1,447,869 | \$ 1,960,431 |
| Grants | 2,622,400 | 1,078,787 | 1,543,613 |
| Other Agencies | 785,900 | 369,082 | 416,818 |
| Charges for Services | 7,127,800 | 5,310,282 | \$ 1,817,518 |
| Water | 6,286,000 | 4,871,834 | 1,414,166 |
| Airport | 104,200 | 72,894 | 31,306 |
| Construction Related | 222,500 | 143,838 | 78,662 |
| Fire Fees | 412,000 | 160,261 | 251,739 |
| Law Enforcement | 58,100 | 41,424 | 16,676 |
| Various | 45,000 | 20,031 | 24,969 |
| Fines & Forfeitures | 107,000 | 67,460 | \$ 39,540 |
| Miscellaneous | 28,909,100 | 12,476,981 | \$ 16,432,119 |
| Recreation | 257,000 | 134,991 | 122,009 |
| Interest Earnings | 47,500 | 106,851 | (59,351) |
| Development Fees | - | - | - |
| Construction Contributions | - | - | - |
| Private Contributions | 156,800 | 2,871 | 153,929 |
| Employee Insurance | 1,953,700 | 1,041,593 | 912,107 |
| Lease/Purchase, Debt Proceeds | 26,100,000 | 10,950,646 | 15,149,354 |
| Special Assessments | 57,600 | 51,932 | 5,668 |
| Various | 336,500 | 188,097 | 148,403 |
| Transfers In | 1,069,300 | - | \$ 1,069,300 |
| TOTAL | \$ 59,032,400 | \$ 30,771,462 | \$ 28,260,938 |

Town of Payson, Arizona
Sales Tax Revenue By Type
For the Month of January 2018*

Data for the latest month received from Arizona Dept of Revenue
 *Sales Tax information lags one month behind current month

| Type | FY 16/17 | FY 17/18 |
|------------------------------|----------|----------|
| Amusement | 1,465 | 7,699 |
| Bar & Restaurant | 54,741 | 85,226 |
| Commercial Rental/Leasing | 28,011 | 31,405 |
| Communications | 8,604 | 11,308 |
| Contracting | 25,244 | 53,088 |
| Lodging | 26,990 | 46,514 |
| Misc (All Other) | (1,141) | 930 |
| Printing/Publishing/Services | 3,637 | 6,540 |
| Retail Sales | 431,766 | 636,297 |
| Utilities | 53,472 | 77,296 |
| Total | 632,789 | 956,303 |

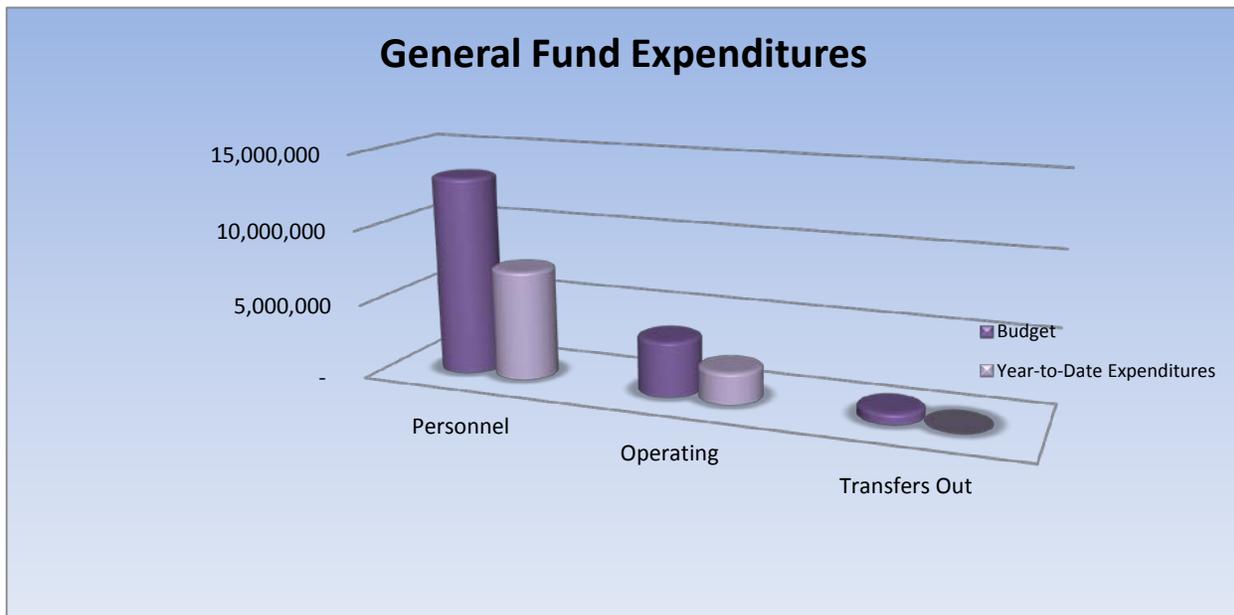


PLEASE NOTE: This breakdown of activity types provided by the state will never exactly match the total sales tax revenue shown elsewhere in this report. There are a couple of reasons for this. Except for the months of June and July, the Town of Payson reports sales tax revenue in the month it is actually received, which is often different than when reported to the state. Also, our sales tax numbers are adjusted to separate out bed tax receipts, as well as the .12% earmarked for Public Safety debt service. These are reported in other funds.

Town of Payson, Arizona
Expenditure Analysis - Adopted Budget
As of February 28, 2018--Preliminary/Unaudited
66.7% of the year has elapsed

Non-Restricted General Fund

| <u>Category</u> | Fiscal Year 2017/2018 | | | | |
|--|------------------------------|---------------------------|------------------------------------|-------------|---------------|
| | Adopted Budget | Year-to-Date Expenditures | Expenditures Remaining to be Spent | YTD % Spent | % to be Spent |
| Personnel | 13,263,800 | 7,344,552 | 5,919,248 | 55% | 45% |
| Operating | 3,667,300 | 2,101,473 | 1,565,827 | 57% | 43% |
| Transfers Out | 710,000 | - | 710,000 | 0% | 100% |
| Total Non-Restricted General Fund | 17,641,100 | 9,446,025 | 8,195,075 | 54% | 46% |

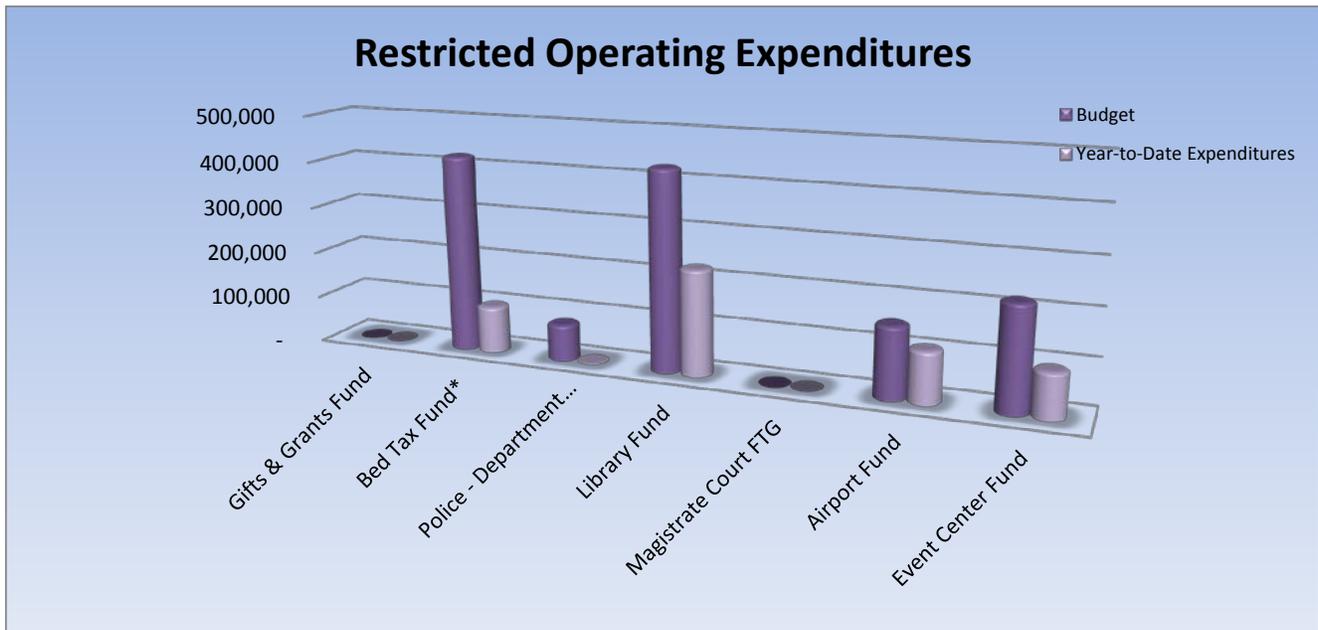


Town of Payson, Arizona
Expenditure Analysis - Adopted Budget
As of February 28, 2018--Preliminary/Unaudited
66.7% of the year has elapsed

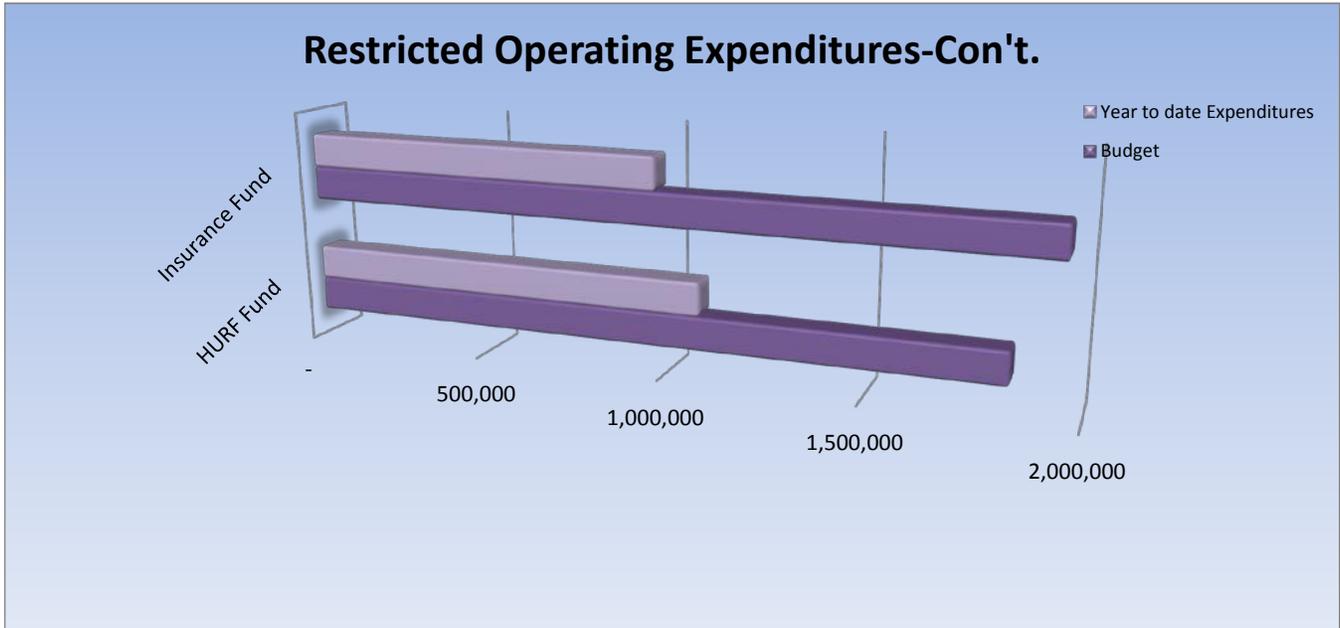
Restricted Operating Expenditures

| Fund | Fiscal Year 2017/2018 | | | | |
|--|-----------------------|---------------------------|------------------------------------|-------------|---------------|
| | Original Budget | Year-to-Date Expenditures | Expenditures Remaining to be Spent | YTD % Spent | % to be Spent |
| 202 HURF Fund | 1,838,600 | 1,086,617 | 751,983 | 59% | 41% |
| 206 P&R Facilities Imprv. Fund | 22,000 | - | 22,000 | 0% | 100% |
| 210 Gifts & Grants Fund | - | - | - | 0% | 0% |
| 214 Bed Tax Fund* | 423,600 | 101,318 | 322,282 | 24% | 76% |
| 215 Police - Department of Justice | 79,000 | 2,370 | 76,630 | 3% | 97% |
| 224 Library Fund | 428,300 | 227,139 | 201,161 | 53% | 47% |
| 233 Magistrate Court FTG | - | - | - | 0% | 0% |
| 260 Airport Fund | 152,700 | 109,879 | 42,821 | 72% | 28% |
| 265 Event Center Fund | 222,200 | 95,956 | 126,244 | 43% | 57% |
| 290 Insurance Fund | 1,953,700 | 972,793 | 980,907 | 50% | 50% |
| Total Restricted Operating Expenditures | 5,120,100 | 2,596,072 | 2,524,028 | 51% | 49% |

* Includes transfers out



Town of Payson, Arizona
Expenditure Analysis - Adopted Budget
As of February 28, 2018--Preliminary/Unaudited
66.7% of the year has elapsed

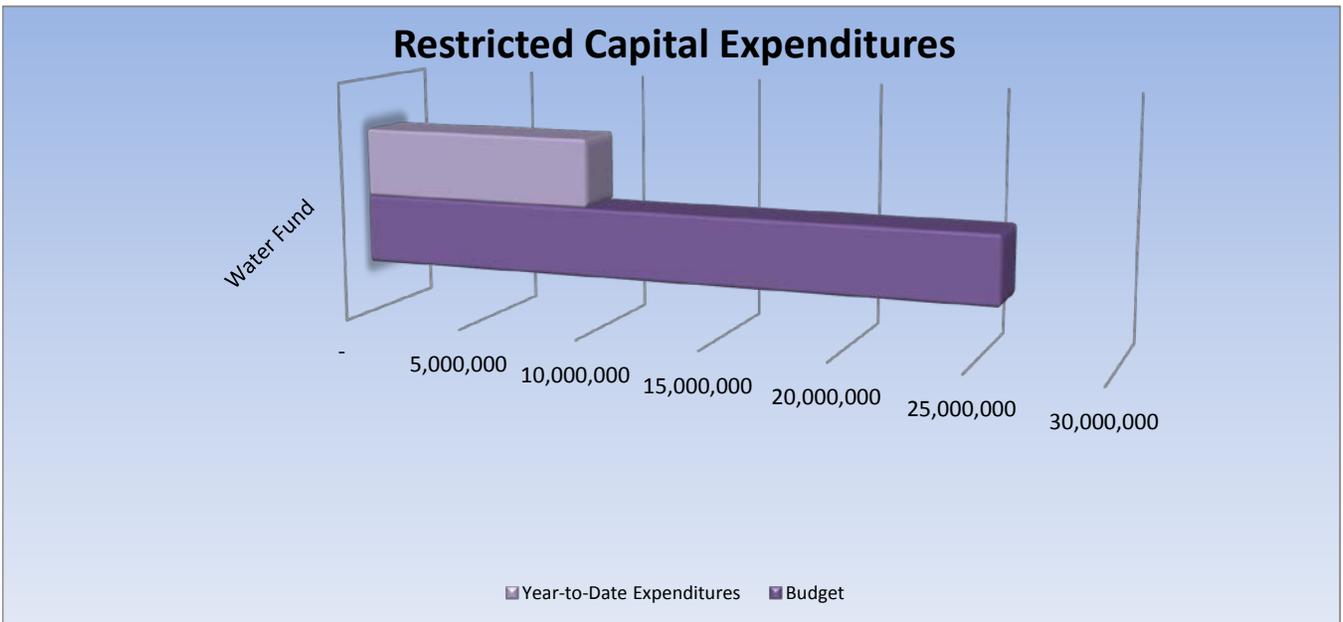
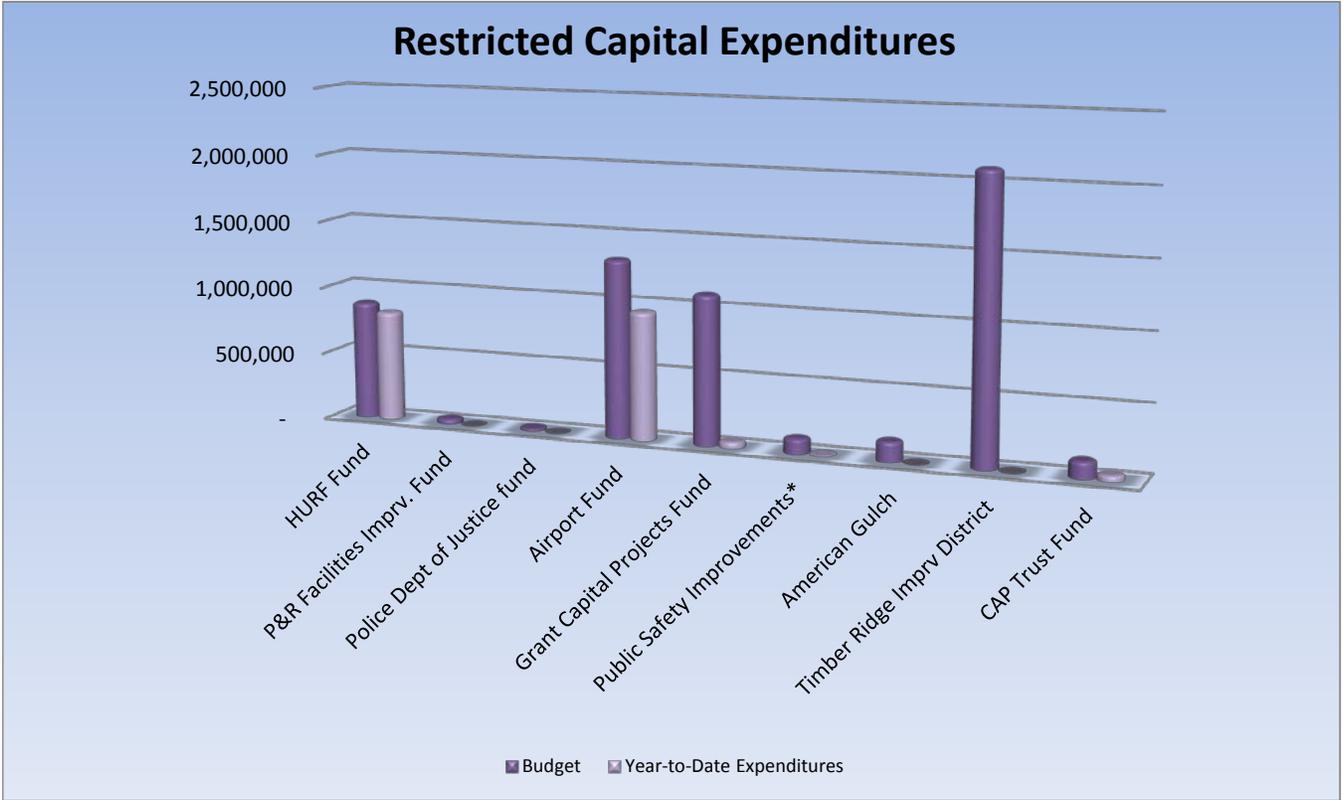


Restricted Capital Expenditures

| Fund | Fiscal Year 2017/2018 | | | | |
|--|-----------------------|---------------------------|------------------------------------|---------------|---------------|
| | Original Budget | Year-to-Date Expenditures | Expenditures Remaining to be Spent | YTD % Spent | % to be Spent |
| 202 HURF Fund | 877,000 | 816,172 | 60,828 | 93% | 7% |
| 206 P&R Facilities Imprv. Fund | 40,000 | - | 40,000 | 0% | 100% |
| 215 Police Dept of Justice fund | 23,300 | - | 23,300 | 0% | 100% |
| 260 Airport Fund | 1,319,600 | 950,271 | 369,329 | 72% | 28% |
| 403 Grant Capital Projects Fund | 1,105,000 | 50,688 | 1,054,312 | 5% | 95% |
| 425 Public Safety Improvements* | 114,500 | 8,275 | 106,225 | 7% | 93% |
| 429 American Gulch | 150,000 | - | 150,000 | 0% | 100% |
| 434 Timber Ridge Imprv District | 2,100,000 | - | 2,100,000 | 0% | 100% |
| 460 CAP Trust Fund | 128,271 | 45,710 | 82,561 | 36% | 64% |
| 661 Water Fund | 25,883,000 | 9,595,789 | 16,287,211 | 37% | 63% |
| Total Restricted Capital Expenditures | 31,740,671 | 11,466,905 | 20,273,766 | 36.13% | 63.87% |

* Includes transfers out

Town of Payson, Arizona
Expenditure Analysis - Adopted Budget
As of February 28, 2018--Preliminary/Unaudited
66.7% of the year has elapsed

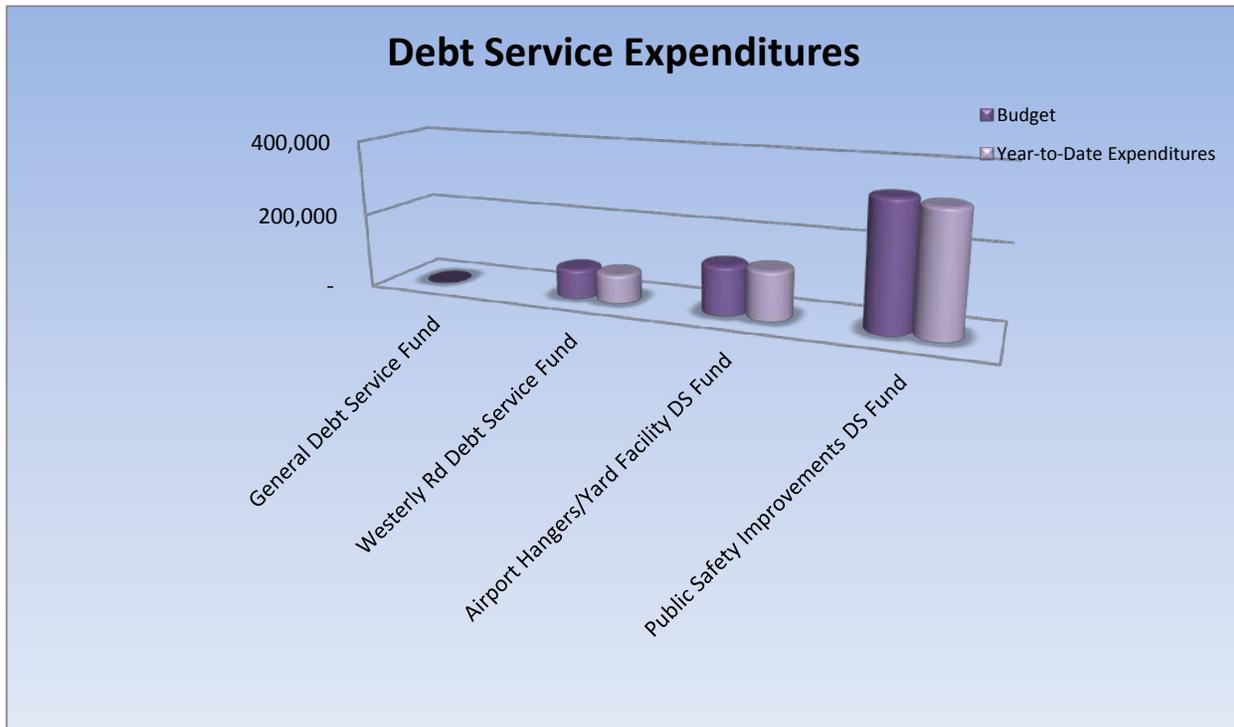


Town of Payson, Arizona
Expenditure Analysis - Adopted Budget
As of February 28, 2018--Preliminary/Unaudited
66.7% of the year has elapsed

Debt Service Expenditures

| Fund | Fiscal Year 2017/2018 | | | | |
|---|-----------------------|---------------------------|------------------------------------|---------------|---------------|
| | Original Budget | Year-to-Date Expenditures | Expenditures Remaining to be Spent | YTD % Spent | % to be Spent |
| 801 General Debt Service Fund | - | - | - | | |
| 812 Westerly Rd Debt Service Fund | 78,900 | 75,650 | 3,250 | 96% | 4% |
| 822 Airport Hangers/Yard Facility DS Fund | 128,000 | 127,891 | 109 | 100% | 0% |
| 823 Public Safety Improvements DS Fund | 331,600 | 318,650 | 12,950 | 96% | 4% |
| 824 Timber Ridge ID Debt Service Fund | 40,000 | - | 40,000 | 0% | 100% |
| Debt Service Expenditures | 578,500 | 522,191 | 56,309 | 90.27% | 9.73% |

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

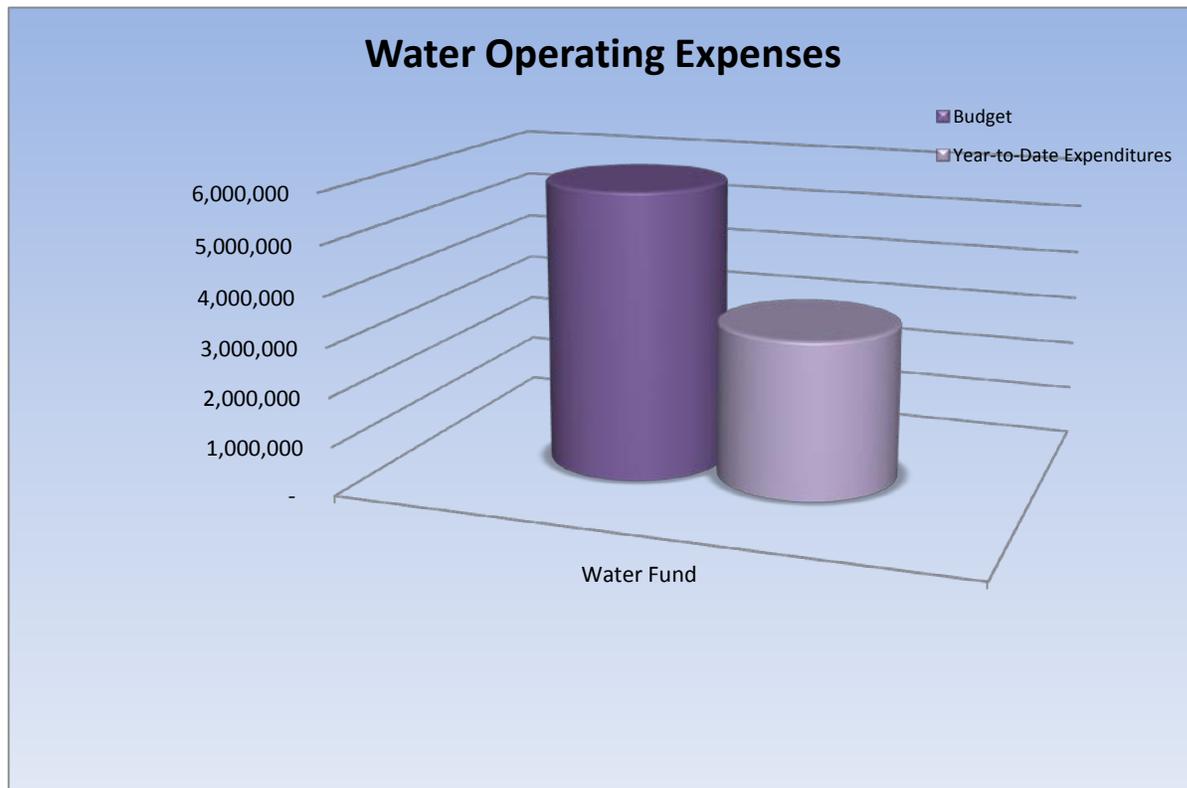


Town of Payson, Arizona
Expenditure Analysis - Adopted Budget
As of February 28, 2018--Preliminary/Unaudited
66.7% of the year has elapsed

Utility Enterprise Operating Expenses

| <u>Fund</u> | Fiscal Year 2017/2018 | | | | |
|-----------------------------|------------------------------|---------------------------|------------------------------------|-------------|---------------|
| | Original Budget | Year-to-Date Expenditures | Expenditures Remaining to be Spent | YTD % Spent | % to be Spent |
| 661 Water Fund | 5,861,200 | 3,208,308 | 2,652,892 | 55% | 45% |
| Utility Enterprise Expenses | 5,861,200 | 3,208,308 | 2,652,892 | 54.74% | 45.26% |

* Includes transfers out



Town of Payson, Arizona

Summary of Revenues by Category and Operating Expenditures by Department - Budget to Actual

For the General Fund Only

For the month ended February 28, 2018 -- *Preliminary/Unaudited* -- 66.7% of Year Elapsed

| Revenues by Category | Budget | **Current Month** | | **Year to Date** | | Unrealized Balance | % of Budget Collected/Spent To Date |
|------------------------------------|----------------------|---------------------|---------------------|----------------------|----------------------|-----------------------|---|
| | | Estimate | Actual | Estimate | Actual | | |
| Taxes | \$ 14,481,000 | \$ 1,206,750 | \$ 1,279,963 | \$ 9,654,000 | \$ 9,143,908 | \$ 5,337,092 | 63.14% |
| Licenses and Permits | \$ 788,500 | \$ 65,708 | \$ 34,127 | \$ 525,667 | \$ 446,695 | \$ 341,805 | 56.65% |
| Intergovernmental Revenue | \$ 755,100 | \$ 62,925 | \$ 77,346 | \$ 503,400 | \$ 330,039 | \$ 425,061 | 43.71% |
| Charges for Services | \$ 822,600 | \$ 68,550 | \$ 34,166 | \$ 548,400 | \$ 444,672 | \$ 377,928 | 54.06% |
| Fines and Forfeitures | \$ 90,000 | \$ 7,500 | \$ 8,424 | \$ 60,000 | \$ 58,409 | \$ 31,591 | 64.90% |
| Miscellaneous Revenue | \$ 33,300 | \$ 2,775 | \$ 17,499 | \$ 22,200 | \$ 66,368 | \$ (33,068) | 199.30% |
| Transfers In | \$ 360,000 | | \$ - | \$ - | \$ - | \$ 360,000 | 0.00% |
| Total Revenues | \$ 17,330,500 | \$ 1,414,208 | \$ 1,451,525 | \$ 11,313,667 | \$ 10,490,091 | \$ 6,840,409 | 60.53% |
| Expenditures by Department | | | | | | | |
| Council | \$ 102,500 | \$ 8,542 | \$ 6,777 | \$ 68,333 | \$ 55,507 | \$ 46,993 | 54.15% |
| Manager | \$ 220,400 | \$ 18,367 | \$ 15,868 | \$ 146,933 | \$ 137,823 | \$ 82,577 | 62.53% |
| Clerk | \$ 221,700 | \$ 18,475 | \$ 21,671 | \$ 147,800 | \$ 132,517 | \$ 89,183 | 59.77% |
| Elections | \$ 16,000 | \$ 1,333 | \$ 23 | \$ 10,667 | \$ 23 | \$ 15,977 | 0.14% |
| Informations Technology | \$ 803,500 | \$ 66,958 | \$ 39,547 | \$ 535,667 | \$ 475,285 | \$ 328,215 | 59.15% |
| Financial Services | \$ 531,600 | \$ 44,300 | \$ 33,677 | \$ 354,400 | \$ 277,064 | \$ 254,536 | 52.12% |
| Health & Welfare | \$ 223,500 | \$ 18,625 | \$ 17,932 | \$ 149,000 | \$ 131,685 | \$ 91,815 | 58.92% |
| Human Resources | \$ 238,100 | \$ 19,842 | \$ 19,924 | \$ 158,733 | \$ 145,780 | \$ 92,320 | 61.23% |
| Attorney | \$ 448,700 | \$ 37,392 | \$ 30,438 | \$ 299,133 | \$ 258,065 | \$ 190,635 | 57.51% |
| Tourism | \$ 129,400 | \$ 10,783 | \$ 9,113 | \$ 86,267 | \$ 75,287 | \$ 54,113 | 58.18% |
| Magistrate Court | \$ 213,100 | \$ 17,758 | \$ 5,743 | \$ 142,067 | \$ 128,446 | \$ 84,654 | 60.27% |
| Central Services | \$ 1,253,200 | \$ 104,433 | \$ 74,788 | \$ 835,467 | \$ 745,562 | \$ 507,638 | 59.49% |
| Police | \$ 6,389,500 | \$ 532,458 | \$ 575,302 | \$ 4,259,667 | \$ 3,230,926 | \$ 3,158,574 | 50.57% |
| Fire | \$ 3,804,100 | \$ 317,008 | \$ 197,813 | \$ 2,536,067 | \$ 2,265,704 | \$ 1,538,396 | 59.56% |
| Community Development | \$ 989,900 | \$ 82,492 | \$ 64,751 | \$ 659,933 | \$ 529,123 | \$ 460,777 | 53.45% |
| Parks & Recreation | \$ 1,345,900 | \$ 112,158 | \$ 88,591 | \$ 897,267 | \$ 857,228 | \$ 488,672 | 63.69% |
| Transfers Out | \$ 710,000 | | | \$ - | \$ - | \$ 710,000 | 0.00% |
| Total Expenditures | \$ 17,641,100 | \$ 1,410,925 | \$ 1,201,958 | \$ 11,287,400 | \$ 9,446,025 | \$ 8,195,075 | 53.55% |
| Total Revenues over (under) | | | | | | | |
| Total Expenditures | \$ (310,600) | | \$ 249,567 | | \$ 1,044,066 | | |
| Beginning fund balance | \$ 2,084,869 | | Beg fund balance | | \$ 2,084,869 | | |
| Ending balance over(under) | \$ 1,774,269 | | Ending balance | | \$ 3,128,935 | | |