

AGENDA

TUSAYAN TOWN COUNCIL REGULAR MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03

Wednesday, April 19, 2017 at 6:00pm

TUSAYAN TOWN HALL BUILDING

845 Mustang Drive, Tusayan Arizona

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tusayan Town Council and to the public that the Tusayan Town council will hold a meeting open to the public on Wednesday, April 19, 2017 at the Tusayan Town Hall Building. If authorized by a majority vote of the Tusayan Town Council, an executive session may be held immediately after the vote and will not be open to the public. The Council may vote to go into executive session pursuant to A.R.S. § 38-431.03.A.3 for legal advice concerning any matter on the agenda, including those items set forth in the consent and regular agenda sections. The Town Council may change, in its discussion, the order in which any agenda items are discussed during the course of the meeting.

Persons with a disability may request a reasonable accommodation by contacting the Town Manager at (928) 638-9909 as soon as possible.

As a reminder, if you are carrying a cell phone, electronic pager, computer, two-way radio, or other sound device, we ask that you silence it at this time to minimize disruption of today's meeting.

TOWN COUNCIL REGULAR MEETING AGENDA

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. MOMENT OF SILENCE

3. ROLL CALL *One or two Council Members may attend by telephone*

MAYOR CRAIG SANDERSON
VICE MAYOR BECKY WIRTH

COUNCILOR DAVID CHAVEZ
COUNCILOR AL MONTOYA
COUNCILOR JOHN SCHOPPMANN

4. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

Members of the public may address the Council on items not on the printed agenda. The Council may not discuss, consider or act upon any matter raised during public comment. Members of the audience who wish to speak to the Council on an item listed as Public Hearing should complete a Request to Speak Card and turn it into the Town Clerk. Comments will be limited to three minutes per person.

5. CEREMONIAL AND/OR INFORMATIONAL MATTERS

6. CONSENT AGENDA

Items on the consent agenda are routine in nature and will be acted on with one motion and one vote. Members of the council or staff may ask the mayor to remove any item from the consent agenda to be discussed and acted upon separately.

A. Accounts Payable Billings

B. Minutes of the Town Council Meeting of April 5,2017

C. Fiscal year 2017, Q1 financial report

D. Fiscal year 2017, Q2 financial report

7. ACTION ITEMS

- A. Consideration, discussion, and possible approval of agreement to construct baseball/softball, soccer field, rubberized track, bleachers, lighting, fencing, roadway realignment, and other necessary infrastructure for completion of the Sports Complex**
- B. Consideration, discussion, and possible approval for Town Manager to award contract for Trail Master Plan, Design and Construction upon completion of bid process**
- C. Consideration, discussion, and possible approval of Ordinance 2017-02, to amend Ordinance 2012-04, to include a revision of allowable structural height limits in all zones within the town limits**
- D. Consideration, discussion, and possible acceptance of Town of Tusayan FY 2016 audited financial statements, FY 2016 Annual Expenditure Limitation Report, Proposed Adjusting Journal Entries, and Findings and Recommendations Letter**

8. DISCUSSION ITEMS

- A. Discussion of Council meeting length and frequency**
- B. Discussion of Community Wellness meeting issues**
- C. Discussion of broadband and fiber development**
- D. Discussion of Ten X affordable housing project**

9. REPORTS

- A. Town Manager
 - i. Update on the Planning and Zoning Commission**
 - ii. Update of Administrative actions and issues****
- B. Council Members**
- C. Mayor**

10. FUTURE AGENDA ITEMS

11. MOTION TO ADJOURN

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at the General Store in Tusayan, Arizona on this 14th day of April, 2017, at _____ am / pm in accordance with the statement filed by the Tusayan Town Council.

Signature of person posting the agenda

Item 6A

Num	Name	Account	Paid Amount	Original Amount
3459	Void	Prudential insurance needed a voided check		
3460	Dalton Williams	01-1110 - Checking -General Fund		-335.20
	General Government:19-Parks & Recreations	19-4100 - Salaries & Wages	-335.20	335.20
		(Paycheck)	-335.20	335.20
3461	Montoya, AI	01-1110 - Checking -General Fund		-46.47
03282017	General Government:11-Mayor & Council	11-4158 - Technology Stipend	-46.47	46.47
		(Internet Charges Reimbursement - March, 2017)	-46.47	46.47
3462	Carlin, Cristina	01-1110 - Checking -General Fund		-1,334.00
0035	General Government:12-Manager & Clerk	12-5011 - Bookkeeping Services	-1,334.00	1,334.00
		(Accounting Service In March, 2017)	-1,334.00	1,334.00
3463	Duthie, Eric	01-1110 - Checking -General Fund		-361.27
04112017-1	General Government:12-Manager & Clerk	12-4130 - Employee Benefits	-361.27	361.27
		(Health Insurance Reimbursement: 03/20/17 - 04/02/17)	-361.27	361.27
3464	Stine, Timothy C.	01-1110 - Checking -General Fund		-314.27
04112017-2	General Government:12-Manager & Clerk	12-4130 - Employee Benefits	-314.27	314.27
		(Health Insurance Reimbursement: 03/20/17 - 04/02/17)	-314.27	314.27

Num	Name	Account	Paid Amount	Original Amount
3465	Century Link/Qwest - Phone	01-1110 - Checking -General Fund		-275.18
03282017	General Government:18-Facilities & Grounds	18-5421 - Telephone - Land Line (March, 2017)	-275.18	275.18
3468	Grand Canyon Camper Village LLC	01-1110 - Checking -General Fund		-200.00
308153	General Government:18-Facilities & Grounds	18-5426 - Utilities - Housing (Rent for RV: April, 2017)	-200.00	200.00
3467	Void	Printed wrong		
3468	Hydro Resources, Inc.	01-1110 - Checking -General Fund		-273.68
1792	General Government:18-Facilities & Grounds	18-5427 - Utilities - Park (Water for the restrooms - Sports Complex: 02/26 -03/30)	-273.68	273.68
3469	Flagstaff Information Technology LLC	01-1110 - Checking -General Fund		-450.00
10243	General Government:12-Manager & Clerk	12-5420 - Consulting Services - Misc. (FITNet Basic Managed Services: April, 2017)	-450.00	450.00
3470	Tusayan Sanitary District	01-1110 - Checking -General Fund		-126.22
10392	Street Fund	2-4485 - Maintenance - Landscape (Reclaim Water March, 2017)	-126.22	126.22

Num	Name	Account	Paid Amount	Original Amount
3471	Comminet	01-1110 - Checking -General Fund		-1,125.00
001275829	General Government:12-Manager & Clerk	12-5410 - Internet/Web	-1,125.00	1,125.00
		(5Mbps Direct Internet Access: 04/01/17 - 04/30/17)	-1,125.00	1,125.00
3472	Grand Canyon Nat'l Park Airport	01-1110 - Checking -General Fund		-2,517.22
GC2017000228	General Government:18-Facilities & Grounds	18-6252 - ADOT Ground Rental - April, 2017	-938.90	938.90
GC2017000229	General Government:18-Facilities & Grounds	18-6252 - ADOT Ground Rental - April, 2017	-833.66	833.66
GC2017000230	General Government:18-Facilities & Grounds	18-6252 - ADOT Ground Rental - April, 2017	-689.57	689.57
GC2017000221	General Government:18-Facilities & Grounds	18-5425 - Utilities Facilities & Grounds - March, 2017	-14.55	14.55
GC2017000222	General Government:18-Facilities & Grounds	18-5426 - Utilities - Housing - March, 2017	-26.10	26.10
GC2017000223	General Government:18-Facilities & Grounds	18-5426 - Utilities - Housing - March, 2017	-14.44	14.44
			-2,517.22	2,517.22
3473	Woodson Engineering and Surveying, Inc.	01-1110 - Checking -General Fund		-12,947.71
10854	General Government:14-Planning & Studies	14-4413 - General Engineering	-12,947.71	12,947.71
		(Town Engineer: 02/11/2017 - 03/17/17)	-12,947.71	12,947.71
3474	Express Mini Mart (Texaco)	01-1110 - Checking -General Fund		-134.35
02282017	General Government:19-Parks & Recreations	19-7041 - Vehicle/Equipment Operation	-134.35	134.35
		(Fuel: February, 2017)	-134.35	134.35
3475	Williams - Grand Canyon News	01-1110 - Checking -General Fund		-103.50
02282017	General Government:11-Mayor & Council	11-4310 - Public Notices and Advertising	-103.50	103.50
		(WA43172 GC Display Girls Basketball on 02/22/17)	-103.50	103.50

Num	Name	Account	Paid Amount	Original Amount
3476	Valls Hardware Feed & Supply	01-1110 - Checking -General Fund		-71.17
P001786	General Government:18-Facilities & Grounds	18-4700 - Maintenance Facilities	-71.17	71.17
		(PVC, Teflon tape, Pilers)	-71.17	71.17

Item 6B

TUSAYAN TOWN COUNCIL REGULAR MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03

Wednesday, April 5, 2017 at 6:00pm

TUSAYAN TOWN HALL BUILDING

845 Mustang Drive, Tusayan Arizona

TOWN COUNCIL SUMMARIZED MINUTES

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Sanderson called the meeting to order at 6:05pm and the Pledge of Allegiance was recited.

2. MOMENT OF SILENCE

Mayor Sanderson asked for a moment of silence.

3. ROLL CALL

**MAYOR CRAIG SANDERSON
VICE MAYOR BECKY WIRTH
COUNCILOR DAVID CHAVEZ – excused
COUNCILOR AL MONTOYA
COUNCILOR JOHN SCHOPPMANN**

Also present were:

Eric Duthie, Town Manager
Melissa M. Drake, Town Clerk

4. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

None

5. CEREMONIAL AND/OR INFORMATIONAL MATTERS

A. Tusayan Mayor's Proclamation of April as Fair Housing Month

Mayor Sanderson read the proclamation which was in the packet.

B. Acknowledgement of GCNPS note of appreciation for support of community luau

Manager Duthie read a thank you note from Grand Canyon National Park.

C. Acknowledgement of letters of appreciation from Cub Scouts

Manager Duthie highlighted some of the thank you notes from the Cub Scout Pack.

6. CONSENT AGENDA

A. Accounts Payable Billings

B. Minutes of the Town Council Meetings on 3/1/17 and 3/22/17

Vice Mayor Wirth made a motion to approve the Consent Agenda. Councilor Montoya seconded the motion and it passed on unanimous vote.

7. ACTION ITEMS

A. Consideration, discussion, and possible approval of executive session pursuant to A.R.S. 38-431.03. A.3 and A.4 for legal advice concerning the Kaibab Forest Service denial of ground lease permit at the Tusayan Administrative Site

At 6:14pm, Councilor Montoya made a motion to exit the public meeting and enter into executive session. Vice Mayor Wirth seconded the motion and it passed on unanimous vote.

The Council discussed the ground lease denial with Town Attorney Bill Sims.

At 6:48pm, Mayor Sanderson made a motion to exit executive session and re-enter the public meeting. Councilor Schoppmann seconded the motion and it passed on unanimous vote.

The Council took a break until 6:57pm.

B. Consideration, discussion, and possible approval of action concerning the Kaibab Forest Service denial of ground lease permit at the Tusayan Administrative Site

Manager Duthie described documents in the packet regarding this item. He stated that the District Ranger placed a moratorium on housing in the administrative site for anyone other than Forest Service personnel.

Vice Mayor Wirth made a motion to direct the Mayor to prepare a letter to the Forest Service Supervisor further explaining the use of and our need for the unit for law enforcement housing. Councilor Montoya seconded the motion and it passed on unanimous vote.

C. Consideration, discussion, and possible approval of Resolution No. 2017-02 expressing support for Grand Canyon Infrastructure funding

Manager Duthie described the issue regarding infrastructure needs in the National Park System.

Councilor Montoya made a motion to approve Resolution No. 2017-02 expressing support for Grand Canyon Infrastructure funding. Vice Mayor Wirth seconded the motion and it passed on unanimous vote.

D. Consideration, discussion, and possible approval of designee to Northern Arizona Council of Government (NACOG) Regional Council

Manager Duthie explained the function of NACOG and the Regional Council and noted that Councilor Rueter held the seat until his resignation.

Councilor Montoya made a motion to designate Vice Mayor Wirth as the Tusayan representative to the NACOG Regional Council. Councilor Schoppmann seconded the motion and it passed on unanimous vote.

E. Consideration, discussion, and possible approval of designee to Northern Arizona Council of Government (NACOG) Economic Development Council

Manager Duthie explained the function of the NACOG Economic Development Council and noted that Councilor Rueter held the seat until his resignation. He stated that the director contacted him and requested that he be on the Council. Manager Duthie stated that he would be willing if the Council so desired.

Councilor Montoya made a motion to designate Manager Duthie as the Tusayan representative to the NACOG Economic Development Council. Vice Mayor Wirth seconded the motion and it passed on unanimous vote.

Manager Duthie stated that he asked Chamber Director Laura Chastain to serve on the NACOG Tourism Committee and she has accepted.

F. Consideration, discussion, and possible ratification of Town of Tusayan renewal of investment of \$247,000 into a one year term new FDIC insured Certificates of Deposit (CD) number 32574, finalized on March 30, 2017

Manager Duthie stated that this investment was renewed as a one year CD which continues the rotation schedule as the Council has directed.

Councilor Montoya made a motion to ratify the Town of Tusayan renewal of investment of \$247,000 into a one year term new FDIC insured Certificates of Deposit (CD) number 32574, finalized on March 30, 2017. Councilor Schoppmann seconded the motion and it passed on unanimous vote.

G. Consideration, discussion, and possible ratification of Town of Tusayan of investment of \$247,000, into a five year term FDIC insured Certificates of Deposit (CD) number 33306, finalized on March 30, 2017. Funds from the Town existing money market account were used to supplement this purchase, totaling \$140,240.56

Manager Duthie stated that this investment was a combination of a money market account and funds wired from the Town bank account to purchase another CD.

Vice Mayor Wirth made a motion to ratify the Town of Tusayan investment of \$247,000, into a five year term FDIC insured Certificates of Deposit (CD) number 33306, finalized on March 30, 2017. Funds from the Town existing money market account were used to supplement this purchase, totaling \$140,240.56. Councilor Schoppmann seconded the motion and it passed on unanimous vote.

H. Consideration, discussion, and possible ratification of Town Council authorization for Mayor and Councilmember to wire transfer \$110,000 from the Town bank account to Bank of New York/Pershing LLC on April 3, 2017, to pay for the purchase of the Certificates of Deposit (CD's), finalized on March 30, 2017; And authorize a letter to be signed by the Town Council approving the wire transfer, in compliance with Town fiscal policies.

Mayor Sanderson stated that the transfer was \$115,000 instead of \$110,000.

Councilor Montoya made a motion to ratify the authorization for Mayor and Councilmember to wire transfer \$115,000 from the Town bank account to Bank of New York/Pershing LLC on April 3, 2017, to pay for the purchase of the Certificates of Deposit (CD's), finalized on March 30, 2017; And authorize a letter to be signed by the Town Council approving the wire transfer, in compliance with Town fiscal policies. Vice Mayor Wirth seconded the motion and it passed on unanimous vote.

I. Consideration, discussion, and possible approval of Team Fishel professional services contract for installation of conduit and fiber along Highway 64 (both sides), in preparation for future fiber provision, with a cost of \$454,002.61

Manager Duthie stated that ADOT has approved a permit to construct and install conduit and fiber on both sides of Highway 64.

Vic McKinney and Tyler Dodson with Team Fishel presented their proposal to the Council for installing conduit and fiber from roundabout to roundabout all within ADOT right-of-way. This would be phase 1 of the project. Phase 2 would be the airport and phase 3 would be the Forest Service Compound. The Council discussed this project with Mr. McKinney and Mr. Dodson.

Mr. McKinney clarified that the proposal is for conduit only, not for the fiber. He stated that whichever company brings fiber to the Town will have its own specification for the fiber.

Clarinda Vail had questions regarding drawings of the project relating to Red Feather Lodge and Plaza Bonita Restaurant. She also stated concern over sound disturbance which could affect guests. The Team Fishel representatives stated their plan to consult with business owners as the project progresses.

Councilor Montoya made a motion to approve a Team Fishel proposal for installation of conduit for future fiber along Highway 64 (both sides), in preparation for future fiber provision, with a cost of \$454,002.61. Councilor Schopmann seconded the motion and it passed on unanimous vote.

J. Consideration, discussion, and possible approval of Hellas Construction agreement to construct baseball/softball, soccer field, rubberized track, bleachers, lighting, fencing, roadway realignment, and other necessary infrastructure for completion of the Sports Complex. Hellas Construction is an approved vendor for cooperative government purchasing.

Manager Duthie requested that this item be tabled at this time since the agreement has not been finalized.

The Council took no action.

8. DISCUSSION ITEMS

A. Discussion of E-Rate fiber development opportunity

Manager Duthie stated that the Town is working with the Grand Canyon School District on applying for these monies from the Arizona Corporation Commission. He also stated that our consultant, Bill Bolin, was here for 2 days this week working on possible options for broadband improvements.

The Council discussed possible options with Kevin Hartigan regarding use of APS existing poles and rights of way.

B. Discussion of Ten X affordable housing project

Manager Duthie stated that studies are in process and Westland Resources may be here for the April 19th meeting to discuss the project.

C. Discussion of Community Wellness meeting issues

Manager Duthie stated that a meeting was held today and it was well attended. Issues which were discussed included:

- Suicide prevention program
- CERT training will be in August
- Rotary Interact club at the High School is active and discussing creation of a youth council
- Computer lab for school tutoring will begin this Friday, April 7th
- Crosswalk safety was discussed and we're having difficulty finding a Contractor for this project
- VA services are being handled by the Chamber
- The Clinic is holding instructional sessions about services in the area
- Resume development session on Monday at the Albright Training Facility
- Food Bank services
- Rotary Easter Egg Hunt is Saturday, April 15, at 10am and the Kaibab Learning Center will be holding a pancake breakfast that same day from 7am to 10am in the School Multipurpose Room

9. REPORTS

A. Town Manager

i. Update on the Planning and Zoning Commission

There will be a meeting on April 18th.

ii. Update of Administrative actions and issues

Manager Duthie stated that we have put out a request for quotes from trail building companies for a trail system in Tusayan.

The Justice Court uses the Council Chambers as a local court room on the second Tuesday of each month which makes it easier for community members to appear before the court.

GCU sports management students have been selected by Delaware North for summer internships.

Town Hall has a small conference room available to the public for small meetings.

B. Council Members

Vice Mayor Wirth stated that she attended the job fair at the school today and was pleased with participation. This was the largest turnout since Tusayan businesses were included.

C. Mayor

Mayor Sanderson stated that he spoke with County Supervisor Art Babbott who may have some funds available for improvements to the Sports Complex.

10. FUTURE AGENDA ITEMS

Councilor Schoppmann requested a discussion of limiting meeting times or reducing meetings to one per month.

Clarinda Vail reminded the Council that Councilor Rueter had requested discussion of the refusal of CenturyLink to move their lines underground. Vice Mayor Wirth requested that the topic be added to a future agenda.

11. MOTION TO ADJOURN

Councilor Montoya made a motion to adjourn the meeting at 8:49pm. Vice Mayor Wirth seconded the motion and it passed on unanimous vote.

ATTEST: Craig Sanderson, Mayor Date

Melissa M. Drake, Town Clerk

CERTIFICATION

State of Arizona)
) ss.
Coconino County)

I, Melissa M. Drake, do hereby certify that I am the Town Clerk of the Town of Tusayan, County of Coconino, State of Arizona, and that the above minutes are a true and correct summary of the meeting of the Council of the Town of Tusayan held on April 5, 2017. I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 5th day of April, 2017

Town Clerk

DEFINITION



The vertical line is a line that is perpendicular to the horizontal line. The horizontal line is a line that is parallel to the vertical line. The vertical line is a line that is perpendicular to the horizontal line. The horizontal line is a line that is parallel to the vertical line.

Item 6C

Profit & Loss Budget vs. Actual

July through September 2015

TOTAL

	Q1 - FY17	Q1 Budget	\$ Over Budget	% of Budget	FY 17 to Date	FY 17 Budget	% of Budget
REVENUES							
1-3110 · Urban Revenue Sharing	45,907.86	45,909.00	-1.14	100.0%	45,907.86	183,631.00	25.0%
1-3120 · City Sales Tax	1,394,818.65	1,025,000.00	369,818.65	136.08%	1,394,818.65	4,100,000.00	34.02%
1-3130 · State Sales Tax	12,549.08	13,220.00	-670.92	94.93%	12,549.08	52,880.00	23.73%
1-3140 · Floodplain Tax	0.00	9,250.00	-9,250.00	0.0%	0.00	37,000.00	0.0%
1-3200 · Business Licenses	281.00	375.00	-94.00	74.93%	281.00	1,500.00	18.73%
1-3210 · Permit Fees	513.15	12,500.00	-11,986.85	4.11%	513.15	50,000.00	1.03%
1-3220 · Liquor License	0.00	187.50	-187.50	0.0%	0.00	750.00	0.0%
1-3240 · Voluntary Contributions	0.00	37,500.00	-37,500.00	0.0%	0.00	150,000.00	0.0%
1-3600 · Miscellaneous Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
1-3610 · Interest Income	969.49	2,500.00	-1,530.51	38.78%	969.49	10,000.00	9.69%
2-3140 · HURF	16,743.83	15,119.00	1,624.83	110.75%	16,743.83	60,476.00	27.69%
2-3150 · Vehicle License Tax	6,372.74	6,333.00	39.74	100.63%	6,372.74	25,332.00	25.16%
3-3650 · Receipts -Water Enterprise Fund	0.00	300,000.00	-300,000.00	0.0%	0.00	1,200,000.00	0.0%
4-3650 · Receipts-SHicGroup Development	0.00	125,000.00	-125,000.00	0.0%	0.00	500,000.00	0.0%
5-3650 · Receipts - Grant	0.00	250,001.00	-250,001.00	0.0%	0.00	1,000,000.00	0.0%
TOTAL REVENUES	1,478,155.80	3,156,976.50	-1,678,820.70	46.82%	1,478,155.80	12,627,884.00	11.71%

Profit & Loss Budget vs. Actual

July through September 2015

	TOTAL		TOTAL		TOTAL		
	Q1 - FY17	Q1 Budget	\$ Over Budget	% of Budget	FY 17 to Date	FY 17 Budget	% of Budget
EXPENDITURES							
11 - Mayor & Council							
11-4156 - Technology Stipend	139.41	2,250.00	-2,110.59	6.2%	139.41	9,000.00	1.55%
11-4160 - Travel & Training							
11-4500 - Mileage/Lodging/Meals	1,545.18	3,000.00	-1,454.82	51.51%	1,545.18	12,000.00	12.88%
11-4510 - Registration Fees	0.00	2,750.00	-2,750.00	0.0%	0.00	11,000.00	0.0%
Total 11-4160 - Travel & Training	1,545.18	5,750.00	-4,204.82	26.87%	1,545.18	23,000.00	6.72%
11-4280 - Employee & Volunteer Program	0.00	700.00	-700.00	0.0%	0.00	2,800.00	0.0%
11-4310 - Public Notices and Advertising	1,712.93	5,000.00	-3,287.07	34.26%	1,712.93	20,000.00	8.56%
11-4380 - Office Supplies	52.36	6,250.00	-6,197.64	0.84%	52.36	25,000.00	0.21%
11-4390 - Insurance	21.75	10,000.00	-9,978.25	0.22%	21.75	40,000.00	0.05%
11-4410 - Licenses, Permits, Fees	4,905.64	5,625.00	-719.36	87.21%	4,905.64	22,500.00	21.8%
11-4430 - Council Member Compensation							
11-4100 - Salaries & Wages	4,283.09	6,050.00	-1,766.91	70.8%	4,283.09	24,200.00	17.7%
Total 11-4430 - Council Member Compensation	4,283.09	6,050.00	-1,766.91	70.8%	4,283.09	24,200.00	17.7%
11-5150 - Elections	0.00	875.00	-875.00	0.0%	0.00	3,500.00	0.0%
Total 11 - Mayor & Council	12,660.36	42,500.00	-29,839.64	29.79%	12,660.36	170,000.00	7.45%
12 - Manager & Support							
12-4160 - Travel & Training							
12-4500 - Mileage/Lodging/Meals	5,344.96	6,500.00	-1,155.04	82.23%	5,344.96	26,000.00	20.56%
12-4510 - Reistration Fees	1,786.75	3,750.00	-1,963.25	47.65%	1,786.75	15,000.00	11.91%
Total 12-4160 - Travel & Training	7,131.71	10,250.00	-3,118.29	69.58%	7,131.71	41,000.00	17.39%
12-4165 - Public Relations & Events	3,627.71	3,750.00	-122.29	96.74%	3,627.71	15,000.00	24.18%
12-4360 - Marketing/Promotional Supplies	26,850.86	27,500.00	-649.14	97.64%	26,850.86	110,000.00	24.41%
12-4380 - Office Supplies							
12-4440 - Postage and Delivery	84.69	2,500.00	-2,415.31	3.39%	84.69	10,000.00	0.85%
12-4380 - Office Supplies - Other	625.10	3,000.00	-2,374.90	20.84%	625.10	12,000.00	5.21%
Total 12-4380 - Office Supplies	709.79	5,500.00	-4,790.21	12.91%	709.79	22,000.00	3.23%

Town of Tusayan
Profit & Loss Budget vs. Actual
July through September 2015

	TOTAL				TOTAL			
	Q1 - FY17	Q1 Budget	\$ Over Budget	% of Budget	FY 17 to Date	FY 17 Budget	% of Budget	% of Budget
Q1 FY17								
12-4430 · Employees								
12-4100 · Salaries & Wages	46,503.51	49,000.00	-2,496.49	94.91%	46,503.51	196,000.00	23.73%	23.73%
12-4120 · Pension Expense	6,731.94	6,800.00	-68.06	99.0%	6,731.94	27,200.00	24.75%	24.75%
12-4130 · Employee Benefits	12,107.97	12,200.00	-92.03	99.25%	12,107.97	48,800.00	24.81%	24.81%
12-4150 · Payroll Taxes	5,544.76	6,375.00	-830.24	86.98%	5,544.76	25,500.00	21.74%	21.74%
Total 12-4430 · Employees	70,888.18	74,375.00	-3,486.82	95.31%	70,888.18	297,500.00	23.83%	23.83%
12-4431 · Contract Services								
12-4442 · Finance & Accounting								
12-5010 · Audit								
12-5011 · Bookkeeping Services	2,725.00	3,000.00	-275.00	90.83%	2,725.00	12,000.00	22.71%	22.71%
Total 12-4442 · Finance & Accounting	2,725.00	3,000.00	-275.00	90.83%	2,725.00	12,000.00	22.71%	22.71%
12-5443 · Part Time Staff	2,071.00	5,245.00	-3,174.00	39.49%	2,071.00	20,981.00	9.87%	9.87%
Total 12-4443 · Finance & Accounting	4,796.00	8,245.00	-3,449.00	58.17%	4,796.00	32,981.00	14.54%	14.54%
12-4444 · Town Manager	0.00	1,250.00	-1,250.00	0.0%	0.00	5,000.00	0.0%	0.0%
12-4445 · Town Clerk	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	0.0%
12-4431 - Contract Services Other	0.00	2,000.00	-2,000.00	0.0%	0.00	8,000.00	0.0%	0.0%
12-5420 · Consulting Services - Misc.	0.00	1,250.00	-1,250.00	0.0%	0.00	5,000.00	0.0%	0.0%
Total 12-4431 · Contract Services	4,796.00	12,745.00	-7,949.00	37.63%	4,796.00	50,981.00	9.41%	9.41%
12-5400 · Telephone	1,971.37	2,000.00	-28.63	98.57%	1,971.37	8,000.00	24.64%	24.64%
12-5410 · Internet/Web	3,380.97	4,000.00	-619.03	84.52%	3,380.97	16,000.00	21.13%	21.13%
Total 12 · Manager & Support	119,358.59	140,120.00	-20,763.41	85.18%	119,358.59	560,481.00	21.3%	21.3%
13 · Legal Services								
13-4431 · Contract Services								
13-4420 · General Counsel	6,670.55	21,250.00	-14,579.45	31.39%	6,670.55	85,000.00	7.85%	7.85%
13-4421 · Special Counsel	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%	0.0%
Total 13-4431 · Contract Services	6,670.55	23,750.00	-17,079.45	28.09%	6,670.55	95,000.00	7.02%	7.02%
13-4432 · Litigation Allowance	0.00	35,000.00	-35,000.00	0.0%	0.00	140,000.00	0.0%	0.0%
Total 13 · Legal Services	6,670.55	58,750.00	-52,079.45	11.36%	6,670.55	235,000.00	2.84%	2.84%

Profit & Loss Budget vs. Actual

July through September 2015

	TOTAL				TOTAL			
	Q1 - FY17	Q1 Budget	\$ Over Budget	% of Budget	FY 17 to Date	FY 17 Budget	% of Budget	% of Budget
Q1 FY17								
14 • Planning & Studies								
14-4431 • Contract Services								
14-4411 • Housing Needs Study	0.00	1,000.00	-1,000.00	0.0%	0.00	4,000.00	0.0%	0.0%
14-4413 • General Engineering	43,923.35	25,000.00	18,923.35	175.69%	43,923.35	100,000.00	43.92%	43.92%
14-4415 • Contract Planning Services	8,630.33	17,500.00	-8,869.67	49.32%	8,630.33	61,000.00	14.15%	14.15%
14-4416 • Subdivision Regulations	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	0.0%
14-7064 • Parking Study	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%	0.0%
14-7070 • Planning & Design for Town Plan	0.00	1,250.00	-1,250.00	0.0%	0.00	5,000.00	0.0%	0.0%
Total 14 • Planning & Studies	52,553.68	47,250.00	5,303.68	111.23%	52,553.68	180,000.00	29.2%	29.2%
15 • Court & Prosecutor								
15-4431 • Contract Services								
15-4421 • Contract Prosecutor/Defender	7,681.94	5,375.00	2,306.94	142.92%	7,681.94	21,500.00	35.73%	35.73%
Total 15-4431 • Contract Services	7,681.94	5,375.00	2,306.94	142.92%	7,681.94	21,500.00	35.73%	35.73%
16 • Development & Permits								
16-4414 • Advertising	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%	0.0%
16-4415 • Supplies & Printing	0.00	2,501.00	-2,501.00	0.0%	0.00	10,000.00	0.0%	0.0%
16-4431 • Contract Services								
16-4412 • Building Permit Services	0.00	20,000.00	-20,000.00	0.0%	0.00	80,000.00	0.0%	0.0%
16-4413 • Plan Review	0.00	8,750.00	-8,750.00	0.0%	0.00	35,000.00	0.0%	0.0%
16-4417 • Fee Analysis	0.00	1,125.00	-1,125.00	0.0%	0.00	4,500.00	0.0%	0.0%
Total 16-4431 • Contract Services	0.00	34,876.00	-34,876.00	0.0%	0.00	119,500.00	0.0%	0.0%
Total 16 • Development & Permits	0.00	34,876.00	-34,876.00	0.0%	0.00	139,500.00	0.0%	0.0%

Town of Tusayan
Profit & Loss Budget vs. Actual
July through September 2015

		TOTAL				TOTAL			
Q1 FY17		Q1 - FY17	Q1 Budget	\$ Over Budget	% of Budget	FY 17 to Date	FY 17 Budget	% of Budget	
17 - Public Safety									
17-4431	· Sheriff	124,377.00	130,000.00	-5,623.00	95.68%	124,377.00	520,000.00	23.92%	
17-4432	· Public Safety - Special Events	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%	
17-4433	· Law Enforcement Needs Study	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	
17-4434	· Public Safety Enhancements	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%	
17-4435	· Fire District Subsidy	63,051.24	67,500.00	-4,448.76	93.41%	63,051.24	270,000.00	23.35%	
17-4436	· Animal Control - County Health	2,400.00	3,127.00	-727.00	76.75%	2,400.00	12,505.00	19.19%	
17-4437	· Miscellaneous	0.00	750.00	-750.00	0.0%	0.00	3,000.00	0.0%	
Total 17 - Public Safety		189,828.24	206,377.00	-16,548.76	91.98%	189,828.24	825,505.00	23.0%	
18 - Facilities & Grounds									
18-4490	· Custodial & Supplies	1,081.67	1,500.00	-418.33	72.11%	1,081.67	6,000.00	18.03%	
18-4700	· Maintenance Facilities	1,565.10	3,750.00	-2,184.90	41.74%	1,565.10	15,000.00	10.43%	
18-5420	· Utilities								
18-5421	· Telephone - Land Line	827.98	900.00	-72.02	92.0%	827.98	3,600.00	23.0%	
18-5423	· Broadband	120.03	150.00	-29.97	80.02%	120.03	600.00	20.01%	
18-5425	· Utilities Facilities & Grounds	846.02	2,650.00	-1,803.98	31.93%	846.02	10,600.00	7.98%	
18-5426	· Utilities - Housing	47.73	750.00	-702.27	6.36%	47.73	3,000.00	1.59%	
18-5427	· Utilities - Park	32.36	175.00	-142.64	18.49%	32.36	700.00	4.62%	
Total 18-5420 - Utilities		1,874.12	4,625.00	-2,750.88	40.52%	1,874.12	18,500.00	10.13%	
18-6250	· Rent Expense								
18-6252	· ADOT Ground Rental	7,168.11	8,250.00	-1,081.89	86.89%	7,168.11	28,000.00	25.6%	
18-6253	· RV Rent	0.00	1,250.00	-1,250.00	0.0%	0.00	5,000.00	0.0%	
Total 18-6250 - Rent Expense		7,168.11	9,500.00	-2,331.89	75.45%	7,168.11	33,000.00	21.72%	
18-7020	· Office Furniture	0.00	1,999.00	-1,999.00	0.0%	0.00	8,000.00	0.0%	
18-7030	· Equipment	1,225.69	5,875.00	-4,649.31	20.86%	1,225.69	23,500.00	5.22%	
Total 18 - Facilities & Grounds		12,914.89	27,249.00	-14,334.31	47.4%	12,914.89	104,000.00	12.42%	

Town of Tusayan
Profit & Loss Budget vs. Actual
July through September 2015

		TOTAL		TOTAL		TOTAL		
Q1 FY17		Q1 - FY17	Q1 Budget	\$ Over Budget	% of Budget	FY 17 to Date	FY 17 Budget	% of Budget
19 - Parks & Recreation								
19-4700 - Maintenance								
19-4430 - Employees								
19-4100 - Salaries & Wages								
19-4443 - Part-Time/Seasonal Emplo:								
Total 19-4430 - Employees		14,698.11	12,500.00	2,198.11	117.59%	14,698.11	50,000.00	29.4%
19-4710 - Maintenance Park		0.00	1,250.00	-1,250.00	0.0%	0.00	5,000.00	0.0%
Total 19-4700 - Maintenance		14,698.11	13,750.00	948.11	106.9%	14,698.11	55,000.00	26.72%
Total 19-4700 - Maintenance		14,698.11	18,750.00	-4,051.89	78.39%	14,698.11	75,000.00	19.6%
19-4702 - Projects Planning								
19-7040 - Vehicles/Equipment								
Total 19-7041 - Vehicle/Equipment Operation		2,320.86	2,500.00	-179.14	92.83%	2,320.86	10,000.00	23.21%
Total 19 - Parks & Recreation		17,018.97	26,250.00	-9,231.03	64.83%	17,018.97	105,000.00	16.21%
20 - Capital Improvement Projects								
20-4416 - Fiber Optic Implementation								
20-4701 - Park Development								
20-7056 - Town Hall Parking Improvements								
20-7058 - Tusayan Affordable Housing Proj								
20-7060 - Drainage Study/ Model Update								
20-7061 - Bus Stop Art Program/ Public Ar								
20-7082 - Trail System & Improvements								
Total 20 - Capital Improvement Projects		53,369.00	1,688,750.00	-1,635,381.00	3.16%	53,369.00	6,755,000.00	0.79%
21 - Contingency		29,191.56	55,375.00	-26,183.44	52.72%	29,191.56	221,500.00	13.18%
5100 - Bank Service Charges		4.00	0.00	4.00	100.0%	4.00	0.00	0.0%

Town of Tusayan
Profit & Loss Budget vs. Actual
July through September 2015

	TOTAL				TOTAL			
	Q1 - FY17	Q1 Budget	\$ Over Budget	% of Budget	FY 17 to Date	FY 17 Budget	% of Budget	
Q1 FY17								
2 - Street Fund								
2-4484 - Maintenance - Sidewalk	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%	
2-4485 - Maintenance - Landscape	2,005.61	7,500.00	-5,494.39	26.74%	2,005.61	30,000.00	6.69%	
2-4486 - Bus Stop Maintenance	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%	
Total 2 - Street Fund	2,005.61	12,500.00	-10,494.39	16.05%	2,005.61	50,000.00	4.01%	
3-4650 - Disbursements -Water Enter Fund								
	0.00	300,000.00	-300,000.00	0.0%	0.00	1,200,000.00	0.0%	
4-4650 - Disbursements-StltoGroup Devel.								
	0.00	125,000.00	-125,000.00	0.0%	0.00	500,000.00	0.0%	
5-4650 - Disbursements - Grant								
	0.00	250,000.00	-250,000.00	0.0%	0.00	1,000,000.00	0.0%	
TOTAL EXPENDITURES								
	503,245.19	3,020,372.00	-2,517,126.81	16.66%	503,245.19	12,067,486.00	4.17%	
TOTAL REVENUE								
	\$1,478,155.80				\$1,478,155.80	\$12,627,894.00	11.71%	
TOTAL EXPENDITURES								
	\$503,245.19				\$503,245.19	\$12,067,486.00	4.17%	
TOTAL +/-								
	\$974,910.61				\$974,910.61	\$560,408.00	173.96%	

Item 6D

Profit & Loss Budget vs. Actual

July through September 2015

Q2 FY17

(October, 2016 - December, 2016)

REVENUES

	Q2 - FY 17		Q2 Budget		\$ Over Budget		% of Budget		FY 17 to date		FY 17 Budget		% of Budget	
	TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL	
1-3110 · Urban Revenue Sharing	45,907.86	45,906.00	1.86	100.0%	91,815.72	183,631.00	50.0%							
1-3120 · City Sales Tax	1,109,613.95	1,025,000.00	84,613.95	108.28%	2,504,432.60	4,100,000.00	61.08%							
1-3130 · State Sales Tax	12,312.97	13,220.00	-907.03	93.14%	24,862.05	52,880.00	47.02%							
1-3140 · Floodplain Tax	0.00	9,250.00	-9,250.00	0.0%	0.00	37,000.00	0.0%							
1-3200 · Business Licenses	20.00	375.00	-355.00	5.33%	301.00	1,500.00	20.07%							
1-3210 · Permit Fees	28,101.46	12,500.00	15,601.46	224.81%	28,614.61	50,000.00	57.23%							
1-3220 · Liquor License	0.00	187.50	-187.50	0.0%	0.00	750.00	0.0%							
1-3240 · Voluntary Contributions	0.00	37,500.00	-37,500.00	0.0%	0.00	150,000.00	0.0%							
1-3600 · Miscellaneous Income	24,937.77	0.00	24,937.77	100.0%	24,937.77	0.00	100.0%							
1-3610 · Interest Income	959.14	2,501.00	-1,541.86	38.35%	1,928.63	10,000.00	19.29%							
2-3140 · HURF	14,944.52	15,119.00	-174.48	98.85%	31,688.35	60,476.00	52.4%							
2-3150 · Vehicle License Tax	6,131.02	6,333.00	-201.98	96.81%	12,503.76	25,332.00	49.36%							
3-3650 · Receipts -Water Enterprise Fund	0.00	300,000.00	-300,000.00	0.0%	0.00	1,200,000.00	0.0%							
4-3650 · Receipts -StilcoGroup Development	0.00	125,000.00	-125,000.00	0.0%	0.00	500,000.00	0.0%							
5-3650 · Receipts - Grant	0.00	250,000.00	-250,000.00	0.0%	0.00	1,000,000.00	0.0%							
TOTAL REVENUES	1,242,928.69	3,156,972.50	-1,914,043.81	39.37%	2,721,084.49	12,627,884.00	21.55%							

Profit & Loss Budget vs. Actual
July through September 2015

	TOTAL				TOTAL			
	Q2 - FY 17	Q2 Budget	\$ Over Budget	% of Budget	FY 17 to date	FY 17 Budget	% of Budget	
Q2 FY17								
EXPENDITURES								
11 - Mayor & Council								
11-4156 - Technology Stipend	139.41	2,250.00	-2,110.59	6.2%	278.82	9,000.00	3.1%	
11-4160 - Travel & Training								
11-4500 - Mileage/Lodging/Meals	336.96	3,000.00	-2,663.04	11.23%	1,882.14	12,000.00	15.68%	
11-4510 - Registration Fees	0.00	2,750.00	-2,750.00	0.0%	0.00	11,000.00	0.0%	
Total 11-4160 - Travel & Training	336.96	5,750.00	-5,413.04	5.86%	1,882.14	23,000.00	8.18%	
11-4260 - Employee & Volunteer Program	0.00	700.00	-700.00	0.0%	0.00	2,800.00	0.0%	
11-4310 - Public Notices and Advertising	310.50	5,000.00	-4,689.50	6.21%	2,023.43	20,000.00	10.12%	
11-4380 - Office Supplies	0.00	6,250.00	-6,250.00	0.0%	52.36	25,000.00	0.21%	
11-4390 - Insurance	339.00	10,000.00	-9,661.00	3.39%	360.75	40,000.00	0.9%	
11-4410 - Licenses, Permits, Fees	0.00	5,625.00	-5,625.00	0.0%	4,905.64	22,500.00	21.8%	
11-4430 - Council Member Compensation								
11-4100 - Salaries & Wages	4,400.00	6,050.00	-1,650.00	72.73%	8,683.09	24,200.00	35.88%	
Total 11-4430 - Council Member Compensation	4,400.00	6,050.00	-1,650.00	72.73%	8,683.09	24,200.00	35.88%	
11-5150 - Elections	1,040.00	1,750.00	-710.00	59.43%	1,040.00	3,500.00	29.71%	
Total 11 - Mayor & Council	6,666.87	43,375.00	-36,808.13	15.14%	19,226.23	170,000.00	11.31%	

Profit & Loss Budget vs. Actual

July through September 2015

	TOTAL					TOTAL				
	Q2 - FY 17	Q2 Budget	\$ Over Budget	% of Budget	FY 17 to date	FY 17 Budget	% of Budget			
12 - Manager & Support										
12-4160 - Travel & Training	1,391.72	6,500.00	-5,108.28	21.41%	6,736.68	26,000.00	25.91%			
12-4600 - Mileage/Lodging/Meals	989.43	3,750.00	-2,750.57	26.65%	2,786.18	15,000.00	18.57%			
12-4510 - Registration Fees										
Total 12-4160 - Travel & Training	2,391.15	10,250.00	-7,858.85	23.33%	9,522.86	41,000.00	23.23%			
12-4165 - Public Relations & Events	12,829.12	13,750.00	-920.88	93.3%	16,456.83	15,000.00	109.71%			
12-4360 - Marketing/Promotional Supplies	15,990.88	17,500.00	-1,509.32	91.38%	42,841.54	110,000.00	38.95%			
12-4380 - Office Supplies										
12-4440 - Postage and Delivery	262.00	2,500.00	-2,238.00	10.48%	348.69	10,000.00	3.47%			
12-4380 - Office Supplies - Other	2,864.83	3,000.00	-135.17	95.49%	3,489.93	12,000.00	29.08%			
Total 12-4380 - Office Supplies	3,126.83	5,500.00	-2,373.17	56.85%	3,836.62	22,000.00	17.44%			
12-4430 - Employees										
12-4100 - Salaries & Wages	46,533.29	49,000.00	-2,466.71	94.97%	93,036.80	196,000.00	47.47%			
12-4120 - Pension Expense	6,794.87	6,800.00	-5.13	99.93%	13,526.81	27,200.00	49.73%			
12-4130 - Employee Benefits	10,887.64	12,200.00	-1,312.36	89.24%	22,995.61	48,800.00	47.12%			
12-4160 - Payroll Taxes	5,221.93	6,376.00	-1,154.07	81.9%	10,766.69	25,500.00	42.22%			
Total 12-4430 - Employees	69,437.73	74,376.00	-4,938.27	93.36%	140,325.91	297,500.00	47.17%			
12-4431 - Contract Services										
12-4442 - Finance & Accounting										
12-5010 - Audit	5,600.00	6,000.00	-400.00	93.33%	6,325.00	12,000.00	52.71%			
12-5011 - Bookkeeping Services	4,592.00	5,246.00	-654.00	87.53%	8,663.00	20,981.00	41.29%			
Total 12-4442 - Finance & Accounting	10,192.00	11,246.00	-1,054.00	90.63%	14,988.00	32,981.00	45.44%			
12-4443 - Part Time Staff	0.00	1,250.00	-1,250.00	0.0%	0.00	5,000.00	0.0%			
12-4444 - Town Manager	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%			
12-4445 - Town Clerk	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%			
12-4431 - Contract Services Other	0.00	1,000.00	-1,000.00	0.0%	0.00	8,000.00	0.0%			
12-6420 - Consulting Services - Misc.	1,975.00	2,250.00	-275.00	87.78%	1,975.00	5,000.00	39.5%			
Total 12-4431 - Contract Services	12,167.00	15,746.00	-3,579.00	77.27%	16,963.00	50,981.00	33.27%			
12-6400 - Telephone	1,071.17	2,000.00	-928.83	53.56%	3,042.54	6,000.00	38.03%			
12-6410 - Internet/Web	3,382.96	4,000.00	-617.04	84.57%	6,763.93	16,000.00	42.27%			
Total 12 - Manager & Support	120,396.64	143,122.00	-22,725.36	84.12%	239,783.23	560,481.00	42.78%			

Town of Tusayan
Profit & Loss Budget vs. Actual
July through September 2015

		TOTAL			TOTAL		
	Q2 - FY 17	Q2 Budget	\$ Over Budget	% of Budget	FY 17 to date	FY 17 Budget	% of Budget
Q2 FY17							
13 - Legal Services							
13-4431 - Contract Services							
13-4420 - General Counsel	13,170.00	21,250.00	-8,080.00	61.98%	19,840.55	85,000.00	23.34%
13-4421 - Special Counsel	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%
Total 13-4431 - Contract Services	13,170.00	23,750.00	-10,580.00	55.45%	19,840.55	95,000.00	20.88%
13-4432 - Litigation Allowance	0.00	35,000.00	-35,000.00	0.0%	0.00	140,000.00	0.0%
Total 13 - Legal Services	13,170.00	58,750.00	-45,580.00	22.42%	19,840.55	235,000.00	8.44%
14 - Planning & Studies							
14-4431 - Contract Services							
14-4411 - Housing Needs Study	0.00	1,000.00	-1,000.00	0.0%	0.00	4,000.00	0.0%
14-4413 - General Engineering	10,899.90	25,000.00	-14,100.10	43.6%	54,823.25	100,000.00	54.82%
14-4415 - Contract Planning Services	8,087.05	17,500.00	-9,412.95	46.21%	16,717.38	61,000.00	27.41%
14-4416 - Subdivision Regulations	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
14-7084 - Parking Study	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%
14-7070 - Planning&Design for Town Parce	0.00	1,250.00	-1,250.00	0.0%	0.00	5,000.00	0.0%
Total 14 - Planning & Studies	18,986.95	47,250.00	-28,263.05	40.18%	71,540.63	180,000.00	39.74%
15 - Court & Prosecutor							
15-4431 - Contract Services							
15-4421 - Contract Prosecutor/Defender	5,872.96	5,375.00	497.96	109.26%	13,554.90	21,500.00	63.05%
Total 15-4431 - Contract Services	5,872.96	5,375.00	497.96	109.28%	13,554.90	21,500.00	63.05%
16 - Development & Permits							
16-4414 - Advertising	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%
16-4415 - Supplies & Printing	0.00	2,499.00	-2,499.00	0.0%	0.00	10,000.00	0.0%
16-4431 - Contract Services							
16-4412 - Building Permit Services	0.00	20,000.00	-20,000.00	0.0%	0.00	80,000.00	0.0%

Town of Tusayan
Profit & Loss Budget vs. Actual
July through September 2015

	TOTAL			TOTAL			
	Q2 - FY 17	Q2 Budget	\$ Over Budget	% of Budget	FY 17 to date	FY 17 Budget	% of Budget
Q2 FY17							
16-4413 · Plan Review	0.00	8,750.00	-8,750.00	0.0%	0.00	35,000.00	0.0%
16-4417 · Fee Analysis	0.00	1,125.00	-1,125.00	0.0%	0.00	4,500.00	0.0%
Total 16-4431 · Contract Services	0.00	29,875.00	-29,875.00	0.0%	0.00	119,500.00	0.0%
Total 16 · Development & Permits	0.00	34,874.00	-34,874.00	0.0%	0.00	139,600.00	0.0%
17 · Public Safety							
17-4431 · Sheriff	124,377.00	130,000.00	-5,623.00	95.68%	248,754.00	520,000.00	47.84%
17-4432 · Public Safety - Special Events	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%
17-4433 · Law Enforcement Needs Study	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
17-4434 · Public Safety Enhancements	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%
17-4436 · Fire District Subsidy	75,269.80	67,500.00	7,769.80	111.51%	138,321.04	270,000.00	51.23%
17-4436 · Animal Control - County Health	0.00	3,126.00	-3,126.00	0.0%	2,400.00	12,505.00	19.19%
17-4437 · Miscellaneous	0.00	750.00	-750.00	0.0%	0.00	3,000.00	0.0%
Total 17 · Public Safety	199,646.80	206,376.00	-6,729.20	96.74%	389,475.04	825,505.00	47.18%
18 · Facilities & Grounds							
18-4490 · Custodial & Supplies	1,832.98	2,000.00	-167.02	91.65%	2,914.65	6,000.00	48.58%
18-4700 · Maintenance Facilities	1,313.75	1,500.00	-186.25	87.58%	2,878.85	15,000.00	19.19%
18-5420 · Utilities							
18-5421 · Telephone - Land Line	804.56	900.00	-95.44	89.4%	1,632.54	3,600.00	45.35%
18-5423 · Broadband	120.15	150.00	-29.85	80.1%	240.18	600.00	40.03%
18-5425 · Utilities Facilities & Grounds	1,822.05	2,150.00	-327.95	84.75%	2,668.07	10,600.00	25.17%
18-5426 · Utilities - Housing	1,282.16	1,300.00	-17.84	98.63%	1,329.89	3,000.00	44.33%
18-5427 · Utilities - Park	1,682.01	1,875.00	-192.99	89.71%	1,714.37	700.00	244.91%
Total 18-5420 · Utilities	5,710.93	6,375.00	-664.07	89.58%	7,585.05	18,500.00	41.0%
18-6250 · Rent Expense							
18-6252 · ADOT Ground Rental	7,168.11	8,250.00	-1,081.89	86.89%	14,336.22	28,000.00	51.2%
18-6253-RV Rent	0.00	1,250.00	-1,250.00	0.0%	0.00	5,000.00	0.0%
Total 18-6250 · Rent Expense	7,168.11	8,250.00	-1,081.89	86.89%	14,336.22	33,000.00	43.44%
18-7020 · Office Furniture	0.00	2,001.00	-2,001.00	0.0%	0.00	8,000.00	0.0%

Town of Tusayan
Profit & Loss Budget vs. Actual
July through September 2015

	Q2 FY17				TOTAL			
	Q2 - FY 17	Q2 Budget	\$ Over Budget	% of Budget	FY 17 to date	FY 17 Budget	% of Budget	
18-7030 · Equipment	3,913.90	5,875.00	-1,961.10	66.62%	5,139.59	23,500.00	21.87%	
Total 18 · Facilities & Grounds	19,939.87	26,001.00	-6,061.33	76.69%	32,954.36	104,000.00	31.59%	
19 · Parks & Recreation								
19-4700 · Maintenance								
19-4430 · Employees								
19-4100 · Salaries & Wages	12,002.56	12,500.00	-497.44	96.02%	26,700.67	50,000.00	53.4%	
19-4443 · Part-Time/Seasonal Employee	0.00	1,250.00	-1,250.00	0.0%	0.00	5,000.00	0.0%	
Total 19-4430 · Employees	12,002.56	13,750.00	-1,747.44	87.29%	26,700.67	55,000.00	48.55%	
19-4710 · Maintenance Park	0.00	5,000.00	-5,000.00	0.0%	0.00	20,000.00	0.0%	
Total 19-4700 · Maintenance	12,002.56	18,750.00	-6,747.44	64.01%	26,700.67	75,000.00	35.6%	
19-4702 · Projects Planning	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	
19-7040 · Vehicles/Equipment	0.00	5,000.00	-5,000.00	0.0%	19,000.00	20,000.00	95.0%	
19-7041 · Vehicle/Equipment Operation	1,885.48	2,500.00	-614.52	75.42%	4,206.34	10,000.00	42.06%	
Total 19 · Parks & Recreation	13,888.04	26,250.00	-12,361.96	52.91%	49,907.01	105,000.00	47.53%	
20 · Capital Improvement Projects								
20-4416 · Fiber Optic Implementation	0.00	750,000.00	-750,000.00	0.0%	2,050.00	3,000,000.00	0.07%	
20-4701 · Park Development	4,464.86	625,000.00	-620,535.14	0.71%	5,369.05	2,500,000.00	0.21%	
20-7056 · Town Hall Parking Improvements	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	
20-7058 · Tusayan Affordable Housing Proj	37,436.53	270,000.00	-232,563.47	13.87%	68,841.34	1,080,000.00	6.37%	
20-7060 · Drainage Study/ Model Update	0.00	25,000.00	-25,000.00	0.0%	0.00	100,000.00	0.0%	
20-7061 · Bus Stop Art Program/ Public Ar	0.00	6,250.00	-6,250.00	0.0%	0.00	25,000.00	0.0%	
20-7082 · Trail System & Improvements	0.00	12,500.00	-12,500.00	0.0%	0.00	50,000.00	0.0%	
Total 20 · Capital Improvement Projects	41,901.39	1,688,750.00	-1,646,848.61	2.48%	76,260.39	6,755,000.00	1.13%	
21 · Contingency	49,078.62	55,375.00	-6,296.38	86.63%	78,270.18	221,500.00	35.34%	
5100 · Bank Service Charges	0.00	0.00	0.00	0.0%	4.00	0.00	0.0%	

Town of Tusayan
Profit & Loss Budget vs. Actual
July through September 2015

		TOTAL				TOTAL			
Q2 FY17		Q2 - FY 17	Q2 Budget	\$ Over Budget	% of Budget	FY 17 to date	FY 17 Budget	% of Budget	
2 - Street Fund									
2-4484	Maintenance - Sidewalk	2,700.00	3,000.00	-300.00	90.0%	2,700.00	10,000.00	0.0%	
2-4485	Maintenance - Landscape	1,153.58	7,000.00	-5,846.42	16.48%	3,159.19	30,000.00	10.53%	
2-4486	Bus Stop Maintenance	0.00	2,500.00	-2,500.00	0.0%	0.00	10,000.00	0.0%	
Total 2 - Street Fund		3,853.58	12,500.00	-8,646.42	30.83%	5,859.19	50,000.00	11.72%	
3-4850 - Disbursements -Water Enter Fund									
		0.00	300,000.00	-300,000.00	0.0%	0.00	1,200,000.00	0.0%	
4-4850 - Disbursements-StaticGroup Devel.									
		0.00	125,000.00	-125,000.00	0.0%	0.00	500,000.00	0.0%	
5-4850 - Disbursements - Grant									
		0.00	250,000.00	-250,000.00	0.0%	0.00	1,000,000.00	0.0%	
TOTAL EXPENDITURES		493,300.52	3,022,988.00	-2,529,687.48	16.32%	996,545.71	12,067,486.00	8.26%	
TOTAL REVENUE									
		\$1,242,928.69				\$2,721,084.49	\$12,627,894.00	21.55%	
TOTAL EXPENDITURES									
		\$493,300.52				\$996,545.71	\$12,067,486.00	8.26%	
TOTAL +/-									
		\$749,628.17				\$1,724,538.78	\$560,408.00	307.73%	

Item 7A

**Supplement
pending**

Item 7B

**Supplement
pending**

Item 7Ci

Date: April 19, 2017

To: Mayor and Town Council

From: Planning staff

Subject: Ordinance No.2017-01 (Zone Amendment No. 2017-01)

Recommendation: That Town Council pass and adopt Ordinance No. 2017-01; an ordinance of the Town Council of the Town of Tusayan amending Ordinance No. 2012-04 (Zoning Ordinance) by approving Zone Amendment No. 2017-01.

The following tables reflect the proposed changes in height limits within the Town of Tusayan. All wording/numbers that are struck-through are to be eliminated, all wording/numbers in bold italicized print are to be added, and all other wording/numbers remain unchanged.

PROPERTY DEVELOPMENT STANDARDS: G, AR, AND RR ZONES

Section 9.3 (C). *General Requirements.*

(1) ~~The following~~ Requirements are ~~a minimum unless otherwise noted~~ as follows:

<i>General Requirements</i>	<i>G</i>	<i>AR</i>	<i>RR</i>
Building site, net area in acres (or as specified per division (B)(1) of this section	10	1	1
Distance between buildings, in feet	10	10	10
Dwelling unit per parcel, maximum	1	1	1
Front yard, in feet	30	25	25
Lot coverage, maximum	30%	35%	35%
Lot depth, in feet	300	150	150
Lot width, in feet	300	100	100
Off-street parking spaces - per dwelling unit	1	1	1
Rear yard, in feet	30	20	20
Side yard - interior, in feet	20	10	10
Side yard - street side, in feet	30	15	15
Structure height, maximum, in feet	40 65	35 65	35 65

Note: *The maximum permitted height measured from finished grade at base of building for any structure may be exceeded provided a conditional use permit for additional height is approved by the Town. The height limit for any structure is subject to the requirements of the Federal Aviation Administration.*

PROPERTY DEVELOPMENT STANDARDS: R ZONES

Section 10.2 (C) *General Requirements.*

(1) *Residential Single-Family Zones.*

(a) **The following** Requirements are *minimum unless otherwise noted* as follows:

<i>General Requirements</i>	<i>RS-6000</i>	<i>RS-10000</i>	<i>RS-18000</i>	<i>RS-36000</i>
Building Structure height, maximum in ft.	35 65	35 65	35 65	35 65
Building site, net area in square feet	6,000	10,000	18,000	36,000
Density, maximum dwelling units per acre	6.0	4.0	2.0	1.0
Distance between buildings, in feet	10	10	10	10
Dwelling unit per parcel, maximum	1	1	1	1
Front yard, in feet	20	20	25	25
Lot coverage, maximum	40%	40%	35%	35%
Lot depth, in feet		100	100	150
Lot width, in feet	60	80	100	120
Off-street parking spaces, per dwelling unit	2	2	2	2
Rear yard, in feet	20	20	25	25
Side yard - interior, in feet	5	10	10	20
Side yard - street side, in feet	10	10	15	20

Note: The maximum permitted height measured from finished grade at base of building for any structure may be exceeded provided a conditional use permit for additional height is approved by the Town. The height limit for any structure is subject to the requirements of the Federal Aviation Administration.

Section 10.2 (C) *General Requirements.*

(2) *Residential Multiple-Family Zones.*

(a) **The following** Requirements are *minimum unless otherwise noted* as follows:

<i>General Requirements</i>	<i>RM-10/A</i>	<i>RM-20/A</i>
Building Structure height, maximum in feet	35 65	40 65
Building site, net area, in acres	0.5	2.
Covered off-street parking spaces per dwelling unit	2	1 + 1 open
Open guest parking spaces	Add 10% of total spaces	
Density, maximum dwelling units per acre	10	2
Distance between buildings, in feet	10	1
Front yard, in feet	20	2

Lot coverage, maximum	45%	50
Lot depth, in feet	100	20
Lot width, in feet	100	15
Off-street parking spaces for 2-family dwellings, per dwelling unit	2	2
Rear yard, in feet	20	2
Side yard - interior, in feet	10	1
Side yard - street side, in feet	15	2

Note: The maximum permitted height measured from finished grade at base of building for any structure may be exceeded provided a conditional use permit for additional height is approved by the Town. The height limit for any structure is subject to the requirements of the Federal Aviation Administration.

PROPERTY DEVELOPMENT STANDARDS: COMMERCIAL ZONES

Section 11.2 (C) General Requirements.

(1) **The following** Requirements are **minimums unless otherwise noted** as follows:

<i>General Requirements</i>	<i>CN-2/A</i>	<i>CG-10,000</i>	<i>CH-10,000</i>
Building site, square feet or acres	2 acres	10,000 sf	10,000 sf
Front yard, in feet	20		20
Lot coverage, maximum	35%		
Lot depth, in feet	150		100
Lot width, in feet	200		50
Off-street parking	See § 15		
Rear yard, in feet	10		0
Side yard - interior and rear yard, in feet, adjacent to G, AR, RR, RS	20	20	20
Side yard - interior, in feet	10	-	-
Side yard - street side, in feet	10	20	20
Structure height, maximum, in feet	35 65	35 65	40 65

Note: The maximum permitted height measured from finished grade at base of building for any structure may be exceeded provided a conditional use permit for additional height is approved by the Town. The height limit for any structure is subject to the requirements of the Federal Aviation Administration.

PROPERTY DEVELOPMENT STANDARDS: INDUSTRIAL ZONES

Section 12.2 (C) *General Requirements*. **The following Requirements are minimum unless otherwise noted as follows:**

<i>General Requirements</i>	<i>MP-20,000</i>	<i>M-1-10,000</i>	<i>M-2-6,000</i>
Building Structure height, maximum in feet	40 65	40 65	4065
Building site, in square feet	20,000	10,000	6,000
Front yard, in feet	20	10	1
Lot coverage, maximum	60%	60%	-
Lot depth, in feet	150	100	10
Lot width, in feet	100	100	6
Off-street parking	See § 15		
Rear yard, in feet	20	-	-
Side yard, in feet	15	-	-
Side yard - street side, in feet	20	10	10

Note: The maximum permitted height measured from finished grade at base of building for any structure may be exceeded provided a conditional use permit for additional height is approved by the Town. The height limit for any structure is subject to the requirements of the Federal Aviation Administration.

PROPERTY DEVELOPMENT STANDARDS: MHP ZONE

Section 13.1-5 *General Requirements*

(A) **The following Requirements are minimum unless otherwise noted as follows:**

<i>General Requirements</i>	
Distance between buildings	10 feet
Dwelling units per lot, parcel or manufactured home space, maximum	1
Front yard	10 feet
Lot coverage, maximum	40%
<i>Lot or space size in square feet</i>	
<i>Lot or parcel size in square feet for parks and rental spaces</i>	4,000
<i>Lot or parcel size in square feet for subdivided lots</i>	5,000
<i>Structure height, maximum</i>	20 65 feet
Off-street parking spaces	2 spaces
Rear yard	10 feet
<i>Side yard</i>	
<i>Side yard, interior</i>	5 feet

Side yard, street	10 feet
Subdivided lot	
Minimum width, subdivided lot	50 feet
Minimum depth, subdivided lot	100 feet

Note: The maximum permitted height measured from finished grade at base of building for any structure may be exceeded provided a conditional use permit for additional height is approved by the Town. The height limit for any structure is subject to the requirements of the Federal Aviation Administration.

PROPERTY DEVELOPMENT STANDARDS: PRD ZONE

Section 13.2-3 (D) (1) The following specific site development requirements shall apply to a PRD in any zone; these requirements are ~~minimum unless otherwise noted~~ as follows:

General Requirements	
Building Structure height, maximum, in feet	35 65
Dwelling unit size, square feet	1,150
Front yard, in feet	25
Guest parking spaces per unit, uncovered	1
Parking spaces per unit, covered	1
Rear yard, in feet	20
Side yard - interior, in feet	20
Side yard - street side, in feet	25
Site area, in acres	10
Site coverage, maximum	40%
Site frontage on public street, in feet	200

Note: The maximum permitted height measured from finished grade at base of building for any structure may be exceeded provided a conditional use permit for additional height is approved by the Town. The height limit for any structure is subject to the requirements of the Federal Aviation Administration.

Section 13.3 PC – PLANNED COMMUNITY ZONE

Section 13.3-5(D)(2) An accompanying text setting forth the land use regulations which constitute the standard of development designed to govern those sections or areas specified in the development plan. Such standards shall contain definitions and information concerning requirements for building site coverage, ~~building heights~~ building setbacks, off-street parking, vehicular access, signing, lighting, storage, screening and landscaping, and any other

information which the Town Manager or designee shall require to ensure substantial compliance with the purpose of the PC Zone.

Section 13.3-5(D) (6) The maximum permitted height measured from finished grade at base of building shall be sixty-five (65) feet. However, the maximum permitted height for any structure may be exceeded provided a conditional use permit for additional height is approved by the Town. The height limit for any structure is subject to the requirements of the Federal Aviation Administration.

PROPERTY DEVELOPMENT STANDARDS: RMH ZONE

Section 13.11-3 (C) General Requirements.

- (1) ~~The following~~ Requirements are ~~minimum unless otherwise noted~~ as follows:

Building Structural height, maximum in feet	35 65
Building site, net area in square feet	6,000
Density, maximum dwelling units per acre	6.0
Distance between buildings	10 feet
General Requirements	
Front yard	15 feet
Lot coverage, maximum	40%
Lot depth	100 feet
Lot width	50 feet
Off-street parking	2 spaces
Rear yard	10 feet
Side yard	5 feet
Side yard, street side	10 feet

Note: The maximum permitted height measured from finished grade at base of building for any structure may be exceeded provided a conditional use permit for additional height is approved by the Town. The height limit for any structure is subject to the requirements of the Federal Aviation Administration.

EXHIBIT

Ordinance No. 2017-01

Item 7Cii

Item 7Cii

ORDINANCE NO. 2017-01

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF TUSAYAN AMENDING ORDINANCE NO. 2012-04 BY APPROVING ZONE AMENDMENT NO. 2017-01

WHEREAS, the Town Council of the Town of Tusayan has, at its meeting held on April 19, 2017, studied and considered Ordinance No. 2017-01 (Zone Amendment No. 2017-01); and

WHEREAS, the Town Council has determined that it is in the best interest of the Town to enact these amendments to Ordinance No. 2017-01 in order to enhance the quality of life and to protect the health, safety, and welfare of its citizens; and

WHEREAS, a timely and properly noticed public hearing upon Zone Amendment No. 2017-01 (Ordinance No. 2017-01), was held by the Town Council during its meeting on April 19, 2017, at which hearing evidence, oral and documentary, was admitted on behalf of said zone amendment; and

WHEREAS, the Planning and Zoning Commission of the Town of Tusayan, in a session assembled on the 18th day of April, 2017, approved Resolution No. 2017-01 (Zone Amendment 2017-01), a Resolution of the Planning and Zoning Commission recommending that the Town Council approve Zone Amendment No. 2017-01.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF TUSAYAN DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: ALLOWABLE HEIGHT LIMITS

§ 4.1 – Section 9.3 (C) 1. Increase the maximum allowable height measured from finished grade at base of building in the “G” zone District from 40 feet to 65 feet, in the AR Zone District from 35 feet to 65 feet, and in the RR Zone District from 35 feet to 65 feet, excepting that said height limits may be exceeded upon approval of a conditional use permit for a greater height by the Town of Tusayan; and provided that any such height limit be subject to the requirements of the Federal Aviation Administration.

§ 4.2 – Section 10.2 (C) 1. (a). Increase the maximum allowable height measured from finished grade at base of building in the RS-6000 Zone District from 35 feet to 65 feet, in the RS-10000 Zone District from 35 feet to 65 feet, in the RS-18000 Zone District from 35 feet to 65 feet, and in the RS-36000 Zone District from 35 feet to 65 feet, excepting that said height limits may be exceeded upon approval of a conditional use permit for a greater height by the Town of Tusayan; and provided that any such height limit be subject to the requirements of the Federal Aviation Administration.

§ 4.3 – Section 10.2 (C). Increase the maximum allowable height measured from finished grade at base of building in the RM/A Zone District from 35 feet to 65 feet, and in the RM-20/A Zone District from 40 feet to 65 feet, excepting that said height limits may be exceeded upon approval of a conditional use permit for a greater height by the Town of Tusayan; and provided that any such height limit be subject to the requirements of the Federal Aviation Administration.

§ 4.4 – Section 11.2 (C) 1. Increase the maximum allowable height measured from finished grade at base of building in the CN-2/A Zone District from 35 feet to 65 feet, in the CG-10,000 Zone District from 35 feet to 65 feet, and in the CH-10,000 Zone District from 40 feet to 65 feet, excepting that said height limits may be exceeded upon approval of a conditional use permit for a greater height by the Town of Tusayan; and provided that any such height limit be subject to the requirements of the Federal Aviation Administration.

§ 4.5 – Section 12.2 (C). Increase the maximum allowable height measured from finished grade at base of building in the MP-20,000 Zone District from 40 feet to 65 feet, in the M-1-10,000 Zone District from 40 feet to 65 feet, and in the M-2-6,000 Zone District from 40 feet to 65 feet, excepting that said height limits may be exceeded upon approval of a conditional use permit for a greater height by the Town of Tusayan; and provided that any such height limit be subject to the requirements of the Federal Aviation Administration.

§ 4.6 – Section 13.1-5. Increase the maximum allowable height measured from finished grade at base of building in the MHP Zone District from 20 feet to 65 feet, excepting that said height limit may be exceeded upon approval of a conditional use permit for a greater height by the Town of Tusayan; and provided that any such height limit be subject to the requirements of the Federal Aviation Administration.

§ 4.7 – Section 2-3 (D) (1). Increase the maximum allowable height measured from finished grade at base of building in the PRD Zone District from 35 feet to 65 feet, excepting that said height limit may be exceeded upon approval of a conditional use permit for a greater height by the Town of Tusayan; and provided that any such height limit be subject to the requirements of the Federal Aviation Administration.

§ 4.8 – Section 13.3-5 (D) (6). Establish a maximum permitted height measured from finished grade at base of building in the PC Zone District to sixty-five (65) feet, excepting that said height limit may be exceeded upon approval of a conditional use permit for a greater height by the Town of Tusayan; and provided that any such height limit be subject to the requirements of the Federal Aviation Administration.

§ 4.9 – Section 13.11-3 (C) (1). Increase the maximum allowable height measured from finished grade at base of building in the RMH Zone District from 35 feet to 65 feet, excepting that said height limit may be exceeded upon approval of a conditional use permit for a greater height by the Town of Tusayan; and provided that any such height limit be subject to the requirements of the Federal Aviation Administration.

SECTION II: SEVERABILITY

If any section, subsection, subdivision, sentence, phrase or portion of this Ordinance No. 2017-01 (Zone Amendment 2017-01) or the application to any person or place is held to be unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this zone amendment. The Town Council declares that it would have recommended adoption of these revisions to Ordinance No. 2017-01 and each section, subsection, sentence, clause, or phrase of this zone amendment in spite of the fact that one or more of the same be declared unconstitutional or invalid.

Town Council
Ordinance No. 2017-01

SECTION III: ADMINISTRATIVE REVISIONS

The Zoning Administrator of the Town of Tusayan is hereby given the authority to make any non-substantive changes to the Zoning Ordinance. These non-substantive changes will include such things as grammatical errors, error in mathematical calculations, erroneous references from one section of the Code to another section, changes in formatting, or any other such changes provided a report is given to the Planning and Zoning Commission and the Town Council indicating which changes are to be made.

PASSED AND ADOPTED THIS 19th DAY OF April, 2017.

Craig Sanderson, Mayor

REVIEWED BY:

APPROVED AS TO FORM:

Eric Duthie, Town Manager

Bill Sims, Town Attorney

ATTEST

Melissa Drake, Town Clerk

CERTIFICATION

I, Melissa Drake, hereby certify that the foregoing Ordinance No. 2017-01 was passed and adopted by the Town of Tusayan at a scheduled meeting on the 19th day of April, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Melissa Drake, Town Clerk

Item 7Di



HINTONBURDICK

CPAs & ADVISORS

MEMBERS

CHAD B. ATKINSON, CPA
KRIS J. BRAUNBERGER, CPA
ROBERT S. COX, CPA
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KEVIN L. STEPHENS, CPA
MARK E. TICHENOR, CPA
MICHAEL J. TORGERSON, CPA

March 14, 2017

To the Honorable Mayor and Town Council
Town of Tusayan, Arizona

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tusayan, Arizona (the Town) for the year ended June 30, 2016, and have issued our report thereon dated March 14, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated August 4, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during fiscal year 2016.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation expense is based on the useful lives of the underlying assets. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, management's estimates have been determined on the same basis as they are reported by the Arizona State Retirement System (ASRS).

The Town's net pension liability for ASRS was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined using procedures to update and roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The key factors and assumptions used to develop the valuation and the accrual appear reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. A list of adjustments has been provided to management and management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 14, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Town Council and management of the Town and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



HintonBurdick, PLLC

Item 7Dii



MEMBERS:

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**Findings and Recommendations
For the Year Ended June 30, 2016**

The Honorable Mayor and
Town Council
Tusayan, Arizona

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. We wish to commend the Town for their administrative achievements and oversight of the Town's accounting and budget system. During our audit of the funds of the Town of Tusayan for the fiscal year ended June 30, 2016 we noted a few areas that may need corrective action in order for the Town to be in compliance with laws and regulations and we found a few circumstances that, if improved, would strengthen the Town's accounting system and control over its assets. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Significant Deficiencies:

2011-001. Year-end Accounting (prior year reworded, reissued)

Criteria: Auditing standards indicate that the identification by the auditor of misstatements in the financial statements may be a significant deficiency in the Town's internal controls.

Condition: Accruals and adjustments to the general ledger were required that were not initially identified by the Town's internal controls.

Cause: Procedures for year-end adjustments may need to be revised or improved in order to properly identify certain adjustments for new accounting standards or other non-routine adjustments.

Effect: The Town's financial statements would not have been fairly stated in all material respects without the adjustments. Adjustments with a net income effect of approximately \$87,000 were required.

Recommendations: We recommend that management review the audit adjustments in order to understand each adjustment and continue efforts to improve controls over year-end accounting and identify accruals and adjustments prior to the audit.

2011-002. Segregation of Duties (prior year reworded, reissued)

Criteria: An effective internal control structure, including adequate segregation of duties, should be implemented in order to properly safeguard Town assets.

Condition: The same individual who recorded cash receipts and cash disbursements in the accounting system also, prepared cash disbursements and prepared bank reconciliations. In addition, there was no documentation of Town Manager approval of a time card that was sampled.

Cause: The size of the Town's administrative staff prohibits the complete segregation of duties within its accounting function.

Effect: A material misstatement, due to fraud or error, may not be prevented or detected in a timely manner.

Recommendations: The Town Council and management should consider ways that segregation of duties can be improved or additional mitigating controls can be established within the accounting and administrative functions as the Town continues to grow and additional staff are considered necessary. In addition, review and approval should be documented prior to payment of payroll or other liabilities.

2011-003. Policies and Procedures (prior year reworded, reissued)

Criteria: A Policy and Procedure Manual is important in establishing the financial policies and procedures, flow of documents, job descriptions, responsibilities and duties, and general operating environment of any type of organization.

Condition: The Town does not have a complete Policy and Procedures Manual.

Cause: The Town is still relatively new and the size of the administrative staff hampers the Town's ability to complete projects such as these.

Effect: Without this document there could be confusion in regards to Town policies and expectations of its employees, management and the Town Council which in turn could weaken controls over compliance, financial reporting and the safeguarding of assets.

Recommendations: We did note that the Town prepared and adopted a Fiscal Policy and Procedure Manual during the year. We recommend that the Town continue to develop and implement a Policies and Procedures Manual that addresses such items as: budgetary procedures, capital asset management procedures, personnel duties and responsibilities, records retention, EEOC, Drug Free Workplace, related party, conflict of interest, chart of organization, compensation and fringe benefits and vacation and holiday compensation.

The Town may consider consulting with the Arizona League of Cities and Towns or local governmental entities of similar size to obtain Policies and Procedures manuals or materials that may help you in developing and implementing policies and procedures specific to the Town.

COMPLIANCE AND OTHER MATTERS:

None noted

Responses

Please respond to the above Findings and Recommendations in letter form.

This report is intended solely for the information and use of the Town Council, management, and various federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the Town this past year. We would like to express special thanks to all those who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel necessary. We look forward to a continued professional relationship.

Sincerely,



HintonBurdick, PLLC
Flagstaff, Arizona
March 14, 2017

Item 7Diii

TOWN OF TUSAYAN, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
For the Year Ended June 30, 2016
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF TUSAYAN, ARIZONA
Annual Expenditure Limitation Report
For the Year Ended June 30, 2016

Table of Contents

	PAGE
Independent Accountants' Report	1
Annual Expenditure Limitation Report - Part I.....	2
Annual Expenditure Limitation Report - Part II.....	3
Annual Expenditure Limitation Report - Reconciliation.....	4
Notes to Annual Expenditure Limitation Report.....	5



HINTONBURDICK
CPAS & ADVISORS

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KEVIN L. STEPHENS, CPA
MARK E. TICHEHOR, CPA
MICHAEL J. TORGERSON, CPA

Independent Accountants' Report on AELR

The Auditor General of the State of Arizona and
The Honorable Mayor and Town Council
Town of Tusayan, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Tusayan, Arizona, for the year ended June 30, 2016. This report is the responsibility of the Town of Tusayan, Arizona's management. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of the Town of Tusayan, Arizona, referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

HintonBurdick, PLLC

HintonBurdick, PLLC
March 14, 2017

TOWN OF TUSAYAN, ARIZONA
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2016

1. Economic Estimates Commission expenditure limitation	N/A
2. Voter-approved alternative expenditure limitation (Approved 8/26/2014)	<u>\$ 6,129,000</u>
3. Enter applicable amount from line 1 or line 2	\$ 6,129,000
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>2,217,921</u>
5. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation)	<u>\$ 3,911,079</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: _____

Name and Title: Eric Duthie, Town Manager

Telephone Number: 928-638-9909 Date: _____

See accompanying notes to the report.

TOWN OF TUSAYAN, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2016

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 2,217,921	\$ -	\$ -	\$ 2,217,921
B. Less exclusions claimed:				
1. Bond proceeds	-	-	-	-
Debt service requirements on bonded indebtedness	-	-	-	-
Proceeds from other long-term obligations	-	-	-	-
Debt service requirements on other long-term obligations	-	-	-	-
2. Dividends, interest and gains on the sale or redemption of investment securities	-	-	-	-
3. Trustee or custodian	-	-	-	-
4. Grants and aid from the Federal government	-	-	-	-
5. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	-	-	-	-
6. Amounts received from the State of Arizona	-	-	-	-
7. Quasi-external interfund transactions	-	-	-	-
8. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-	-
9. Highway user revenues in excess of those received in fiscal year 1979-80	-	-	-	-
10. Contracts with other political subdivisions	-	-	-	-
11. Refunds, reimbursements, and other recoveries	-	-	-	-
12. Voter-approved exclusions not identified above (attach resolution)	-	-	-	-
13. Prior years carryforward	-	-	-	-
14. Total exclusions claimed	-	-	-	-
C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce) exclusions claimed to net to zero.)	<u>\$ 2,217,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,217,921</u>

See accompanying notes to the report.

TOWN OF TUSAYAN, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2016

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	<u>\$ 2,217,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,217,921</u>
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-
Bad debt expense	-	-	-	-
Other postemployment benefits expense	-	-	-	-
Pension expense	-	-	-	-
Claims incurred but not reported	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-
3. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	-	-	-	-
4. Involuntary court judgments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5. Total subtractions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
C. Additions:				
1. Principal payments on long-term debt	-	-	-	-
2. Acquisition of capital assets	-	-	-	-
3. Amounts paid in the current year but reported as expenses in previous years				
Other postemployment benefits	-	-	-	-
Pension contributions	-	-	-	-
Claims previously recognized as IBNR	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
4. Total additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
D. Amounts reported on Part II, Line A	<u>\$ 2,217,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,217,921</u>

See accompanying notes to the report.

TOWN OF TUSAYAN, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2016

Note 1. Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the *Uniform Expenditure Reporting System (UERS)*, as required by Arizona Revised Statutes §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation adopted August 26, 2014, as authorized by the Arizona Constitution, Article IX, §20(9).

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed in part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the annual fund-based financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds, Statement of Revenues, Expenses, and Changes in Net Position for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Statement of Changes in Fiduciary Net Position.

Note 2. Reconciliation Subtractions and Additions

The Town currently does not operate any Enterprise funds; thus, there are no subtractions or additions for enterprise funds that would be applicable.

There are also no subtractions or additions applicable for any of the governmental activities for the current year.

Note 3. Exclusions

Exclusions from local revenues, including those enumerated in the Constitution, may be taken against alternative expenditure limitation only if such exclusions are specifically identified in the resolution and the publicity pamphlet. There are no such exclusions specifically identified.

Item 7Div

TOWN OF TUSAYAN, ARIZONA



FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2016

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF TUSAYAN

Table of Contents

	<u>Page</u>
Independent Auditors' Report on Financial Statements.....	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Fiduciary Net Position – STILO Trust Agency Fund	18
Notes to Financial Statements	19
Required Supplementary Information:	
Schedule of the Proportionate Share of the Net Pension Liability.....	40
Schedule of Pension Contributions	41
Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund – Budget and Actual.....	44
Statement of Revenues, Expenditures, and Changes in Fund Balances – HURF Fund – Budget and Actual.....	46
Statement of Revenues, Expenditures, and Changes in Fund Balances – Grants Fund – Budget and Actual.....	47
Other Communications from Independent Auditor:	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters.....	51
Report on Compliance with State Laws and Regulations.....	53

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MEMBERS:

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MICHAEL J. TORGERSON, CPA

Independent Auditors' Report

The Honorable Mayor and
Town Council
Tusayan, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tusayan, Arizona, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tusayan as of June 30, 2016, and the respective changes in financial position and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2017, on our consideration of the Town of Tusayan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Tusayan's internal control over financial reporting and compliance.



HintonBurdick, PLLC
Flagstaff, Arizona
March 14, 2017

**TOWN OF TUSAYAN, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016**

As management of the Town of Tusayan (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2016. Please read it in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- Total assets exceeded total liabilities (net position) by \$11,717,383 at the end of the fiscal year.
- Total revenues from all sources were \$4,162,262 and the total cost of all Town programs was \$1,716,346 resulting in an increase of net position of \$2,445,916.
- Sales tax collections of \$3,521,895 were up from the prior year amount of \$3,359,167.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$9,626,228.
- At the end of the fiscal year, restricted fund balance for the HURF Fund was \$182,176 and unrestricted fund balance was \$86,049.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Town as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. (3) Notes to the financial statements.

Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the Town's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and its changes. Net position, the difference between assets and liabilities, are one way to measure the Town's financial health, or financial position. Over time, an increase or decrease in net position is an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the condition of the Town's roads to accurately assess the overall health of the Town.

The Statement of Net Position and the Statement of Activities, present information about the following:

- Government activities – All of the Town's basic services are considered to be governmental activities, including general government, public safety, public works/streets, culture and recreation, economic development, health and welfare and interest on long-term debt. Sales taxes, State Revenue Sharing, intergovernmental revenues and charges for services finance most of these activities.
- Proprietary activities/Business type activities – The Town currently does not maintain any proprietary activities; all activities are accounted for as governmental activities.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, management may establish many other funds which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The Town's two major funds use the accounting approach as explained below.

- Governmental funds – All of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the Basic Financial Statements and in footnote 2.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Town's financial position. The Town's combined assets exceed liabilities by \$11.7 million as of June 30, 2016 as shown in the following condensed statement of net position.

TOWN OF TUSAYAN, ARIZONA Statement of Net Position

	Governmental activities	
	6/30/2016	6/30/2015
Current and other assets	\$ 10,046,905	\$ 8,107,250
Capital assets	1,894,945	1,289,333
Total assets	<u>11,941,850</u>	<u>9,396,583</u>
Deferred outflows of resources	273,006	24,093
Long-term liabilities outstanding	325,465	-
Other liabilities	144,523	149,209
Total liabilities	<u>469,988</u>	<u>149,209</u>
Deferred inflows of resources	27,485	-
Net position:		
Net investment in capital assets	1,894,945	1,289,333
Restricted	182,176	144,567
Unrestricted	9,640,262	7,837,567
Total net position	<u>\$ 11,717,383</u>	<u>\$ 9,271,467</u>

Governmental Activities

The cost of all Governmental activities this year was \$1,716,346 as shown on the Changes in Net Position statement on the following page. \$32,503 of this cost was paid for by those who directly benefited from the programs. \$291,595 was subsidized by grants received from other governmental organizations for both capital and operating activities. Overall governmental program revenues, including intergovernmental aid and fees for services were \$324,098. General taxes, State Revenue Sharing, investment earnings and other revenues totaled \$3.8 million.

The Town's programs include: General Government, Public Safety, Public Works/Streets, Culture & Recreation, and Economic Development. Each program's net cost (total cost less revenues generated by the activities) are presented on the following page. The net cost shows the extent to which the Town's general revenues or taxes support each of the Town's programs.

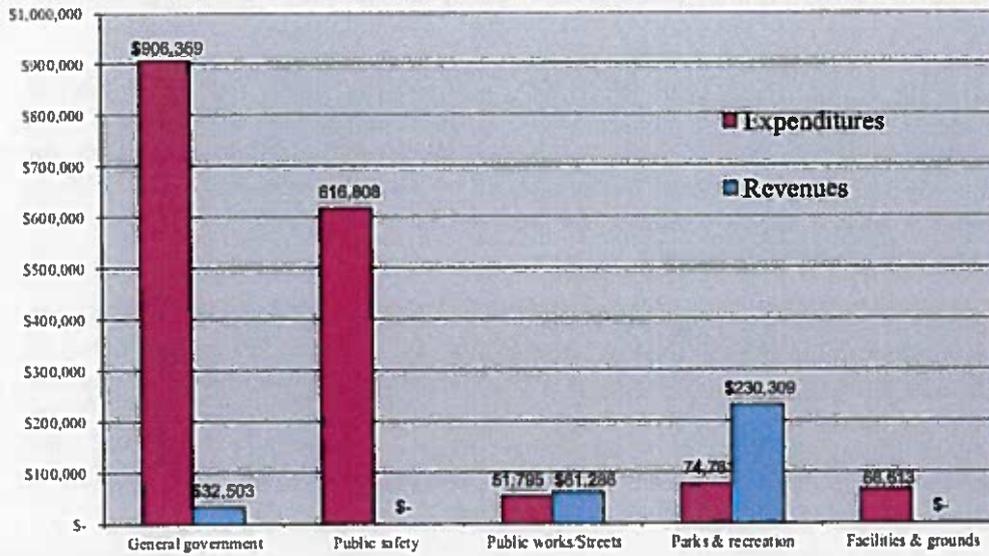
TOWN OF TUSAYAN, ARIZONA
Changes in Net Position

	Governmental activities	
	6/30/2016	6/30/2015
Revenues:		
Program revenues:		
Charges for services	\$ 32,503	\$ 37,367
Operating grants and contributions	61,286	58,189
Capital grants and contributions	230,309	24,168
General revenues:		
Taxes	3,599,133	3,433,118
Urban revenue sharing	180,600	181,584
Investment earnings	58,231	10,062
Other revenue/(expense)	200	-
Total revenues	4,162,262	3,744,488
Expenses:		
General government	906,369	852,060
Public safety	616,808	429,261
Public works/Streets	51,795	24,091
Parks and recreation	74,761	101,739
Facilities and grounds	66,613	46,270
Total expenses	1,716,346	1,453,421
Increase (Decrease) in net assets before transfers	2,445,916	2,291,067
Transfers	-	-
Net position, beginning	9,271,467	6,980,400
Net position, ending	\$ 11,717,383	\$ 9,271,467

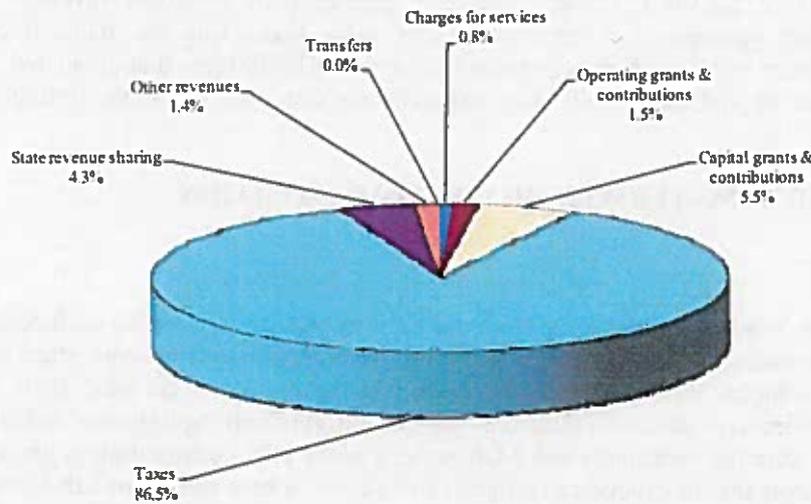
Total resources available during the year to finance governmental operations were \$13.43 million consisting of net position at July 1, 2015 of \$9.27 million, program revenues of \$324,098 and General Revenues of \$3.84 million. Total Governmental Activities during the year were \$1.72 million; thus Governmental Net Position increased by \$2.45 million to a total of \$11.72 million.

The following graphs compare program expenses to program revenues and provide a breakdown of revenues by source for all governmental activities:

Expenses and Program Revenues - Governmental Activities
(in Thousands)



Revenue By Source - Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,902,382, an increase of \$1,944,341 in comparison with the prior year. Approximately 98% or \$9,712,277 constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance, or \$182,176, is restricted to indicate that it is not available for new spending because it has already been committed to pay for highways and streets.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance in the General fund was \$9,626,228. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance at year end represents 558% of the total General Fund fiscal year 2016 expenditures. During the year, the General Fund balance increased by \$1,887,001. The Town budgeted to increase the fund balance by \$47,750. The excess revenues over expenditures (fund balance) are anticipated to be expended in future years.

The Highway User Revenue Fund has a total fund balance of \$268,225, of which \$182,176 is restricted for road construction and maintenance. The fund balance increased during the current year by \$57,340.

Budgetary Highlights

General Fund revenues of \$3,846,121 were \$426,871 greater than budgeted revenues of \$3,419,250. Greater than anticipated revenue from city sales taxes was the major factor contributing to this variance. General Fund expenditures were \$1,412,380 less than budgeted. The Town had many planned capital outlay and other expenditures that were not made during the year.

CAPITAL ASSET AND LONG-TERM LIABILITY ADMINISTRATION

Capital Assets

The capital assets of the Town are those assets that are used in performance of Town functions including infrastructure assets. Capital assets include land, buildings, improvements other than buildings, equipment, vehicles, park facilities and roads. At the end of fiscal year 2016, net capital assets of the government activities totaled \$1,894,945. Significant capital asset additions during fiscal year 2016 were the bathrooms and ADA parking at the park construction in progress of \$463,980, park development construction in progress of \$62,627, a new vehicle of \$28,150 and affordable housing construction in progress of \$110,047. Depreciation on capital assets for government activities is recognized in the Government-Wide financial statements. (See note 5 to the financial statements.)

Long-Term Liabilities

At the end of the current fiscal year, the Town of Tusayan had total long-term liabilities outstanding of \$325,465 related to net pension liabilities (See note 6 and note 8 to the financial statements).

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In considering the Town Budget for fiscal year 2016/2017, the Town Council and management were cautious as to the growth of revenues and expenditures. Overall governmental fund operating expenditures were budgeted to increase slightly due to increased levels of service.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact: Town of Tusayan, Finance Department, P.O. Box 709, Tusayan, Arizona 86023.

TOWN OF TUSAYAN, ARIZONA
Statement of Net Position
June 30, 2016

	Governmental Activities
Assets	
Cash and investments	\$ 9,827,821
Receivables (net of allowance)	211,155
Prepaid expense	7,929
Capital assets (net of accumulated depreciation):	
Construction in progress	690,000
Buildings	601,948
Improvements other than buildings	440,120
Furniture, equipment & vehicles	162,877
Total assets	11,941,850
Deferred Outflows of Resources	
Deferred outflows related to pensions	273,006
Total deferred outflows of resources	273,006
Liabilities	
Accounts payable and other current liabilities	144,523
Noncurrent liabilities:	
Net pension liability	325,465
Total liabilities	469,988
Deferred Inflows of Resources	
Deferred inflows related to pensions	27,485
Total deferred inflows of resources	27,485
Net investment in capital assets	1,894,945
Restricted for:	
Highways & streets	182,176
Unrestricted	9,640,262
Total net position	\$ 11,717,383

The accompanying notes are an integral part of the financial statements.

TOWN OF TUSAYAN ARIZONA
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Total
Governmental activities:						
General government	\$ 906,369	\$ 32,503	\$ -	\$ -	\$ (873,866)	\$ (873,866)
Public safety	616,808	-	-	-	(616,808)	(616,808)
Public works/Streets	51,795	-	61,286	-	9,491	9,491
Parks & recreation	74,761	-	-	230,309	155,548	155,548
Facilities & grounds	66,613	-	-	-	(66,613)	(66,613)
Total governmental activities	1,716,346	32,503	61,286	230,309	(1,392,248)	(1,392,248)
Total primary government	\$ 1,716,346	\$ 32,503	\$ 61,286	\$ 230,309	\$ (1,392,248)	\$ (1,392,248)
General Revenues:						
Taxes:						
City sales tax					3,521,895	3,521,895
State sales tax					52,692	52,692
Auto lieu tax					24,546	24,546
Urban revenue sharing					180,600	180,600
Unrestricted investment earnings					58,231	58,231
Miscellaneous					200	200
Total general revenues & transfers					3,838,164	3,838,164
Change in net position					2,445,916	2,445,916
Net position - beginning					9,271,467	9,271,467
Net position - ending					\$ 11,717,383	\$ 11,717,383

TOWN OF TUSAYAN ARIZONA
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Highway Users Revenue Fund	Grants Fund	Total Governmental Funds
Assets				
Cash and investments	\$ 9,567,248	\$ 260,573	\$ -	\$ 9,827,821
Receivables, net:				
Intergovernmental	194,103	7,652	-	201,755
Due from other funds	9,400	-	-	9,400
Prepaid insurance	7,929	-	-	7,929
Total Assets	\$ 9,778,680	\$ 268,225	\$ -	\$ 10,046,905
Liabilities				
Accounts Payable	\$ 141,934	\$ -	\$ -	\$ 141,934
Accrued wages and benefits	2,589	-	-	2,589
Total Liabilities	144,523	-	-	144,523
Fund Balances				
Nonspendable:				
Prepaid items	7,929	-	-	7,929
Restricted for:				
Public works/streets	-	182,176	-	182,176
Unassigned	9,626,228	86,049	-	9,712,277
Total fund balances	9,634,157	268,225	-	9,902,382
Total Liabilities and fund balances	\$ 9,778,680	\$ 268,225	\$ -	\$ 10,046,905

The accompanying notes are an integral part of the financial statements.

TOWN OF TUSAYAN ARIZONA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2016

Total fund balances - governmental funds \$ 9,902,382

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$	2,117,937	
Accumulated depreciation		(222,992)	
		1,894,945	

Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds. 245,521

Some liabilities, including the net pension liability, are not due and payable in the current period and, therefore are not reported in the funds. (325,465)

Total net position - governmental activities \$11,717,383

The accompanying notes are an integral part of the financial statements.

TOWN OF TUSAYAN ARIZONA
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended June 30, 2016

REVENUES	General Fund	Highway Users Revenue Fund	Grants Fund	Total Governmental Funds
Sales taxes	\$ 3,521,895	\$ -	\$ -	\$ 3,521,895
Licenses and permits	32,503	-	-	32,503
Intergovernmental	233,292	85,832	230,309	549,433
Interest revenue	58,231	-	-	58,231
Other revenues	200	-	-	200
Total revenues	<u>3,846,121</u>	<u>85,832</u>	<u>230,309</u>	<u>4,162,262</u>
EXPENDITURES				
Current:				
General government	765,821	-	-	765,821
Public safety	616,808	-	-	616,808
Public works/streets	-	28,492	-	28,492
Parks & recreation	83,306	-	463,979	547,285
Facilities & grounds	66,613	-	-	66,613
Capital outlay	192,902	-	-	192,902
Total expenditures	<u>1,725,450</u>	<u>28,492</u>	<u>463,979</u>	<u>2,217,921</u>
Excess of Revenues Over (Under) Expenditures	<u>2,120,671</u>	<u>57,340</u>	<u>(233,670)</u>	<u>1,944,341</u>
Other Financing Sources (Uses):				
Transfers in	-	-	233,670	233,670
Transfers out	(233,670)	-	-	(233,670)
Total Other Financing Sources (Uses)	<u>(233,670)</u>	<u>-</u>	<u>233,670</u>	<u>-</u>
Net change in fund balances	1,887,001	57,340	-	1,944,341
Fund balances, beginning of year	<u>7,747,156</u>	<u>210,885</u>	<u>-</u>	<u>7,958,041</u>
Fund balances, end of year	<u>\$ 9,634,157</u>	<u>\$ 268,225</u>	<u>\$ -</u>	<u>\$ 9,902,382</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF TUSAYAN ARIZONA
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 1,944,341
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between capital outlay and depreciation in the current period.</p>		
Capital outlay	\$ 679,621	
Depreciation expense	<u>(72,875)</u>	
		606,746
<p>Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
		(104,037)
<p>Governmental funds report the cash, if any, received from the sale of capital assets as revenue. However, in the statement of activities, the cost of those assets and related accumulated depreciation needs to be written off and any gain/loss recognized. This is the amount of gain/loss recognized on the disposal of assets.</p>		
		<u>(1,134)</u>
Change in net position of governmental activities		<u><u>\$ 2,445,916</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF TUSAYAN ARIZONA
Statement of Fiduciary Net Position
Agency Fund
June 30, 2016

	<u>STILO Agency Fund</u>
ASSETS	
Accounts receivable	\$ 9,400
Total assets	<u>9,400</u>
LIABILITIES	
Due to other funds	\$ 9,400
Total liabilities	<u>9,400</u>
NET POSITION	
Net Position (Deficit) Held in Trust	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 1. Summary of Significant Accounting Policies

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting entity

The Town of Tusayan (Town) was incorporated in April 2010, under the provisions of Article 13, Sections 1 through 6, of the Constitution of Arizona and Title 9 of the Arizona Revised Statutes. The Town is a municipal corporation governed by an elected five member council (council). The council members appoint the mayor and vice-mayor. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town. Currently, there are no blended or discretely presented component units reported with the Town.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of presentation – fund financial statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 1. Summary of Significant Accounting Policies, Continued

The Town reports the following major governmental funds:

The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The **Highway User Revenue Special Revenue Fund** is used to account for the Town's share of motor fuel tax revenues which are restricted for the maintaining, repairing, and upgrading of streets.

The **Grants Fund** is used to account for the Town's grant related financial resources and related expenses.

Additionally, the Town reports the following fund types:

The **Agency Fund** accounts for assets held by the Town as an agent for a developer, the STILO Group. The developer is paying for planning services and all application costs based upon an agreement between the developer and the Town. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and agency funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 1. Summary of Significant Accounting Policies, Continued

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Deposits and investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, deposits in cash management pools that have the general characteristics of demand deposits accounts and short-term investments with original maturities of three months or less from the date of acquisition. The Town's policy for investments is provided in Note 4. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to" or "due from other funds. Due to the nature of the accounts receivable in governmental type activities, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 1. Summary of Significant Accounting Policies, Continued

Inventories

The cost of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activity column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years.

As the Town constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	25 to 50 years
Machinery, vehicles and equipment	5 to 10 years
Storm drains and inlets	20 years
Infrastructure - Streets and sidewalks	20 years

Unearned revenue

Unearned revenues arise when potential revenue is received by the Town from various granting agencies before it has a legal claim to them or when grant monies are received prior to the incurrence of qualifying expenditures, i.e., contract and grant receipts received in excess of expenditures incurred are recognized as unearned revenue. In subsequent periods, when the revenue recognition criteria is met, or when the Town has a legal claim to the resources, the liability or unearned revenue is removed from the balance sheet and the revenue is recognized.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 1. Summary of Significant Accounting Policies, Continued

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government currently has one item which qualifies for reporting in this category. This item is a pension related item reported on the government-wide financial statements. See note 8 for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government currently has one item which qualifies for reporting in this category. This item is a pension related item reported on the government-wide financial statements. See note 8 for more information.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Arizona State Retirement System (ASRS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by ASRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position flow assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 1. Summary of Significant Accounting Policies, Continued

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Manager is authorized to assign amount to a specific purpose in accordance with the Town's budget policy. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Taxes

The Town does not currently have any primary or secondary real property tax levies.

Normally, property tax revenues are recognized as revenues in the year collected or if collected within 60 days thereafter unless they are prepaid.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 1. Summary of Significant Accounting Policies, Continued

Compensated absences

For governmental funds, amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Currently, the Town has no full time employees and no liabilities for compensated absences.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of this difference are reported in the reconciliation on page 15.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 17.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 3. Stewardship, Compliance, and Accountability

Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the Town. The use of budgets and monitoring of equity status facilitate the Town's compliance with legal requirements.

Budgets and Budgetary Accounting

The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget for the fiscal year commencing the following July 1 to the Town Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to the third Monday in August, the expenditure limitation for the Town is legally enacted through passage of an ordinance. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the State each year. This report, issued under a separate cover, reconciles total Town expenditures from the audited financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).
4. The Town follows a voter-approved alternative expenditure limitation that was adopted on August 26, 2014.
5. Expenditures may not legally exceed the expenditure limitation of all fund types as a whole. For management purposes, the Town adopts a budget by department for the General Fund and in total by fund for other funds. The Town Manager, subject to Town Council approval, may at any time transfer any unencumbered appropriation balance or portion thereof between a department or activity. The adopted budget cannot be amended in any way without Town Council approval.
6. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures.

The Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the Town to spend more than budgeted revenues plus the carry-over unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The Town complied with this law during the year.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 3. Stewardship, Compliance, and Accountability, Continued

Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level. The individual Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual reports as listed in the table of contents present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2016, if any.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

Note 4. Deposits and Investments

A reconciliation of cash and investments as shown on the statement of net position follows:

Cash and investments	<u>\$ 9,827,821</u>
Total cash and investments	<u><u>\$ 9,827,821</u></u>

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The Town does not have a formal policy for custodial credit risk. At June 30, 2016, cash on hand was \$0, and the carrying amount of the Town's deposits was \$9,827,821. As of June 30, 2016, the Town's bank balance was \$9,940,903 and \$3,552,079 of that balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Town's name.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 4. Deposits and Investments, Continued

Investments

The Arizona State Treasurer's Office operates the Local Government Investment Pool (LGIP). The LGIP is available for investment of funds administered by any Arizona Public Treasurer.

The LGIP is not registered with the SEC as an investment company. Deposits in the LGIP are not insured or otherwise guaranteed by the State of Arizona, and participants share proportionally in any realized gain or losses on investments.

The provisions of State law (A.R.S. 35-323) govern the investment of funds in excess of \$100,000. A.R.S. 35-323 allows for investments in certificates of deposit, interest bearing savings accounts, repurchase agreements with a maximum maturity of 180 days, pooled investment funds established by the State Treasurer, obligations guaranteed by the United States, bonds of the State of Arizona or other local municipalities, commercial paper of prime quality that is rated "P-1" by Moody's investors or "A-1" by Standard and Poor's rating service, and bonds, debentures or notes that are issued by corporations organized and doing business in the United States subject to certain restrictions. For investments of less than \$100,000, procedures as specified by local ordinance or resolution must be followed.

As of June 30, 2016 the Town did not hold any funds in the LGIP.

As of June 30, 2016 the Town had the following deposits and investments:

	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (Years)</u>
Cash on deposit	\$ 6,275,742	N/A	N/A
Money market fund	48,484	N/A	N/A
Certificates of deposit	<u>3,503,595</u>	N/A	less than 1 to 5
Total Fair Value	<u><u>\$ 9,827,821</u></u>		

(1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of State law (A.R.S. 35- 323) which requires that the Town's investment portfolio maturities do not exceed five years from the time of purchase.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 4. Deposits and Investments, Continued

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's policy for reducing its exposure to credit risk is to comply with State law (A.R.S. 35-323) which limits investment in commercial paper and corporate bonds to the top ratings issued by nationally recognized statistical rating organizations such as Standard & Poor's and Moody's Investor Services.

Fair value measurements

As noted above, the Town holds investments that are measured at fair value on a reoccurring basis. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quotes prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The certificates of deposit and money market fund, as listed above, are valued using inputs other than quoted prices, that are observable (Level 2 inputs).

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TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 5. Capital Assets

The following table summarizes the changes to capital assets for governmental activities during the year.

Governmental Activities:	Balance 6/30/2015	Additions	Deletions	Balance 6/30/2016
Capital assets, not being depreciated:				
Construction in progress	\$ 53,347	\$ 636,653	\$ -	\$ 690,000
Total capital assets, not being depreciated	53,347	636,653	-	690,000
Capital assets, being depreciated:				
Buildings	676,843	-	-	676,843
Improvements other than buildings	525,716	2,315	-	528,031
Furniture, equipment & vehicles	184,471	40,653	(2,061)	223,063
Total capital assets, being depreciated	1,387,030	42,968	(2,061)	1,427,937
Less accumulated depreciation for:				
Buildings	(54,737)	(20,158)	-	(74,895)
Improvements other than buildings	(59,831)	(28,080)	-	(87,911)
Furniture, equipment & vehicles	(36,476)	(24,637)	927	(60,186)
Total accumulated depreciation	(151,044)	(72,875)	927	(222,992)
Total capital assets, being depreciated, net	1,235,986	(29,907)	(1,134)	1,204,945
Governmental activities capital assets, net	\$ 1,289,333	\$ 606,746	\$ (1,134)	\$ 1,894,945

Depreciation expense was charged to the functions/programs of the Town as follows:

Governmental Activities:	
General government	\$ 29,966
Public works/streets	23,303
Parks & recreation	19,606
Total depreciation expense - governmental activities	\$ 72,875

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 6. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

Governmental Activities:	<u>Balance 6/30/2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2016</u>
Net pension liability	\$ -	\$ 325,465	\$ -	\$ 325,465
Total long-term liabilities	<u>\$ -</u>	<u>\$ 325,465</u>	<u>\$ -</u>	<u>\$ 325,465</u>

Note 7. Interfund Receivables, Payables and Transfers

As of June 30, 2016, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 9,400	\$ -
STILO Fund	-	9,400
	<u>\$ 9,400</u>	<u>\$ 9,400</u>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are expected to be repaid within one year.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 8. Retirement and Pension Plans

The Town contributes to the plan described below. The plan is a component unit of the State of Arizona.

Arizona State Retirement System (ASRS)

The Town contributes to the Arizona State Retirement System (ASRS) as described below. The plan is a component unit of the State of Arizona.

Plan Description – The Town participates in the Arizona State Retirement System. The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azars.gov.

Benefits provided – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Initial Membership Date Before July 1, 2011	Initial Membership Date On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 8. Retirement and Pension Plans, Continued

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2016, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the Town was required by statute to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll.

The Town's contributions for the current and 2 preceding fiscal years, all of which were equal to the required contributions, were as follows:

Year Ended June 30,	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
2014	\$ -	\$ -	\$ -
2015	24,093	1,305	265
2016	19,225	886	213

Pension liability – At June 30, 2016, the Town reported a liability of \$325,465 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Town's proportion of the net pension liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Town's proportion measured as of June 30, 2015, was 0.002090 percent, which was an increase of 0.002090 percent from its proportion measured as of June 30, 2014.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2016, the Town recognized pension expense for ASRS of \$117,200 in the statement of activities. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 8. Retirement and Pension Plans, Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,881	\$ 17,055
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	10,430
Changes in proportion and differences between contributions and proportional share of contributions	244,900	-
Contributions subsequent to the measurement date	19,225	-
Total	\$ 273,006	\$ 27,485

The \$19,225 reported as deferred outflows of resources related to ASRS pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2017	\$ 104,411
2018	99,629
2019	14,727
2020	7,529
2021	-
Thereafter	-

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 8. Retirement and Pension Plans, Continued

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3-6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity	58%	6.79%	3.94%
Fixed income	25%	3.70%	0.93%
Commodities	2%	3.93%	0.08%
Real Estate	10%	4.25%	0.42%
Multi-asset	5%	3.41%	0.17%
Totals	100%		5.54%
	Inflation		3.25%
	Expected arithmetic nominal return		8.79%

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 8. Retirement and Pension Plans, Continued

Discount Rate – The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
Proportionate share of Net pension (asset) / liability	\$ 426,470	\$ 325,465	\$ 256,243

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report

Note 9. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town is a participating member. The limit for general liability, professional liability, auto liability and physical damage coverage is for \$2,000,000 per occurrence on a claims made basis.

The Arizona Municipal Risk Retention Pool is structured such that members' premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its member's additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

TOWN OF TUSAYAN, ARIZONA
Notes to the Financial Statements
June 30, 2016

Note 10. Contingencies

The Town is involved with various matters of litigation from year to year. It is the opinion of Town officials that these cases will either be handled by the Town's insurance coverage or that they will not have a material effect on the Town's financial condition.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount if any, of the expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town does not anticipate any such amounts.

Note 11. Stabilization Arrangement

The Town has established a General Fund reserve policy to set aside funds that may be needed in the event of an emergency or other unknown event that may adversely affect the Town's financial condition. An emergency reserve of \$250,000, an operating reserve of \$750,000 and a budget stabilization reserve of \$500,000 must be maintained before any expenditure can be authorized. The trigger amount for usage of the operating reserve and the budget stabilization reserve is \$300,000. As of June 30, 2016 the total reserve is \$1,500,000 and is included in the unassigned fund balance of the General Fund.

TOWN OF TUSAYAN, ARIZONA
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2016

Arizona State Retirement System

		Reporting Fiscal Year (Measurement Date) 2016 <u>(2015)</u>
Proportion of the net pension liability (asset)		0.002090%
Proportionate share of the net pension liability (asset)	\$	325,465
Covered employee payroll	\$	177,108
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		183.77%
Plan fiduciary net position as a percentage of the total pension liability		68.35%

Note: The Town implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

TOWN OF TUSAYAN, ARIZONA
Schedule of Pension Contributions
June 30, 2016

Arizona State Retirement System

	Reporting Fiscal Year (Measurement Date)
	2016
	(2015)
Contractually required contribution*	\$ 20,958
Contributions in relation to the contractually required contribution	(20,324)
Contribution deficiency (excess)	\$ 634
Covered employee payroll	\$ 177,108
Contributions as a percentage of covered-employee payroll	11.83%

* Represents annualized contributions

Note: The Town implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

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TOWN OF TUSAYAN, ARIZONA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

FOR THE FOLLOWING MAJOR FUNDS:

General Fund

The **General Fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Major Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

- **Highway User Revenue Fund (Streets)** – This fund is used to account for the Town’s share of motor fuel tax revenues which are restricted for the maintaining, repairing, and upgrading of streets.
- **Grants Fund** – This fund is used to account for federal and state grants and other contributions that are restricted for specific use

TOWN OF TUSAYAN, ARIZONA
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget & Actual
For the Year Ended June 30, 2016

REVENUES:	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Taxes:				
City sales tax	\$ 3,000,000	\$ 3,000,000	\$ 3,521,895	\$ 521,895
Total Taxes	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,521,895</u>	<u>521,895</u>
Licenses, Permits and Fees:				
Licenses and permits	350	350	470	120
Building permits	<u>25,000</u>	<u>25,000</u>	<u>32,033</u>	<u>7,033</u>
Total Licenses, Fees and Permits	<u>25,350</u>	<u>25,350</u>	<u>32,503</u>	<u>7,153</u>
Intergovernmental:				
State sales tax	53,300	53,300	52,692	(608)
Urban revenue sharing	<u>180,600</u>	<u>180,600</u>	<u>180,600</u>	<u>-</u>
Total Intergovernmental	<u>233,900</u>	<u>233,900</u>	<u>233,292</u>	<u>(608)</u>
Interest:				
Interest revenue	<u>10,000</u>	<u>10,000</u>	<u>58,231</u>	<u>48,231</u>
Total Interest	<u>10,000</u>	<u>10,000</u>	<u>58,231</u>	<u>48,231</u>
Other Revenues:				
Miscellaneous revenue	<u>150,000</u>	<u>150,000</u>	<u>200</u>	<u>(149,800)</u>
Total Other Revenues	<u>150,000</u>	<u>150,000</u>	<u>200</u>	<u>(149,800)</u>
TOTAL REVENUES	<u>3,419,250</u>	<u>3,419,250</u>	<u>3,846,121</u>	<u>426,871</u>

(continued)

TOWN OF TUSAYAN, ARIZONA
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget & Actual (Continued)
For the Year Ended June 30, 2016

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government:				
Mayor & Council	100,700	100,700	58,356	42,344
City Manager	411,500	411,500	404,166	7,334
Legal	235,000	235,000	76,854	158,146
Planning & Development	372,500	372,500	133,548	238,952
Magistrate	21,500	21,500	23,472	(1,972)
Contingency	300,000	300,000	69,425	230,575
Total General Government	1,441,200	1,441,200	765,821	675,379
Public Safety:				
Sheriff	685,000	685,000	616,808	68,192
Total Public Safety	685,000	685,000	616,808	68,192
Parks & Recreation				
Parks & Recreation	152,500	152,500	83,306	69,194
Total Parks & Recreation	152,500	152,500	83,306	69,194
Facilities & Grounds:				
Facilities & Grounds	83,500	83,500	66,613	16,887
Total Facilities & Grounds	83,500	83,500	66,613	16,887
Capital Outlay:				
Capital Outlay	1,009,300	1,009,300	192,902	816,398
Total Capital Outlay	1,009,300	1,009,300	192,902	816,398
TOTAL EXPENDITURES	3,371,500	3,371,500	1,725,450	1,646,050
Excess of Revenues Over/(Under) Expenditures	47,750	47,750	2,120,671	2,072,921
Other Financing Sources (Uses):				
Transfers out	-	-	(233,670)	(233,670)
Total Other Financing Sources (Uses)	-	-	(233,670)	(233,670)
Net change in fund balance	47,750	47,750	1,887,001	1,839,251
Fund balance, beginning of year	7,747,156	7,747,156	7,747,156	-
Fund balance, end of year	<u>\$ 7,794,906</u>	<u>\$ 7,794,906</u>	<u>\$ 9,634,157</u>	<u>\$ 1,839,251</u>

TOWN OF TUSAYAN, ARIZONA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Highway User Revenue Special Revenue Fund
Budget & Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental revenue	<u>\$ 84,750</u>	<u>\$ 84,750</u>	<u>\$ 85,832</u>	<u>\$ 1,082</u>
Total revenue	<u>84,750</u>	<u>84,750</u>	<u>85,832</u>	<u>1,082</u>
EXPENDITURES:				
Current:				
Public works/streets	<u>82,500</u>	<u>82,500</u>	<u>28,492</u>	<u>54,008</u>
Total expenditures	<u>82,500</u>	<u>82,500</u>	<u>28,492</u>	<u>54,008</u>
Excess of Revenues Over (Under) Expenditures	2,250	2,250	57,340	55,090
Fund balance, beginning of year	<u>210,885</u>	<u>210,885</u>	<u>210,885</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 213,135</u></u>	<u><u>\$ 213,135</u></u>	<u><u>\$ 268,225</u></u>	<u><u>\$ 55,090</u></u>

TOWN OF TUSAYAN, ARIZONA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Grants Special Revenue Fund
Budget & Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental revenue	\$ 925,000	\$ 925,000	\$ 230,309	\$ (694,691)
Total revenues	<u>925,000</u>	<u>925,000</u>	<u>230,309</u>	<u>(694,691)</u>
EXPENDITURES:				
Parks and recreation	<u>925,000</u>	<u>925,000</u>	<u>463,979</u>	<u>461,021</u>
Total Expenditures	<u>925,000</u>	<u>925,000</u>	<u>463,979</u>	<u>461,021</u>
Excess of Revenues Over (Under) Expenditures	-	-	(233,670)	(233,670)
Other Financing Sources (Uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>233,670</u>	<u>233,670</u>
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>233,670</u>	<u>233,670</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS

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MEMBERS

CHAD B. ATKINSON, CPA
KRIS J. BRAUNBERGER, CPA
ROBERT S. COX, CPA
TODD B. FELTNER, CPA
K. MARK FROST, CPA
MORRIS J. PEACOCK, CPA

PHILLIP S. PEINE, CPA
STEVEN D. PALMER, CPA
MICHAEL K. SPILKER, CPA
KEVIN L. STEPHENS, CPA
MARK E. TICHEHOR, CPA
MICHAEL J. TORGERSON, CPA

**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Mayor and
Town Council
Tusayan, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tusayan, Arizona as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Town of Tusayan, Arizona's basic financial statements and have issued our report thereon dated March 14, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Tusayan, Arizona's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Tusayan, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Tusayan, Arizona's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the separately issued findings and recommendations letter dated March 14, 2017 that we consider to be significant deficiencies.

2011-01 Year-End Accounting and Financial Statement Controls
2011-02 Segregation of Duties
2011-03 Policy and Procedure Manual

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC
Flagstaff, Arizona
March 14, 2017



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**Independent Auditors' Report on
State Legal Compliance**

The Honorable Mayor and
Town Council
Tusayan, Arizona

We have audited the basic financial statements of the Town of Tusayan, Arizona for the year ended June 30, 2016, and have issued our report thereon dated March 14, 2017. Our audit also included test work on the Town of Tusayan's compliance with selected requirements identified in the State of Arizona Revised Statutes and the Arizona State Constitution including, but not limited to, Title 28, Chapter 18, Article 2.

The management of the Town of Tusayan is responsible for the Town's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit; accordingly, we make the following statements:

The Town of Tusayan has established separate funds to account for Highway User Revenue funds. Highway user revenue fund monies received by the Town of Tusayan pursuant to Title 28, Chapter 18, Article 2 and other dedicated state transportation revenues received during the current fiscal year appear to have been used solely for authorized purposes. The funds are administered in accordance with Generally Accepted Accounting Principles. Sources of revenues available and fund balances are reflected in the individual fund financial statements.

Our opinion regarding the Town's compliance with annual expenditure limitations has been issued separately with the Town's Annual Expenditure Limitation Report.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Town of Tusayan complied, in all material respects, with the requirements identified above for the year ended June 30, 2016.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Arizona Revised Statutes as noted above and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC
Flagstaff, Arizona
March 14, 2017



Item 10

TENTATIVE FUTURE AGENDA AND EVENT CALENDAR

May 3, 2017 – Council Meeting – 6pm

- Possible approval of Sports Complex construction agreement (if not on 4-19-17)
- Ten X Housing development layout concept and solar issues discussion with Westland Resources
- Possible approval of a Floodplain Ordinance
- Discussion of Century Link options and past issues

May 16, 2017 – Planning & Zoning Commission Meeting – 6pm

- Possible approval of Zoning Code revisions

May 17, 2017 – Council Meeting – 6pm

- Possible approval of Zoning Code revisions
- Possible approval of a paving contract for Town Hall and housing
- Fiber development coordination with Grand Canyon Schools agreement

