



QUARTERLY FINANCIAL REPORT

THROUGH FIRST QUARTER FY 2025-26



Fireworks from Territorial Days



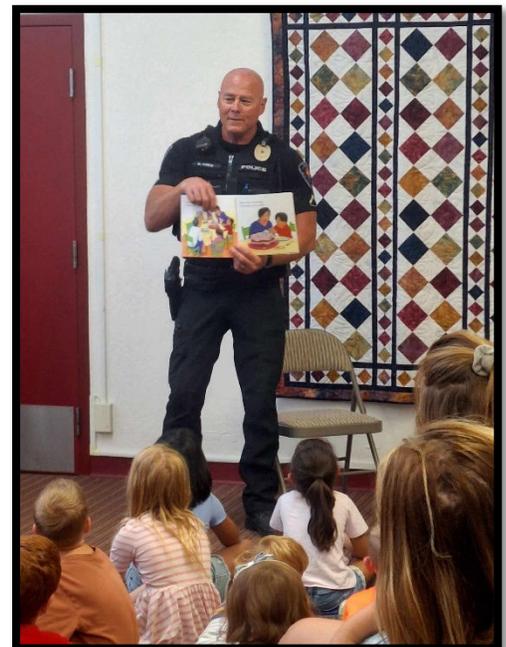
Parks and Recreation Crew at Territorial Days



7th Annual Hawaiian Luau



Patching on Perkinsville Rd.



Officer Hawk Reading at Library Storytime

PERFORMANCE AT-A-GLANCE

Performance Indicators - ACTUALS vs. BUDGET

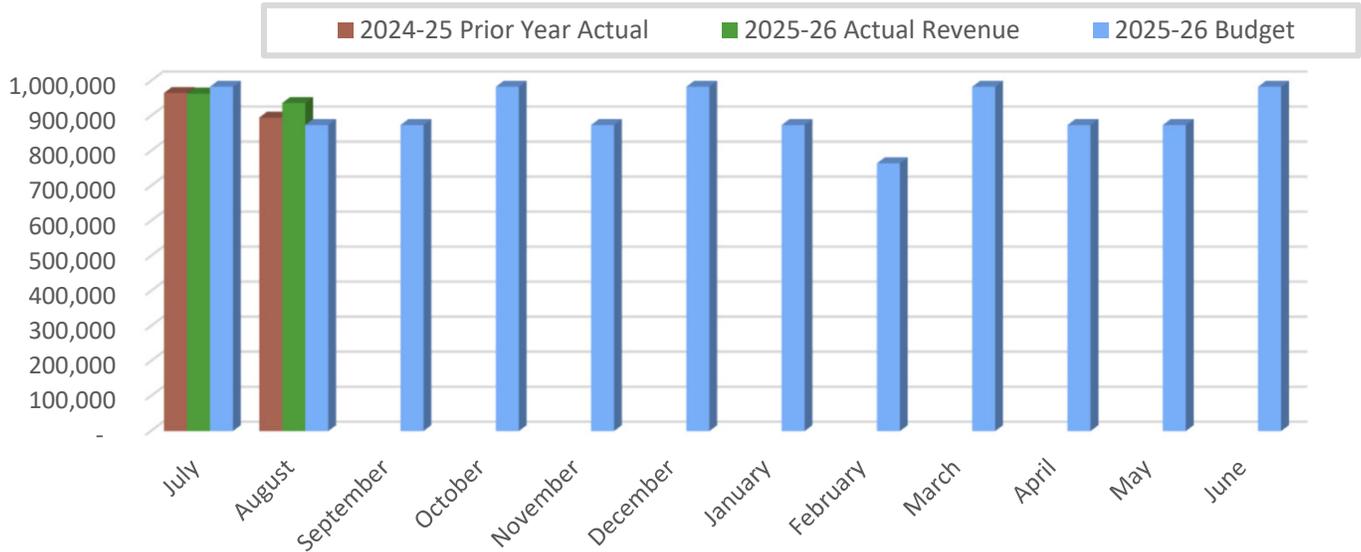
Percentage over on expenses and capital; under on revenue		
Less than 5% of budget	Between 5% and 10% of budget	Greater than 10% of budget
ON TRACK = No concerns noted	MONITOR = Monitoring current variance	ACTION = Currently taking action on variance

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Note: The financial information in this report is unaudited.

TRANSACTION PRIVILEGE TAX: REVENUES

QUARTERLY REVENUE RECEIPTS VS. BUDGET AND PRIOR YEAR



REVENUES	YTD 2024-25 ACTUAL	YTD 2025-26 ACTUAL	YTD 2025-26 BUDGET	YTD OVER (UNDER) 2025-26 BUDGET	YTD OVER (UNDER) 2024-25 ACTUAL
Commercial Rental	43,365	42,138	43,548	(1,410)	(1,227)
Construction	149,808	105,405	183,728	(78,323)	(44,403)
Food for Home Consumption	326,579	336,768	291,011	45,757	10,189
Online Sales	190,463	224,693	196,568	28,125	34,230
Other	97,069	78,872	83,014	(4,142)	(18,197)
Restaurant/Bar	143,735	169,632	151,254	18,378	25,897
Retail	704,439	752,832	728,696	24,136	48,393
Use Tax	36,933	42,467	39,521	2,946	5,534
Utilities	168,322	147,982	140,136	7,846	(20,340)
Total	1,860,713	1,900,789	1,857,476	43,313	40,076

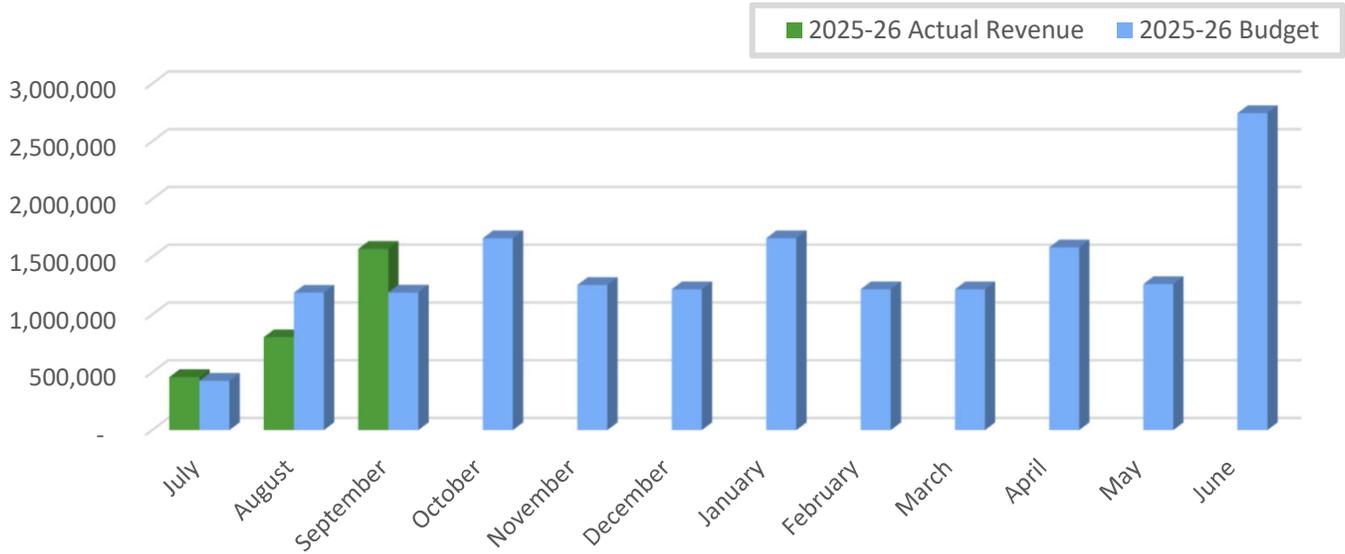
Year-To-Date 2025-26 Variances

Overall Performance: Actual TPT revenues through August reporting in FY 2025-26 are slightly more than budget, with a surplus of **\$43,313** or **2.3%**. The actual YTD is **\$40,076** more than the FY 2024-25 actuals mainly due to higher than prior year retail, restaurant/bar, food for home consumption, and online sales offset by decreases in construction, commercial rental, and other.

While the TPT collections for the first two months are trending positive, the significant decrease in construction is being monitored. It is necessary to note that these amounts are for reports filed through the August reporting period.

GENERAL FUND ACTIVITY: REVENUES

QUARTERLY REVENUE COLLECTIONS VS. BUDGET



REVENUES	FIRST QUARTER ACTUAL	FIRST QUARTER OVER (UNDER) 2025-26 BUDGET	YTD ACTUAL	YTD OVER (UNDER) 2025-26 BUDGET	YTD OVER (UNDER) 2024-25 ACTUAL
Transaction Privilege Tax (TPT)	1,167,040	(19,105)	1,167,040	(19,105)	(148,215)
Franchise Fees	4,276	(2,724)	4,276	(2,724)	(1,251)
Licenses & Permits	94,736	28,148	94,736	28,148	23,719
Intergovernmental - Vehicle License Tax	255,802	8,847	255,802	8,847	14,618
Intergovernmental - County Library	-	-	-	-	-
Intergovernmental - Grants	7,804	7,180	7,804	7,180	(2,272)
Intergovernmental - State Shared TPT	415,068	10,461	415,068	10,461	4,606
Intergovernmental - State Income Tax	677,872	(9,359)	677,872	(9,359)	(56,837)
Charges for Services	35,980	(5,624)	35,980	(5,624)	322
Fines & Forfeitures	29,131	(1,533)	29,131	(1,533)	2,709
Miscellaneous	22,768	9,991	22,768	9,991	(6,893)
Interest	123,085	(1,916)	123,085	(1,916)	7,147
Total	2,833,562	24,366	2,833,562	24,366	(162,347)

Year-To-Date 2025-26 Variances

Transaction Privilege Tax: Revenue is trending slightly below budgeted projections, this is primarily due to timing of the revenues received from the State (see detailed TPT section for more information based upon actual reporting periods).

Licenses & Permits: Above budget, due to slightly increased permit activity compared to previous years.

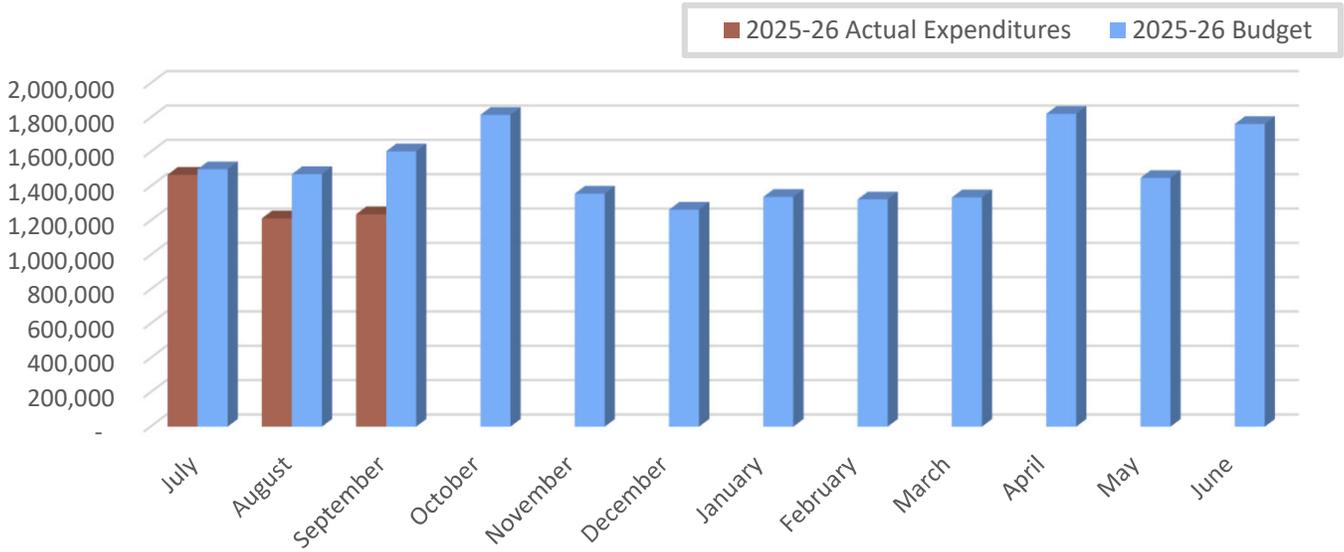
Intergovernmental Revenues: Above budget, primarily attributed to the Vehicle License Tax and State Shared TPT.

Interest: Below budget, due to fewer funds invested in the Local Government Investment Pool (LGIP).

Overall Performance: Actual revenues through the first quarter of FY 2025-26 are slightly above budget, with a surplus of **\$24,366** or **1.0%**. The actual YTD is **\$162,347** less than the FY 2024-25 actuals mainly due to timing difference of TPT received from the State and a planned decrease in the Town's share of State Income Tax offset by increased Vehicle License Tax and more licenses and permits activity.

GENERAL FUND ACTIVITY: EXPENDITURES BY DEPARTMENT

QUARTERLY EXPENDITURES VS. BUDGET



EXPENDITURES	FIRST QUARTER ACTUAL	FIRST QUARTER		YTD ACTUAL	YTD	
		(OVER)	UNDER		(OVER)	UNDER
		2025-26 BUDGET			2025-26 BUDGET	
					2024-25 ACTUAL	
Community Services	369,381	44,249		369,381	44,249	15,405
Development Services	243,670	61,210		243,670	61,210	(13,571)
Finance	174,604	9,364		174,604	9,364	(34,292)
Human Resources	141,048	1,349		141,048	1,349	(6,636)
Information Technology Services	106,439	20,002		106,439	20,002	(12,474)
Municipal Court	69,171	26,587		69,171	26,587	(4,004)
Mayor & Council	22,787	1,590		22,787	1,590	(2,205)
Non-Departmental	419,813	291,269		419,813	291,269	(231,399)
Police	1,401,211	62,294		1,401,211	62,294	(29,912)
Public Works	742,832	65,082		742,832	65,082	(31,545)
Town Clerk	114,808	31,661		114,808	31,661	23,803
Town Manager	112,641	41,751		112,641	41,751	40,810
Total (Excludes Capital)	3,918,405	656,408		3,918,405	656,408	(286,020)

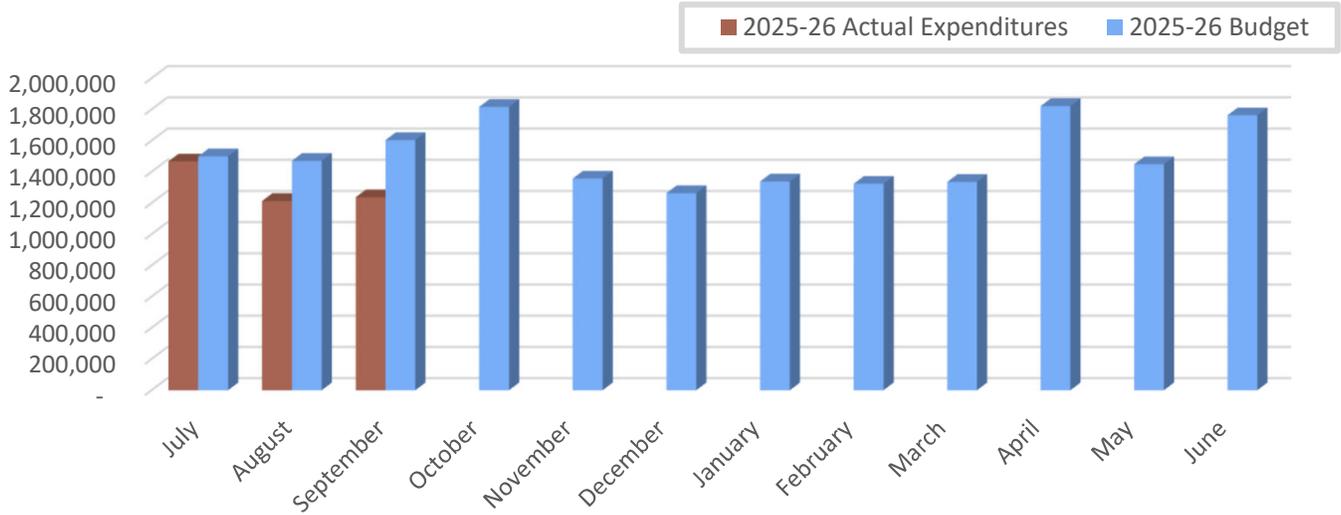
Year-To-Date 2025-26 Variances

Department Budgets: Expenditures for all general fund departments are trending below budget at the close of the first quarter. This is primarily due to long-term, one-time projects that are in the beginning stages; zoning code update, engineering code update, landscape design/planning, and timing of various technology upgrades.

Overall Performance: Actual expenditures through the first quarter of FY 2025-26 are under budget, with a positive variance of **\$656,408** or **14.4%**. The actual YTD is **\$286,020** more than the FY 2024-25 actuals mainly due to Non-Departmental (timing of PSPRS unfunded liability payment of \$250,000 offset by the elimination of the transfer to the Capital Asset Replacement Fund of \$25,000) and the timing of Police annual costs such as the body-worn camera program.

GENERAL FUND ACTIVITY: EXPENDITURES BY TYPE

QUARTERLY EXPENDITURES VS. BUDGET



EXPENDITURES	FIRST QUARTER ACTUAL	FIRST QUARTER 2025-26 BUDGET		YTD ACTUAL	YTD 2025-26 BUDGET		YTD 2024-25 ACTUAL	
		(OVER)	(UNDER)		(OVER)	(UNDER)	(OVER)	(UNDER)
Personnel	2,367,005		272,977	2,367,005		272,977		177,228
Operating	1,300,443		142,369	1,300,443		142,369		(258,536)
One-Time Operating	250,957		7,563	250,957		7,563		(229,712)
Contingency	-		233,499	-		233,499		-
Transfers	-		-	-		-		25,000
Total (Excludes Capital)	3,918,405		656,408	3,918,405		656,408		(286,020)

Year-To-Date 2025-26 Variances

Personnel: Below budget, due to staffing vacancies in Development Services, Police, Community Services, and Public Works, as well as less pro-tem Municipal Court coverage.

Operating: Below budget, due to the timing of repairs and maintenance, legal services, and other professional services.

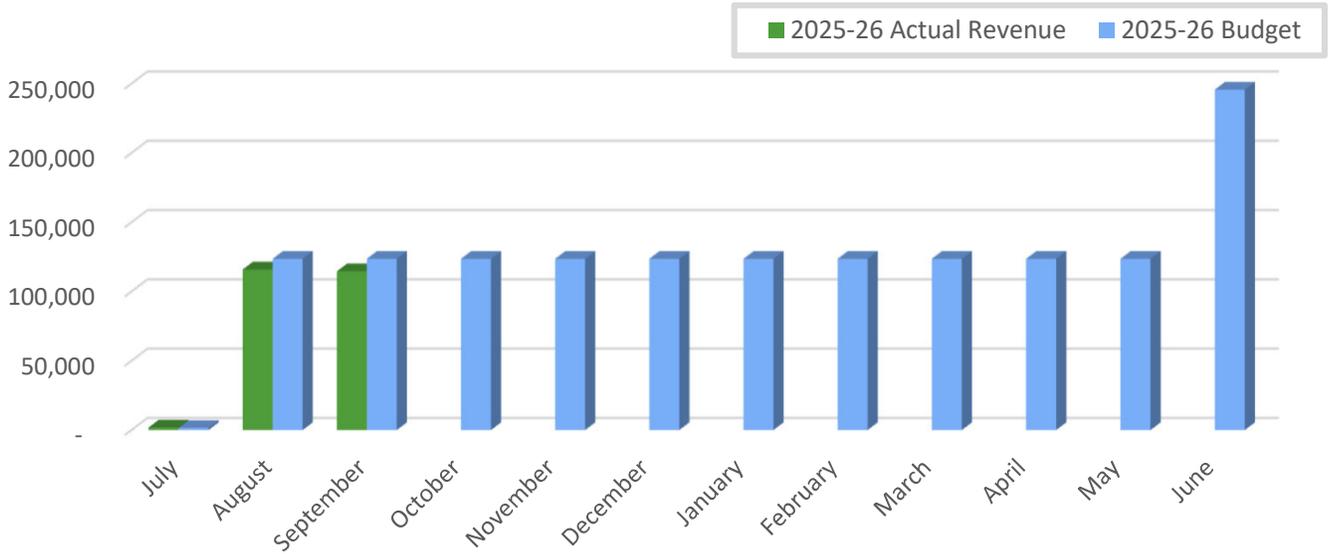
One-Time Operating: Below budget, due to long-term one-time projects; zoning code update, landscape design/planning, and various technology upgrades.

Contingency: Below budget, no contingency funds have been used to date.

Overall Performance: Actual expenditures through the first quarter of FY 2025-26 are under budget, with a positive variance of **\$656,408** or **14.4%**. The actual YTD is **\$286,020** more than the FY 2024-25 actuals mainly due to the timing of the PSPRS unfunded liability payment and the timing of annual operating costs such as the body-worn camera program.

HIGHWAY USERS REVENUE FUND ACTIVITY: REVENUES

QUARTERLY REVENUE COLLECTIONS VS. BUDGET



REVENUES	FIRST QUARTER ACTUAL	FIRST QUARTER OVER (UNDER) 2025-26 BUDGET	YTD ACTUAL	YTD OVER (UNDER) 2025-26 BUDGET	YTD OVER (UNDER) 2024-25 ACTUAL
Highway Users Revenue	226,498	(17,646)	226,498	(17,646)	11,058
Permits	800	176	800	176	380
Miscellaneous	-	(249)	-	(249)	(424)
Interest	5,046	1,296	5,046	1,296	1,020
Total	232,344	(16,423)	232,344	(16,423)	12,034

Year-To-Date 2025-26 Variances

Highway Users Revenue: Below budget, due to lower than anticipated distributions from the State.

Permits: Above budget, due to slightly higher permit activity than estimates.

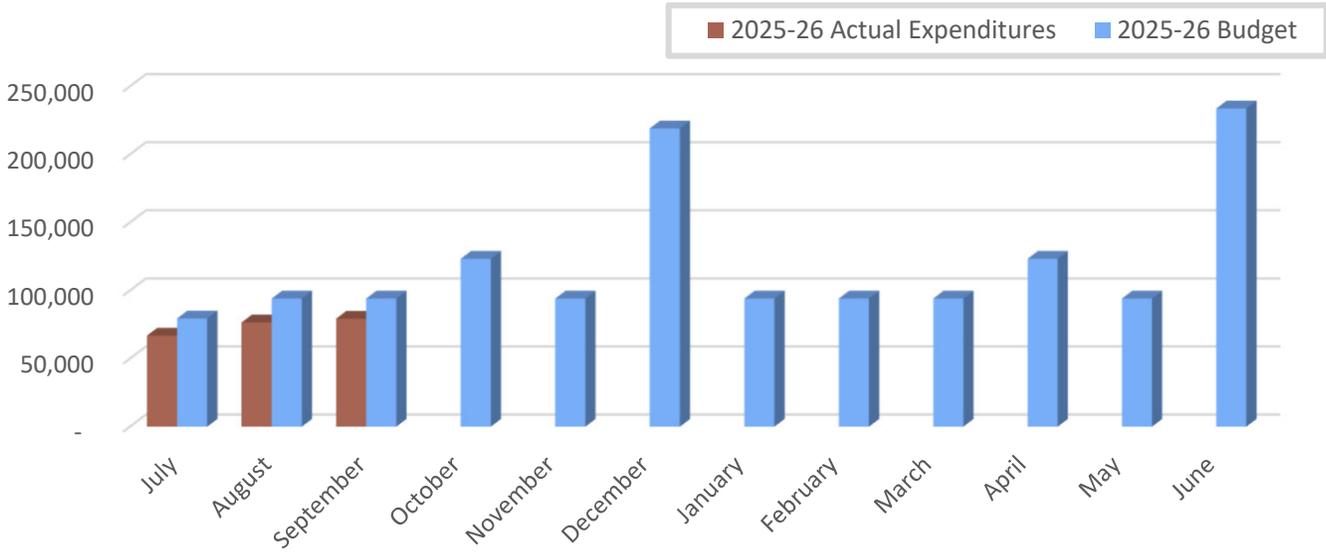
Miscellaneous: Below budget, attributed to no restitution payments or surplus property disposal.

Interest: Above budget, due to slightly more funds invested in the Local Government Investment Pool (LGIP) than anticipated.

Overall Performance: Actual revenues through the first quarter of FY 2025-26 are close to budget, with a shortfall of **\$16,423** or **-6.6%**. The actual YTD is **\$12,034** more than the FY 2024-25 actuals mainly due to increased interest revenue.

HIGHWAY USERS REVENUE FUND ACTIVITY: EXPENDITURES

QUARTERLY EXPENDITURES VS. BUDGET



EXPENDITURES	FIRST QUARTER ACTUAL	FIRST QUARTER (OVER) UNDER 2025-26 BUDGET		YTD ACTUAL	YTD (OVER) UNDER 2025-26 BUDGET		YTD (OVER) UNDER 2024-25 ACTUAL	
		(OVER)	UNDER		(OVER)	UNDER	(OVER)	UNDER
Personnel Services	156,292		4,257	156,292		4,257		(8,067)
Operating Expenditures	25,583		16,279	25,583		16,279		(4,003)
HWY 89 Maintenance	27,633		318	27,633		318		(1,771)
Road Materials	13,383		24,117	13,383		24,117		(5,203)
Transfers	-		-	-		-		50,000
Total (Excludes Capital)	222,891		44,971	222,891		44,971		30,956

Year-To-Date 2025-26 Variances

Personnel: Below budget, due to staffing vacancies in Public Works - Streets.

Operating: Below budget, due to the timing of contract and support services.

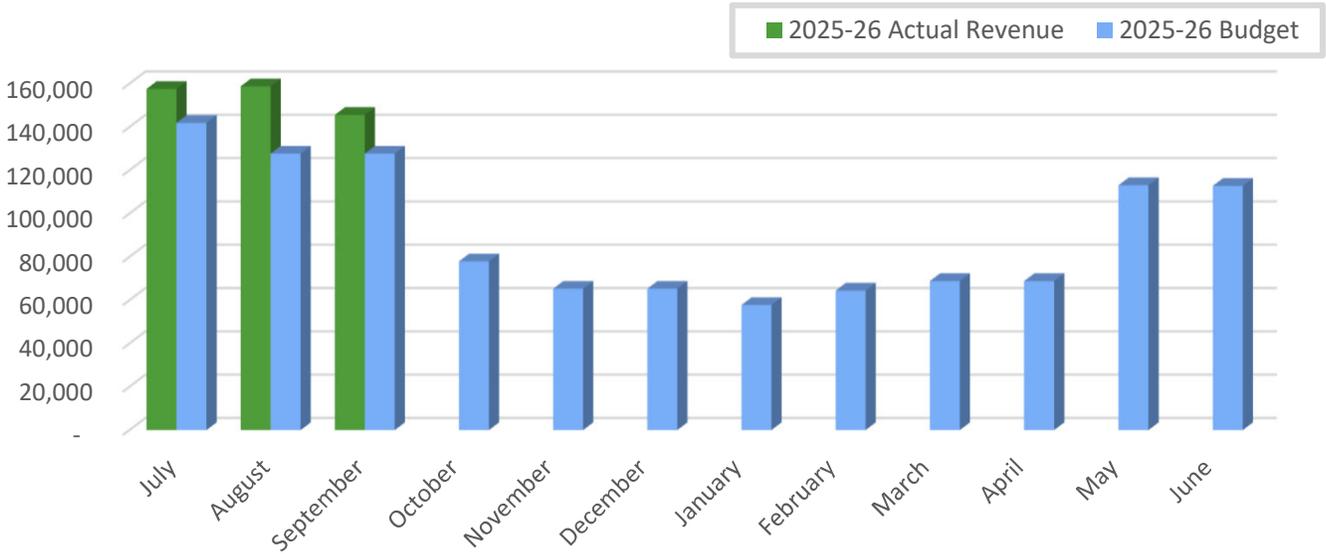
HWY 89 Maintenance: Below budget, due to timing of weed control and monthly landscaping maintenance costs.

Road Materials: Below budget, due to the timing of when various equipment (such as guardrails) is needed.

Overall Performance: Actual expenditures through the first quarter of FY 2025-26 are under budget, with a positive variance of **\$44,971** or **16.8%**. The actual YTD is **\$30,956** less than the FY 2024-25 actuals due to less interfund transfers offset by increases in personnel (COLA/Merit adjustments), operating expenditures, road materials, and HWY 89 maintenance.

WATER FUND ACTIVITY: REVENUES

QUARTERLY REVENUE COLLECTIONS VS. BUDGET



REVENUES	FIRST QUARTER ACTUAL	FIRST QUARTER OVER (UNDER) 2025-26 BUDGET	YTD ACTUAL	YTD OVER (UNDER) 2025-26 BUDGET	YTD OVER (UNDER) 2024-25 ACTUAL
Water Service Fees	319,304	6,361	319,304	6,361	55,688
Fill Station Receipts	81,299	47,906	81,299	47,906	64,781
Water System Buy-In Fees	54,114	4,113	54,114	4,113	3,164
Miscellaneous	7,242	4,743	7,242	4,743	426
Total	461,959	63,123	461,959	63,123	124,059

Year-To-Date 2025-26 Variances

Water Service Fees: Above budget, due to slightly higher than anticipated water service fees.

Fill Station Receipts: Above budget, due to change in fill station fee structure.

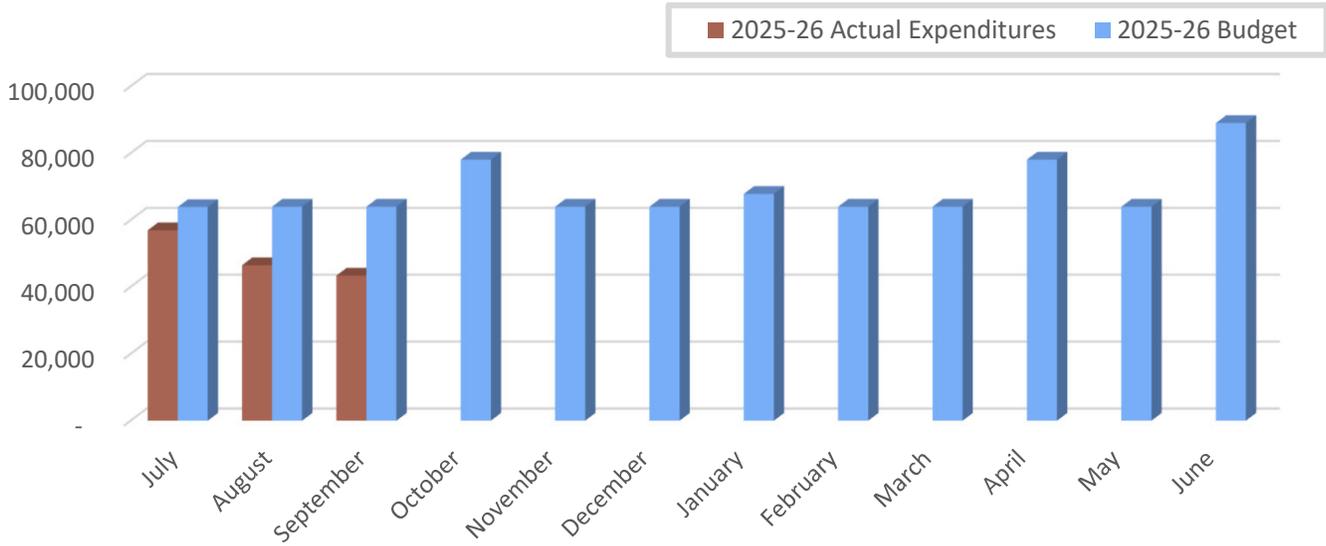
Water System Buy-In Fees: Above budget, attributed to slightly more than anticipated new home construction permits.

Miscellaneous: Above budget, attributed to greater than anticipated water meter fees, late fees, and service fees.

Overall Performance: Actual revenues through the first quarter of FY 2025-26 have exceeded budget expectations, with a surplus of **\$63,123** or **15.83%**. The actual YTD is **\$124,059** more than the FY 2024-25 actuals mainly due to an increase in water service fees in the amount of \$55,688 (warmer temperatures and the rate structure increases approved in December 2023 contributed to this increase) and an increase in fill station fees in the amount of \$64,781 (new fee structure that was effective July 1, 2025).

WATER FUND ACTIVITY: EXPENDITURES

QUARTERLY EXPENDITURES VS. BUDGET



EXPENDITURES	FIRST QUARTER ACTUAL	FIRST QUARTER (OVER) UNDER 2025-26 BUDGET		YTD ACTUAL	YTD (OVER) UNDER 2025-26 BUDGET		YTD (OVER) UNDER 2024-25 ACTUAL	
		(OVER)	UNDER		(OVER)	UNDER	(OVER)	UNDER
Personnel Services	65,946	5,300		65,946	5,300		(433)	
Operating Expenditures	59,801	30,269		59,801	30,269		1,066	
One-Time Operating	-	-		-	-		1,529	
Debt Service	21,056	-		21,056	-		(780)	
Contingency	-	9,501		-	9,501		-	
Total (Excludes Capital)	146,803	45,070		146,803	45,070		1,382	

Year-To-Date 2025-26 Variances

Personnel: Below budget, due to the allocation split between sewer and water.

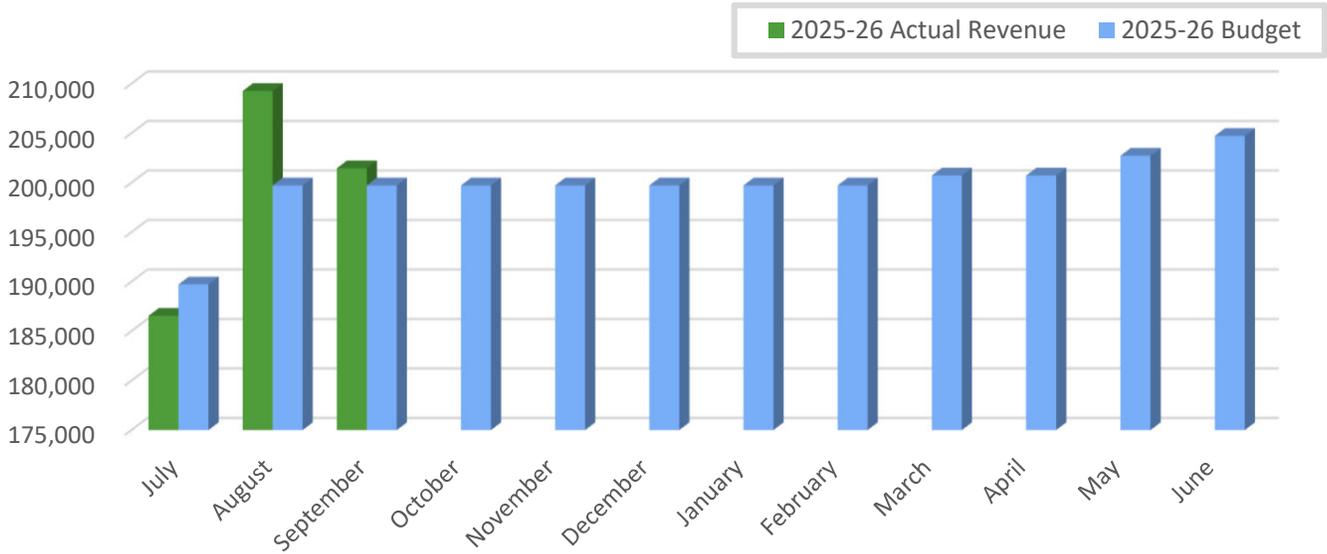
Operating: Below budget, due to the timing of administrative indirect transfers to the general fund and system maintenance and repairs.

Contingency: Below budget, no contingency funds have been used to date.

Overall Performance: Actual expenditures for the first quarter of FY 2025-26 are under budget, with a positive variance of **\$45,070** or **23.5%**. The actual YTD is **\$1,382** less than the FY 2024-25 actuals mainly due to lower operating expenditures (administrative indirect transfers) and lower one-time operating expenditures offset by slightly higher personnel costs and the principal portion of debt service.

WASTEWATER FUND ACTIVITY: REVENUES

QUARTERLY REVENUE COLLECTIONS VS. BUDGET



REVENUES	FIRST QUARTER ACTUAL	FIRST QUARTER OVER (UNDER) 2025-26 BUDGET	YTD ACTUAL	YTD OVER (UNDER) 2025-26 BUDGET	YTD OVER (UNDER) 2024-25 ACTUAL
Sewer Service Fees	500,116	(1,297)	500,116	(1,297)	42,402
Sewer System Buy-In Fees	81,362	6,362	81,362	6,362	2,715
Miscellaneous	4,419	(582)	4,419	(582)	(2,982)
Interest	11,361	3,612	11,361	3,612	2,280
Total (Excludes Grants)	597,258	8,095	597,258	8,095	44,415

Year-To-Date 2025-26 Variances

Sewer Service Fees: Below budget, due to slightly lower than anticipated sewer service fees. This is less than a 0.3% difference and although minimal, staff is closely watching the revenues.

Sewer System Buy-In Fees: Above budget, due to slightly more than anticipated new home construction permits.

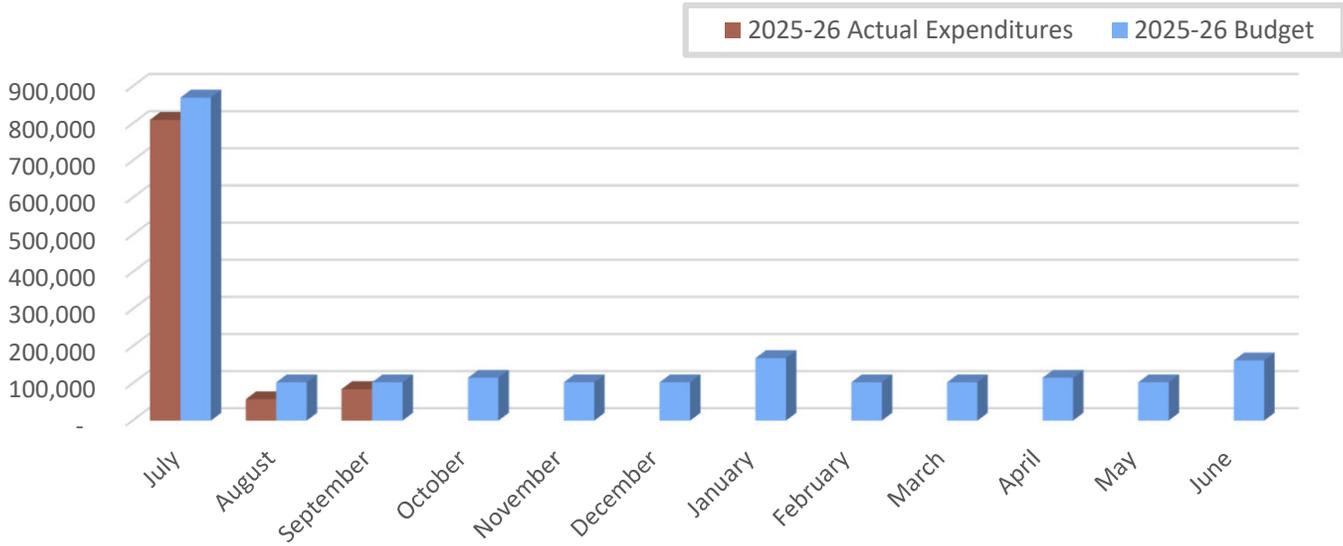
Miscellaneous: Below budget, attributed primarily to lower than anticipated late fees and service fees.

Interest: Above budget, attributed to greater interest than anticipated in the WIFA reserve fund.

Overall Performance: Actual revenues through the first quarter of FY 2025-26 are close to budget, with a surplus of \$8,095 or 1.4%, primarily due to higher than expected buy-in fees and interest. The actual YTD is \$44,415 more than the FY 2024-25 actuals mainly due to an increase in sewer service fees in the amount of \$42,402 (more customers and the rate structure increases approved in December 2023 contributed to this increase as well as additional changes for RV and mobile home park spaces that became effective July 1, 2025), an increase in sewer system buy-in fees in the amount of \$2,715 (slightly less buy-in fees were received during the prior year), offset by lower service administrative fees collected.

WASTEWATER FUND ACTIVITY: EXPENDITURES

QUARTERLY EXPENDITURES VS. BUDGET



EXPENDITURES	FIRST QUARTER ACTUAL	FIRST QUARTER (OVER) UNDER 2025-26 BUDGET		YTD ACTUAL	YTD (OVER) UNDER 2025-26 BUDGET		YTD (OVER) UNDER 2024-25 ACTUAL	
		(OVER)	UNDER		(OVER)	UNDER	(OVER)	UNDER
Personnel Services	89,299	2,111		89,299	2,111	(3,399)		
Operating Expenditures	102,368	98,854		102,368	98,854	4,942		
Debt Service	760,632	-		760,632	-	(21,539)		
Contingency	-	22,749		-	22,749	-		
Total (Excludes Capital)	952,299	123,714		952,299	123,714	(19,996)		

Year-To-Date 2025-26 Variances

Personnel: Below budget, due to the allocation split between sewer and water.

Operating: Below budget, due to the timing of administrative indirect transfers to the general fund and equipment repairs and maintenance.

Contingency: Below budget, no contingency funds have been used to date.

Overall Performance: Actual expenditures through the first quarter of FY 2025-26 are under budget, with a positive variance of **\$123,714** or **11.5%**. The actual YTD is **\$19,996** more than the FY 2024-25 actuals mainly due to higher personnel services (due to COLA/merit adjustments) and an increase in the principal portion of debt service offset by a slight decrease in operating expenditures due to maintenance, chemicals, and testing timing.

CAPITAL: VEHICLES/MACHINERY/EQUIPMENT

QUARTERLY EXPENDITURES VS. BUDGET

PROJECT	FUND	FY 2025-26 BUDGET	FY 2025-26 YTD ACTUAL	COMMITTED/ OUTSTANDING PO	BUDGET AVAILABLE
Vactor Truck ¹	Wastewater	600,000	-	-	600,000
Skid Steer with Milling/Profiler Head	HURF	150,000	-	122,426	27,574
Dump Truck	HURF	140,000	-	128,148	11,852
Asphalt Recycler	HURF	110,000	-	103,225	6,775
Lift Station Crane/Pump Rails	Wastewater	40,000	-	-	40,000
Virtual Host Server	General	30,000	-	-	30,000
Total		1,070,000	-	353,799	716,201

¹ Only will move forward once funding source is identified (grant or loan).

CAPITAL: PROJECTS

QUARTERLY EXPENDITURES VS. BUDGET

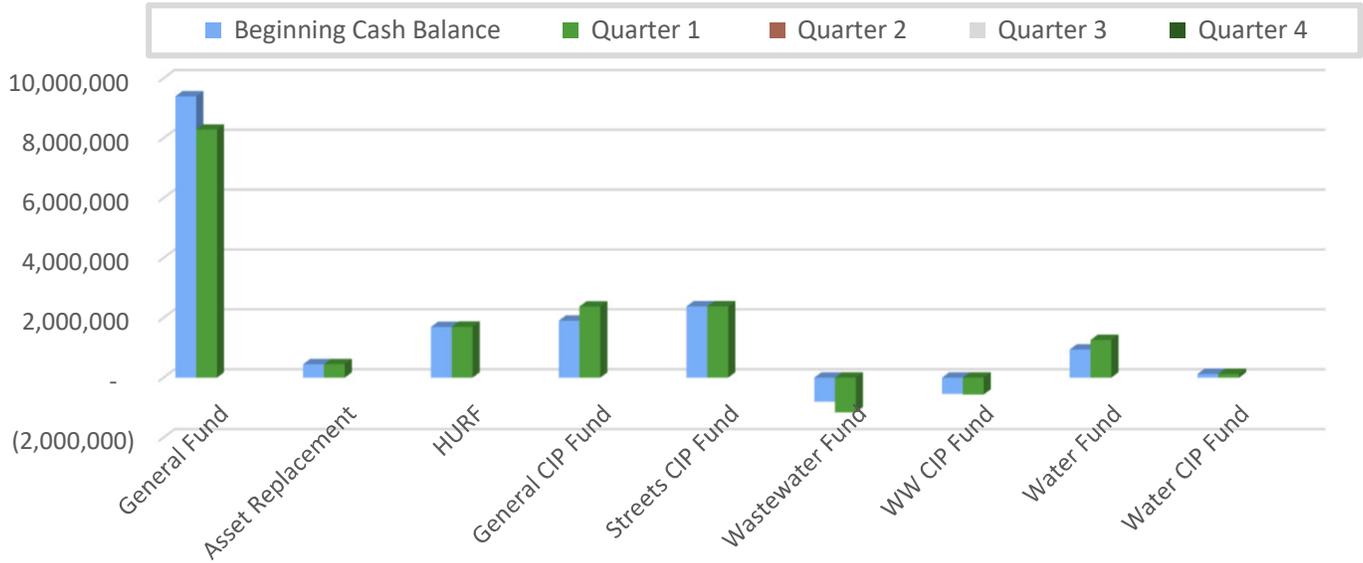
PROJECT	FUND	FY 2025-26 BUDGET	FY 2025-26 YTD ACTUAL	COMMITTED/ OUTSTANDING PO	BUDGET AVAILABLE
Plant Expansion ¹	Wastewater	9,174,755	17,048	120,133	9,037,574
Chip Seal Project	HURF CIP	3,000,000	-	-	3,000,000
New Well and Pump Design/Engineering ²	Water	2,000,000	-	-	2,000,000
Misc. Capital Projects ²	General CIP	2,000,000	-	-	2,000,000
Rollover - Plant Expansion Engineering	Wastewater	530,686	3,551	479,598	47,537
Yavapai Drainage Projects ²	General CIP	450,000	-	-	450,000
Pool Deck Resurfacing	General CIP	250,000	-	-	250,000
Community Center Park - Phase I	General CIP	250,000	-	-	250,000
Fill Station Improvements	Water CIP	175,000	-	29,051	145,949
Annual Parking Lot Maintenance	General	175,000	-	-	175,000
Stabilization - Fred Harvey	General CIP	168,798	-	-	168,798
Annual Roofing Program	General	30,000	-	-	30,000
Annual HVAC Replacement Program	General	30,000	-	-	30,000
Fleet Building Remodel	General	18,000	2,125	-	15,875
Surge Protection Program	General	15,000	-	-	15,000
Library Tile/Blinds	General	10,000	-	-	10,000
Total		18,267,239	22,724	628,782	17,615,733

¹ Only will move forward once funding source is identified (grant or loan).

² Only will move forward once funding source is identified (program income or contribution).

FUND HEALTH: CASH BALANCES BY FUND

QUARTERLY CASH BALANCE CHANGES



FUND	BEGINNING CASH BALANCE 07/01/2025	FY 2025-26 YTD REVENUES	FY 2025-26 YTD EXPENDITURES	ENDING CASH BALANCE 9/30/2025	\$ CHANGE IN CASH BALANCE
General Fund	9,398,345	2,833,562	3,945,415	8,286,492	(1,111,853)
Special Revenue Funds					
Capital Asset Replacement Fund	449,825	2,390	-	452,215	2,390
Cemetery Fund	(6,800)	-	-	(6,800)	-
Court Fund	144,536	4,843	1,035	148,344	3,808
Grant Fund	567,665	56,770	28,329	596,106	28,441
Highway User Revenue Fund	1,692,598	232,344	222,891	1,702,051	9,453
Police Impoundment Fee Fund	89,546	1,950	-	91,496	1,950
CVSLID	262	21	1,099	(816)	(1,078)
Del Sol MID	462	45	142	365	(97)
Debt Service Funds					
Revenue Bonds Fund	-	-	828,944	(828,944)	(828,944)
Capital Project Funds					
General CIP Fund	1,902,114	475,197	-	2,377,311	475,197
Streets CIP Fund	2,381,121	-	1,747	2,379,374	(1,747)
ENTERPRISE FUNDS					
Wastewater Fund	(802,608)	597,258	952,299	(1,157,649)	(355,041)
Wastewater CIP Fund	(545,514)	-	20,599	(566,113)	(20,599)
Water Fund	941,304	461,959	146,803	1,256,460	315,156
Water CIP Fund	123,071	-	-	123,071	-
Total	16,335,927	4,666,339	6,149,303	14,852,963	(1,482,964)

