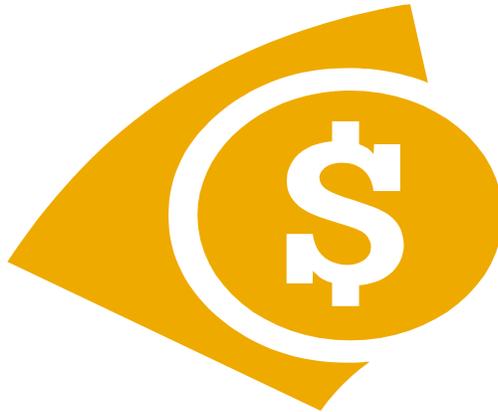


Town of Payson, Arizona



Financial Status Report



Month of November, 2016

Given to Council December 20, 2016
Prepared by: Hope A. Cribb, Finance Manager

UNAUDITED

EXECUTIVE SUMMARY

Executive Summary
Budget As of November 30, 2016
41.7% of the year has elapsed

Fund	Year to Date Revenues	Year to Date Expenditures	Year to Date Balance	Carry Forward	Adjusted Balance
General Fund	5,274,251	5,478,014	(203,763)	1,571,976	1,368,213
HURF Fund	839,298	1,520,598	(681,300)	650,948	(30,352)
P & R Facility Imprv. Fund	5,150	-	5,150	34,805	39,955
Gifts & Grants Fund	2,000	-	2,000	68,304	70,304
Bed Tax Fund	103,008	48,220	54,788	277,496	332,284
Department of Justice Fund	39,470	1,337	38,133	27,713	65,846
Police Impound Fee Fund	2,150	-	2,150	-	2,150
Library Fund	6,423	147,631	(141,208)	-	(141,208)
Magistrate Court FTG/JCEF	645	-	645	89,398	90,043
Airport Fund	48,829	46,224	2,605	-	2,605
Event Center Fund	29,479	57,803	(28,324)	-	(28,324)
Insurance Fund	681,035	586,513	94,522	30,297	124,819
Grant Capital Projects Fund	119,889	168,815	(48,926)	5	(48,921)
Public Safety Bonds	-	-	-	154,549	154,549
Timber Ridge Impr District Fund	-	-	-	-	-
CAP Trust Fund	-	22,014	(22,014)	188,271	166,257
General Debt Service Fund	-	52,875	(52,875)	-	(52,875)
Westerly Rd Debt Service Fund	49,610	750	48,860	-	48,860
Airport Hangers/Yard Facility DS Fund	-	122,795	(122,795)	-	(122,795)
Public Safety Improvements DS Fund	110,721	295,000	(184,279)	414,945	230,666
Timber Ridge ID Debt Service Fund	-	-	-	-	-
Water	4,478,036	3,368,247	1,109,789	3,190,446	4,300,235
Totals	11,789,994	11,916,836	(126,842)	6,699,153	6,572,311

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 November 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. We received Property Tax in the amount of \$273,000; we billed for the Victim's Rights Grant, the first quarter for the School Resource Officer, and the Westerly Road Assessments. We received \$8,500 from Gila County for Economic Development and HURF received \$15,100 from Public Surplus sales.

We paid the 2nd quarter payments on the Court contract and the Liability Insurance premium. In HURF Main Street lights were purchased for \$24,000. IT purchased the balance of equipment for the Council Chambers \$10,100 and there were promotional expenses of \$11,700. CDBG expenses were paid for \$27,500. The Cragin project spent \$367,000.

FUNDS

In the table above, several funds are showing a negative fund balance as of November 30, 2016. This means that using the beginning fund balance as a starting point, adding revenues received through November 30 and subtracting expenditures through November 30, these funds have spent more than they had available to spend. The reasons for the negative fund balances are:

HURF Fund: This fund is negative due to several large expenditures such as Slurry Seal \$366,400; Manzanita Drive costs \$335,800; and the purchase of a Water Truck, \$139,800. This fund will turn positive as more revenues are received throughout the year.

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.

General Debt Service Fund: This fund will remain in deficit until we do the budgeted transfer from the General Fund. We will not do the transfers until the General Fund shows a positive fund balance. The transfer has to be made and will be made even if the General Fund were never to have a positive balance, but waiting to have a positive fund balance allows us to better track how the actual revenues and expenditures are affecting the fund balance without mixing in the affect of interfund transfers.

Airport Hangars/Yard Facility Debt Service Fund: This will turn positive when year end transfers are 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 = \$2,672,089

As of November, 2016 local sales tax revenue is **UP \$101,735** for the year over the same time last year.



Urban Revenue Sharing = \$782,730

Urban Revenue Sharing (income tax) **UP \$15,130** 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) = \$446,908

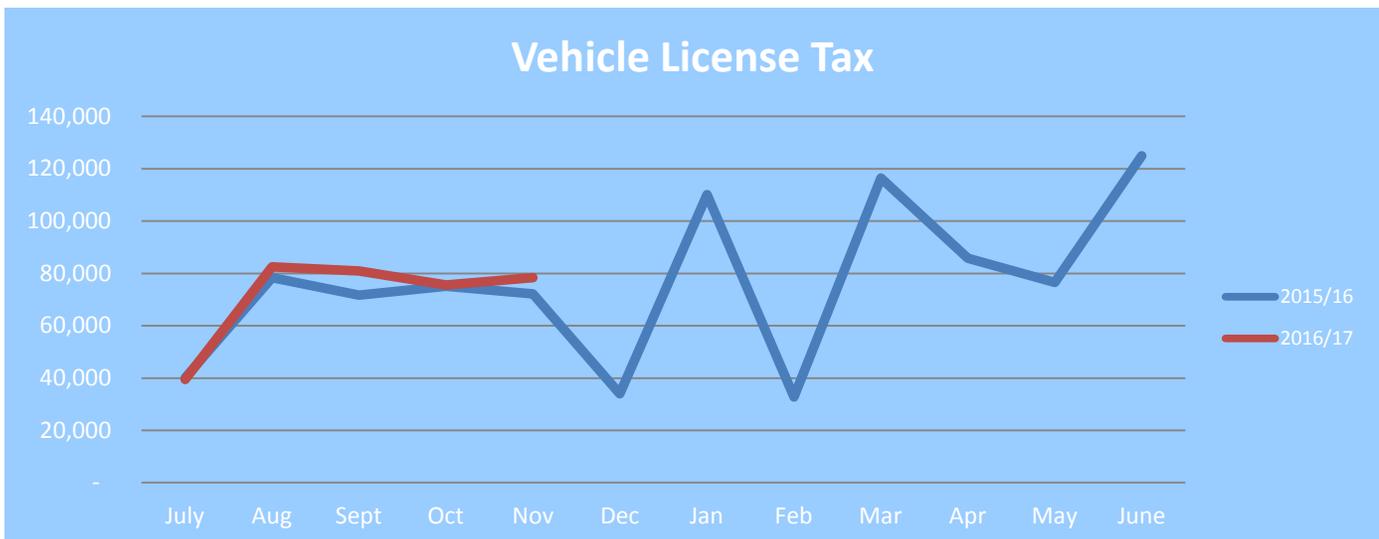
State shared sales is **DOWN \$13,051** as compared to the same time last year.



Vehicle License Tax (VLT) = \$356,832

VLT is **UP \$19,532** as compared to year to date through November 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 = \$107,370

Building permit revenue is **DOWN \$8,361** for the year as compared to this time last year.



Plan Review = \$59,247

Plan review revenue is **UP \$16,660** for the year as compared to last fiscal year.



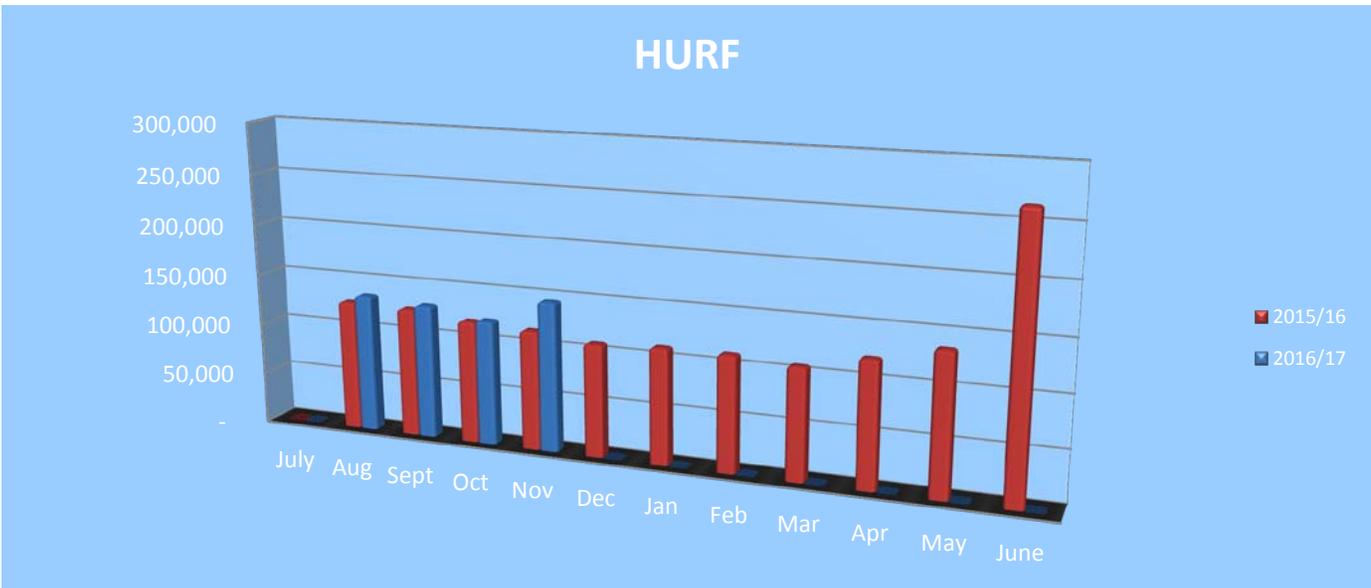
<u>Various</u>	Received	Compared to	Budget	%
	Thru Nov-16	Nov-15		Received
Right-of-way permits	\$1,060	\$2103 DOWN	\$5,000	21%
Fire Code review	2,845	\$111 UP	5,000	57%
Zoning review	10,234	\$7025 DOWN	30,000	34%
Inspections	3,205	\$1080 UP	10,000	32%
Engineering review	1,995	\$1174 DOWN	20,000	10%

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 - \$533,816

HURF revenue is **UP \$44,019** as compared to this time last year.



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 and purchased the equipment for the Council Chambers.

REVENUE

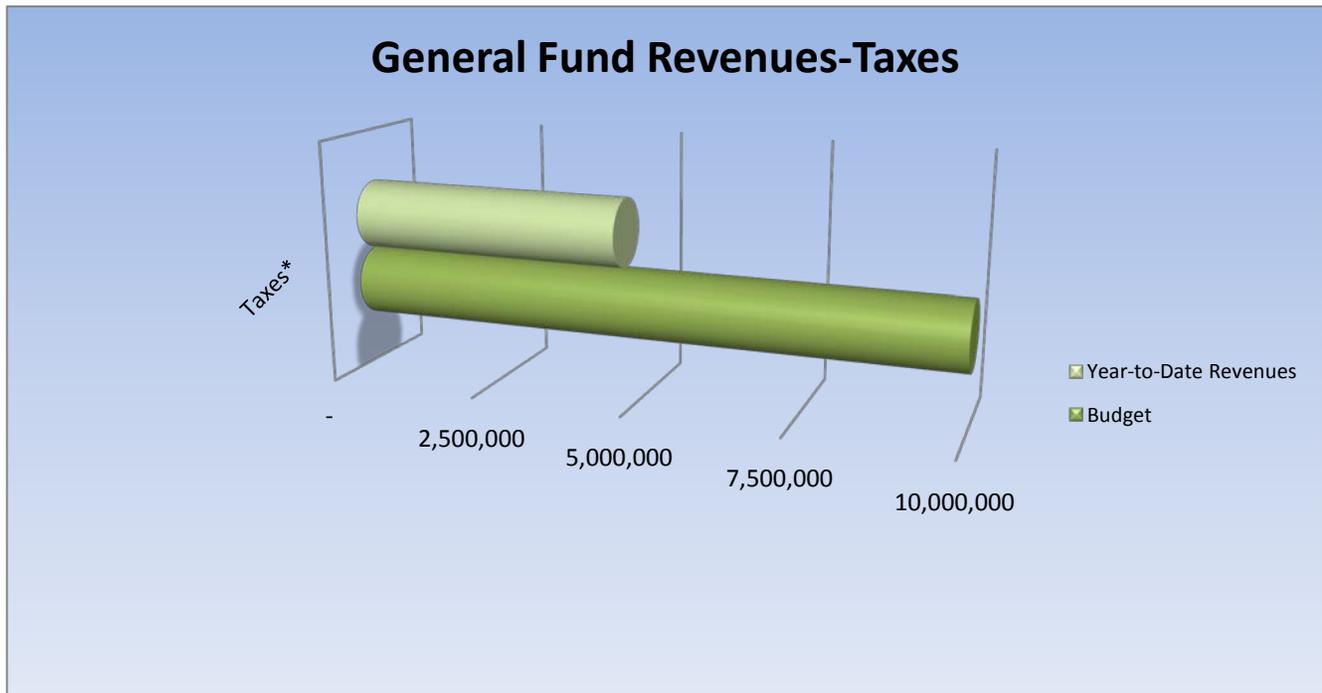
Revenue Analysis By Function - Adopted Budget As of November 30, 2016 42% of the year has elapsed

Non-Restricted General Fund

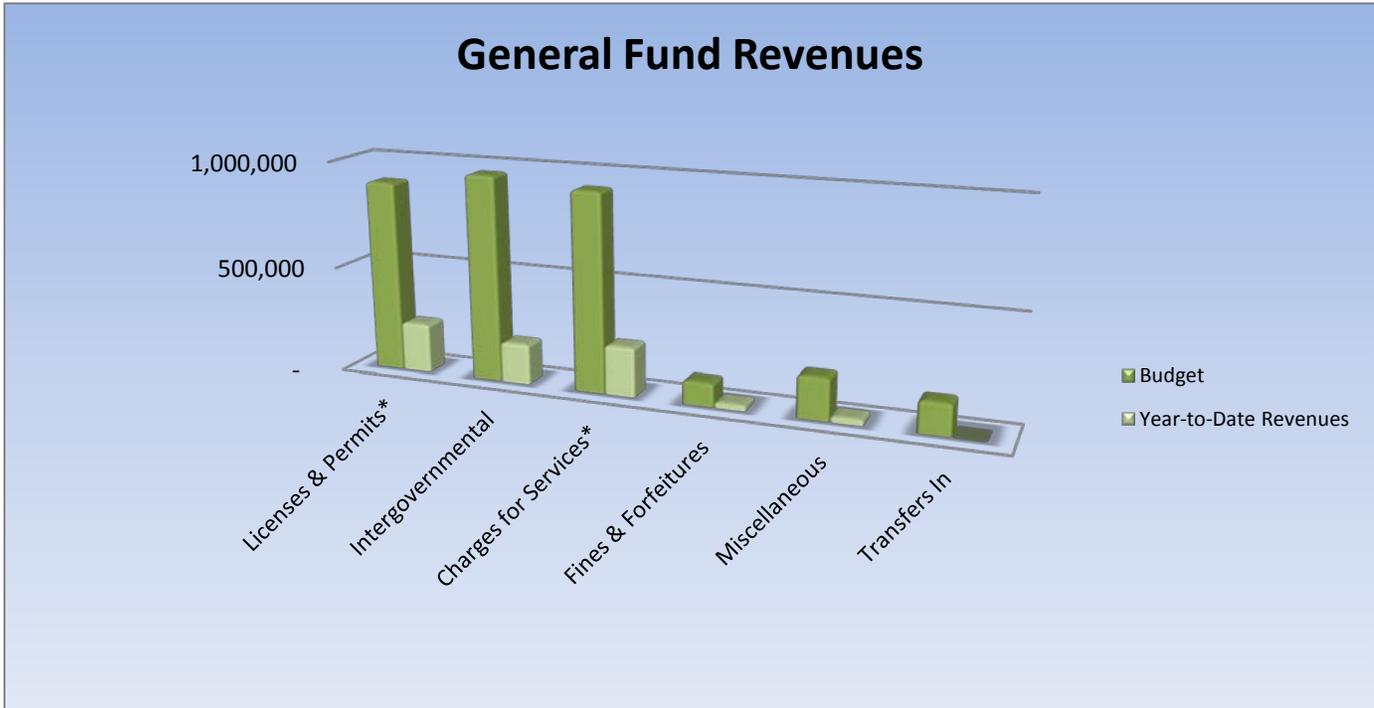
<u>Category</u>	2016/17 Adopted Budget	2016/17 Year-to-Date Revenues	2016/17 Current Collections Should be	2016/17 Revenue Remaining to be Collected	2016/17 YTD % Received	2016/17 % to be Received
Taxes*	11,678,400	4,571,073	4,880,658	7,107,327	39.14%	60.86%
Licenses & Permits*	896,500	230,030	310,425	666,470	25.66%	74.34%
Intergovernmental	963,800	187,721	401,583	776,079	19.48%	80.52%
Charges for Services*	927,500	229,553	260,450	697,947	24.75%	75.25%
Fines & Forfeitures	110,000	27,214	45,833	82,786	24.74%	75.26%
Miscellaneous	195,600	28,660	81,500	166,940	14.65%	85.35%
Transfers In	147,000	-	61,250	147,000	0.00%	100.00%
Total Non-Restricted General Fund	14,918,800	5,274,251	6,041,700	9,644,549	35.35%	64.65%

*Calculated seasonal revenue for 'should be' column.

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



Revenue Analysis By Function - Adopted Budget As of November 30, 2016



Restricted Operating Revenues

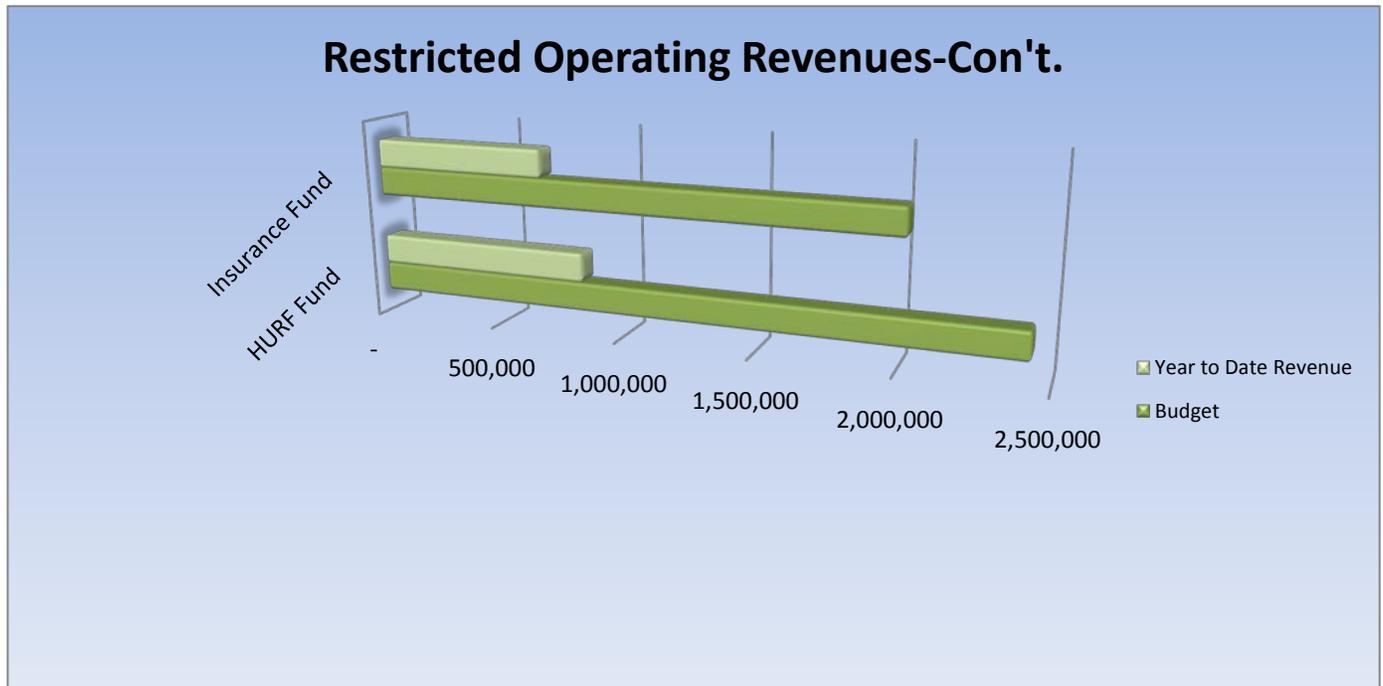
<u>Fund</u>	2016/17 Adopted Budget	2016/17 Year-to-Date Revenues	2016/17 Current Collections Should be	2016/17 Revenue Remaining to be Collected	2016/17 YTD % Received	2016/17 % to be Received
202 HURF Fund	2,435,600	839,298	1,014,833	1,596,302	34.46%	65.54%
206 P&R Improvement Fund	15,000	5,150	6,250	9,850	34.33%	65.67%
210 Gifts & Grants Fund (1)	12,000	2,000	5,000	10,000	16.67%	83.33%
214 Bed Tax Fund*	270,000	103,008	79,000	166,992	38.15%	61.85%
215 Department of Justice Fund (2)	45,000	39,470	18,750	5,530	87.71%	12.29%
216 Police Impound Fund	-	2,150	-	(2,150)	100.00%	0.00%
224 Library Fund*	378,700	6,423	122,933	372,277	1.70%	98.30%
233 Magistrate Court-FTG	1,000	645	417	355	64.50%	35.50%
260 Airport Fund (1)	255,900	48,829	106,625	207,071	19.08%	80.92%
265 Event Center Fund*	167,500	29,479	37,100	138,021	17.60%	82.40%
290 Insurance Fund	2,024,000	681,035	843,333	1,342,965	33.65%	66.35%
Total Restricted Operating Revenues	5,604,700	1,757,487	2,234,242	3,847,213	31.36%	68.64%

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.

Revenue Analysis By Function - Adopted Budget As of November 30, 2016

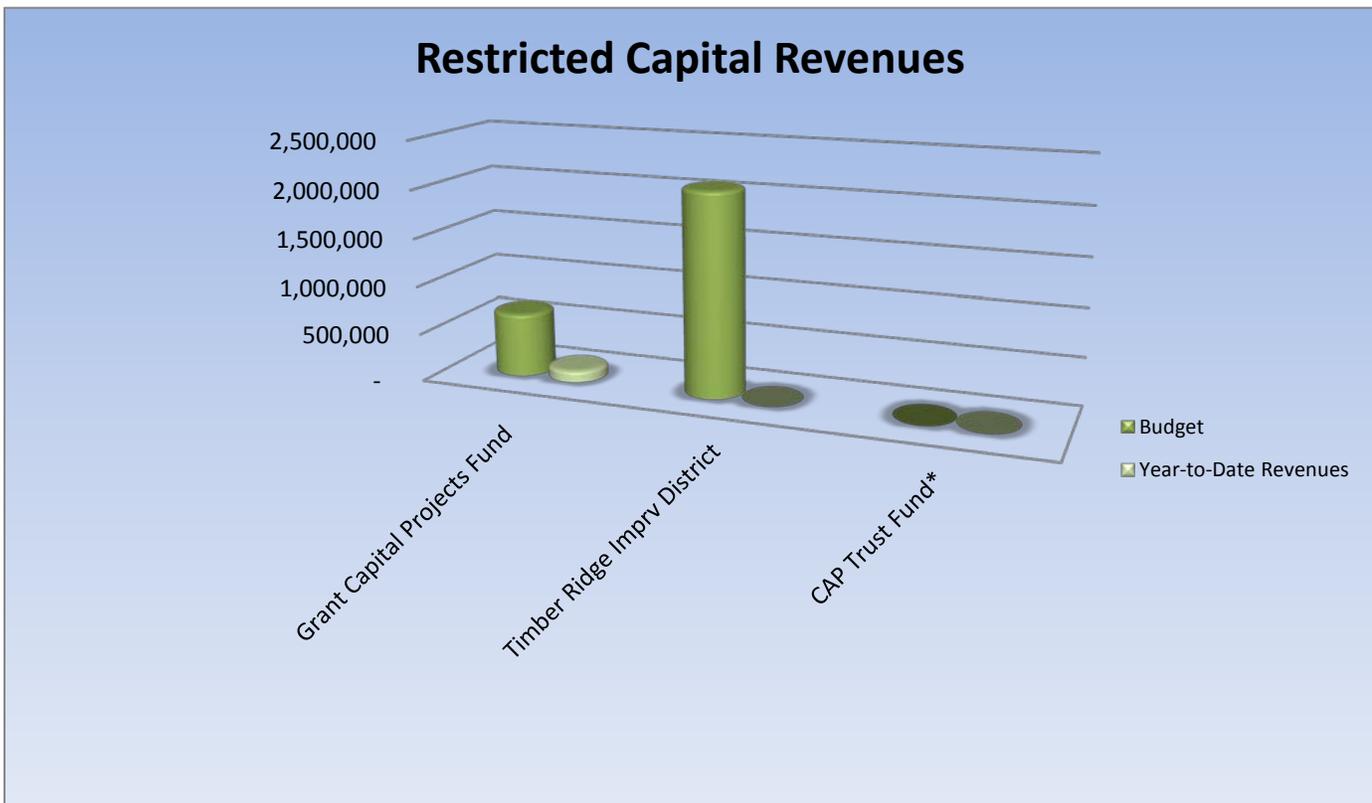


Revenue Analysis By Function - Adopted Budget As of November 30, 2016

Restricted Capital Revenues

<u>Fund</u>	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	119,889	277,958	547,211	17.97%	82.03%
434 Timber Ridge Imprv District	2,100,000	-	875,000	2,100,000	0.00%	100.00%
460 CAP Trust Fund*	-	-	-	-	0.00%	0.00%
Total Restricted Capital Revenues	2,767,100	119,889	1,152,958	2,647,211	4.33%	95.67%

* Includes transfers in



Revenue Analysis By Function - Adopted Budget As of November 30, 2016

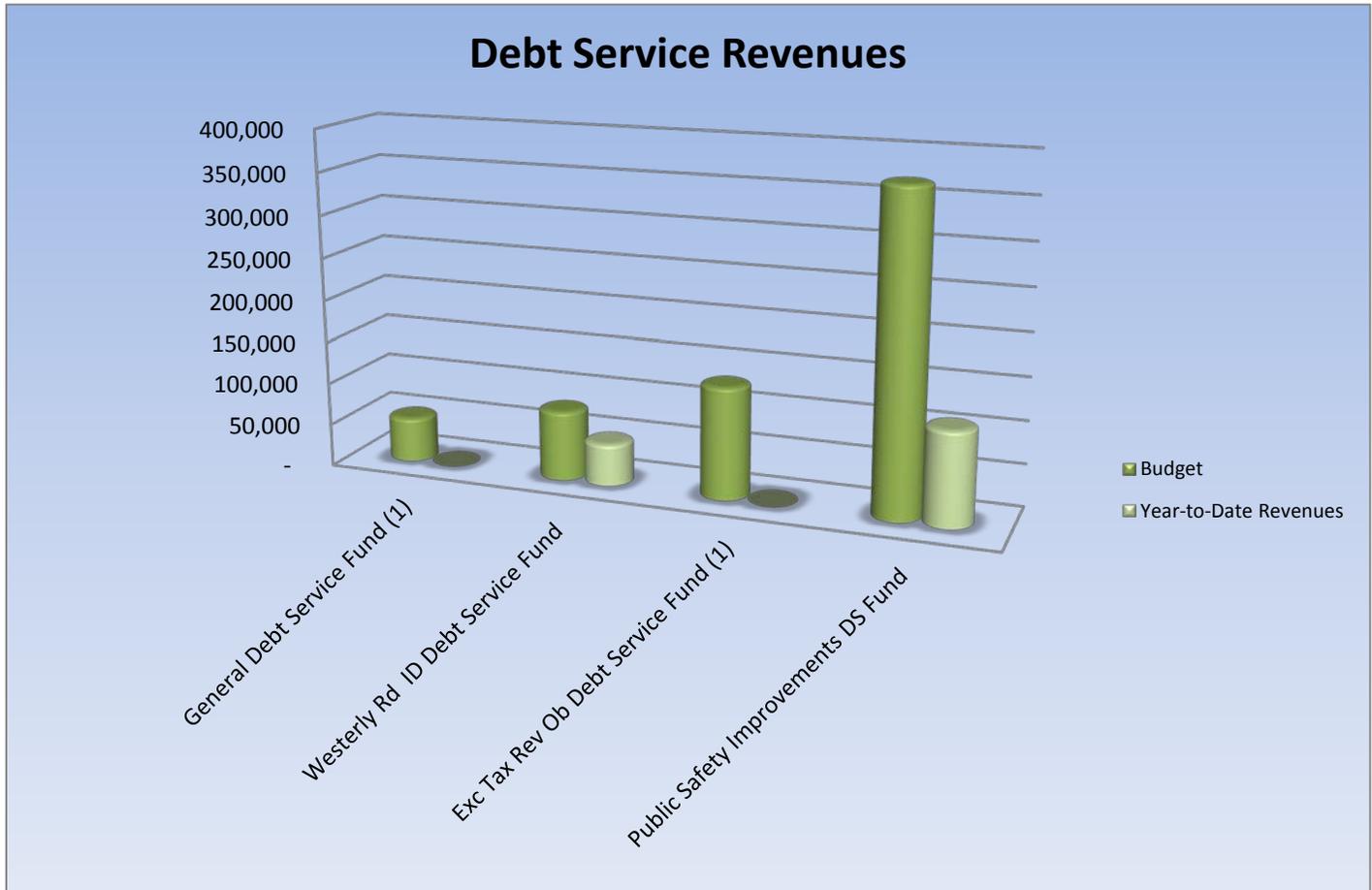
Debt Service Revenues

Fund	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17
	Adopted Budget	Year-to-Date Revenues	Current Collections Should be	Revenue Remaining to be Collected	YTD % Received	% to be Received
801 General Debt Service Fund (1)	52,900	-	22,042	52,900	0.00%	100.00%
812 Westerly Rd ID Debt Service Fund	82,300	49,610	34,292	32,690	60.28%	39.72%
822 Exc Tax Rev Ob Debt Service Fund (1)	132,000	-	55,000	132,000	0.00%	100.00%
823 Public Safety Improvements DS Fund	370,000	110,721	154,167	259,279	29.92%	70.08%
824 Timber Ridget ID Debt Service Fund	40,000	-	16,667	40,000	0.00%	100.00%
	677,200	160,331	282,167	516,869	23.68%	76.32%

Debt Service Revenues

* Includes transfers in

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



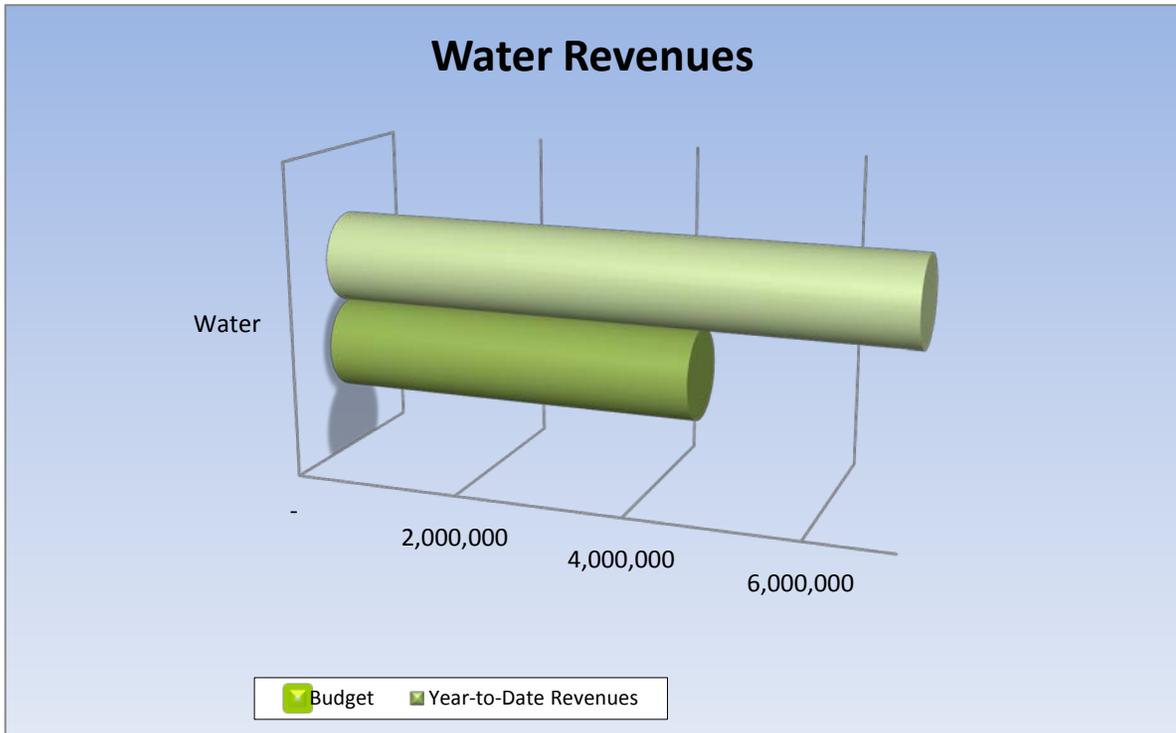
Revenue Analysis By Function - Adopted Budget As of November 30, 2016

Utility Enterprise Revenues

	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
<u>Fund</u> Water	22,657,100	4,478,036	9,440,458	18,179,064	19.76%	80.24%
	22,657,100	4,478,036	9,440,458	18,179,064	19.76%	80.24%

Utility Enterprise Revenues

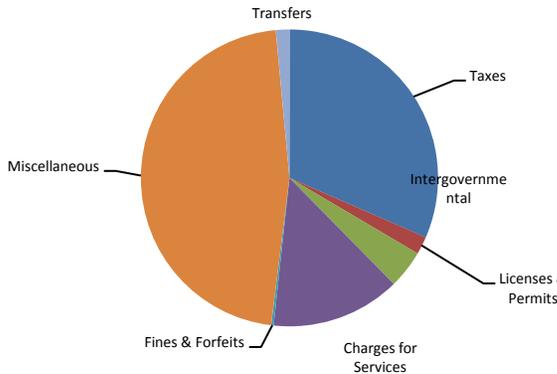
* Includes transfers in



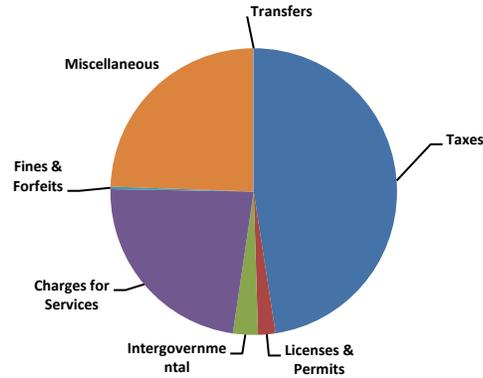
Revenue Analysis By Source - All Funds - Adopted Budget As of November 30, 2016

42% of the year has elapsed

Revenue Sources - Budget



Revenue Sources - Actual



Revenue Source	Budget	Year-to-Date	Remaining
Taxes	\$ 14,711,200	5,608,685	\$ 9,102,515
Sales Tax	8,515,300	3,229,719	5,285,581
Income Tax	1,878,500	782,729	1,095,771
Property Tax	672,500	312,514	359,986
Vehicle License Tax	982,100	356,831	625,269
Highway Users Gas Tax	1,592,800	533,816	1,058,984
Gila County Tax	800,000	290,068	509,932
Bed Tax	270,000	103,008	166,992
Licenses & Permits	896,500	230,030	\$ 666,470
Franchise Fees	379,000	86,392	292,608
Business Licenses	71,000	29,670	41,330
Construction Related	430,000	108,430	321,570
Various	16,500	5,538	10,962
Intergovernmental	1,941,700	331,696	\$ 1,610,004
Grants	914,300	146,052	768,248
Various	1,027,400	185,644	841,756
Charges for Services	6,553,700	2,704,481	\$ 3,849,219
Water	5,641,500	2,498,310	3,143,190
Airport	102,200	48,289	53,911
Construction Related	295,000	74,682	220,318
Fire Fees	401,000	48,005	352,995
Law Enforcement	65,000	21,524	43,476
Various	49,000	13,671	35,329
Fines & Forfeitures	127,000	33,637	\$ 93,363
Miscellaneous	21,710,500	2,881,465	\$ 18,829,035
Recreation	247,500	108,450	139,050
Interest Earnings	9,000	19,597	(10,597)
Development Fees	225,000	116,410	108,590
Construction Contributions	-	-	-
Private Contributions	14,400	2,965	11,435
Employee Insurance	2,024,000	681,035	1,342,965
Lease/Purchase, Debt Proceeds	18,700,000	1,803,422	16,896,578
Special Assessments	56,500	49,610	6,890
Various	434,100	99,976	334,124
Transfers In	684,300	-	\$ 684,300
TOTAL	\$ 46,624,900	\$ 11,789,994	\$ 34,834,906

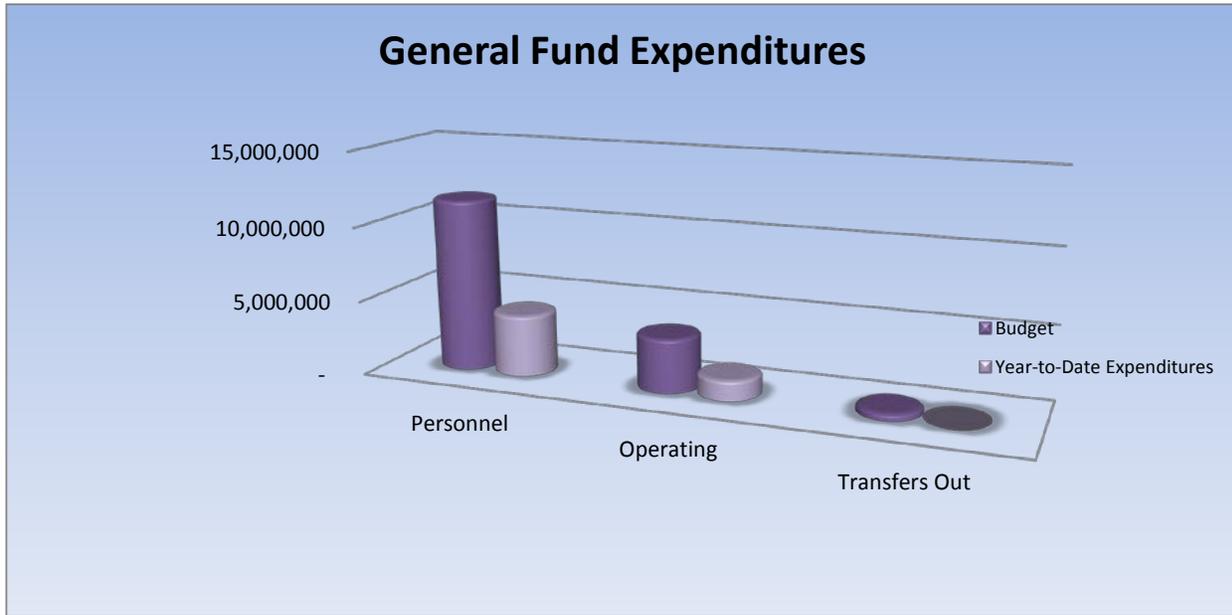
EXPENDITURES

Expenditure Analysis - Adopted Budget As of November 30, 2016 42% of the year has elapsed

Non-Restricted General Fund

<u>Category</u>	2016/17	2016/17	2016/17	2016/17	2016/17
	Adopted Budget	Year-to-Date Expenditures	Expenditures Remaining to be Spent	YTD % Spent	% to be Spent
Personnel	11,556,400	4,126,434	7,429,966	36%	64%
Operating	3,608,700	1,351,580	2,257,120	37%	63%
Transfers Out	442,100	-	442,100	0%	100%
Total Non-Restricted General Fund	15,607,200	5,478,014	10,129,186	35%	65%

* Includes transfers out

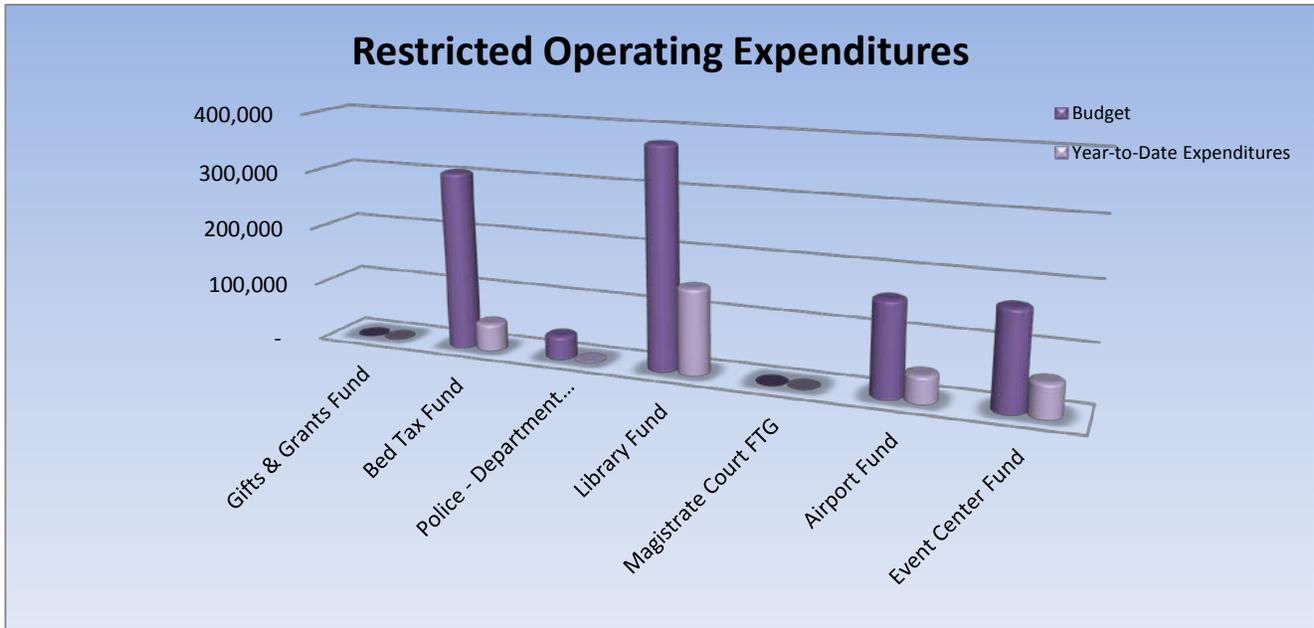


Expenditure Analysis - Adopted Budget As of November 30, 2016 42% of the year has elapsed

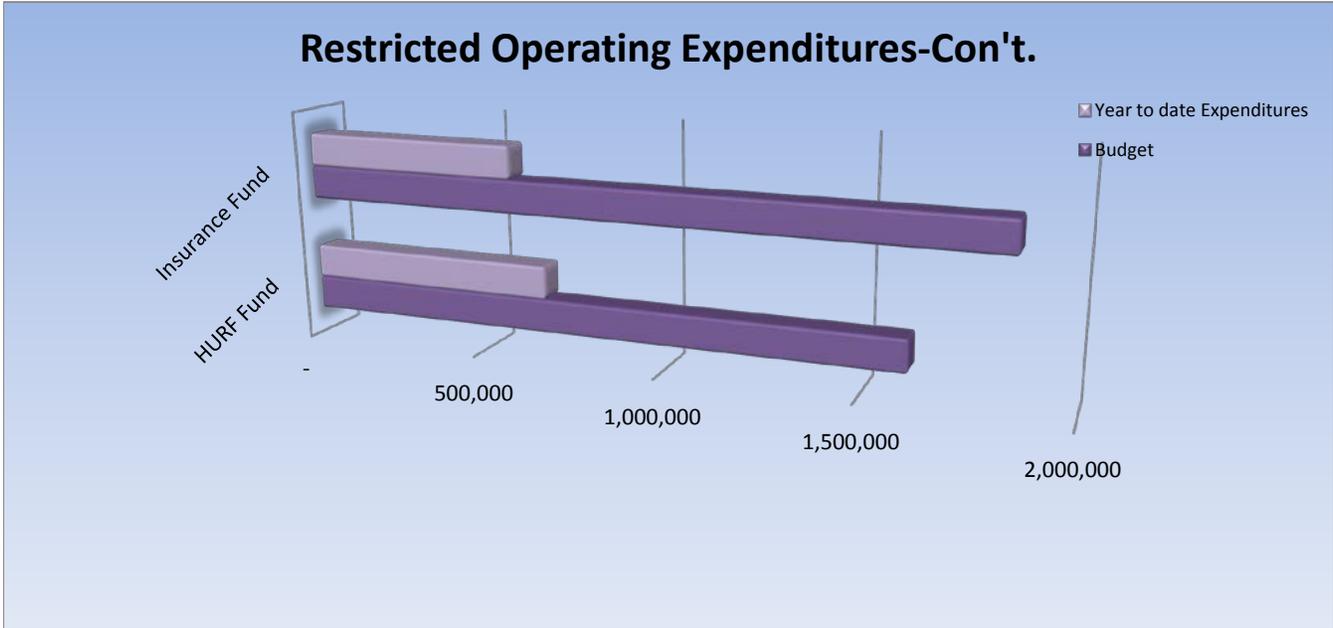
Restricted Operating Expenditures

Fund	2016/17	2016/17	2016/17	2016/17	2016/17
	Original Budget	Year-to-Date Expenditures	Expenditures Remaining to be Spent	YTD % Spent	% to be Spent
202 HURF Fund	1,933,600	678,544	1,255,056	35%	65%
206 P&R Facilities Imprv. Fund	-	-	-	0%	100%
210 Gifts & Grants Fund	-	-	-	0%	100%
214 Bed Tax Fund	307,900	48,220	259,680	16%	84%
215 Police - Department of Justice	40,500	1,337	39,163	3%	97%
224 Library Fund	378,700	147,631	231,069	39%	61%
233 Magistrate Court FTG	-	-	-	0%	100%
260 Airport Fund	160,900	46,224	114,676	29%	71%
265 Event Center Fund	167,500	57,803	109,697	35%	65%
290 Insurance Fund	2,024,000	586,513	1,437,487	29%	71%
Total Restricted Operating Expenditures	5,013,100	1,566,272	3,446,828	31%	69%

* Includes transfers out



**Expenditure Analysis - Adopted Budget
As of November 30, 2016
42% of the year has elapsed**

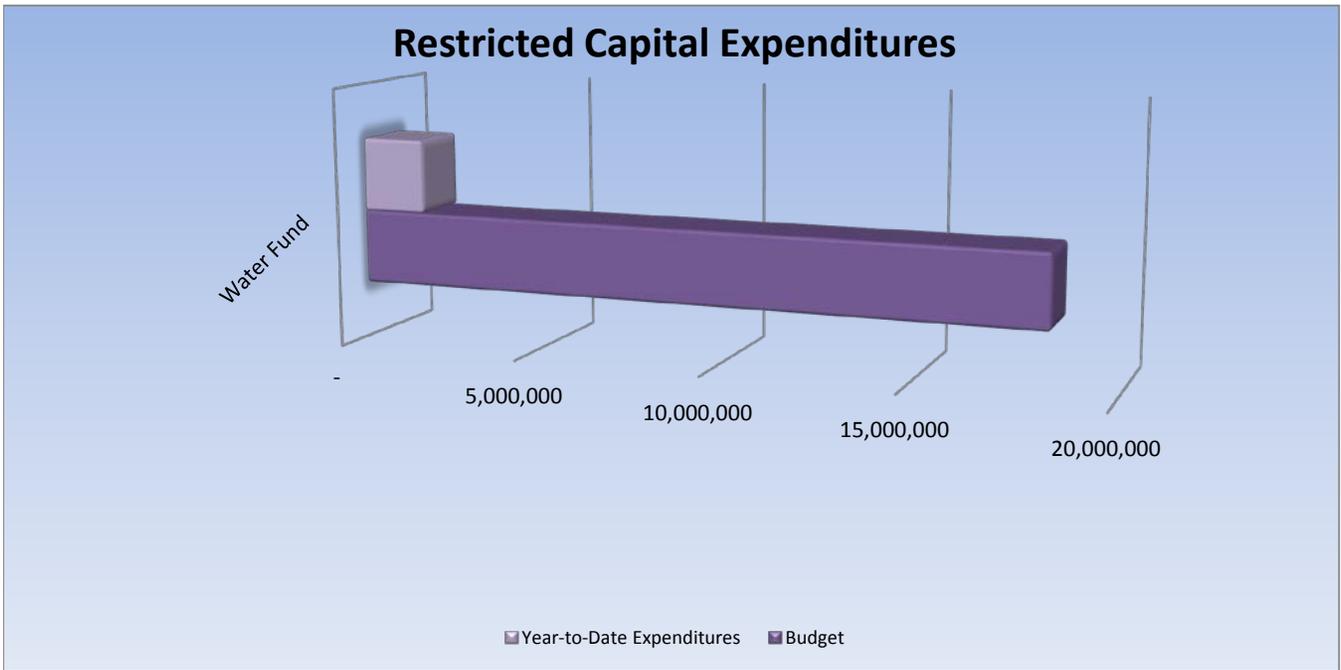
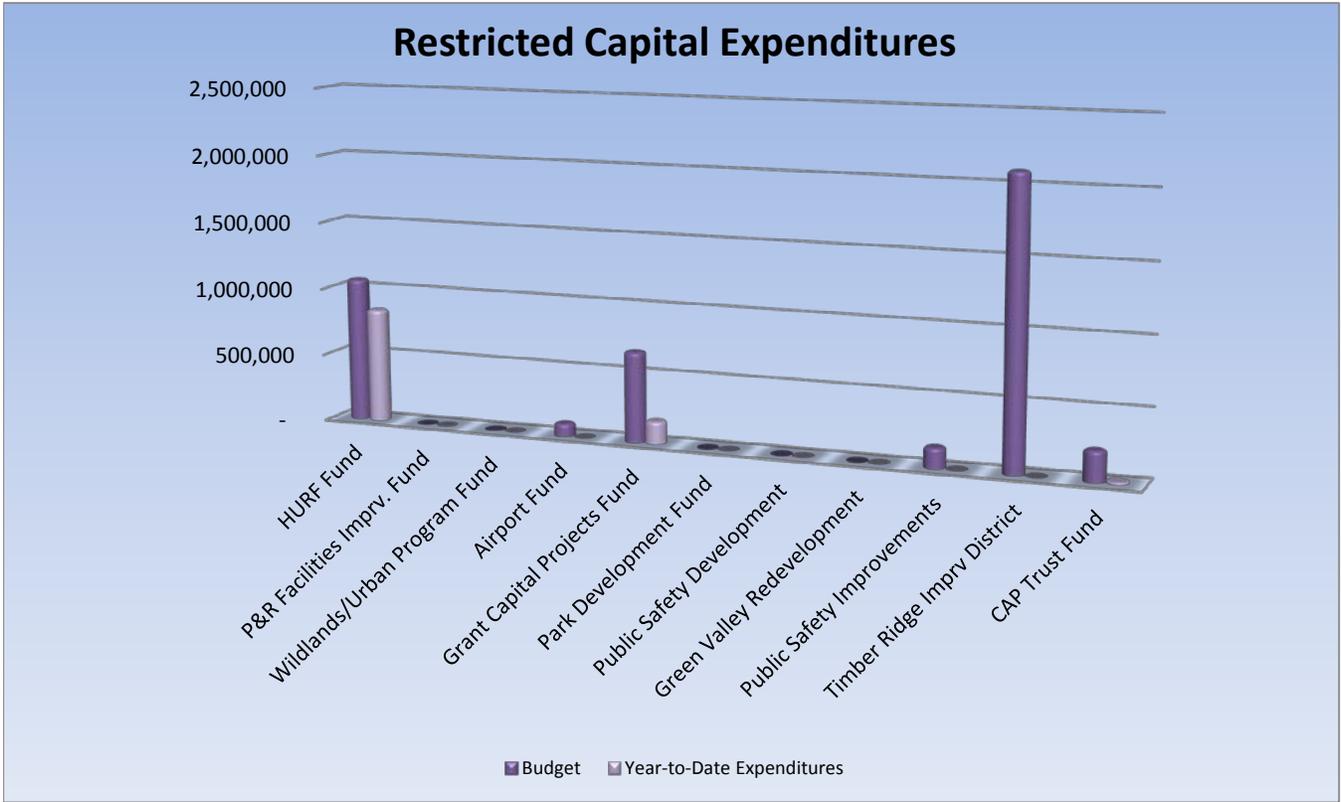


Restricted Capital Expenditures

Fund	2016/17	2016/17	2016/17	2016/17	2016/17
	Original Budget	Year-to-Date Expenditures	Expenditures Remaining to be Spent	YTD % Spent	% to be Spent
202 HURF Fund	1,065,000	842,054	222,946	79%	21%
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	168,815	498,285	25%	75%
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	22,014	202,986	10%	90%
661 Water Fund	18,376,000	1,690,447	16,685,553	9%	91%
Total Restricted Capital Expenditures	22,678,200	2,723,330	19,954,870	12.01%	87.99%

* Includes transfers out

Expenditure Analysis - Adopted Budget As of November 30, 2016 42% of the year has elapsed

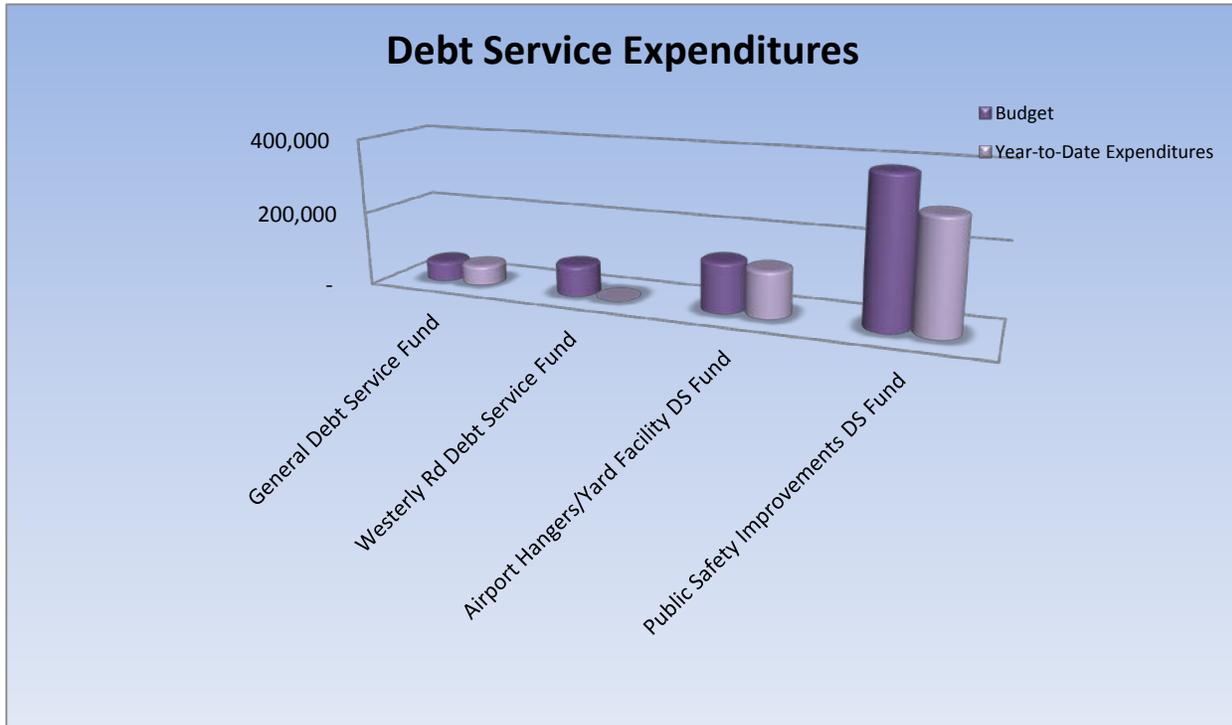


Expenditure Analysis - Adopted Budget As of November 30, 2016 42% of the year has elapsed

Debt Service Expenditures

<u>Fund</u>	2016/17	2016/17	2016/17	2016/17	2016/17
	Original Budget	Year-to-Date Expenditures	Expenditures Remaining to be Spent	YTD % Spent	% to be Spent
801 General Debt Service Fund	52,900	52,875	25	100%	0%
812 Westerly Rd Debt Service Fund	82,300	750	81,550	1%	99%
822 Airport Hangers/Yard Facility DS Fund	132,000	122,795	9,205	93%	7%
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	471,420	221,080	68.08%	31.92%

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

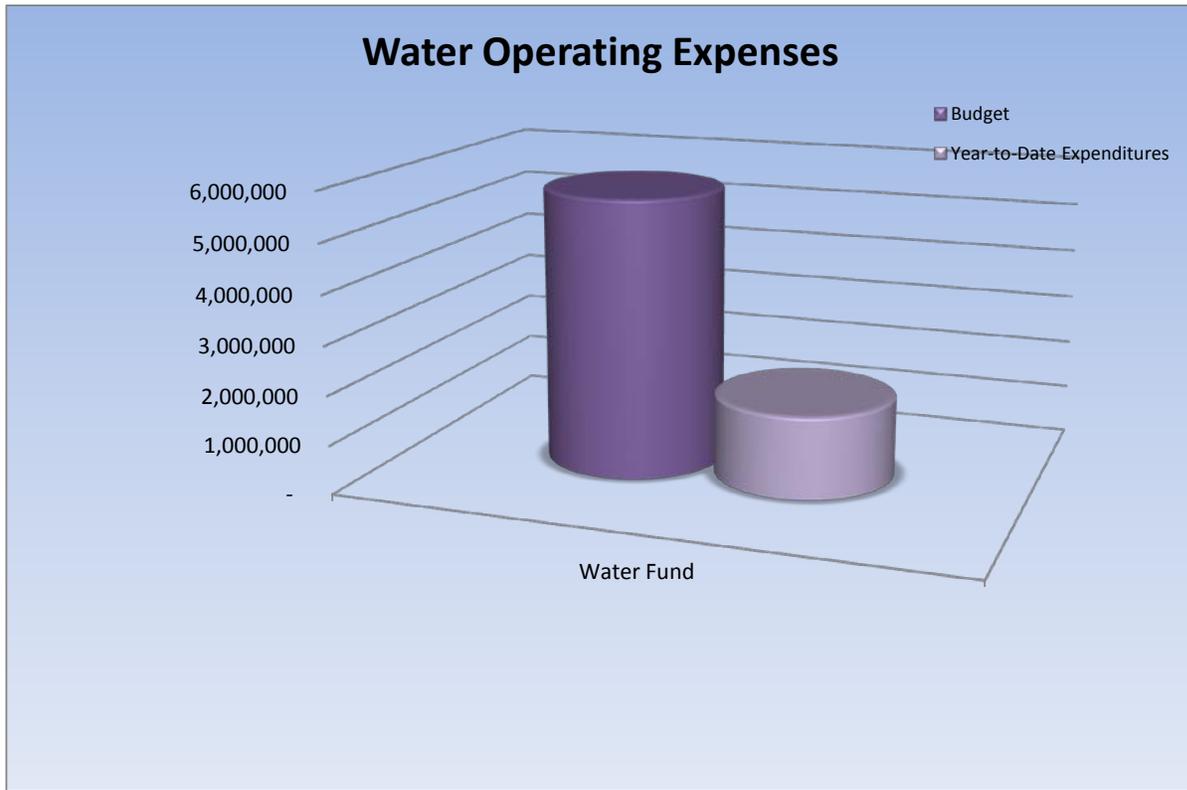


Expenditure Analysis - Adopted Budget As of November 30, 2016 42% of the year has elapsed

Utility Enterprise Expenses

<u>Fund</u>	2016/17	2016/17	2016/17	2016/17	2016/17
	Original Budget	Year-to-Date Expenditures	Expenditures Remaining to be Spent	YTD % Spent	% to be Spent
661 Water Fund	5,677,800	1,677,800	4,000,000	30%	70%
Utility Enterprise Expenses	5,677,800	1,677,800	4,000,000	29.55%	70.45%

* 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 November 30, 2016 - 41.7% of Year Lapsed

Revenues by Category	Revised	**Current Month**		**Year to Date**		Unrealized Balance	Remaining % to be collected/spent
	Budget	Estimate	Actual	Estimate	Actual		
Taxes	\$ 11,678,400	\$ 973,200	\$ 1,287,200	\$ 4,866,000	\$ 4,571,073	\$ 7,107,327	60.86%
Licenses and Permits	\$ 896,500	\$ 74,708	\$ 26,523	\$ 373,542	\$ 230,030	\$ 666,470	74.34%
Intergovernmental Revenue	\$ 963,800	\$ 80,317	\$ 57,913	\$ 401,583	\$ 187,721	\$ 776,079	80.52%
Charges for Services	\$ 927,500	\$ 77,292	\$ 30,932	\$ 386,458	\$ 229,553	\$ 697,947	75.25%
Fines and Forfeitures	\$ 110,000	\$ 9,167	\$ 5,873	\$ 45,833	\$ 27,214	\$ 82,786	75.26%
Miscellaneous Revenue	\$ 195,600	\$ 16,300	\$ 5,445	\$ 81,500	\$ 28,660	\$ 166,940	85.35%
Transfers In	\$ 147,000	\$ 12,250	\$ -	\$ 61,250	\$ -	\$ 147,000	100.00%
Total Revenues	\$ 14,918,800	\$ 1,243,233	\$ 1,413,886	\$ 6,216,167	\$ 5,274,251	\$ 9,644,549	64.65%
Expenditures by Department							
Council	\$ 106,700	\$ 8,892	\$ 6,527	\$ 44,458	\$ 38,043	\$ 68,657	64.35%
Manager	\$ 210,700	\$ 17,558	\$ 13,506	\$ 87,792	\$ 70,395	\$ 140,305	66.59%
Clerk	\$ 212,600	\$ 17,717	\$ 13,358	\$ 88,583	\$ 74,403	\$ 138,197	65.00%
Elections	\$ 41,000	\$ 3,417	\$ -	\$ 17,083	\$ 13,470	\$ 27,530	67.15%
Informations Technology	\$ 644,900	\$ 53,742	\$ 53,525	\$ 268,708	\$ 381,781	\$ 263,119	40.80%
Financial Services	\$ 369,900	\$ 30,825	\$ 22,415	\$ 154,125	\$ 121,630	\$ 248,270	67.12%
Human Resources	\$ 226,500	\$ 18,875	\$ 15,661	\$ 94,375	\$ 81,638	\$ 144,862	63.96%
Attorney	\$ 425,700	\$ 35,475	\$ 31,035	\$ 177,375	\$ 147,008	\$ 278,692	65.47%
Tourism	\$ 122,700	\$ 10,225	\$ 8,680	\$ 51,125	\$ 44,371	\$ 78,329	63.84%
Magistrate Court	\$ 198,100	\$ 16,508	\$ 29,613	\$ 82,542	\$ 73,109	\$ 124,991	63.09%
Central Services	\$ 1,343,100	\$ 111,925	\$ 160,987	\$ 559,625	\$ 535,964	\$ 807,136	60.10%
Police	\$ 5,557,600	\$ 463,133	\$ 390,691	\$ 2,315,667	\$ 1,915,218	\$ 3,642,382	65.54%
Fire	\$ 3,386,300	\$ 282,192	\$ 254,145	\$ 1,410,958	\$ 1,211,100	\$ 2,175,200	64.24%
Community Development	\$ 1,217,800	\$ 101,483	\$ 58,666	\$ 507,417	\$ 326,422	\$ 891,378	73.20%
Parks & Recreation	\$ 1,101,500	\$ 91,792	\$ 55,445	\$ 458,958	\$ 443,463	\$ 658,037	59.74%
Transfers Out	\$ 442,100	\$ 36,842	\$ -	\$ 184,208	\$ -	\$ 442,100	100.00%
Total Expenditures	\$ 15,607,200	\$ 1,300,600	\$ 1,114,254	\$ 6,503,000	\$ 5,478,015	\$ 10,129,185	64.90%
Total Revenues over (under)							
Total Expenditures	\$ (688,400)		\$ 299,632		\$ (203,764)		
Beginning fund balance	\$ 1,571,976		Beg fund balance		\$ 1,571,976		
Ending balance over(under)	\$ 883,576		Ending balance		\$ 1,368,212		