

Town of Chino Valley

Arizona

Financial Report



To The Town Council

For the Six Months Ending December 31, 2013 50% of the Fiscal Year

Town of Chino Valley
Revenue and Expense Summary
For the Six Months Ending December 31, 2013 50% of the Fiscal Year

	Actual vs Prior Year					
	Actual Year to Date FY 2012-13	Actual Year to Date FY 2013-14 (2)	Amount	% FY 2013-14/ FY 2012-13	Annual Budget FY 2013-14 (1)	% of Budget YTD
GENERAL FUND						
General Fund Revenues by Category						
Franchise Taxes	\$ 36,767	\$ 34,798	\$ (1,969)	-5%	\$ 138,500	25%
Tax Revenues	\$ 1,207,672	\$ 1,831,904	\$ 624,232	52%	\$ 3,911,000	47%
Licenses & Permits	\$ 86,760	\$ 114,557	\$ 27,797	32%	\$ 165,000	69%
Intergovernmental	\$ 1,276,220	\$ 1,364,881	\$ 88,661	7%	\$ 2,892,400	47%
Charges for Services	\$ 368,354	\$ 28,349	\$ (340,005)	-92%	\$ 102,300	28%
Fines and Forfeitures	\$ 55,052	\$ 45,500	\$ (9,552)	-17%	\$ 132,500	34%
Other Revenues	\$ 2,084	\$ 3,348	\$ 1,264	61%	\$ 2,300	146%
Contributions and Donations	\$ 5,934	\$ 3,439	\$ (2,496)	-42%	\$ 13,800	25%
Investment Earnings	\$ 212	\$ 239	\$ 27	13%	\$ 550	44%
Transfers In	\$ 209,328	\$ 27,740	\$ (181,588)	-87%	\$ 65,480	42%
Total Revenues	\$ 3,248,383	\$ 3,454,756	\$ 206,373	6%	\$ 7,423,830	47%

Total Revenues for the General Fund are up \$206,373 over the previous fiscal year. Tax Revenues are up 52% due to the one percent sales tax rate increase. Charges for Services was down due to a one time payment received in FY 2012-13. Intergovernmental Revenues are up 7% primarily due to a and increase in State Shared Income Tax and State Shared Sales Tax. Building Permits are up 92% from \$34,683 to \$66,487. Charges for Services and Fines and Forfeitures are lagging the budget projections. Transfers in were reduced in the current years budget over the prior year. The total General Fund Revenues are up 6% compared to the same period last year. Overall General Fund Revenues are on track YTD.

Town of Chino Valley
Revenue and Expense Summary
For the Six Months Ending December 31, 2013 50% of the Fiscal Year

	Actual vs Prior Year					
	Actual Year to Date FY 2012-13	Actual Year to Date FY 2013-14 (2)	Amount	% FY 2013-14/ FY 2012-13	Annual Budget FY 2013-14 (1)	% of Budget YTD
General Fund Expenditures by Department						
Prosecutor	\$ 49,734	\$ 53,667	\$ 3,933	8%	\$ 118,650	45%
Town Clerk	\$ 77,362	\$ 80,281	\$ 2,919	4%	\$ 233,850	34%
Town Manager	\$ 160,479	\$ 169,404	\$ 8,925	6%	\$ 348,850	49%
Human Recourses	\$ 22,642	\$ 24,408	\$ 1,766	8%	\$ 66,950	36%
Municipal Court	\$ 124,329	\$ 128,932	\$ 4,603	4%	\$ 294,800	44%
Finance	\$ 127,618	\$ 143,391	\$ 15,773	12%	\$ 279,050	51%
Management Information System	\$ 76,314	\$ 90,377	\$ 14,063	18%	\$ 244,500	37%
Mayor and Council	\$ 11,338	\$ 12,239	\$ 901	8%	\$ 29,550	41%
Planning	\$ 74,758	\$ 90,263	\$ 15,505	21%	\$ 139,350	65%
Building Inspection	\$ 68,724	\$ 90,988	\$ 22,264	32%	\$ 231,030	39%
Police	\$ 1,113,801	\$ 1,230,662	\$ 116,861	10%	\$ 2,491,650	49%
Animal Control	\$ 38,603	\$ 42,553	\$ 3,950	10%	\$ 91,400	47%
Recreation	\$ 26,032	\$ 13,194	\$ (12,838)	-49%	\$ 74,250	18%
Library	\$ 122,722	\$ 132,705	\$ 9,983	8%	\$ 281,050	47%
Senior Center	\$ 94,221	\$ 91,051	\$ (3,170)	-3%	\$ 199,450	46%
Parks Maintenance	\$ 211,950	\$ 171,972	\$ (39,978)	-19%	\$ 385,300	45%
Aquatic Center	\$ 106,852	\$ 95,355	\$ (11,497)	-11%	\$ 277,500	34%
Public Works Administration	\$ 9,346	\$ -	\$ (9,346)	-100%	\$ -	
Facilities Maintenance	\$ 128,885	\$ 158,988	\$ 30,103	23%	\$ 349,000	46%
Fleet Maintenance	\$ 149,889	\$ 145,343	\$ (4,546)	-3%	\$ 332,350	44%
Engineering	\$ 20,347	\$ 29,026	\$ 8,679	43%	\$ 64,900	45%
Non Departmental	\$ 284,889	\$ 448,028	\$ 163,139	57%	\$ 868,800	52%
Total Expenditures	\$ 3,100,835	\$ 3,442,829	\$ 341,994	11%	\$ 7,402,230	47%
Total Revenue Over (Under)						
Total Expenditures	\$ 147,548	\$ 11,927	\$ (135,621)		\$ 21,600	
GENERAL FUND (Continued)						

Total General Fund Expenditures are at 47% of budget this fiscal year with 50% of the fiscal year complete. Expenditures are \$341,994 higher to date than last fiscal year. The Finance Department is up due to the timing of the audit fees payment. The Police Department personnel costs are up over the prior fiscal year and are at 48% year to date. A detailed analysis of the Police Departments payroll projects them to be under budget by the end of the fiscal year. The Planning department will be over budget this fiscal year due to hiring a full time planner and and increased contract planner expenses. Non Departmental is up due to the emergency gas line repair on North Campus. All other departments are on track.

Town of Chino Valley
Revenue and Expense Summary
For the Six Months Ending December 31, 2013 50% of the Fiscal Year

	Actual Year to Date FY 2012-13	Actual Year to Date FY 2013-14 (2)	Actual vs Prior Year		Annual Budget FY 2013-14 (1)	% of Budget YTD
			Amount	% FY 2013-14/ FY 2012-13		
HIGHWAY USER REVENUE FUND						
Total Revenues	\$ 350,119	\$ 355,942	\$ 5,823	2%	\$ 1,019,550	35%
Expenditures						
Road Maintenance	\$ 278,333	\$ 437,788	\$ 159,455	57%	\$ 1,019,550	43%
Total Revenue Over (Under)						
Total Expenditures	\$ 71,786	\$ (81,846)	\$ (153,632)		\$ -	

Total Fund Revenues are up slightly over the prior fiscal year. Expenditures are up due to the chip seal work completed this fiscal year, but the department is at 43% year to date.

WATER ENTERPRISE FUND						
Water Revenues	\$ 249,980	\$ 250,304	\$ 324		\$ 472,000	
Transfers In	\$ 181,494	\$ 110,000	\$ (71,494)		\$ 220,000	
Total Revenues	\$ 431,474	\$ 360,304	\$ (71,170)	-16%	\$ 692,000	52%
Expenditures						
Water Utility Operations	\$ 265,061	\$ 270,617	\$ 5,556		\$ 539,700	
Capital Improvements	\$ 6,047	\$ -	\$ (6,047)			
Debt Service/Reserve	\$ 14,010	\$ -	\$ (14,010)		\$ 94,895	
Total Expenditures	\$ 285,118	\$ 270,617	\$ (14,501)	-5%	\$ 634,595	43%
Total Revenue Over (Under)						
Total Expenditures	\$ 146,356	\$ 89,687	\$ (56,669)		\$ 57,405	

Total Water Enterprise Fund Revenues are even with last fiscal year, however Water Service Fees are down 22% due to reduced ball field watering and a faulty meter at the Old Home Manor Ball Fields. See the attached for additional information. Total Revenues are even due to the collection of \$52,000 in Water Buy In Fees so far this fiscal year. Expenditures are down slightly over last fiscal year and are at 43% year to date.

SEWER ENTERPRISE FUND						
Total Revenue	\$ 686,623	\$ 717,525	\$ 30,902	5%	\$ 1,683,365	43%
Expenditures						
Sewer	\$ 428,023	\$ 396,335	\$ (31,688)		\$ 892,050	
Debt Service/Reserve	\$ 162,414	\$ 84,184	\$ (78,230)		\$ 791,315	
Total Expenditures	\$ 590,437	\$ 480,519	\$ (109,918)	-19%	\$ 1,683,365	29%
Total Revenue Over (Under)						
Total Expenditures	\$ 96,186	\$ 237,007	\$ 140,821		\$ -	

Total Sewer Enterprise Fund Revenues are up 5% over last fiscal year. Sewer Service Fees are up 13% primarily due to the rate increase adopted last fiscal year. The Town collected \$55,108 in Sewer Buy In Fees so far this fiscal year. Expenditures are down 19% and are at 29% year to date.

Town of Chino Valley
Revenue and Expense Summary
For the Six Months Ending December 31, 2013 50% of the Fiscal Year

	Actual vs Prior Year					
	Actual Year to Date FY 2012-13	Actual Year to Date FY 2013-14 (2)	Amount	% FY 2013-14/ FY 2012-13	Annual Budget FY 2013-14 (1)	% of Budget YTD
CAPITAL IMPROVEMENT FUND						
Total Revenues	\$ 604,356	\$ 611,058	\$ 6,702	1%	\$ 4,790,800	13%
Transfers IN Road Impact Fees		\$ 243,280	\$ 243,280		\$ 1,000,000	
Capital Improvements	\$ 130,119	\$ 456,862	\$ 326,743		\$ 4,584,000	
Transfers	\$ 679,194	\$ 429,049	\$ (250,145)		\$ 1,206,800	
Total Expenditures	\$ 809,313	\$ 885,911	\$ 76,598	9%	\$ 5,790,800	15%
Total Revenue Over (Under)						
Total Expenditures	\$ (204,957)	\$ (31,574)	\$ 173,384		\$ -	

Capital Improvement Fund Revenues are up slightly by 1% over the prior fiscal year. Transfers are down due to the reduced amount budgeted this fiscal year. Note the majority of the work done this fiscal year in the Capital Projects fund will be funded by Road Impact Fees.

Detailed Capital Improvement Fund Projects Funded by Road Impact Fees	Actual Year to Date FY 2013-14	Annual Budget FY 2013-14
Center Street Box Culvert	\$ 12,445	\$ 500,000
Road 4 South Right of Way	\$ 219,062	\$ 300,000
Road 4 South Phase 1	\$ 2,191	
Road 4 South Phase 2		
Road 1 East & Road 3 South	\$ 9,582	\$ 200,000
	\$ 243,280	\$ 1,000,000

Town of Chino Valley
Revenue and Expense Summary
For the Six Months Ending December 31, 2013 50% of the Fiscal Year

	Actual vs Prior Year					
	Actual Year to Date FY 2012-13	Actual Year to Date FY 2013-14 (2)	Amount	% FY 2013-14/ FY 2012-13	Annual Budget FY 2013-14 (1)	
OTHER MINOR FUNDS						
Other Minor Funds -Revenues						
CDBG Grant	\$ -	\$ -	\$ -		\$ -	
Grants Fund	\$ 87,759	\$ 130,424	\$ 42,665		\$ 700,000	
Special Revenue Fund Court	\$ 6,010	\$ 4,425	\$ (1,585)		\$ 15,600	
Capital Asset Replacement	\$ 254	\$ 86	\$ (168)		\$ 25,000	
Police Impact Fee Funds	\$ 346	\$ 8,592	\$ 8,246		\$ 50,000	
Library Impact Fee Funds	\$ 191	\$ 32,168	\$ 31,977		\$ 7,000	
Parks/Rec Impact Fee Funds	\$ 449	\$ 7,036	\$ 6,587		\$ 29,000	
Roads Impact Fee Funds	\$ 4,515	\$ 74,715	\$ 70,200		\$ 1,000,000	
Special Revenue Fund PD	\$ 14,480	\$ 17,354	\$ 2,874		\$ 25,000	
CVSLID Districts	\$ 1,382	\$ 499	\$ (883)		\$ 3,578	
Total Revenues	\$ 115,386	\$ 275,298	\$ 159,912	139%	\$ 1,855,178	15%
Other Minor Funds -Expenditures						
CDBG Grant	\$ -	\$ -	\$ -		\$ 650,914	
Grants Funds	\$ 288,372	\$ 142,492	\$ (145,880)		\$ 700,000	
Special Revenue Fund - Court	\$ 4,408	\$ 2,785	\$ (1,623)		\$ 500	
Capital Replacement Fund	\$ 3,997	\$ -	\$ (3,997)		\$ 30,000	
Police Impact Fee Funds	\$ 1,218	\$ 559	\$ (659)		\$ 50,000	
Library Impact Fee Funds	\$ 5,327	\$ 122,117	\$ 116,790		\$ 7,000	
Parks/Rec Impact Fee Funds	\$ 244	\$ (8,811)	\$ (9,055)		\$ 29,000	
Roads Impact Fee Funds	\$ 506,462	\$ 243,280	\$ (263,182)		\$ 1,000,000	
Special Revenue Fund PD	\$ -	\$ 7,040	\$ 7,040		\$ 30,000	
CVSLID Districts	\$ 1,990	\$ 1,899	\$ (91)		\$ 3,806	
Total Expenditures	\$ 812,018	\$ 511,360	\$ (300,658)	-37%	\$ 2,501,220	20%
Total Revenue Over (Under)						
Total Expenditures	\$ (696,632)	\$ (236,062)	\$ 460,570		\$ (646,042)	
Revenues up due to the collection impact fees from new housing starts this fiscal year. As budgeted the Town is using Library Impact Fees to expand the Library this fiscal year.						
TOTAL ALL FUNDS						
Total Revenue All Funds	\$ 5,436,341	\$ 5,774,883	\$ 338,542	6%	\$ 17,464,723	33%
Total Expenditures All Funds	\$ 5,876,054	\$ 6,029,025	\$ 152,971	3%	\$ 19,031,760	32%
Total Revenue Over (Under)						
Total Expenditures All Funds	\$ (439,713)	\$ (254,141)	\$ 185,572		\$ (1,567,037)	
(1) Budget does not include Carryover Amounts from Prior Fiscal Years						
(2) Year to date amounts include actual expenditures paid to date.						

Town of Chino Valley
Major Revenue Summary
For the Six Months Ending December 31, 2013 50% of the Fiscal Year

					Actual vs Prior Year	
	Actual Year to Date FY 2012-13	Annual Budget FY 2013-14	Actual Year to Date FY 2013-14*	% of Budget YTD	Amount	%
Town Sales Tax Retail	\$ 1,134,021	\$ 3,670,000	\$ 1,702,393	46%	\$ 568,372	50%
Vehicle License Tax	\$ 258,326	\$ 563,000	\$ 292,757	52%	\$ 34,431	13%
State Shared Sales Tax	\$ 418,575	\$ 935,000	\$ 447,094	48%	\$ 28,519	7%
State Shared Income Tax	\$ 552,467	\$ 1,207,000	\$ 603,400	50%	\$ 50,933	9%
Highway User Revenue	\$ 349,099	\$ 763,000	\$ 356,683	47%	\$ 7,584	2%
Water Service Fees	\$ 245,604	\$ 467,000	\$ 191,868	41%	\$ (53,736)	-22%
Capital Improvement	\$ 567,007	\$ 1,138,000	\$ 565,706	50%	\$ (1,301)	0%
Sewer Service Fees	\$ 509,162	\$ 1,125,000	\$ 574,159	51%	\$ 64,997	13%
Major Revenues Y.T.D.	\$ 4,034,261	\$ 9,868,000	\$ 4,734,062	48%	\$ 699,801	17%
Total Revenue All Funds	\$ 5,436,341	\$ 17,464,723	\$ 5,774,883	33%	\$ 338,542	6%

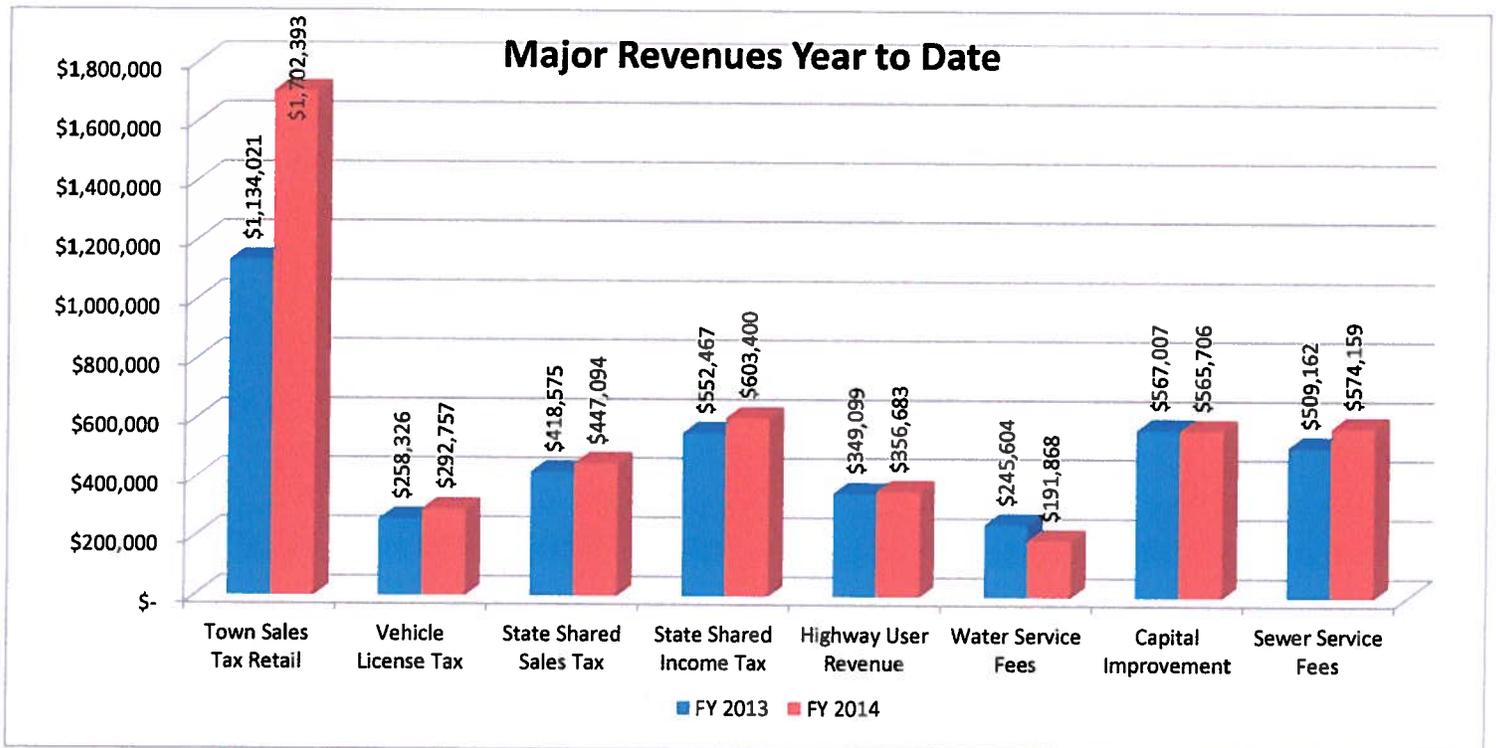
74%

57%

82%

*Note Retail Sales Tax Rate increased from 3% to 4% on June 1, 2013.

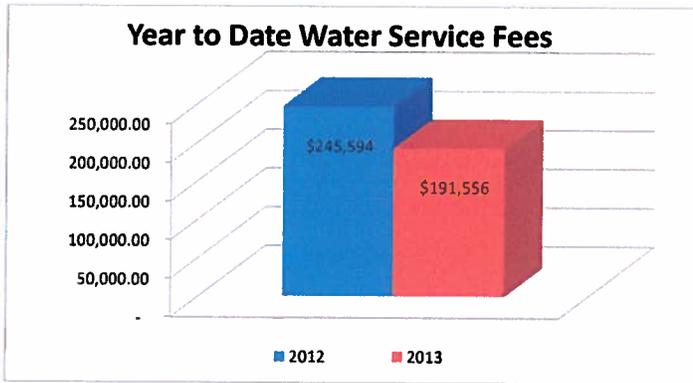
The Major Revenues are up \$699,801 or 17% over the prior fiscal year continuing a positive trend. The largest portion is attributed to the 1% sales tax increase that went into effect this fiscal year. Sewer Service Fees are up 13% over last fiscal year due to the adopted rate increase. Excluding Water Service Fees, the remaining revenues are as on track as projected in this years budget.



Impact Fee Fund Recaps					
For the Six Months Ending December 31, 2013 50% of the Fiscal Year					
	Police Impact Fees	Library Impact Fees	Parks/Rec Impact Fees	Roads Impact Fees	
Beginning Fund Balance @ 6/30/13	\$ 78,889	\$ 83,963	\$ 23,394	\$ 1,951,941	
Impact Fees Revenue to Date	\$ 8,592	\$ 32,168	\$ 7,036	\$ 74,715	
Impact Fees Expenditures to Date	\$ 559	\$ 122,117	\$ (8,811)	\$ 243,280	
Ending Fund Balance to Date	\$ 86,921	\$ (5,986)	\$ 39,241	\$ 1,783,377	
Budgeted Expenditures FY 13/14	\$ 50,000	\$ 7,000	\$ 29,000	\$ 1,000,000	
<p>Library Impact Fees include a \$30,000 grant from the Yavapai Library District. The deficit will be made up with a contribution from the Friends of the Library. Parks/Recs Impact Fees reflect a prior year credit from the HURF Fund and will be used on the skatepark design.</p>					
Contingency Funds Budget					
For the Six Months Ending December 31, 2013 50% of the Fiscal Year					
	Actual Year to Date FY 2013-14	Annual Budget FY 2013-14			
General Fund Budget		\$ 321,500			
Encumbered to Date					
North Campus Gas Line	\$ 100,186	\$ 100,186			
Great Prescott Regional Economic Retreat	\$ 5,309	\$ 5,309			
General Fund Balance		\$ 205,505			
HURF Fund Budget		\$ 9,500			
Water Fund Budget		\$ 23,000			
Sewer Fund Budget		\$ 68,500			
Balance of Contingency Budget	\$ 105,495	\$ 306,505			
Annual Debt Service Summary By Fund					
Fiscal Year Ended June 30, 2014					
Debt Issue	Date Issued	Original Amount	Outstanding Amount as of June 30, 2013	FY 2014 Principal	FY 2014 Interest
General Government					
GADA Loan 2007A	7/1/2011	\$ 3,825,000	\$ 3,695,000	\$ 75,000	\$ 175,981
US Bank Series 2010	12/15/2010	\$ 7,280,000	\$ 7,280,000		\$ 331,638
		\$ 11,105,000	\$ 10,975,000	\$ 75,000	\$ 507,619
Water Enterprise Fund					
US Bank Series 2010	12/15/2010	\$ 745,000	\$ 655,000	\$ 45,000	\$ 26,895
Sewer Enterprise Fund					
WIFA	1/10/2007	\$ 1,580,000	\$ 1,166,086	\$ 75,796	\$ 32,161
WIFA	1/11/2008	\$ 4,853,000	\$ 3,973,676	\$ 235,511	\$ 111,819
USDA	2/16/2007	\$ 1,595,000	\$ 1,450,165	\$ 37,140	\$ 59,136
USDA	4/10/2008	\$ 1,505,000	\$ 1,406,302	\$ 33,470	\$ 57,382
USDA	4/16/2008	\$ 1,332,000	\$ 1,245,534	\$ 29,577	\$ 50,823
		\$ 10,865,000	\$ 9,241,763	\$ 411,494	\$ 311,321
Total Town of Chino Valley Debt		\$ 22,715,000	\$ 20,871,763	\$ 531,494	\$ 845,835

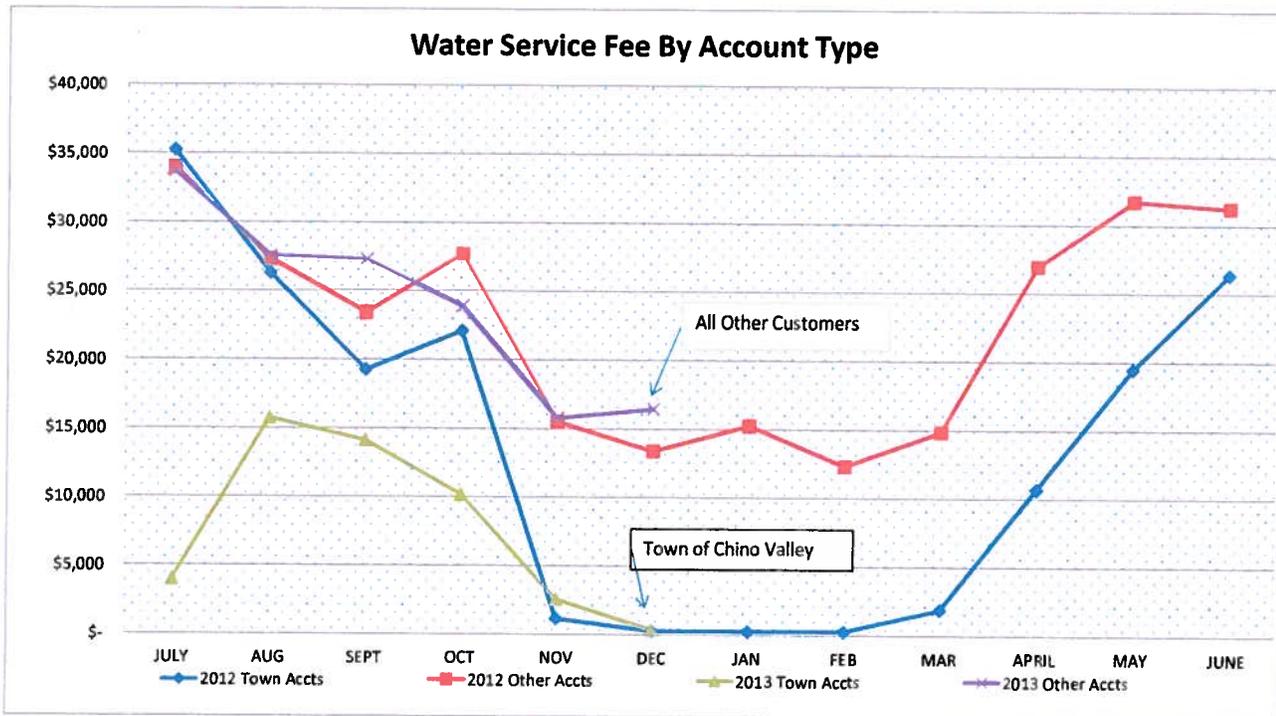
**Town of Chino Valley
Water Service Fee Analysis**

For the first five months of fiscal year 2013 water service fee revenue decreased by \$56,973 compared to the prior fiscal year. An detailed analysis revealed that the reduction was due to a decrease in water used by the Town on the parks and ballfields and a faulty meter on the fields at Old Home Manor. The faulty meter recorded higher water usage in fiscal year 2012 resulting in at \$15,000 credit posted in July 2013, and an overall \$24,000 reduction in usage over the first five months. All other customers usages is even with last fiscal year. The budget shortfall will be made up with Water Buy In Fees this fiscal year.



This chart summarizes the decrease in Water Service Fees

The chart below breaks out the monthly Water Service Fees paid by the Town of Chino Valley and all other customers. The Town of Chino Valley accounted for 37% of the Water Systems Revenue in fiscal year 2012. The Town of Chino Valley is the Water Utilities largest customer. Note that the reduction in water use by the Town so far this fiscal year and an increase in water usage by all other customers.



Note, the Water System Buy In Fees collected so far this fiscal year have offset the loss. However, the Town should carefully monitor this account for the rest of the fiscal year.

**Town of Chino Valley
Reserve Requirement Summary**

"The Town will maintain a fund stabilization reserve of 25% of General Government and Enterprise Funds operating expenditures for unforeseen emergencies or catastrophic impacts to the Town"

	Fund Balance @ 6/30/12	Fund Balance @ 6/30/13	Budgeted Expenditures FY 2013-14	25% of Budgeted Expenditures FY 2013-14 Required Reserve	Budgeted Fund Balance @ 6/30/14	Budgeted Reserve Overage/(Shortfall)
General Fund	\$ 2,613,608	\$ 3,100,744			\$ 2,862,411	
Less Interfund Loans	\$ 1,171,000	\$ 1,352,889			\$ 1,300,000	
Total Available Resources	\$ 1,442,608	\$ 1,747,855	\$ 7,402,230	\$ 1,850,558	\$ 1,562,411	\$ (288,147)
HURF Fund	\$ 747,378	\$ 923,452	\$ 1,019,550	\$ 254,888	\$ 569,773	\$ 314,886
Water Enterprise Fund	\$ 3,921,364	\$ 3,990,525			\$ 4,269,877	
Less Fixed Assets and Long Term Obligation	\$ 4,016,615	\$ 3,992,963			\$ 4,000,000	
Total Available Resourced	\$ (95,251)	\$ (2,438)	\$ 634,595	\$ 158,649	\$ 269,877	\$ 111,228
Sewer Enterprise Fund	\$ 9,997,690	\$ 8,988,351			\$ 9,390,052	
Less Fixed Assets and Long Term Obligation	\$ 8,653,666	\$ 8,222,544			\$ 8,500,000	
Total Available Resourced	\$ 1,344,024	\$ 765,806	\$ 1,683,365	\$ 420,841	\$ 890,052	\$ 469,211

The General Fund is not projected to have the required reserve at June 30, 2014 based on the adopted budget. The Town will update the projection during next years budget cycle and determine the amount to be budgeted next fiscal year. All other funds meet the minimum required reserve amounts.