TOWN OF FLORENCE REGULAR MEETING AGENDA

PURSUANT TO A.R.S. § 38-431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE FLORENCE TOWN COUNCIL AND TO THE GENERAL PUBLIC THAT THE FLORENCE TOWN COUNCIL WILL HOLD A MEETING OPEN TO THE PUBLIC ON MONDAY, DECEMBER 15, 2014, AT 6:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

- 1. CALL TO ORDER
- 2. ROLL CALL: Rankin __, Walter_, Woolridge_, Hawkins_, Montaño __, Guilin_, Anderson_.
- 3. INVOCATION
- 4. PLEDGE OF ALLEGIANCE
- 5. CALL TO THE PUBLIC

Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

- 6. PRESENTATIONS
 - a. Presentation by Greater Florence Chamber of Commerce recognizing Crown Point Property Services as the Business of the Month.
 - b. **Presentation and** Discussion/Approval/Disapproval of the annual audit by the Town's independent auditors, Henry and Horne.
 - c. **Presentation of the Quarterly Financial Report as of June 30, 2014 (Year-**End) and the Quarterly Financial Report as of September 30, 2014.
- 7. ADJOURN TO A SPECIAL MEETING OF THE FLORENCE TOWN COUNCIL
 - a. Public Hearing on Resolution No. 1486-14: and Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, PROPOSING A ONE-TIME SPECIFIC AMOUNT IN EXCESS OF THE STATE-IMPOSED EXPENDITURE LIMITATION AND SETTING A SPECIAL ELECTION FOR MAY 19, 2015 (First public hearing and reading of Resolution No. 1486-14 held on December 1, 2014).

8. ADJOURN FROM A SPECIAL MEETING OF THE FLORENCE TOWN COUNCIL.

- 9. CONSENT: All items on the consent agenda will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.
 - a. Approval of a utility easement between the Town of Florence and Arizona Public Service Company for the Territory Square Project.
 - b. Authorization to enter into a Professional Services Agreement with the Greater Florence Chamber of Commerce for calendar year 2015.
 - c. Approval of signing a contract with Apache Underground and Excavation for the Bailey Street Waterline.
 - d. Recommendation of Approval to the Arizona Department of Liquor Licenses and Control on Florence Gardens Mobile Home Association's applications for a Special Event Liquor License for social hours on January 8, January 22, February 5, February 19, March 5, March 19, November 12, and December 10, 2015.
 - e. Approval of the December 1 and December 8, 2014 Town Council minutes.

10.NEW BUSINESS

- a. Discussion/Approval/Disapproval of authorizing staff to issue a Request for Proposals (RFP) to the short-listed design-build firms for the proposed Fitness and Recreation Center and establish a maximum project budget of \$6,750,000.
- b. Announcement of the Mayor's appointments to the following liaison positions:
 - a. Arts Commission
 - b. Anthem Area
 - c. Budget Committee
 - d. Central Arizona Association of Governments
 - e. Emergency Operations Center
 - f. Greater Florence Chamber of Commerce
 - g. Industrial Development Authority of the Town of Florence, Inc.
 - h. Florence Unified School District
 - i. Four Parks Area (Florence Gardens/Caliente/Casitas)
 - j. Historic District Advisory Commission
 - k. Leagues of Cities and Towns Resolution Committee
 - I. Joint Use Library Advisory Board
 - m. Parks and Recreation Advisory Board
 - n. Pinal County Government Alliance
 - o. Pinal Partnership
 - p. Planning and Zoning Commission

- q. Public Safety Retirement (Police and Fire)
- r. Maricopa Association of Governments
- s. Native American Community Tribes (Tohono O'odham Village and Gila River Indian Community)

11.MANAGER'S REPORT

12.CALL TO THE PUBLIC

13.CALL TO THE COUNCIL

14. ADJOURNMENT

Council may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the Town's Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3).

POSTED ON DECEMBER 11, 2014, BY LISA GARCIA, TOWN CLERK, AT 775 NORTH MAIN STREET, 1000 SOUTH WILLOW STREET, FLORENCE, ARIZONA, AND AT <u>WWW.FLORENCEAZ.GOV</u>.

PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE TOWN OF FLORENCE DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR (520) 868-7502 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.

| TOWN OF FLORENCE ARZONA PRIZONA | TOWN OF FLORENCE COUNCIL ACTION FORM | AGENDA ITEM 6b. |
|---------------------------------------|---|--|
| MEETING DATE: De | cember 15, 2014 | Action |
| DEPARTMENT: Finance | | Information Only Public Hearing Resolution |
| STAFF PRESENTER: | Mike Farina, Finance Director | Ordinance Regulatory |
| SUBJECT: Annual Au June 30, 2 | udit for Fiscal Year Ended 2014 | ☐ 1 st Reading ☐ 2 nd Reading ☐ Other |

RECOMMENDED MOTION/ACTION:

Accept the Town's Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2014.

BACKGROUND/DISCUSSION:

The Town's year-end financial report was audited by the Town's independent auditor Henry & Horne. The auditor has issued a clean opinion on the Town's financial statements and they will be here tonight to present the audit report and audit findings.

The Comprehensive Annual Financial Report presents the Town's financial position and fund balances as of the end of the fiscal year, as well as the results of the financial activity throughout the year.

FINANCIAL IMPACT:

None.

STAFF RECOMMENDATION:

Staff recommends acceptance of the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014.

ATTACHMENTS:

Comprehensive Annual Financial Report Auditor Letter to Management



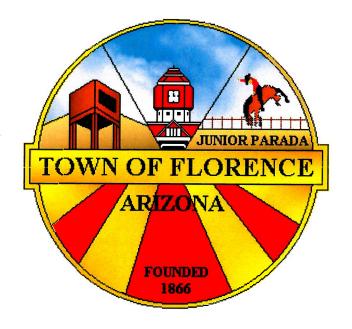
Comprehensive Annual Financial Report

For the Year Ended June 30, 2014



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



Florence, Arizona

TOWN OF FLORENCE, ARIZONA COMPREHENSIVE ANNUAL FINANCIAL REPORT For the fiscal year ending June 30, 2014



Prepared by: Finance Department

Mike Farina Finance Director

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INTRODUCTORY SECTION





Town of Florence

P.O. Box 2670, Florence, AZ 85132, (520) 868-7500, (520) 868-7501 Fax, (520) 868-7502 TDD

December 10, 2014

To the Honorable Mayor, Members of the Town Council and Citizens of the Town of Florence:

We are pleased to submit for your information and review, the Comprehensive Annual Financial Report (CAFR) of the Town of Florence, Arizona (the Town) for the year ended June 30, 2014. State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, Henry & Horne LLP, a firm of licensed certified public accountants, has audited the Town's financial statements. The independent auditor has issued an unmodified ("clean") opinion on the Town's financial statements for the year ended June 30, 2014. Their report is presented as the first component of the financial section of this CAFR.

This report consists of management's representations concerning the finances of the Town. Responsibility for both the accuracy of the prepared data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To provide a reasonable basis for making those representations, management of the Town has established an internal control framework that is designed to both protect the assets of the Town from loss, theft or misuse and to allow for the compiling of sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE TOWN

The Town of Florence, Arizona is in Pinal County and is located between Phoenix and Tucson. Colonel Levi Ruggles, an Indian Agent, staked and platted the Town in 1866 and by the mid-

i

1920s the area had become the agricultural center of Pinal County. Florence is the sixth oldest European settlement in the State of Arizona. The Town was incorporated in 1900, making it the fifth oldest town in the state and its downtown is designated as an official "Historic District". Florence is the county seat and has been since its formation in 1875.

Florence, elevation 1,493 feet, was built along the Gila River surrounded by the beautiful Sonoran Desert and the Superstition and Pinal Mountains, which provide scenic views for the enjoyment of life in a peaceful community. Additionally, Florence enjoys year-round sunshine, which provides an ideal place for retirement.

The Town currently encompasses an area of 62.1 square miles and an estimated population of 25,428. State statutes empower the Town to levy a property tax on



real and personal property within its boundaries. The Town also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Town Council.

The Town of Florence operates under the council-manager form of government. The Mayor is directly elected and the six members of Town Council are elected at large on a nonpartisan basis. The Mayor is elected every four years and Town Council members are elected to staggered four year terms, with three members elected every two years. The Town Council is responsible for setting public policy, approving the Town's annual budget, approving agreements, providing policy leadership, approving planning and development decisions and adopting new codes and ordinances. The Town Council appoints the Town Manager, who implements policy and directs daily operations. The Town Council also appoints the Town Attorney and Town Magistrate.

The financial reporting entity of the primary government (the Town) includes all of its funds and its blended component units, Merrill Ranch Community Facilities District No. 1 and Merrill Ranch Community Facilities District No. 2 (CFDs). Component units are legally separate entities for which the primary government is financially accountable.



The CFDs were formed in 2005 by the Town pursuant to the Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes and in response to a petition by all of the owners of land within the district area. The districts were formed to provide a method of financing (including the issuance of general obligation bonds and special assessment bonds) certain public infrastructure within the district. These component units are included in the Town's financial statements because the Town

Council members serve as the Board of Directors for each district. For more information on these legally separate entities, please refer to Note 1A in the notes to the financial statements.

The Town provides a full range of services, including police and fire protection; emergency medical services; construction and maintenance of highways, streets and other infrastructure; cultural and recreational activities; library services; and sanitation, water and sewer utilities.

State law requires that on or before the third Monday in July of each fiscal year, the Town Council must adopt a tentative budget. Once the tentative budget has been adopted, the expenditures may not be increased upon final adoption; however, they may be decreased. The tentative budget sets the Town's maximum limits for expenditure. There is no specific date set by state law for adoption of the budget; however, due to the state law required deadline for the adoption of the property tax levy, the deadline for adoption of the final budget effectively becomes the first Monday in August.

LOCAL ECONOMY

Since 1912, the industry of corrections has been a source of employment for people in Pinal and other counties. This industry alone provides approximately 3,500 employment opportunities and consists of Arizona State Prison facilities, Corrections Corporation of America facilities and GEO Group. Florence is also home to a number of local, county, state and federal agencies, which provide approximately 3,700 full-time employment opportunities. These agencies include the Town of Florence, Pinal County, the Florence Unified School District, the Arizona National Guard and the United States Immigration and Customs Enforcement.

Florence is a major employment area with approximately 75 percent of its work force commuting into the area on a daily basis. It is estimated that over 5,000 commuters travel to Florence for work on a daily basis. Additionally, many agricultural products, including cotton, alfalfa, cattle, grains and grapes are cultivated in the area and the Town's primary business district still resides on Main Street.

The annexation of Merrill Ranch in 2004 added 8,970 acres of land, which is planned to be developed as a mixed use, master-planned community. Construction has already started in Anthem at Merrill Ranch, which at 3,191 acres, is one of Arizona's largest master-planned communities. To date, there are over 2,000 single-family homes completed and many other fine amenities, including two community centers, an 18-hole golf course and an outdoor swimming



pool and water park. Construction on a new onsite restaurant located next to the golf pro shop will be completed in early 2015. With commercial expansion and another 6,500 homes planned, Anthem is sure to add to the Town's economy, let alone the entire Merrill Ranch annexation area.

The Town's unemployment rate is 7.5 percent. This is significantly lower than the past five years, which averaged 16.3 percent.

The makeup of Town general fund revenue has remained relatively consistent over the past ten years, with state-shared revenue, local sales tax, property tax and charges for services being the largest sources, in that order. State-shared revenue is primarily based on population and represented approximately 50 percent of the total 2014 fiscal year revenue. Worth noting, prison inmates make up more than 50 percent of the total population. Sales tax, property tax and charges for services made up 18, 7 and 6 percent, respectively.

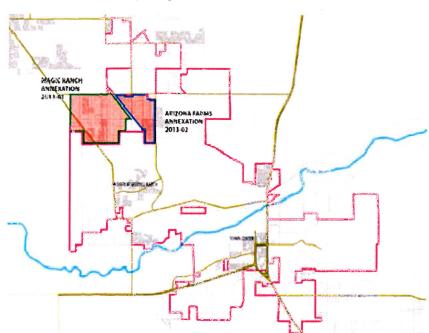
LONG-TERM FINANCIAL PLANNING

The Town is strategically planning for its economic and financial future. During the 2015 fiscal year budget process, the Town set forth the following strategic goals.

- Provide exceptional public safety and community services.
- Expanding the tax base through annexations and economic development outreach through evaluation of potential annexations within the Town's planning area and around major transportation corridors. A clear and distinct message about the Town will be developed and a strategy will be developed to bring businesses that are needed into the Town.
- Secure the Town's long-term water program for future growth. First of all, a number of capital projects will be completed in the upcoming year. An evaluation of existing infrastructure of water and wastewater lines will be completed. The Town will work with our utility partners that also provide water and wastewater services to Town residents. Acquisition of physical water for long-term future growth will also be looked at.
- The downtown corridor will be revitalized through beautification and business investment.
- Strategically invest in the planning for continued growth by working with major home builders to encourage additional development and attract and work with developers to provide unique home solutions, retail destinations and restaurants.
- Improve the quality of life and create an equal or complementary service level base for all Town residents and create new services for younger children and active adults.

MAJOR INITIATIVES

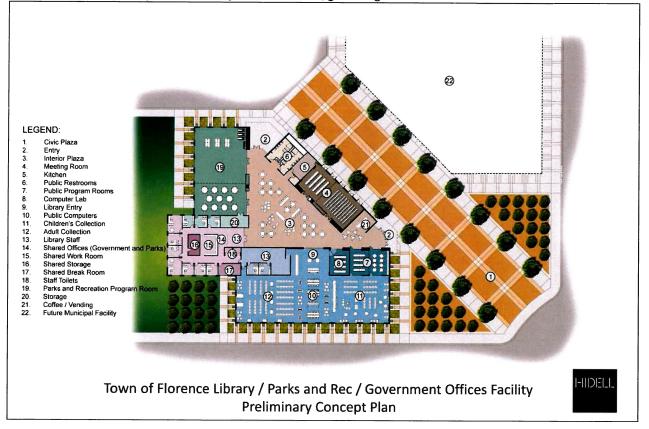
Annexations: Since last fiscal year, the Town has been pursuing а couple of annexations, Magic Ranch and Arizona Farms (Crestfield Manor and Wildhorse Estates). which would add six square miles to the Town's northern boundary. Estimated population of the combined proposed annexation areas is 4,267 with 1,672 homes. In addition to the existing homes, the annexations would add future growth capabilities. In fact, together,



the two annexations already have over 1,000 lots that are ready for vertical development, with construction in Magic Ranch already started. A 10-year pro forma fiscal impact analysis of the annexations was performed and concluded that the annexations would generate a positive fiscal impact.

By August 2014, the Town had obtained the required amount of petition signatures and valuation to move forward with the annexation and on Sep. 2, the Town Council adopted an ordinance approving the annexations. However, the annexations were challenged and the process is in court as of the date of this report.

Library, Aquatics Center, Recreation Complex: The Town started planning and design for the construction of a new library, aquatics center and recreation complex. The 12,000 sq. ft. (est.) library will share a 30,000 sq. ft. (est.) building with recreation and general government offices. The aquatics center will consist of an outdoor swimming pool and water park and the remainder of the project will contain multi-use sports fields, and courts for tennis and pickle ball.



Preliminary conceptual plan for Library and recreation/general government offices

Preliminary conceptual plan for aquatics center



Preliminary conceptual plan for the sports fields and sport courts



This project has been on the books, as part of the Town's Capital Improvement Plan, for approximately 10 years and will serve to enhance the recreational opportunities provided to Town residents and beyond, adults and youth, for many years to come. The project is the first phase of the development of the newly adopted Territory Square plan and will serve to enhance community and economic development of the entire Town.

Territory Square (formerly known as the North End Framework Vision Plan) is a multi-faceted, multi-owner project that strategically crafts a variety of economic, planning and engineering enhancements on 623 acres along the Gila River. The plan was embraced by the community and received unanimous approval by the Town Council and Planning and Zoning Commission in fiscal year 2012-13. With Territory Square plan approval accomplished, there are still many steps to bring this plan to life, which, when complete will enhance not only the Town's economy but its beauty near the Town's core – historic Florence.

Alternative Expenditure Limitation (Home Rule Option) vs. the State-imposed Expenditure Limitation: The Town's four year alternative expenditure limitation (Home Rule Option) expired with fiscal year 2014-15. As allowed by the state constitution, the Town submitted a question to the voters in the August 2014 primary election asking voters to approve the Home Rule Option for the next four fiscal years, beginning with 2015-16. Since 1982 and every four years after that, voters have approved the Home Rule Option. This year, the proposition failed making the Town subject to the state-imposed limitation, which is calculated by formula using 1979-80 expenditures escalated by annual inflation and population growth.

The estimated state-imposed expenditure limitation for fiscal year 2015-16 is \$17 million and the Town estimates that it would have to reduce its annual budget, including capital and operating expenditures, by nearly \$13 million to achieve the state cap.

The failure of the alternative expenditure limitation does not impact revenue only the ability to spend it. As such, the Town will continue to collect all of the revenue it has collected in the past.

The Town is not allowed to hold an alternative expenditure limitation election for two years. However, the state constitution allows the Town to ask voters to allow the Town to exceed the state-imposed limitation by a specific amount prior to the start of the fiscal year. The Town is preparing to hold such an election in May 2015 for fiscal year 2015-16 and will plan to do so again in May 2017 for fiscal year 2016-17. So as the Town prepares for the election, it will be preparing two budgets for fiscal year 2015-16: one at the state-imposed limitation amount and the other in case the May election is passed by the voters.

RELEVANT FINANCIAL POLICIES

The Town's fund balance policy covers the General Fund, Highway User Revenue Fund and enterprise funds. In the General Fund, fund balance must retain \$500,000 for emergencies, 10 percent of revenues for operational reserves, of which 20 percent is for facility maintenance. The Highway User Revenue Fund's fund balance must be reserved for operational reserves in the amount of 15 percent of the operating revenues and enterprise funds' fund balances are reserved

as recommended in the most recent rate study completed and as required by debt covenants. If no recommendation is made, fund balance will be reserved based on annual depreciation expense and two months of operating revenue, in addition to debt covenants. One time revenues may only be used to fund capital projects.

AWARDS AND ACKNOWLEDGEMENTS

The Town received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. We are very pleased and proud to have received this award for the second straight year. In order to be awarded a Certificate of Achievement, the Town had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Town's Finance Department. We would also like to extend our appreciation to all members of the departments who assisted and contributed to the preparation of this report. We must give credit to the Mayor and Town Council for their leadership and support towards the management of the Town's finances. Lastly, and specifically, we are deeply appreciative of the dedication and hard work of Marcia Goerdt, Accounting Manager and the accounting staff during the year end and audit processes.

Respectfully submitted,

Charles Montoya Town Manager

Mike Farina Finance Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Florence Arizona

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2013

fry R. Enges

Executive Director/CEO



Town Council, Appointed Officials and Senior Management Staff

Town Council

Tom J. Rankin – Mayor

Thomas Smith – Vice Mayor William Hawkins – Councilmember Tara Walter – Councilmember

Thomas Celaya – Councilmember Ruben Montaňo – Councilmember Vallarie Woolridge – Councilmember

Appointed Officials

Charles Montoya – Town Manager Lisa Garcia – Town Clerk

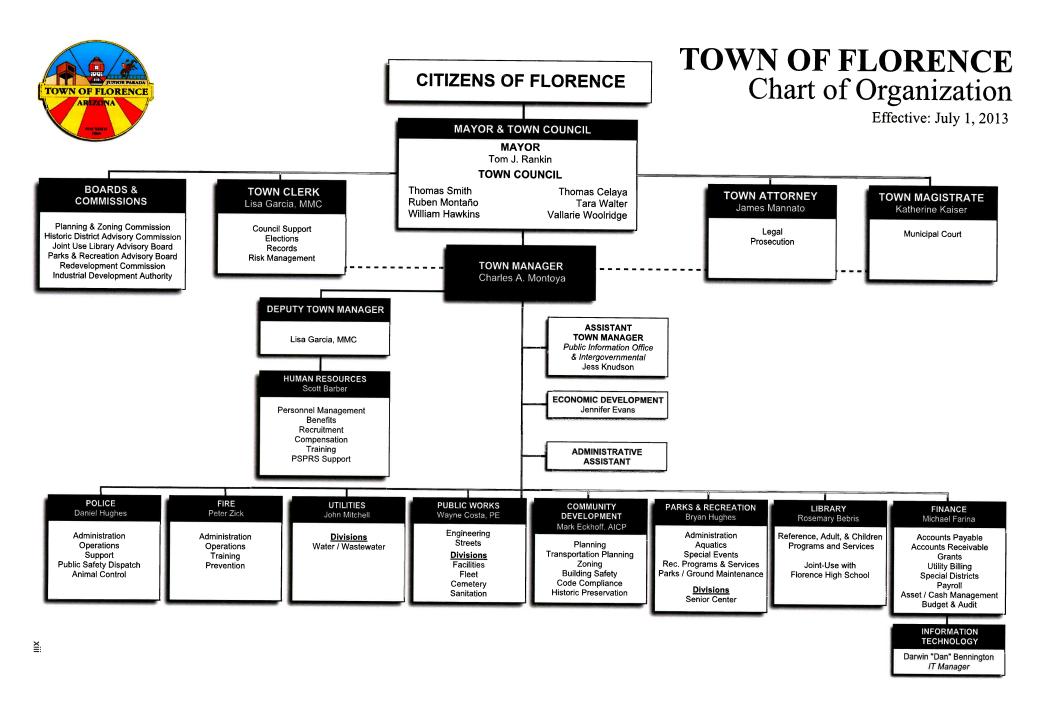
James E. Mannato – Town Attorney Katherine Kaiser – Town Magistrate

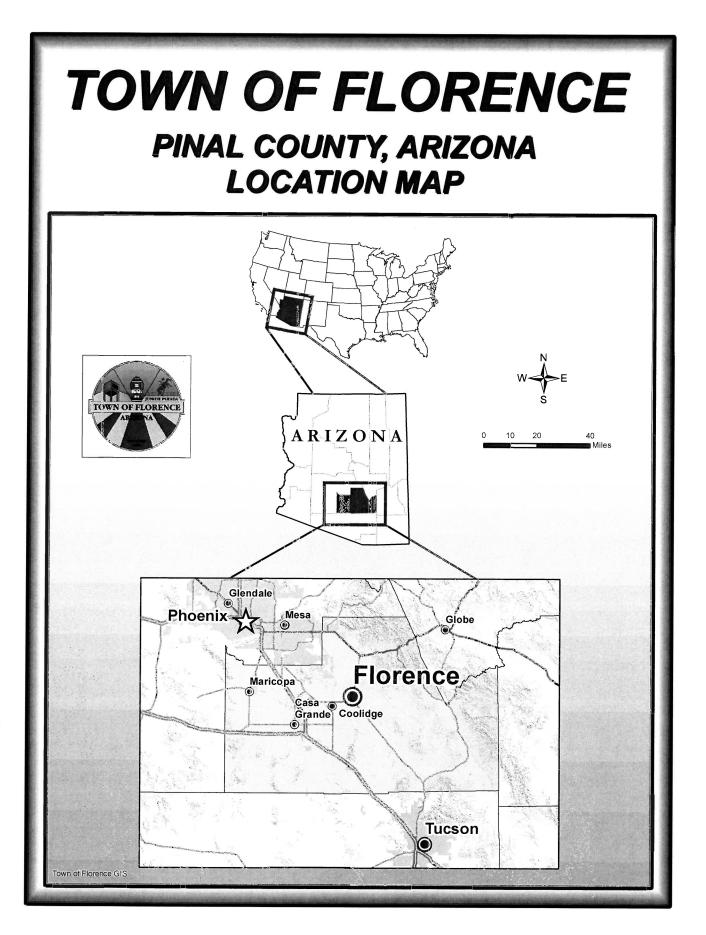
Senior Management

Lisa Garcia – Deputy Town Manager/Town Clerk Jess Knudson – Assistant Town Manager Scott Barber – Human Resource Director Rose Bebris – Library Director Wayne Costa – Public Works Director Mark Eckhoff – Community Development Director Mike Farina – Finance Director Bryan Hughes – Parks & Recreation Director Daniel Hughes – Police Chief John Mitchell – Utilities Director Peter Zick – Fire Chief

Organizational Chart







FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Town Council Town of Florence Florence, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Florence, Arizona, as of and for the year ended June 30, 2014, 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.

Auditors' 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 auditors' 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.

Tempe 2055 E. Warner Road Suite 101 Tempe, AZ 85284-3487 (480) 839-4900 Fax (480) 839-1749 Scottsdale 7098 E. Cochise Road Suite 100 Scottsdale, AZ 85253-4517 (480) 483-1170 Fax (480) 483-7126 Casa Grande 1115 E. Cottonwood Lane Suite 100 Casa Grande, AZ 85122-2950 (520) 836-8201 Fax (520) 426-9432

www.henryandhorne.com

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Florence, Arizona, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Highway User Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the Town of Florence failed to use highway user revenue fund monies received by the Town of Florence pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2 and any other dedicated state transportation revenues received by the Town of Florence solely for the authorized transportation purposes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-16 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Florence, Arizona's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2014 on our consideration of the Town's internal control over financial reporting and 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 the results of that testing, and not to provide an opinion on 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 Florence, Arizona's, internal control over financial reporting and compliance.

Henry & Horne LLP

Casa Grande, Arizona December 10, 2014

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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis

As management of the Town of Florence, we offer readers of the Town of Florence's financial statements this narrative overview and analysis of the financial activities of the Town of Florence for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vi of this report.

Financial Highlights

- The assets of the Town of Florence exceeded its liabilities and deferred inflows of resources as of June 30, 2014 by \$140 million. Of this amount, \$40.3 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased \$6.9 million from \$133 million to \$140 million. This increase is the result of revenues outpacing expenses in both governmental and business-type activities. Net position in governmental activities increased \$5 million and net position in business-type activities increased \$1.6 million. Revenue from both governmental and business-type activities fund capital needs, as well as maintenance and operations, and therefore, the investment of revenues in capital assets increased the Town's net position.
- As of the end of the current fiscal year, the Town of Florence's governmental funds reported combined ending fund balances of \$45.0 million, a decrease of \$884,000 million in comparison to the year before. This net decrease is due to one-time expenditures for capital assets, which totaled over \$5 million and includes a new fire truck and fire station No. 2.
- Approximately 19 percent or \$8.4 million of the combined ending fund balances constitutes unassigned fund balance, which is available for spending at the Town's discretion. Except for a very small portion (-\$54,351), the combined unassigned fund balance is the Town's General Fund, which is over 68 percent of the General Fund's expenditures.
- The Town's investment in capital assets (net of depreciation) increased \$6.4 million. Additions to capital assets included a new fire station (\$3.0 million), fire apparatus (\$1.2 million) and developer donated public infrastructure (\$3.6 million).
- At the end of the fiscal year, the Town had \$20.0 million in debt outstanding compared to \$19.4 million last year. General obligation bonds, totaling \$1.85 million, were issued by Merrill Ranch Community Facilities District No. 2 to reimburse a developer for construction of public infrastructure.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Florence's basic financial statements. The Town of Florence's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements are designed to provide readers with a broad overview of the Town of Florence's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Town's assets, liabilities and deferred inflows/outflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the Town's privilege tax or property tax base or the condition of roads, parks and libraries to accurately assess the overall health of the Town.

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future period (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements differentiate functions of the Town that are primarily supported by taxes and intergovernmental revenues (governmental activities) from those functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highways and streets, culture and recreation, and community development. The business-type activities of the Town include water, sewer and sanitation utility services.

The government-wide financial statements include the Town itself and the Merrill Ranch Community Facilities District No. 1 and Merrill Ranch Community Facilities District No. 2 blended component units.

The government-wide financial statements can be found on pages 19 - 21 of this report.

Fund financial statements follow the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the impact of the Town's near-term financing decisions. Both the governmental funds balance sheet and governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 13 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Highway User Revenue Fund, Community Facilities District Debt Service Fund, Community Facilities District Capital Improvements Fund, Impact Fees Fund and the Capital Improvements Fund, all of which are considered to be major funds. Data from the remaining 7 governmental funds are aggregated into a single "non-major governmental funds" column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22 - 32 of this report.

The Town adopts an annual appropriated budget for all funds, except fiduciary funds. To demonstrate compliance, a budgetary comparison statement is provided for the General Fund and the Highway User Revenue Fund. Similar budgetary compliance schedules are provided for the other funds elsewhere in this report.

Proprietary funds are used to report the same functions as presented in the business-type activities in the government-wide financial statements. The Town uses enterprise funds, a type of proprietary fund, to account for the water, sewer and sanitation utility functions. Proprietary fund financial statements provide information on the Water Utility Fund, Sewer Utility Fund and Sanitation Utility Fund and with the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 33 - 36 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 37 - 38 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 - 69 of this report.

Combining statements (referred to earlier in connection with non-major governmental funds) are presented immediately following the notes to the financial statements. Combining statements and individual fund schedules can be found on pages 74 - 77 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of the Town's financial position. The two tables below reflect the Town's net position and changes in net position. A condensed version of the Statement of Net Position is presented below and illustrates the Town's total assets, liabilities, and deferred inflows of resources and resulting net position (assets minus liabilities and deferred inflows of resources) as of June 30, 2014 with a comparison to net position as of June 30, 2013.

Condensed Statement of Net Position (in Thousands)

| | Governmental Activities | | | Business-type Activities | | | | Total Government | | | |
|----------------------------------|----------------------------|----|---------|-----------------------------|----|--------|------|---------------------|----|---------|--|
| | 2014 | | 2013 | 2014 | | 2013 | 2014 | | | 2013 | |
| Current and other assets | \$ 53,312 | \$ | 53,171 | \$ 22,328 | \$ | 20,710 | \$ | 75,640 | \$ | 73,881 | |
| Capital assets | 77,251 | | 70,592 | 10,588 | | 10,800 | | 87,839 | | 81,392 | |
| Total assets | 130,563 | | 123,763 | 32,916 | | 31,510 | | 163,479 | | 155,273 | |
| Other liabilities | 3,710 | | 3,262 | 952 | | 813 | | 4,662 | | 4,075 | |
| Long-term liabilities | 15,242 | | 14,279 | 3,825 | | 4,218 | | 19,067 | | 18,497 | |
| Total liabilities | 18,952 | | 17,541 | 4,777 | | 5,031 | | 23,729 | _ | 22,572 | |
| Net position: | | | | | | | | | | | |
| Net investment in capital assets | 61,395 | | 55,770 | 6,376 | | 6,199 | | 67,771 | | 61,969 | |
| Restricted | 28,845 | | 28,815 | 2,677 | | 2,208 | | 31,522 | | 31.023 | |
| Unrestricted | 21,371 | | 21,637 | 19,086 | | 18,072 | | 40,457 | | 39,709 | |
| Total net position | \$ 111,611 | \$ | 106,222 | \$ 28,139 | \$ | 26,479 | \$ | 139,750 | \$ | 132,701 | |

The largest portion of the Town's net position is net investment in capital assets, which makes up 48 percent or \$67.8 million of the Town's total net position. Capital assets include items such as infrastructure, buildings and improvements, vehicles, equipment and land. The Town uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Additionally, although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. Additional information on the Town's assets can be found in the Notes to the Financial Statements, which start on page 41.

An additional portion (23% or \$31.5 million) of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (29% or \$40.5 million) may be used to meet the Town's ongoing obligations to citizens and creditors.

Total governmental activities liabilities had a net increase of \$1.4 million due to the issuance of \$1.85 million general obligation bonds by the Community Facilities District No. 2 coupled with the payment of principal on other outstanding debt.

As illustrated in both the table above and table below, the Town's overall financial position improved during this fiscal year as reflected by the increase in total net position of the Town. The Town's total net position increased \$7.0 million from \$132.7 million to \$139.7 million. This increase is the result of revenues outpacing expenses in both governmental and business-type activities. Net position in governmental activities increased \$5.4 million going from \$106.2 million to \$111.6 million. Net position in business-type activities increased \$1.6 million going from \$26.5 million to \$28.1 million. Revenue from both governmental and business-type activities fund capital needs, as well as maintenance and operations, and therefore, the investment of revenues in capital assets increased the Town's net position.

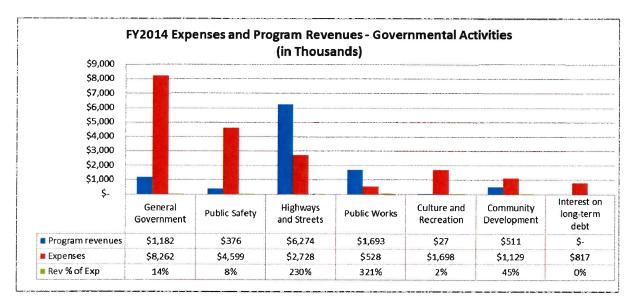
| | Governmental Activities | | | ess-type vities | Total Government | | |
|--|----------------------------|-----------------------|---------------------------|------------------------------|-------------------------------|-------------------------------|--|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | |
| Program revenues Charges for services Operating grants Capital grants and | \$ 1,850 2,810 | \$ 2,010 2,700 | \$ 7,338 - | \$ 7,310 - | \$ 9,188 2,810 | \$ 9,320 2,700 | |
| contributions General revenues | 5,403 | 955 | - | 28 | 5,403 | 983 | |
| Taxes Intergovernmental Investment earnings | 6,297 6,258 | 5,622 5,812 | - | - | 6,297 6,258 | 5,622 5,812 | |
| (losses) Miscellaneous Total revenues | 796 250 23,664 | (260) 34 16,873 | 340 <u>52</u> 7,730 | (111) <u>139</u> 7,366 | 1,136 <u>302</u> 31,394 | (371) <u>173</u> 24,239 | |
| Total revenues | 23,004 | 10,075 | 1,130 | 7,300 | | 24,239 | |
| Expenses | | | | | | | |
| General government | 8,262 | 4,056 | - | - | 8,262 | 4,056 | |
| Public safety | 4,817 | 5,529 | - | - | 4,817 | 5,529 | |
| Highways and streets | 2,728 | 3,002 | - | - | 2,728 | 3,002 | |
| Public works | 580 | 293 | - | - | 580 | 293 | |
| Culture and recreation | 1,699 | 1,684 | - | - | 1,699 | 1,684 | |
| Community development | 858 | 1,082 | - | - | 858 | 1,082 | |
| Interest on long-term debt Water | 817 | 888 | - | - | 817 | 888 | |
| Sewer | - | - | 1,619 2,141 | 1,362 1,748 | 1,619 | 1,362 | |
| Sanitation | - | - | 825 | 682 | 2,141 825 | 1,748 682 | |
| Total expenses | 19,761 | 16,534 | 4.585 | 3,792 | 24,346 | 20,326 | |
| · | | | | | | | |
| Excess before transfers | 3,903 | 339 | 3,145 | 3,574 | 7,048 | 3,913 | |
| Transfers in (out) | 1,485 | 445 | (1,485) | (445) | - | - | |
| Change in net position | 5,388 | 784 | 1,660 | 3,129 | 7,048 | 3,913 | |
| Beginning net position, Restatement Restances pot | 106,222 | 106,290 (852) | 26,479 | 23,350 | 132,701 | 129,640 (852) | |
| Beginning net position - restated | 106,222 | 105,438 | 26,479 | 23,350 | 132,701 | 128,788 | |
| Ending net position | \$ 111,610 | \$ 106,222 | \$ 28,139 | \$ 26,479 | \$ 139,749 | \$ 132,701 | |

Changes in Net Position (in Thousands)

Changes in net position, shown above, illustrates the Town's total revenues and expenses for the fiscal year ended June 30, 2014 compared to the same period ended June 30, 2013.

Governmental activities

Total revenues increased by \$6.6 million primarily because capital grants and contributions increased \$4.4 million going from \$1 million to \$5.4 million primarily because of donations of public infrastructure received from developers. Investment earnings increased by nearly \$1.4 million going from negative \$371,000 to plus \$980,000 primarily because of the increase in the value of the Town's investment portfolio.



The chart above illustrates the extent to which the governmental activities function expenses are covered by program revenues. As with most governments, services provided to citizens are mostly funded through various taxes and not program revenues. In other words, expenses are significantly greater than program revenues in most of the functional areas. However, this year, Public Works and Highways and Streets program revenues outpace expenses. Again, this is because of the donated public infrastructure from developers (capital contributions).

Business-type activities

Business-type activities expenses increased from \$3.8 million to \$4.6 million due to the addition of a director-level position, which not only added to the salary and benefits in the Town's utility services function but having the added position provided the ability to accomplish more during the year.

Financial Analysis of the Town's Funds

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

Governmental funds

The focus of the Town of Florence'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, unassigned fund balance may serve as a useful measure of the Town's net resources available for discretionary use. As such, it represents a portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town Council.

As of the end of the current fiscal year, the Town of Florence's governmental funds reported combined ending fund balances of \$45.0 million, a decrease of \$884,000 million in comparison to the year before. This net decrease is due to one-time expenditures for capital assets, which totaled over \$5 million and includes a new fire truck and fire station #2.

Approximately 19 percent of the combined ending fund balances (\$8.4 million) constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$78,000), 2) restricted for particular purposes (\$26.6 million), or 3) assigned for particular purposes (\$9.9 million).

General Fund. The General Fund is the chief operating fund of the Town. At the end of FY2014, unassigned fund balance of the General Fund was \$8.4 million making up 99 percent of the total fund balance. As a measure of the fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Both unassigned fund balance and total fund balance represent over 68 percent of expenditures.

The fund balance of the General Fund decreased \$2.8 million this fiscal year. The largest contributing factor to this decrease was a transfer of nearly \$4 million of excess fund balance out of the General Fund into the Capital Improvement Projects Fund to facilitate current and future capital project needs.

Highway User Revenue Fund. The Highway User Revenue Fund, a major fund, ended the current year with a total fund balance of \$6.9 million, consisting of \$6.2 million restricted fund balance and \$620,000 assigned fund balance. Revenues must be used for streets and highway purposes. Revenues outpaced expenditures, leading to the increase of \$317,000 in fund balance. Only \$196,000 was expended on capital projects; however, a significant portion of the fund balance is planned for capital projects, which will lead to future expenditures exceeding revenues and a decrease in fund balance.

Impact Fees Fund. The Impact Fees Fund, a major fund, ended the current year with a total fund balance of \$4.7 million, a decrease of \$1.4 million. Impact fees were used this year to complete construction on Fire Station No. 2. The entire fund balance is restricted.

Capital Improvements Fund. The Capital Improvements Fund, a major fund, ended the current year with a total fund balance of \$13.1 million, an increase of \$1.8 million over the prior year. This primary reason for this increase is a \$4 million transfer from the General Fund to facilitate current and future capital project needs.

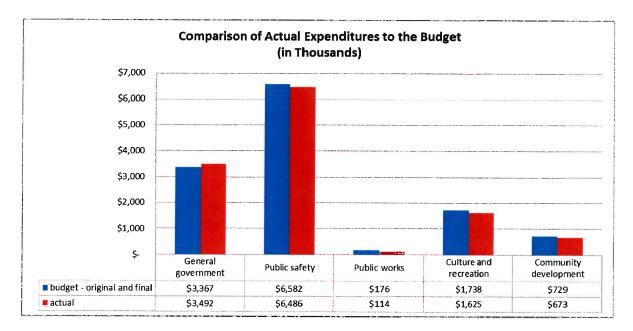
Proprietary Funds

The Town of Florence's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position for each fund at the end of the year is as follows: Water - \$10.4 million, Sewer - \$7.1 million and Sanitation - \$1.6 million. The unrestricted net position of each fund makes up the majority of their respective total net positions. Net position in the Water Utility Fund and Sewer Utility fund grew \$617,000 and \$1.2 million, respectively. Net position decreased in the Sanitation Fund by \$141,000.

General Fund Budgetary Highlights

A total of \$12.4 million was spent compared to a total final budget of \$12.6 million, resulting in a positive variance (budget savings) of just over \$200,000. The graph below shows a summary of budget-to-actual variances for each Town function accounted for in the General Fund.



Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2014, amounts to \$87.8 million. Investment in capital assets includes land, buildings, utility facilities, vehicles and equipment, park facilities, roads, highways and bridges. Overall, the Town's investment in capital assets (net of depreciation) increased \$6.4 million. Additions to capital assets included a new fire station (\$3.0 million), fire apparatus (\$1.2 million) and developer donated public infrastructure (\$3.6 million).

Town of Florence's Capital Assets

(net of accumulated depreciation)

| | Governmental activities | | Business-type activities | | | | Total | | |
|--|----------------------------|---------------|-----------------------------|---------|------|---------------|---------------|---------------|--|
| | FY2014 | FY2013 | FY | FY2014 | | FY2013 FY2014 | | FY2013 | |
| Land | \$ 32,564,037 | \$ 32,748,908 | \$ | 394,073 | \$ | 394,073 | \$ 32,958,110 | \$ 33,142,981 | |
| Buildings, infrastructure and improvements | 40,937,898 | 31,684,828 | 8, | 910,164 | | 9,288,233 | 49,848,062 | 40,973,061 | |
| Vehicles, furniture and equipment | 3,275,457 | 2,143,768 | | 163,421 | | 249,384 | 3,438,878 | 2,393,152 | |
| Construction in progress | 473,796 | 4,014,199 | 1, | 120,699 | | 868,674 | 1,594,495 | 4,882,873 | |
| Total | \$ 77,251,188 | \$ 70,591,703 | \$ 10, | 588,357 | \$ 1 | 0,800,364 | \$ 87,839,545 | \$ 81,392,067 | |

Additional information on the Town of Florence's capital assets can be found in Note 4 on pages 55 - 56 in the notes to the financial statements.

Long-term Debt

At the end of the fiscal year, the Town had \$20.0 million in debt outstanding compared to \$19.4 million last year. The Town has notes payable outstanding totaling \$4.6 million at year end and a capital lease outstanding in the amount of \$844,967. A large portion of the debt listed below

consists of general obligation bonds (\$8.8 million) and special assessment lien bonds (\$5.4 million) of the Town's component units, Merrill Ranch Community Facilities Districts No. 1 and No. 2. The Town bears no liability for the debt of these legally separate entities. In fiscal year 2014, \$1.85 million general obligation bonds were issued by Merrill Ranch Community Facilities District No. 2 to reimburse a developer for construction of public infrastructure.

| | | Governmental activities | | ss-type vities | Total | | |
|---------------------------------|---------------|----------------------------|--------------|-------------------|---------------|---------------|--|
| | FY2014 | FY2013 | FY2014 | FY2013 | FY2014 | FY2013 | |
| General obligation bonds - CFDs | \$ 8,785,000 | \$ 7,105,000 | \$- | \$ - | \$ 8,785,000 | \$ 7,105,000 | |
| Special assessment debt - CFDs | 5,435,830 | 5,739,520 | - | - | 5,435,830 | 5,739,520 | |
| Special assessment debt - Town | 337,000 | 388,000 | - | - | 337,000 | 388,000 | |
| Notes payable | 429,185 | 470,690 | 4,212,897 | 4,601,319 | 4,642,082 | 5,072,009 | |
| Capital leases | 844,967 | 1,118,561 | | | 844,967 | 1,118,561 | |
| Total | \$ 15,831,982 | \$ 14,821,771 | \$ 4,212,897 | \$ 4,601,319 | \$ 20,044,879 | \$ 19,423,090 | |

Town of Florence's Outstanding Debt

The Arizona State Constitution and Statutes limit the amount of general obligation debt that a municipality may issue by providing two tests. Under the first test, general obligation debt for a specific purpose such as supplying water or sewer services and recreational playground facilities may not exceed 20 percent of the Town's secondary assessed valuation. Under the second test, a Town may not issue general obligation debt for general municipal purposes in an amount that exceeds 6 percent of the Town's secondary assessed valuation.

On pages 57 - 61 in this report, Notes 5, 6 7 and 8 present more detailed information about the debt position of the Town.

Economic Factors and Next Year's Budgets and Rates

The Town's unemployment rate is 7.5 percent. This is significantly lower than the past five years, which averaged 16.3 percent. Inflationary increases are expected to remain low for the upcoming year.

The majority of the General Fund's resources come from state-shared revenues (48%). As with all Arizona municipalities, the Town receives those revenues based on population. More than half of the Town's population is comprised of prisoners in correctional facilities located within Town limits. Local sales tax is the next largest source of revenue in General Fund (19%). The Town projects a 5 percent increase in sales tax for the upcoming budget year based on the projected increase in inflation and population growth. Budgetary estimates for the Town's state-shared revenues are provided by the League of Arizona Cities and Towns, which are based on estimates obtained from the state.

A water and sewer rate study, which provides recommended rates to be escalated annually, was adopted in 2011. The 2011 study actually reinforced rates and fees set forth in a 2009 study with an indication that the annual increases stated in the 2009 study would be sufficient through Fiscal Year 2016-2017. Based on the study results and recommendations, Town Council approved a 5 percent increase in water rates and 10 percent increase in sewer rates for the following fiscal year.

The Town's total budget for FY2015 is \$66.8 million, which includes approximately \$30 million in capital or capital-related expenditures and \$10 million carried forward from the FY2014 budget to cover unfinished projects.

Requests for Information

This financial report is designed to provide a general overview of the Town of Florence's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Florence - Finance Department, P.O. Box 2670, Florence Arizona 85132 or by email at finance@florenceaz.gov.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS



TOWN OF FLORENCE, ARIZONA STATEMENT OF NET POSITION June 30, 2014

| ASSETS Governmental Business-type Activities Activities Total Special assessment receivables (net or tallowance for uncollectibles) 1,467,942 814,261 2,282,203 Special assessment receivable 5,898,534 - 5,898,534 Due from other governments 135,604 - 135,604 Prepaids 78,206 206,244 284,450 Restricted cash equivalents 2,572,917 - 2,572,917 Investments 32,859,383 16,222,600 49,081,983 Capital assets 130,663,054 32,916,192 163,479,246 LIAB and construction in progress 130,663,054 32,916,192 163,479,246 Customer deposits 1,109,088 342,064 1,451,152 Customer deposits 1,198 104,676 316,664 Accrued wages and benefits 33,387 466 31,853 Accrued interest payable 400,572 70,334 470,996 Customer deposits 311,841 30,617 342,458 Capital leases < | | | Primary Governmer | nt |
|---|---------------------------|----------------|-------------------|-----------------|
| ASETS Activities Total Cash and cash equivalents \$ 10,299,280 \$ 5,084,730 \$ 15,384,010 Receivables (net of allowance for uncollectibles) 1,467,942 814,261 \$ 2,282,203 Special assessment receivable 5,898,534 - 5,989,534 Due from other governments 135,604 - 135,604 Prepaids 78,206 206,244 284,450 Restricted cash equivalents 2,572,917 - 2,572,917 Investments 32,859,383 16,222,600 49,081,983 Capital assets 310,07,833 1,514,772 34,552,605 Other capital assets (net of accumulated 44,213,355 9,073,585 53,286,940 Total assets 1,109,088 342,064 1,451,152 Customer deposits 1,109,088 342,064 1,451,152 Accured inderest payable 4,00,572 70,334 470,096 Other accured interest payable 4,854 - 4,854 Caustomer deposits 3,11,841 30,617 342,458 | | | | |
| Cash and cash equivalents \$ 10,299,280 \$ 5,084,730 \$ 15,384,010 Receivables (net of allowance for uncollectibles) 1,467,942 814,261 2,282,203 Special assessment receivable 5,898,534 - 135,604 - 135,604 Prepaids 78,206 206,224 284,450 - 2,572,917 - 1,653 - <td>ASSETS</td> <td></td> <td></td> <td>Total</td> | ASSETS | | | Total |
| Receivables (net of allowance for uncollectibles) 1,467,942 814,261 2,282,203 Special assessment receivable 5,898,534 - 5,898,534 - 5,898,534 - 135,604 Prepaids 78,206 206,244 284,450 - 2,572,917 - 3,4552,605 Cotta stass asses 53,286,401 3,29,616,422 1,451,52 Cotta stass asses | Cash and cash equivalents | | | |
| Special assessment receivable 5,898,534 - 5,898,534 Due from other governments 135,604 - 135,604 Prepaids 78,206 208,244 284,450 Restricted cash equivalents 2,572,917 - 2,572,917 Investments 32,359,383 16,222,600 49,081,983 Capital assets 32,303,833 1,514,772 34,552,605 Other capital assets (net of accumulated depreciation) 44,213,355 9,073,585 53,286,940 Total assets 130,563,054 32,916,192 163,479,246 LIABILITIES Accounts payable and other current liabilities 1,109,088 342,064 1,451,152 Customer deposits 211,988 104,676 316,664 Accrued wages and benefits 838,771 2,839 841,610 Accrued interest payable 40,0572 70,334 470,906 Current portion of - 4,854 - 4,854 Capital leases 277,586 277,586 277,586 Notes payable 474,980 - | • | | | |
| Due from other governments 135,604 - 135,604 Prepaids 78,206 206,244 284,450 Restricted cash equivalents 2,572,917 - 2,572,917 Investments 32,859,383 16,222,600 49,081,983 Capital assets 33,037,833 1,514,772 34,552,605 Other capital assets (net of accumulated depreciation) 44,213,355 9,073,585 53,286,940 Total assets 130,563,054 32,916,192 163,479,246 LIABILITIES 1,109,088 342,064 1,451,152 Accounts payable and other current liabilities 2,11,988 104,676 316,664 Accrued wages and benefits 838,771 2,839 841,610 Accrued wages and benefits 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 277,586 277,586 277,586 Carpital leases 267,381 - 567,381 Notes payable 474,980 - 474,980 Long-term portion | | | - | |
| Prepaids 78,206 206,244 284,450 Restricted cash equivalents 2,572,917 - 2,572,917 Investments 32,859,383 16,222,600 49,081,983 Capital assets 32,859,383 15,222,600 49,081,983 Land and construction in progress 33,037,833 1,514,772 34,552,605 Other capital assets (net of accumulated depreciation) 44,213,355 9,073,585 53,286,940 Total assets 130,563,054 32,918,192 163,479,246 1,451,152 LIABILITIES 1409,088 342,064 1,451,152 14,676 316,664 Accrued wages and benefits 838,771 2,839 841,610 4,674 31,853 Accrued wages and benefits 838,771 2,839 841,610 31,837 466 31,853 Due to other governments 4,854 - 4,854 - 4,854 Retainages 277,586 277,586 277,586 277,586 Notes payable 474,980 - 474,980 - 474,980 | | | - | |
| Restricted cash equivalents 2,572,917 - 2,572,917 Investments 32,859,383 16,222,600 49,081,983 Land and construction in progress 33,037,833 1,514,772 34,552,605 Other capital assets (net of accumulated depreciation) 44,213,355 9,073,585 53,286,940 Total assets 130,563,054 32,916,192 163,479,246 LIABILITIES 1,019,088 342,064 1,451,152 Customer deposits 211,988 104,676 316,664 Accrued wages and benefits 838,771 2,839 841,610 Accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Capital leases 277,586 277,586 277,586 Compensated absences 311,841 30,617 342,458 Capital leases 267,381 - 567,381 Compensated absences 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Compensated absences< | - | | 206.244 | |
| Investments 32,859,383 16,222,600 49,081,983 Capital assets 33,037,833 1,514,772 34,552,605 Other capital assets (net of accumulated depreciation) 44,213,355 9,073,585 53,286,940 Total assets 130,563,054 32,916,192 163,479,246 LIABILITIES 44,213,355 9,073,585 53,286,940 Accounts payable and other current liabilities 1,109,088 342,064 1,451,152 Customer deposits 211,988 104,676 316,664 Accrued wages and benefits 838,771 2,839 841,610 Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 217,586 277,586 277,586 Carpital leases 217,586 277,586 277,586 Notes payable 43,997 401,390 445,387 Bonds payable 182,433 13,781 196,214 Capital le | | | | |
| Capital assets 33,037,833 1,514,772 34,552,605 Other capital assets (net of accumulated depreciation) 44,213,355 9,073,585 53,286,940 Total assets 130,563,054 32,916,192 163,479,246 LIABILITIES Accounts payable and other current liabilities 1,109,088 342,064 1,451,152 Customer deposits 211,988 104,676 316,664 Accrued wages and benefits 838,771 2,639 841,610 Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 277,586 277,586 277,586 Current portion of Compensated absences 311,841 30,617 342,458 Capital leases 267,381 - 474,980 Long-term portion of Compensated absences 182,433 13,781 196,214 Capital leases 567,381 - 567,381 - 567,381 | • | | 16.222.600 | |
| Land and construction in progress 33,037,833 1,514,772 34,552,605 Other capital assets (net of accumulated depreciation) 44,213,355 9,073,585 53,286,940 Total assets 130,653,054 32,916,192 163,479,246 LIABILITIES 1,009,088 342,064 1,451,152 Customer deposits 211,988 104,676 316,664 Accrued wages and benefits 838,771 2,839 841,610 Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 277,586 277,586 277,586 Capital leases 277,586 277,586 277,586 Notes payable 43,997 401,990 445,387 Long-term portion of 200 - 474,980 Compensated absences 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 1 | Capital assets | ,, | ,, | ,, |
| Other capital assets (net of accumulated depreciation) 44,213,355 9,073,585 53,286,940 Total assets 130,563,054 32,916,192 163,479,246 LIABILITIES 1,109,088 342,064 1,451,152 Accounts payable and other current liabilities 1,109,088 342,064 1,451,152 Customer deposits 211,988 104,676 316,664 Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 4,989 - 4,989 Current portion of 277,586 277,586 277,586 Capital leases 311,841 30,617 342,458 Capital leases 385,187 3,811,508 4,198,021 Long-term portion of - 474,980 - 474,980 Long-term portion of - 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 | - | 33.037.833 | 1.514.772 | 34,552,605 |
| depreciation) 44,213,355 9,073,585 53,286,940 Total assets 130,563,054 32,916,192 163,479,246 LIABILLTIES Accounts payable and other current liabilities 1,109,088 342,064 1,451,152 Customer deposits 211,988 104,676 316,664 Accrued wages and benefits 838,771 2,839 841,610 Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 313,87 466 31,853 Due to other governments 4,854 - 4,854 Retainages 4,989 - 4,989 Current portion of Compensated absences 311,841 30,617 342,458 Capital leases 277,586 277,586 277,586 Notes payable 474,980 - 474,980 Long-term portion of - 567,381 - 567,381 Capital leases 567,381 - 567,381 - 567,381 Notes payable 385,187 3,811,508 | | ,, | ., | • .,• • =,• • • |
| Total assets 130,563,054 32,916,192 163,479,246 LIABILITIES Accounts payable and other current liabilities 1,109,088 342,064 1,451,152 Customer deposits 211,988 104,676 316,664 Accrued wages and benefits 838,771 2,839 841,610 Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 4,989 - 4,989 Current portion of 277,586 277,586 277,586 Compensated absences 311,841 30,617 342,458 Capital leases 182,433 13,781 196,214 Capital leases 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 14,107,017 - 14,107,017 Total liabilities 7,013,329 - 7,013,329 Det service 8,989,528 | | 44.213.355 | 9.073.585 | 53,286,940 |
| LIABILITIES 1.109,088 342,064 1,451,152 Accounts payable and other current liabilities 1,109,088 342,064 1,451,152 Customer deposits 211,988 104,676 316,664 Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 4,989 - 4,989 Current portion of 277,586 277,586 277,586 Compensated absences 311,841 30,617 342,458 Capital leases 277,586 277,586 277,586 Notes payable 474,980 - 474,980 Long-term portion of - 474,980 - 567,381 Capital leases 567,381 - 567,381 - Capital leases 567,381 - 567,381 - Capital leases 567,381 - 567,381 - Notes payable 14 | • • | | | |
| Accounts payable and other current liabilities 1,109,088 342,064 1,451,152 Customer deposits 211,988 104,676 316,664 Accrued wages and benefits 838,771 2,839 841,610 Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 4,989 - 4,989 Current portion of - - 4,854 Capital leases 277,586 277,586 277,586 Notes payable 474,980 - 474,980 Long-term portion of - - 567,381 Compensated absences 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 61,395,040 6,375,459 67,770,499 | | | | |
| Customer deposits 211,988 104,676 316,664 Accrued wages and benefits 838,771 2,839 841,610 Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 4,989 - 4,989 Current portion of - - 4,854 Capital leases 277,586 277,586 277,586 Notes payable 474,980 - 474,980 Long-term portion of - - 474,980 Compensated absences 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION - - 7,013,329 - 7,013,329 | | 1 100 099 | 242.064 | 1 151 150 |
| Accrued wages and benefits 838,771 2,839 841,610 Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 4,989 - 4,989 Current portion of - - 4,854 Capital leases 277,586 277,586 277,586 Notes payable 43,997 401,390 445,387 Bonds payable 474,980 - 474,980 Long-term portion of - - 567,381 - 567,381 Compensated absences 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 345,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION - 7,013,329 - 7,013,329 - 7,013,32 | | | | |
| Accrued interest payable 400,572 70,334 470,906 Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 4,989 - 4,989 Current portion of - 4,989 - 4,989 Compensated absences 311,841 30,617 342,458 277,586 Capital leases 277,586 277,586 277,586 Notes payable 43,997 401,390 445,387 Bonds payable 474,980 - 474,980 Long-term portion of - 567,381 - 567,381 Compensated absences 567,381 - 567,381 - Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION - 7,013,329 - 7,013,329 Capital projects <td< td=""><td></td><td></td><td></td><td></td></td<> | | | | |
| Other accrued liabilities 31,387 466 31,853 Due to other governments 4,854 - 4,854 Retainages 4,989 - 4,989 Current portion of - 4,989 - 4,989 Current portion of - 2,989 - 4,989 Current portion of - 277,586 277,586 277,586 Notes payable 43,997 401,390 445,387 Bonds payable 474,980 - 474,980 Long-term portion of - - 567,381 - 567,381 Capital leases 182,433 13,781 196,214 - 567,381 Notes payable 385,187 3,811,508 4,196,695 - 567,381 - 567,381 Notes payable 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - <td< td=""><td>-</td><td></td><td></td><td>•</td></td<> | - | | | • |
| Due to other governments 4,854 - 4,854 Retainages 4,989 - 4,989 Current portion of - 4,854 - Compensated absences 311,841 30,617 342,458 Capital leases 277,586 277,586 Notes payable 43,997 401,390 445,387 Bonds payable 474,980 - 474,980 Long-term portion of - 567,381 - 567,381 Capital leases 567,381 - 567,381 - 567,381 Notes payable 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,0 | | | | |
| Retainages 4,989 - 4,989 Current portion of - 4,989 Compensated absences 311,841 30,617 342,458 Capital leases 277,586 277,586 Notes payable 43,997 401,390 445,387 Bonds payable 474,980 - 474,980 Long-term portion of - - 567,381 - 567,381 Capital leases 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION - - 7,013,329 - 7,013,329 Restricted for - 8,989,528 2,135,520 11,125,048 Highways and streets 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 | | | 400 | |
| Current portion of 311,841 30,617 342,458 Capital leases 277,586 277,586 Notes payable 43,997 401,390 445,387 Bonds payable 474,980 - 474,980 Long-term portion of - - 667,381 - 567,381 Capital leases 182,433 13,781 196,214 - 567,381 - 567,381 Capital leases 182,433 13,781 196,214 - 567,381 - 567,381 Capital leases 182,433 13,781 196,214 - 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107,017 - 14,107, | • | | - | |
| Compensated absences 311,841 30,617 342,458 Capital leases 277,586 277,586 Notes payable 43,997 401,390 445,387 Bonds payable 474,980 - 474,980 Long-term portion of - - 474,980 Compensated absences 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION - 7,013,329 - 7,013,329 Net investment in capital assets 61,395,040 6,375,459 67,770,499 Restricted for - - 7,013,329 - 7,013,329 Debt service 8,989,528 2,135,520 11,125,048 11,242,470 2,141,040,559 541,811 12,182,470 Economic development 871,312 - 871,31 | - | 4,909 | - | 4,989 |
| Capital leases 277,586 277,586 Notes payable 43,997 401,390 445,387 Bonds payable 474,980 - 474,980 Long-term portion of - 474,980 - 474,980 Compensated absences 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION - 61,395,040 6,375,459 67,770,499 Restricted for - 7,013,329 - 7,013,329 Debt service 8,989,528 2,135,520 11,125,048 Highways and streets 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 Community facilities 238,664 - | • | 244 044 | 20.647 | 242.450 |
| Notes payable 43,997 401,390 445,387 Bonds payable 474,980 - 474,980 Long-term portion of - 474,980 - 474,980 Compensated absences 182,433 13,781 196,214 - 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 - 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 - | • | | 30,017 | |
| Bonds payable 474,980 - 474,980 Long-term portion of - - 474,980 Compensated absences 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION - 60,375,459 67,770,499 Restricted for - - 7,013,329 Debt service 8,989,528 2,135,520 11,125,048 Highways and streets 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 Community facilities 238,664 - 238,664 Courts 51,464 - 51,464 Unrestricted 21,410,987 19,085,727 40,496,714 | • | • | 404 200 | |
| Long-term portion of 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION 18,952,071 4,777,675 23,729,746 Net investment in capital assets 61,395,040 6,375,459 67,770,499 Restricted for 20,040 2,135,520 11,125,048 Highways and streets 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 Community facilities 238,664 - 238,664 Courts 51,464 - 51,464 Unrestricted 21,410,987 19,085,727 40,496,714 | | | 401,390 | |
| Compensated absences 182,433 13,781 196,214 Capital leases 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION - 14,107,017 - 14,107,017 Net investment in capital assets 61,395,040 6,375,459 67,770,499 Restricted for - - 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 Community facilities 238,664 - 238,664 - 238,664 Courts 51,464 - 51,464 - 51,464 | | 474,980 | - | 474,980 |
| Capital leases 567,381 - 567,381 Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION - 6,375,459 67,770,499 Restricted for - - 7,013,329 Debt service 8,989,528 2,135,520 11,125,048 Highways and streets 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 Community facilities 238,664 - 238,664 Courts 51,464 - 51,464 Unrestricted 21,410,987 19,085,727 40,496,714 | ÷ . | 100 400 | 10 704 | 100.014 |
| Notes payable 385,187 3,811,508 4,196,695 Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION 61,395,040 6,375,459 67,770,499 Restricted for 11,125,048 11,125,048 Highways and streets 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 Community facilities 238,664 - 238,664 Courts 51,464 - 51,464 Unrestricted 21,410,987 19,085,727 40,496,714 | • | | 13,781 | |
| Bonds payable 14,107,017 - 14,107,017 Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION 61,395,040 6,375,459 67,770,499 Restricted for 20,000 6,375,459 67,770,499 Debt service 8,989,528 2,135,520 11,125,048 Highways and streets 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 Community facilities 238,664 - 238,664 Courts 51,464 - 51,464 Unrestricted 21,410,987 19,085,727 40,496,714 | • | | - | |
| Total liabilities 18,952,071 4,777,675 23,729,746 NET POSITION 61,395,040 6,375,459 67,770,499 Restricted for 61,395,040 6,375,459 67,770,499 Debt service 8,989,528 2,135,520 11,125,048 Highways and streets 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 Community facilities 238,664 - 238,664 Courts 51,464 - 51,464 Unrestricted 21,410,987 19,085,727 40,496,714 | | | 3,811,508 | |
| NET POSITION 61,395,040 6,375,459 67,770,499 Restricted for 0ebt service 8,989,528 2,135,520 11,125,048 Highways and streets 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 Community facilities 238,664 - 238,664 Courts 51,464 - 51,464 Unrestricted 21,410,987 19,085,727 40,496,714 | | | - | |
| Net investment in capital assets 61,395,040 6,375,459 67,770,499 Restricted for <td></td> <td>18,952,071</td> <td>4,777,075</td> <td>23,729,746</td> | | 18,952,071 | 4,777,075 | 23,729,746 |
| Restricted for 8,989,528 2,135,520 11,125,048 Highways and streets 7,013,329 - 7,013,329 Capital projects 11,640,659 541,811 12,182,470 Economic development 871,312 - 871,312 Community facilities 238,664 - 238,664 Courts 51,464 - 51,464 Unrestricted 21,410,987 19,085,727 40,496,714 | | | | |
| Debt service8,989,5282,135,52011,125,048Highways and streets7,013,329-7,013,329Capital projects11,640,659541,81112,182,470Economic development871,312-871,312Community facilities238,664-238,664Courts51,464-51,464Unrestricted21,410,98719,085,72740,496,714 | • | 61,395,040 | 6,375,459 | 67,770,499 |
| Highways and streets7,013,329-7,013,329Capital projects11,640,659541,81112,182,470Economic development871,312-871,312Community facilities238,664-238,664Courts51,464-51,464Unrestricted21,410,98719,085,72740,496,714 | | | | |
| Capital projects11,640,659541,81112,182,470Economic development871,312-871,312Community facilities238,664-238,664Courts51,464-51,464Unrestricted21,410,98719,085,72740,496,714 | | | 2,135,520 | |
| Economic development871,312-871,312Community facilities238,664-238,664Courts51,464-51,464Unrestricted21,410,98719,085,72740,496,714 | | | - | |
| Community facilities 238,664 - 238,664 Courts 51,464 - 51,464 Unrestricted 21,410,987 19,085,727 40,496,714 | | | 541,811 | |
| Courts 51,464 - 51,464 Unrestricted 21,410,987 19,085,727 40,496,714 | • | | - | |
| Unrestricted 21,410,987 19,085,727 40,496,714 | • | | - | |
| | | | - | |
| Total net position \$ 111,610,983 \$ 28,138,517 \$ 139,749,500 | | | | |
| | Total net position | \$ 111,610,983 | \$ 28,138,517 | \$ 139,749,500 |

TOWN OF FLORENCE, ARIZONA STATEMENT OF ACTIVITIES Year Ended June 30, 2014

| | | | Program Revenues | | | | | | | |
|--------------------------------|----|------------|------------------|-------------|----|--------------|---------------|------------|--|--|
| | | | | | | Operating | | Capital | | |
| | | | | Charges for | (| Grants and | (| Grants and | | |
| Functions/Programs | | Expenses | | Services | C | ontributions | Contributions | | | |
| Primary government | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General government | \$ | 8,262,562 | \$ | 1,117,187 | \$ | 65,663 | \$ | - | | |
| Public safety | | 4,816,583 | | 216,740 | | 89,333 | · | 69,561 | | |
| Highways and streets | | 2,728,013 | | 41 | | 2,633,281 | | - | | |
| Public works | | 579,857 | | - | | - | | 5,333,492 | | |
| Culture and recreation | | 1,699,128 | | 8,964 | | 18,400 | | -,, | | |
| Community development | | 858,152 | | 507,094 | | 3,750 | | - | | |
| Interest on long-term debt | | 816,839 | | - | | - | | - | | |
| Total governmental activities | | 19,761,134 | | 1,850,026 | | 2,810,427 | | 5,403,053 | | |
| Business-type activities | | | | | | | | | | |
| Water | | 1,618,878 | | 2,834,647 | | - | | - | | |
| Sewer | | 2,140,836 | | 3,824,435 | | - | | - | | |
| Sanitation | | 825,239 | | 678,596 | | - | | - | | |
| Total business-type activities | | 4,584,953 | | 7,337,678 | | - | | - | | |
| Total primary government | \$ | 24,346,087 | \$ | 9,187,704 | \$ | 2,810,427 | \$ | 5,403,053 | | |

General revenues Property taxes Sales and use taxes Franchise taxes Shared revenues State sales taxes Urban revenue sharing Auto-in-lieu Investment income Interest income Net increase in the fair value of investments Miscellaneous Transfers in (out) Total general revenues and transfers Change in net position Net position-July 1, 2013 Net position-June 30, 2014

| G | overnmental | В | usiness-type | |
|----|---|----|--------------|-------------------|
| | Activities | | Activities | Total |
| | | | | |
| \$ | (7,079,712) | \$ | - | \$ (7,079,712) |
| | (4,440,949) | | - | (4,440,949) |
| | (94,691) | | - | (94,691) |
| | 4,753,635 | | - | 4,753,635 |
| | (1,671,764) | | - | (1,671,764) |
| | (347,308) | | - | (347,308) |
| | (816,839) | | - | (816,839) |
| | (9,697,628) | | | (9,697,628) |
| | | | | |
| | - | | 1,215,769 | 1,215,769 |
| | - | | 1,683,599 | 1,683,599 |
| | - | | (146,643) | (146,643) |
| | - | | 2,752,725 | 2,752,725 |
| | (9,697,628) | | 2,752,725 | (6,944,903) |
| | (, , , , , , , , , , , , , , , , , , , | | | (-,, |
| | 1,716,952 | | _ | 1,716,952 |
| | 4,059,769 | | _ | 4,059,769 |
| | 520,410 | | - | 520,410 |
| | 020,110 | | | 020,410 |
| | 2,222,724 | | - | 2,222,724 |
| | 2,846,311 | | - | 2,846,311 |
| | 1,188,924 | | - | 1,188,924 |
| | 469,008 | | 178,989 | 647,997 |
| | 326,788 | | 160,979 | 487,767 |
| | 250,318 | | 52,089 | 302,407 |
| | 1,485,165 | | (1,485,165) | - |
| | 15,086,369 | , | (1,093,108) | 13,993,261 |
| | 5,388,741 | | 1,659,617 | 7,048,358 |
| | 106,222,242 | | 26,478,900 | 132,701,142 |
| \$ | 111,610,983 | \$ | 28,138,517 | \$ 139,749,500 |
| | | | | |

Net (Expense) Revenue and Changes in Net Assets

TOWN OF FLORENCE, ARIZONA BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2014

| ASSETS | | General | Hi | ghway User | Faci | Community lities Districts- ebt Service |
|--|----|------------|----|----------------|---------|---|
| Cash and cash equivalents | \$ | 2,075,241 | \$ | 1,585,615 | \$ | 257,584 |
| Receivables (net of allowance | • | _,, | Ŧ | .,,. | + | 201,001 |
| for uncollectibles) | | 1,171,351 | | 245,302 | | 5,641,821 |
| Due from other governments | | - | | - | | 5,244 |
| Due from other funds | | 121,346 | | - | | - |
| Prepaids | | 63,968 | | - | | - |
| Restricted assets | | | | | | |
| Cash and cash equivalents | | 2,500 | | 30,000 | | 1,712,488 |
| Investments | | 6,620,961 | | 5,058,831 | | 821,810 |
| Total assets | \$ | 10,055,367 | \$ | 6,919,748 | \$ | 8,438,947 |
| LIABILITIES | | | | | | |
| Accounts payable and other current liabilities | \$ | 344,683 | \$ | 49,980 | \$ | - |
| Customer deposits | | 211,988 | | - | | - |
| Accrued wages and benefits | | 833,956 | | 2,811 | | - |
| Other accrued liabilities | | 30,255 | | 873 | | - |
| Due to | | | | | | |
| Other governments | | - | | - | | - |
| Other funds | | - | | - | | - |
| Retainages | | - | | - | | |
| Total liabilities | | 1,420,882 | | 53,664 | | |
| DEFERRED INFLOWS | | | | | | |
| OF RESOURCES | | | | | | |
| Deferred revenue | | 137,098 | | 6,022 | | 5,648,492 |
| Total deferred inflows of resources | | 137,098 | | 6,022 | <u></u> | 5,648,492 |
| FUND BALANCES | | | | | | |
| Nonspendable | | | | | | |
| Prepaid items | | 63,968 | | - | | - |
| Restricted | | | | | | |
| Court Date consist | | - | | - | | - |
| Debt service Capital projects | | - | | - | | 2,790,455 |
| Highways and Streets | | - | | - 6,239,974 | | - |
| Economic development | | - | | 0,239,974 | | - |
| Community Facilities Districts operations | | - | | - | | - |
| Assigned | | - | | - | | - |
| Capital projects | | - | | _ | | _ |
| Highways and Streets | | - | | 620,088 | | - |
| Unassigned | | 8,433,419 | | - | | _ |
| Total fund balances | | 8,497,387 | | 6,860,062 | | 2,790,455 |
| Total liabilities, deferred inflows of | | | | -,, | | |
| resources and fund balances | \$ | 10,055,367 | \$ | 6,919,748 | \$ | 8,438,947 |

| Faci Im | Community lities Districts- Capital provements | Ir | npact Fees | In | Capital nprovements | | Non-Major overnmental Funds | G | Total overnmental Funds |
|------------|---|----|------------|----------|------------------------|----|-----------------------------------|----|-------------------------------|
| \$ | 414,402 | \$ | 1,114,663 | \$ | 3,219,815 | \$ | 1,627,158 | \$ | 10,294,478 |
| | | | | | | | | | |
| | 2,910 | | 7,704 | | 16,286 | | 281,102 | | 7,366,476 |
| | - | | - | | - | | 130,360 | | 135,604 |
| | - | | - | | - | | - | | 121,346 |
| | - | | × – | | - | | 14,238 | | 78,206 |
| | | | | | | | | | |
| | 615,359 | | - | | 212,570 | | - | | 2,572,917 |
| | 1,322,131 | | 3,556,280 | | 10,272,674 | | 5,191,373 | | 32,844,060 |
| \$ | 2,354,802 | \$ | 4,678,647 | \$ | 13,721,345 | \$ | 7,244,231 | \$ | 53,413,087 |
| | | | | | | | | | |
| \$ | - | \$ | 23,617 | \$ | 656,059 | \$ | 15,946 | \$ | 1,090,285 |
| | - | | - | | - | | - | | 211,988 |
| | - | | - | | - | | 923 | | 837,690 |
| | - | | - | | - | | 18 | | 31,146 |
| | | | | | | | | | |
| | - | | - | | - | | 4,854 | | 4,854 |
| | - | | - | | | | 121,346 | | 121,346 |
| | - | | | | 4,989 | | - | | 4,989 |
| | | | 23,617 | | 661,048 | | 143,087 | | 2,302,298 |
| | | | | | | | | | |
| | | | | | | | | | |
| | 1,535 | | 4,106 | | 8,611 | | 320,650 | | 6,126,514 |
| | 1,535 | | 4,106 | | 8,611 | | 320,650 | | 6,126,514 |
| | | | | | | | | | |
| | | | | | | | | | |
| | - | | - | | - | | 14,238 | | 78,206 |
| | | | | | | | | | |
| | - | | - | | - | | 51,464 | | 51,464 |
| | | | - | | - | | 209,663 | | 3,000,118 |
| | 2,353,267 | | 3,877,569 | | 3,777,911 | | 5,409,823 | | 15,418,570 |
| | ų — | | 773,355 | | - | | - | | 7,013,329 |
| | - | | - | | - | | 871,312 | | 871,312 |
| | - | | - | | - | | 238,664 | | 238,664 |
| | | | | | | | | | |
| | - | | - | | 9,273,775 | | - | | 9,273,775 |
| | - | | - | | - | | - | | 620,088 |
| | - | | - | | | e | (14,670) | | 8,418,749 |
| | 2,353,267 | | 4,650,924 | <u> </u> | 13,051,686 | | 6,780,494 | | 44,984,275 |
| \$ | 2,354,802 | \$ | 4,678,647 | \$ | 13,721,345 | \$ | 7,244,231 | \$ | 53,413,087 |



TOWN OF FLORENCE, ARIZONA RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS June 30, 2014

| Fund balance - total governmental funds balance sheet | | \$ 44,984,275 |
|---|---------------|----------------|
| 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 governmental funds. Governmental capital assets | \$102,766,489 | |
| Less accumulated depreciation | (25,515,301) | 77,251,188 |
| Long-term liabilities, including bonds payable and their related costs, are not due and payable in the current period and therefore are not reported in the funds. | | |
| Compensated absences | (494,274) | |
| Capital leases | (844,967) | |
| Certificate of participation | - | |
| Notes payable | (429,184) | |
| Bonds payable | (14,581,997) | (16,350,422) |
| Deferred revenue is shown on the governmental funds, but is not deferred on the statement of net position. | | |
| Special assessments | 5,905,276 | |
| Franchise fees | 33,750 | |
| Interest income | 137,104 | |
| Sale of property | 50,384 | 6,126,514 |
| Interest payable on long-term debt is not reported in the | | |
| governmental funds. | | (400,572) |
| Net position of governmental activities - statement of net position | | \$ 111,610,983 |

TOWN OF FLORENCE, ARIZONA STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS Year Ended June 30, 2014

| REVENUES | | General | ы | ghway User | Faci | Community lities Districts- ebt Service |
|--|----|-------------|----|---|------|---|
| Taxes | \$ | 3,129,538 | \$ | 2,633,281 | \$ | 842,450 |
| Franchise fees | Ψ | 520,410 | Ψ | 2,000,201 | Ψ | 042,400 |
| Licenses and permits | | 438,522 | | | | - |
| Intergovernmental revenues | | 6,257,959 | | | | _ |
| Charges for services | | 698,543 | | _ | | _ |
| Fines | | 195,686 | | | | - |
| Special assessments | | - | | | | 950,415 |
| Investment income | | | | | | 550,415 |
| Interest income | | 94,794 | | 50,276 | | 12,404 |
| Net increase in the fair | | 0 1,1 0 1 | | 00,210 | | 12,404 |
| value of investments | | 94,754 | | 51,389 | | 9,644 |
| Contributions and donations | | 20,618 | | - | | - |
| Miscellaneous | | 150,169 | | 29,616 | | 607 |
| Total revenues | | 11,600,993 | | 2,764,562 | | 1,815,520 |
| | | | | 2,101,002 | | 1,010,020 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | | 3,492,010 | | - | | 69,608 |
| Public safety | | 6,486,165 | | - | | - |
| Highways and streets | | - | | 1,706,690 | | - |
| Public works | | 114,025 | | - | | - |
| Culture and recreation | | 1,624,776 | | - | | - |
| Community development | | 672,588 | | - | | 29,874 |
| Capital outlay | | - | | 196,238 | | |
| Debt service | | | | , | | |
| Principal | | - | | - | | 473,690 |
| Interest and fiscal charges | | - | | - | | 807,405 |
| Total expenditures | | 12,389,564 | | 1,902,928 | | 1,380,577 |
| Excess (deficiency) of revenues | | <u>i</u> i | | , | | |
| over (under) expenditures | | (788,571) | | 861,634 | | 434,943 |
| | | | | | | ······································ |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | | 1,935,065 | | 19,500 | | - |
| Transfers out | | (3,975,517) | | (564,065) | | (1,400,000) |
| Sale of capital assets | | 72,973 | | - | | - |
| Proceeds from obligations | | - | | - | | - |
| Bond premium | | - | | - | | - |
| Total other financing sources and uses | | (1,967,479) | | (544,565) | | (1,400,000) |
| Net change in fund balances | | (2,756,050) | | 317,069 | | (965,057) |
| Fund balances - beginning of year | | 11,253,437 | | 6,542,993 | | 3,755,512 |
| Fund balances - end of year | \$ | 8,497,387 | \$ | 6,860,062 | \$ | 2,790,455 |
| | | | | | | |

| Facil | Community lities Districts- Capital provements | npact Fees | Capital nprovements | | Non-Major overnmental Funds | Total overnmental Funds |
|-------|---|-----------------|------------------------|----|-----------------------------------|-----------------------------------|
| \$ | - | \$ 27 | \$ 1,380,169 | \$ | 424,564 | \$ 8,410,002 |
| | - | - | - | | - | 520,410 |
| | - | - | - | | - | 438,522 |
| | - | - | - | | 509,112 | 6,767,071 |
| | - | 400,896 | - | | 24,773 | 1,124,212 |
| | - | - | - | | 2,922 | 198,608 |
| | - | - | - | | 67,162 | 1,017,577 |
| | 11,326 | 37,508 | 74,973 | | 50,623 | 331,904 |
| | 13,104 | 35,031 | 73,490 | | 49,376 | 326,788 |
| | - | - | - | | - | 20,618 |
| | 162 | 6,102 | 4,592 | | 55,581 | 246,829 |
| | 24,592 | 479,537 | 1,533,224 | | 1,184,113 | 19,402,541 |
| | | | | | | |
| | 158,822 | 233 | 1,315,611 | | 147,059 | 5,183,343 |
| | - | 217,875 | 36,965 | | 267,244 | 7,008,249 |
| | - | 234 | 241,012 | | - | 1,947,936 |
| | - | - | 13,398 | | 354,175 | 481,598 |
| | - | 466 | 8,219 | | 2,640 | 1,636,101 |
| | - | - | 2,173 | | 3,064 | 707,699 |
| | - | 2,952,683 | 1,762,677 | | 116,660 | 5,028,258 |
| | - | - | r=. | | 366,100 | 839,790 |
| | - | - | - | 3 | 78,774 | 886,179 |
| | 158,822 | 3,171,491 | 3,380,055 | | 1,335,716 | 23,719,153 |
| | (134,230) | (2,691,954) | (1,846,831) | | (151,603) | (4,316,612) |
| | | | | | | |
| | 1,400,000 | 1,444,827 | 3,967,700 | | 552,992 | 9,320,084 |
| | (1,295,750) | (149,078) | (359,663) | | (90,846) | (7,834,919) |
| | - | - | - | | - | 72,973 |
| | 1,850,000 | - | - | | - | 1,850,000 |
| | 24,167 | | | | - | 24,167 |
| | 1,978,417 | 1,295,749 | 3,608,037 | | 462,146 | 3,432,305 |
| | 1,844,187 | (1,396,205) | 1,761,206 | | 310,543 | (884,307) |
| | 509,080 | 6,047,129 | 11,290,480 | | 6,469,951 | 45,868,582 |
| \$ | 2,353,267 | \$ 4,650,924 | \$ 13,051,686 | \$ | 6,780,494 | \$ 44,984,275 |



| TOWN OF FLORENCE, ARIZONA RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENT, TO THE STATEMENT OF ACTIVITIES Year Ended June 30, 2014 | AL FUNDS | |
|--|-----------------------|--------------------|
| Net change in fund balances - total governmental funds | | \$ (884,307) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, assets contributed to the Town are not reported in the fund statements and are reported in the statement of activities. | | |
| Contributions | \$3,640,239 | |
| Sale of capital assets Expenditures for capitalized assets | (81,431) 5,655,291 | |
| Less current year depreciation | (2,554,614) | 6,659,485 |
| Revenues received in the current year that were accrued in the statement of activities in prior years | | |
| Special assessments Sale of property | | 468,412 (2,956) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Franchise fees | 33,750 | |
| Interest income | 137,104 | 170,854 |
| Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for outstanding debt for the statement of activities, but is expensed when due for the governmental fund statements. | | 53,535 |
| | | 55,555 |
| Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. | | (24,167) |
| Repayment of long-term debt are expenditures in the governmental funds, bu the repayment reduces long-term liabilities in the statement of net position. | t | |
| Issuance of bond debt | (1,850,000) | |
| Capital lease principal retirement | 273,594 | |
| Note payable principal retirement Bond principal retirement | 41,506 524,690 | (1,010,210) |
| Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are | | |
| not reported as expenditures in governmental funds. | | (41,905) |
| Change in net position of governmental activities | : | \$5,388,741 |

TOWN OF FLORENCE, ARIZONA GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

| | Budgeted | Amounts | | Variance with Final Budget- Positive |
|---|--------------|--------------|----------------|--|
| REVENUES | Original | Final | Actual Amounts | (Negative) |
| Taxes | \$ 3,015,126 | \$ 3,015,126 | \$ 3,129,538 | \$ 114,412 |
| Franchise fees | 420,180 | 420,180 | 520,410 | 100,230 |
| Licenses and permits | 284,000 | 284,000 | 438,522 | 154,522 |
| Intergovernmental revenues | 6,174,993 | 6,174,993 | 6,257,959 | 82,966 |
| Charges for services | 750,533 | 750,533 | 698,543 | (51,990) |
| Fines | 180,410 | 180,410 | 195,686 | 15,276 |
| Investment income | | | | |
| Interest income | 23,000 | 23,000 | 94,794 | 71,794 |
| Net increase in the fair | | | | |
| value of investments | - | - | 94,754 | 94,754 |
| Contributions and donations | 21,500 | 21,500 | 20,618 | (882) |
| Miscellaneous | 67,020 | 67,020 | 150,169 | 83,149 |
| Total revenues | 10,936,762 | 10,936,762 | 11,600,993 | 664,231 |
| EXPENDITURES Current General government | | | | |
| Town council | 152.324 | 152,324 | 105,556 | 46,768 |
| Administration | 1,296,489 | 1,296,489 | 1,551,412 | (254,923) |
| Legal | 255,460 | 255,460 | 271,823 | (16,363) |
| Finance | 813,647 | 813,647 | 754,061 | 59,586 |
| Human resources | 214,794 | 217,794 | 220,663 | (2,869) |
| Grants | 95,300 | 95,300 | 62,089 | 33,211 |
| Information technology | 536,365 | 536,365 | 526,406 | 9,959 |
| Public safety | , | , | 020,100 | 0,000 |
| Courts | 278,448 | 278,448 | 248,078 | 30,370 |
| Police | 3,771,703 | 3,768,703 | 3,601,241 | 167,462 |
| Fire | 2,534,446 | 2,534,446 | 2,636,846 | (102,400) |
| Public works | | _,, | _,, | (,) |
| Engineering | 176,435 | 176,435 | 114,025 | 62,410 |
| Culture and recreation | | , | , | , |
| Parks and recreation | 1,345,340 | 1,345,340 | 1,251,579 | 93,761 |
| Library | 367,040 | 367,040 | 359,800 | 7,240 |
| Cemetery | 25,550 | 25,550 | 13,397 | 12,153 |
| Community development | | | | |
| Planning | 561,700 | 561,700 | 515,574 | 46,126 |
| Economic development | 167,665 | 167,665 | 157,014 | 10,651 |
| Total expenditures | 12,592,706 | 12,592,706 | 12,389,564 | 203,142 |
| Excess (deficiency) of revenues | | | | |
| over (under) expenditures | (1,655,944) | (1,655,944) | (788,571) | 867,373 |

| OTHER FINANCING SOURCES (USES) | | | | | | |
|-----------------------------------|------------------|----|------------|----|-------------|-------------------|
| Transfers in | 1,507,137 | | 1,507,137 | | 1,935,065 | 427,928 |
| Transfers out | (716,308) | | (716,308) | | (3,975,517) | (3,259,209) |
| Sale of capital assets | - | | - | | 72,973 | 72,973 |
| Total other financing sources | | | | | | |
| and uses | 790,829 | | 790,829 | | (1,967,479) | (2,758,308) |
| Net change in fund balance | (865,115) | | (865,115) | | (2,756,050) | (1,890,935) |
| Fund balance - beginning of year | 11,253,437 | _ | 11,253,437 | _ | 11,253,437 | - |
| Fund balance - end of year | \$ 10,388,322 | \$ | 10,388,322 | \$ | 8,497,387 | \$ (1,890,935) |

TOWN OF FLORENCE, ARIZONA HIGHWAY USER FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

| | | Budgeted Amounts | | | | | | ariance with nal Budget- Positive | |
|----------------------------------|----|------------------|----|-------------|-----|-------------|------------|---|--|
| REVENUES | | Original | | Final | Act | ual Amounts | (Negative) | | |
| Taxes | \$ | 2,574,987 | \$ | 2,574,987 | \$ | 2,633,281 | \$ | 58,294 | |
| Investment income | | , , | | , , | | , | • | | |
| Interest income | | 15,000 | | 15,000 | | 50,276 | | 35,276 | |
| Net increase in the fair | | | | | | | | , | |
| value of investments | | - | | - | | 51,389 | | 51,389 | |
| Miscellaneous | | 2,000 | | 2,000 | | 29,616 | | 27,616 | |
| Total revenues | | 2,591,987 | | 2,591,987 | | 2,764,562 | 172,575 | | |
| | | | | | | | | | |
| EXPENDITURES | | | | | | | | | |
| Current | | | | | | | | | |
| Highways and streets | | 1,950,186 | | 1,950,186 | | 1,706,690 | | 243,496 | |
| Capital outlay | | 4,527,000 | | 4,527,000 | | 196,238 | 4,330,762 | | |
| Total expenditures | | 6,477,186 | | 6,477,186 | | 1,902,928 | 4,574,258 | | |
| Excess (deficiency) of revenues | | | | | | | | | |
| over (under) expenditures | | (3,885,199) | | (3,885,199) | | 861,634 | | 4,746,833 | |
| | | | | | | | | | |
| OTHER FINANCING | | | | | | | | | |
| SOURCES (USES) | | | | | | | | | |
| Transfers in | | 9,750 | | 9,750 | | 19,500 | | 9,750 | |
| Transfers out | | (773,535) | | (773,535) | | (564,065) | | 209,470 | |
| Total other financing sources | | | | | | | | | |
| and uses | | (763,785) | | (763,785) | | (544,565) | | 219,220 | |
| Net change in fund balance | | (4,648,984) | | (4,648,984) | | 317,069 | | 4,966,053 | |
| Fund balance - beginning of year | | 6,542,993 | | 6,542,993 | | 6,542,993 | | - | |
| Fund balance - end of year | \$ | 1,894,009 | \$ | 1,894,009 | \$ | 6,860,062 | \$ | 4,966,053 | |
| | _ | | | | | | | | |

TOWN OF FLORENCE, ARIZONA STATEMENT OF NET POSITION PROPRIETARY FUNDS June 30, 2014

| | _ | | | | Governmental |
|------------------------------------|-------------------------|------------------------|-----------------|---------------------------|---------------------------|
| ASSETS | Busi | iness-type Activi | ties-Enterprise | Funds | Activities - |
| Current assets | Water | Sewer | Sanitation | Total | Internal Service Funds |
| Cash and cash equivalents | \$ 2,483,568 | \$ 2,198,577 | \$ 402.585 | | |
| Receivables, net of uncollectibles | \$ 2,483,508 351,830 | ¢ 2,198,577 414,433 | | + -,, | \$ 4,802 |
| Prepaid expense | 331,830 | 206,244 | 47,998 - | 814,261 206,244 | - |
| Total current assets | 2,835,398 | 2,819,254 | 450,583 | 6,105,235 | 4.802 |
| Noncurrent assets | 2,000,000 | 2,019,234 | 430,383 | 0,105,255 | 4,002 |
| Investments | 7,923,710 | 7,014,460 | 1,284,430 | 16,222,600 | 15 202 |
| Capital assets: | 7,320,710 | 7,014,400 | 1,204,430 | 10,222,000 | 15,323 |
| Land | 120,100 | 273,973 | | 394.073 | |
| Buildings and improvements | 4,797,052 | 10,571,770 | - | 15,368,822 | - |
| Machinery and equipment | 729,995 | 261,187 | - 1,031,788 | 2,022,970 | - |
| Construction in progress | 817,334 | 303,365 | 1,031,700 | 1,120,699 | - |
| Less accumulated depreciation | (3,939,368) | (3,447,100) | - (931,739) | | - |
| Total capital assets, net | 2,525,113 | 7,963,195 | 100,049 | (8,318,207) 10,588,357 | |
| Total noncurrent assets | 10,448,823 | 14,977,655 | 1,384,479 | 26,810,957 | 15,323 |
| Total assets | 13,284,221 | 17,796,909 | 1,835,062 | 32,916,192 | |
| 10(0) 0356(5 | 13,204,221 | 17,790,909 | 1,035,002 | 52,910,192 | 20,125 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Accounts payable | 168,380 | 161,089 | 12,595 | 342,064 | 18,803 |
| Customer deposits | 74,536 | - | 30,140 | 104,676 | - |
| Accrued wages and benefits | 1,072 | 1,541 | 226 | 2,839 | 1,081 |
| Accrued interest payable | - | 70,334 | - | 70,334 | - |
| Other accrued liabilities | 100 | 313 | 53 | 466 | 241 |
| Compensated absences | 12,537 | 16.669 | 1,411 | 30,617 | - |
| Notes payable | - | 401,390 | - | 401,390 | - |
| Total current liabilities | 256,625 | 651,336 | 44,425 | 952,386 | 20,125 |
| Noncurrent liabilities | | | | | 20,120 |
| Compensated absences | 5,643 | 7.503 | 635 | 13,781 | - |
| Notes payable | - | 3,811,508 | - | 3,811,508 | _ |
| Total noncurrent liabilities | 5.643 | 3,819,011 | 635 | 3,825,289 | |
| Total liabilities | 262,268 | 4,470,347 | 45,060 | 4,777,675 | 20,125 |
| | | | | | |
| NET POSITION | | | | | |
| Net investment in capital assets | 2,525,113 | 3,750,297 | 100,049 | 6,375,459 | - |
| Restricted for | | | | | |
| Debt service | - | 2,135,520 | - | 2,135,520 | - |
| Capital projects | 121,663 | 373,995 | 46,153 | 541,811 | - |
| Unrestricted | 10,375,177 | 7,066,750 | 1,643,800 | 19,085,727 | - |
| Total net position | \$ 13,021,953 | \$ 13,326,562 | \$1,790,002 | \$ 28,138,517 | - |

TOWN OF FLORENCE, ARIZONA STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS Year Ended June 30, 2014

| WaterSewerSanitationTotalInternalOperating revenuesWater sales\$ 2,650,813\$ -\$ -\$ 2,650,813\$ 1,050,927Water connection fees2,065\$ 2,065-Service establishment fees23,77023,770-Sewer service fees-2,774,516-2,774,516-Sewer connection fees-1,900-1,900- |
|--|
| Water sales \$ 2,650,813 - + \$ 2,650,813 \$ 1,050,927 Water connection fees 2,065 - - 2,065 - Service establishment fees 23,770 - - 23,770 - Sewer service fees - 2,774,516 - 2,774,516 - |
| Water connection fees 2,065 - - 2,065 - Service establishment fees 23,770 - - 23,770 - Sewer service fees - 2,774,516 - 2,774,516 - |
| Service establishment fees 23,770 - - 23,770 - - 23,770 - - 23,770 - - 23,770 - - 23,770 - - 23,770 - - 23,770 - - 23,770 - - 23,770 - - 23,770 - - 23,770 - - 2,774,516 - 2,774,516 - 2,774,516 - - 2,774,516 - - 2,774,516 - - 2,774,516 - - 2,774,516 |
| Sewer service fees - 2,774,516 - 2,774,516 - |
| |
| Sewer connection fees - 1.900 - 1.900 - |
| |
| DOC usage fees - 1,048,019 - 1,048,019 - |
| Water standpipe 3,550 - - 3,550 - |
| Hydro-sprinkler fees 10,024 10,024 - |
| Central Arizona Project 131,072 131,072 - |
| Refuse collection fees - - 678,596 - |
| Effluent charges 13,353 13,353 - |
| Miscellaneous 15,900 7,423 28,766 52,089 - |
| Total operating revenue 2,850,547 3,831,858 707,362 7,389,767 1,050,927 |
| Operating expenses |
| Personal services 384,091 535,444 86,753 1,006,288 354,609 |
| Supplies 44,913 160,506 3,642 209,061 362,175 |
| Contractual services and maintenance 1,058,231 1,032,415 664,724 2,755,370 178,878 |
| Other charges 155,265 |
| Depreciation 131,643 270,618 70,120 472,381 - |
| Miscellaneous - 1,184 - 1,184 - |
| Total operating expenses 1,618,878 2,000,167 825,239 4,444,284 1,050,927 |
| 1,010,010 2,000,101 020,200 1,111,201 1,000,921 |
| Operating income (loss) <u>1,231,669</u> <u>1,831,691</u> (117,877) <u>2,945,483</u> - |
| Nonoperating revenues (expense) |
| Interest income 89,416 74,808 14,765 178,989 - |
| Net increase in the fair |
| value of investments 78,618 69,443 12,918 160,979 - |
| Interest expense - (140,669) - (140,669) - |
| Total nonoperating revenues (expense) 168,034 3,582 27,683 199,299 - |
| Income before transfers 1,399,703 1,835,273 (90,194) 3,144,782 - |
| Transfers out (783,161) (650,956) (51,048) (1,485,165) - |
| Change in net position <u>616,542</u> <u>1,184,317</u> (141,242) <u>1,659,617</u> - |
| Total net position-beginning of year 12,405,411 12,142,245 1,931,244 26,478,900 - |
| Total net position-end of year \$13,021,953 \$ 13,326,562 \$ 1,790,002 \$ 28,138,517 - |

TOWN OF FLORENCE, ARIZONA STATEMENT OF CASH FLOWS PROPRIETARY FUNDS Year Ended June 30, 2014

| | Busin | Governmental Activities - | | | |
|---|--|---|-------------------------------------|--|--|
| CASH FLOWS FROM OPERATING | Water | Sewer | Sanitation | Total | Internal Service Funds |
| ACTIVITIES Receipts from customers and users Payments to suppliers Payments to employees | \$ 2,831,158 (1,048,889) (375,483) | \$3,797,664 (1,170,486) (523,787) | \$ 728,700 (686,082) (94,811) | \$ 7,357,522 (2,905,457) (994,081) | \$ 1,050,927 (677,274) (353,528) |
| Net cash provided (used) by operating activities | 1,406,786 | 2,103,391 | (52,193) | 3,457,984 | 20,125 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers to other funds | (783,161) | (650,956) | (51,048) | (1,485,165) | |
| Net cash used by noncapital financing activities | (783,161) | (650,956) | (51,048) | (1,485,165) | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Acquisition and construction of capital assets Principal paid on capital debt Interest paid on capital debt | (203,400) | (56,974) (388,421) (147,154) | - | (260,374) (388,421) (147,154) | |
| Net cash used by capital and related financing activities | (203,400) | (592,549) | | (795,949) | |
| CASH FLOWS FROM INVESTING ACTIVITIES Receipts (purchase) of investments Interest received | (293,107) <u>86,827</u> | (630,483) 71,446 | 83,960 14,501 | (839,630) 172,774 | (15,323) |
| Net cash provided (used) by investing activities | (206,280) | (559,037) | 98,461 | (666,856) | (15,323) |
| Net increase (decrease) in cash and cash equivalents | 213,945 | 300,849 | (4,780) | 510,014 | 4,802 |
| Cash and cash equivalents at beginning of year Cash and cash equivalents at | 2,269,623 | 1,897,728 | 407,365 | 4,574,716 | |
| end of year | \$ 2,483,568 | \$2,198,577 | \$ 402,585 | \$ 5,084,730 | \$ 4,802 |

TOWN OF FLORENCE, ARIZONA STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (CONTINUED) Year Ended June 30, 2014

| | | Busin | Governmental Activities - | | | | | | | |
|--|--------|----------|------------------------------|----------|----|-----------|------|-----------|---------------------------|--------|
| | v | Vater | | Sewer | s | anitation | | Total | Internal Service Funds | |
| Reconciliation of operating income (loss) | | | <u> </u> | | | | | | | |
| to net cash provided (used) by operating activities: | | | | | | | | | | |
| Operating income (loss) | \$ 1,: | 231,669 | \$ 1 | ,831,691 | \$ | (117,877) | \$ 2 | 2,945,483 | \$ | - |
| Adjustments to reconcile operating | | | | | | | | | | |
| income (loss) to net cash provided (used) | | | | | | | | | | |
| by operating activities: | | | | | | | | | | |
| Depreciation expense | | 131,643 | | 270,618 | | 70,120 | | 472,381 | | - |
| (Increase) decrease in: | | | | | | | | | | |
| Accounts receivable | | (22,047) | | (34,194) | | 9,190 | | (47,051) | | - |
| Prepaids | | - | | (53,703) | | - | | (53,703) | | - |
| Increase (decrease) in: | | | | | | | | | | |
| Accounts payable | | 54,155 | | 77,009 | | (17,769) | | 113,395 | | 18,803 |
| Customer deposits | | 2,658 | | - | | 12,148 | | 14,806 | | - |
| Accrued wages and benefits | | 1,072 | | 1,541 | | 226 | | 2,839 | | 1,081 |
| Other accrued liabilities | | 100 | | 313 | | 53 | | 466 | | 241 |
| Compensated absences | | 7,536 | | 10,116 | | (8,284) | | 9,368 | _ | - |
| Total adjustments | | 175,117 | | 271,700 | | 65,684 | | 512,501 | | 20,125 |
| Net cash provided (used) by | | | | | | | | | | |
| operating activities: | \$ 1,4 | 406,786 | \$2 | ,103,391 | \$ | (52,193) | \$ 3 | 3,457,984 | \$ | 20,125 |
| | | | | <u></u> | _ | | | | | |
| Noncash investing, capital, and financing activities: | | | | | | | | | | |
| Change in fair value of investments | \$ | 78,618 | \$ | 69,443 | \$ | 12,918 | \$ | 160,979 | \$ | - |

TOWN OF FLORENCE, ARIZONA STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS June 30, 2014

| ASSETS | Pension Trust |
|---|--|
| Cash and cash equivalents U.S. Government bonds Equities Interest receivable | \$ 2,700 276,666 44,010 9 |
| Total assets | 323,385 |
| LIABILITIES Accounts payable | 162_ |
| Total liabilities | 162 |
| NET POSITION Held in trust for pension benefits and other purposes | \$ 323,223 |

TOWN OF FLORENCE, ARIZONA STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS Year Ended June 30, 2014

| | Pens | sion Trust |
|--------------------------------|------|------------|
| ADDITIONS Contributions | | |
| Employee | \$ | 5,446 |
| Total contributions | | 5,446 |
| Investment income | | |
| Interest | | 33,726 |
| Change in market value | | - |
| Total investment earnings | | 33,726 |
| Total additions | | 39,172 |
| DEDUCTIONS | | |
| Pension withdrawals | | 23,022 |
| Miscellaneous | | - |
| Total deductions | | 23,022 |
| Change in net position | | 16,150 |
| Net position-beginning of year | | 307,073 |
| Net position-end of year | \$ | 323,223 |

FINANCIAL SECTION

NOTES TO FINANCIAL STATEMENTS



TOWN OF FLORENCE, ARIZONA NOTES TO FINANCIAL STATEMENTS June 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Florence, Arizona (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Town is a municipal entity governed by an elected Mayor and council. The basic financial statements of the town include the funds of all organizational entities for which the Town Council has oversight responsibility or financial accountability and are consequently determined to be included in the Town's financial reporting entity in accordance with Governmental Accounting Standards Board, Accounting Standards Codification. The Town provides basic government services to its citizens including roads, water, sewer, sanitation, parks and recreation facilities, police and fire.

Individual Component Units - Blended

The Merrill Ranch Community Facilities District #1 and Merrill Ranch Community Facilities District #2 were formed by petition to the Town Council on December 19, 2005 and November 21, 2005, respectively. The purpose of the Districts is to acquire or construct public infrastructure in specified areas of the Town. As special purpose districts and separate political subdivisions under the Arizona Constitution, the Districts may levy taxes and issue bonds independently of the Town. Property owned in the designated areas is assessed for the Districts' property taxes, and thus for the costs of operating the Districts. The Town Council serves as the Board of Directors of the Districts. The Town has no liability for the District's debt. For reporting purposes, the transactions of the Districts are included as governmental type funds as if they were part of the Town's operations.

No separate financial statements were prepared for the Districts.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) present financial information about the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF FLORENCE, ARIZONA NOTES TO FINANCIAL STATEMENTS June 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state-shared revenues, investment income and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Fund Balances – Governmental Funds

As of June 30, 2014, fund balances of the governmental funds are classified as follows:

<u>Nonspendable</u> - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

<u>Restricted</u> - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

<u>Committed</u> - amounts that can be used only for specific purposes determined by a formal action of Town Council. Town Council is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by Town Council.

<u>Assigned</u> - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's adopted policy, only Town Council, the Town's Manager or the Town's Finance Director may assign amounts for specific purposes.

<u>Unassigned</u> - all other spendable amounts.

TOWN OF FLORENCE, ARIZONA NOTES TO FINANCIAL STATEMENTS June 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Balances – Governmental Funds (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council, the Town's Manager or the Town's Finance Director has provided otherwise in its commitment or assignment actions.

The General Fund has Unassigned Funds consisting of a Stabilization Arrangement in the amount of \$1,639,000. The Stabilization Arrangement was legislated by the Town Council to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The amount of the Stabilization Arrangement is equal to \$500,000 plus 10% of the operating revenues.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

<u>Governmental-wide Financial Statements</u> - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. 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 revenues as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of internal activity has been eliminated from the government-wide financial statements.

<u>Fund Financial Statements</u> - 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 services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, sales taxes, franchise taxes, licenses and permits, charges for service, special assessments and investment income associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenues as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received in cash. Deferred revenues also arise when the Town receives resources before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes have been recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for water, wastewater, and sanitation services and the Town's internal service funds are charges for fleet maintenance and facilities maintenance. Operating expenses for these funds include the cost of sales and services, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major governmental funds:

<u>General Fund</u> - This fund is the general operating fund of the Town. It accounts for all financial resources of the Town, except those required to be accounted for in other funds.

<u>Highway User Fund – Special Revenue Fund</u> - This fund is used to account for the Town's share of tax revenues that are legally restricted to the maintenance of highways within the Town's boundaries.

<u>Community Facilities Districts - Debt Service Fund</u> - This fund accounts for the debt portion of the Town's Community Facilities Districts which are component units that provide general infrastructure and capital assets for the property within each District's boundaries.

<u>Community Facilities Districts - Capital Improvements Fund</u> - This fund accounts for all the acquisition and construction portion of the Town's Community Facilities Districts which are component units that provide general infrastructure and capital assets for the property within each District's boundaries.

<u>Impact Fees Fund – Capital Improvements Fund</u> - This fund collects fees to help defray the costs of development of infrastructure.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

<u>Capital Improvements Fund</u> - This fund accounts for all the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Enterprise funds account for the operations, including debt service, 1) that are financed and operated in a manner similar to private business enterprises where the intent of the Town Council is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges and fees, or 2) where the Town Council has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town currently operates the following enterprise funds:

Water Fund - This fund is used to account for the Town's water related operations.

Sewer Fund - This fund is used to account for the Town's sewer related operations.

<u>Sanitation Fund</u> - This fund is used to account for the activities of the Town's sanitation operations.

Internal service funds account for operations that provide services to other Town departments or the Town, as a whole, on a cost reimbursement basis. The internal service funds are presented as one column on the proprietary fund financial statements. Combining fund financial statements are also presented for the internal service funds, but they are not part of the basic financial statements. The Town currently operates the following internal service funds:

Fleet Maintenance Fund - This fund is used to account for the Town's fleet maintenance.

Facilities Maintenance Fund - This fund is used to account for the Town's facilities maintenance.

The Town reports the following fiduciary fund:

<u>Pension Trust Fund</u> - This Pension Trust Fund is used to account for the Town's Volunteer Firefighter's Pension Fund, a defined contribution plan for which the assets are held by the Town in a trustee account. The Town as well as the Town's firefighters make contributions to the fund. The Town's matching contribution is based on revenue received from the Firefighters Relief Fund but cannot be less than 1/2% of total compensation of all participants. If a participant terminates employment before being fully vested, then the non-vested portion of the terminated participant's account balance remains in the plan as a forfeiture. Forfeitures will be first used to pay any administrative expenses with the remaining used to reduce any the Town's contribution.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The Town's non-major funds are as follows:

Special Revenue Funds Grants Economic Development Community Services Community Facilities District

Debt Service Fund

Capital Project Funds Food Tax Construction Tax

Fiduciary funds are reported by fund type.

E. Cash and Cash Equivalents

Cash represents amounts in demand deposits and amounts held in trust by financial institutions. The funds held in trust are available to the Town upon demand. Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments that are 1) readily convertible to known amounts of cash and 2) so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

F. Investments

Arizona Revised Statutes (A.R.S.) authorize the Town to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings account, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, school districts, and special districts as specified by statute.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Investments (Continued)

The Town's investments are reported at fair value. The State's investment pool is managed by the State Treasurer's office with no regulatory oversight. The pool is not required to register with the Securities and Exchange Commission under the 1940 Investments Advisors Act. The activity and performance of the pool is reviewed monthly by the State Board of Investment in accordance with A.R.S. §35-311. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007. The fair value of a participant's position in the pool approximates the value of that participant's pool share.

G. 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 either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of the interfund loans).

All trade and property tax receivables are shown net of allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivables allowance for uncollectibles.

Property taxes are levied by the Town and collected by the Pinal County Treasurer. Property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquent date. Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Prepaid Items

Certain payments to vendors reflect the cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, vehicles, machinery, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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.

Certain capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-----------------------------------|-------|
| Buildings | 40 |
| Improvement other than buildings | 20-70 |
| Vehicles, machinery and equipment | 3-10 |

J. Compensated Absences

The Town's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Sick leave and vacation benefits accrue at the employee's current rate of pay. The current and long-term liabilities for accumulated vacation are reported on the government-wide financial statements and in the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignation and retirements. Resources from the General Fund are generally used to liquidate the governmental funds liabilities for compensated absences.

K. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, longterm debt and other long-term obligations are reported as liabilities in the statement of net assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

M. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

N. Budgetary Data

According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.

In April, the proposed budget for the following fiscal year is presented by the Town Manager to the Town Council. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain citizen comment.

Prior to June 30, the Town Council legally enacts the budget, through the passage of an ordinance. The ordinance sets the limit for expenditures for the year, within the voter mandated state expenditure limitation. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution.

The maximum legal expenditure permitted for the year is the total budget as adopted. All funds of the Town have legally adopted budgets. The initial budget for the fiscal year may be amended during the year in a legally permissible manner. The Town adopts the budget by departments for the General Fund and by fund for all others.

The Town Manager is generally authorized to transfer budgeted amounts within any specific department's expenditure appropriation. Any budget revisions requiring a transfer between departments in the General Fund or a transfer between any other fund must be approved by the Town Council.

All unencumbered expenditure appropriations laps at the end of the fiscal year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Budgetary Data (Continued)

Encumbered amounts are re-appropriated in the following year as deemed appropriate and necessary after review by the Budget Office. Budgetary carry forwards are approved by the Town Council.

The Town approves its annual budget consistent with Generally Accepted Accounting Principles (GAAP). GAAP requires that budgetary comparison statements for the General Fund and major governmental funds be presented in the annual financial statements. These statements must display original budget, amended budget and actual results (on a budgetary basis). The Town has also shown this information as supplementary schedules for other non-major governmental funds as well as enterprise funds.

O. Excess of Expenditures over Appropriations

For the year ended June 30, 2014, expenditures exceeded appropriations in following General Fund departments (the legal level of budgetary control):

| General Fund: | |
|--------------------|---------------|
| General government | |
| Administration | \$ 254,923 |
| Legal | 16,363 |
| Human resources | 2,869 |
| Public safety | |
| Fire | 102,400 |
| Total | \$ 376,555 |

These overexpenditures were funded by greater than anticipated revenues in that fund.

P. Deficit fund equity

Deficit fund balance in the amount of \$14,670 existed in the non-major Grants Fund at June 30, 2014. It is expected that through normal operations that the deficit fund balance will be eliminated in the following fiscal year.

NOTE 2 DEPOSITS AND INVESTMENTS

At June 30, 2014, the Town had \$1,550 of cash on hand. The carrying amount of the Town's cash in bank totaled \$1,642,284 and the bank balance was \$1,756,856. Federal Depository Insurance covered the Town's deposits at June 30, 2014, to the extent of \$292,212. Deposits of \$1,464,644 were collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the depositor-government's name.

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments

The Town's portfolio complies with Arizona Revised Statutes (ARS) and The Town's investment policy. ARS authorizes The Town to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, school districts, and special districts as specified by statute.

The Town invests in the Local Government Investment Pool 5 (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The LGIP is not registered with the Securities Exchange Commission under the 1940 Investment Advisors Act. The State Board of Investment has oversight responsibilities of the investment pool in accordance with ARS 35-311. The pool's policy is to invest in fixed-rate securities with a final maturity less than 36 months from the settlement date of the purchase and variable-rate securities with final maturity less than 5 years.

The dollar weighted average portfolio maturity is 59 days. The net asset value per share of the pool at June 30, 2014 was \$1.00. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007.

Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the Town's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2014, the Town's funds invested with the State Treasurer totaled \$665,822.

At June 30, 2014, the Town held a repurchase agreement with National Bank that had a carry amount of \$13,555,157.

The Town's Community Facilities Districts have \$2,092,162 invested with Wells Fargo Brokerage Services. The accounts are invested in a money market fund that invests in U.S. government obligations and repurchase agreements.

The Town also holds \$49,081,984 invested with Stifel, Nicolaus & Company, Inc. The accounts are invested in U.S. Treasury securities, and U.S. Government bonds.

Other investments that the Town owns belong to the Town's Volunteer Fire Department. Funds totaling \$323,327 are held by Securian Retirement Services and consist of a money market fund, government bonds and equity securities.

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of Town's investments by maturity:

| | | Remair | | | |
|-----------------------|---------------|---------------|--------------|-----------------|------------|
| | | 12 Months | 13 to 24 | 25 to 60 | Not |
| Investment Type | Total | or Less | Months | Months | Applicable |
| Primary Government | | | | | |
| Repurchase Agreement | \$ 13,555,157 | \$ 13,555,157 | \$- | \$- | \$- |
| Money Market Funds | 2,092,162 | 2,092,162 | - | - | - |
| LGIP | 665,822 | 665,822 | - | - | - |
| U.S. Government Bonds | 49,081,984 | - | 7,197,790 | 0 41,884,194 | - |
| | 65,395,125 | 16,313,141 | 7,197,790 | 0 41,884,194 | |
| Fiduciary Fund | | | | | |
| Money Market Funds | 2,651 | 2,651 | - | - | · _ |
| U.S. Government Bonds | 276,666 | - | - | 276,666 | - |
| Equities | 44,010 | - | - | - | 44,010 |
| | 323,327 | 2,651 | - | 276,666 | 44,010 |
| Total | \$ 65,718,452 | \$ 16,315,792 | \$ 7,197,790 |) \$ 42,160,860 | \$ 44,010 |

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type.

| | | Ratings as of Year-End | | | | | | |
|-----------------------|---------------|------------------------|---------------|--------------|---------------|--|--|--|
| Investment Type | Total | AAAF/S1+ | AA+ | AA- | Unrated | | | |
| Primary Government | | | | | | | | |
| Repurchase Agreement | \$ 13,555,157 | \$- | \$- | \$- | \$ 13,555,157 | | | |
| Money Market Funds | 2,092,162 | 2,092,162 | - | - | - | | | |
| LGIP | 665,822 | 176,184 | - | - | 489,638 | | | |
| U.S. Government Bonds | 49,081,984 | - | 46,884,344 | 2,197,640 | - | | | |
| | 65,395,125 | 2,268,346 | 46,884,344 | 2,197,640 | 14,044,795 | | | |
| Fiduciary Fund | | | | | | | | |
| Money Market Funds | 2,651 | - | - | - | 2,651 | | | |
| U.S. Government Bonds | 276,666 | - | 276,666 | - | - | | | |
| Equities | 44,010 | - | - | - | 44,010 | | | |
| | 323,327 | _ | 276,666 | - | 46,661 | | | |
| Total | \$ 65,718,452 | \$ 2,268,346 | \$ 47,161,010 | \$ 2,197,640 | \$ 14,091,456 | | | |

Concentration of Credit Risk

At June 30, 2014, the Town's investments are included as follows:

| Investment Type | Total | Concentration |
|--|----------------------------|-----------------|
| Repurchase Agreement Money Market Funds | \$ 13,555,157 2.094,813 | 20.63% 3.19% |
| LGIP | 665,822 | 1.01% |
| U.S. Government Bonds Equities | 49,358,650 44,010 | 75.11% 0.07% |
| Total | \$ 65,718,452 | 100.00% |

NOTE 3 RECEIVABLES

Receivables, net of allowance for uncollectible as of year-end for the Town's individual major governmental funds, nonmajor governmental funds in the aggregate are as follows:

| | | | | | | Cor | nmunity | | | | | | | |
|--------------|-----------------|----|---------|----|-------------|-------|----------|----|-------|------|-----------|----|-----------|-----------------|
| | | | | C | Community | Fa | cilities | | | | | | | |
| | | | | | Facilities | Di | stricts- | | | | | N | lon-Major | Total |
| | | I | Highway | | Districts- | С | apital | I | mpact | (| Capital | | Gov. | Gov. |
| Receivables: | General | | User | D | ebt Service | Impro | ovements | | Fees | Impi | rovements | | Funds | Funds |
| Taxes | \$ 625,601 | \$ | 233,913 | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ 859,514 |
| Interest | 20,999 | | 11,389 | | 2,074 | | 2,910 | | 7,704 | | 16,286 | | 10,907 | 72,269 |
| Accounts | 524,751 | | - | | - | | - | | - | | - | | 11,408 | 536,159 |
| Assessments | - | | - | | 5,639,747 | | - | | - | | - | | 258,787 | 5,898,534 |
| | \$ 1,171,351 | \$ | 245,302 | \$ | 5,641,821 | \$ | 2,910 | \$ | 7,704 | \$ | 16,286 | \$ | 281,102 | \$ 7,366,476 |

The following table summarizes the Town's receivables for the enterprise funds as of June 30, 2014.

| | Wa | ater | Sewer | | Sanitation | | |
|-----------------|-------|-----------|---------|------|------------|----|----------|
| Receivables: | Fu | nd | Fund | Fund | | | Total |
| Interest | \$ 1 | 7,444 \$ | 15,454 | \$ | 2,920 | \$ | 35,818 |
| Accounts | 34 | 3,309 | 407,779 | | 49,673 | | 800,761 |
| | 36 | 60,753 | 423,233 | | 52,593 | | 836,579 |
| Less: | | | | | | | |
| Allowance | | (8,923) | (8,800) | | (4,595) | | (22,318) |
| Net receivables | \$ 35 | 51,830 \$ | 414,433 | \$ | 47,998 | \$ | 814,261 |
| Allowance | | | / | \$ | · · · · / | \$ | |

Revenues of the enterprise funds are reported net of uncollectible amounts. There were no uncollectible amounts related to revenues of the current period.

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2014 follows:

| | Beginning | | | | | Ending |
|--|------------------|---------------------|-------------|-------------------|---------|--------------|
| Governmental Activities | Balance | Increases Decreases | | | Balance | |
| Capital assets, not being depreciated: | | | | | | |
| Land | \$ 32,748,908 | \$ | 143,491 | \$ (328,362) | \$ | 32,564,037 |
| Construction in progress | 4,014,199 | | 5,703,955 | (9,244,358) | | 473,796 |
| Total capital assets not being | | | | | | |
| depreciated | 36,763,107 | | 5,847,446 | (9,572,720) | | 33,037,833 |
| Capital assets, being depreciated: | | | | | | |
| Buildings, infrastructure | | | | | | |
| and improvements | 48,579,189 | | 11,256,395 | (82,751) | | 59,752,833 |
| Vehicles, furniture and equipment | 8,247,336 | | 1,801,651 | (73,164) | | 9,975,823 |
| Total capital assets being depreciated | 56,826,525 | | 13,058,046 | (155,915) | | 69,728,656 |
| Less accumulated depreciation for: | | | | | | |
| Buildings and improvements | (16,894,361) | | (1,939,087) | 18,513 | | (18,814,935) |
| Vehicles, furniture and equipment | (6,103,568) | | (615,527) | 18,729 | | (6,700,366) |
| Total accumulated depreciation | (22,997,929) | | (2,554,614) | 37,242 | | (25,515,301) |
| Total capital assets, | | | | | | |
| being depreciated, net | 33,828,596 | | 10,503,432 | (118,673) | | 44,213,355 |
| Governmental activities | | | | | _ | |
| capital assets, net | \$ 70,591,703 | \$ | 16,350,878 | \$ (9,691,393) | \$ | 77,251,188 |

NOTE 4 CAPITAL ASSETS (Continued)

| | | Beginning | | _ | | Ending |
|--|----|-------------|-----------------|----|----------|------------------|
| Business-Type Activities | | Balance | ncreases | D | ecreases | Balance |
| Capital assets, not being depreciated: | | | | | | |
| Land | \$ | 394,073 | \$ - | \$ | - | \$ 394,073 |
| Construction in progress | | 868,674 | 252,025 | | - | 1,120,699 |
| Total capital assets not being | - | | | | | |
| depreciated | | 1,262,747 | 252,025 | | - | 1,514,772 |
| Capital assets, being depreciated: | | | | | | |
| Buildings, infrastructure | | | | | | |
| and improvements | | 15,368,822 | - | | - | 15,368,822 |
| Vehicles, machinery and equipment | | 2,034,401 | 8,350 | | (19,782) | 2,022,969 |
| Total capital assets being depreciated | | 17,403,223 | 8,350 | | (19,782) | 17,391,791 |
| Less accumulated depreciation for: | | | | | | |
| Buildings, infrastructure | | | | | | |
| and improvements | | (6,080,589) | (378,069) | | - | (6,458,658) |
| Vehicles, machinery and equipment | | (1,785,018) | (94,312) | | 19,782 | (1,859,548) |
| Total accumulated deprecation | | (7,865,607) | (472,381) | | 19,782 | (8,318,206) |
| Total capital assets, | | | | | | |
| being depreciated, net | | 9,537,616 | (464,031) | | - | 9,073,585 |
| Business-Type activities | | | | | | |
| capital assets, net | \$ | 10,800,363 | \$ (212,006) | \$ | _ | \$ 10,588,357 |

Depreciation expense was charged to functions/programs as follows:

| Governmental activities: | |
|----------------------------|-----------------|
| General government | \$ 304,357 |
| Public safety | 744,629 |
| Highway and streets | 1,442,303 |
| Culture and recreation | 63,027 |
| Community development | 298 |
| Total depreciation expense | \$ 2,554,614 |
| Business-type activities | |
| Water | \$ 131,643 |
| Sewer | 270,618 |
| Sanitation | 70,120 |
| Total depreciation expense | \$ 472,381 |

NOTE 5 CAPITAL LEASES

The Town entered into a lease agreement for capital purchases of \$1,400,000. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The lease is payable in annual installments of \$289,915 including interest at 1.4%. The following schedule presents future minimum lease payments as of June 30, 2014 in governmental activities.

| Year Ending, June 30 | F | Principal |
|-------------------------------------|----|-----------|
| 2015 | \$ | 289,915 |
| 2016 | | 289,915 |
| 2017 | | 289,915 |
| Total requirements | | 869,745 |
| Less interest | | 24,778 |
| Present value of remaining payments | \$ | 844,967 |

Vehicles and related accumulated depreciation under capital lease are as follows:

| | overnmental Activities |
|--|-------------------------------|
| Asset Vehicles Less accumulated depreciation | \$ 1,395,508 (18,862) |
| Net | \$ 1,376,646 |

NOTE 6 NOTES PAYABLE

The Town has a note payable to a private party for the purchase of land. The note is payable in annual installments of \$69,748 including interest at 6%. The note is secured by a deed of trust, assignments of rents, security agreement and fixture filings. The balance was \$429,184 at June 30, 2014.

The Town signed a promissory note from the Water Infrastructure Finance Authority (WIFA) to be used for construction of a new sewer plant in the amount of \$7,500,000. As of June 30, 2014, the Town has an outstanding balance of \$4,212,898. Payments are due semi-annually including interest at 3.339%.

The Town signed a promissory note from the Water Infrastructure Finance Authority (WIFA) to be used for construction of sewer plant improvements in the amount of \$1,300,000. As of June 30, 2014, the Town has not drawn down any funds from this note. Payments are due semi-annually including interest at 3.750%.

NOTE 6 NOTES PAYABLE (Continued)

| | Governmental Activities | | | | | Business-ty | /pe Act | ivities |
|----------------------|-------------------------|---------|--------------------|----------------|-----------|-------------|----------|---------|
| Year Ending, June 30 | Principal | | Principal Interest | | Principal | | Interest | |
| 2015 | \$ | 43,997 | \$ | 25,751 | \$ | 401,390 | \$ | 134,065 |
| 2016 | | 46,636 | | 23,11 1 | | 414,793 | | 120,439 |
| 2017 | | 49,435 | | 20,313 | | 428,643 | | 106,358 |
| 2018 | | 52,400 | | 17,347 | | 442,955 | | 91,806 |
| 2019 | | 55,545 | | 14,203 | | 457,746 | | 76,769 |
| 2020 - 2023 | | 181,171 | | 21,801 | | 2,067,371 | | 145,051 |
| Total | \$ | 429,184 | \$ | 122,526 | \$ | 4,212,898 | \$ | 674,488 |
| Total | \$ | 429,184 | \$ | 122,526 | \$ | 4,212,898 | \$ | 674,488 |

NOTE 7 BONDS PAYABLE

Bonds payable at June 30, 2014, consisted of the outstanding special assessment bonds presented below.

The bonds issued in 1994 to acquire Arizona Sierra Utility have an outstanding principal of \$337,000. The bonds are secured and payable from special assessments levied against the real property benefited by said improvements. If the assessments are not paid, the properties subject to such assessments are sold at auction. If there is no purchaser for any property offered for sale, the Town will get ownership of the property subject to any tax liens and will be liable for the remaining debt. The Town Council is required to appropriate from the General Fund of the Town the amount of the total unpaid assessments or the amount of each semiannual assessment until the total debt is paid.

Community Facilities Districts (CFDs), special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the Town, are authorized under state law to issue General Obligation (GO) and Special Assessment bonds to be repaid by property taxes levied on property within the districts. CFDs are created by petition of the Town Council by property owners within the area to be covered by the district and debt may be issued only after approval of the voters within the district.

In June 2006 the Merrill Ranch Community Facilities District #2 assessment area one issued \$2,464,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. The Town of Florence has no obligation for the debt other than the administration of collection of the property taxes and payment of the debt service on behalf of the district.

NOTE 7 BONDS PAYABLE (Continued)

In November 2006 the Merrill Ranch Community Facilities District #1 issued \$194,000 of Series 2006 GO bonds to finance capital improvements within the district. In August 2008 the Merrill Ranch Community Facilities District #1 issued \$4,390,000 of GO Series 2008A bonds to pay off the Series 2006 bonds of \$187,000 and used the remaining amount to finance a portion of the costs of acquiring certain public infrastructure within the boundaries of the District. These bonds will be repaid by the property owners within the district. The Town of Florence has no obligation for the debt other than the administration of collection of the property taxes and payment of the debt service on behalf of the district.

In September 2009 the Merrill Ranch Community Facilities District #1 assessment area two issued \$353,500 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. The Town of Florence has no obligation for the debt other than the administration of collection of the property taxes and payment of the debt service on behalf of the district.

In September 2009 the Merrill Ranch Community Facilities District #2 assessment areas two and three issued \$829,500 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. The Town of Florence has no obligation for the debt other than the administration of collection of the property taxes and payment of the debt service on behalf of the district. The first principal payment was due in July 2011.

In February 2010 the Merrill Ranch Community Facilities District #2 assessment area four issued \$203,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. The Town of Florence has no obligation for the debt other than the administration of collection of the property taxes and payment of the debt service on behalf of the district. The first principal payment was due in July 2011.

In October 2010 the Merrill Ranch Community Facilities District #1 assessment area three issued \$290,500 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. The Town of Florence has no obligation for the debt other than the administration of collection of the property taxes and payment of the debt service on behalf of the district. The first principal payment was due in July 2012.

In November 2010 the Merrill Ranch Community Facilities District #2 assessment issued \$3,560,000 of Series 2010 GO bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. The Town of Florence has no obligation for the debt other than the administration of collection of the property taxes and payment of the debt service on behalf of the district. The first principal payment was due in July 2011.

NOTE 7 BONDS PAYABLE (Continued)

In July 2012 the Merrill Ranch Community Facilities District #1 assessment area five issued \$189,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. The Town of Florence has no obligation for the debt other than the administration of collection of the property taxes and payment of the debt service on behalf of the district. The first principal payment is due in July 2014.

In December 2013 the Merrill Ranch Community Facilities District #2 issued \$1,850,000 of GO Series 2013 bonds at a premium to pay costs of acquiring certain public infrastructure within the boundaries of the District. These bonds will be repaid by the property owners within the district. The Town of Florence has no obligation for the debt other than the administration of collection of the property taxes and payment of the debt service on behalf of the district.

| Description | Interest Rate | Maturity | Outstanding Principal June 30, 2014 | Due Witl One Ye | |
|---|---------------|-----------|---|--------------------|-------|
| Utility Improvement District #1 Revenue Bonds 1994 | 8.45% | 1/1/2019 | \$ 337,000 | \$55, | ,000, |
| Merrill Ranch CFD #1 Special Assessment Bonds 2006 | 4.30 - 5.30% | 7/1/2030 | 1,816,000 | 71, | ,000, |
| Merrill Ranch CFD #2 Special Assessment Bonds 2006 | 4.30 - 5.30% | 7/1/2030 | 1,868,000 | 72, | ,000, |
| Merrill Ranch CFD #1 General Obligation Bonds 2008A | 6.00 - 7.40% | 7/15/2033 | 3,955,000 | 95, | ,000 |
| Merrill Ranch CFD #1 Special Assessment Bonds 2009 | 9.00% | 7/1/2034 | 318,410 | 5, | ,960 |
| Merrill Ranch CFD #2 Special Assessment Bonds 2009 | 9.00% | 7/1/2034 | 768,090 | 13, | ,990 |
| Merrill Ranch CFD #2 Special Assessment Bonds 2010 | 7.75% | 7/1/2035 | 195,500 | 3, | ,640 |
| Merrill Ranch CFD #1 Special Assessment Bonds 2010 | 7.50% | 7/1/2035 | 280,830 | 5, | ,390 |
| Merrill Ranch CFD #2 General Obligation Bonds 2010 | 5.86% | 7/15/2035 | 2,980,000 | 80, | ,000, |
| Merrill Ranch CFD #1 Special Assessment Bonds 2012 | 6.88% | 7/1/2037 | 189,000 | 3, | ,000, |
| Merrill Ranch CFD #2 General Obligation Bonds 2013 | 1.50 - 6.75% | 7/15/2038 | 1,850,000 | 70, | ,000, |
| Total | | | \$ 14,557,830 | \$ 474, | ,980 |

A summary of long-term bond debt payable at June 30, 2014, follows:

NOTE 7 BONDS PAYABLE (Continued)

Annual debt service requirements to maturity on governmental bonds payable at June 30, 2014 are summarized as follows:

| | | ies | | | |
|-----------------------------|----|------------|----------|------------|--|
| Fiscal year ending June 30, | | Principal | Interest | | |
| 2015 | \$ | 474,980 | \$ | 926,456 | |
| 2016 | | 452,460 | | 895,085 | |
| 2017 | | 473,150 | | 868,771 | |
| 2018 | | 507,070 | | 839,915 | |
| 2019 | | 536,270 | | 808,357 | |
| 2020 - 2024 | | 2,705,490 | | 3,552,474 | |
| 2025 - 2029 | | 3,653,950 | | 2,565,383 | |
| 2030 - 2034 | | 3,959,540 | | 1,258,809 | |
| 2035 - 2039 | | 1,794,920 | | 285,010 | |
| Total | \$ | 14,557,830 | \$ | 12,000,260 | |

NOTE 8 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2014 was as follows:

| | Beginning Balance | 0 | | Ending Balance | Due Within One Year |
|---------------------------|----------------------|--------------|----------------------|-------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable | \$ 13,232,520 | \$ 1,850,000 | \$ 524,690 | \$ 14,557,830 | \$ 474,980 |
| Notes payable | 470,690 | - | 41,506 | 429,184 | 43,997 |
| Capital leases | 1,118,561 | - | 273,594 | 844,967 | 277,586 |
| Compensated absences | 452,369 | 406,264 | 364,359 | 494,274 | 311,841 |
| Premiums | - | 24,167 | - | 24,167 | - |
| Governmental activities | | | | | |
| long-term liabilities | \$ 15,274,140 | \$ 2,280,431 | \$ 1,204,149 | \$ 16,350,422 | \$ 1,108,404 |
| | | | | | |
| | Beginning | | | Ending | Due Within |
| | Balance | Additions | Additions Reductions | | One Year |
| Business-type activities: | | | | | |
| Notes payable | \$ 4,601,319 | \$- | \$ 388,421 | \$ 4,212,898 | \$ 401,390 |
| Compensated absences | 35,030 | 33,893 | 24,525 | 44,398 | 30,617 |
| Business-type activities | | | | | |
| long-term liabilities | \$ 4,636,349 | \$ 33,893 | \$ 412,946 | \$ 4,257,296 | \$ 432,007 |
| | | | | | |

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2014 all interfund balances consisted of short term loans made to cover operating cash deficits by the General Fund. At June 30, 2014, interfund receivables/payables consisted of the following:

| Fund | Receivable Amount | | |
|------------------------------|----------------------|----|---------|
| General Fund | \$ 121,346 | \$ | - |
| Non-Major Governmental Funds | | | 121,346 |
| Total | \$ 121,346 | \$ | 121,346 |

At June 30, 2014, there were the following interfund transfers.

| | | Transfers | | |
|------------------------------|----|-----------|----|-----------|
| Fund | | Out | | |
| General Fund | \$ | 3,975,517 | \$ | 1,935,065 |
| Highway User | | 564,065 | | 19,500 |
| CFD Debt Service | | 1,400,000 | | - |
| CFD Capital Improvements | | 1,295,750 | | 1,400,000 |
| Impact Fees | | 149,078 | | 1,444,827 |
| Capital Improvements | | 359,663 | | 3,967,700 |
| Non-Major Governmental Funds | | 90,846 | | 552,992 |
| Water | | 783,161 | | - |
| Sewer | | 650,956 | | - |
| Sanitation | | 51,048 | | - |
| Total | \$ | 9,320,084 | \$ | 9,320,084 |

All transfers made during the year were to cover operations or debt service as approved during budget development, or were necessary for grant matching purposes.

NOTE 10 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 Arizona Municipal Risk Retention Pool is structured such that member 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 authority to assess its members additional premiums should reserve and annual premiums be insufficient to meet the pool's obligations. The Town has no known claims in excess of \$250,000 for the fiscal year ending June 30, 2014.

NOTE 10 RISK MANAGEMENT (Continued)

The maximum liability for the Town for the fiscal year is \$500,000 and the deductible is \$250,000 per occurrence.

The Town is insured by the Workers' Compensation Insurance Fund for potential worker-related accidents.

NOTE 11 CONTINGENT LIABILITIES

<u>Federal and State grants and loans</u> – The Town has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2014; however, the Town expects no material disallowances of expenditures.

NOTE 12 RETIREMENT PLANS

All full-time Town employees are covered by one of two contributory retirement and pension plans, which are administered by the State of Arizona under State Statute.

Plan Description

<u>Arizona State Retirement Plan</u> - The *Arizona State Retirement System* (ASRS) administers a cost-sharing multiple-employer defined benefits pension plan that covers general employees of the Town. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS Title 38, Chapter 5, Article 2. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. ASRS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained in writing at Arizona State Retirement System, 3300 N. Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2200 or (800) 621-3778.

Arizona Public Safety Personnel Retirement System - The Public Safety Personnel Retirement System (PSPRS) is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS acting as a common investment and administrative agent is governed by a five-member board, known as The Fund Manager, and 167 local boards according to the provisions of ARS Title 38, Chapter 5, Article 4. The Town contributes to one PSPRS plan for police and one for firefighters. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. PSPRS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained in writing at PSPRS, 3010 E. Camelback Rd., Suite 200, Phoenix, AZ 85016-4416 or by calling (602) 255-5575.

NOTE 12 RETIREMENT PLANS (Continued)

Funding Policy

<u>Cost-sharing plan</u> – The Arizona State Legislature establishes and may amend active plan members' and the Town's contribution rates. For the years ended June 30, 2014, 2013 and 2012 active ASRS members and the Town were each required by statute to contribute at the actuarially determined rates of 11.54, 11.14 and 10.74 percent (rates include 0.24 for long-term disability) of the member's annual covered payroll. The Town's contributions to ASRS for the years ended June 30, 2014, 2013, and 2012 were \$588,552, \$507,334, and \$466,241, respectively. The Town contribution for the current and two preceding years, all of which were equal to the required contributions, were as follows:

| Years ended June 30, | Re | Retirement | | Health Insurance | | ong-term isability | Total | |
|-------------------------|----|-------------------------------|----|----------------------------|----|----------------------------|-------|-------------------------------|
| 2014 2013 2012 | \$ | 545,711 482,287 428,473 | \$ | 30,601 30,584 27,349 | \$ | 12,240 11,293 10,419 | \$ | 588,552 524,164 466,241 |

<u>Agent plans</u> – The Arizona State Legislature **est**ablishes and may amend active plan members' and the Town's contribution rates. For the year ended June 30, 2014, active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the Town was required to contribute at the actuarially determined rate of 13.83% and 11.73% for covered payroll totaling \$209,787 and \$143,732 to the Plan for the Police and Firefighters, respectively.

NOTE 12 RETIREMENT PLANS (Continued)

Annual Pension Cost

The Town's pension cost for the agent plan for the year ended June 30, 2014, and related information follows:

| Contribution Rates: | PSPI | RS – Police | PSPRS - Fire | | |
|--------------------------------------|-----------|----------------|-----------------------|---------------------|--|
| City – retirement | 1 | 12.92% | | 11.10% | |
| City – health insurance premium | | 0.91% | | 0.63% | |
| Plan members | | 7.65% | | 7.65% | |
| Annual pension cost | | | | | |
| Retirement | \$ | 220,442 | \$ | 174,845 | |
| Health insurance premium | \$ | 15,527 | \$ | 9,924 | |
| Pension contributions made | | | | | |
| Retirement | \$ | 220,442 | \$ | 174,845 | |
| Health insurance premium | \$ | 15,527 | \$ | 9,924 | |
| Actuarial valuation date | June | e 30, 2012 | June 30, 2012 | | |
| Actuarial cost method | Projecte | ed Unit Credit | Projected Unit Credit | | |
| Actuarial assumptions: | | | | | |
| Investment rate of return | | 8.0% | | 8.0% | |
| Projected salary increases | 5.0 | % - 9.0% | | 5.0% - 8.0% | |
| Includes inflation at cost-of-living | | | | | |
| adjustment | | 5.0% | | 5.0% | |
| Amortization method | Leve | el Percent | | Level Percent | |
| | (| Closed | | Closed | |
| Remaining amortization period | 24 years | s underfunded | 24 | 4 years underfunded | |
| | 20 year | s overfunded | 20 years overfunded | | |
| Asset valuation method | 7-year sm | noothed market | 7-y€ | ear smoothed market | |
| Post retirement benefit increases | Based | on Income | Based on Income | | |

NOTE 12 RETIREMENT PLANS (Continued)

Trend Information - Information for the PSPRS plan as of the most recent actuarial valuations follows:

| Plan PSPRS - Police - Pension | nnual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--|-------------------------------------|----------------------------------|---------------------------|
| June 30, 2014 June 30, 2013 June 30, 2012 | \$ 220,442 193,405 166,857 | 100.0% 100.0% 100.0% | - |
| PSPRS - Police - Health Insurance June 30, 2014 June 30, 2013 June 30, 2012 | 15,527 16,382 19,137 | 100.0% 100.0% 100.0% | - - |
| PSPRS - Fire - Pension June 30, 2014 June 30, 2013 June 30, 2012 | 174,845 134,685 103,472 | 100.0% 100.0% 100.0% | - |
| PSPRS - Fire - Health Insurance June 30, 2014 June 30, 2013 June 30, 2012 | 9,924 9,047 7,950 | 100.0% 100.0% 100.0% | - - |

Schedule of Funding Progress - An analysis of funding progress for each of the agent plans as most recent actuarial valuations; June 30, 2012 reporting period determines the rates for fiscal year 2014.

Actuarial Accrued Liability

PSPRS - Florence Police Pension Plan:

| | | Actuarial | | | | Unfunded AAL |
|-----------|-------------|-----------------|-------------|-------------|-------------|-----------------|
| Valuation | Actuarial | Accrued | Unfunded | | Annual | as a Percent of |
| Date | Value of | Liability | AAL | Funded | Covered | Covered Payroll |
| June 30, | Assets (a) | (AAL) (b) | (b-a) | Ratio (a/b) | Payroll (c) | ([b-a]/c) |
| 2012 | \$4,156,244 | \$ 4,139,939 | \$ (16,305) | 100.4% | \$1,610,463 | -1.0% |
| 2011 | 3,655,097 | 3,462,988 | (192,109) | 105.5% | 1,450,956 | -13.2% |
| 2010 | 3,443,211 | 3,242,614 | (200,597) | 106.2% | 1,570,453 | -12.8% |

NOTE 12 RETIREMENT PLANS (Continued)

PSPRS - Florence Police Health Insurance Plan:

| | | | Д | octuarial | | | | Unfunded AAL |
|-----------|-----|---------|----|-----------|------------|-------------|-------------|-----------------|
| Valuation | Act | uarial | A | Accrued | Unfunded | | Annual | as a Percent of |
| Date | Va | lue of | l | Liability | AAL | Funded | Covered | Covered Payroll |
| June 30, | Ass | ets (a) | (/ | AAL) (b) | (b-a) | Ratio (a/b) | Payroll (c) | ([b-a]/c) |
| 2012 | \$ | - | \$ | 132,533 | \$ 132,533 | 0.0% | \$1,610,463 | 8.23% |
| 2011 | | - | | 111,483 | 111,483 | 0.0% | 1,450,956 | 7.68% |
| 2010 | | - | | 122,574 | 122,574 | 0.0% | 1,570,453 | 7.81% |

PSPRS - Florence Fire Pension Plan:

| | Actuarial | Actuarial | | | | Unfunded AAL |
|-----------|-------------|--------------|--------------|-------------|-------------|-----------------|
| Valuation | Value of | Accrued | Unfunded | | Annual | as a Percent of |
| Date | Plan Assets | Liability | AAL | Funded | Covered | Covered Payroll |
| June 30, | <u>(a)</u> | (AAL) (b) | (b-a) | Ratio (a/b) | Payroll (c) | ([b-a]/c) |
| 2012 | \$2,076,445 | \$ 1,766,639 | \$ (309,806) | 117.5% | \$1,204,750 | -25.7% |
| 2011 | 1,568,407 | 1,375,795 | (192,612) | 114.0% | 1,071,927 | -18.0% |
| 2010 | 1,310,962 | 983,701 | (327,261) | 133.3% | 1,077,609 | -30.4% |

PSPRS – Florence Fire Health Insurance Plan:

| | Act | tuarial | A | ctuarial | | | | | Unfunded AAL |
|-----------|------|---------|----|----------|-------|---------|-------------|-------------|-----------------|
| Valuation | Va | lue of | A | ccrued | U | nfunded | | Annual | as a Percent of |
| Date | Plan | Assets | L | iability | y AAL | | Funded | Covered | Covered Payroll |
| June 30, | | (a) | (A | AL) (b) | | (b-a) | Ratio (a/b) | Payroll (c) | ([b-a]/c) |
| 2012 | \$ | - | \$ | 62,844 | \$ | 62,844 | 0.0% | \$1,240,750 | 5.07% |
| 2011 | | - | | 55,378 | | 55,378 | 0.0% | 1,071,927 | 5.17% |
| 2010 | | - | | 30,517 | | 30,517 | 0.0% | 1,077,609 | 2.83% |

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE 12 RETIREMENT PLANS (Continued)

Annual Required Contribution:

PSPRS - Florence Police Health Insurance Plan:

| Valuation | Fiscal Year | | Actuarial | | |
|-----------|-------------|----------|---------------|-------|--------------|
| Date | Ended | Normal | Accrued | Total | Dollar |
| June 30, | 30-Jun | Cost (a) | Liability (b) | (a+b) | Amount |
| 2012 | 2014 | 0.47% | 0.44% | 0.91% | \$ 16,157 |
| 2011 | 2013 | 0.61% | 0.47% | 1.08% | 17,277 |
| 2010 | 2012 | 0.74% | 0.47% | 1.21% | 21,150 |

PSPRS – Florence Fire Health Insurance Plan:

| Valuation | Fiscal Year | | Actuarial | | | |
|-----------|-------------|----------|---------------|-------|--------|--------|
| Date | Ended | Normal | Accrued | Total | [| Dollar |
| June 30, | 30-Jun | Cost (a) | Liability (b) | (a+b) | Amount | |
| 2012 | 2014 | 0.33% | 0.30% | 0.63% | \$ | 8,618 |
| 2011 | 2013 | 0.38% | 0.33% | 0.71% | | 8,391 |
| 2010 | 2012 | 0.47% | 0.17% | 0.64% | | 7,676 |

The Health Insurance Subsidy payments reported for valuation year 2012 were \$3,800 for the Police plan and no Health Insurance Subsidy payments reported for the Fire plan.

<u>Florence Volunteer Firefighter Retirement Profit Sharing Plan and Trust Fund</u>- The Florence Volunteer Firefighter Retirement Profit Sharing Plan and Trust Fund is a profit sharing thrift plan, which was approved by the Town Council on January 1, 1992, under Arizona Revised Statutes Section §9-981. The authority to establish and amend benefit provisions rests with the Town Council. In January, 2009, the council revised the pension and benefit program for the part-time firefighters.

The assets of the plan are valued annually and the earnings or loss is distributed among the participant's accounts in the plan. The only expenditures being made from this fund are administration fees, benefit payments, and refunds to those firefighters who leave the service of the Fire Department before becoming eligible for pension benefits. The cost of administering the plan is financed from the plans assets. Retirement with full benefits can be through termination of employment for reasons other than death, disability, or normal retirement. This plan was fully vested as of June 30, 2014. The Town's required matching contributions for the plan were covered by the accumulated forfeited funds for the year ended June 30, 2014. As of June 30, 2014, there were 7 eligible employees participating in the plan. The plan is administered by Securian Financial.

NOTE 12 RETIREMENT PLANS (Continued)

The plan has never had an actuarial valuation; however, benefits cannot exceed plan assets. The market values of mutual funds are determined from readily available market quotations. The fund uses the accrual basis of accounting. Contributions are recognized when earned; benefits and refunds are expensed when incurred. Separate audited financial statements of this employee benefit plan are not available.

NOTE 13 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

<u>Construction commitments</u> - The Town has active construction projects as of June 30, 2014. As discussed earlier in Note 1.N, Budgetary Data, the encumbrances and related appropriation lapse at the end of the year, but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next fiscal year.

<u>Encumbrances</u> - As discussed in Note 1.N, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

NOTE 13 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

At year end the Town's commitments with contractors and amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

| Project - Contractor | J | une 30, 2014 | Fund | |
|---|----|--------------|----------------------|--|
| Library and Recreation Complex Project | | | | |
| Low Mountain Construction | \$ | 302,494 | Capital Improvements | |
| Rummel Construction | | 671,089 | Capital Improvements | |
| Swan Architects | | 270,600 | Capital Improvements | |
| North Florence Wastewater Treatment Plant Project | | | | |
| Felix Construction | | 137,298 | Sewer | |
| SW Groundwater Consultants | | 38,350 | Water | |
| Water Works Engineering | | 110,983 | Water | |
| South Florence Wastewater Treatment Plant Project | | | | |
| Water Works Engineering | | 389,423 | Sewer | |
| Felix Construction | | 92,022 | Sewer | |
| Well 3B Project | | | | |
| Water Works Engineering | | 70,577 | Water | |
| Sun Western Contractors | | 1,576,265 | Water | |
| Well 4 and Well 5 Project | | | | |
| EPS Group | | 56,881 | Water | |
| Downtown Waterline Alignment Project | | | | |
| Sunrise Engineering | | 37,728 | Water | |
| Bailey Street Waterline Extension Project | | | | |
| Sunrise Engineering | | 53,179 | Water | |
| Padilla Park Project | | | | |
| Haydon Building Corporation | | 399,429 | Capital Improvements | |
| Total Commitment Amount | \$ | 4,206,318 | | |

OTHER SUPPLEMENTARY INFORMATION

COMBINING NON-MAJOR FUNDS FINANCIAL STATEMENTS



Non-Major Government Funds Financial Statements

Special Revenue Funds

- Grants Fund Accounts for revenues and expenditures of grants received by The Town from various federal, state and other agencies.
- Economic Development Fund Accounts for ad valorem property tax collected to pay for the operation of the Streetlight Improvement Districts.
- Community Services Fund Accounts for fines and fee revenue collected by the municipal court. These funds are to be spent for purposes authorized by the Arizona Supreme Court or Arizona Revised Statutes.
- Community Facilities Districts Fund Accounts for ad valorem property tax collected to pay for the administration costs of these special districts, which were formed for the purpose of financing the acquisition, construction, operation and maintenance of the public infrastructure benefiting the community.

Debt Service Fund

• This fund accounts for the accumulation of resources and the servicing of long-term debt not financed by proprietary funds. Revenues are transferred from the Capital Improvements Fund.

Capital Projects Fund

- Construction Tax Fund Accounts for Town sales tax collected for governmental construction projects. Funds are transferred to the Capital Improvement Fund for specific projects and must be used for the construction of Town facilities.
- Food Tax Fund Accounts for Town sales tax collected on sales of food for home consumption. Funds are transferred to the Capital Improvement Fund for specific projects and must be used for improvements to Town recreational grounds and facilities.

TOWN OF FLORENCE, ARIZONA COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS June 30, 2014

| | Special Revenue | | | | | | | |
|---|-----------------|---------------|----|----------------------|----|----------------------|----|------------------------------------|
| ASSETS | | Grants | | conomic velopment | | ommunity Services | F | ommunity acilities Districts |
| Cash and cash equivalents | \$ | 40,565 | \$ | 177,150 | \$ | 12,218 | \$ | 57,073 |
| Receivables (net of allowance for uncollectibles) | | - | | 12,725 | | 95 | | 362 |
| Due from other governments Prepaids | | 129,381 - | | - | | 580 - | | 399 - |
| Investments | - | 2,820 | | 691,789 | | 38,980 | | 182,087 |
| Total assets | \$ | 172,766 | \$ | 881,664 | \$ | 51,873 | \$ | 239,921 |
| LIABILITIES Accounts payable and | | | | | | | | |
| other current liabilities | \$ | 9,865 | \$ | 4,791 | \$ | 364 | \$ | 926 |
| Accrued wages and benefits | | 809 | | - | | - | | 114 |
| Other accrued liabilities | | - | | - | | - | | 18 |
| Due to other governments | | - | | 4,854 | | - | | - |
| Due to other funds | | 121,346 | | - | | - | | - |
| Total liablilties | | 132,020 | | 9,645 | | 364 | | 1,058 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Deferred revenue | | 55,416 | | 707 | | 45 | | 199 |
| Total deferred inflows of resources | | 55,416 | | 707 | | 45 | | 199 |
| FUND BALANCES Nonspendable | | | | | | | | |
| Prepaid items Restricted | | - | | - | | - | | - |
| Public safety | | - | | - | | 51,464 | | - |
| Debt service | | - | | - | | - | | - |
| Capital projects | | - | | - | | - | | - |
| Economic development Community Facilities | | - | | 871,312 | | - | | - |
| Districts operations Unassigned | | - (14,670) | | - | | - | | 238,664 |
| Total fund balances | | (14,670) | | 871,312 | | 51,464 | | 238,664 |
| Total liabilities, deferred inflows of | | | | | | | | |
| resources and fund balances | \$ | 172,766 | \$ | 881,664 | \$ | 51,873 | \$ | 239,921 |

| | | | Capital | | | |
|--------------|------------------------|----|--------------------|-----------------|----------|---------------------|
| Debt Service | | С | onstruction Tax | Food Tax | | Total |
| \$ | 50,165 | \$ | 848,878 | \$ 441,109 | \$ | 1,627,158 |
| | 259,028 - 14,238 | | 5,876 - | 3,016 - | | 281,102 130,360 |
| | 160,051 | | - 2,708,306 | - 1,407,340 | | 14,238 5,191,373 |
| \$ | 483,482 | \$ | 3,563,060 | \$ 1,851,465 | \$ | 7,244,231 |
| | | | | <u></u> | | |
| \$ | - | \$ | | \$ - | \$ | 15,946 |
| | - | | - | - | | 923 |
| | - | | - | - | | 18 |
| | - | | - | _ | | 4,854 121,346 |
| | | | | | | 143,087 |
| | 259,581 | | 3,107 | 1,595 | | 320,650 |
| | 259,581 | | 3,107 | 1,595 | | 320,650 |
| | 14,238 | | - | - | | 14,238 |
| | - | | - | - | | 51,464 |
| | 209,663 | | - | - | | 209,663 |
| | - | | 3,559,953 | 1,849,870 | | 5,409,823 |
| | - | | - | - | | 871,312 |
| | - | | - | - | | 238,664 (14,670) |
| | 223,901 | | 3,559,953 | 1,849,870 | <u> </u> | 6,780,494 |
| \$ | 483,482 | \$ | 3,563,060 | \$ 1,851,465 | \$ | 7,244,231 |

TOWN OF FLORENCE, ARIZONA COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS For The Year Ended June 30, 2014

| | Special Revenue | | | | | | | | |
|--|-----------------|-----------|----------|-------------|----------|------------|-----------|-----------|--|
| | | | | | | | Community | | |
| | | | | Economic | | mmunity | | acilities | |
| REVENUES | | Grants | | evelopment | | ervices | | Districts | |
| Taxes | \$ | - | \$ | - | \$ | - | \$ | 77,764 | |
| Intergovernmental revenues | | 509,112 | | - | | - | | - | |
| Charges for services | | - | | - | | 9,868 | | 4,488 | |
| Fines | | - | | - | | 2,922 | | - | |
| Special assessments | | - | | | | - | | - | |
| Investment income | | | | 0.407 | | | | | |
| Interest income | | - | | 6,187 | | 370 | | 2,561 | |
| Net increase in the fair | | | | 0.004 | | | | | |
| value of investments Miscellaneous | | - | | 6,031 | | 384 | | 1,696 | |
| | | - | | 51,139 | | 33 | | 86 | |
| Total revenues | | 509,112 | | 63,357 | | 13,577 | | 86,595 | |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | | 77,777 | | | | | | 60.000 | |
| Public safety | | 263,494 | | - | | - 3,750 | | 69,282 | |
| Public works | | 302,376 | | - 51,799 | | 3,750 | | - | |
| Culture & recreation | | 2,640 | | 51,799 | | - | | - | |
| Community development | | 2,040 | | - | | - 3,064 | | - | |
| Capital outlay | | 116,660 | | _ | | 5,004 | | - | |
| Debt service: | | 110,000 | | - | | - | | - | |
| Principal | | _ | | _ | | | | | |
| Interest and fiscal charges | | _ | | _ | | - | | - | |
| Total expenditures | | 762,947 | | 51,799 | | 6,814 | | - 69,282 | |
| Excess (deficiency) of revenues | | 102,011 | · | 01,700 | | 0,014 | | 03,202 | |
| over (under) expenditures | | (253,835) | | 11,558 | | 6,763 | | 17,313 | |
| | | (200,000) | | 11,000 | | 0,700 | | 17,010 | |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers in | | 193,174 | | - | | 155 | | _ | |
| Transfers out | | (42,855) | | (39,000) | | - | | - | |
| Total other financing sources and uses | | 150,319 | | (39,000) | | 155 | | | |
| Net change in fund balances | | (103,516) | | (27,442) | | 6,918 | | 17,313 | |
| Fund balances - beginning of year | | 88,846 | | 898,754 | | 44,546 | | 221,351 | |
| Fund balances - end of year | \$ | (14,670) | \$ | 871,312 | \$ | 51,464 | \$ | 238,664 | |
| | — | (11,070) | <u> </u> | 011,012 | <u>Ψ</u> | 51,104 | Ψ | 200,004 | |

| | | Capital | _ | | | |
|------------|-------------------|-----------|------|-----------|----|-----------|
| Debt | Debt Construction | | Food | | | |
| Service | | Tax | | Tax | | Total |
| \$ - | \$ | 115,609 | \$ | 231,191 | \$ | 424,564 |
| - | | - | | - | | 509,112 |
| 10,417 | | - | | - | | 24,773 |
| - | | - | | - | | 2,922 |
| 67,162 | | - | | - | | 67,162 |
| 1,150 | | 26,378 | | 13,977 | | 50,623 |
| 1,141 | | 26,515 | | 13,609 | | 49,376 |
| 260 | | 3,263 | | 800 | | 55,581 |
| 80,130 | | 171,765 | | 259,577 | | 1,184,113 |
| | | | | | | |
| - | | - | | - | | 147,059 |
| - | | - | | - | | 267,244 |
| - | | - | | - | | 354,175 |
| - | | - | | - | | 2,640 |
| - | | - | | - | | 3,064 |
| - | | - | | - | | 116,660 |
| 366,100 | | - | | - | | 366,100 |
| 78,774 | | - | | | | 78,774 |
| 444,874 | | | | | | 1,335,716 |
| (364,744 |) | 171,765 | | 259,577 | | (151,603) |
| 359,663 | | _ | | - | | 552,992 |
| (8,991) | 1 | _ | | - | | (90,846) |
| 350,672 | | - | | - | | 462,146 |
| (14,072) | | 171,765 | | 259,577 | | 310,543 |
| 237,973 | | 3,388,188 | | 1,590,293 | | 6,469,951 |
| \$ 223,901 | \$ | 3,559,953 | \$ | 1,849,870 | \$ | 6,780,494 |



OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES MAJOR GOVERNMENTAL FUNDS



TOWN OF FLORENCE, ARIZONA COMMUNITY FACILITIES DISTRICTS DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

Year Ended June 30, 2014

| | | d Amounts | | Variance with Final Budget- Positive |
|---|--------------|--------------|----------------|--|
| REVENUES | Original | Final | Actual Amounts | (Negative) |
| Taxes | \$ 767,840 | \$ 767,840 | \$ 842,450 | \$ 74,610 |
| Special assessments | 720,134 | 720,134 | 950,415 | 230,281 |
| Investment income | | | | |
| Interest income | 16,000 | 16,000 | 12,404 | (3,596) |
| Net increase in the fair | | | | |
| value of investments | - | - | 9,644 | 9,644 |
| Miscellaneous | - | | 607 | 607 |
| Total revenues | 1,503,974 | 1,503,974 | 1,815,520 | 311,546 |
| | | | | |
| EXPENDITURES | | | | |
| Current | 77.005 | | | |
| General government | 77,625 | 77,625 | 69,608 | 8,017 |
| Community development | - | - | 29,874 | (29,874) |
| Debt service | | | | |
| Principal | 1,739,768 | 1,739,768 | 473,690 | 1,266,078 |
| Interest and fiscal charges | 841,653 | 841,653 | 807,405 | 34,248 |
| Total expenditures | 2,659,046 | 2,659,046 | 1,380,577 | 1,278,469 |
| Excess (deficiency) of revenues | | | | |
| over (under) expenditures | (1,155,072) | (1,155,072) | 434,943 | 1,590,015 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | - | (1,400,000) | (1,400,000) |
| Total other financing sources and uses | _ | <u> </u> | (1,400,000) | (1,400,000) |
| Net change in fund balance | (1,155,072) | (1,155,072) | (965,057) | 190,015 |
| Fund balance - beginning of year | 3,755,512 | 3,755,512 | 3,755,512 | - |
| Fund balance - end of year | \$ 2,600,440 | \$ 2,600,440 | \$ 2,790,455 | \$ 190,015 |
| , | | | | |

TOWN OF FLORENCE, ARIZONA COMMUNITY FACILITIES DISTRICTS CAPITAL IMPROVEMENTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

Year Ended June 30, 2014

| | Budgeted | Variance with Final Budget- Positive | | | | |
|-----------------------------------|-----------------------|--|----------------|--------------|--|--|
| REVENUES | Original | Final | Actual Amounts | (Negative) | | |
| Interest income | \$ 1,000 | \$ 1,000 | \$ 11,326 | \$ 10,326 | | |
| Net increase in the fair | | | | | | |
| value of investments | | - | 13,104 | 13,104 | | |
| Miscellaneous | - | | 162 | 162 | | |
| Total revenues | 1,000 | 1,000 | 24,592 | 23,592 | | |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | 945,875 | 945,875 | 158.822 | 787,053 | | |
| Public safety | 612,960 | 612,960 | - | 612,960 | | |
| Community development | 133,932 | 133,932 | - | 133,932 | | |
| Capital outlay | 3,155,725 | 3,155,725 | - | 3,155,725 | | |
| Total expenditures | 4,848,492 | 4,848,492 | 158,822 | 4,689,670 | | |
| Excess (deficiency) of revenues | | | | | | |
| over (under) expenditures | (4,847,492) | (4,847,492) | (134,230) | 4,713,262 | | |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | 1,400,000 | 1,400,000 | | |
| Transfers out | - | - | (1,295,750) | (1,295,750) | | |
| Proceeds from obligations | 3,189,000 | 3,189,000 | 1,850,000 | (1,339,000) | | |
| Bond premium | - | | 24,167 | 24,167 | | |
| Total other financing sources | | | | | | |
| and uses | 3,189,000 | 3,189,000 | 1,978,417 | (1,210,583) | | |
| Net change in fund balance | (1,658,492) | (1,658,492) | 1,844,187 | 3,502,679 | | |
| Fund balance - beginning of year | 509,080 | 509,080 | 509,080 | - | | |
| Fund balance - end of year | <u>\$ (1,149,412)</u> | <u>\$ (1,149,412)</u> | \$ 2,353,267 | \$ 3,502,679 | | |

TOWN OF FLORENCE, ARIZONA IMPACT FEES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

•

| | | Budgetec | d Am | ounts | | | | ariance with nal Budget- |
|---|----|--------------|------|--------------|-----------------|--------------|----------|-----------------------------|
| REVENUES | | Original | | Final | ۸. | tual Amounto | | Positive |
| | \$ | Original | \$ | | <u>AC</u> \$ | tual Amounts | | (Negative) |
| Charges for services Investment income | Ф | 863,745 | Ф | 863,745 | \$ | 400,896 | \$ | (462,849) |
| | | 0 400 | | 0.400 | | | | |
| Interest income | | 8,100 | | 8,100 | | 37,508 | | 29,408 |
| Net increase in the fair | | | | | | | | |
| value of investments | | - | | - | | 35,031 | | 35,031 |
| Miscellaneous | | 1,295,749 | | 1,295,749 | | 6,102 | | (1,289,647) |
| Total revenues | | 2,167,594 | | 2,167,594 | | 479,537 | | (1,688,057) |
| EXPENDITURES Current | | | | | | | | |
| Community development | | - | | - | | - | | - |
| Capital outlay | _ | 4,200,921 | | 4,200,921 | | 2,952,683 | | 1,248,238 |
| Total expenditures | | 5,674,968 | | 5,674,968 | | 3,171,491 | | 2,503,477 |
| Excess (deficiency) of revenues | | (0 507 07 () | | (0.505.05.0) | | | | |
| over (under) expenditures | | (3,507,374) | | (3,507,374) | | (2,691,954) | | 815,420 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | | 149,078 | | 149,078 | | 1,444,827 | | 1,295,749 |
| Transfers out | | (149,078) | | (149,078) | | (149,078) | | - |
| Total other financing sources | | | | | | | | |
| and uses | | - | | - | | 1,295,749 | | 1,295,749 |
| Net change in fund balance | | (3,507,374) | | (3,507,374) | | (1,396,205) | <u> </u> | 2,111,169 |
| Fund balance - beginning of year | | 6,047,129 | | 6,047,129 | | 6,047,129 | | - |
| Fund balance - end of year | \$ | 2,539,755 | \$ | 2,539,755 | \$ | 4,650,924 | \$ | 2,111,169 |
| | | | | | | | | |

TOWN OF FLORENCE, ARIZONA CAPITAL IMPROVEMENTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

| REVENUES | Budgeted | Actual Amounts | Variance with Final Budget- Positive s (Negative) | | |
|--|--------------------------------------|------------------------|--|------------------|--|
| Taxes | \$ 1,100,000 | Final \$ 1,100,000 | \$ 1,380,169 | | |
| Investment income | φ 1,100,000 | φ 1,100,000 | φ 1,360,109 | \$ 280,169 | |
| Interest income Net increase in the fair | 55,000 | 55,000 | 74,973 | 19,973 | |
| value of investments | - | - | 73,490 | 73,490 | |
| Miscellaneous | - | 4,592 | | | |
| Total revenues | 1,155,000 | 1,155,000 | 4,592 1,533,224 | 378,224 | |
| EXPENDITURES Current | | | | | |
| General government | 3,510,800 | 3,506,600 | 1,315,611 | 2,190,989 | |
| Public safety | 94,000 | 94,000 | 36,965 | 57,035 | |
| Highways & streets | 800,000 | 800,000 | 241,012 | 558,988 | |
| Public works | 176,500 | 176,500 | 13,398 | 163,102 | |
| Culture and recreation | 217,900 | 217,900 | 8,219 | 209,681 | |
| Community development | 444,856 | 444,856 | 2,173 | 442,683 | |
| Capital outlay | 2,288,212 | 2,292,412 | 1,762,677 | 529,735 | |
| Total expenditures | 7,532,268 | 7,532,268 | 3,380,055 | 4,152,213 | |
| Excess (deficiency) of revenues over (under) expenditures | (6,377,268) | (6,377,268) | (1,846,831) | 4,530,437 | |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | 3,967,700 | 3,967,700 | |
| Transfers out | (359,663) | (359,663) | (359,663) | - | |
| Proceeds from capital leases | | 30,000 | | (30,000) | |
| Total other financing sources and uses | (329,663) | (329,663) | 3,608,037 | 3,937,700 | |
| Net change in fund balance | (6,706,931) | (6,706,931) | 1,761,206 | 8,468,137 | |
| Fund balance - beginning of year | 11,290,480 | 11,290,480 | 11,290,480 | 0,400,137 | |
| Fund balance - end of year | \$ 4,583,549 | \$ 4,583,549 | \$ 13,051,686 | \$ 8,468,137 | |
| | φ - ,000,0 1 0 | φ 4,000,040 | φ 10,001,000 | ψ 0,400,137 | |

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES NON-MAJOR GOVERNMENTAL FUNDS



TOWN OF FLORENCE, ARIZONA GRANTS SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

| | Budgetec | Amounts | | Variance with Final Budget- Positive |
|---|------------------------------------|--------------|----------------|--|
| REVENUES | Original | Final | Actual Amounts | (Negative) |
| Intergovernmental revenues | \$ 1,264,011 | \$ 1,264,011 | \$ 509,112 | \$ (754,899) |
| Total revenues | 1,264,011 | 1,264,011 | 509,112 | (754,899) |
| EXPENDITURES Current General government | 366,576 | 366,576 | 77.777 | 288.799 |
| Public safety | 198,798 | 198,798 | 263,494 | (64,696) |
| Public works | 384.676 | 384,676 | 302,376 | (04,090) 82,300 |
| Culture and recreation | | | 2,640 | (2,640) |
| Community development | 1,770 | 1,770 | 2,040 | 1,770 |
| Total expenditures | 1,412,344 | 1,412,344 | 762,947 | 649,397 |
| Excess (deficiency) of revenues | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | | 010,007 |
| over (under) expenditures | (148,333) | (148,333) | (253,835) | (105,502) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 178,839 | 178,839 | 193,174 | 14,335 |
| Transfers out | (94,048) | (94,048) | (42,855) | 51,193 |
| Total other financing sources and uses Net change in fund balance | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Fund balance - beginning of year | 88,846 | 88,846 | 88,846 | (39,974) |
| Fund balance - end of year | \$ 25,304 | \$ 25,304 | \$ (14,670) | \$ (39,974) |
| | ÷ 20,004 | ÷ 20,004 | <u> </u> | <u> </u> |

TOWN OF FLORENCE, ARIZONA ECONOMIC DEVELOPMENT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

| | Budgetec | I Amc | ounts | | | Variance with Final Budget- | | |
|----------------------------------|---------------|-------|----------|------|------------|--------------------------------|------------------------|--|
| REVENUES | Original | | Final | Actu | al Amounts | | Positive (Negative) | |
| Investment income | | | | | | | | |
| Interest income | \$ 1,250 | \$ | 1,250 | \$ | 6,187 | \$ | 4,937 | |
| Net increase in the fair | | | | | | | , | |
| value of investments | - | | - | | 6,031 | | 6,031 | |
| Miscellaneous | 45,000 | | 45,000 | | 51,139 | | 6,139 | |
| Total revenues | 46,250 | | 46,250 | | 63,357 | 17,107 | | |
| | | | | | | | | |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| Public works | 50,000 | | 50,000 | | 51,799 | | (1,799) | |
| Community development | 45,000 | | 45,000 | | - | | 45,000 | |
| Total expenditures | 95,000 | | 95,000 | | 51,799 | | 43,201 | |
| Excess (deficiency) of revenues | | | | | | | | |
| over (under) expenditures | (48,750) | | (48,750) | | 11,558 | | 60,308 | |
| | | | | | | | | |
| OTHER FINANCING | | | | | | | | |
| SOURCES (USES) | | | | | | | | |
| Transfers out | (19,500) | | (19,500) | | (39,000) | | (19,500) | |
| Total other financing sources | | | | | | | | |
| and uses | (19,500) | | (19,500) | e | (39,000) | | (19,500) | |
| Net change in fund balance | (68,250) | | (68,250) | | (27,442) | | 40,808 | |
| Fund balance - beginning of year | 898,754 | | 898,754 | | 898,754 | | - | |
| Fund balance - end of year | \$ 830,504 | \$ | 830,504 | \$ | 871,312 | | 40,808 | |
| | | | | | | | | |

TOWN OF FLORENCE, ARIZONA COMMUNITY SERVICES SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

| | | Budgeted | Amc | unts | | | Variance with Final Budget- Positive | |
|-----------------------------------|----|----------|-----|--------|-------|------------|--|----------|
| REVENUES | 0 | riginal | | Final | Actua | al Amounts | - | egative) |
| Charges for services | \$ | 5,000 | \$ | 5,000 | \$ | 9,868 | \$ | 4,868 |
| Fines | | 3,000 | | 3,000 | | 2,922 | | (78) |
| Investment income | | | | | | | | () |
| Interest income | | 285 | | 285 | | 370 | | 85 |
| Net increase in the fair | | | | | | | | |
| value of investments | | - | | - | | 384 | | 384 |
| Miscellaneous | | - | | - | | 33 | | 33 |
| Total revenues | | 8,285 | | 8,285 | | 13,577 | | 5,292 |
| EXPENDITURES Current | | | | | | | | |
| Public safety | | 3,750 | | 3,750 | | 3,750 | | - |
| Community development | | 5,100 | | 5,100 | | 3,064 | | 2,036 |
| Total expenditures | | 8,850 | | 8,850 | | 6,814 | | 2,036 |
| Excess (deficiency) of revenues | | | | | | | | |
| over (under) expenditures | | (565) | | (565) | | 6,763 | | 7,328 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | | | | - | | 155 | | 155 |
| Total other financing sources | | | | | | 455 | | 155 |
| and uses | | - | | - | | 155 | | 155 |
| Net change in fund balance | | (565) | | (565) | | 6,918 | | 7,483 |
| Fund balance - beginning of year | | 44,546 | | 44,546 | | 44,546 | | - |
| Fund balance - end of year | \$ | 43,981 | \$ | 43,981 | \$ | 51,464 | \$ | 7,483 |

TOWN OF FLORENCE, ARIZONA COMMUNITY FACILITIES DISTRICTS SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

| | | Budgeted | d Amc | ounts | | | Variance with Final Budget- Positive | |
|----------------------------------|----------|----------|---------|----------|----------|------------|--|----------|
| REVENUES | | Original | | Final | Actu | al Amounts | | egative) |
| Taxes | \$ | 70,877 | \$ | 70,877 | \$ | 77,764 | \$ | 6,887 |
| Charges for services | | - | | - | | 4,488 | | 4,488 |
| Investment income | | | | | | , | | , |
| Interest income | | 700 | | 700 | | 2,561 | | 1,861 |
| Net increase in the fair | | | | | | _, | | ., |
| value of investments | | - | | - | | 1,696 | | 1,696 |
| Miscellaneous | | 3,678 | | 3,678 | | 86 | | (3,592) |
| Total revenues | | 75,255 | | 75,255 | | 86,595 | | 11,340 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General government | | 95,356 | | 95,356 | | 69,282 | | 26,074 |
| Community development | | 1,250 | | 1,250 | | - | | 1,250 |
| Total expenditures | | 96,606 | | 96,606 | | 69,282 | | 27,324 |
| Net change in fund balance | | (21 251) | | (21 251) | | 17 212 | | 20 664 |
| Net change in fund balance | | (21,351) | | (21,351) | | 17,313 | | 38,664 |
| Fund balance - beginning of year | <u> </u> | 221,351 | \$ | 221,351 | <u> </u> | 221,351 | | - |
| Fund balance - end of year | <u>ф</u> | 200,000 | | 200,000 | \$ | 238,664 | \$ | 38,664 |

TOWN OF FLORENCE, ARIZONA DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

| | Budgeted | d Amounts | | Variance with Final Budget- Positive |
|--|------------|------------|----------------|--|
| REVENUES | Original | Final | Actual Amounts | (Negative) |
| Charges for services | \$ 9,000 | \$ 9,000 | \$ 10,417 | \$ 1,417 |
| Special assessments Investment income | 60,200 | 60,200 | 67,162 | 6,962 |
| Interest income Net increase in the fair | 200 | 200 | 1,150 | 950 |
| value of investments | - | - | 1,141 | 1,141 |
| Miscellaneous | - | | 260 | 260 |
| Total revenues | 69,400 | 69,400 | 80,130 | 10,730 |
| EXPENDITURES Current Debt service | | | | |
| Principal | 366,100 | 366,100 | 366,100 | - |
| Interest and fiscal charges | 78,849 | 78,849 | 78,774 | 75 |
| Total expenditures | 444,949 | 444,949 | 444,874 | 75 |
| Excess (deficiency) of revenues over (under) expenditures | (375,549) | (375,549) | (364,744) | 10,805 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 359,663 | 359,663 | 359,663 | - |
| Transfers out | (9,000) | (9,000) | (8,991) | 9 |
| Total other financing sources and uses | 350,663 | 350,663 | 350,672 | 9 |
| Net change in fund balance | (24,886) | (24,886) | (14,072) | 10,814 |
| Fund balance - beginning of year | 237,973 | 237,973 | 237,973 | - |
| Fund balance - end of year | \$ 213,087 | \$ 213,087 | \$ 223,901 | \$ 10,814 |
| | | | | |

TOWN OF FLORENCE, ARIZONA CONSTRUCTION TAX SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

| | | Budgetec | l Amo | ounts | | | Variance with Final Budget- Positive | | |
|--|-------------------|-----------------------------------|-------|-----------------------------------|----------|-----------------------------------|--|----------|--|
| REVENUES | Original Final Ad | | | | | ual Amounts | (Negative) | | |
| Taxes | \$ | 160,000 | \$ | 160,000 | \$ | 115,609 | \$ | (44,391) | |
| Investment income Interest income Net increase in the fair | | 30,000 | | 30,000 | | 26,378 | | (3,622) | |
| value of investments | | - | | - | | 26,515 | | 26,515 | |
| Miscellaneous | | - | | - | | 3,263 | | 3,263 | |
| Total revenues | | 190,000 | | 190,000 | | 171,765 | | (18,235) | |
| EXPENDITURES Total expenditures | | | | - | | - | | | |
| Net change in fund balance Fund balance - beginning of year Fund balance - end of year | | 190,000 3,388,188 3,578,188 | | 190,000 3,388,188 3,578,188 | <u>_</u> | 171,765 3,388,188 3,559,953 | | (18,235) | |
| r and balance - end of year | Ψ | 5,575,166 | | 3,370,100 | φ | 3,009,905 | | (18,235) | |

TOWN OF FLORENCE, ARIZONA FOOD TAX SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL Year Ended June 30, 2014

| | Budgeted Amounts | | | | | | Variance with Final Budget- Positive | | |
|--|------------------|----------------------|----|----------------------|-----|----------------------|--|-------------|--|
| REVENUES | | Original | | Final | Act | ual Amounts | (Negative) | | |
| Taxes | \$ | 210,000 | \$ | 210,000 | \$ | 231,191 | \$ | 21,191 | |
| Investment income Interest income Net increase in the fair | | 20,000 | | 20,000 | | 13,977 | | (6,023) | |
| value of investments | | - | | - | | 13,609 | | 13,609 | |
| Miscellaneous | | - | | - | | 800 | | 800 | |
| Total revenues | | 230,000 | | 230,000 | | 259,577 | | 29,577 | |
| EXPENDITURES Total expenditures | | | | | | - | | | |
| Net change in fund balance Fund balance - beginning of year | | 230,000 1,590,293 | | 230,000 1,590,293 | | 259,577 1,590,293 | | 29,577 - | |
| Fund balance - end of year | \$ | 1,820,293 | \$ | 1,820,293 | \$ | 1,849,870 | \$ | 29,577 | |



OTHER SUPPLEMENTARY INFORMATION

INTERNAL SERVICE FUNDS COMBINING FINANCIAL STATEMENTS



TOWN OF FLORENCE, ARIZONA COMBINING STATEMENT OF NET POSTION INTERNAL SERVICE FUNDS June 30, 2014

| | Internal Service Funds | | | | | | | | | |
|----------------------------|------------------------|-------------------|----|---------|-------|--------|--|--|--|--|
| ASSETS | | -leet Itenance | | acility | Total | | | | | |
| Current assets | <u>^</u> | | • | | • | | | | | |
| Cash and cash equivalents | \$ | 929 | \$ | 3,873 | \$ | 4,802 | | | | |
| Total current assets | | 929 | | 3,873 | | 4,802 | | | | |
| Noncurrent assets | | | | | | | | | | |
| Investments | | 2,966 | | 12,357 | | 15,323 | | | | |
| Total noncurrent assets | | 2,966 | | 12,357 | | 15,323 | | | | |
| Total assets | | 3,895 | | 16,230 | | 20,125 | | | | |
| LIABILITIES | | | | | | | | | | |
| Accounts payable | | 3,341 | | 15,462 | | 18,803 | | | | |
| Accrued wages and benefits | | 449 | | 632 | | 1,081 | | | | |
| Other accrued liabilities | | 105 | | 136 | | 241 | | | | |
| Total liabilities | | 3,895 | | 16,230 | | 20,125 | | | | |
| NET POSITION | | | | | | | | | | |
| Total net position | \$ | - | \$ | | \$ | - | | | | |
| | | | | | | | | | | |



TOWN OF FLORENCE, ARIZONA COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For The Year Ended June 30, 2014

| | Internal Service Funds | | | | | |
|--------------------------------------|------------------------|---------|-------------------------|---------|----|-----------|
| | Fleet Maintenance | | Facility Maintenance | | | Total |
| Operating revenues | | | | | | |
| Charges for services | \$ | 666,499 | \$ | 384,428 | \$ | 1,050,927 |
| Total operating revenue | | 666,499 | | 384,428 | | 1,050,927 |
| Operating expenses | | | | | | |
| Personal services | | 150,575 | | 204,034 | | 354,609 |
| Supplies | | 342,605 | | 19,570 | | 362,175 |
| Services and maintenance | | 171,380 | | 7,498 | | 178,878 |
| Other charges | | 1,939 | | 153,326 | | 155,265 |
| Total operating expenses | | 666,499 | | 384,428 | | 1,050,927 |
| Change in net position | | - | | - | | - |
| Total net position-beginning of year | | - | | - | | - |
| Total net position-end of year | \$ | _ | \$ | - | \$ | - |

TOWN OF FLORENCE, ARIZONA COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For The Year Ended June 30, 2014

| | Internal Service Funds | | | | | |
|---|------------------------|-----------------------------------|-------------------------|-----------------------------------|----|-------------------------------------|
| | Fleet Maintenance | | Facility Maintenance | | | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers and users Payments to suppliers Payments to employees | \$ | 666,499 (512,478) (150,126) | \$ | 384,428 (164,796) (203,402) | \$ | 1,050,927 (677,274) (353,528) |
| Net cash provided by operating activities | | 3,895 | | 16,230 | | 20,125 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Purchase of investments | | (2,966) | · | (12,357) | | (15,323) |
| Net cash used by investing activities | | (2,966) | | (12,357) | | (15,323) |
| Net increase in cash and cash equivalents | | 929 | | 3,873 | | 4,802 |
| Cash and cash equivalents at beginning of year Cash and cash equivalents at | | | <u></u> | | | |
| end of year | \$ | 929 | \$ | 3,873 | \$ | 4,802 |

TOWN OF FLORENCE, ARIZONA COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For The Year Ended June 30, 2014

| | Internal Service Funds | | | | | |
|--|------------------------|-------|-------------------------|--------|-------|--------|
| | Fleet Maintenance | | Facility Maintenance | | Total | |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | | |
| Operating income | \$ | - | \$ | - | \$ | - |
| Increase (decrease) in: | - | | | | | |
| Accounts payable | | 3,341 | | 15,462 | | 18,803 |
| Accrued wages and benefits | | 449 | | 632 | | 1,081 |
| Other accrued liabilities | | 105 | | 136 | | 241 |
| Total adjustments | | 3,895 | | 16,230 | | 20,125 |
| Net cash provided by | | | | | | |
| operating activities: | \$ | 3,895 | \$ | 16,230 | \$ | 20,125 |



STATISTICAL SECTION

This part of the town of Florence's Comprehensive Annual Financial Report gives detailed information to help readers better understand what the information in the financial statements, note disclosures and required supplemental information says about the Town's overall financial health.

| Contents | Page |
|--|---------|
| Financial Trends | 104-115 |
| These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time. | |
| Revenue Capacity | 116-117 |
| These schedules contain information to help the reader assess the Town's most significant local revenue source, sales tax. | |
| Debt Capacity | 118-120 |
| These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. | |
| Demographics and Economic Information | 121-122 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs. | |
| Operations | 123-126 |
| These schedules contain service and infrastructure data to help the | |

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Town of Florence, Arizona Table 1 Government-wide Net Position (Accrual Basis of Accounting)

Last Ten Fiscal Years

| 2005 2006 | 2007 | 2008 |
|---|--------------|----------------|
| GOVERNMENTAL ACTIVITIES | | |
| Invested in capital assets, net of related debt \$24,622,000 \$31,151,000 | \$38,967,000 | \$ 50,480,000 |
| Restricted 6,655,000 21,237,000 | 24,945,000 | 22,965,000 |
| Unrestricted 3,984,000 6,196,000 | 9,171,000 | 12,643,000 |
| Total governmental activities net position 35,261,000 58,584,000 | 73,083,000 | 86,088,000 |
| BUSINESS-TYPE ACTIVITIES | | |
| Invested in capital assets, net of related debt 5,866,000 5,840,000 | 7,146,000 | 6,314,000 |
| Restricted 421,000 795,000 | 894,000 | 1,014,000 |
| Unrestricted 5,455,000 6,464,000 | 5,824,000 | 8,022,000 |
| Total business-type activities net position 11,742,000 13,099,000 | 13,864,000 | 15,350,000 |
| PRIMARY GOVERNMENT | | |
| Invested in capital assets, net of related debt 30,488,000 36,991,000 | 46,113,000 | 56,794,000 |
| Restricted 7,076,000 22,032,000 | 25,839,000 | 23,979,000 |
| Unrestricted 9,439,000 12,660,000 | 14,995,000 | 20,665,000 |
| Total primary government net position \$47,003,000 \$71,683,000 | \$86,947,000 | \$ 101,438,000 |

.....

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | |
| \$ 57,868,000 | \$ 58,303,000 | \$ 54,390,000 | \$ 56,527,095 | \$ 55,769,932 | \$ 61,395,040 |
| 22,567,000 | 25,772,000 | 33,045,000 | 22,880,295 | 23,628,884 | 28,844,637 |
| 18,077,000 | 18,248,000 | 14,628,000 | 26,882,692 | 26,821,517 | 21,371,306 |
| 98,512,000 | 102,323,000 | 102,063,000 | 106,290,082 | 106,220,333 | 111,610,983 |
| | | | | | |
| | | | | | |
| 6,007,000 | 6,012,000 | 6,053,000 | 6,032,112 | 6,199,045 | 6,375,459 |
| 1,042,000 | 987,000 | 1,047,000 | 2,162,035 | 2,208,022 | 2,677,331 |
| 8,392,000 | 10,290,000 | 13,206,000 | 15,156,389 | 18,071,833 | 19,085,727 |
| 15,441,000 | 17,289,000 | 20,306,000 | 23,350,536 | 26,478,900 | 28,138,517 |
| | | | | | |
| | | | | | |
| 63,875,000 | 64,315,000 | 60,443,000 | 62,559,207 | 61,968,977 | 67,770,499 |
| 23,609,000 | 26,759,000 | 34,092,000 | 25,042,330 | 25,836,906 | 31,521,968 |
| 26,469,000 | 28,538,000 | 27,834,000 | 42,039,081 | 44,893,350 | 40,457,033 |
| \$ 113,953,000 | \$ 119,612,000 | \$ 122,369,000 | \$ 129,640,618 | \$ 132,699,233 | \$ 139,749,500 |

Town of Florence, Arizona Table 2 Government-wide Changes in Net Position (Accrual Basis of Accounting)

Last Ten Fiscal Years

| | 2005 | 2006 | 2007 | 2008 |
|-----------------------------------|------------------|--------------|--------------|--------------|
| EXPENSES | | | | |
| Governmental activities | | | | |
| General government | \$ 1,540,863 | \$ 2,894,997 | \$ 4,450,592 | \$ 6,636,693 |
| Public safety | 2,505,870 | 3,062,938 | 4,116,005 | 5,276,621 |
| Highways and streets | 1,821,183 | 2,100,353 | 2,313,950 | 3,252,395 |
| Public works | - | 46,973 | 81,859 | 39,093 |
| Culture and recreation | 1,122,254 | 1,248,161 | 1,563,986 | 1,567,834 |
| Community development | 793,144 | 530,069 | 509,797 | 664,920 |
| Interest on long-term debt | 306,219 | 198,000 | 513,491 | 409,166 |
| Total governmental activities | 8,089,533 | 10,081,491 | 13,549,680 | 17,846,722 |
| Business-type activities | | | | |
| Water | 1,093,517 | 1,168,376 | 1,376,209 | 1,685,957 |
| Sewer | 1,045,656 | 1,263,193 | 1,490,388 | 1,744,521 |
| Solid waste | 457, 9 41 | 509,602 | 577,193 | 685,265 |
| Solid waste impact fees | | | 247,326 | 61,584 |
| Total business-type activities | 2,597,114 | 2,941,171 | 3,691,116 | 4,177,327 |
| Total primary government expenses | 10,686,647 | 13,022,662 | 17,240,796 | 22,024,049 |

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | |
| \$ 6,284,516 | \$ 6,683,000 | \$ 6,932,444 | \$ 3,452,054 | \$ 4,055,352 | \$ 8,262,562 |
| 5,970,645 | 5,571,657 | 5,313,251 | 4,008,506 | 5,528,833 | 4,816,583 |
| 2,356,534 | 3,478,242 | 2,960,896 | 3,064,386 | 3,001,939 | 2,728,013 |
| 25,893 | 28,195 | 41,693 | 202,167 | 293,202 | 579,857 |
| 1,365,332 | 1,394,734 | 1,257,819 | 1,450,633 | 1,684,400 | 1,699,128 |
| 731,667 | 623,087 | 630,865 | 2,407,647 | 1,082,103 | 858,152 |
| 398,057 | 615,090 | 685,365 | 911,203 | 888,193 | 816,839 |
| 17,132,644 | 18,394,005 | 17,822,333 | 15,496,596 | 16,534,022 | 19,761,134 |
| | | | | | |
| 1,437,206 | 1,390,873 | 1,321,927 | 1,293,664 | 1,362,620 | 1,618,878 |
| 2,918,348 | 1,900,408 | 1,806,536 | 1,819,735 | 1,747,616 | 2,140,836 |
| 626,381 | 663,473 | 661,964 | 699,249 | 682,078 | 825,239 |
| | - | | | - | _ |
| 4,981,935 | 3,954,754 | 3,790,427 | 3,812,648 | 3,792,314 | 4,584,953 |
| 22,114,579 | 22,348,759 | 21,612,760 | 19,309,244 | 20,326,336 | 24,346,087 |

(continued)

Town of Florence, Arizona Table 2 Government-wide Changes in Net Position (Accrual Basis of Accounting)

Last Ten Fiscal Years

| | 2005 | 2006 | 2007 | 2008 |
|---|-------------|------------|-------------|-------------|
| PROGRAM REVENUES | | | | |
| Governmental activities | | | | |
| Charges for services: | | | | |
| General government | 728,483 | 1,849,897 | 1,509,423 | 1,254,301 |
| Public safety | 42,798 | 117,558 | 161,788 | 180,201 |
| Highway and streets | - | - | - | - |
| Culture and recreation | 10,371 | 9,520 | 8,414 | 7,265 |
| Community development | 294,944 | 2,199,167 | 1,803,778 | 1,831,769 |
| Interest on long-term debt | - | - | - | - |
| Operating grants and contributions | 133,904 | 328,329 | 321,773 | 4,077,695 |
| Capital grants and contributions | 639,196 | 5,204,518 | 757,391 | 8,545,492 |
| Total governmental activities | 1,849,696 | 9,708,989 | 4,562,567 | 15,896,723 |
| Business-type activities | | | | |
| Charges for services: | | | | |
| Water | 1,418,071 | 1,495,620 | 1,780,026 | 2,216,245 |
| Sewer | 1,406,793 | 1,597,904 | 1,809,021 | 2,089,828 |
| Solid waste | 513,564 | 531,440 | 610,084 | 754,996 |
| Water impact fees | - | 13,088 | 11,135 | 13,723 |
| Liquid waste | - | - | 32,896 | 32,896 |
| Solid waste | - | 75,480 | 88,200 | 65,576 |
| Operating grants and contributions | = | 556,467 | - | - |
| Capital grants and contributions | - | - | - | - |
| Total business-type activities | 3,338,428 | 4,269,999 | 4,331,362 | 5,173,264 |
| Total primary government program revenues | 5,188,124 | 13,978,988 | 8,893,929 | 21,069,987 |
| NET REVENUE (EXPENSE) | | | | |
| Governmental activities | (6,239,837) | (372,502) | (8,987,113) | (1,949,999) |
| Business-type activities | 741,314 | 1,328,828 | 640,246 | 995,937 |
| Total primary government | (5,498,523) | 956,326 | (8,346,867) | (954,062) |

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------|-------------|--------------|-------------|--------------|-------------|
| | | | | | |
| | | | | | |
| 1,177,447 | 942,808 | 947,188 | 733,487 | 875,429 | 1,117,187 |
| 276,078 | 298,993 | 306,789 | 310,166 | 331,103 | 216,740 |
| - | - | - | - | - | 41 |
| 12,657 | 10,390 | 9,466 | 7,401 | 4,316 | 8,964 |
| 1,261,113 | 1,429,227 | 474,938 | 525,659 | 798,678 | 507,094 |
| - | - | - | - | - | - |
| 3,578,527 | 3,182,649 | 3,179,055 | 2,579,917 | 2,700,108 | 2,810,427 |
| 9,800,741 | 3,429,189 | 1,339,952 | 1,500,250 | 953,145 | 5,403,053 |
| 16,106,563 | 9,293,256 | 6,257,388 | 5,656,880 | 5,662,779 | 10,063,506 |
| | | | | | |
| | | | | | |
| 2,392,682 | 2,597,067 | 2,961,152 | 2,793,341 | 2,691,199 | 2,834,647 |
| 2,256,995 | 2,665,332 | 3,218,251 | 3,165,051 | 3,536,085 | 3,824,435 |
| 799,442 | 916,984 | 979,401 | 1,019,021 | 1,082,281 | 678,596 |
| - | 11,101 | - | - | - | - |
| 6,591 | 13,684 | 27,369 | - | - | - |
| 31,105 | 30,660 | 16,058 | 5,580 | - | - |
| - | 20,000 | - | - | - | - |
| | - | - | - | 28,503 | - |
| 5,486,815 | 6,254,828 | 7,202,231 | 6,982,993 | 7,338,068 | 7,337,678 |
| 21,593,378 | 15,548,084 | 13,459,619 | 12,639,873 | 13,000,847 | 17,401,184 |
| | | | <u> </u> | | |
| (1,026,081) | (9,100,749) | (11,564,945) | (9,839,716) | (10,871,243) | (9,697,628) |
| 504,880 | 2,300,074 | 3,411,804 | 3,170,345 | 3,545,754 | 2,752,725 |
| | | | | 0,040,704 | |
| (521,201) | (6,800,675) | (8,153,141) | (6,669,371) | (7,325,489) | (6,944,903) |

(continued)

Town of Florence, Arizona Table 2 Government-wide Changes in Net Position

(Accrual Basis of Accounting) Last Ten Fiscal Years

| | 2005 | 2006 | 2007 | 2008 |
|--------------------------------|---------------|---------------|---------------|---------------|
| GENERAL REVENUES | | | | |
| Governmental activities | | | | |
| Taxes | | | | |
| Sales taxes | 1,215,402 | 1,841,988 | 3,726,230 | 5,737,272 |
| Property taxes | 264,550 | 277,249 | 341,664 | 985,758 |
| Franchise taxes | 212,421 | 231,441 | 288,426 | 358,071 |
| State shared revenues | 6,566,314 | 8,211,458 | 9,479,728 | 6,174,545 |
| Investment income | 187,057 | 539,299 | 1,239,799 | 1,135,669 |
| Miscellaneous | 515,841 | 443,340 | 349,265 | 237,361 |
| Donation of capital assets | 9,805,747 | 11,880,996 | 7,711,966 | - |
| Transfers in (out) | 269,736 | 269,736 | 348,792 | 326,795 |
| Total governmental activities | 19,037,068 | 23,695,507 | 23,485,870 | 14,955,471 |
| Business-type activities | | | | |
| Investment income | 120,596 | 240,958 | 393,180 | 315,277 |
| Miscellaneous | 22,391 | 56,795 | 81,230 | 500,657 |
| Transfers in (out) | (269,736) | (269,736) | (348,972) | (326,795) |
| Total business-type activities | (126,749) | 28,017 | 125,438 | 489,139 |
| CHANGES IN NET POSITION | | | | |
| Governmental activities | 12,797,231 | 23,323,005 | 14,498,757 | 13,005,472 |
| Business-type activities | 614,565 | 1,356,845 | 765,684 | 1,485,076 |
| Total primary government | \$ 13,411,796 | \$ 24,679,850 | \$ 15,264,441 | \$ 14,490,548 |
| | | | | |

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------|--------------|--------------|---|--------------|---|
| | | | | | |
| | | | | | |
| 4 000 074 | 0 707 400 | 0 000 004 | 4 007 050 | 0.074.400 | |
| 4,282,871 | 3,707,169 | 3,099,031 | 4,907,353 | 3,671,468 | 4,059,769 |
| 1,840,508 | 2,096,826 | 1,832,156 | 1,863,163 | 1,565,087 | 1,716,952 |
| 366,481 | 371,537 | 371,757 | 373,761 | 385,591 | 520,410 |
| 6,196,804 | 5,443,456 | 4,852,275 | 5,231,428 | 5,811,613 | 6,257,959 |
| 19,251 | 334,969 | 195,754 | 766,154 | (259,780) | 795,796 |
| 163,863 | 254,305 | 272,229 | 179,340 | 34,430 | 250,318 |
| - | - | - | - | - | , _ |
| 580,388 | 703,556 | 681,590 | 745,275 | 445,415 | 1,485,165 |
| 13,450,166 | 12,911,818 | 11,304,792 | 14,066,474 | 11,653,824 | 15,086,369 |
| | | i | | | |
| | | | | | |
| (1,839) | 101,815 | 64,367 | 278,145 | (111,009) | 339,968 |
| 169,364 | 149,025 | 223,339 | 340,737 | 139,034 | 52,089 |
| (580,388) | (703,556) | (681,590) | (745,275) | (445,415) | (1,485,165) |
| (412,863) | (452,716) | (393,884) | (126,393) | (417,390) | (1,093,108) |
| | <u>_</u> | | | | |
| | | | | | |
| 12,424,085 | 3,811,069 | (260,153) | 4,226,758 | 782,581 | 15,086,369 |
| 92,017 | 1,847,358 | 3,017,920 | 3,043,952 | 3,128,364 | (1,093,108) |
| \$ 12,516,102 | \$ 5,658,427 | \$ 2,757,767 | \$ 7,270,710 | \$ 3,910,945 | \$ 13,993,261 |
| | | | , | , .,, | <i>+</i> · · · <i>,</i> · · · <i>,</i> · · · <i>,</i> · · · · <i>,</i> · · · · <i>,</i> · · · · · · · · · · · · · · · · · · · |

(concluded)

Town of Florence, Arizona Table 3 Governmental Funds Fund Balances

(Modified Accrual Basis of Accounting)

Last Ten Fiscal Years

| | 2005 | | 2006 | | 2007 | | 2008 | |
|------------------------------------|---------|--------|--------|---------|---------|---------|------|-----------|
| GENERAL FUND | | | | | | | | |
| Nonspendable | \$ | - | \$ | - | \$ | - | \$ | - |
| Restricted | | - | | - | | - | | - |
| Assigned | | - | | - | | - | | - |
| Unassigned | | - | | - | | - | | - |
| Reserved | | - | | - | | - | | - |
| Unreserved | 3,3 | 87,077 | 1, | 419,261 | 4,3 | 377,961 | | 9,115,927 |
| Total General Fund | 3,3 | 87,077 | 1, | 419,261 | 4,3 | 377,961 | | 9,115,927 |
| ALL OTHER GOVERNMENTAL FUNDS | | | | | | | | |
| Nonspendable | | - | | - | | - | | - |
| Restricted | | - | | - | | - | | - |
| Committed | | - | | - | | - | | - |
| Assigned | | - | | - | | - | | - |
| Unassigned | | - | | - | | - | | - |
| Unreserved | 6,6 | 73,323 | 20, | 141,261 | 24,0 | 09,357 | 2 | 1,240,051 |
| Total all other governmental funds | 6,6 | 73,323 | 20, | 141,261 | 24,0 | 09,357 | 2 | 1,240,051 |
| Total governmental funds | \$ 10,0 | 60,400 | \$ 21, | 560,522 | \$ 28,3 | 87,318 | \$ 3 | 0,355,978 |

Notes:

- The Town implemented GASB 54 for the year ended June 30, 2011. GASB 54 requires a new way of reporting the components of fund balance that focuses on the extent to which the Town is bound to honor constraints on the specific purposes for which the amounts in fund balance can be spent. Prior to fiscal year 2011, fund balance was reported with a focus on the extent to which financial resources are available for appropriation.

| | 2009 | 2 | 010 | | 2011 | | 2012 | | 2013 | | 2014 |
|-------|----------|--------|---------|-------|-----------|--------------|-----------|-------|----------|-------|-----------|
| \$ | _ | \$ | _ | \$ | 64,468 | \$ | 66,671 | \$ | 66,700 | \$ | 63,968 |
| ¥ | - | Ŷ | - | Ψ | - | Ψ | - | Ψ | - | Ψ | - |
| | - | | - | | - | | - | | - | | - |
| | - | | - | 12 | 2,094,137 | 14 | 1,703,424 | 11 | ,357,149 | | 8,433,419 |
| | - | | - | | - | | - | | - | | - |
| 10 | ,344,343 | 11, | 107,505 | | - | | - | | - | | |
| 10 | ,344,343 | 11, | 107,505 | 12 | 2,158,605 | 14 | 1,770,095 | 11 | ,423,849 | | 8,497,387 |
| | | | | | | | | | | | |
| | - | | - | | - | | 652,624 | 1 | ,151,553 | | 14,238 |
| | - | | - | 2′ | ,509,635 | 17 | 7,149,931 | 17 | ,635,228 | 20 | 6,633,138 |
| | - | | - | | 652,292 | 10 |),865,249 | 14 | ,946,996 | | - |
| | - | | - | 7 | 7,537,864 | | 595,691 | | 710,956 | 9 | 9,893,863 |
| | - | | - | | - | | - | | - | | (54,351) |
| 25 | ,505,919 | 27, | 050,641 | | - | | - | | - | | - |
| 25 | ,505,919 | 27, | 050,641 | 29 | 9,699,791 | 29 | 9,263,495 | 34 | ,444,733 | 30 | 6,486,888 |
| \$ 35 | ,850,262 | \$ 38, | 158,146 | \$ 41 | ,858,396 | <u>\$ 44</u> | ,033,590 | \$ 45 | ,868,582 | \$ 44 | 4,984,275 |

Town of Florence, Arizona Table 4 Governmental Funds Changes in Fund Balances (Modified Accrual Basis of Accounting)

Last Ten Fiscal Years

| | | 2005 | 2006 | | 2007 | 2008 |
|---|----|--------------------|------------------|----|------------|------------------|
| REVENUES | | | | | | |
| Taxes* | \$ | 4,378,611 | \$ 5,783,812 | \$ | 8,169,629 | \$ 10,837,524 |
| Intergovernmental | | 4,393,816 | 5,197,348 | | 6,398,529 | 6,439,856 |
| Fines and forfeits | | 40,969 | 57,748 | | 74,031 | 92,304 |
| Licenses and permits | | 111,165 | 745,510 | | 554,462 | 612,530 |
| Charges for services | | 915,216 | 3,372,884 | | 2,821,017 | 2,536,992 |
| Investment income | | 187,057 | 539,299 | | 1,239,799 | 1,135,669 |
| Contributions | | 27,070 | 70,726 | | 7,184 | 5,636 |
| Special assessments | | 491,800 | 120,463 | | 444,740 | 592,372 |
| Miscellaneous | | 528,623 | 443,340 | | 349,065 | 233,881 |
| Total revenues | | 11,074,327 | 16,331,130 | _ | 20,058,456 | 22,486,764 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | 1,349,6 1 1 | 2,625,700 | | 3,142,739 | 3,363,465 |
| Public safety | | 2,340,234 | 3,196,610 | | 3,894,394 | 5,047,297 |
| Highways and streets | | 985,065 | 986,405 | | 1,209,696 | 2,245,359 |
| Public works | | - | 1,328 | | 2,656 | - |
| Culture and recreation | | 1,041,367 | 1,185,801 | | 1,349,633 | 1,527,826 |
| Community development | | 693,495 | 644,507 | | 901,958 | 792,679 |
| Capital outlay | | 636,144 | 963,962 | | 2,761,698 | 7,175,581 |
| Debt Service: | | | | | | |
| Principal | | 738,559 | 342,736 | | 353,735 | 392,017 |
| Interest and debt cost | | 230,674 | 172,695 | | 418,413 | 302,068 |
| Total expenditures | | 8,015,149 | 10,119,744 | | 14,034,922 | 20,846,292 |
| Excess of revenues over (under) | | | | | | |
| expenditures | | 3,059,178 | 6,211,386 | | 6,023,534 | 1,640,472 |
| OTHER FINANCIANG SOURCES (USES |) | | | | | |
| Transfers in | | 481,611 | 5,268,398 | | 1,166,889 | 846,848 |
| Transfers out | | (211,875) | (4,998,662) | | (817,917) | (520,053) |
| Sale of capital assets | | - | - | | 9,290 | 1,393 |
| Issuance of long-term debt | | - | 5,019,000 | | 445,000 | - |
| Bond premium | | - | - | | - | - |
| Total other financing sources (uses) | | 269,736 | 5,288,736 | | 803,262 | 328,188 |
| NET CHANGE IN FUND BALANCES | \$ | 3,328,914 | \$ 11,500,122 | \$ | 6,826,796 | \$ 1,968,660 |
| Debt service as a percentage of noncapital expenditures | | 13.14% | 5.63% | | 6.85% | 5.08% |
| N1 / | | | | | | |

Notes:

*Taxes consist of sales, property, and franchise taxes

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | |
| \$ 9,604,773 | \$ 9,090,410 | \$ 8,197,401 | \$ 9,511,918 | \$ 8,153,474 | \$ 8,930,412 |
| 7,314,699 | 5,728,725 | 5,230,895 | 6,123,769 | 6,306,573 | 6,767,071 |
| 147,949 | 132,006 | 155,862 | 149,668 | 175,058 | 198,608 |
| 414,270 | 425,005 | 352,062 | 291,697 | 389,434 | 438,522 |
| 2,113,020 | 2,094,688 | 1,189,716 | 1,100,044 | 1,425,455 | 1,124,212 |
| 19,251 | 334,969 | 191,295 | 766,154 | (259,780) | 658,692 |
| 26,607 | 40,051 | 30,713 | 100,522 | 16,206 | 20,618 |
| 859,365 | 810,148 | 866,452 | 840,591 | 905,924 | 1,017,577 |
| 157,697 | 203,882 | 265,314 | 164,893 | 113,512 | 246,829 |
| 20,657,631 | 18,859,884 | 16,479,710 | 19,049,256 | 17,225,856 | 19,402,541 |
| | | | | | |
| 3,631,445 | 3,314,037 | 3,429,221 | 2,944,893 | 3,469,628 | 5,183,343 |
| 5,209,649 | 5,214,936 | 4,966,311 | 5,423,446 | 5,791,565 | 7,008,249 |
| 1,497,896 | 1,823,091 | 1,528,943 | 1,653,929 | 1,596,838 | 1,947,936 |
| 1,328 | 2,427 | 1,425 | 168,975 | 167,397 | 481,598 |
| 1,431,507 | 1,298,065 | 1,134,885 | 1,362,291 | 1,623,120 | 1,636,101 |
| 852,276 | 712,206 | 710,314 | 925,382 | 757,219 | 707,699 |
| 6,398,226 | 4,632,680 | 4,397,001 | 3,321,325 | 2,311,315 | 5,028,258 |
| 652,336 | 971,769 | 366,849 | 879,340 | 804,176 | 839,790 |
| 469,072 | 672,634 | 786,733 | 942,200 | 909,081 | 886,179 |
| 20,143,735 | 18,641,845 | 17,321,682 | 17,621,781 | 17,430,339 | 23,719,153 |
| 513,896 | 218,039 | (841,972) | 1,427,475 | (204,483) | (4,316,612) |
| 1,659,619 | 2,006,197 | 1,223,451 | 2,412,935 | 6,618,130 | 9,320,084 |
| (1,079,231) | (1,302,641) | (541,861) | (1,667,660) | (6,172,715) | (7,834,919) |
| 10,000 | 289 | 10,161 | 2,414 | 5,060 | 72,973 |
| | 1,386,000 | 3,850,500 | _, | 1,589,000 | 1,850,000 |
| - | - | - | - | - | 24,167 |
| 590,388 | 2,089,845 | 4,542,251 | 747,689 | 2,039,475 | 3,432,305 |
| \$ 1,104,284 | \$ 2,307,884 | \$ 3,700,279 | \$ 2.175.164 | \$ 1.834.992 | \$ (884,307) |
| Ψ 1,104,204 | φ 2,307,004 | φ 3,700,279 | \$ 2,175,164 | \$ 1,834,992 | \$ (884,307) |
| 8.16% | 11.74% | 8.93% | 12.69% | 11.21% | 9.55% |

Town of Florence, Arizona Table 5 Sales Tax Revenue by Industry Current Year and Nine Years Ago

| | 2014 | | | | | 2005 | | | | |
|-------------------------------|------|-----------|------|------------------------|------|----------|------|------------------------|--|--|
| Industry | | Fax Paid | Rank | Percentage of Total | ٦ | Tax Paid | Rank | Percentage of Total | | |
| Construction | \$ | 1,518,773 | 1 | 37.19% | \$ | 320,100 | 1 | 27.13% | | |
| Retail Trade | \$ | 878,661 | 2 | 21.51% | \$ | 243,354 | 3 | 20.62% | | |
| Communications and Utilities | \$ | 642,081 | 3 | 15.72% | \$ | 288,471 | 2 | 24.45% | | |
| Restaurants and Bars | \$ | 514,114 | 4 | 12.59% | \$ | 99,286 | 4 | 8.41% | | |
| Real Estate, Rental & Leasing | \$ | 148,557 | 5 | 3.64% | \$ | 66,309 | 5 | 5.62% | | |
| Accommodations | \$ | 74,863 | 6 | 1.83% | \$ | 11,569 | 9 | 0.98% | | |
| Services | \$ | 69,233 | 7 | 1.70% | \$ | 36,054 | 6 | 3.06% | | |
| Wholesale Trades | \$ | 68,337 | 8 | 1.67% | \$ | 15,071 | 8 | 1.28% | | |
| Manufacturing | \$ | 64,655 | 9 | 1.58% | \$ | 34,809 | 7 | 2.95% | | |
| Arts & Entertainment | \$ | 36,657 | 10 | 0.90% | \$ | 112 | 10 | 0.01% | | |
| All Other | \$ | 68,260 | | 1.67% | \$ | 64,850 | | 5.50% | | |
| Total | \$ 4 | 4,084,191 | | 100.00% | \$ 1 | ,179,985 | | 100.00% | | |

Source: Arizona Department of Revenue

Notes:

- Based upon June 30, 2014 reports. Will not agree with sales tax recorded in Financial Statements.

Town of Florence, Arizona Table 6 Direct and Overlapping Sales Tax Rates As of June 30, 2014

| - | Rates State and | | | | | | |
|---|--------------------|--------------|----------|--|--|--|--|
| Type of Tax | Town | Pinal County | Combined | | | | |
| | | | | | | | |
| Privilege tax, except retail, utilities and telecommunication | 2.00% | 6.70% | 8.70% | | | | |
| Retail | 2.00% | 6.70% | 8.70% | | | | |
| Hotel/Motel | 4.00% | 6.70% | 10.70% | | | | |
| Restaurant/Bar | 2.00% | 6.70% | 8.70% | | | | |
| Utilities/Telecommunications | 2.00% | 6.70% | 8.70% | | | | |
| Construction | 4.00% | 6.70% | 10.70% | | | | |

Sources: Town of Florence Department of Finance, Arizona Department of Revenue

Town of Florence, Arizona Table 7 Ratios of Outstanding Debt by Type Last Ten Fiscal Years

| | | Governmental Activities | | | | | | | | | | |
|---------------------------------|----|-------------------------|--------------------------------|---------|------------------|---------|-------------------|-----------|------------------|-----|---------------------------------------|--|
| Fiscal Year Ended June 30 | | icates of cipation | Special Assessment Bonds | | Notes Payable | | Capital Leases | | GO Bonds CFDs | | Special Assessment Bonds - CFDs | |
| 2014 | \$ | - | \$ | 337,000 | \$ | 429,185 | \$ | 844,967 | \$ 8,809,167 | ′\$ | 5,435,830 | |
| 2013 | | - | | 388,000 | | 470,690 | | 1,118,561 | 7,105,000 |) | 5,739,520 | |
| 2012 | | - | | 440,000 | | 509,847 | | - | 7,265,000 | J | 5,822,100 | |
| 2011 | | - | | 482,000 | | 546,788 | | | 7,770,000 |) | 6,117,500 | |
| 2010 | | - | | 610,000 | | 581,637 | | - | 4,285,000 | ļ | 5,956,000 | |
| 2009 | | 250,000 | | 655,000 | | 614,514 | | 22,892 | 4,627,000 | | 4,849,000 | |
| 2008 | | 480,000 | | 695,000 | | 645,530 | | 56,383 | 429,000 | | 4,967,000 | |
| 2007 | | 710,000 | | 735,000 | | 674,790 | | 88,885 | 445,000 | | 5,019,000 | |
| 2006 | | 920,000 | | 765,000 | | 729,396 | | 123,014 | - | | 5,019,000 | |
| 2005 | 1 | ,120,000 | | 795,000 | | 811,598 | | 153,550 | | | - | |

Business-type

| Fiscal Year Ended June 30 | No | tes Payable_ | Pri | otal mary rnment | Percentage of Personal Income | Pe | r Capita |
|---------------------------------|----|--------------|---------|------------------------|-------------------------------------|----|----------|
| 2014 | \$ | 4.212.898 | 0.00 \$ | 69.047 | E 200/ | ¢ | 764.40 |
| 2014 | Ψ | 4.601.319 | | | 5.29% | \$ | 764.10 |
| | | ., | , | 23,090 | 5.78% | | 703.38 |
| 2012 | | 4,977,189 | 19,0 | 14,136 | 6.09% | | 706.32 |
| 2011 | | 6,591,457 | 21,5 | 07,745 | 7.38% | | 815.15 |
| 2010 | | 6,992,889 | 18,4 | 25,526 | 6.83% | | 721.52 |
| 2009 | | 6,033,490 | 17,0 | 51,896 | 5.96% | | 657.25 |
| 2008 | | 6,228,819 | 13,5 | 01,732 | 5.66% | | 558.83 |
| 2007 | | 5,343,488 | 13,0 | 16,163 | 6.30% | | 593.52 |
| 2006 | | 5,093,191 | 12,6 | 49,601 | 6.63% | | 602.46 |
| 2005 | | 672,691 | 3,5 | 52,839 | 1.99% | | 175.59 |

Notes:

- Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

- See the Demographic and Economic Statistics (Table 7) for personal income and population data.

Town of Florence, Arizona Table 8 Direct and Overlapping Governmental Activities Debt As of June 30, 2014

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Overlapping Debt |
|---|-----------------------------|---|---|
| Debt repaid with property taxes: | | | |
| Pinal County Community College District Florence Unified School District No. 1 Total Overlapping Debt | \$ 88,680,000 39,700,000 | 3.68% 29.51% | \$ 3,263,424 <u>11,715,470</u> 14,978,894 |
| Town of Florence Direct Debt | | | 15,856,148 |
| Total Direct and overlapping debt | | | \$ 30,835,042 |

Sources: Pinal County Treasurer's Office, Stifel, Nicolaus & Co. Inc., and Official Statements.

Notes:

(1) The percentage of overlapping debt applicable to the Town is computed on the ratio of secondary assessed valuation.

Town of Florence, Arizona Table 9 Pledged Revenue Coverage Last Ten Fiscal Years

| F | Special Assessment Bonds | | | | | | | | |
|-------------------------|------------------------------|----|-----------|------|----------|----------|--|--|--|
| Fiscal Year Ended | Special Assessment | | Debt S | ervi | се | | | | |
| June 30 | Collections | | Principal | | Interest | Coverage | | | |
| 2014 | \$ 67,161 | \$ | 51,000 | \$ | 32,786 | 0.80 | | | |
| 2013 | 93,503 | | 52,000 | • | 37,180 | 1.05 | | | |
| 2012 | 83,252 | | 42,000 | | 42,335 | 0.99 | | | |
| 2011 | 87,323 | | 45,000 | | 49,644 | 0.92 | | | |
| 2010 | 97,723 | | 45,000 | | 53,446 | 0.99 | | | |
| 2009 | 119,909 | | 40,000 | | 57,038 | 1.24 | | | |
| 2008 | 112,497 | | 40,000 | | 60,418 | 1.12 | | | |
| 2007 | 118,162 | | 30,000 | | 63,375 | 1.27 | | | |
| 2006 | 120,464 | | 30,000 | | 83,866 | 1.06 | | | |
| 2005 | 491,800 | | 45.000 | | 104,358 | 3.29 | | | |

- *The nature of the revenue pledged for the above revenue bond was excise

- Information regarding debt can be found in the "Ratios of Outstanding Debt by Type" Table of the Statistical Section of the CAFR, and the Notes to the Financial Statements.

Town of Florence, Arizona Table 10 Demographic and Economic Statistics Last Ten Fiscal Years

| | | Estimated Personal | Estimated Per Capita | October Enrollment | Education | Town |
|--------|------------|-----------------------|-------------------------|-----------------------|----------------|--------------|
| Fiscal | | Income | Personal | School | Level in Years | Unemployment |
| Year | Population | (In thousands) | Income | Enrollment | of Schooling | Rate |
| | | | | | - | |
| 2014 | 26,265 | \$ 379,634 | \$ 14,454 | 2,346 | 13 to 16 | 7.5% |
| 2013 | 27,614 | 336,183 | 12,174 | 2,469 | 13 to 16 | 18.1% |
| 2012 | 26,920 | 312,128 | 11,595 | 2,368 | 13 to 16 | 18.5% |
| 2011 | 26,385 | 291,236 | 10,038 | 2,411 | 13 to 16 | 21.3% |
| 2010 | 25,537 | 269,695 | 10,561 | 2,568 | 13 to 16 | 11.6% |
| 2009 | 25,944 | 285,999 | 11,024 | 3,038 | 13 to 16 | 12.1% |
| 2008 | 24,161 | 238,457 | 9,870 | 3,479 | 13 to 16 | 7.1% |
| 2007 | 21,930 | 206,604 | 9,421 | 2,868 | 13 to 16 | 3.5% |
| 2006 | 20,997 | 190,790 | 9,087 | 1,860 | 13 to 16 | 4.2% |
| 2005 | 20,234 | 178,478 | 8,821 | 1,741 | 13 to 16 | 4.8% |

Sources: Central Arizona Governments, Bureau of Economic Analysis, Arizona Department of Commerce, Bureau of Labor and Statistics, Arizona Department of Education, US Census Bureau.

Town of Florence, Arizona Table 11 Principal Employers

Current Year and Nine Years Ago

| | . <u></u> | 2014 | Percentage | 2005 Percentago | | | |
|-------------------------------------|------------|------|---------------|--------------------|------|-----------------------------|--|
| | _ . | | of Total Town | | | Percentage of Total Town | |
| Major Employer | Employees | Rank | Employment | Employees | Rank | Employment | |
| State of Arizona | 2,250 | 1 | 29.46% | 1,713 | 2 | 30.81% | |
| Pinal County Government | 2,035 | 2 | 26.65% | 1,848 | 1 | 33.24% | |
| Correctional Corporation of America | 946 | 3 | 12.39% | 368 | 3 | 6.62% | |
| DHS/ICE/DOJ - Federal Government | 625 | 4 | 8.18% | 250 | 5 | 4.50% | |
| GEO - Private Prison System | 321 | 5 | 4.20% | - | 7 | 0.00% | |
| Florence Schools | 289 | 6 | 3.78% | 280 | 4 | 5.04% | |
| Town of Florence | 171 | 7 | 2.24% | 100 | 6 | 1.80% | |
| | | | | | | <u> </u> | |
| Total Town Employment | 7,637 | | 86.91% | 5,559 | | 82.01% | |

Source: Town of Florence Official Statements, Employer Human Resource Departments

Notes:

- Total Town employment is an estimate

Town of Florence, Arizona Table 12 Full-time Equivalent Town Government Employees by Function Last Ten Fiscal Years

| | Function/Program | | | | | | | | | | | |
|--------|------------------|--------|-------------|-------------|-------------|-----------|------------|--------|--|--|--|--|
| Fiscal | General | Public | Highways | Culture and | Community | Water and | | | | | | |
| Year | Government | Safety | and Streets | Recreation | Development | Sewer | Sanitation | Total | | | | |
| | | | | | | | | | | | | |
| 2014 | 30.42 | 76.48 | 20.46 | 22.76 | 5.00 | 14.55 | 1.55 | 171.22 | | | | |
| 2013 | 30.70 | 72.50 | 20.80 | 19.25 | 6.00 | 11.00 | 5.00 | 165.25 | | | | |
| 2012 | 30.70 | 71.50 | 20.30 | 16.25 | 6.00 | 10.50 | 5.00 | 160.25 | | | | |
| 2011 | 28.00 | 65.00 | 30.00 | 15.00 | 6.00 | 14.00 | 5.00 | 163.00 | | | | |
| 2010 | 27.00 | 65.00 | 32.00 | 16.00 | 7.00 | 14.00 | 5.00 | 166.00 | | | | |
| 2009 | 28.00 | 66.00 | 32.00 | 16.00 | 9.00 | 15.00 | 5.00 | 171.00 | | | | |
| 2008 | 20.00 | 66.00 | 32.00 | 14.00 | 9.00 | 15.00 | 5.00 | 161.00 | | | | |
| 2007 | 23.00 | 64.00 | 29.00 | 16.00 | 9.00 | 15.00 | 5.00 | 161.00 | | | | |
| 2006 | 16.00 | 42.00 | 15.00 | 13.00 | 4.00 | 9.00 | 4.00 | 103.00 | | | | |
| 2005 | 14.00 | 36.00 | 15.00 | 13.00 | 2.00 | 9.00 | 4.00 | 93.00 | | | | |

Town of Florence, Arizona Table 13 Operating Indicators by Function Last Ten Fiscal Years

| Function | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|-----------|-----------|---------|---------|---------|---------|
| Police | | | | | | |
| Total arrests | 192 | 202 | 222 | 308 | 400 | 406 |
| Moving violation citations | 419 | 419 | 602 | 981 | 105 | 1,000 |
| Total calls for service | 7,179 | 6,966 | 7,823 | 7,314 | 7,456 | 5,757 |
| Total 911 calls | not avail | not avail | 2,853 | 4,501 | 5,125 | 5,849 |
| Total part I crimes | 358 | 382 | 398 | 430 | 402 | 351 |
| Fire | | | | | | |
| All emergency responses | 1,813 | 1,643 | 1,679 | 1,902 | 2,105 | 2,042 |
| Fire and hazmat responses | 98 | 90 | 119 | 83 | 127 | 108 |
| Emergency medical responses | 1,545 | 1,334 | 1,155 | 1,376 | 1,605 | 1,654 |
| Other responses | 170 | 219 | 405 | 443 | 373 | 280 |
| Highways and Streets | | | | | | |
| Street resurfacing (miles) | 1.90 | 4.30 | 0.67 | 2.50 | 2.90 | 1.40 |
| Potholes repaired (estimate) | 10,637 | 7,240 | 3,824 | 5,968 | 5,094 | 5,730 |
| Streets maintained (miles) | 94.81 | 96.99 | 99.22 | 99.22 | 99.22 | 108.08 |
| Community Development | | | | | | |
| Building permits issued | 631 | 713 | 799 | 703 | 606 | 436 |
| Code enforcement cases | not avail | 38 | 188 | 125 | 126 | 80 |
| Parks, Recreation and Library | | | | | | |
| Attendance at aquatics facilities | 392 | 2,662 | 2,386 | 3,081 | 3,216 | 2,561 |
| Attendance at other facilities | 17,015 | 18,929 | 22,972 | 19,008 | 30,000 | 24,444 |
| Library visits | 119,895 | 147,100 | 113,957 | 119,564 | 154,645 | 130,636 |
| Library materials checked out | 47,746 | 55,975 | 60,922 | 77,756 | 98,114 | 103,277 |
| Sanitation | | | | | | |
| Homes serviced | 2,572 | 1,942 | 2,248 | 2,643 | 2,603 | 3,246 |
| Tons of refuse and garbage hauled | 4,535 | 4,938 | 5,812 | 5,771 | 5,468 | 5,569 |
| Water | | | | | | |
| Water service connections | 3,187 | 3,191 | 3,235 | 3,266 | 3,278 | 3,287 |
| Water consumption (millions gallons/day) | 1.49 | 1.84 | 1.92 | 1.91 | 1.87 | 1.90 |
| Water consumption (millions gallons/year) | 544 | 672 | 701 | 697 | 683 | 694 |
| Sewer | | | | | | |
| Sewer service connections | 3,163 | 3,167 | 3,211 | 3,241 | 3,251 | 3,260 |
| Sewage treated (millions gallons per day) | 1.58 | 1.68 | 1.58 | 1.68 | 2.02 | 2.04 |
| Sewage treated (millions gallons per year) | 577 | 614 | 575 | 613 | 737 | 745 |

| 2011 | 2012 | 2013 | 2014 |
|---------|---------|--------|---------|
| | | | |
| 278 | 264 | 597 | 599 |
| 836 | 701 | 931 | 1,637 |
| 4,996 | 5,450 | 6,341 | 11,429 |
| 5,392 | 5,023 | 5,796 | 1,962 |
| 296 | 214 | 363 | 243 |
| 2,074 | 2,083 | 3,469 | 3,036 |
| 102 | 114 | 133 | 91 |
| 1,239 | 1,290 | 1,941 | 1,900 |
| 733 | 679 | 1,395 | 1,042 |
| 3.40 | _ | 2.00 | 0.50 |
| 2,978 | 4,869 | 6,000 | 6,600 |
| 108.08 | 108.08 | 110.00 | 110.00 |
| 100.00 | 100.00 | 110.00 | 110.00 |
| 465 | 78 | 135 | 337 |
| 43 | 19 | 70 | 23 |
| 2,441 | 2,840 | 1,578 | 5,000 |
| 33,936 | 2,040 | 30,604 | 32,600 |
| 119,254 | 118,121 | 99,943 | 102,623 |
| 65,120 | 60,550 | 60,091 | 67,726 |
| 00,120 | 00,000 | 00,031 | 07,720 |
| 3,446 | 3,519 | 3,400 | 2,967 |
| 5,319 | 5,096 | 5,165 | 4,003 |
| | | | |
| 3,295 | 3,295 | 3,257 | 4,002 |
| 1.98 | 2.04 | 1.37 | 1.71 |
| 723 | 745 | 500 | 624 |
| 3,268 | 3,268 | 3,230 | 3,337 |
| 2.06 | 2.07 | 1.63 | 1.64 |
| 753 | 757 | 594 | 599 |
| | | | |

Town of Florence, Arizona Table 14 Capital Asset Statistics by Function Last Ten Fiscal Years

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------------|-------|-------|-------|---------------|-------|-------|-------|-------|-------|-------|
| Public Safety | | | | | | | | | | |
| Police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1.5 |
| Police vehicles | 26 | 26 | 26 | 29 | 34 | 38 | 41 | 42 | 44 | 48 |
| Fire stations | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire apparatus | 6 | 7 | 6 | 5 | 8 | 8 | 6 | 6 | 7 | 6 |
| Other fire vehicles | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 5 | 5 | 6 |
| Highways and Streets | | | | | | | | | | |
| Street (miles) | 73 | 95 | 97 | 99 | 99 | 99 | 108 | 108 | 108 | 108 |
| Streetlights | 376 | 386 | 680 | 889 | 964 | 985 | 1,039 | 1,039 | 1,060 | 1,060 |
| Traffic signals own | - | - | - | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Traffic signals don't own | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Culture and Recreation | | | | | | | | | | |
| Parks | 6 | 6 | 6 | 7 | 8 | 8 | 8 | 8 | 8 | 8 |
| Parks acreage | 289 | 289 | 289 | 289 | 289 | 289 | 289 | 289 | 289 | 341 |
| Fitness center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Swimming pool-school owned | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Libraries - owned by school | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 45.5 | 45.5 | 45.5 | 45.5 | 45.7 | 45.7 | 45.7 | 45.7 | 45.7 | 45.7 |
| Storm sewers (miles) | 0.3 | 0.3 | 1.5 | 4.7 | 6.8 | 7.2 | 7.5 | 7.8 | 8.4 | 8.4 |
| Treatment capacity | | | | | | | | | | |
| (thousands of gallons) | 1,420 | 1,920 | 1,920 | 1 ,920 | 2,920 | 2,920 | 2,920 | 2,920 | 2,920 | 2,920 |

COMPLIANCE REPORT





HENRY & HORNE, LLP Certified Public Accountants

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

To the Board of Directors Town of Florence Florence, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Florence as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Town of Florence basic financial statements, and have issued our report thereon dated December 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Florence'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 the Town of Florence's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Florence'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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Florence'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.

Henry & Horne LLP

Casa Grande, Arizona December 10, 2014



HENRY & HORNE, LLP Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors Town of Florence Florence, Arizona

Report on Compliance for Each Major Federal Program

We have audited the Town of Florence's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on the Town of Florence's major federal program for the year ended June 30, 2014. Town of Florence's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Town of Florence's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Florence's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town of Florence's compliance.

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Opinion on the Major Federal Program

In our opinion, Town of Florence, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Town of Florence, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Florence's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Florence's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.

Henry & Horne LLP

Casa Grande, Arizona December 10, 2014

TOWN OF FLORENCE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2014

| Grantor/Program | CFDA Number | Grantor's Number | | Expenditures |
|--|----------------|-------------------|--------|--------------|
| U.S. Department of Housing and Urban Development: | | | | |
| Passed through Arizona Department of Housing | | | | |
| Community Development Block Grants/State's program | | | | |
| and Non-Entitement Grants in Hawaii | 14.228 | 111-12 | | \$ 281,329 * |
| U.S. Department of of the Interior | | | | |
| Passed through Arizona State Parks Board | | | | |
| Historic Preservation Fund Grants-In-Aid | 15.904 | 441216/ AZ-12-016 | 5,000 | |
| Historic Preservation Fund Grants-In-Aid | 15.904 | 441311/ AZ-13-011 | 900 | 5,900 |
| Total U.S. Department of the Interior | | | | 5,900 |
| U.S. Department of Justice | | | | |
| Bulletproof Vest Partnership Program | 16.607 | 2012 | 891 | |
| Bulletproof Vest Partnership Program | 16.607 | 2012 | 1,215 | 2,106 |
| · · · · · · · · · · · · · · · · · · · | | 2010 | 1,210 | 2,100 |
| Total U.S. Department of Justice | | | | 2,106 |
| U.S. Department of Transportation | | | | |
| Passed through Arizona Governor's Office of Highway Safety | | | | |
| State and Community Highway Safety | 20.600 | 2013-PT-025 | 2,551 | |
| State and Community Highway Safety | 20.600 | 2014-PT-025 | 2,778 | |
| State and Community Highway Safety | 20.600 | 2014-PT-042 | 22,205 | |
| State and Community Highway Safety | 20.600 | 2014-PT-043 | 9,973 | |
| State and Community Highway Safety | 20.600 | 2014-OP-010 | 893 | |
| State and Community Highway Safety | 20.600 | 2014-OP-018 | 2,500 | 40,900 |
| Minimum Penalties for Repeat Offenders for Driving | | | | |
| While Intoxicated | 20.608 | 2013-164-093 | 51 | |
| Minimum Penalties for Repeat Offenders for Driving | | | | |
| While Intoxicated | 20.608 | 2013-164-094 | 4,585 | 4,636 |
| Passed through Arizona Emergency Response Commision | | | | |
| Interagency Hazardous Materials Public Sector Training | | | | |
| and Planning Grants | 20,703 | 2ES40760 | | 22,867 |
| - | | | | |
| Total U.S. Department of Transportation | | | | 68,403 |
| Executive Office of the President | | | | |
| Passed through City of Tucson | | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | HT-12-2226 | 5,235 | |
| High Intensity Drug Trafficking Areas Program | 95.001 | HT-13-2323 | 54,334 | |
| High Intensity Drug Trafficking Areas Program | 95.001 | HT-14-2326 | 37,280 | 96,849 |
| Total Executive Office of the President | | | | 96,849 |
| U.S. Department of Homeland Security | | | | |
| Staffing for Adequate Fire and Emergency Response (SAFER) | 97.083 | EMW-2013-FH-00406 | | 62,992 |
| Passed through Arizona Department of Homeland Security | | | | |
| Homeland Security Grant Program | 97.067 | 130317-01 | 29,281 | |
| Homeland Security Grant Program | 97.067 | 130317-02 | 15,521 | 44,802 |
| Total U.S. Department of Homeland Security | | | | 107,794 |
| | | | | |
| Total Expenditures of Federal Awards | | | | \$ 562,381 |
| | | | | ÷ 002,001 |

.

*denotes major program

TOWN OF FLORENCE NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS June 30, 2014

NOTE 1 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Florence (District) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2 CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the Catalog of Federal Domestic Assistance.

TOWN OF FLORENCE SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

| Type of auditors' re | port issued: | <u>Unmodified</u> |
|---|---|--------------------------------------|
| Significa | financial reporting: weakness(es) identified? nt deficiency(ies) identified that are idered to be a material weakness(es)? | yes <u>X</u> no yes <u>X</u> none |
| Noncompliance mat | erial to financial statements noted? | yes <u>X</u> no |
| Federal Awards | | |
| Signification | major programs: weakness(es) identified? nt deficiency(ies) indentified that are dered to be a material weakness(es)? | yes <u>X</u> no yes <u>X</u> none |
| Type of auditors' rep program identified | oort issued on compliance for each major below: | <u>Unmodified</u> |
| | sclosed that are required to be reported a section 510(a) of OMB Circular A-133? | yes <u>X</u> no |
| Identification of majo | or programs: | |
| CFDA Numbers 14.228 | Name of Federal Program or Cluster Community Development Block Grants Entitlement Grants in Hawaii | s/State's Program and Non- |
| Dollar threshold use Type B programs: | d to distinguish between Type A and | <u>\$300,000</u> |
| Auditee qualified as | low-risk auditee? | <u>yes X</u> no |



HENRY & HORNE, LLP Certified Public Accountants

The Honorable Mayor and Town Council Town of Florence Florence, AZ

We have audited the financial statements of Town of Florence for the year ended June 30, 2014, and have issued our report thereon dated December 10, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated May 21, 2014, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of Town of Florence. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. However, the standards do not require us to design procedures specifically to identify such matters.

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 Town of Florence are described in Note 1 to the financial statements. No new accounting policies were adopted and application of existing policies was not changed during the year ended June 30, 2014. We noted no transactions entered into by the Town 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.

Tempe 2055 E. Warner Road Suite 101 Tempe, AZ 85284-3487 (480) 839-4900 Fax (480) 839-1749 Scottsdale 7098 E. Cochise Road Suite 100 Scottsdale, AZ 85253-4517 (480) 483-1170 Fax (480) 483-7126 Casa Grande 1115 E. Cottonwood Lane Suite 100 Casa Grande, AZ 85122-2950 (520) 836-8201 Fax (520) 426-9432

www.henryandhorne.com

Town of Florence Page 2

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. Due to the nature of the Town's operations, there are no estimates that are particularly sensitive.

The disclosures in the financial statements 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. Attached is a summary of adjustments made to the financial statements that have been recorded by management. Other than those that are trivial, we did not identify any uncorrected misstatements to the financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' 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 attached copy of the management representation letter dated December 10, 2014.

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 Town's financial statements or a determination of the type of auditors' 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.

Town of Florence Page 3

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 Town'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 Matters

We applied certain limited procedures to the Management's Discussion & Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Other Supplementary Information, which accompany the financial statements but are not RSI. With respect to this supplementary information, 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.

We were not engaged to report on introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Henry & Horne LLP

Casa Grande, Arizona December 10, 2014

Town of Florence

775 N. Main Street P.O. Box 2670 Florence, Arizona 85132

> (520) 868-7500 fax (520) 868-7501 TDD (520) 868-7502 www.florenceaz.gov

December 10, 2014

Casa Grande, AZ 85122

TOWN SERVICES

Building Inspection 868-7556

> Finance 868-7624

Fire 868-7609

Grants 868-7554

Library 868-0788

Municipal Court 868-7514

> Personnel 868-7553

Parks & Recreation 868-4835

Planning and Zoning 868-7540

Police 868-5873

Public Works 868-7620

Senior Center 868-7622

> Town Hall 868-7500

Town Manager's Office 868-7558

> Utility Building 868-7680

Henry & Horne, LLP 1115 E Cottonwood Lane, Suite 100

This representation letter is provided in connection with your audit of the financial statements of Town of Florence, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 10, 2014 the following representations made to you during your audit.

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 21, 2014, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Town's accounts.

- 6) Significant assumptions we used in making accounting estimates are reasonable.
- 7) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 8) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the town is contingently liable, if any, have been properly recorded or disclosed.
- 11) We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Town of Florence or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware
- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have a process to track the status of audit findings and recommendations.

- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) The Town of Florence has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 26) The Town of Florence has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Town of Florence has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 29) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements properly classify all funds and activities, in accordance with GASB Statement (GASBS) No. 34.
- 31) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (non-spendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 40) We have appropriately disclosed the Town of Florence's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 42) With respect to the other supplementary information as listed in the table of contents in the comprehensive annual financial report and schedule of expenditures of federal awards.
 - a) We acknowledge our responsibility for presenting the other supplementary information and schedule of expenditures of federal awards in accordance with accounting principles generally accepted in the United States of America, and we believe the other supplementary information and schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the other supplementary information and schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the other supplementary information and schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

43) With Respect to federal awards programs:

- a) We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to preparation of the schedule of expenditures of federal awards
- b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 §310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with OMB Circular A-133 §310.b. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

- d) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133, and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- I) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments, and OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
- w) We are responsible for preparing and implementing a corrective action plan for each audit finding.
- 44) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance/at the service organizations.

Mira Signature: Title: Finance Director

| Client: | 0407503 - Town of Florence |
|----------------|--|
| Engagement: | 0407503 - Town of Florence |
| Period Ending: | 6/30/2014 |
| Trial Balance: | 05.01 - TB |
| Workpaper: | 05.06 - Adjusting Journal Entry Report |

| Account | Description | Debit | Credit |
|--|--|--|---|
| Adjusting Journal Audit adjustment ti year audit entry 12 010-291000 011-310-110 013-310-110 014-310-110 010-310-110 011-291000 013-291000 014-291000 509-291000 Total | I Entry JE # 101 o correct beginning fund balance due to prior 1 not being made by the Town in the correct FUND BALANCE City Sales Tax City Sales Tax City Sales Tax Building Remodel/Acquisition City Sales Tax FUND BALANCE FUND BALANCE FUND BALANCE FUND BALANCE | 170,412.00 147,357.00 7,857.00 15,198.00 24,000.00 | 170,412.00 147,357.00 7,857.00 15,198.00 24,000.00 364,824.00 |
| Adjusting Journal Reclass entry to Gil activity at year end. 015-596-601 015-596-602 015-597-601 015-597-602 Total | Entry JE # 102 es Note and US Banc Capital lease to net Client does not need to make this entry. Principal Interest Expense Principal Interest | 281,439.00 8,476.00 289,915.00 | 281,439.00 8,476.00 289,915.00 |

1 of 5

| Client: Engagement: Period Ending: Trial Balance: Workpaper: | 0407503 - Town of Florence 0407503 - Town of Florence 6/30/2014 05.01 - TB 05.06 - Adjusting Journal Entry Report | | |
|--|---|--|---|
| Account | Description | Debit | Credit |
| Client entry to po Personal Property 010-120140 010-246100 010-246100 010-310-120 010-310-150 Total Adjusting Journa | INTERGOVERNMENTAL RECEIVABLE INTERGOVERNMENTAL RECEIVABLE Deferred Revenue Deferred Revenue Property Taxes Personal Property Tax | 15,294.00 27,904.00 43,198.00 | 15,221.00 26,640.00 1,264.00 73.00 43,198.00 |
| expenditures into | lass budgeted transfers for internal service seperate internal service expenditure accounts | | |
| 010-102000 | CASH - GENERAL/SPECIAL ACCTS | 7.070.00 | |
| 010-502-290 | FLEET I/S | 7,278.00 | |
| 010-504-290 | FLEET I/S | 6,794.00 79.00 | |
| 010-505-290 | FLEET I/S | 219.00 | |
| 010-510-290 | FLEET I/S | 2,699.00 | |
| 010-511-290 | FLEET I/S | 230,430.00 | |
| 010-515-290 | FLEET I/S | 150,455.00 | |
| 010-519-290 | FLEET I/S | 1,022.00 | |
| 010-521-290 | FLEET I/S | 33,745.00 | |
| 010-529-290 010-530-290 | FLEET I/S | 350.00 | |
| 010-532-290 | FLEET I/S FACILITY I/S | 7,925.00 | |
| 010-551-290 | FLEET I/S | 265,088.00 | |
| 012-102000 | CASH - GENERAL/SPECIAL ACCTS | 45.00 | |
| 012-518-290 | FLEET I/S | 31,032.00 | |
| 022-355-686 | Operating Transfers In | 137,709.00 668,684.00 | |
| 032-355-686 | Operating Transfers In | 373,373.00 | |
| 032-502-290 | FLEET I/S | 13,434.00 | |
| 051-574-290 | FLEET I/S | 39,019.00 | |
| 051-574-291 | FACILITY I/S | 31,464.00 | |
| 052-575-290 | FLEET I/S | 33,155.00 | |
| 052-575-291 053-571-290 | FACILITY I/S | 56,391.00 | |
| 053-571-290 | FLEET I/S FACILITY I/S | 9,417.00 | |
| 010-597-621 | Operating Transfers Out | 31,486.00 | |
| 012-597-621 | Operating Transfers Out | | 706,129.00 |
| 022-102000 | CASH - GENERAL/SPECIAL ACCTS | | 168,741.00 |
| 022-336-444 | FLEET SERVICES FEES | | 2,185.00 |
| 032-102000 | CASH - GENERAL/SPECIAL ACCTS | | 666,499.00 |
| 032-336-444 | FACILITY SERVICE FEES | | 2,379.00 384,428.00 |
| 051-102000 | CASH - GENERAL/SPECIAL ACCTS | | 777.00 |
| 051-597-621 | Operating Transfers Out | | 69,706.00 |
| 052-102000 | CASH - GENERAL/SPECIAL ACCTS | | 1,513.00 |
| | | | |

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| Client: | 0407503 - Town of Florence |
|----------------|--|
| Engagement: | 0407503 - Town of Florence |
| Period Ending: | 6/30/2014 |
| Trial Balance: | 05.01 - TB |
| Workpaper: | 05.06 - Adjusting Journal Entry Report |

| Account | Description | Debit | Credit |
|---------------------------|---|-----------------------|----------------------------|
| 052-597-621 053-102000 | Operating Transfers Out | | 88,033.00 |
| 053-597-621 | CASH - GENERAL/SPECIAL ACCTS | | 31,455.00 |
| Total | Operating Transfer Out. | | 9,448.00 |
| | | 2,131,293.00 | 2,131,293.00 |
| Adjusting Journa | I Entry JE # 105 | | |
| Client entry to reco | ognize changes in governmental capital assets | | |
| during 2014. | | | |
| 998-162000 | BUILDING AND IMPROVEMENTS | 13,210,310.00 | |
| 998-170000 | MACHINERY AND OTHER EQUIPMENT | 1,702,448.00 | |
| 998-161000 | LAND | .,, | 328,362.00 |
| 998-162300 | CIP - LADDER TRUCK/EQUIPMENT | | 1,196,178.00 |
| 998-162400 | CIP - Main St. Handicap Ramps | | 118,799.00 |
| 998-162500 | CIP-Communications Upgrade | | 58,619.00 |
| 998-162800 | CIP PRJT PS04-COMM, UPGRADE'11 | | 1,563,765.00 |
| 998-163000 | A/D BUILDINGS AND STRUCTURES | | 321,013.00 |
| 998-180000 | CIP-LIBRARY MASTER PLAN | | 4,500.00 |
| 998-182000 | CIP-ANTHEM FIRE STATION | | 3,409,823.00 |
| 998-183000 | CIP-ACTIVITY CENTER MASTER PLA | | 4,500.00 |
| 998-184000 | CIP-POLICE EVIDENCE BUILDING | | 1,723,742.00 |
| 998-186000 | CIP-CFD#1 INFRASTRUCTURE | | 450,886.00 |
| 998-187000 | CIP-CFD#2 INFRASTRUCTURE | | 294,933.00 |
| 998-291000 | FUND BALANCE | | 2,313,800.00 |
| 998-296000 otal | CONTRIBUTED CAP - DEVELOPER | | 3,123,838.00 |
| Otai | | 14,912,758.00 | 14,912,758.00 |
| djusting Journal | Entry JE # 106 | | |
| client entry to rever | se duplicated capitalization - JE 66 | | |
| 998-163000 | A/D BUILDINGS AND STRUCTURES | 35 311 00 | |
| 998-170000 | MACHINERY AND OTHER EQUIPMENT | 35,311.00 1,807.00 | |
| 998-291000 | FUND BALANCE | 107,889.00 | |
| 998-2910 00 | FUND BALANCE | 3,121,667.00 | |
| 998-162000 | BUILDING AND IMPROVEMENTS | 0,121,007.00 | 2 102 474 00 |
| 998-173000 | A/D MACHINERY & EQUIP | | 3,123,474.00 143,200.00 |
| otal | | 3,266,674.00 | 3,266,674.00 |
| | | | 0,200,014.00 |

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| Client: | 0407503 - Town of Florence |
|----------------|--|
| Engagement: | 0407503 - Town of Florence |
| Period Ending: | 6/30/2014 |
| Trial Balance: | 05.01 - TB |
| Workpaper: | 05.06 - Adjusting Journal Entry Report |
| Account | Description |

Debit Description Credit Adjusting Journal Entry JE # 107 Client entry to reallocate negative cash JE65. 010-137000 Due from other funds 121.346.00 205-102000 CASH IN BANK-NATIONAL-GENERAL 39,327.00 CASH IN BANK-NATIONAL-GENERAL 223-102000 62,613.00 238-102000 CASH IN BANK-SPECIAL ACCTS 2,200.00 249-102000 CASH - GENERAL/SPECIAL ACCTS 14,200.00 250-102000 CASH IN BANK-SPECIAL ACCTS 2,106.00 252-102000 CASH - GENERAL/SPECIAL ACCTS 900.00 010-102000 CASH - GENERAL/SPECIAL ACCTS 121,346.00 205-261000 Due to other funds 39,327.00 223-261000 Due to other funds 62,613.00 238-261000 Due to other funds 2,200.00 249-261000 Due to other funds 14,200.00 250-261000 Due to other funds 2,106.00 252-261000 Due to other funds 900.00 Total 242,692.00 242,692.00 Adjusting Journal Entry JE # 108 Client adjustments made in the capital asset module which was updated/posted to GL. Conversion error in Caselle. 051-162000 **BUILDING AND STRUCTURES** 702,333.00 053-173000 AID MACHINERY & EQUIP - WATER 2,839.00 051-164000 CIP-PJT U26-Water Storage Tank 8,657.00 051-167000 PRJT U-34 Well #3 Replacement 693,676.00 053-571-629 Depreciation 2,839.00 Total 705,172.00 705,172.00 Adjusting Journal Entry JE # 109 Client entry to corrected automated postings for depreciation 051-163000 A/D BUILDINGS AND STRUCTURES 71,931.00 051-173000 AID MACHINERY & EQUIP - WATER 13,351.00 052-163000 ALLOWANCE FOR DEPRECIATION 218,261.00 052-173000 A/D MACHINERY & EQUIP-SEWER 2,649.00 053-173000 AID MACHINERY & EQUIP - WATER 36,803.00 998-163000 A/D BUILDINGS AND STRUCTURES 1,419,826.00 998-173000 A/D MACHINERY & EQUIP 182,243.00 051-574-629 Depreciation 85,282.00 052-575-629 Depreciation 220,910.00 053-571-629 Depreciation 36,803.00 998-291000 FUND BALANCE 1,602,069.00 Total 1,945,064.00 1,945,064.00



| Client: | 0407503 - Town of Florence |
|----------------|--|
| Engagement: | 0407503 - Town of Florence |
| Period Ending: | 6/30/2014 |
| Trial Balance: | 05.01 - TB |
| Workpaper: | 05.06 - Adjusting Journal Entry Report |

| Account | Description | Debit | Credit |
|---|--|----------------|--------------------|
| Adjusting Journa Client posting Jour | I Entry JE # 110 rnal entry 68 correcting depreciation on disposals | | |
| 998-291000 | FUND BALANCE | 2,839.00 | |
| 998-291000 | FUND BALANCE | 6,344.00 | |
| 998-163000 | A/D BUILDINGS AND STRUCTURES | 0,044.00 | 6 244 0 |
| 998-173000 | A/D MACHINERY & EQUIP | | 6,344.0 2,839.0 |
| Total | | 9,183.00 | 9,183.0 |
| Adjusting Journal | Entry 15 # 144 | | |
| | ect enterprise fund interest revenue and interest | | |
| inearned revenue | incorrectly posted due to interest recieved 60 | | |
| 051-246100 | Deferred Revenue | 0 405 00 | |
| 052-246100 | Deferred Revenue | 9,105.00 | |
| 053-246100 | Deferred Revenue | 7,807.00 | |
| 501-246100 | Deferred Revenue | 1,473.00 | |
| 596-246100 | Deferred Revenue | 41.00 | |
| 597-246100 | Deferred Revenue | 99.00 | |
| 598-246100 | Deferred Revenue | 319.00 9.00 | |
| 599-246100 | Deferred Revenue | 9.00 | |
| 051-345-682 | Interest Earnings | 11.00 | 0.405.0 |
| 052-345-682 | Interest Earnings | | 9,105.0 |
| 053-345-682 | Interest Earnings | | 7,807.0 |
| 501-345-682 | Interest Earning | | 1,473.0 |
| 596-345-682 | Interest Earning | | 41.0 |
| 597-345-682 | Interest Earning | | 99.00 310.00 |
| 598-345-682 | Interest Earning | | 319.0 |
| 599-345-682 | Interest Earning | | 9.00 11.00 |
| otal | | 18,864.00 | 18,864.00 |

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| Client: | 0407503 - Town of Florence |
|----------------|---|
| Engagement: | 0407503 - Town of Florence |
| Period Ending: | 6/30/2014 |
| Trial Balance: | 05.01 - TB |
| Workpaper: | 05.01 - TB 05.07 - GASB Journal Entry Report |

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---------|--|--|
| GASB Journal Entry JE To record beginning capit | | | | |
| 000-1610-000-0 000-1615-000-0 000-1620-000-0 000-1630-000-0 000-2800-000-0 Total | Land Construction in progress Other Capital Assets Accumulated Depreciation - Capital Assets Investment in Capital Assets | | 32,748,908.00 4,016,981.00 56,823,743.00 93,589,632.00 | 22,997,929.00 70,591,703.00 93,589,632.00 |
| GASB Journal Entry JE | # 2 pital assets | | | |
| 000-1610-000-0 000-1615-000-0 000-1620-000-0 000-1-3620-000-000 000-501-501 | Land Construction in progress Other Capital Assets Donation of Capital Assets General Government Capital Expenditures | | 143,491.00 5,701,173.00 3,450,866.00 | 3,640,239.00 231 219.00 |
| 000-510-501 000-511-501 000-518-501 000-521-501 Total | Community Development Capital Expenditure Public Safety Capital Expenditures Streets Capital Expenditures Culture Capital Expenditures | | 9,295,530.00 | 231,219.00 4,270,312.00 858,464.00 295,296.00 9,295,530.00 |

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Credit

328,362.00 9,244,358.00

9,572,720.00

2,554,614.00

2,554,614.00

Debit

81,431.00 9,454,047.00 37,242.00

9,572,720.00

304,357.00 744,629.00 1,442,303.00 63,027.00 298.00

2,554,614.00

| Client: Engagement: Period Ending: Trial Balance: Workpaper: | 0407503 - Town of Florence 0407503 - Town of Florence 6/30/2014 05.01 - TB 05.07 - GASB Journal Entry Report | |
|--|--|---------|
| Account | Description | W/P Ref |
| GASB Journal Entry JE | | |
| To record current year dis | posals and transfer of CIP | |
| 000-00-000-0000-00 000-1620-000-0 000-1630-000-0 000-1610-000-0 000-1615-000-0 Total GASB Journal Entry JE # | Loss on sale of capital assets Other Capital Assets Accumulated Depreciation - Capital Assets Land Construction in progress | |
| 000-01-000-0000-00 000-20-000-0000-00 000-25-000-0000-0 | General government depreciation expense Public Safety depreciation expense Highways & Streets depreciation expense Culture & rec depreciation expense Community Development depreciation expense | |
| Total | Accumulated Depreciation - Capital Assets | |

GASB Journal Entry JE # 5

To record beginning year debt service

| 000-2500-000-0 | Governmental equity | 14.821.771.00 | |
|----------------|--|---------------|---------------|
| 000-2171-200-0 | Certificates of Participation L/T Debt | 14,021,771.00 | |
| 000-2172-200-0 | Special assessment L/T Debt | | 40,000,000,00 |
| 000-2172-250-0 | Premiums | | 13,232,520.00 |
| 000-2173-200-0 | Notes Payable L/T Debt | | 170 000 00 |
| 000-2174-200-0 | Capital leases | | 470,690.00 |
| Total | | | 1,118,561.00 |
| | | 14,821,771.00 | 14,821,771.00 |

12/8/2014 5:14 PM

| Description | | | |
|---|---|---|--|
| | W/P Ref | Debit | Credit |
| 6 | | | |
| activity | | | |
| Special assessment L/T Debt Notes Payable L/T Debt Capital leases Proceeds From Bond Sales BOND PREMIUM Principal L/T Debt Certificates of Participation L/T Debt Special assessment L/T Debt Premiums Notes Payable L/T Debt Capital leases Bonds payable Proceeds From Loan Proceeds Proceeds From Bond Sales 17B | | 524,690.00 41,506.00 273,594.00 1,850,000.00 24,167.00 | 839,790.00 1,850,000.00 24,167.00 |
| | | 2,713,957.00 | 2,713,957.00 |
| 7 Dayable | | | |
| Governmental equity Principal L/T Debt Interest Payable | | 454,107.00 | 53,535.00 400,572.00 |
| | | 454,107.00 | 454,107.00 |
| | activity Special assessment L/T Debt Notes Payable L/T Debt Capital leases Proceeds From Bond Sales BOND PREMIUM Principal L/T Debt Certificates of Participation L/T Debt Special assessment L/T Debt Premiums Notes Payable L/T Debt Capital leases Bonds payable Proceeds From Loan Proceeds From Bond Sales 17B INTEREST- G.O. 7 ayable Governmental equity Principal L/T Debt | activity Special assessment L/T Debt Notes Payable L/T Debt Capital leases Proceeds From Bond Sales BOND PREMIUM Principal L/T Debt Certificates of Participation L/T Debt Special assessment L/T Debt Premiums Notes Payable L/T Debt Capital leases Bonds payable Proceeds From Loan Proceeds Proceeds From Bond Sales 17B INTEREST- G.O. 7 ayable Governmental equity Principal L/T Debt Interest Payable | activity Special assessment L/T Debt Special assessment L/T Debt Capital leases Sproceeds From Bond Sales Special assessment L/T Debt Special assessment L/T Debt Certificates of Participation L/T Debt Special assessment L/T Debt Capital leases Bonds payable Proceeds From Bond Sales 17B INTEREST- G.O. Z,713,957.00 Assumption Covernmental equity Principal L/T Debt Interest Payable Interest Payable |

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12/8/2014 5:14 PM

Credit

| 0407503 - Town of Florence 0407503 - Town of Florence 6/30/2014 05.01 - TB 05.07 - GASB Journal Entry Report Description | |
|---|--|
| | |

| 000-2172-200-0 | Special assessment L/T Debt | | |
|---|--|--------------------------|------------|
| 000-2173-200-0 | Notes Payable L/T Debt | 474,980.00 | |
| 000-2174-200-0 | Capital leases | 43,997.00 | |
| 000-2071-200-0 | Certificates of Participation S/T Debt | 277,586.00 | |
| 000-2072-200-0 | Special assessment S/T Debt | | |
| 000-2073-200-0 | Notes Payable S/T Debt | | 474,980.00 |
| 000-2074-200-0 | Capital leases short term | | 43,997.00 |
| 000-2171-200-0 | Certificates of Participation L/T Debt | | 277,586.00 |
| otal | ocitilicates of Participation DT Debt | | |
| | | 700 500 00 | |
| ASB Journal Entry JE | # 9 | 796,563.00 | 796,563.00 |
| ASB Journal Entry JE precord compensated | # 9 absences, and short term portion. | | 796,563.00 |
| p record compensated | absences, and short term portion. | | 796,563.00 |
| | absences, and short term portion. Compensated Absences | 311,841.00 | 796,563.00 |
| 000-2170-100-0 | absences, and short term portion. Compensated Absences Governmental equity | 311,841.00 452,369.00 | 796,563.00 |
| 000-2170-100-0 000-2500-000-0 | absences, and short term portion. Compensated Absences Governmental equity Compensated absences expense | 311,841.00 | |
| 000-2170-100-0 000-2500-000-0 000-500-000 | absences, and short term portion. Compensated Absences Governmental equity Compensated absences expense Compensated Absences | 311,841.00 452,369.00 | 494,274.00 |
| 000-2170-100-0 000-2500-000-0 000-500-000 000-2170-100-0 | absences, and short term portion. Compensated Absences Governmental equity Compensated absences expense | 311,841.00 452,369.00 | |

W/P Ref

Debit

GASB Journal Entry JE # 10

.

To recognized beginning deferred special assessment revenue.

| 010-246500 541-242000 911-242000 911-243000 | Deferred Revenue-H.Luge Note DEFERRED INCOME-ASSESMENTS DEFERRED INCOME ASSESS AREA 1 DEFERRED INCOME ASSESS AREA 2 | 53,340.00 303,152.00 1,504,104.00 |
|--|--|---|
| 911-243000 | DEFERRED INCOME ASSESS AREA 2 | 294,949.00 |
| 911-244000 | DEFFERED INCOME-UNIT 17A | 277,628.00 |

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| Client: | 0407503 - Town of Florence |
|----------------|-----------------------------------|
| Engagement: | 0407503 - Town of Florence |
| Period Ending: | 6/30/2014 |
| Trial Balance: | 05.01 - TB |
| Workpaper: | 05.07 - GASB Journal Entry Report |

| Account | Description | W/P Ref | Debit | Credit |
|----------------------|--------------------------------------|---------|--------------|--------------|
| 911-246000 | DEFERRED INCOME ASSESS Unit 18 | | 200 500 00 | |
| 911-247000 | DEFER INC ASSESS AREA5 Unit17B | | 308,596.00 | |
| 921-242000 | DEFERRED INCOME-ASSESS AREA 1 | | 189,000.00 | |
| 921-243000 | DEFERRED INCOME AREA 2 UNIT 29 | | 1,608,534.00 | |
| 921-244000 | DEFER INCOME AREA 3 UNIT 40 | | 282,283.00 | |
| 921-245000 | Defer Income Area 4 Unit 20 | | 479,572.00 | |
| 000-2500-000-0 | Governmental equity | | 189,046.00 | |
| 010-246502 | Deferred Rev-SW Amb/RuralMetro | | | 5,490,204.00 |
| otal | | | 5 400 204 00 | |
| | | | 5,490,204.00 | 5,490,204.00 |
| ASB Journal Entry JE | # 11 | | | |
| | deferred special assessment revenue. | | | |
| | | | | |
| 010-246100 | Deferred Revenue | | 33,750.00 | |
| 010-350-684 | Luge Principal (Sale of Asset) | | 2,956.00 | |
| 541-315-701 | PRINCIPAL INCOME | | 43,745.00 | |
| 911-248000 | DEFER INC ASSESS AREA 6 Unit9A | | 287,000.00 | |
| 911-249000 | DEFER INC ASSESS AREA 6 Unit 2 | | 126,144.00 | |
| 911-315-701 | Area 1 - Principal | | 141,536.00 | |
| 911-316-701 | Area 2-54 Principal | | 22,915.00 | |
| 911-317-701 | Area 3-17A Principal | | 18,683,00 | |
| 911-318-701 | Area 4-18 Principal | | 33,576.00 | |
| 911-319-701 | Area 5-17B Principal | | 16,165.00 | |
| 921-246000 | DEFER INCOME AREA 5 UNIT 22A | | 259,135.00 | |
| 921-247000 | DEFER INCOME AREA 5 UNIT 22B | | 294,000.00 | |
| 921-315-701 | PRINCIPAL INCOME | | 139,159.00 | |
| 921-316-701 | PRINCIPAL INCOME | | 21,547.00 | |
| 921-317-701 | PRINCIPAL INCOME | | 57,357.00 | |
| 921-318-701 | PRINCIPAL INCOME | | 3,184.00 | |
| 000-351-000 | Special Assessment income | | 0,104.00 | 126,144.00 |
| 000-351-000 | Special Assessment income | | | 259,135.00 |

259,135.00

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| | Client: | 0407503 - Town of Florence |
|---|----------------|-----------------------------------|
| | Engagement: | 0407503 - Town of Florence |
| | Period Ending: | 6/30/2014 |
| | Trial Balance: | 05.01 - TB |
| | Workpaper: | 05.07 - GASB Journal Entry Report |
| 8 | Account | |

| Account | Description | W/P Ref | Debit | Credit |
|-------------|--------------------------------|---------|--------------|--------------|
| 000-351-000 | Special Assessment income | | | |
| 000-351-000 | Special Assessment income | | | 287,000.00 |
| 010-246500 | Deferred Revenue-H.Luge Note | | | 294,000.00 |
| 010-246502 | Deferred Rev-SW Amb/RuralMetro | | | 2,956.00 |
| 010-350-698 | Miscellaneous Revenue | | | |
| 010-350-698 | Miscellaneous Revenue | | | 33,750.00 |
| 541-242000 | DEFERRED INCOME-ASSESMENTS | | | |
| 911-242000 | DEFERRED INCOME ASSESS AREA 1 | | | 43,745.00 |
| 911-243000 | DEFERRED INCOME ASSESS AREA 2 | | | 141,536.00 |
| 911-244000 | DEFFERED INCOME-UNIT 17A | | | 22,915.00 |
| 911-246000 | DEFERRED INCOME ASSESS Unit 18 | | | 18,683.00 |
| 911-247000 | DEFER INC ASSESS AREA5 Unit17B | | | 33,576.00 |
| 921-242000 | DEFERRED INCOME-ASSESS AREA 1 | | | 16,165.00 |
| 921-243000 | DEFERRED INCOME AREA 2 UNIT 29 | | | 139,159.00 |
| 921-244000 | DEFER INCOME AREA 3 UNIT 40 | | | 21,547.00 |
| 921-245000 | Defer Income Area 4 Unit 20 | | | 57,357.00 |
| Total | Beler medine Alea 4 Onit 20 | | | 3,184.00 |
| | | | 1,500,852.00 | 1,500,852.00 |

GASB Journal Entry JE # 12 To record the beginning deferred interest income as revenue and changes to deferred interest income from prior year.

| 010-246100 | Deferred Revenue | 52,964.00 |
|------------|------------------|-----------|
| 011-246100 | Deferred Revenue | 8.216.00 |
| 012-246100 | Deferred Revenue | 6,022,00 |
| 013-246100 | Deferred Revenue | 61,243.00 |
| 019-246100 | Deferred Revenue | 395.00 |
| 505-246100 | Deferred Revenue | 4,106.00 |
| 911-240100 | Deferred Revenue | 2,110.00 |
| 920-246100 | Deferred Revenue | 1,535.00 |

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 Client:
 0407503 - Town of Florence

 Engagement:
 0407503 - Town of Florence

 Period Ending:
 6/30/2014

 Trial Balance:
 05.01 - TB

 Workpaper:
 05.07 - GASB Journal Entry Report

| Account | Description | W/P Ref | Debit | Credit |
|---|--|---------|------------|--------------------------|
| 921-240100 | Deferred Revenue | | 513.00 | |
| 010-345-682 | Interest Earning | | 010.00 | 52,964.00 |
| 011-345-682 | Interest Earnings | | | 8,216.00 |
| 012-345-682 | Interest Earnings | | | 6,022.00 |
| 013-345-682 | Interest Earnings | | | 61,243.00 |
| 019-345-682 | Interest Earnings | | | 61,243.00 395.00 |
| 505-345-682 | Interest Earning | | | |
| 911-345-682 | INTEREST EARNINGS | | | 4,106.00 2,110.00 |
| 920-345-682 | Interest Earning | | | 2,110.00 |
| 921-345-682 | INTEREST EARNINGS | | | 513.00 |
| Total | | | 137,104.00 | 137,104.00 |
| expenses. | g ISF equity and to eliminate ISF revenue over | | | |
| 010-502-290 | FLEET I/S | | 666,499.00 | |
| 010-532-291 | FACILITY I/S | | 384,428.00 | |
| 022-336-444 | FLEET SERVICES FEES | | 666,499.00 | |
| 032-336-444 | FACILITY SERVICE FEES | | 384,428,00 | |
| | TAGETT SERVICE FEES | | 304.420.00 | |
| 000-2500-000-0 | Governmental equity | | 304,420.00 | |
| 010-502-290 | Governmental equity FLEET I/S | | 364,426.00 | 666,499,00 |
| 010-502-290 010-532-291 | Governmental equity FLEET I/S FACILITY I/S | | 304,420.00 | 666,499.00 384,428.00 |
| 010-502-290 010-532-291 022-291000 | Governmental equity FLEET I/S FACILITY I/S FUND BALANCE | | 304,420.00 | 666,499.00 384,428.00 |
| 010-502-290 010-532-291 022-291000 022-502-208 | Governmental equity FLEET I/S FACILITY I/S FUND BALANCE General Equipment Repair | | 364,420.00 | , |
| 010-502-290 010-532-291 022-291000 022-502-208 032-291000 | Governmental equity FLEET I/S FACILITY I/S FUND BALANCE General Equipment Repair FUND BALANCE | | 364,420.00 | 384,428.00 |
| 010-502-290 010-532-291 022-291000 022-502-208 | Governmental equity FLEET I/S FACILITY I/S FUND BALANCE General Equipment Repair | | 304,420.00 | 384,428.00 |

GASB Journal Entry JE # 14

To reflect consolidation of Internal Service Fund assets and liabilities.

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| Client: | 0407503 - Town of Florence |
|----------------|-----------------------------------|
| Engagement: | 0407503 - Town of Florence |
| Period Ending: | 6/30/2014 |
| Trial Balance: | 05.01 - TB |
| Workpaper: | 05.07 - GASB Journal Entry Report |

| | Account | Description | W/P Ref | Debit | Credit |
|-------|--|--|---------|--|--|
| | 010-102000 010-102000 022-201000 022-231000 032-201000 032-220000 032-231000 010-201000 010-201000 010-220000 010-220000 010-231000 010-231000 022-102000 032-102000 | CASH - GENERAL/SPECIAL ACCTS CASH - GENERAL/SPECIAL ACCTS ACCOUNTS PAYABLE ACCRUED SALARIES & WAGES PAYBL OTHER ACCRUED LIABILITIES ACCOUNTS PAYABLE ACCRUED SALARIES & WAGES PAYBL OTHER ACCRUED LIABILITIES ACCOUNTS PAYABLE ACCOUNTS PAYABLE ACCOUNTS PAYABLE ACCOUNTS PAYABLE ACCRUED SALARIES & WAGES PAYBL ACCRUED SALARIES & WAGES PAYBL Other Liabilities Other Liabilities CASH - GENERAL/SPECIAL ACCTS CASH - GENERAL/SPECIAL ACCTS | | 3,895.00 16,230.00 3,341.00 449.00 105.00 15,462.00 632.00 136.00 | 3,341.00 15,462.00 449.00 632.00 105.00 136.00 3,895.00 16,230.00 |
| Total | | | | 40,250.00 | 40,250.00 |

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| TOWN OF FLORENCE ARIZONA REVOID REVOID REVOID REVOID | TOWN OF FLORENCE COUNCIL ACTION FORM | AGENDA ITEM 6c. |
|---|---|---|
| MEETING DATE: De | ☐ Action ☑ Information Only | |
| DEPARTMENT: Finar | ce | Public Hearing Resolution Ordinance |
| STAFF PRESENTER: | | |
| SUBJECT: Quarterly | Financial Reports | ☐ 1 st Reading ☐ 2 nd Reading ☐ Other |

RECOMMENDED MOTION/ACTION:

Presentation only, no action required.

BACKGROUND/DISCUSSION:

Highlights of the quarterly financial reports for June 30, 2014 (year-end) and September 30, 2014 will be presented. The full reports are attached.

FINANCIAL IMPACT:

None

STAFF RECOMMENDATION:

None

ATTACHMENTS:

Quarterly Financial Report as of June 30, 2014 (Year-End) Quarterly Financial Report as of September 30, 2014

Town of Florence Quarterly Financial Report As of June 30, 2014 (Year-End) (unaudited)

Introduction

The following report highlights the financial results of the Town through the fourth quarter of the fiscal year. The report presents the results of Town revenues, expenditures and fund balances and includes comparison of current year actual figures to the budget and prior year. This report is unaudited. The final audited report (CAFR) for the fiscal year ended June 30, 2014 was completed in December 2014.

Highlights

- Major Town revenues are meeting or exceeding budget expectations and are ahead of the prior year.
 - Sales tax ended 11% ahead of budget expectations and 11% ahead of the prior year.
 - State-shared sales tax ended 1% ahead of budget expectations and 6% ahead of the prior year.
 - State-shared income tax met budget expectations and ended 9% ahead of the prior year.
 - Vehicle license tax ended 6% ahead of budget expectations and 7% ahead of the prior year.
 - Highway user revenue ended 1% lower (-\$9,164) than budget expectations but was 3% (\$44,571) ahead of the prior year.
 - Transportation excise tax ended 7% ahead of budget expectations and the prior year.
- Town expenditures finished within the budget established for fiscal year 2013-14.
- General Fund: Excluding transfers, revenue exceeded budget expectations by 6% or \$676,000 and expenditures were within budget resulting in savings of \$902,000.
- Capital Improvements Fund: Excluding transfers, revenue exceeded budget expectations by 23% or \$276,333. Expenditures were within budget and incomplete project budgets were carried forward to the next fiscal year.
- HURF: Excluding transfers, revenue exceeded budget expectations by 5% or \$121,185 and expenditures were within budget. Of the \$4.5 million capital budget, 4% was expended with many project budgets carried forward to the next fiscal year.
- Water Utility: Fee revenue nearly met budget expectations (98%) and expenditures were within budget. Of the \$4.8 million capital budget, 6% was expended with many project budgets carried forward to the next fiscal year.
- Wastewater Utility: Fee revenue exceeded budget expectations by 2% and expenditures were within budget. Of the \$2.3 million capital budget, 3% was expended with many project budgets carried forward to the next fiscal year.
- Sanitation: Fee revenue exceeded budget expectations by 1% and expenditures were within budget.
- Fund balances are healthy and normal.

Major Revenues

Throughout this section of the finance report, monthly revenue results for the first half of the year is compared to the budget and prior year. An updated estimate (forecast) of the annual revenue based on the results of the first nine months of the year is also presented. In the monthly revenue charts, the light-shaded graph columns represent forecasted amounts.

Sales Tax

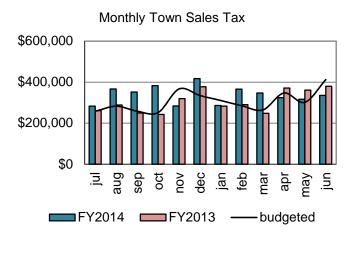
The Town imposes a two percent (2%) transaction privilege tax rate on retail sales and services made within the Town boundaries. This tax is commonly referred to as sales tax. The total tax rate within the Town is 8.7 percent, which also includes the State and Pinal County tax rates. Sales tax revenue supports the Capital Improvements Fund (sales tax on private construction projects), Construction Tax Fund (sales tax on governmental entity

| Sales Tax Rate | | | | | |
|------------------|------|--|--|--|--|
| in Florence | | | | | |
| Town 2.0% | | | | | |
| Pinal County | 1.1% | | | | |
| State of Arizona | 5.6% | | | | |
| Total | 8.7% | | | | |

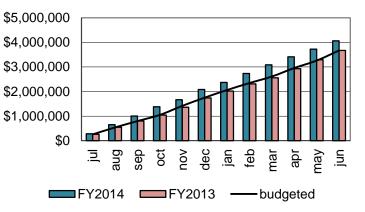
construction projects), Food Tax Fund (sales tax on food for home consumption) and the General Fund (all other sales tax).

| Town Sales Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|-------------------|------------------------|------------------------|----------------------------------|--------------------------------|----------------------|
| Jul | 257,805 | 283,062 | 10% | 8% | 261,190 |
| Aug | 282,510 | 366,237 | 30% | 27% | 288,519 |
| Sep | 258,193 | 351,956 | 36% | 41% | 249,424 |
| Oct | 251,438 | 382,733 | 52% | 58% | 242,296 |
| Nov | 366,601 | 283,804 | -23% | -11% | 319,595 |
| Dec | 334,510 | 416,711 | 25% | 10% | 377,459 |
| Jan | 310,099 | 285,896 | -8% | 1% | 282,981 |
| Feb | 284,460 | 365,454 | 28% | 26% | 289,615 |
| Mar | 264,375 | 346,879 | 31% | 40% | 247,841 |
| Apr | 346,792 | 324,114 | -7% | -13% | 370,700 |
| May | 301,320 | 316,588 | 5% | -12% | 360,747 |
| Jun | 411,896 | 335,109 | -19% | -12% | 379,893 |
| YTD total | 3,670,000 | 4,058,543 | | | 3,670,260 |
| YTD variance | | 388,543 | 11% | 11% | 388,283 |

- The annual budget-projected sales tax revenue is \$3,670,000.
- A total of \$4,058,543 sales tax was collected this fiscal year. This is \$388,543 or 11% greater than the projected amount and \$388,283 greater than the prior year.
- The following two charts show the sales tax collected each month and the monthly cumulative collections, respectively.





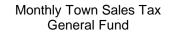


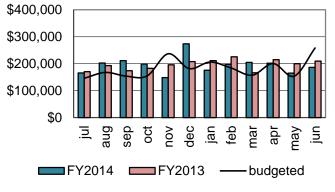
• The table below breaks down the sales tax collected by type. General and sales tax on food and private construction were ahead of projections. Sales tax on government construction was behind projections.

| Town Sales Tax by Type | General | Private Construction | Government Construction | Food | Total |
|---------------------------|-----------|-------------------------|----------------------------|---------|------------|
| Jul | 165,685 | 99,011 | - | 18,366 | 283,062.00 |
| Aug | 202,270 | 141,373 | 7,295 | 15,299 | 366,237.00 |
| Sep | 211,097 | 125,508 | - | 15,351 | 351,956.00 |
| Oct | 198,967 | 152,369 | 9,710 | 21,687 | 382,733.00 |
| Nov | 148,415 | 101,586 | 12,364 | 21,439 | 283,804.00 |
| Dec | 273,764 | 109,348 | 13,336 | 20,263 | 416,711.00 |
| Jan | 175,790 | 71,434 | 11,718 | 26,954 | 285,896.00 |
| Feb | 197,925 | 134,440 | 9,072 | 24,017 | 365,454.00 |
| Mar | 204,585 | 107,358 | 11,549 | 23,387 | 346,879.00 |
| Apr | 201,828 | 92,254 | 5,277 | 24,755 | 324,114 |
| May | 164,802 | 141,278 | 7,279 | 3,229 | 316,588 |
| Jun | 186,446 | 104,210 | 28,009 | 16,444 | 335,109 |
| YTD total | 2,331,574 | 1,380,169 | 115,609 | 231,191 | 4,058,543 |
| forecast (trend) | 2,331,574 | 1,380,169 | 115,609 | 231,191 | 4,058,543 |
| budget | 2,200,000 | 1,100,000 | 160,000 | 210,000 | 3,670,000 |
| proj. variance | 131,574 | 280,169 | (44,391) | 21,191 | 388,543 |

• The following table and charts below show sales tax collected by type by month for the General Fund. Total general sales tax collected was \$2,331,574 and was \$131,574 or 6% ahead of projections; however, was \$19,925 or 1% lower than the prior year.

| General Fund Town Sales Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|-----------------------------------|------------------------|------------------------|-------------------------------|-----------------------------|----------------------|
| Jul | 145,861 | 165,685 | 14% | -3% | 170,394 |
| Aug | 167,489 | 202,270 | 21% | 5% | 193,193 |
| Sep | 153,754 | 211,097 | 37% | 21% | 173,958 |
| Oct | 154,718 | 198,967 | 29% | 9% | 182,790 |
| Nov | 236,783 | 148,415 | -37% | -24% | 195,828 |
| Dec | 181,753 | 273,764 | 51% | 32% | 207,697 |
| Jan | 206,113 | 175,790 | -15% | -17% | 211,330 |
| Feb | 184,033 | 197,925 | 8% | -12% | 225,584 |
| Mar | 157,076 | 204,585 | 30% | 23% | 166,258 |
| Apr | 200,566 | 201,828 | 1% | -6% | 214,675 |
| May | 153,642 | 164,802 | 7% | -18% | 200,311 |
| Jun | 258,212 | 186,446 | -28% | -11% | 209,481 |
| YTD total | 2,200,000 | 2,331,574 | | | 2,351,499 |
| YTD variance | | 131,574 | 6% | -1% | (19,925) |





\$2,500,000 \$2,000,000 \$1,500,000 \$1,000,000 \$500,000 \$0 nov dec jan feb mar jun apr nay Ξ aug oct sep FY2014 FY2013 ----- budgeted

Cumulative Town Sales Tax General Fund

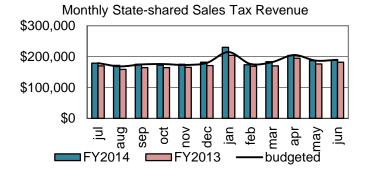
General Fund State-shared Revenue

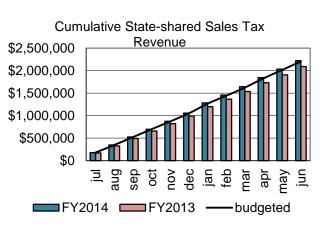
As with all Arizona municipalities, the Town receives certain state revenues based on population. State-shared revenue includes sales tax, income tax and vehicle license tax.

| State-shared Sales Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|---------------------------|---------------------|------------------------|----------------------------------|--------------------------|----------------------|
| Jul | 179,072 | 178,913 | 0% | 5% | 169,848 |
| Aug | 168,470 | 171,410 | 2% | 8% | 158,459 |
| Sep | 174,704 | 175,258 | 0% | 7% | 164,126 |
| Oct | 175,919 | 172,748 | -2% | 5% | 164,560 |
| Nov | 173,089 | 175,336 | 1% | 6% | 165,574 |
| Dec | 179,714 | 181,802 | 1% | 6% | 171,003 |
| Jan | 214,755 | 230,007 | 7% | 13% | 204,387 |
| Feb | 176,353 | 173,797 | -1% | 3% | 169,143 |
| Mar | 182,320 | 183,733 | 1% | 8% | 169,958 |
| Apr | 205,171 | 203,721 | -1% | 4% | 194,972 |
| May | 187,192 | 187,276 | 0% | 6% | 176,160 |
| Jun | 189,745 | 188,723 | -1% | 4% | 181,979 |
| YTD total | 2,206,504 | 2,222,724 | | | 2,090,169 |
| YTD variance | | 16,220 | 1% | 6% | 132,555 |

State-shared Sales Tax

- The annual budget-projected state-shared sales tax revenue is \$2,206,504.
- At year end, the total collected is \$2,222,724. This is \$16,220 or 1% greater than the projected amount and \$132,555 or 6% greater than the prior year.
- The following two charts show the revenue collected each month and the monthly cumulative collections, respectively.



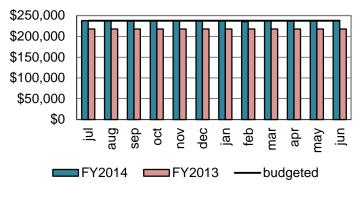


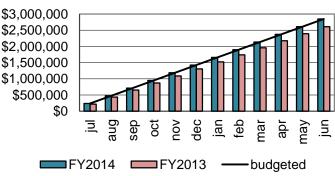
State-shared Income Tax

| State-shared Income Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|----------------------------|---------------------|------------------------|----------------------------------|-----------------------------|----------------------|
| Jul | 237,410 | 237,411 | 0% | 9% | 217,371 |
| Aug | 237,410 | 237,410 | 0% | 9% | 217,370 |
| Sep | 237,410 | 237,411 | 0% | 9% | 217,371 |
| Oct | 237,410 | 237,411 | 0% | 9% | 217,371 |
| Nov | 237,410 | 237,410 | 0% | 9% | 217,370 |
| Dec | 237,410 | 237,411 | 0% | 9% | 217,371 |
| Jan | 237,410 | 237,411 | 0% | 9% | 217,370 |
| Feb | 237,410 | 235,120 | -1% | 8% | 217,371 |
| Mar | 237,410 | 237,329 | 0% | 9% | 217,371 |
| Apr | 237,410 | 237,329 | 0% | 9% | 217,370 |
| May | 237,410 | 237,329 | 0% | 9% | 217,371 |
| Jun | 237,410 | 237,329 | 0% | 9% | 217,371 |
| YTD total | 2,848,920 | 2,846,311 | | | 2,608,448 |
| YTD variance | | (2,609) | 0% | 9% | 237,863 |

- The annual budget-projected state-shared income tax revenue is \$2,848,920.
- At year end, the total collected is \$2,846,311, which is slightly below the projection and \$237,863 or 9% greater than the prior year.
- The following two charts show the revenue collected each month and the monthly cumulative collections, respectively.

Monthly State-shared Income Tax Revenue



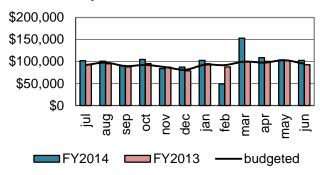


Cumulative State-shared Income Tax Revenue

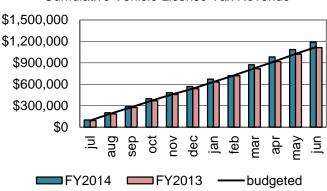
| Vehicle License Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|------------------------|---------------------|------------------------|----------------------------------|--------------------------|----------------------|
| Jul | 92,073 | 101,813 | 11% | 10% | 92,559 |
| Aug | 97,488 | 100,820 | 3% | 6% | 95,039 |
| Sep | 89,623 | 91,075 | 2% | 4% | 87,533 |
| Oct | 92,134 | 104,544 | 13% | 10% | 95,262 |
| Nov | 87,350 | 83,894 | -4% | -4% | 87,229 |
| Dec | 81,298 | 87,289 | 7% | 11% | 78,979 |
| Jan | 92,718 | 102,515 | 11% | 8% | 94,779 |
| Feb | 91,849 | 49,010 | -47% | -44% | 87,624 |
| Mar | 99,733 | 152,919 | 53% | 55% | 98,928 |
| Apr | 97,518 | 108,738 | 12% | 8% | 100,296 |
| May | 102,917 | 103,615 | 1% | 1% | 102,164 |
| Jun | 94,866 | 102,692 | 8% | 11% | 92,604 |
| YTD total | 1,119,567 | 1,188,924 | | | 1,112,996 |
| YTD variance | | 69,357 | 6% | 7% | 75,928 |

Vehicle License Tax

- The annual budget-projected vehicle license tax revenue is \$1,119,567.
- At year end, the total collected is \$1,188,924. This is \$69,357 or 6% greater than the projected amount and \$75,928 or 7% greater than the prior year.
- The following two charts show the revenue collected each month and the monthly cumulative collections, respectively.



Monthly Vehicle License Tax Revenue



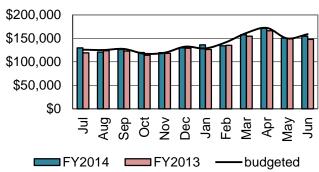
Cumulative Vehicle License Tax Revenue

Highway User Revenue

Highway user revenue is state-shared and in addition to population, highway user revenue distribution is also based on gasoline sales. It consists of tax on gasoline, a portion of the vehicle license tax and other transportation related fees and must be used solely for street and highway purposes. This revenue is recorded in the Highway User Revenue Fund.

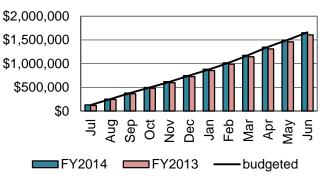
| Highway User Revenue | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|-------------------------|---------------------|------------------------|----------------------------------|--------------------------|----------------------|
| Jul | 125,872 | 129,734 | 3% | 9% | 119,180 |
| Aug | 125,136 | 120,910 | -3% | -2% | 123,491 |
| Sep | 127,443 | 126,382 | -1% | 3% | 122,804 |
| Oct | 117,433 | 119,995 | 2% | 5% | 114,017 |
| Nov | 119,405 | 119,662 | 0% | 1% | 118,209 |
| Dec | 132,302 | 129,846 | -2% | 1% | 129,009 |
| Jan | 128,629 | 136,278 | 6% | 8% | 126,425 |
| Feb | 141,668 | 134,051 | -5% | -1% | 135,220 |
| Mar | 161,334 | 157,603 | -2% | 2% | 154,605 |
| Apr | 172,135 | 171,401 | 0% | 3% | 166,011 |
| May | 149,785 | 150,320 | 0% | 1% | 149,523 |
| Jun | 158,844 | 154,640 | -3% | 5% | 147,757 |
| YTD total | 1,659,986 | 1,650,822 | | | 1,606,251 |
| YTD variance | | (9,164) | -1% | 3% | 44,571 |

- The annual budget-projected highway user revenue is \$1,659,986.
- At year end, the total collected is \$1,650,822, slightly less than the projected amount and \$44,571 or 3% greater than the prior year.
- The following two charts show the revenue collected each month and the monthly cumulative collections, respectively.



Monthly Highway User Revenue



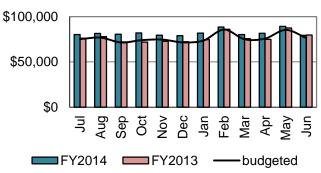


Transportation Excise Tax Revenue

Transportation Excise Tax revenue is revenue that was approved by the voters of Pinal County to be used solely for highway and street purposes. The Town receives a share of the revenue from the County based on population.

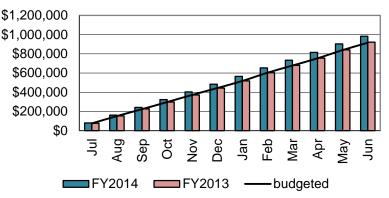
| Transportation Excise Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|------------------------------|---------------------|------------------------|-------------------------------|-----------------------------|----------------------|
| Jul | 75,163 | 80,140 | 7% | 5% | 76,154 |
| Aug | 76,733 | 81,312 | 6% | 4% | 77,885 |
| Sep | 71,418 | 80,420 | 13% | 12% | 71,961 |
| Oct | 73,974 | 81,938 | 11% | 14% | 71,906 |
| Nov | 74,597 | 79,369 | 6% | 9% | 72,725 |
| Dec | 71,533 | 78,997 | 10% | 9% | 72,211 |
| Jan | 73,544 | 81,725 | 11% | 10% | 74,576 |
| Feb | 85,663 | 88,489 | 3% | 3% | 86,004 |
| Mar | 74,943 | 80,070 | 7% | 6% | 75,610 |
| Apr | 75,718 | 81,528 | 8% | 9% | 74,913 |
| May | 85,302 | 89,197 | 5% | 2% | 87,302 |
| Jun | 76,411 | 79,273 | 4% | 0% | 79,559 |
| YTD total | 914,999 | 982,458 | | | 920,806 |
| YTD variance | | 67,459 | 7% | 7% | 61,652 |

- The annual budget-projected transportation excise tax revenue is \$915,000.
- At year end, the total collected is \$982,458. This is \$67,459 or 7% greater than the projected amount and \$61,652 or 7% greater than the prior year.
- The following two charts show the revenue collected each month and the monthly cumulative collections, respectively.



Monthly Transportation Excise Tax



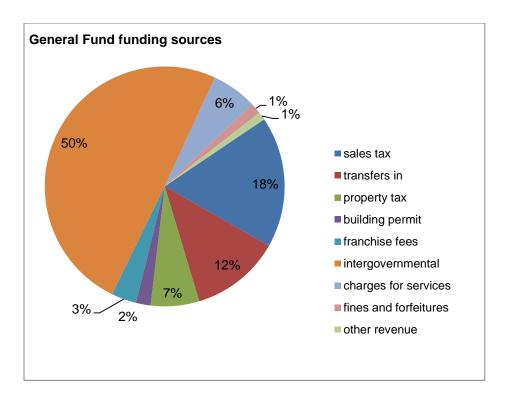


General Fund

The General Fund is the Town's main operating fund accounting for most of the Town's services, including fire and police public safety, culture and recreation, community development and general government administration. The General Fund is primarily supported by local and state-shared taxes.

General Fund Revenue

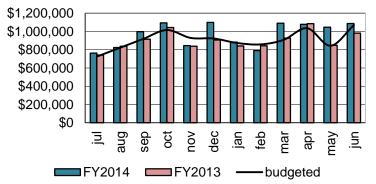
The majority of Town revenue is projected to come from state-shared revenue (50%) and local sales tax (18%). The remainder comes from property tax (7%), building permit fees (2%), franchise fees (3%), charges for services (6%), fines and forfeitures (1%) and other sources (1%).



Major revenues supporting the General Fund are discussed above in the Major Revenue section of this report.

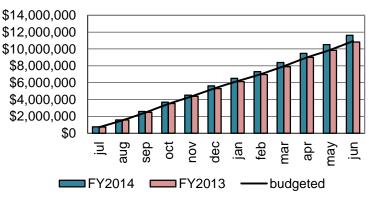
| General Fund Revenue | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|-------------------------|---------------------|------------------------|----------------------------------|-----------------------------|----------------------|
| Jul | 725,773 | 763,649 | 5% | 3% | 742,843 |
| Aug | 822,957 | 824,631 | 0% | -2% | 839,034 |
| Sep | 921,453 | 999,210 | 8% | 9% | 916,847 |
| Oct | 1,016,678 | 1,094,423 | 8% | 5% | 1,044,466 |
| Nov | 930,771 | 846,626 | -9% | 1% | 839,751 |
| Dec | 923,781 | 1,100,092 | 19% | 21% | 908,227 |
| Jan | 874,561 | 884,419 | 1% | 5% | 842,563 |
| Feb | 859,048 | 791,893 | -8% | -8% -6% 844 | |
| Mar | 909,550 | 1,092,004 | 20% | 18% | 927,790 |
| Apr | 1,036,412 | 1,078,537 | 4% | -1% | 1,086,364 |
| May | 844,638 | 1,047,332 | 24% | 23% | 849,475 |
| Jun | 1,071,140 | 1,090,221 | 2% | 11% | 983,412 |
| YTD total | 10,936,762 | 11,613,037 | | | 10,824,999 |
| YTD variance | | 676,275 | 6% | 7% | 788,038 |

- The annual budget-projected General Fund revenue, excluding transfers, is \$10,936,762.
- At year end, the total collected is \$11,613,037. This is \$676,275 or 6% greater than the projected amount and \$788,038 or 7% greater than the prior year.
- The following two charts show the revenue collected each month and the monthly cumulative collections, respectively.



Monthly General Fund Revenue





| General Fund Revenue | budget | current year actual | % received | prior year actual | % change from prior year | \$ diff |
|-------------------------|---------------|------------------------|------------|----------------------|-----------------------------|--------------|
| <u>taxes</u> | | | | | | |
| sales tax | \$ 2,200,000 | \$ 2,331,574 | 106% | \$ 2,351,499 | -1% | \$ (19,925) |
| property tax | 814,526 | 796,588 | 98% | 775,131 | 3% | 21,457 |
| total taxes | 3,014,526 | 3,128,162 | 104% | 3,126,630 | 0% | 1,532 |
| licenses and permits | | | | | | |
| building permit fee | 245,000 | 390,759 | 159% | 345,757 | 13% | 45,002 |
| other licenses/permits | 39,000 | 47,762 | 122% | 43,677 | 9% | 4,085 |
| total licenses/permits | 284,000 | 438,521 | 154% | 389,434 | 13% | 49,087 |
| franchise fees | | | | | | |
| APS franchise fee | 267,000 | 273,968 | 103% | 265,950 | 3% | 8,018 |
| other franchise fees | 153,180 | 280,191 | 183% | 119,641 | 134% | 160,550 |
| total franchise fees | 420,180 | 554,159 | 132% | 385,591 | 44% | 168,568 |
| intergovernmental | | | | | | |
| state-shared sales tax | 2,206,504 | 2,222,724 | 101% | 2,090,169 | 6% | 132,555 |
| state-shared income tax | 2,848,922 | 2,846,311 | 100% | 2,608,448 | 9% | 237,863 |
| vehicle license tax | 1,119,567 | 1,188,924 | 106% | 1,112,996 | 7% | 75,928 |
| total intergovernmental | 6,174,993 | 6,257,959 | 101% | 5,811,613 | 8% | 446,346 |
| charges for services | 765,338 | 728,555 | 95% | 750,594 | -3% | (22,039) |
| fines and forfeitures | 180,410 | 195,685 | 108% | 172,493 | 13% | 23,192 |
| <u>other revenues</u> | 97,315 | 309,996 | 319% | 188,644 | 64% | 121,352 |
| <u>transfers in</u> | 1,507,137 | 1,935,065 | 128% | 1,054,074 | 84% | 880,991 |
| total | \$ 12,443,899 | \$ 13,548,102 | 109% | \$ 11,879,073 | 14% | \$ 1,669,029 |

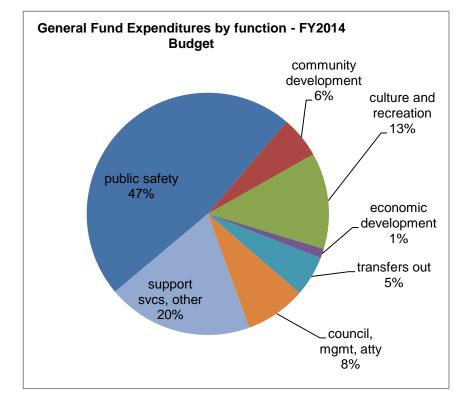
- The table above compares actual current revenue to the budgeted amount and the prior year for each of the major components of the General Fund revenue.
- At year end, the total revenue received, including transfers in, is 109% of the budgeted amount and exceeded the prior year by 14%.

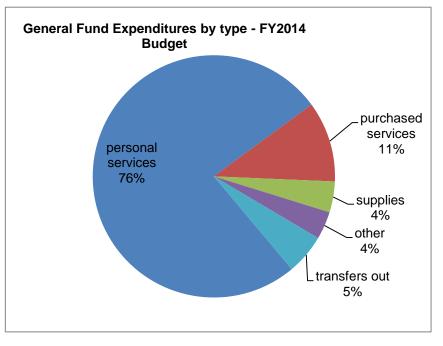
General Fund Expenditures

The General Fund accounts for the majority of the Town's services including, public safety - police and fire/EMS services; culture and recreation - parks maintenance, recreation programs, fitness center, aquatics, special events, senior center and library services; community development; and general government - elected officials, administration, town attorney, courts, finance, information technology and human resources.

By function, expenditures for public safety make up nearly half of the total budget in the General Fund at 47%; 28% is for general government; 13% is for culture and recreation; 6% is for community development, which includes planning, zoning and building inspection; and, 1% for economic development. A total of 5% is transferred to other funds.

By type, expenditures for personal services (employee





salary and benefits) make up 76% of the total General Fund budget. The rest of the General Fund consists of purchased services (non-employee services) -11%; supplies -4%; and other (dues, memberships, training) -4%.

The following table compares current year-to-date actuals to the budget and prior year amounts by department.

| General Fund Expenditures by Department | budget | | current year actual | % expended | % change from prior year | prior year actual |
|---|------------------|----|------------------------|---------------|--------------------------------|----------------------|
| town council | \$ 152,324 | \$ | 105,556 | 69% | -10% | \$ 117,074 |
| administration | 695,304 | | 665,253 | 96% | 19% | 559,693 |
| courts | 278,448 | | 248,078 | 89% | 12% | 221,714 |
| legal services | 255,460 | | 271,745 | 106% | 55% | 175,082 |
| finance | 908,947 | | 815,930 | 90% | 5% | 775,690 |
| human resources | 217,794 | | 220,663 | 101% | 27% | 174,050 |
| community development | 561,700 | | 512,876 | 91% | 20% | 428,890 |
| police | 3,768,703 | | 3,370,809 | 89% | 6% | 3,166,388 |
| fire/EMS | 2,534,446 | | 2,486,390 | 98% | 10% | 2,255,662 |
| information technology | 536,365 | | 525,383 | 98% | 6% | 496,425 |
| parks and recreation | 1,345,340 | | 1,217,832 | 91% | 5% | 1,157,096 |
| library | 367,040 | | 359,449 | 98% | 15% | 311,733 |
| engineering | 176,435 | | 106,145 | 60% | 6% | 99,858 |
| general government | 601,185 | | 614,231 | 102% | 49% | 412,264 |
| cemetery | 25,550 | | 13,396 | 52% | 1% | 13,326 |
| economic development | 167,665 | | 156,971 | 94% | -21% | 197,981 |
| total | \$ 12,592,706 | \$ | 11,690,707 | 93% | 11% | \$ 10,562,926 |

- The General Fund budget, excluding transfers, is \$12,592,706.
- At year end, \$11,690,707 or 93% was expended resulting in \$901,999 in budget savings.
- Most departments came in under budget with the exception of Legal Services, Human Resources and General Government.
 - Expenditures in the Legal Services Department exceeded the budget by \$16,285 because of the additional outside legal services that were necessary to resolve the firefighter social security issue.
 - Expenditures in the Human Resources Department exceeded the budget by \$2,869 due to a change to recording all unemployment expenditures in this department rather than as they were budgeted in other departments.
 - Expenditures in the General Government exceeded the budget by \$13,046 because of costs related to the potential annexation, reallocation of liability insurance costs and payment of past due property taxes and assessments for property that was stricken to the Town due to non-payment of those taxes.
- The following tables summarize the General Fund expenditures by function and type.

| General Fund Expenditures by Function | budget | | urrent year actual | % expended | % change from prior year | prior year actual |
|--|------------------|----|-----------------------|---------------|--------------------------------|----------------------|
| general government | \$ 3,671,377 | \$ | 3,480,235 | 95% | 18% | \$ 2,945,318 |
| public safety | 6,303,149 | | 5,857,199 | 93% | 8% | 5,422,050 |
| community development | 738,135 | | 619,021 | 84% | 17% | 528,748 |
| culture and recreation | 1,712,380 | | 1,577,281 | 92% | 7% | 1,468,829 |
| economic development | 167,665 | | 156,971 | 94% | -21% | 197,981 |
| total | \$ 12,592,706 | \$ | 11,690,707 | 93% | 11% | \$ 10,562,926 |

| General Fund Expenditures by Type | budget | current year actual | % expended | % change from prior year | prior year actual |
|--------------------------------------|---------------|------------------------|---------------|--------------------------------|----------------------|
| salaries and benefits | \$ 10,191,461 | \$ 9,445,388 | 93% | 13% | \$ 8,349,582 |
| purchased services | 1,336,887 | 1,338,152 | 100% | 20% | 1,118,219 |
| supplies | 570,591 | 570,217 | 100% | -23% | 739,825 |
| other | 493,767 | 336,950 | 68% | -5% | 355,300 |
| total | \$ 12,592,706 | \$ 11,690,707 | 93% | 11% | \$ 10,562,926 |

Highway User Revenue Fund

The Highway User Revenue Fund (HURF) accounts for operation, maintenance and capital expenditures of Town streets and highways (public works). HURF is primarily supported by state-shared highway user revenue and transportation excise tax received from Pinal County. These revenues must be used on street and highway expenditures.

Revenue

| HURF Revenue | budget | current year actual | % received | % change from prior year | prior year actual |
|---------------------------|-------------|------------------------|------------|-----------------------------|----------------------|
| highway user revenue | \$1,659,987 | \$ 1,650,822 | 99% | 3% | \$ 1,606,251 |
| transportation excise tax | 915,000 | 982,458 | 107% | 7% | 920,806 |
| other revenues | 17,000 | 79,892 | 470% | 71% | 46,656 |
| transfers in | 9,750 | 19,500 | 200% | 540% | 3,046 |
| total | \$2,601,737 | \$ 2,732,672 | 105% | 6% | \$ 2,576,759 |

- At year end, fund revenue exceeded budget expectations by \$130,935 or 5% and is \$155,913 or 6% greater than the prior year.
- Highway user revenue and transportation excise tax are explained and discussed in more detail in the major revenue section earlier in this report.

| HURF Expenditures | budget | С | urrent year actual | % expended | % change from prior year | prior year actual |
|----------------------|-----------------|----|-----------------------|------------|-----------------------------|----------------------|
| personal services | \$ 1,272,506 | \$ | 1,088,369 | 86% | -4% | \$ 1,130,939 |
| purchased services | 251,200 | | 268,553 | 107% | 8% | 248,882 |
| supplies | 423,400 | | 212,573 | 50% | 2% | 208,997 |
| capital outlay | 4,525,000 | | 192,903 | 4% | -17% | 231,081 |
| other | 5,080 | | 2,820 | 56% | 18% | 2,400 |
| total | \$ 6,477,186 | \$ | 1,765,218 | 27% | -3% | \$ 1,822,299 |

Expenditures

- Only 27% of the budget is expended because capital outlay, the largest component of expenditures, is only 4% expended.
- Excluding capital outlay, \$1,572,315 was expended out of a budget of \$1,952,186 resulting in only 81% of the budget being expended and \$379,871 in budget savings.
- Budgeted capital outlay, in the amount of \$2,290,700, was carried forward to FY2014/15.

| HURF Capital Outlay Expenditures | budget | current year actual | % expended |
|---|--------------|------------------------|------------|
| equipment: | | | |
| backhoe attachments | \$ 25,000 | \$- | 0% |
| streets and highways: | | | |
| Adamsville (Main to Central) | 1,600,000 | - | 0% |
| Florence Gardens street improvements | 40,000 | - | 0% |
| State Highways 79B and 287 intersection improvements | 250,000 | 46,469 | 19% |
| Diversion Dam Road improvements | 1,575,000 | 58,866 | 4% |
| Street signalization | 150,000 | 22,732 | 15% |
| Felix Road milling and paving from Hiller to Heritage | 450,000 | - | 0% |
| Pinal Street drainage improvements from Butte to Ruggles | 125,000 | - | 0% |
| Hunt Highway overlay to County line | 110,000 | 45,325 | 41% |
| Butte Avenue pavement sealing from Hwy 79A to Diffin Road | 175,000 | - | 0% |
| Offsite driveway improvements at Fire Station #2 | - | 19,511 | |
| Stormwater master plan | 25,000 | - | 0% |
| total streets and highways | 4,500,000 | 192,903 | 4% |
| total | \$ 4,525,000 | \$ 192,903 | 4% |

Capital Improvement Fund

The Capital Improvement Fund (CIP) accounts for many of the Town capital projects including buildings and building improvements, park improvements, land acquisitions and equipment. Expenditures not included in the Capital Improvement Fund are those related to streets and highways, which are accounted for in the Highway User Revenue Fund. The Capital Improvement Fund is primarily supported by construction-related sales tax.

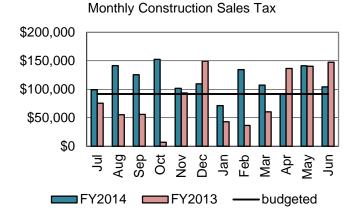
Revenue

| Capital Projects Fund Revenue | budget | С | urrent year actual | % received | % change from prior year | prior year actual |
|----------------------------------|-----------------|----|-----------------------|------------|--------------------------|----------------------|
| private construction tax | \$ 1,100,000 | \$ | 1,380,169 | 125% | 38% | \$ 1,000,661 |
| other revenues | 80,000 | | 76,164 | 95% | 51% | 50,287 |
| total | \$ 1,180,000 | \$ | 1,456,333 | 123% | 39% | \$ 1,050,948 |

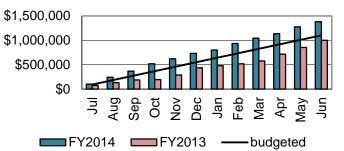
- The annual budget-projected Capital Projects Fund revenue is \$1,180,000.
- At year end, the total revenue is \$1,456,333. This is \$276,333 or 23% greater than the projected amount and \$405,385 or 39% greater than the prior year.

| Private Construction Sales Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|--------------------------------------|---------------------|------------------------|----------------------------------|-----------------------------|----------------------|
| Jul | 91,667 | 99,011 | 8% | 31% | 75,460 |
| Aug | 91,667 | 141,373 | 54% | 155% | 55,345 |
| Sep | 91,667 | 125,508 | 37% | 124% | 55,999 |
| Oct | 91,667 | 152,369 | 66% | 2038% | 7,126 |
| Nov | 91,667 | 101,586 | 11% | 9% | 93,389 |
| Dec | 91,667 | 109,348 | 19% | -27% | 149,281 |
| Jan | 91,667 | 71,434 | -22% | 66% | 42,910 |
| Feb | 91,667 | 134,440 | 47% | 267% | 36,591 |
| Mar | 91,667 | 107,358 | 17% | 78% | 60,263 |
| Apr | 91,667 | 92,254 | 1% | -32% | 136,553 |
| Мау | 91,667 | 141,278 | 54% | 1% | 140,387 |
| Jun | 91,667 | 104,210 | 14% | -29% | 147,357 |
| YTD total | 1,100,004 | 1,380,169 | | | 1,000,661 |
| YTD variance | | 280,165 | 25% | 38% | 379,508 |

- The major revenue of this fund, private construction tax, is \$280,165 or 25% greater than the budgeted amount and \$379,508 or 38% greater than the prior year.
- The following two charts show the revenue collected each month and the monthly cumulative collections, respectively.



Cumulative Construction Sales Tax



Expenditures

• At year end, as illustrated in the table below, 66% or \$3,377,883 of the \$5,087,412 budget is expended. Many of the unfinished projects were carried forward to FY 2014/15.

| Capital Projects Fund Expenditures | budget | current year actual | % expended |
|--|-------------|------------------------|------------|
| Police | | | |
| security camera system upgrade | 35,00 | 00 13,945 | 40% |
| 911 ops tower | - | 20,482 | |
| Anthem substation FFE | 15,00 | | 94% |
| | 50,00 | | 97% |
| Fire/EMS | | -, | |
| heart monitors/defibrilator replacements | 100,00 | 99,845 | 100% |
| patient care reporting system | 35,00 | | 96% |
| SCBAs/turnouts | 73,50 | | 62% |
| voice amplifiers | 35,00 | | 0% |
| Anthem substation FFE | 15,00 | | 90% |
| firetruck | 1,151,55 | | 104% |
| | 1,410,06 | | 99% |
| Parks and Recreation | , , , , , , | , , . | |
| parks - 3 barbecue and 5 water closets for parks | 4,50 | - 00 | 0% |
| Fitness Center - improvements | - | 3,888 | |
| Aero Modeler Park improvements | 6,00 | | 100% |
| Bailey Street Community Park improvements | - | - | |
| downtown park improvements | - | - | |
| mower/bunker rake/ATV | 29,00 | 24,989 | 86% |
| scoreboards for ball parks | 44,00 | | 21% |
| Main Street playground equipment | 125,00 | | 120% |
| Padilla Park improvements | 350,00 | | 31% |
| softball field #3 lighting | 100,00 | | 0% |
| land acquisition | - | - | |
| | 658,50 | 302,734 | 46% |
| Public Works | | · | |
| tractor | 30,00 | - 00 | 0% |
| crosswalk improvements | 240,00 | | 98% |
| neighborhood lighting project | 500,00 | | 0% |
| | 770,00 | | 31% |
| General Government | | - | |
| computers and printers | 67,60 | 55,259 | 82% |
| council meeting agenda system | - | 7,550 | |
| utility acquisition | - | 182,307 | |
| wireless interconnection redundancy upgrade | 157,65 | | 32% |
| | 225,25 | | 131% |

| Capital Projects Fund Expenditures (cont.) | budget | current year actual | % expended |
|--|------------------|------------------------|-------------------|
| Facilities | | | |
| Town Hall - paint exterior | 21,700 | 19,500 | 90% |
| land acquisition | 500,000 | 298,569 | 60% |
| Territory Square CLOMR/LOMR and site work | 600,000 | 478,386 | 80% |
| Police Station improvements | 248,500 | 30,893 | 12% |
| Fire Station - patch bay floors | 240,300 6,000 | | 0% |
| Public Works building improvements | 30,000 | 5,040 | 078 17% |
| Fitness Center - replace 3 HVAC units | 24,000 | - 3,040 | 0% |
| Heritage Park - new roof | 24,000 5,000 | 573 | 0 <i>%</i> 11% |
| Heritage Park - concession area cooler | 1,200 | 209 | 17% |
| Senior Center - replace 2 HVAC units | 18,000 | - | 0% |
| Senior Center - repair restroom floors and sinks | 9,200 | _ | 0% |
| Town facilities maintenance | 100,000 | _ | 0% |
| Fire Station, Fitness Center, Silver King Marketplace - roof repai | , | 22,398 | 43% |
| Town Hall - HVAC rebalancing | 15,000 | 4,923 | 33% |
| relocate temporary fire station structure | - | 31,403 | 0070 |
| Town Hall - administration conference room expansion | 16,200 | 12,635 | 78% |
| Roadway for fueling facility - as built survey | - | 3,300 | 1070 |
| Brunekant stabilization, rehabilitation | 250,000 | 184,701 | 74% |
| , | 1,897,100 | 1,092,530 | 58% |
| Fleet | .,, | .,, | 00,0 |
| 4 floor jacks | 8,000 | - | 0% |
| 2 battery chargers | 2,000 | 2,749 | 137% |
| AC recovery/recycling/recharge system | 12,000 | 4,238 | 35% |
| all-inclusing diagnostics system | 23,500 | 3,912 | 17% |
| heavy-duty transmission fluid system | 19,000 | - | 0% |
| coolant recovery system | 5,500 | 2,499 | 45% |
| lift jack | 6,500 | _, | 0% |
| , | 76,500 | 13,398 | 18% |
| total | \$ 5,087,412 | \$ 3,377,883 | 66% |

Water Utility Fund

The Water Utility Fund accounts for water utility operations, maintenance and capital projects and is primarily supported by water utility usage fees.

Revenue

| Water Utility Revenue | budget | С | urrent year actual | % received | % change from prior year | prior year actual |
|--------------------------|-----------------|----|-----------------------|------------|--------------------------|----------------------|
| water utility fees | \$ 2,885,100 | \$ | 2,841,569 | 98% | 5% | \$ 2,694,369 |
| other revenues | 77,000 | | 100,397 | 130% | -77% | 440,174 |
| total | \$ 2,962,100 | \$ | 2,941,966 | 99% | -6% | \$ 3,134,543 |

- At year end, 99% of the total budgeted revenue amount was received and was 6% less than the prior year.
- The decrease in total revenue was the result of a transfer in of \$348,000 from CDBG funds; whereas, water utility fee revenue was 5% or \$147,200 greater than the prior year.

| Water Utility Expenditures | budget | | urrent year actual | % expended | % change from prior year | prior year actual |
|-------------------------------|-----------------|----|-----------------------|------------|--------------------------|----------------------|
| personal services | \$ 491,400 | \$ | 384,092 | 78% | 22% | \$ 314,486 |
| purchased services | 586,250 | | 429,317 | 73% | 19% | 361,222 |
| supplies | 146,900 | | 98,727 | 67% | 7% | 92,584 |
| capital outlay | 4,836,000 | | 297,075 | 6% | | - |
| other | 450,053 | | 413,974 | 92% | -1% | 418,052 |
| total | \$ 6,510,603 | \$ | 1,623,185 | 25% | 37% | \$ 1,186,344 |

- Only 25% of the budget was expended because capital outlay, the largest component of expenditures, was only 6% expended.
- Excluding capital outlay, \$1,326,110 was expended out of a budget of \$1,674,603 resulting in 79% of the budget being expended and \$348,493 in budget savings.
- Budgeted capital outlay, in the amount of \$3,449,900, was carried forward to FY2014/15.

| Water Utility Capital Outlay Expenditures | budget | С | urrent year actual | % expended |
|---|-----------------|----|-----------------------|------------|
| | | | | |
| new well in North Florence | \$ 45,000 | \$ | 10,415 | 23% |
| relocation of water line at INS Admin Building | 110,000 | | - | 0% |
| water storage tank at Florence Gardens | 1,400,000 | | 80,543 | 6% |
| fire hydrant replacements | 60,000 | | 61,739 | 103% |
| replace well #3 | 235,000 | | 17,936 | 8% |
| water valve replacements | 105,000 | | 38,606 | 37% |
| water line replacement on Main Street | 92,000 | | - | 0% |
| 4" and under water line replacements in various locations | 400,000 | | 1,930 | 0% |
| fire hydrant system replacement in downtown | 35,000 | | - | 0% |
| water line replacement from Main Street to Centennial and 20th Street to high school | 438,000 | | - | 0% |
| loop system to storage tank for North Florence main supply | 105,000 | | - | 0% |
| water line extension from well #5 to well # 4 along Willow | 918,000 | | 39,735 | 4% |
| water line from well #3 and well #4 supply site to Bowling Road | 70,000 | | - | 0% |
| water line extension from Butte to Ruggles with loop to Granite | 783,000 | | 46,171 | 6% |
| VFDs on booster pumps | 40,000 | | - | 0% |
| total | \$ 4,836,000 | \$ | 297,075 | 6% |

Wastewater Utility Fund

The Wastewater Utility Fund accounts for wastewater (sewer) utility operations, maintenance and capital projects and is primarily supported by wastewater utility usage fees.

Revenue

| Wastewater Utility Revenue | budget | с | current year actual % received | | % change from prior vear | prior year actual |
|-------------------------------|-----------------|--------------|-----------------------------------|------|--------------------------------|----------------------|
| wastewater fees | \$ 3,751,652 | \$ | 3,829,936 | 102% | 8% | \$ 3,536,086 |
| loan proceeds | 870,000 | | - | 0% | 0% | - |
| other revenues | 70,000 | 79,002 | | 113% | -3% | 81,037 |
| total | \$ 4,691,652 | \$ 3,908,938 | | 83% | 8% | \$ 3,617,123 |

- At year end, 83% of the total budgeted revenue amount was received.
- Wastewater utility fee revenue was \$78,284 or 2% greater than the budgeted amount and \$293,850 or 8% greater than the prior year.

| Wastewater Utility Expenditures | budget | current year actual | | % expended | % change from prior year | prior year actual |
|------------------------------------|-----------------|------------------------|-----------|---------------|--------------------------------|----------------------|
| personal services | \$ 616,000 | \$ | 535,443 | 87% | 73% | \$ 309,954 |
| purchased services | 1,021,110 | | 890,682 | 87% | 7% | 834,183 |
| supplies | 179,100 | | 149,214 | 83% | 12% | 133,414 |
| capital outlay | 2,314,500 | | 59,875 | 3% | 0% | - |
| other | 29,600 | | 67,028 | 226% | 275% | 17,897 |
| debt service | 620,562 | | 582,793 | 94% | 0% | 581,758 |
| total | \$ 4,780,872 | \$ | 2,285,035 | 48% | 22% | \$ 1,877,206 |

Expenditures

- Only 48% of the budget is expended because capital outlay, the largest component of expenditures, is only 3% expended.
- Excluding capital outlay, \$2,225,160 was expended out of a budget of \$2,466,372 resulting in 90% of the budget being expended and \$241,212 in budget savings.
- Budgeted capital outlay, in the amount of \$1,232,600, was carried forward to FY2014/15.

| Wastewater Utility Capital Outlay Expenditures | budget | current year actual | % expended |
|---|-----------------|------------------------|------------|
| | | | |
| sewer main extension and replacement as needed | \$ 400,000 | - | 0% |
| Florence wastewater treatment plant (WWTP) expansion | 525,000 | 11,514 | 2% |
| 18" sewer bore across SH79 at Hunt Highway | 100,000 | - | 0% |
| sewer line extension to expand North Florence WWTP capacity | 30,000 | - | 0% |
| polishing lagoons and berm reconstruction at WWTP | 214,000 | - | 0% |
| office lab space at WWTP | 288,000 | 7,414 | 3% |
| office space renovation at WWTP | 57,500 | - | 0% |
| expand effluent discharge system | 700,000 | 40,947 | 6% |
| total | \$ 2,314,500 | \$ 59,875 | 3% |

Sanitation Utility Fund

The Sanitation Utility Fund accounts for sanitation utility operations, maintenance and capital projects and is primarily supported by sanitation utility usage fees.

| Sonitation Povonuo | | budget | | urrent year | % received | % obongo | prior year | |
|--------------------|----|---------|----|-------------|------------|----------|-----------------|--|
| Sanitation Revenue | | budget | | actual | % received | % change | actual | |
| sanitation fees | \$ | 669,090 | \$ | 676,596 | 101% | -38% | \$ 1,087,441 | |
| other revenues | | 314,000 | | 43,041 | 14% | 27% | 33,966 | |
| total | \$ | 983,090 | \$ | 719,637 | 73% | -36% | \$ 1,121,407 | |

Sanitation Utility Fund Revenue

- Sanitation utility fee revenue exceeded expectations with 101% received.
- At year end, fees were 38% lower than the prior year due to a reduction in the fee amount with the switch to contracted trash pickup services.

Sanitation Utility Fund Expenditures

| Sanitation Expenditures | budget | С | urrent year actual | % expended | % change | prior year actual | | |
|----------------------------|---------------|------------|-----------------------|---------------|----------|----------------------|---------|--|
| personal services | \$ 96,900 | \$ | 86,753 | 90% | -70% | \$ | 284,992 | |
| purchased services | 660,695 | | 621,821 | 94% | 156% | | 242,620 | |
| supplies | 1,800 | | 3,639 | 202% | -94% | | 62,104 | |
| total | \$ 759,395 | \$ 712,213 | | 94% | 21% | \$ | 589,716 | |

At year end, \$712,213 was expended out of a budget of \$759,395 resulting in 94% of the • budget being expended and \$47,182 in budget savings.

Development Impact Fee Funds

Development Impact Fee Funds account for the various development impact fees the Town collects to offset the impact (increased services/expenditures) of growth from new development. These fees are collected upon the issuance of a building permit for new residential units and new commercial construction.

In order to establish development impact fees, the Town is required by state statute to complete land use assumptions and an infrastructure improvement plan upon which to base the impact fees for each service facility.

Currently, the Town collects development impact fees for police, fire/ems, transportation, parks and open space, water and sewer. Development impact fees used to be collected for general government and sanitation until Jan. 1, 2012, when the state legislature passed a bill prohibiting the collection of such fees.

| Summary of Collection and Use of | | | | | | |
|---|--------------|--------------|------------|------------|-------------|-------------|
| Development Impact Fees | General G | overnment | Ро | lice | Fire | /EMS |
| | budget | actual | budget | actual | budget | actual |
| Sources | | | | | | |
| Development Fees Collected | \$- | \$- | \$ 146,798 | \$ 110,634 | \$ 199,778 | \$ 122,656 |
| Interest Earnings | 2,000 | 10,543 | 100 | 3,932 | 2,000 | 5,604 |
| Loan Proceeds | - | - | - | - | - | - |
| Transfers In | - | - | - | - | 1,444,827 | 1,444,827 |
| Total Sources | 2,000 | 10,543 | 146,898 | 114,566 | 1,646,605 | 1,573,087 |
| Uses | | | | | | |
| Capital Improvement Projects - DIF funded | - | - | 127,300 | 127,300 | 3,019,244 | 3,018,792 |
| Debt Service | - | - | - | - | - | - |
| Professional Services - DIF Revisions | - | 233 | - | 233 | - | 233 |
| Professional Services - CIP-related | - | - | - | - | - | - |
| Transfers Out | - | - | 149,078 | 149,078 | - | - |
| Total Uses | - | 233 | 276,378 | 276,611 | 3,019,244 | 3,019,025 |
| Net Increase (Decrease) | 2,000 | 10,310 | (129,480) | (162,045) | (1,372,639) | (1,445,938) |
| Beginning Balance - July 1, 2013 | 1,211,952 | 1,206,996 | 447,729 | 354,107 | 1,761,633 | 1,789,931 |
| Ending Balance - June 30, 2014 | \$ 1,213,952 | \$ 1,217,306 | \$ 318,249 | \$ 192,062 | \$ 388,994 | \$ 343,993 |

The following tables summarize the collection, use and balances of these impact fees.

| Summary of Collection and Use of | | | | | | | | | |
|---|---------------|------|---------|---------------|------|----------|---------------|------|---------|
| Development Impact Fees | Transpo | orta | tion | Parks/Op | en | Space | Lib | rary | , |
| | budget | | actual | budget | | actual | budget | | actual |
| Sources | | | | | | | | | |
| Development Fees Collected | \$ 268,403 | \$ | 93,883 | \$ 227,960 | \$ | 56,265 | \$ 20,806 | \$ | 17,458 |
| Interest Earnings | 1,000 | | 5,949 | 2,000 | | 10,680 | 1,000 | | 6,902 |
| Loan Proceeds | - | | - | - | | - | - | | - |
| Transfers In | - | | - | - | | - | - | | - |
| Total Sources | 269,403 | | 99,832 | 229,960 | | 66,945 | 21,806 | | 24,360 |
| Uses | | | | | | | | | |
| Capital Improvement Projects - DIF funded | - | | - | 1,181,677 | | - | - | | - |
| Debt Service | - | | - | - | | - | - | | - |
| Professional Services - DIF Revisions | - | | 233 | - | | 233 | - | | 233 |
| Professional Services - CIP-related | 846,747 | | - | - | | - | 500,000 | | - |
| Transfers Out | - | | - | - | | - | - | | - |
| Total Uses | 846,747 | | 233 | 1,181,677 | | 233 | 500,000 | | 233 |
| Net Increase (Decrease) | (577,344) | | 99,599 | (951,717) | | 66,712 | (478,194) | | 24,127 |
| Beginning Balance - July 1, 2013 | 644,119 | | 667,966 | 1,198,948 | 1 | ,212,950 | 794,246 | | 791,178 |
| Ending Balance - June 30, 2014 | \$ 66,775 | \$ | 767,565 | \$ 247,231 | \$ 1 | ,279,662 | \$ 316,052 | \$ | 815,305 |

| Summary of Collection and Use of | | | | | | | | | | | |
|---|----|-------|------|---------|---------------|-----|---------|----|----------|-------|--------|
| Development Impact Fees | | Wa | ater | | Sev | ver | | | Sanit | tatio | on |
| | b | udget | | actual | budget | | actual | - | budget | | actual |
| Sources | | | | | | | | | | | |
| Development Fees Collected | \$ | 7,920 | \$ | - | \$ 8,560 | \$ | - | \$ | - | \$ | - |
| Interest Earnings | | - | | 928 | 1,000 | | 3,129 | | - | | 490 |
| Loan Proceeds | | - | | - | - | | - | | - | | - |
| Transfers In | | - | | - | - | | - | | - | | - |
| Total Sources | | 7,920 | | 928 | 9,560 | | 3,129 | | - | | 490 |
| Uses | | | | | | | | | | | |
| Capital Improvement Projects - DIF funded | | - | | - | - | | - | | 43,675 | | - |
| Debt Service | | - | | - | - | | - | | - | | - |
| Professional Services - DIF Revisions | | - | | 233 | - | | 233 | | - | | - |
| Professional Services - CIP-related | | - | | - | - | | - | | - | | - |
| Transfers Out | | - | | - | - | | - | | - | | - |
| Total Uses | | - | | 233 | - | | 233 | | 43,675 | | - |
| Net Increase (Decrease) | | 7,920 | | 695 | 9,560 | | 2,896 | | (43,675) | | 490 |
| Beginning Balance - July 1, 2013 | | 1,194 | | 110,203 | 340,935 | | 356,012 | | 43,675 | | 45,317 |
| Ending Balance - June 30, 2014 | \$ | 9,114 | \$ | 110,898 | \$ 350,495 | \$ | 358,908 | \$ | - | \$ | 45,807 |

| Summary of Collection and Use of | | | | | | | | |
|---|----|-----------|-----|---------|----|-----------|------|--------|
| Development Impact Fees | N | orth Flor | enc | e Water | No | rth Flore | ence | Sewer |
| | k | oudget | | actual | bι | udget | i | actual |
| Sources | | | | | | | | |
| Development Fees Collected | \$ | - | \$ | - | \$ | - | \$ | - |
| Interest Earnings | | 15 | | 570 | | - | | 101 |
| Loan Proceeds | | - | | - | | - | | - |
| Transfers In | | - | | - | | - | | - |
| Total Sources | | 15 | | 570 | | - | | 101 |
| Uses | | | | | | | | |
| Capital Improvement Projects - DIF funded | | - | | - | | - | | - |
| Debt Service | | - | | - | | - | | - |
| Professional Services - DIF Revisions | | - | | 233 | | - | | - |
| Professional Services - CIP-related | | - | | - | | - | | - |
| Transfers Out | | - | | - | | - | | - |
| Total Uses | | - | | 233 | | - | | - |
| Net Increase (Decrease) | | 15 | | 337 | | - | | 101 |
| Beginning Balance - July 1, 2013 | | 10,074 | | 9,513 | | 7,415 | | 12,173 |
| Ending Balance - June 30, 2014 | \$ | 10,089 | \$ | 9,850 | \$ | 7,415 | \$ | 12,274 |

Fund Summaries

In addition to the discussion above regarding major funds, the following table summarizes all Town funds, as well as displaying the beginning and ending fund balances for the funds.

| | | budget | C | current year actual | % received/ expended | % change from prior year | prior year actual |
|-------------------------|-----|------------|----|------------------------|-------------------------|--------------------------------|----------------------|
| General Fund | | | | | | | |
| beginning fund balance | \$ | 6,727,289 | \$ | 11,253,437 | | | |
| revenue | | 12,443,899 | · | 13,609,031 | 109% | 14% | \$ 11,890,668 |
| expenditures | | 13,309,014 | | 16,365,081 | 123% | 7% | 15,236,913 |
| ending fund balance | \$ | 5,862,174 | \$ | 8,497,387 | | | |
| Capital Improvements Fu | ınd | | | | | | |
| beginning fund balance | \$ | 10,652,613 | \$ | 10,700,473 | | | |
| revenue | | 1,180,000 | | 5,641,507 | 478% | -12% | 6,436,623 |
| expenditures | | 7,447,075 | | 3,737,544 | 50% | 69% | 2,214,795 |
| ending fund balance | \$ | 4,385,538 | \$ | 12,604,436 | | | |
| Highway User Revenue F | und | | | | | | |
| beginning fund balance | \$ | 5,626,009 | \$ | 6,542,993 | | | |
| revenue | | 2,601,737 | | 2,784,062 | 107% | 9% | 2,544,443 |
| expenditures | | 7,250,721 | | 2,466,993 | 34% | 16% | 2,132,211 |
| ending fund balance | \$ | 977,025 | \$ | 6,860,062 | | | |

| | | budget | C | current year actual | % received/ expended | % change from prior year | prior year actual |
|-----------------------------------|--------|----------------|-----|------------------------|-------------------------|--------------------------------|----------------------|
| Construction Tax Fund | | | | | | | |
| | \$ | 2 406 191 | ¢ | 2 200 100 | | | |
| beginning fund balance revenue | Ф | 3,496,181 | \$ | 3,388,188 | 90% | 148% | 60 150 |
| | | 190,000 | | 171,765 | 90% | | 69,150 |
| expenditures | ¢ | - | ¢ | - | | -100% | 260,913 |
| ending fund balance | \$ | 3,686,181 | \$ | 3,559,953 | | | |
| Food Tax Fund | | | | | | | |
| beginning fund balance | \$ | 1,600,797 | \$ | 1,590,293 | | | |
| revenue | | 230,000 | | 259,577 | 113% | 32% | 196,298 |
| expenditures | | - | | - | | | - |
| ending fund balance | \$ | 1,830,797 | \$ | 1,849,870 | | | |
| Daht Comica Fund | | | | | | | |
| Debt Service Fund | ሱ | 07 400 | \$ | 007 070 | | | |
| beginning fund balance | \$ | 87,493 | φ | 237,973 | 4000/ | 00/ | 470.000 |
| revenue | | 429,063 | | 439,793 | 103% | -8% | 478,898 |
| expenditures | • | 453,949 | • | 453,865 | 100% | 1% | 448,843 |
| ending fund balance | \$ | 62,607 | \$ | 223,901 | | | |
| Economic Development | Capita | al Projects Fi | und | | | | |
| beginning fund balance | \$ | 444,856 | \$ | 442,650 | | | |
| revenue | | 5,000 | | 6,773 | 135% | -98% | 442,650 |
| expenditures | | 444,856 | | 2,173 | 0% | | - |
| ending fund balance | \$ | 5,000 | \$ | 447,250 | | | |
| Water Utility Fund | | | | | | | |
| beginning funds available | \$ | 7,256,603 | \$ | 9,832,339 | | | |
| • • | φ | | ψ | | 102% | -1% | 2 040 004 |
| revenue | | 2,962,100 | | 3,019,668 | | | 3,040,884 |
| expenditures | ¢ | 7,110,077 | ሱ | 2,476,829 | 35% | 39% | 1,776,701 |
| ending funds available | \$ | 3,108,626 | \$ | 10,375,178 | | | |
| Wastewater Utility Fund | | | | | | | |
| beginning funds available | \$ | 4,843,912 | \$ | 8,198,537 | | | |
| revenue | | 4,691,652 | | 3,975,566 | 85% | 12% | 3,543,511 |
| expenditures | | 5,298,162 | | 2,971,834 | 56% | 45% | 2,048,865 |
| ending funds available | \$ | 4,237,402 | \$ | 9,202,269 | | | |
| Sanitation Utility Fund | | | | | | | |
| beginning funds available | \$ | 2,313,100 | \$ | 1,715,757 | | | |
| revenue | Ψ | 983,090 | Ψ | 732,208 | 74% | -34% | 1,104,898 |
| | | 828,119 | | 804,164 | 97% | 7% | 750,963 |
| expenditures | | 020.119 | | 004.104 | 31/0 | / /0 | 7:00.90.5 |

| 65,132 1,442,850 1,506,392 1,509 5 5 6 3,930 53,285 53,850 53,365 7 ict Funds 816,809 1,250 69,500 | \$ \$ \$ \$ | 88,846 702,286 805,802 (14,670) 118,349 64,658 6,813 176,194 825,104 | 49% 53% 121% 13% | 26% 20% | 51,404 5,698 |
|---|---|---|--|--|--|
| 1,442,850 1,506,392 1,590 s 63,930 53,285 53,850 63,365 rict Funds 816,809 1,250 69,500 | \$ \$ | 702,286 805,802 (14,670) 118,349 64,658 6,813 176,194 | 53% 121% | | |
| 1,442,850 1,506,392 1,590 s 63,930 53,285 53,850 63,365 rict Funds 816,809 1,250 69,500 | \$ \$ | 702,286 805,802 (14,670) 118,349 64,658 6,813 176,194 | 53% 121% | | |
| 1,506,392 1,590 5 6 3,930 53,285 53,850 63,365 7 <i>rict Funds</i> 816,809 1,250 69,500 | \$ | 805,802 (14,670) 118,349 64,658 6,813 176,194 | 53% 121% | | |
| 5 1,590 5 63,930 53,285 53,850 6 63,365 rict Funds 816,809 1,250 69,500 | \$ | (14,670) 118,349 64,658 6,813 176,194 | 121% | | |
| 63,930 53,285 53,850 63,365 rict Funds 816,809 1,250 69,500 | \$ | 64,658 6,813 176,194 | | | |
| 63,930 53,285 53,850 63,365 rict Funds 816,809 1,250 69,500 | \$ | 64,658 6,813 176,194 | | | |
| 53,285 53,850 63,365 rict Funds 816,809 1,250 69,500 | \$ | 64,658 6,813 176,194 | | | |
| 53,850 63,365 rict Funds 816,809 1,250 69,500 | · | 6,813 176,194 | | | |
| <i>rict Funds</i> 816,809 1,250 69,500 | · | 176,194 | 1070 | 2070 | 0,000 |
| 816,809 1,250 69,500 | \$ | 825,104 | | | |
| 816,809 1,250 69,500 | \$ | 825.104 | | | |
| 1,250 69,500 | Ψ | 540,107 | | | |
| 69,500 | | 12,276 | 982% | -432% | (3,696) |
| | | 90,797 | 131% | | 53,546 |
| 5 748,559 | \$ | 746,583 | 10170 | 1070 | 55,040 |
| nds | | | | | |
| 6,461,920 | \$ | 6,556,346 | | | |
| 2,334,167 | Ŧ | 1,933,659 | 83% | | |
| 5,867,721 | | 3,297,267 | 56% | | |
| 2,928,366 | \$ | 5,192,738 | | | |
| | | | | | |
| - | \$ | - | | | |
| | Ŧ | 666 499 | 99% | | |
| | | | | | |
| - 07 1,220 | \$ | - | 0070 | | |
| | | | | | |
| - | \$ | - | | | |
| | Ψ | 384 428 | 88% | | |
| | | | | | |
| 1,000 | \$ | - | 0070 | | |
| | | | | | |
| 314,835 | \$ | 307 073 | | | |
| | Ψ | | 131% | 90% | 20,658 |
| | | | | | 7,919 |
| | \$ | | 210/0 | 10170 | 7,313 |
| | 671,228 671,228 - - 436,745 435,745 1,000 | 671,228 671,228 671,228 - \$ 436,745 436,745 435,745 1,000 \$ 314,835 \$ 30,000 10,500 | 671,228 666,499 671,228 666,499 671,228 666,499 5 - \$ - 436,745 384,428 435,745 384,428 435,745 384,428 1,000 \$ - 314,835 \$ 307,073 30,000 39,172 10,500 23,022 | 671,228 666,499 99% 671,228 666,499 99% 671,228 666,499 99% - \$ - - \$ - - \$ - 436,745 384,428 88% 435,745 384,428 88% 1,000 \$ - 314,835 \$ 307,073 30,000 39,172 131% 10,500 23,022 219% | $\begin{array}{cccccccccccccccccccccccccccccccccccc$ |

| | | budget | (| current year actual | % received/ expended | % change from prior year | prior year actual |
|---|----------|-------------------------------------|----|-------------------------------------|-------------------------|--------------------------------|---------------------------------|
| All Town Funds | | | | | | | |
| beginning fund balances | \$ | 50,771,479 | \$ | 61,798,358 | | | |
| revenue | | 30,686,066 | | 34,442,928 | 112% | 16% | 29,816,389 |
| expenditures | | 50,756,909 | | 34,553,111 | 68% | 39% | 24,937,367 |
| ending fund balances | \$ | 30,700,636 | \$ | 61,688,175 | | | , , |
| Community Facilities Dis beginning fund balances revenue expenditures | \$ | 3,287,450 1,613,774 3,728,284 | | 2,934,675 1,871,671 2,533,865 | 116% 68% | 64% 94% | 1,142,649 |
| ending fund balances | \$ | 1,172,940 | \$ | 2,272,481 | | | 1,307,971 |
| Community Facilities Dis | strict ‡ | #2 | | | | | 1,307,971 |
| <i>Community Facilities Dis</i> beginning fund balances | · | #2 1,366,529 | | 1,551,268 | 4000/ | 2059/ | |
| <i>Community Facilities Dis</i> beginning fund balances revenue | strict ‡ | #2 1,366,529 3,155,455 | | 1,551,268 3,329,203 | 106% | 325% | 783,355 |
| - | strict ‡ | #2 1,366,529 | \$ | 1,551,268 | 106% 46% | 325% 96% | 1,307,971 783,355 903,520 |

- General Fund expenditures exceeded the budget by 23% due to a transfer to the Capital Projects Fund of excess fund balance.
- The total of Grants fund balances is currently a negative fund balance because revenue has yet to be received from the granting agencies.
- Streetlight Improvement Districts' expenditures exceeded the budget by \$21,297 or 31% primarily because of transfers to the General Fund for prior year administrative costs made this year in the amount of \$19,500. The remaining reason is that electricity costs exceeded estimates by \$1,797.

This report was prepared by the Town's Finance Department. Please feel free to contact <u>finance@florenceaz.gov</u> with any questions.

Town of Florence Quarterly Financial Report As of September 30, 2014 (unaudited)

Introduction

The following report highlights the financial results of the Town through the first quarter of the fiscal year. The report presents the results of Town revenues, expenditures and fund balances and includes comparison of current year actual figures to the budget and prior year. This report is unaudited.

Highlights

- Sales tax is 9% lower than budget expectations and 8% less than the prior year due to lower revenue from private construction and several vendors who have not paid sales tax for several months.
- State-shared sales tax is 2% lower than budget expectations and 4% ahead of the prior year.
- State-shared income tax equals budget expectations and is 9% ahead of the prior year.
- Vehicle license tax is 1% ahead of budget expectations and 6% ahead of the prior year.
- Highway user revenue is 4% ahead of budget expectations and 10% ahead of the prior year.
- Transportation excise tax is 8% lower than budget expectations and 2% less than the prior year.
- Total Town revenues are slightly lower than expectations. Expenditures are within budget.
- General Fund: Excluding transfers, revenue is 3% greater than budget expectations and expenditures are within budget with 20% of the budget expended.
- Capital Improvements Fund: Sales tax from private construction is 17% lower than budget expectations. Expenditures are within budget.
- HURF: Highway user revenue is 4% ahead of budget expectations. Transportation excise tax is 8% lower than budget expectations. Expenditures are within budget.
- Water Utility: 16% of the revenue budget is collected and expenditures are within budget.
- Wastewater Utility: 16% of the revenue budget is collected and expenditures are within budget.
- Sanitation: 23% of the revenue budget is collected and expenditures are within budget.
- Fund balances are healthy and normal.

Major Revenues

Sales Tax

The Town imposes a two percent (2%) transaction privilege tax rate on retail sales and services made within the Town boundaries. This tax is commonly referred to as sales tax. The total tax rate within the Town is 8.7 percent, which also includes the State and Pinal County tax rates. Sales tax revenue supports the Capital Improvements Fund (sales tax on private construction projects), Construction Tax Fund (sales tax on governmental entity construction projects), Food Tax

| Sales Tax Rate | | | | | | | | |
|-------------------|----------|--|--|--|--|--|--|--|
| <u>in Florenc</u> | <u>e</u> | | | | | | | |
| Town | 2.0% | | | | | | | |
| Pinal County | 1.1% | | | | | | | |
| State of Arizona | 5.6% | | | | | | | |
| Total | 8.7% | | | | | | | |

Fund (sales tax on food for home consumption) and the General Fund (all other sales tax).

| Town Sales Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual | |
|-------------------|------------------------|------------------------|----------------------------------|--------------------------------|----------------------|--|
| Jul | 312,462 | 291,872 | -7% | 3% | 283,062 | |
| Aug | 362,930 | 318,984 | -12% | -13% | 366,237 | |
| Sep | 338,005 | 307,521 | -9% | -13% | 351,956 | |
| YTD total | 1,013,398 | 918,377 | | | 1,001,255 | |
| YTD variance | | (95,021) | -9% | -8% | (82,878) | |

| Town Sales Tax by Type | General | Private Construction | Government Construction | Food | Total |
|---------------------------|---------|-------------------------|----------------------------|--------|---------|
| Jul | 157,202 | 89,689 | 12,380 | 32,601 | 291,872 |
| Aug | 164,603 | 112,379 | 24,619 | 17,383 | 318,984 |
| Sep | 173,051 | 111,141 | 6,748 | 16,581 | 307,521 |
| YTD total | 494,856 | 313,209 | 43,747 | 66,565 | 918,377 |

| General Fund Town Sales Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|-----------------------------------|------------------------|------------------------|-------------------------------|-----------------------------|----------------------|
| Jul | 178,992 | 157,202 | -12% | -5% | 165,685 |
| Aug | 210,062 | 164,603 | -22% | -19% | 202,270 |
| Sep | 202,416 | 173,051 | -15% | -18% | 211,097 |
| YTD total | 591,471 | 494,856 | | | 579,052 |
| YTD variance | | (96,615) | -16% | -15% | (84,196) |

- The annual budget-projected sales tax revenue is \$4,458,700; including \$2,636,600 from general retail, \$1,509,000 from private construction, \$55,200 from government construction and \$257,900 from food.
- The total collected is \$918,377. This is \$95,021 or 9% less than the projected amount and \$82,878 or 8% lower than the prior year.
- General retail and private construction sales tax revenue is lower than projections and prior year. Staff is researching a couple of major vendors that have not remitted sales tax for several months, which may have caused this lag in revenue.

General Fund State-shared Revenue

As with all Arizona municipalities, the Town receives certain state revenues based on population. State-shared revenue includes sales tax, income tax and vehicle license tax.

| State-shared Sales Tax | monthly projections | current year actual | % variance from projection % change from prior year | | prior year actual |
|---------------------------|---------------------|------------------------|---|----|----------------------|
| Jul | 190,360 | 185,459 | 35,459 -3% 4% | | 178,913 |
| Aug | 180,179 | 177,331 | -2% | 3% | 171,410 |
| Sep | 185,966 | 182,929 | -2% | 4% | 175,258 |
| YTD total | 556,505 | 545,719 | | | 525,581 |
| YTD variance | | (10,786) | -2% | 4% | 20,138 |

State-shared Sales Tax

- The annual budget-projected state-shared sales tax revenue is \$2,352,000.
- The total collected is \$545,719. This is \$10,786 or 2% less than the projected amount and \$20,138 or 4% greater than the prior year.

State-shared Income Tax

| State-shared Income Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|----------------------------|---------------------|------------------------|----------------------------------|-----------------------------|----------------------|
| Jul | 257,592 | 2 257,608 0% 9% | | 237,411 | |
| Aug | 257,592 | 257,607 | 0% 9% | 9% | 237,410 |
| Sep | 257,592 | 257,608 | 0% | 9% | 237,411 |
| YTD total | 772,776 | 772,823 | | | 712,232 |
| YTD variance | | 47 | 0% | 9% | 60,591 |

- The annual budget-projected state-shared income tax revenue is \$3,091,100.
- The total collected is \$772,823, which is meeting projections and is \$60,591 or 9% greater than the prior year.

Vehicle License Tax

| Vehicle License Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|------------------------|---------------------|------------------------|----------------------------------|--------------------------|----------------------|
| Jul | 103,648 | 109,022 5% 7% | | 101,813 | |
| Aug | 107,310 | 99,893 | -7% | -1% | 100,820 |
| Sep | 98,091 | 103,872 | 6% | 14% | 91,075 |
| YTD total | 309,048 | 312,787 | | | 293,708 |
| YTD variance | | 3,739 | 1% | 6% | 19,079 |

- The annual budget-projected vehicle license tax revenue is \$1,243,200.
- The total collected is \$312,787. This is \$3,739 or 1% greater than the projected amount and \$19,079 or 6% greater than the prior year.

Highway User Revenue

Highway user revenue is state-shared and in addition to population, highway user revenue distribution is also based on gasoline sales. It consists of tax on gasoline, a portion of the vehicle license tax and other transportation related fees and must be used solely for street and highway purposes. This revenue is recorded in the Highway User Revenue Fund.

| Highway User Revenue | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|-------------------------|---------------------|------------------------|----------------------------------|--------------------------|----------------------|
| Jul | 134,522 | 142,347 | 6% | 10% | 129,734 |
| Aug | 130,882 | 136,018 | 4% | 12% | 120,910 |
| Sep | 134,442 | 137,170 | 2% | 9% | 126,382 |
| YTD total | 399,846 | 415,535 | | | 377,026 |
| YTD variance | | 15,689 | 4% | 10% | 38,509 |

- The annual budget-projected highway user revenue is \$1,752,800.
- The total collected is \$415,535. This is \$15,689 or 4% greater than the projected amount and \$38,509 or 10% greater than the prior year.

Transportation Excise Tax Revenue

Transportation Excise Tax revenue is revenue that was approved by the voters of Pinal County to be used solely for highway and street purposes. The Town receives a share of the revenue from the County based on population.

| Transportation Excise Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|------------------------------|---------------------|------------------------|-------------------------------|--------------------------|----------------------|
| Jul | 86,355 | 78,819 | -9% | -2% | 80,140 |
| Aug | 87,979 | 77,720 | -12% | -4% | 81,312 |
| Sep | 83,580 | 80,231 | -4% | 0% | 80,420 |
| YTD total | 257,914 | 236,770 | | | 241,872 |
| YTD variance | | (21,144) | -8% | -2% | (5,102) |

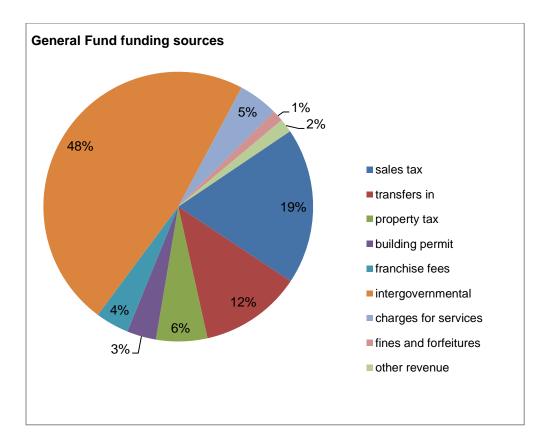
- The annual budget-projected transportation excise tax revenue is \$1,053,700.
- The total collected is \$236,770. This is \$21,144 or 8% less than the projected amount and \$5,102 or 2% lower than the prior year.

General Fund

The General Fund is the Town's main operating fund accounting for most of the Town's services, including fire and police public safety, culture and recreation, community development and general government administration. The General Fund is primarily supported by local and state-shared taxes.

General Fund Revenue

The majority of Town revenue is projected to come from state-shared revenue (48%) and local sales tax (19%). The remainder comes from property tax (6%), building permit fees (3%), franchise fees (4%), charges for services (5%), fines and forfeitures (1%) and other sources (2%).



Major revenues supporting the General Fund are discussed above in the Major Revenue section of this report.

| General Fund Revenue | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual | |
|-------------------------|---------------------|------------------------|----------------------------------|-----------------------------|----------------------|--|
| Jul | 815,967 | 1,067,800 | 31% | 40% | 763,649 | |
| Aug | 910,617 | 800,055 | -12% | -3% | 824,631 | |
| Sep | 1,046,469 | 997,074 | -5% | 0% | 999,210 | |
| YTD total | 2,773,054 | 2,864,929 | | | 2,587,490 | |
| YTD variance | | 91,875 | 3% | 11% | 277,439 | |

- The annual budget-projected General Fund revenue, excluding transfers, is \$12,332,800.
- The total collected is \$2,864,929. This is \$91,875 or 3% greater than the projected amount and \$277,439 or 11% greater than the prior year.

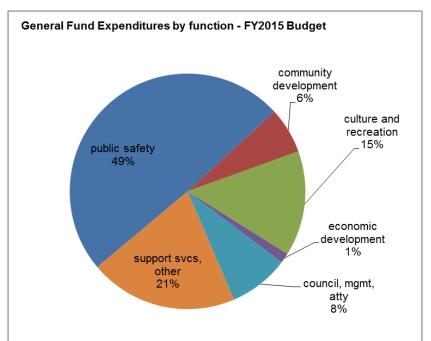
| General Fund Revenue | budget | current year actual | % received | prior year actual | % change from prior year | \$ diff |
|-------------------------|---------------|------------------------|------------|----------------------|-----------------------------|----------------|
| <u>taxes</u> | | | | | | |
| sales tax | \$ 2,636,600 | \$ 494,856 | 19% | \$ 579,052 | -15% | \$ (84,196) |
| property tax | 863,000 | 57,854 | 7% | 28,487 | 103% | 29,367 |
| total taxes | 3,499,600 | 552,710 | 16% | 607,539 | -9% | (54,829) |
| licenses and permits | | | | | | |
| building permit fee | 491,300 | 116,546 | 24% | 97,906 | 19% | 18,640 |
| other licenses/permits | 46,800 | 4,915 | 11% | 2,030 | 142% | 2,885 |
| total licenses/permits | 538,100 | 121,461 | 23% | 99,936 | 22% | 21,525 |
| franchise fees | | | | | | |
| APS franchise fee | 288,800 | 97,017 | 34% | 97,291 | 0% | (274) |
| other franchise fees | 274,800 | 42,962 | 16% | 9,077 | 373% | 33,885 |
| total franchise fees | 563,600 | 139,979 | 25% | 106,368 | 32% | 33,611 |
| intergovernmental | | | | | | |
| state-shared sales tax | 2,352,000 | 545,719 | 23% | 525,581 | 4% | 20,138 |
| state-shared income tax | 3,091,100 | 772,823 | 25% | 712,232 | 9% | 60,591 |
| vehicle license tax | 1,243,200 | 312,787 | 25% | 293,708 | 6% | 19,079 |
| total intergovernmental | 6,686,300 | 1,631,329 | 24% | 1,531,521 | 7% | 99,808 |
| charges for services | 671,200 | 145,215 | 22% | 170,924 | -15% | (25,709) |
| fines and forfeitures | 190,200 | 39,426 | 21% | 40,800 | -3% | (1,374) |
| other revenues | 183,800 | 234,809 | 128% | 30,402 | 672% | 204,407 |
| <u>transfers in</u> | 1,711,200 | - | 0% | 358,551 | -100% | (358,551) |
| total | \$ 14,044,000 | \$ 2,864,929 | 20% | \$ 2,946,041 | -3% | \$ (81,112) |

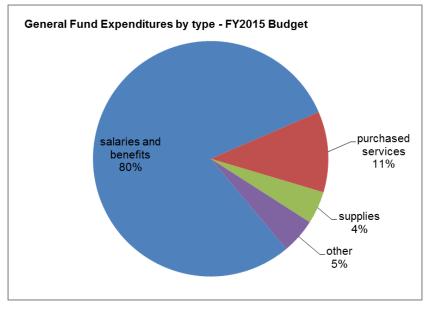
General Fund Expenditures

The General Fund accounts for the majority of the Town's services including, public safety - police and fire/EMS services; culture and recreation - parks maintenance, recreation programs, fitness center, aquatics, special events, senior center and library services; community development; and general government - elected officials, administration, town attorney, courts, finance, information technology and human resources.

By function, expenditures for public safety make up nearly half of the total budget in the General Fund at 49%; 29% is for general government; 15% is for culture and recreation; 6% is for community development, which includes planning, zoning and building inspection; and, 1% for economic development.

By type, expenditures for salary and benefits make up





80% of the total General Fund budget. The rest of the General Fund consists of purchased services (non-employee services) -11%; supplies -4%; and other (dues, memberships, training) -5%.

The following table compares current year-to-date actuals to the budget and prior year amounts by department.

| General Fund Expenditures by Department | budget | | current year actual | | % expended | % change from prior year | prior year actual |
|---|--------|------------|------------------------|-----------|---------------|--------------------------------|----------------------|
| town council | \$ | 158,200 | \$ | 43,139 | 27% | -19% | \$ 53,481 |
| administration | | 709,800 | | 143,363 | 20% | -24% | 188,024 |
| courts | | 292,200 | | 56,998 | 20% | 32% | 43,318 |
| legal services | | 269,500 | | 59,992 | 22% | 24% | 48,559 |
| finance | | 935,000 | | 198,089 | 21% | 3% | 192,769 |
| human resources | | 253,800 | | 49,131 | 19% | 17% | 41,985 |
| community development | | 668,800 | | 105,457 | 16% | -21% | 133,180 |
| police | | 3,952,800 | | 778,817 | 20% | 4% | 750,649 |
| fire/EMS | | 2,809,200 | | 652,623 | 23% | 9% | 601,242 |
| information technology | | 615,000 | | 134,988 | 22% | -4% | 141,085 |
| parks and recreation | | 1,602,300 | | 320,964 | 20% | 19% | 268,992 |
| library | | 380,600 | | 93,210 | 24% | 16% | 80,258 |
| engineering | | 192,700 | | 22,858 | 12% | 7% | 21,304 |
| general government | | 683,600 | | 51,071 | 7% | -42% | 88,158 |
| cemetery | | 9,000 | | 2,543 | 28% | -8% | 2,773 |
| economic development | | 182,700 | | 20,067 | 11% | -31% | 29,056 |
| total | \$ | 13,715,200 | \$ | 2,733,310 | 20% | 2% | \$ 2,684,833 |

- The General Fund budget, excluding transfers, is \$13,715,200.
- The total spent is \$2,733,310 or 20% of the budgeted amount. This is 2% greater than the prior year.
- Departments are within budget expectations with 25% of the year completed.
- The following tables summarize the General Fund expenditures by function and type.

| General Fund Expenditures by Function | budget | | current year actual | | % expended | % change from prior year | | prior year actual |
|--|--------|------------|------------------------|-----------|---------------|--------------------------------|----|----------------------|
| general government | \$ | 3,926,100 | \$ | 739,314 | 19% | -8% | \$ | 800,152 |
| public safety | | 6,762,000 | | 1,431,440 | 21% | 6% | | 1,351,891 |
| community development | | 861,500 | | 128,315 | 15% | -17% | | 154,484 |
| culture and recreation | | 1,982,900 | | 414,174 | 21% | 19% | | 349,250 |
| economic development | | 182,700 | | 20,067 | 11% | -31% | | 29,056 |
| total | \$ | 13,715,200 | \$ | 2,733,310 | 20% | 2% | \$ | 2,684,833 |

| General Fund Expenditures by Type | budget | С | urrent year actual | % expended | % change from prior year | prior year actual |
|--------------------------------------|---------------|----|-----------------------|---------------|--------------------------------|----------------------|
| salaries and benefits | \$ 10,919,400 | \$ | 2,363,147 | 22% | 9% | \$ 2,169,186 |
| purchased services | 1,521,800 | | 188,427 | 12% | -31% | 272,273 |
| supplies | 612,300 | | 104,746 | 17% | -14% | 121,684 |
| other | 661,700 | | 76,990 | 12% | -37% | 121,690 |
| total | \$ 13,715,200 | \$ | 2,733,310 | 20% | 2% | \$ 2,684,833 |

Highway User Revenue Fund

The Highway User Revenue Fund (HURF) accounts for operation, maintenance and capital expenditures of Town streets and highways (public works). HURF is primarily supported by state-shared highway user revenue and transportation excise tax received from Pinal County. These revenues must be used on street and highway expenditures.

Revenue

| HURF Revenue | budget | current year actual | % received | % change from prior year | prior year actual |
|---------------------------|-------------|------------------------|------------|-----------------------------|----------------------|
| highway user revenue | \$1,752,800 | \$ 415,535 | 24% | 10% | \$ 377,026 |
| transportation excise tax | 1,053,700 | 236,770 | 22% | -2% | 241,872 |
| other revenues | 37,000 | 10,504 | 28% | -30% | 14,922 |
| transfers in | 9,900 | - | 0% | | - |
| total | \$2,853,400 | \$ 662,809 | 23% | 5% | \$ 633,820 |

- \$662,809 or 23% of the \$2,853,400 revenue budget is collected. This is 5% greater than the prior year.
- Highway user revenue and transportation excise tax are explained and discussed in more detail in the major revenue section earlier in this report.

| HURF Expenditures | budget | CI | urrent year actual | % expended | % change from prior year | prior year actual |
|----------------------|-----------------|----|-----------------------|------------|-----------------------------|----------------------|
| personal services | \$ 1,178,700 | \$ | 269,983 | 23% | 5% | \$ 256,721 |
| purchased services | 263,300 | | 23,871 | 9% | -47% | 44,778 |
| supplies | 84,000 | | 5,428 | 6% | -83% | 32,351 |
| capital outlay | 6,725,700 | | 307 | 0% | -100% | 115,271 |
| other | 4,800 | | 332 | 7% | 249% | 95 |
| total | \$ 8,256,500 | \$ | 299,921 | 4% | -33% | \$ 449,216 |

Expenditures

- \$299,921 or 4% of the \$8,256,500 budget is expended.
- Capital outlay expenditures, the largest component, have yet to get started. Excluding capital outlay, 20% of the budget is expended.

| HURF Capital Outlay Expenditures | | budget | current year actual | | % expended | |
|---|----|-----------|------------------------|-----|------------|--|
| equipment: | | | | | | |
| backhoe attachments | \$ | 25,000 | \$ | - | 0% | |
| streets and highways: | | | | | | |
| Florence Gardens street improvements | | 40,000 | | - | 0% | |
| SH79B/SH287 intersection improvements | | 603,600 | | - | 0% | |
| Diversion Dam road improvements | | 2,091,300 | | 307 | 0% | |
| streets signalization | | 402,900 | | - | 0% | |
| Felix Road 1/2 road improvements | | 225,000 | | - | 0% | |
| Pinal Street drainage improvements (Butte to First) | | 650,000 | | - | 0% | |
| Hunt Highway overlay | | 44,600 | | - | 0% | |
| East Butte microseal | | 175,000 | | - | 0% | |
| Hunt Highway intersection improvement | | 355,000 | | - | 0% | |
| Florence Heights improvements (Main to SR79) | | 1,900,000 | | - | 0% | |
| stormwater masterplan | | 125,000 | | - | 0% | |
| stormwater improvements | | 45,000 | | - | 0% | |
| total | \$ | 6,682,400 | \$ | 307 | 0% | |

Capital Improvement Fund

The Capital Improvement Fund (CIP) accounts for many of the Town capital projects including buildings and building improvements, park improvements, land acquisitions and equipment. The Capital Improvement Fund is primarily supported by construction-related sales tax.

Revenue

| Capital Projects Fund Revenue | budget | CI | urrent year actual | % received | % change from prior year | prior year actual |
|----------------------------------|-----------------|----|-----------------------|------------|--------------------------|----------------------|
| private construction tax | \$ 1,509,000 | \$ | 313,209 | 21% | -14% | \$ 365,892 |
| other revenues | 50,000 | | 9,196 | 18% | 105% | 4,483 |
| total | \$ 1,559,000 | \$ | 322,405 | 21% | -13% | \$ 370,375 |

• \$322,405 or 21% of the \$1,509,000 revenue budget is collected. This is 13% less than the prior year.

| Private Construction Sales Tax | monthly projections | current year actual | % variance from projection | % change from prior year | prior year actual |
|--------------------------------------|------------------------|------------------------|----------------------------------|--------------------------|----------------------|
| Jul | 125,750 | 89,689 | -29% | -9% | 99,011 |
| Aug | 125,750 | 112,379 | -11% | -21% | 141,373 |
| Sep | 125,750 | 111,141 | -12% | -11% | 125,508 |
| YTD total | 377,250 | 313,209 | | | 365,892 |
| YTD variance | | (64,041) | -17% | -14% | (52,683) |

• The major revenue of this fund, private construction tax, is \$64,041 or 17% less than projected and \$52,683 or 38% greater than the prior year.

Expenditures

| budget | current year actual | % expended | |
|--------|---|--|--|
| | | | |
| 21,000 | 14,524 | 69% | |
| 1,000 | - | 0% | |
| 30,600 | - | 0% | |
| | | | |
| 45,000 | - | 0% | |
| 29,100 | - | 0% | |
| 35,000 | - | 0% | |
| 8,200 | - | 0% | |
| | 21,000 1,000 30,600 45,000 29,100 35,000 | 21,000 14,524 1,000 - 30,600 - 45,000 - 29,100 - 35,000 - | |

| Capital Projects Fund Expenditures | budget | current year actual | % expende |
|---|------------|------------------------|-----------|
| Parks and Recreation | | | |
| softball field #3 lighting | 150,000 | 1,500 | 1% |
| various park improvements | 6,100 | 2,483 | 41% |
| scoreboards | 34,600 | - | 0% |
| mower/ATV/bunker rake | 4,100 | - | 0% |
| Public Works | | | |
| Main Street extension | 700,000 | 3,453 | 0% |
| roadway repair and maintenance | 500,000 | 17,845 | 4% |
| curb/sidewalk new and replace | 250,000 | 8,523 | 3% |
| Main Street overlay | 200,000 | - | 0% |
| tractor | 30,000 | - | 0% |
| neighborhood lighting | 500,000 | - | 0% |
| General Government | | | |
| cost of issuance | 100,000 | - | 0% |
| public art | 100,000 | - | 0% |
| wireless interconnection redundancy upgrade | 107,200 | 640 | 1% |
| modular workstations in finance area | 20,000 | - | 0% |
| annexation set aside | 500,000 | - | 0% |
| Facilities | | | |
| fiber connection to new CD/Utility building | 15,000 | - | 0% |
| Territory Square CLOMR/LOMR | 721,700 | 682,484 | 95% |
| cashier window expansion in Finance dept. | 18,000 | - | 0% |
| library/aquatics/recreation complex | 13,280,000 | 298,977 | 2% |
| acquire building for CD/Utility depts | 335,000 | 334,866 | 100% |
| tenant improvements for new CD/Utility building | 60,000 | - | 0% |
| admin counter security modifications | 10,000 | - | 0% |
| various minor capital outlay | 100,000 | - | 0% |
| Fire Station #1 office/dorm windows | 50,000 | - | 0% |
| Silver King electrical rewiring | 100,000 | - | 0% |
| land acquisition | 201,500 | 21,779 | 11% |
| police station outside improvements and repairs | 88,000 | - | 0% |
| police station parking lot | 120,000 | - | 0% |
| police station building improvements | 9,700 | 3,557 | 37% |
| fire station #1 bay floor patching | 6,000 | - | 0% |
| Padilla Park | 500,000 | 362,252 | 72% |
| Senior Center HVAC and restrooms | 27,200 | 2,053 | 8% |
| Town Hall facility maintenance | 100,000 | - | 0% |
| fire station #1, fitness center, SK recoat roof foaming | 33,700 | - | 0% |
| Town Hall HVAC rebalancing | 10,100 | - | 0% |
| Brunenkant building business center | 75,000 | 2,186 | 3% |

| Capital Projects Fund Expenditures | budget | current year actual | % expended |
|---|--------------|------------------------|------------|
| | | | |
| Fleet | | | |
| fleet replacement | 242,000 | - | 0% |
| 2 new police vehicles | 98,000 | 65,592 | 67% |
| PW water truck | 125,000 | - | 0% |
| fleet pool vehicle | 35,000 | - | 0% |
| fueling facility | 200,000 | - | 0% |
| floor jacks, battery charges, lift jack | 13,800 | 4,549 | 33% |
| A/C recovery, recycling, recharge | 7,800 | - | 0% |
| diagnostic system | 19,600 | 8,478 | 43% |
| transmission fluid system | 19,000 | - | 0% |
| coolant recovery system | 3,100 | - | 0% |
| total | \$19,996,100 | \$ 1,835,741 | 9% |

Water Utility Fund

The Water Utility Fund accounts for water utility operations, maintenance and capital projects and is primarily supported by water utility usage fees.

Revenue

| Water Utility Revenue | budget | С | urrent year actual | % received | % change from prior year | prior year actual |
|--------------------------|-----------------|----|-----------------------|------------|--------------------------|----------------------|
| water utility fees | \$ 3,165,400 | \$ | 511,276 | 16% | -5% | \$ 540,556 |
| other revenues | 20,000 | | 8,478 | 42% | 72% | 4,922 |
| total | \$ 3,185,400 | \$ | 519,754 | 16% | -5% | \$ 545,478 |

• \$519,754 or 16% of the \$3,185,400 revenue budget is collected. This is 5% less than the prior year.

Expenditures

| Water Utility Expenditures | budget | С | urrent year actual | % expended | % change from prior year | prior year actual |
|-------------------------------|-----------------|----|-----------------------|------------|-----------------------------|----------------------|
| personal services | \$ 408,300 | \$ | 85,781 | 21% | -4% | \$ 89,721 |
| purchased services | 543,200 | | 69,954 | 13% | 21% | 57,697 |
| supplies | 134,100 | | 18,548 | 14% | -13% | 21,290 |
| capital outlay | 8,350,400 | | 372,706 | 4% | | - |
| other | 458,800 | | 5,586 | 1% | -29% | 7,852 |
| total | \$ 9,894,800 | \$ | 552,575 | 6% | 213% | \$ 176,560 |

• \$552,575 or 6% of the \$9,894,800 budget is expended.

• 4% of the capital outlay expenditures, the largest component, are expended. Excluding capital outlay, 12% of the budget is expended.

| Water Utility Capital Outlay Expenditures | | budget | С | urrent year actual | % expended |
|---|----|-----------|----|-----------------------|------------|
| new well in North Florence | \$ | 784,600 | \$ | _ | 0% |
| relocation of water line at INS Admin Building | Ψ | 110,000 | Ψ | _ | 0% |
| water storage tank at Florence Gardens | | 2,519,500 | | 21,524 | 1% |
| fire hydrant replacements | | 38,300 | | 193 | 1% |
| replace well #3 | | 1,692,200 | | 283,493 | 17% |
| water valve replacements | | 31,500 | | - | 0% |
| water line replacement on Main Street | | 92,000 | | - | 0% |
| 4" and under water line replacements in various locations | | 198,100 | | 18,037 | 9% |
| fire hydrant system replacement in downtown | | 35,000 | | - | 0% |
| SCADA tie-ins | | 85,000 | | - | 0% |
| booster pumps at well #5 | | 150,000 | | - | 0% |
| Adamsville water lines | | 838,000 | | - | 0% |
| water transmission line extension | | 603,300 | | 31,251 | 5% |
| Bailey Street water line extension | | 736,900 | | 4,997 | 1% |
| water line extension | | 200,000 | | 13,211 | 7% |
| VFDs on booster pumps | | 40,000 | | - | 0% |
| office space renovation | | 57,500 | | - | 0% |
| total | \$ | 8,211,900 | \$ | 372,706 | 5% |

Wastewater Utility Fund

The Wastewater Utility Fund accounts for wastewater (sewer) utility operations, maintenance and capital projects and is primarily supported by wastewater utility usage fees.

Revenue

| Wastewater Utility Revenue | budget | C | urrent year actual | % received | % change from prior vear | prior year actual |
|-------------------------------|-----------------|----|-----------------------|------------|--------------------------------|----------------------|
| wastewater fees | \$ 4,314,400 | \$ | 698,907 | 16% | -4% | \$ 730,815 |
| loan proceeds | 1,300,000 | | - | 0% | 0% | - |
| other revenues | 35,000 | | 6,766 | 19% | 82% | 3,722 |
| total | \$ 5,649,400 | \$ | 705,673 | 12% | -4% | \$ 734,537 |

• \$705,673 or 12% of the \$5,649,400 revenue budget is collected. Excluding budgeted loan proceeds, this is 16% of the revenue budget and 4% lower than the prior year.

Expenditures

| Wastewater Utility Expenditures | budget | С | urrent year actual | % expended | % change from prior year | ł | orior year actual |
|------------------------------------|-----------------|----|-----------------------|---------------|--------------------------------|----|----------------------|
| personal services | \$ 587,800 | \$ | 127,621 | 22% | 13% | \$ | 113,172 |
| purchased services | 1,092,200 | | 326,382 | 30% | 147% | | 131,918 |
| supplies | 178,200 | | 23,524 | 13% | 10% | | 21,399 |
| capital outlay | 3,177,600 | | 18,881 | 1% | 0% | | - |
| other | 19,400 | | 8,531 | 44% | 29% | | 6,637 |
| debt service | 620,400 | | 440,483 | 71% | 0% | | 442,124 |
| total | \$ 5,675,600 | \$ | 945,422 | 17% | 32% | \$ | 715,250 |

• \$945,422 or 17% of the \$5,675,600 budget is expended.

• 1% of the capital outlay expenditures, the largest component, are expended. Excluding capital outlay and debt service, 26% of the budget is expended.

| Wastewater Utility Capital Outlay Expenditures | budget | current year actual | % expended |
|---|--------------|------------------------|------------|
| 2.5 mechanical sewer plant | 1,288,500 | 16,299 | 1% |
| recharge | 40,000 | - | 0% |
| polishing lagoons and berm reconstruction at WWTP | 214,000 | - | 0% |
| office lab space at WWTP | 280,700 | 170 | 0% |
| office space renovation at WWTP | 57,500 | - | 0% |
| expand effluent discharge system | 1,264,100 | 2,412 | 0% |
| total | \$ 3,144,800 | \$ 18,881 | 1% |

Sanitation Utility Fund

The Sanitation Utility Fund accounts for sanitation utility operations, maintenance and capital projects and is primarily supported by sanitation utility usage fees.

Sanitation Utility Fund Revenue

| Sanitation Revenue | budget | С | current year % received % change | | | | prior year actual |
|--------------------|---------------|----|----------------------------------|-----|-----|----|----------------------|
| sanitation fees | \$ 672,000 | \$ | 152,860 | 23% | -3% | \$ | 156,885 |
| other revenues | 10,000 | | 1,473 | 15% | 65% | | 892 |
| total | \$ 682,000 | \$ | 154,333 | 23% | -2% | \$ | 157,777 |

• \$154,333 or 23% of the \$682,000 revenue budget is collected and is 2% lower than the prior year.

Sanitation Utility Fund Expenditures

| Sanitation | budget | С | urrent year | % | % change | prior year |
|--------------------|---------------|----|-------------|----------|-----------|---------------|
| Expenditures | budget | | actual | expended | 70 change | actual |
| personal services | \$ 77,000 | \$ | 20,664 | 27% | -33% | \$ 30,682 |
| purchased services | 767,400 | | 140,298 | 18% | 18% | 119,300 |
| supplies | 2,100 | | 326 | 16% | -88% | 2,661 |
| total | \$ 846,500 | \$ | 161,288 | 19% | 6% | \$ 152,643 |

• \$161,288 or 19% of the \$846,500 budget is expended.

Development Impact Fee Funds

Development Impact Fee Funds account for the various development impact fees the Town collects to offset the impact (increased services/expenditures) of growth from new development. These fees are collected upon the issuance of a building permit for new residential units and new commercial construction.

In order to establish development impact fees, the Town is required by state statute to complete land use assumptions and an infrastructure improvement plan upon which to base the impact fees for each service facility.

Currently, the Town collects development impact fees for police, fire/ems, transportation, parks and open space, water and sewer. Development impact fees used to be collected for general government and sanitation until Jan. 1, 2012, when the state legislature passed a bill prohibiting the collection of such fees.

| Summary of Collection and Use of | General G | overnment | | Ро | lice | | Fire, | /en | IS |
|---|-------------|--------------|----|---------|------|---------|---------------|-----|---------|
| Development Impact Fees | budget | actual | ł | budget | | actual | budget | | actual |
| Sources | | | | | | | | | |
| Development Fees Collected | \$- | \$- | \$ | 91,100 | \$ | 28,375 | \$ 91,100 | \$ | 29,377 |
| Interest Earnings | 6,400 | 950 | | 1,800 | | 135 | 4,000 | | 301 |
| Loan Proceeds | - | - | | - | | - | - | | - |
| Transfers In | - | - | | - | | - | - | | - |
| Total Sources | 6,400 | 950 | | 92,900 | | 28,510 | 95,100 | | 29,678 |
| Uses | | | | | | | | | |
| Capital Improvement Projects - DIF funded | - | - | | - | | - | - | | - |
| Debt Service | - | - | | - | | - | - | | - |
| Professional Services - DIF Revisions | - | - | | - | | - | - | | - |
| Professional Services - CIP-related | - | - | | - | | - | - | | - |
| Transfers Out | 1,219,700 | - | | - | | - | - | | - |
| Total Uses | 1,219,700 | - | | - | | - | - | | - |
| Net Increase (Decrease) | (1,213,300) | 950 | | 92,900 | | 28,510 | 95,100 | | 29,678 |
| Beginning Balance - July 1, 2014 | 1,213,400 | 1,217,306 | | 188,600 | | 192,062 | 340,700 | | 343,993 |
| Ending Balance - June 30, 2015 | \$ 100 | \$ 1,218,256 | \$ | 281,500 | \$ | 220,572 | \$ 435,800 | \$ | 373,671 |

The following tables summarize the collection, use and balances of these impact fees.

| Summary of Collection and Use of | | Transpo | orta | tion | | Parks/Op | oen S | pace | Library | | | |
|---|----|---------|------|---------|----|-----------|-------|---------|--------------|----|---------|--|
| Development Impact Fees | b | oudget | | actual | k | oudget | ā | actual | budget | | actual | |
| Sources | | | | | | | | | | | | |
| Development Fees Collected | \$ | 96,200 | \$ | 38,109 | \$ | 5,700 | \$ | 1,662 | \$ 30,500 | \$ | 8,670 | |
| Interest Earnings | | - | | 625 | | 6,700 | | 1,000 | 4,200 | | 642 | |
| Loan Proceeds | | - | | - | | - | | - | - | | - | |
| Transfers In | | - | | - | | - | | - | - | | - | |
| Total Sources | | 96,200 | | 38,734 | | 12,400 | | 2,662 | 34,700 | | 9,312 | |
| Uses | | | | | | | | | | | | |
| Capital Improvement Projects - DIF funded | | - | | - | | - | | - | - | | - | |
| Debt Service | | - | | - | | - | | - | - | | - | |
| Professional Services - DIF Revisions | | - | | - | | - | | - | - | | - | |
| Professional Services - CIP-related | | - | | - | | - | | - | - | | - | |
| Transfers Out | | - | | - | 1 | ,289,700 | | - | 846,700 | | - | |
| Total Uses | | - | | - | 1 | ,289,700 | | - | 846,700 | | - | |
| Net Increase (Decrease) | | 96,200 | | 38,734 | (1 | ,277,300) | | 2,662 | (812,000) | | 9,312 | |
| Beginning Balance - July 1, 2014 | | - | | 767,565 | 1 | ,277,400 | 1, | 279,662 | 812,100 | | 815,305 | |
| Ending Balance - June 30, 2015 | \$ | 96,200 | \$ | 806,299 | \$ | 100 | \$1, | 282,324 | \$ 100 | \$ | 824,617 | |

| Summary of Collection and Use of | Wa | ter | | Sev | wer | | | Sanit | atic | n |
|---|---------------|-----|---------|---------------|-----|---------|----|-------|------|--------|
| Development Impact Fees | budget | | actual | budget | | actual | bu | ıdget | | actual |
| Sources | | | | | | | | | | |
| Development Fees Collected | \$ - | \$ | 1,665 | \$ - | \$ | 2,053 | \$ | - | \$ | - |
| Interest Earnings | 400 | | 87 | 1,500 | | 281 | | - | | 36 |
| Loan Proceeds | - | | - | - | | - | | - | | - |
| Transfers In | - | | - | - | | - | | - | | - |
| Total Sources | 400 | | 1,752 | 1,500 | | 2,334 | | - | | 36 |
| Uses | | | | | | | | | | |
| Capital Improvement Projects - DIF funded | - | | - | - | | - | | - | | - |
| Debt Service | - | | - | - | | - | | - | | - |
| Professional Services - DIF Revisions | - | | - | - | | - | | - | | - |
| Professional Services - CIP-related | - | | - | - | | - | | - | | - |
| Transfers Out | - | | - | - | | - | | - | | - |
| Total Uses | - | | - | - | | - | | - | | - |
| Net Increase (Decrease) | 400 | | 1,752 | 1,500 | | 2,334 | | - | | 36 |
| Beginning Balance - July 1, 2014 | 110,600 | | 110,799 | 357,500 | | 358,589 | | 1,900 | | 45,766 |
| Ending Balance - June 30, 2015 | \$ 111,000 | \$ | 112,551 | \$ 359,000 | \$ | 360,923 | \$ | 1,900 | \$ | 45,802 |

| Summary of Collection and Use of Development Impact Fees | N | orth Flor | enc | e Water | North Florence Sewer | | | |
|---|----|-----------|-----|---------|----------------------|--------|----|--------|
| Development impact rees | b | udget | | actual | bu | budget | | actual |
| Sources | | | | | | | | |
| Development Fees Collected | \$ | - | \$ | - | \$ | - | \$ | - |
| Interest Earnings | | 500 | | 8 | | 100 | | 10 |
| Loan Proceeds | | - | | - | | - | | - |
| Transfers In | | - | | - | | - | | - |
| Total Sources | | 500 | | 8 | | 100 | | 10 |
| Uses | | | | | | | | |
| Capital Improvement Projects - DIF funded | | - | | - | | - | | - |
| Debt Service | | - | | - | | - | | - |
| Professional Services - DIF Revisions | | - | | - | | - | | - |
| Professional Services - CIP-related | | - | | - | | - | | - |
| Transfers Out | | - | | - | | - | | - |
| Total Uses | | - | | - | | - | | - |
| Net Increase (Decrease) | | 500 | | 8 | | 100 | | 10 |
| Beginning Balance - July 1, 2014 | | 10,000 | | 9,841 | | 12,300 | | 12,263 |
| Ending Balance - June 30, 2015 | \$ | 10,500 | \$ | 9,849 | \$ | 12,400 | \$ | 12,273 |

Fund Summaries

In addition to the discussion above regarding major funds, the following table summarizes all Town funds, as well as displaying the beginning and ending fund balances for the funds.

| | | budget | C | current year actual | % received/ expended | % change from prior year | prior year actual |
|-------------------------|-----|------------|----|------------------------|-------------------------|--------------------------------|----------------------|
| General Fund | | | | | | | |
| beginning fund balance | \$ | 7,654,700 | \$ | 8,497,387 | | | |
| revenue | | 14,044,000 | | 2,864,929 | 20% | -3% | \$ 2,946,041 |
| expenditures | | 14,513,600 | | 2,733,310 | 19% | 2% | 2,686,208 |
| ending fund balance | \$ | 7,185,100 | \$ | 8,629,006 | | | |
| Capital Improvements Fu | Ind | | | | | | |
| beginning fund balance | \$ | 13,152,100 | \$ | 12,604,436 | | | |
| revenue | | 13,015,100 | | 322,405 | 2% | -13% | 370,375 |
| expenditures | | 23,177,600 | | 1,853,992 | 8% | 1227% | 139,668 |
| ending fund balance | \$ | 2,989,600 | \$ | 11,072,849 | | | |
| Highway User Revenue F | und | | | | | | |
| beginning fund balance | \$ | 6,366,700 | \$ | 6,860,062 | | | |
| revenue | | 2,853,400 | | 662,809 | 23% | 5% | 633,820 |
| expenditures | | 8,876,300 | | 299,921 | 3% | -47% | 570,785 |
| ending fund balance | \$ | 343,800 | \$ | 7,222,950 | | | |

| | | budget | C | current year actual | % received/ expended | % change from prior year | prior year actual |
|---------------------------|-------|---------------------|-----|------------------------|-------------------------|--------------------------------|----------------------|
| Construction Tax Fund | | | | | | | |
| beginning fund balance | \$ | 3,460,300 | \$ | 2 550 052 | | | |
| revenue | φ | 3,460,300 73,200 | Φ | 3,559,953 | 64% | 425% | 0 965 |
| expenditures | | 1,000,000 | | 46,509 | 0% | 42576 | 8,865 |
| • | ¢ | | ¢ | - | 0% | | - |
| ending fund balance | \$ | 2,533,500 | \$ | 3,606,462 | | | |
| Food Tax Fund | | | | | | | |
| beginning fund balance | \$ | 1,845,900 | \$ | 1,849,870 | | | |
| revenue | | 267,900 | | 68,019 | 25% | 34% | 50,659 |
| expenditures | | 2,100,000 | | - | 0% | | - |
| ending fund balance | \$ | 13,800 | \$ | 1,917,889 | | | |
| Debt Service Fund | | | | | | | |
| beginning fund balance | \$ | 213,100 | \$ | 223,901 | | | |
| revenue | φ | 519,200 | φ | 223,901 | 0% | | |
| | | | | - | | 00/ | - |
| expenditures | • | 543,800 | ۴ | 69,748 | 13% | 0% | 69,748 |
| ending fund balance | \$ | 188,500 | \$ | 154,153 | | | |
| Economic Development | Capit | al Projects Fi | und | | | | |
| beginning fund balance | \$ | 442,900 | \$ | 447,250 | | | |
| revenue | | 2,400 | | 346 | 14% | 69% | 205 |
| expenditures | | 442,700 | | - | 0% | | - |
| ending fund balance | \$ | 2,600 | \$ | 447,596 | | | |
| Water Utility Fund | | | | | | | |
| beginning funds available | \$ | 10,234,600 | \$ | 10,375,178 | | | |
| revenue | Ψ | 3,185,400 | Ψ | 519,754 | 16% | -5% | 545,478 |
| expenditures | | 10,449,300 | | 552,575 | 5% | -3 <i>%</i> 81% | 304,486 |
| ending funds available | ¢ | 2,970,700 | ¢ | | J /0 | 0176 | 504,400 |
| ending funds available | \$ | 2,970,700 | \$ | 10,342,357 | | | |
| Wastewater Utility Fund | | | | | | | |
| beginning funds available | \$ | 8,688,700 | \$ | 9,202,269 | | | |
| revenue | | 4,349,400 | | 705,673 | 16% | -4% | 734,537 |
| expenditures | | 6,350,900 | | 945,422 | 15% | 16% | 811,544 |
| ending funds available | \$ | 6,687,200 | \$ | 8,962,520 | | | |
| Sanitation Utility Fund | | | | | | | |
| beginning funds available | \$ | 1,887,000 | \$ | 1,643,801 | | | |
| revenue | Ŧ | 682,000 | * | 154,333 | 23% | -2% | 157,777 |
| expenditures | | 916,800 | | 161,288 | 18% | -2% | 165,405 |
| | | , • | | 1,636,846 | | | , |

| | | budget | С | urrent year actual | % received/ expended | % change from prior year | prior year actual |
|---------------------------|---------|------------------|----|-----------------------|-------------------------|--------------------------------|----------------------|
| Grant Funds | | | | | | | |
| beginning fund balances | \$ | - | \$ | (14,670) | | | |
| revenue | Ψ | 3,538,600 | Ψ | - | 0% | | |
| expenditures | | 3,538,600 | | 51,048 | 1% | | |
| ending fund balances | \$ | - | \$ | (65,718) | 170 | | |
| | Ψ | | Ψ | (00,110) | | | |
| Other Special Revenue F | unds | | | | | | |
| beginning fund balances | \$ | 122,900 | \$ | 176,194 | | | |
| revenue | | 60,700 | | 2,140 | 4% | 1% | 2,117 |
| expenditures | | 104,300 | | 2,085 | 2% | 11% | 1,875 |
| ending fund balances | \$ | 79,300 | \$ | 176,249 | | | |
| Streetlight Improvement | Dictria | t Funds | | | | | |
| beginning fund balances | \$ | 758,800 | \$ | 746,583 | | | |
| revenue | Ψ | 4,400 | Ψ | 570 | 13% | 48% | 385 |
| expenditures | | 73,100 | | 8,411 | 12% | 40 <i>%</i> 10% | 7,674 |
| ending fund balances | \$ | 690,100 | \$ | 738,742 | 12.70 | 1078 | 7,074 |
| chang land balances | Ψ | 000,100 | Ψ | 700,742 | | | |
| Development Impact Fee | Fund | s | | | | | |
| beginning fund balances | \$ | 4,324,500 | \$ | 5,192,738 | | | |
| revenue | | 340,200 | | 113,986 | 34% | | |
| expenditures | | 3,356,100 | | - | 0% | | |
| ending fund balances | \$ | 1,308,600 | \$ | 5,306,724 | | | |
| Fleet Services Fund | | | | | | | |
| beginning funds available | \$ | _ | \$ | _ | | | |
| revenue | Ψ | 803,700 | Ψ | _ | 0% | | |
| expenditures | | 803,700 | | 128,858 | 16% | | |
| ending funds available | \$ | - | \$ | (128,858) | 1070 | | |
| | Ψ | | Ψ | (120,000) | | | |
| Facility Services Fund | | | | | | | |
| beginning funds available | \$ | 1,100 | \$ | - | | | |
| revenue | | 449,000 | | - | 0% | | |
| expenditures | | 448,000 | | 100,171 | 22% | | |
| ending funds available | \$ | 2,100 | \$ | (100,171) | | | |
| Firefighter Pension Fund | | | | | | | |
| beginning fund balance | \$ | 322,600 | \$ | 323,223 | | | |
| revenue | Ψ | 30,000 | Ψ | 2,558 | 9% | -71% | 8,906 |
| expenditures | | 30,000 14,500 | | 2,558 7,786 | 9 <i>%</i> 54% | 33% | 5,850 |
| ending fund balance | \$ | 338,100 | \$ | 317,995 | J + /0 | 5570 | 5,050 |
| | Φ | 330,100 | φ | 317,990 | | | |

| | | budget | C | current year actual | % received/ expended | % change from prior year | prior year actual |
|---|----------------------|---|----------|---|-------------------------|--------------------------------|------------------------|
| All Town Funds | | | | | | | |
| beginning fund balances | \$ | 59,475,900 | \$ | 61,688,175 | | | |
| revenue | • | 44,218,600 | | 5,464,031 | 12% | 0% | 5,459,165 |
| expenditures | | 76,709,300 | | 6,914,615 | 9% | 45% | 4,763,243 |
| ending fund balances | \$ | 26,985,200 | \$ | 60,237,591 | | | , , |
| Community Facilities Dis beginning fund balances revenue expenditures ending fund balances | strict # \$ \$ | #1 2,311,700 3,852,800 4,873,300 1,291,200 | \$ \$ | 2,272,481 34,803 854,545 1,452,739 | 1% 18% | -98% -39% | 1,678,132 1,393,647 |
| Community Facilities Dis | trict # | #2 | | | | | |
| beginning fund balances | \$ | 1,254,700 | \$ | 3,109,905 | | | |
| revenue | | 1,438,400 | | 32,251 | 2% | -94% | 527,768 |
| expenditures | | 1,752,000 | | 831,186 | 47% | -10% | 926,706 |
| ending fund balances | \$ | 941,100 | \$ | 2,310,970 | | | |

• Revenues appear to be near normal. Expenditures are within budget and healthy ending fund balances remain.

This report was prepared by the Town's Finance Department. Please feel free to contact <u>finance@florenceaz.gov</u> with any questions.

| TOWN OF FLORENCE ARIZONA BUSINESS BUSIN | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 7a. | |
|--|---|----------------------------|--|
| MEETING DATE: De | cember 15, 2014 | ☑ Action | |
| DEPARTMENT: Administration, Finance, Legal | | Information Only | |
| 14: State- | ublic Hearing on Resolution No. 1486- Imposed Expenditure Limitation; and lection in May 2015. | Resolution Ordinance Other | |

RECOMMENDED MOTION/ACTION:

Hold a public hearing on Resolution No. 1486-14: A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, PROPOSING A ONE-TIME SPECIFIC AMOUNT IN EXCESS OF THE STATE-IMPOSED EXPENDITURE LIMITATION AND SETTING A SPECIAL ELECTION FOR MAY 19, 2015.

State Imposed Expenditure Limitation:

With the failure of the Home Rule Option election in August 2014, the Town is now subject to the state-imposed expenditure limitation, which will significantly reduce the Town's budget for the next two fiscal years.

At the October 6, 2014 work session, staff presented the impact that the state-imposed expenditure limitation will have on the Town's annual budget and recommended preparing for a May election asking voters to authorize a specific amount in excess of the state-imposed expenditure limitation. A recommended election calendar and resolution have been drafted and the specific amount to be requested has been determined. Staff recommends asking the Florence voters for authorization to exceed the state-imposed expenditure limitation for Fiscal Year 2015-2016 by \$15,000,000, to allow the Town to adopt a budget no greater than the amount that was adopted for Fiscal Year 2014-2015.

This will allow the Town to determine and develop its own budget that will maintain the current level of services, proceed with planned necessary capital projects as outlined in our Capital Improvement Plan and account for any inflationary cost increases.

The Arizona State Constitution gives the voters of Florence the ability to regain local control over the development of the budget rather than being restricted by the state. Should voters authorize a specific amount in excess of the state-imposed expenditure limitation, they would be providing the ability to develop a budget that will maintain the current level of services that the citizens of Florence have come to expect in areas that

include police, fire, economic and community development, parks and recreation, and water, wastewater and sanitation services.

If an election is not held or if voters do not pass the election, the Town will still receive but will be unable to spend over \$24 million in revenue, all of which is meant to provide the services listed above to our citizens.

Passing the election WILL NOT increase taxes. Likewise, if the election does not pass, taxes WILL NOT decrease.

The table below illustrates the estimated budget reduction that will be necessary to comply with the state-imposed expenditure limitation.

| State-Imposed Expenditure Limitation Budget | | | | |
|---|---------------------|--|--|--|
| Fiscal Year | Estimated Reduction | | | |
| 2015-16 | \$12,834,700 | | | |
| 2016-17 | \$11,402,800 | | | |

SPECIAL ELECTION:

The Town may exceed its expenditure limitation by holding an election the third Tuesday, in May 2015, and again in May 2016. In order to have this election, two-thirds of the members of the Council must vote in favor of holding an election. At the election a majority of qualified electors voting must give their vote of approval for the excess.

Before Council can call an election, they must hold two public hearings. Attached are the resolution and ballot language that will be used for the public hearings. Public hearings are scheduled for December 1 and December 15, 2014. Immediately following the second public hearing, the Council must convene in special meeting and vote on the proposed excess expenditure. If approved, a record of the vote and the purposes of the excess expenditure must be published in the newspaper. Afterwards, Council will call the Special Election. The call of the Special Election is planned for January 5, 2015.

STAFF RECOMMENDATION:

Hold the second public hearing and adopt Resolution No. 1486-14.

ATTACHMENTS:

Resolution No. 1486-14 Ballot Language

RESOLUTION NO. 1486-14

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, PROPOSING A ONE-TIME SPECIFIC AMOUNT IN EXCESS OF THE STATE-IMPOSED EXPENDITURE LIMITATION AND SETTING A SPECIAL ELECTION FOR MAY 19, 2015.

WHEREAS, the Arizona State Constitution permits the submission of the voters of a city or town of a one-time specific amount in excess of the Town's expenditure limitation under Article IX, Section 20(2)(c); and

WHEREAS, the Florence voters in 1982, 1986, 1990, 1994, 1998, 2002, 2006 and 2010 have authorized the local alternative expenditure limitation; and

WHEREAS, the Town's current local alternative expenditure limitation (Home Rule Option) expires at the end of Fiscal Year 2014-2015; and

WHEREAS, the Town's voters did not approve the alternative expenditure limitation (Home Rule Option) presented for Fiscal Years 2015-2016 through 2018-2019; therefore, a ballot measure requesting authorization to exceed the state-imposed expenditure limitation must be presented to the voters for Fiscal Year 2015-2016; and

WHEREAS, the Florence Town Council, after two public hearings, has determined that a one-time specific amount in excess of the state-imposed expenditure limitation is necessary for the Town of Florence to regain local control.

NOW, THEREFORE, BE IT RESOLVED by the Florence Town Council:

- <u>SECTION 1</u>. That the Town Clerk is authorized to enter into an agreement with the Pinal County Election Department for the administration of the election.
- <u>SECTION 2</u>. That the following question will be submitted to the qualified Florence voters at a Special Election to be held May 19, 2015:

Shall the Town of Florence regain local control and exceed the state-imposed expenditure limitation for Fiscal Year 2015-2016 by \$15,000,000, to allow the Town to adopt a budget no greater than the amount that was adopted for Fiscal Year 2014-2015?

NOW, BE IT FURTHER RESOLVED by the Florence Town Council:

"The Florence Town Council shall, as part of the 2015-2016 Budget, adopt an expenditure limitation to govern the Town of Florence budget for the Fiscal Year immediately following such adoption. The expenditure limitation shall be adopted after

a Public Hearing at which the citizens may comment on the proposed expenditure limitation. No expenditure may be made in violation of such Budget, nor may any processed expenditures be in excess of estimated available revenues except that the Town Council may, by three-fourths vote, declare an emergency and suspend the effect for one Fiscal Year at a time."

PASSED AND ADOPTED by the Florence Town Council, this 15th day of December, 2014.

Tom J. Rankin, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Town Attorney

ATTEST:

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 1486-14 was duly passed and adopted by the Town Council of Florence, Arizona, at a Special Meeting held on the 15th day of December, 2014, and that the vote was _____ ayes and _____nays.

Lisa Garcia, Town Clerk

One-time Specific Amount in Excess of State-Imposed Expenditure Limitation

Summary Analysis

The voters of the Town of Florence have adopted a local alternative expenditure limitation (Home Rule Option) in every election that it has been presented to them: 1982, 1986, 1990, 1994, 1998, 2002, 2006 and 2010.

Due to a defeat of the Home Rule Option in the 2014 Primary Election, the Town needs to hold a special election to seek a one-time specific amount in excess of the state-imposed expenditure limit for Fiscal Year 2015-2016, until a Home Rule Option can be submitted to the voters as part of the Town's Primary Election in August of 2016.

The approval of a one-time specific amount in excess of the state-imposed expenditure limit **will not increase taxes**. It merely permits the Town to regain local control and spend the existing revenues it already collects.

If approved by the voters, the Town of Florence will regain local control and can exceed the state-imposed expenditure limitation for Fiscal Year 2015-2016 by \$15,000,000, which will allow the Town to adopt a budget no greater than the amount that was adopted for Fiscal Year 2014-2015. The existing revenues are funds collected by the Town from state and local sources that are used to maintain the current levels of service that the citizens of Florence have come to expect. The services include police, fire, courts, economic and community development, parks and recreation, street maintenance and improvements, water and wastewater systems operations and maintenance, refuse and recycling services, senior services, as well as other important public services provided by the Town of Florence.

If the specific amount in excess of the state expenditure limitation is not approved by the voters, the Town will not be able to maintain its current levels of service under the state-imposed expenditure limit and additional service cuts will be required.

TEXT OF BALLOT

PROPOSITION XXXX

Referred to the voters of the Town of Florence by the Florence Town Council

<u>Official title:</u> Resolution No. 1486-14 – A resolution of the Town Council of the Town of Florence, Arizona, proposing a one-time specific amount in excess of the state-imposed expenditure limitation of Fiscal Year 2015-2016.

Descriptive title:

This measure, under Article IX, Section 20(2)(c), of the Arizona Constitution, allows the Town of Florence to exceed the state-imposed expenditure limitation for Fiscal Year 2015-2016 by \$15,000,000 to allow the Town to adopt a budget no greater than the amount that was adopted for Fiscal Year 2014-2015.

A "**YES**" vote shall have the effect of continuing existing services by regaining local control of the expenditure of existing revenues by Florence residents.

A "**NO**" vote shall have the effect of preventing the local control of expenditures by Florence residents and will require expenditures instead to be limited by the state-imposed expenditure formula based on Fiscal Year 1979-80 expenditures, resulting in cuts in existing Town services and programs.

Proposition XXXX:

Shall the Town of Florence regain local control and exceed the state-imposed expenditure limitation for Fiscal Year 2015-2016 by \$15,000,000, to allow the Town to adopt a budget no greater than the amount that was adopted for Fiscal Year 2014-2015?

NOTICE OF PUBLIC HEARING

The Town Council of the Town of Florence will hold two public hearings on Resolution No. 1486-14:

A RESOLUTION OF THE TOWN OF FLORENCE, ARIZONA, PROPOSING A ONE-TIME SPECIFIC AMOUNT IN EXCESS OF THE STATE-IMPOSED EXPENDITURE LIMITATION AND SETTING A SPECIAL ELECTION FOR MAY 19, 2015

Public Hearing will be held on:

| December 1, 2014, 6:00 p.m. | December 15, 2014 6:00 p.m. |
|-----------------------------|-----------------------------|
| Florence Town Hall | Florence Town Hall |
| 775. N. Main Street | 775 N. Main Street |
| Florence, Arizona 85132 | Florence, Arizona 85132 |

Publish in the Florence Reminder on 11/20, 11/27, 12/4, and 12/11, 2014.

Invitation to Submit Ballot Arguments Deadline April 20, 2015

Florence – Town Clerk Lisa Garcia announced the proposition number for ballot measure appearing on the May 19, 2015 Florence Special Election and invites interested parties to submit arguments to be included in the Publicity Pamphlet that will be distributed prior to the May 19, 2015 Special Election.

The proposition that will appear on the May 19, 2015, ballot is listed below.

Proposition X00: ONE-TIME SPECIFIC AMOUNT IN EXCESS OF STATE-IMPOSED EXPENDITURE LIMITATION:

Proposal submitted by the Town Council of Florence

<u>Official Title</u>: Resolution No. 1486-14 – A resolution of the Town of Florence, Arizona, proposing a one-time specific amount in excess of the state-imposed expenditure limitation of Fiscal Year 2015-2016.

Descriptive Title:

This measure, under Article IX, Section 20(2)(c), of the Arizona Constitution, allows the Town of Florence to exceed the state-imposed expenditure limitation for Fiscal Year 2015-2016 by \$15,000,000 to allow the Town to adopt a budget no greater than the amount that was adopted for Fiscal Year 2014-2015.

A "**YES**" vote shall have the effect of continuing existing services by regaining local control of the expenditure of existing revenues by Florence residents.

A "**NO**" vote shall have the effect of preventing the local control of expenditures by Florence residents and will require expenditures instead to be limited by the state-imposed expenditure formula based on Fiscal Year 1979-80 expenditures, resulting in cuts in existing Town services and programs.

Proposition XXXX:

Shall the Town of Florence regain local control and exceed the state-imposed expenditure limitation for Fiscal Year 2015-2016 by \$15,000,000, to allow the Town to adopt a budget no greater than the amount that was adopted for Fiscal Year 2014-2015?

Arguments for or against ballot measures may be filed with the Town Clerk no later than 5 p.m., Monday, April 20, 2015. Arguments may be submitted to the Town Clerk, PO Box 2670, 775 N. Main Street, Florence, Arizona 85132. A \$200 fee must accompany each argument submitted and each argument must not exceed 300 words. Arguments must be signed by the submitting person. Arguments submitted by organizations shall be signed on behalf of the organization by one of the executive officers of the organization authorized to take the action, or if a politician committee, by the

Chairperson or Treasurer. No person or organization shall submit more than one argument for each ballot measure to be voted on.

For more information, call the Town Clerk's Office at 520-868-7552.

Publish in the paper 4 times: March 19, March 26, April 2, April 9, 2015 dates.

| TOWN OF FLORENCE AREZONA PUBLIC | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 9a. | |
|--|---|--|--|
| MEETING DATE: De | ecember 15, 2014 | | |
| DEPARTMENT: Public Works Department | | ☑ Action ☑ Information Only ☑ Public Hearing | |
| STAFF PRESENTER: John V. Mitchell | | Resolution Ordinance | |
| | Interim Public Works Director | ☐ Regulatory | |
| SUBJECT: Approval of Utility Easement between the Town of Florence and Arizona Public Service Company for | | ☐ 1 st Reading ☐ 2 nd Reading ◯ Other | |
| | ry Square Project | | |

RECOMMENDED MOTION/ACTION:

Motion to approve a utility easement between the Town of Florence and Arizona Public Service Company for the Territory Square Project.

BACKGROUND/DISCUSSION:

The construction of the Territory Square Project necessitates that Arizona Public Service Company relocate infrastructure. Low Mountain Construction, contractor for the Town, has recommended that the infrastructure be placed in a permanent location in order to save on future relocation costs as well as to serve future needs. A general representation of the easement is attached.

Once the final easement document is prepared, it will be circulated for approval by the Town.

FINANCIAL IMPACT:

The cost of the easement is one dollar and other valuable consideration, and is payable through the existing 2014/2015 Fiscal Year budget.

STAFF RECOMMENDATION:

Staff recommends that the utility easement with the Arizona Public Service Company be approved and that the Mayor sign the utility easement on behalf of the Town of Florence.

ATTACHMENTS:

Utility Easement Exhibit

SW¹/4 SEC 36 T4S R9E 33.038073° / -111.387671° APN:200-48-006D SE-14-44 WA209565 WW\JL

UTILITY EASEMENT

TOWN OF FLORENCE, a municipal corporation, (hereinafter called "Grantor"), is the owner of the following described real property located in Pinal County, Arizona (hereinafter called "Grantor's Property"):

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Grantor, for and in consideration of One Dollar (\$1.00) and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant and convey to **ARIZONA PUBLIC SERVICE COMPANY**, an Arizona corporation, (hereinafter called "Grantee"), and to its successors and assigns, a non-exclusive right, privilege, and easement at locations and elevations, in, upon, over, under, through and across, a portion of Grantor's Property described as follows (herein called the "Easement Premises"):

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

Grantee is hereby granted the right within the Easement Premises to: construct, reconstruct, replace, repair, operate and maintain electrical lines, together with appurtenant facilities and fixtures for use in connection therewith, for the transmission and distribution of electricity to, through, across, and beyond Grantor's Property; install, operate and maintain telecommunication wires, cables, conduits, fixtures and facilities incidental to supplying electricity or for Grantee's own use (said electrical and telecommunication lines, facilities and fixtures collectively herein called "Grantee Facilities"); utilize the Easement Premises for all other purposes connected therewith; and permit the installation of the wires, fixtures, conduits, or cables of any other company.

Grantee is hereby granted the right, but not the obligation, to trim, prune, cut, and clear away trees, brush, shrubs, or other vegetation on, or adjacent to, the Easement Premises whenever in Grantee's judgment the same shall be necessary for the convenient and safe exercise of the rights herein granted.

Grantee shall at all times have the right of full and free ingress and egress to and along the Easement Premises for the purposes herein specified.

Grantor shall maintain clear areas that extend: 1) 3 feet from and around all edges of all switching cabinet pads and 2 feet from and around all edges of all transformer pads and other equipment pads, and 2) a clear operational area that extends 10 feet immediately in front of all transformer, switching cabinet and other equipment openings, and 3) a 6 feet by 6 feet hot-stick operating area off the front left corner of all transformers. No obstructions, trees, shrubs, large landscape rocks, fences, fixtures, or permanent structures shall be placed by Grantor within said clear areas; nor shall Grantor install landscape irrigation or sprinkler systems within said clear areas. Landscape irrigation or sprinkler systems installed adjacent to the clear areas shall be installed and maintained so that the transformers, switching cabinets or any other equipment do not get wet by spray or irrigation.

Grantor shall not locate, erect or construct, or permit to be located, erected or constructed, any building or other structure or drill any well within the limits of the Easement Premises; nor shall Grantor plant or permit to be planted any trees within the limits of the Easement Premises without the prior written consent of Grantee. However, Grantor reserves the right to use the Easement Premises for purposes that are not inconsistent with Grantee's easement rights herein conveyed and which do not interfere with or endanger any of the Grantee Facilities, including, without limitation, granting others the right to use all or portions of the Easement Premises for utility or roadway purposes and constructing improvements within the Easement Premises such as paving, sidewalks, landscaping, and curbing. Notwithstanding the foregoing, Grantor shall not have the right to lower by more than one foot or raise by more than two feet the surface grade of the Easement Premises, and in no event shall a change in the grade compromise Grantee's minimum cover requirements or interfere with Grantee's operation, maintenance or repair.

Grantee agrees that following any installation, excavation, maintenance, repair, or other work performed by Grantee within the Easement Premises, the affected area will be restored by Grantee to as close to original condition as is reasonably possible, at the expense of Grantee; and that Grantee shall indemnify Grantor, to the extent required by law, for any loss, cost or damage incurred by Grantor as a result of any negligent installation, excavation, maintenance, repair or other work performed by Grantee within the Easement Premises.

The easement granted herein shall not be deemed abandoned except upon Grantee's execution and recording of a formal instrument abandoning the easement.

The covenants and agreements herein set forth shall extend and inure in favor and to the benefit of, and shall be binding on the heirs, administrators, executors, successors in ownership and estate, assigns and lessees of Grantor and Grantee.

IN WITNESS WHEREOF, **TOWN OF FLORENCE**, a municipal corporation, has caused this Utility Easement to be executed by its duly authorized representative, this _____ day of _____, 2014.

TOWN OF FLORENCE, a municipal corporation

| B | y: Printed Name | |
|---|--------------------|-----------|
| Its | s: Title | |
| | Signature | |
| TATE OF } } ss. | | |
| image: solution of image: solutimage: solution of image: solution of image: solution of ima | | |
| This instrument was acknowledged before | ore me this day of | , 201 |
| У | | (Grantor) |

IN WITNESS WHEREOF I hereunto set my hand and official seal.

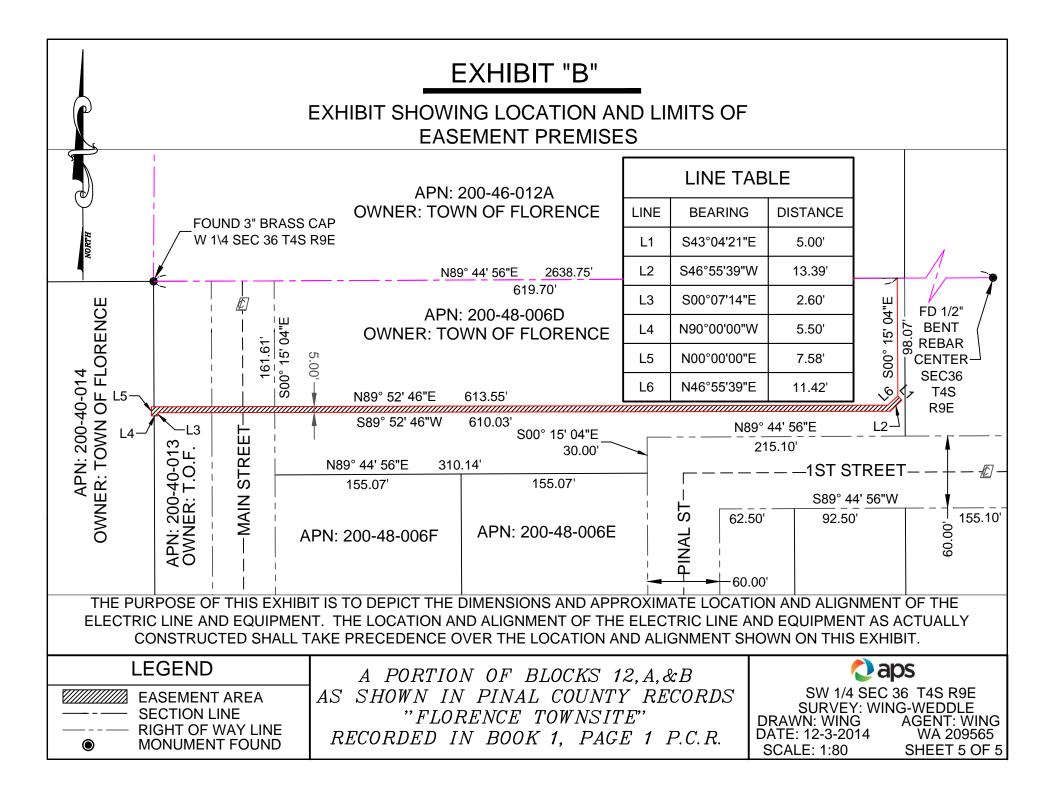
Notary Seal:

Notary Public Signature

EXHIBIT "A"

(LEGAL DESCRIPTION OF GRANTOR'S PROPERTY)

AS RECORDED AS BLOCK 12, BLOCK A, & BLOCK B IN BOOK 1, PAGE 1 OF PINAL COUNTY RECORDS AND FILED AS FEE NUMBER 1978-000001 P.C.R.





This map is created for reference purposes only and is to be used at your own risk. The Town of Florence makes no warranty as to the accuracy or completeness of the information contained in this map and assumes no liability for any errors or omissions contained therein, nor for any direct, indirect, or consequential damages Which may be caused by its use. It is the user's responsibility to verify all information contained herein. 2014-43

Approximate APS Easement Boundary



| TOWN OF FLORENCE ARZONA PUNCT INT | TOWN OF FLORENCE COUNCIL ACTION FORM | AGENDA ITEM 9b. |
|--|---|---|
| MEETING DATE: Dec | ⊠ Action | |
| DEPARTMENT: Admi | Information Only Public Hearing Resolution | |
| STAFF PRESENTER: | Ordinance | |
| | ater Florence Chamber of Commerce nal Services Agreement | ☐ 1 st Reading ☐ 2 nd Reading ☐ Other |

RECOMMENDED MOTION/ACTION:

A motion to approve entering into a Professional Services Agreement with the Greater Florence Chamber of Commerce for Calendar Year 2015.

BACKGROUND/DISCUSSION:

Town staff and the Greater Florence Chamber of Commerce have agreed to terms of the Professional Services Agreement as presented to the Town Council. The agreement identifies services the Greater Florence Chamber of Commerce will provide to the Town of Florence to enhance economic activity and support businesses in Florence with a focus on the areas of business enhancement and promotions.

The contract includes, but is not limited to, the following scope of service:

- 1. Provides the option to extend the contract annually through 2017.
- 2. Attendance at the second Town Council meeting each month to present the Chamber Business of the Month and any new business owners if applicable.
- 3. Submission of four written reports and the annual report that describe the actions taken to accomplish the scope of service.
- 4. Assisting the Town of Florence with business retention and expansion activities.
- 5. Support of Florence businesses by coordinating monthly networking luncheons, ribbon cuttings, and a shop local program.
- 6. Promotion of Florence by working with local and regional media, providing information for the Visit Florence website, and maintaining the community calendar of events.
- 7. Coordination of at least two special events including Casino Night.
- 8. Managing the downtown information kiosk and the Town's Kiosk Signage Program.
- 9. Operating the Florence Visitor Center and McFarland State Historic Park.

The full Scope of Service is referenced in the agreement as Exhibit A.

FINANCIAL IMPACT:

The fiscal impact of the Professional Services Agreement is \$65,000.00 for Calendar Year 2015.

STAFF RECOMMENDATION:

Staff recommends approval of the Professional Services Agreement with the Greater Florence Chamber of Commerce.

ATTACHMENTS:

Professional Services Agreement for Economic Development with the Greater Florence Chamber of Commerce.

PROFESSIONAL SERVICES AGREEMENT FOR ECONOMIC DEVELOPMENT WITH THE GREATER FLORENCE CHAMBER OF COMMERCE

THIS AGREEMENT is made and entered into this _____day of _____ 2014, by and between the **TOWN OF FLORENCE**, an Arizona municipal corporation ("Town"), and the **GREATER FLORENCE CHAMBER OF COMMERCE**, an Arizona non-profit corporation ("Consultant"), for economic development services ("Project").

WHEREAS, pursuant to Arizona Revised Statutes Annotated ("A.R.S.") § 9-493 and 9-500.11, Town is authorized to appropriate monies from its general fund for the purposes of improving or enhancing the economic welfare of the inhabitants of the Town, encouraging immigration, new industries and investment in the Town, and to print and distribute books, pamphlets and maps advertising the advantages of the Town; and

WHEREAS, Town desires to retain a consultant to provide economic development services and to make payment for the same in accordance with the terms and conditions set forth in this Agreement, including all attachments; and

WHEREAS, Consultant has specialized resources, facilities and skills to perform such work; and

NOW, THEREFORE, Town agrees to retain and does hereby retain Consultant and Consultant agrees to provide the services required according to the terms and conditions and consideration set forth below:

- 1. <u>TERM</u>: The term of this Agreement shall commence from January 1, 2015, to the time of completion of services to be rendered by Consultant, but in no event later than December 31, 2017.
- 2. <u>CONSULTANT'S DUTIES</u>: Consultant agrees to perform professional services in connection with the Project as outlined in **Exhibit A**, all to be performed in accordance with all Town codes, ordinances, regulations, policies and procedures.
- 3. <u>COMPENSATION AND REPORTING</u>: In accordance with the terms and conditions of this Agreement, Town shall compensate Consultant for its professional services as follows:
 - a. An aggregate sum not to exceed **sixty-five thousand dollars (\$65,000.00)** for Calendar Year 2015 with the option to extend the contract annually through 2017, provided Consultant meets the tasks identified and the reporting requirements as outlined in this Agreement and the insurance and indemnification requirements described in Sections 8 and 9 of this Agreement, subject to satisfactory performance by Consultant, to be determined by the Town

Manager or designee, of the terms and conditions of this Agreement.

- b. The Consultant will report to the Town four (4) times throughout each year. The four (4) written performance reports shall be submitted no later than the following dates:
 - i. April 15, 2015 for the first report
 - ii. July 15, 2015 for the second report
 - iii. October 15, 2015 for the third report
 - iv. January 15, 2016 for the fourth report and annual report
- c. For each written performance report deemed satisfactory the Consultant is to be paid Sixteen thousand two hundred fifty dollars (\$16,250.00). The following items must be included:
 - i. Steps taken to achieve the goals and projects during the quarter as outlined in **Exhibit A**
 - ii. Income Statement and Balance Sheet for the quarter
 - iii. Other noteworthy events
- d. The written annual report shall be completed by the Consultant and submitted to the Town Manager, or designee, before the filing deadline of the second Town Council meeting in January. The annual report shall be orally presented to the Town Council at the second Town Council meeting in January. The document must include at least the following items:
 - i. Outcomes of each goal and projects as outlined in Exhibit A
 - ii. Complete financial report including balance sheet, income statement and narrative of the current financial situation
 - iii. A detailed analysis of all special events executed, including a thorough event analysis and lessons-learned summary
 - iv. A detailed report outlining any increases/decreases to membership, including methodologies to increase and/or retain membership
 - v. Goals and objectives for the upcoming year
 - vi. Other noteworthy events
- e. If the Consultant is unable to complete the service by the date identified in Section 3(b), then the Consultant may provide written recommendations for an extension of time to the Town Manager or designee, to request additional time to complete the project. The recommendations shall be received by the Town Manager or designee prior to the completion date. Scheduling of services shall be done by mutual agreement between the Consultant and the Town Manager or designee. In the written request for a time extension, the Consultant shall provide rationale as to why the service cannot be completed and identify a specific date when the project shall be completed.

- f. The Town shall not compensate the Consultant if the Consultant does not complete the services by **December 31, 2015**, or the Consultant does not provide a request for an extension of time to the Town Manager or designee prior to the completion date identified in this Agreement or other date if determined by the Consultant and the Town Manager or designee.
- g. The Town Manager or designee may refuse to grant a time extension to complete the service, or dispute the quality of service provided by the Consultant, if written notice of refusal is provided within ten (10) days of the Consultant's request for a time extension or when an activity is completed. The written notice shall specify the grounds for refusal, and the Consultant is permitted ten (10) days from the written notice of refusal to redress the grounds for refusal. Should the Town Manager or designee disagree that the ground for refusal are properly redressed, the dispute may be brought by the Consultant before an Arbiter recognized by the Pinal County Superior Court for binding arbitration of the dispute. The prevailing party in such arbitration shall recover all costs including: all arbitration expenses, collection expenses, reasonable attorneys' fees and other costs to be determined by the Arbiter in such action.
- h. Consultant will monitor and actively seek other sources of public or private funding that becomes available to Consultant and will advise the Town Manager or designee of these opportunities.
- i. Exhausting the total amount payable pursuant to Section 3(a) shall not relieve Consultant of its obligations to perform services. Should Town request additional services beyond those specified in Section 2, Consultant shall charge, and Town shall pay for, a rate as negotiated between Town and Consultant and executed in writing.
- 4. <u>CONSULTANT BILLING</u>: Consultant shall submit invoices to the Town for payment upon completion of each phase of work outlined in **Exhibit A**. Payment shall be made to Consultant within thirty (30) calendar days of the date of receipt. The Town's payment shall be made only in the name of the Consultant appearing on this Agreement. For additional services as negotiated per Section 3(i), Consultant shall bill Town on a time and expense basis in a total amount not to exceed the negotiated amount. Town shall pay such billings within thirty (30) calendar days of the date of receipt or as otherwise negotiated.
- 5. <u>CONSULTANT'S STANDARD OF PERFORMANCE</u>: While performing the services, Consultant shall exercise the reasonable professional care and skill customarily exercised by reputable members of Consultant's profession and shall use reasonable diligence and best judgment while exercising its professional skill and expertise. Consultant shall be responsible for all errors and omissions Consultant commits in the performance of this Agreement.

6. <u>NOTICES</u>: All notices and requests to the other party required under this Agreement shall be in writing and sent by first class certified mail, postage prepaid, return receipt requested, addressed to the following personnel:

| Town of Florence | Greater Florence Chamber of Commerce |
|-----------------------|--------------------------------------|
| Town Manager | Executive Director |
| P.O. Box 2670 | P.O. Box 929 |
| 775 North Main Street | Florence, AZ 85132 |
| Florence, AZ 85132 | |

- 7. <u>TERMINATION</u>: This Agreement may be terminated by either party upon thirty (30) working days written notice. If this Agreement is terminated, Consultant shall be paid for services performed to the date of receipt of such termination notice. In the event of such termination, Consultant shall deliver to Town all work in any state of completion at the date of effective termination.
- 8. <u>INSURANCE REQUIREMENTS</u>: The Consultant, at Consultant's own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of "A", or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Consultant/Town of Florence.

All insurance required herein shall be maintained in full force and effect during any term of this Agreement; failure to do so may, at the sole discretion of the Town of Florence, constitute a material breach of this Agreement.

The Consultant's insurance shall be primary insurance, and any insurance or selfinsurance maintained by the Town of Florence shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the Town of Florence.

The insurance policies required by this Agreement shall name the Town of Florence, its agents, officers, officials, and employees as Additional Insured. Additionally, the State of Arizona must be named as additional insured. The policy shall be endorsed to include the following additional insured language: "The State of Arizona and Arizona State Parks officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the contractor".

General Liability: Consultant shall, at Consultant's expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for

each occurrence and with a \$1,000,000 General Aggregate Limit.

The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 000211093(October 2001 version). The coverage shall not exclude X, C, U.

Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision, which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s, Additional Insured, Form B, CG2O101185 (October 2001 version).

Certificates of Insurance: In the event any insurance policy(ies) required by this Agreement is (are) written on a "claims made" basis, coverage shall extend for two years past the expiration of any term of this Agreement as evidenced by annual Certificates of Insurance.

If a policy does expire during any term of this Agreement, a renewal certificate must be sent to the Town of Florence no later than fifteen (15) days prior to the expiration date.

9. INDEMNIFICATION: To the fullest extent permitted by law, Consultant shall defend, indemnify and hold harmless the Town of Florence, its agents, officiers, officials and employees from and against all tort claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted either wholly or in part from the acts, errors, mistakes, omissions, work or services of the Consultant, its agents, employees, contractors or subcontractors in the performance of this Agreement, and regardless of whether or not such claim, damages, loss or expenses are caused in part by the Town.

Consultant's duty to defend, hold harmless and indemnify the Town of Florence, its agents, officers, officials and employees shall arise in connection with any tort claims, damages, losses or expenses that are attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting there from, caused either wholly or in part by Consultant's acts, errors, mistakes, omissions, work or services in the performance of this Agreement including any employee of the Consultant or any other person for whose acts, errors, mistakes, omissions, work or services the Consultant may be legally liable, and regardless of whether or not such claim, damages, losses or expenses are caused in part by the Town.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this Section.

- 10. <u>INDEPENDENT CONTRACTOR</u>: Consultant shall at all times during Consultant's performance of the services retain Consultant's status as independent contractor. Consultant's employees shall under no circumstances be considered or held to be employees or agents of Town. Town shall have no obligation to pay or withhold state or federal taxes or provide workers' compensation or unemployment insurance for or on behalf of them or Consultant.
- 11. <u>GOVERNING LAW AND VENUE</u>: The terms and conditions of this Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona. Any action at law or in equity brought by either party for the purpose of enforcing a right or rights provided for in this Agreement shall be tried in a court of competent jurisdiction in Pinal County, State of Arizona. The parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other county. In the event either party shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition in this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs including: all litigation and appeal expenses, collection expenses, reasonable attorneys' fees, necessary witness fees and court costs to be determined by the court in such action.
- 12. <u>OWNERSHIP OF RECORDS AND REPORTS</u>: All of the files, reports, documents, information and data prepared or assembled by Consultant under this Agreement shall be considered work product which is owned by Consultant; provided, however, that upon request by the Town, copies of such files, reports, documents, information and data shall be provided to the Town at any time the Town requires such information, in accordance with the limitations of this Agreement.
- 13. <u>NONASSIGNMENT</u>: This Agreement has been entered into based upon the personal reputation, expertise and qualifications of Consultant. Neither party to this Agreement shall assign its interest in the Agreement, either in whole or in part. Consultant shall not assign any monies due or to become due to it hereunder without the prior written consent of Town.
- 14. <u>ENTIRE AGREEMENT</u>: This Agreement and any attachments represent the entire agreement between Town and Consultant and supersede all prior negotiations, representations or agreements, express or implied, written or oral. It is mutually understood and agreed that no alteration or variation of the terms and conditions of this Agreement shall be valid unless made in writing and signed by the parties hereto. Written and signed amendments shall automatically become part of the Supporting Documents, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by

construing the provisions as mutually complementary and supplementary.

- 15. <u>SEVERABILITY</u>: If any part, term or provision of this Agreement shall be held illegal, unenforceable or in conflict with any law, the validity of the remaining portions and provisions hereof shall not be affected.
- 16. <u>CONFLICTS OF INTEREST</u>: The provisions of A.R.S. § 38-511 relating to cancellation of contracts due to conflicts of interest shall apply to this contract.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the day and year first above written.

TOWN OF FLORENCE:

GREATER FLORENCE CHAMBER OF COMMERCE:

Tom J. Rankin, Mayor

Damon Anderson, Chairman

ATTEST:

Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

Town Attorney

EXHIBIT A

1. Business Retention & Growth

- a) Attend the second Town Council meeting each month to present the Chamber Business of the Month and any new business owners if applicable.
- b) Assist the Town of Florence with the implementation and execution of a business retention and expansion program. Notify the Town immediately if businesses have shared plans to relocate or downsize operations. Attend meetings called by the Town to address business retention and expansion issues.
- c) Hold at least one (1) quarterly business seminar designed to encourage, educate and inform businesses about current issues and expose them to any partnerships, programs or resources available in the region.
- d) Develop in-house business planning services to assist local businesses with issues such as marketing, feasibility studies, financial planning, and any other services deemed necessary to meet the immediate needs of the Florence business community. Develop partnerships with Central Arizona College, the Small Business Association, and other organizations to offer local businesses greater access to business planning services.

2. Marketing

- a) Coordinate and execute monthly Chamber luncheon events that feature speakers and/or information on issues impacting local, regional or statewide business interests. Provide attendance for the Town Manager, or designee, and Town Council Liaison for each Chamber luncheon event.
- b) Manage the informational kiosk in downtown Florence.
- c) Actively manage the Town's Kiosk Signage Program and promote it to local and regional businesses.
- d) Coordinate and execute business ribbon cutting and ground breaking events, as needed.
- e) Develop, implement, and promote a program that educates the public about the benefits of shopping at local businesses. Seek out potential partnerships with organizations to build upon established data about the benefits of shopping local.
- f) Work with local and regional media outlets to encourage positive coverage and attention to local Florence businesses.
- g) Support Town events (e.g. Christmas on Main, Fourth of July Celebration, Junior Parada, etc.) by encouraging businesses to remain open through the duration of the event.
- h) Coordinate and execute at least two (2) annual special events, such as Casino Night. Provide 24 tickets for the entertaining portion of the event. The town will reimburse the chamber for meal costs for the event.

3. Florence Visitor Center

General Operations

- a) Operate the Florence Visitor Center during normal hours from October 1 through May 31, Monday through Saturday, 9:00 a.m. to 5:00 p.m. The Visitor Center will operate on a summer hours schedule June 1 through September 30, Monday through Saturday, 9:00 a.m. to 2:00 p.m.
- b) Provide the following services to the general public during operating hours:
 - 1) Access to public telephones (local calls only); drinking water; and provision of general information about the Town of Florence, the region, and the State.
 - Provision of information racks accessible to the public on weekends and holidays including: Memorial Day, Fourth of July, Labor Day, Thanksgiving, Christmas, and New Year's Day.

Marketing

- a) Assist the Town with managing the Visit Florence website by providing timely and accurate information for the site as necessary. Encourage web traffic between www.florenceazchamber.com and www.visitflorenceaz.com through social media, imbedded links, and any other methods deemed necessary.
- b) Maintain an up-to-date Annual Florence Special Events calendar. Highlight Chamber of Commerce, Town of Florence, and other community wide events.
- c) Work with the Town of Florence and local business community to develop a strategy to attract visitors to the Town of Florence.

4. McFarland State Historic Park

General Operations

- a) Operate McFarland State Historic Park consistent with the Florence Visitor Center operation hours.
- b) Provide information to the public on the park and exhibits located within McFarland State Historic Park.

Marketing

a) Actively advertise and promote all programs, special events, and activities held at McFarland State Historic Park.

b) Actively advertise the location of the Greater Florence Chamber of Commerce and the Town of Florence Visitor Center at McFarland State Historic Park.

5. List the "Town of Florence" as a sponsor for all events and print materials produced by the Consultant.

6. Provide annual membership in the name of the "Town of Florence".

| TOWN OF FLORENCE AREZONA PRESS | TOWN OF FLORENCE COUNCIL ACTION FORM | AGENDA ITEM 9c. |
|---|---|--------------------|
| MEETING DATE: De | cember 15, 2014 | ⊠ Action |
| DEPARTMENT: Utilitie | Information Only Public Hearing Resolution Ordinance Regulatory | |
| STAFF PRESENTER: | | |
| SUBJECT: Approval to Undergroun Street Wate | ☐ 1 st Reading ☐ 2 nd Reading ☐ Other | |

RECOMMENDED MOTION/ACTION:

Motion to approve signing a contract with Apache Underground and Excavation LLC, for the Bailey Street Waterline Project.

BACKGROUND/DISCUSSION:

On November 17, 2014, Council approved the issuance of a Notice of Award to Apache Underground and Excavation LLC, for the Bailey Street Waterline Project. Staff requests that Council approve the signing of the contract for the work.

FINANCIAL IMPACT:

The cost of the contract is \$479,334.00. There is approximately \$830,000 in the 2014/2015 Fiscal Year budget for the project.

STAFF RECOMMENDATION:

Staff recommends that the Mayor sign the contract with Apache Underground and Excavation LLC, on behalf of the Town.

ATTACHMENTS:

Contract

NOTICE OF AWARD

TO: <u>Apache Underground & Excavation, LLC</u> (lasen Bidder's Name and Address)

.

P.O. Box 113

Lakeside, AZ 85929

CONTRACT FOR: Bailey Street & 12th Street Water Line

The OWNER has considered the BID dated <u>October 30</u>, <u>2014</u>, submitted by you for the above described WORK in response to its Advertisement for Bids and Information for Bidders.

You are hereby notified that your BID has been accepted for items in the amount of: \$ 479,334.00.

You are required by the Instruction to Bidders to execute the CONSTRUCTION CONTRACT and furnish the required CONTRACTOR'S Performance BOND, Payment BOND, and Certificates of Insurance within ten (10) calendar days from the date of this Notice to you.

If you fail to execute said CONSTRUCTION CONTRACT and to furnish said BONDS within ten (10) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of you BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the OWNER.

Dated this _____ day of ______, 20____.

BY: _____

| TITLE: | Town Manager | |
|--------|--------------|--|
| | | |

(Signature)

ACCEPTANCE OF NOTICE

| Receip | ot of the above NO | TICE OF AWARD is hereby acknowl | edged by | |
|--------|--------------------|---------------------------------|-------------|--|
| this | day of | , 20 | (construct) | |
| By: | | (Signature) | | |
| litle: | | (Stänster) | | |

Town of Florence Utility Department Contract Documents Notice of Award Page 20

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Form 412

CONTRACT DOCUMENTS

for the

Bailey Street & 12th Street Water Line Town of Florence Project Number: TOF WU-73 September 30, 2014



Prepared For:

Town of Florence 775 N. Main Street Florence, AZ 85132

www.florenceaz.gov Phone: (520) 868.7500 Fax: (520) 868.8326



Prepared By:

Sunrise Engineering, Inc. 2152 S. Vineyard, Suite 123 Mesa, AZ 85210

> www.sunrise-eng.com Phone: (480) 768.8600 Fax: (480) 768.8609

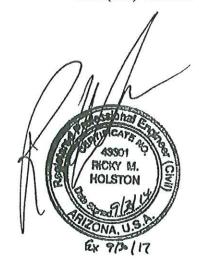


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INVITATION TO BID

Project Name: Bailey Street & 12th Street Water Line

The Town of Florence invites sealed bids for the Bailey Street and 12th Street Water Line. The project consists of the installation of 12-inch PVC water lines in public streets with two sections of 12-inch HDPE to be installed by horizontal directional drilling.

Separate sealed bids for construction of Bailey Street & 12th Street Water Line will be received by the Town of Florence_until <u>3:30 PM, October 30, 2014</u> at 775 N. Main Street, Florence AZ 85132, attention to Lisa Garcia, Town Clerk. <u>All submittals must be date and time stamped on or before the submittal receipt deadline.</u> LATE SUBMITTALS WILL NOT BE ACCEPTED. Mailed bids shall be addressed to P.O. Box 2670 Florence, AZ 85132, attention to Lisa Garcia, Town Clerk. Submittals will opened and read as a matter of public information within thirty (30) minutes after the receipt time and date have past. Each Submittal shall be accompanied by a certified check, bank money order, or a Bid Bond, acceptable to the Town of Florence. All bids must include a proposed project schedule.

A pre-bid conference will be held on <u>October 16, 2014</u>, at <u>10 a.m.</u>, leaving from the office of the Owner at <u>425 E. Ruggles Street, Florence, AZ 85132</u>. Attendance at the pre-bid conference is required. Names of those in attendance will be recorded.

The work to be performed under this project shall consist of furnishing all labor, materials and equipment required to construct the facilities and features called for by the CONTRACT DOCUMENTS and as shown on the DRAWINGS.

This project is funded by the Town of Florence.

Plans, specifications and addenda have been prepared by Sunrise Engineering, Inc. and will be available for pickup at their office at 2152 S. Vineyard, Suite 123, Mesa, AZ 85210, telephone (480) 768.8600. To register as a Plan Holder and request electronic, pdf format, plans and specifications, e-mail Holly Powell at <u>hpowell@sunrise-eng.com</u>. Hard copies of the plans and specifications are available upon receipt of \$55.00 for each set (non-refundable). Call Holly Powell for plan pick-up appointments. It is imperative that you are a registered Plan Holder with Sunrise Engineering in order to be notified of project associated addenda.

The ENGINEER for this Contract will be Sunrise Engineering, Incorporated and they will be represented by Ricky M. Holston, P.E. as Project Engineer.

INSTRUCTION TO BIDDERS

Complete sets of Bidding Documents may be obtained from the ENGINEER as designated in the Advertisement or Invitation to Bid. Complete sets of Bidding Documents, which include the following 3 documents: 1) Contract Documents, Special Provisions, and Technical Specifications 2) Standard Specifications for Construction and 3) Drawings, shall be used for preparing BIDS. Neither the OWNER nor ENGINEER assumes any responsibility for errors or misinterpretations resulting from the use of incomplete sets of Bidding Documents.

Each BID must be submitted in a sealed envelope, addressed to: <u>Town of Florence</u> at <u>775 N. Main Street</u>, Florence, AZ 85132. Each sealed envelope containing a BID must be plainly marked on the outside as "BID for *Project Name*" and the envelope should bear on the outside the name of the BIDDER, their address, license number if applicable and the name of the project for which the BID is submitted. If forwarded by mail, the sealed envelope containing the BID must be enclosed in another envelope addressed to the OWNER at <u>775 N. Main Street</u>, Florence, AZ 85132.

All BIDS must be made on the required BID form. All blank spaces for BID prices must be filled in, in ink or typewritten, and the BID form must be fully completed and executed when submitted. Only one copy of the BID form is required.

The OWNER may waive any informalities or minor defects or reject any and all BIDS. Any BID may be withdrawn prior to the scheduled time for the opening of BIDS or authorized postponement thereof. Any BID received after the time and date specified shall not be considered. No BIDDER may withdraw a BID within 60 days after the date of the BID opening. Should there be reasons why the contract cannot be awarded within the specified period, the time may be extended by mutual agreement between the OWNER and the BIDDER.

BIDDERS must satisfy themselves of the accuracy of the estimated quantities in the BID Schedule by examination of the site and a review of the drawings and specifications including ADDENDA. All bids will be checked by the ENGINEER for errors. If errors are made, unit prices shall govern and corrections will be made according to the unit price or lump sum amounts and totals will be revised to reflect the corrections.

The OWNER shall provide to BIDDERS prior to BIDDING, all information which is pertinent to, and delineates and describes, the land owned and rights-of-way acquired or to be acquired.

This WORK will be constructed by award of a competitive, sealed bid contract awarded to the lowest responsible, responsive bidder. Compensation to the CONTRACTOR will be made through progressive monthly payments in accordance with the General Conditions of these CONTRACT DOCUMENTS at the units and prices indicated in the BID Schedule.

When construction under this contract takes place on property owned or administered by agencies or organizations other than the OWNER, all construction shall be done in accordance with the special requirements of that entity which are contained or referenced in these CONTRACT DOCUMENTS

When requirements published by such entities are contained in, or referenced by, these CONTRACT DOCUMENTS, they shall be carefully complied with and the CONTRACTOR shall include sufficient compensation to cover the WORK required therein.

Information will be provided on the DRAWINGS and in these documents to indicate areas of WORK which fall on property owned or administered by agencies or organizations other than the OWNER.

The CONTRACT DOCUMENTS contain the provisions required for the construction of the PROJECT. Information obtained from an officer, agent, or employee of the OWNER or any other person shall not affect the risks or obligations assumed by the CONTRACTOR or relieve him from fulfilling any of the conditions of the contract.

Each BID must be accompanied by a BID BOND payable to the OWNER for five percent of the total amount of the BID. As soon as the BID prices have been compared, the OWNER will return the BONDS of all except the three lowest responsible, responsive BIDDERS. When the CONSTRUCTION CONTRACT is executed, the bonds of the two remaining unsuccessful BIDDERS will be returned. The BID BOND of the successful BIDDER will be retained until the PAYMENT BOND and PERFORMANCE BOND have been executed and approved, after which it will be returned. A certified check may be used in lieu of a BID BOND.

A PERFORMANCE BOND and a PAYMENT BOND, each in the amount of 100 percent of the CONTRACT PRICE, with a corporate surety approved by the OWNER, will be required for the faithful performance of the contract.

Attorneys-in-fact who sign BID BONDS or PAYMENT BONDS and PERFORMANCE BONDS must file with each BOND a certified and effective dated copy of their power of attorney.

The party to whom the contract is awarded will be required to execute the CONSTRUCTION CONTRACT and obtain the following items within ten (10) calendar days from NOTICE OF AWARD:

- PERFORMANCE BOND
- PAYMENT BOND, when required
- STATE TRANSACTION PRIVILEGE TAX (TPT) LICENSE
- TOWN OF FLORENCE BUSINESS TAX LICENSE

NOTICE OF AWARD shall be accompanied by the necessary CONSTRUCTION CONTRACT and BOND forms. In case of failure of the BIDDER to execute the CONSTRUCTION CONTRACT, the OWNER may, at their option, consider the BIDDER in default, in which case the BID BOND accompanying the proposal shall become the property of the OWNER.

Within ten (10) days of receipt of the CONSTRUCTION CONTRACT signed properly by the party to whom the contract was awarded, and accompanied by acceptable PERFORMANCE and PAYMENT BONDS, when required, the OWNER shall sign the CONSTRUCTION CONTRACT and return to the BIDDER an executed duplicate of the CONSTRUCTION CONTRACT. Should the OWNER not execute the CONSTRUCTION CONTRACT within such period, the BIDDER may by WRITTEN NOTICE withdraw their signed CONSTRUCTION CONTRACT. Such notice of withdrawal shall be effective upon receipt of the notice by the OWNER.

The NOTICE TO PROCEED shall be issued within ten (10) days of the execution of the CONSTRUCTION CONTRACT by the OWNER. Should there be reasons why the NOTICE TO PROCEED cannot be issued within such period, the time may be extended by mutual agreement between the OWNER and CONTRACTOR. If the NOTICE TO PROCEED has not been issued within the ten (10) day period or within the period mutually agreed upon, the CONTRACTOR may terminate the CONSTRUCTION CONTRACT without further liability on the part of either party.

The OWNER may make such investigations as deemed necessary to determine the ability of the BIDDER to perform the WORK and the BIDDER shall furnish to the OWNER all such information and data for this purpose as the OWNER may request. The OWNER reserves the right to reject any BID if the evidence submitted by, or investigation of, such BIDDER fails to satisfy the OWNER that such BIDDER is properly qualified to carry out the obligations of the CONSTRUCTION CONTRACT and to complete the WORK contemplated therein.

A conditional or qualified BID will not be accepted.

Award will be made to the lowest responsible, responsive BIDDER. However, the OWNER reserves the right to reject any and all of the bids.

BIDDER and OWNER recognize that time is of the essence in this CONSTRUCTION CONTRACT and that OWNER will suffer financial loss if the WORK is not completed within the time period specified in the Bid. OWNER and BIDDER agree that as liquidated damages for delay (but not as a penalty) BIDDER shall pay OWNER the specified amount for each day that expires after the specified time for substantial completion until the WORK is substantially complete.

All applicable laws, ordinances, and the rules and regulations of all authorities having jurisdiction over construction of the PROJECT shall apply to the contract throughout.

Each BIDDER is responsible for inspecting the site and for reading and being thoroughly familiar with the CONTRACT DOCUMENTS. The failure or omission of any BIDDER to do any of the foregoing shall in no way relieve any BIDDER from any obligation in respect to his BID.

The low BIDDER shall supply the names and addresses of major material SUPPLIERS and SUBCONTRACTORS when requested to do so by the OWNER.

| BID |
|--|
| Bid of <u>Apache</u> , <u>Under on Under the Excavating LLC</u> (Insert (Insert (Insert (Insert Contractor's Name)) (hereinafter called "BIDDER"), organized and existing under the laws of the State of <u>AZ</u> and doing |
| (hereinafter called "BIDDER"), organized and existing under the laws of the State of \underline{AZ} and doing |
| business as <u>a corporation</u> to |

Town of Florence (hereinafter called "OWNER").

In compliance with the Invitation to Bid, BIDDER hereby proposes to perform all WORK for construction of <u>Bailey Street and 12th Street Water Line</u> in strict accordance with the CONTRACT DOCUMENTS, within the time set forth therein, and at the prices stated below in the BID Schedule.

By submission of this BID, each BIDDER certifies, and in the case of a joint BID, each party thereto certifies as to their own organization, that this BID has been prepared independently, without consultation, communication, or agreement as to any matter relating to the BID with any other BIDDER or with any competitor.

BIDDER hereby agrees to commence WORK under this Contract on or before a date specified in the NOTICE TO PROCEED and to fully complete the CONTRACT within $\underline{90}$ consecutive calendar days thereafter. BIDDER further agrees to pay liquidated damages, the sum of $\underline{430}$, $\underline{00}$, for each consecutive calendar days thereafter. BIDDER further agrees to pay liquidated damages, the sum of $\underline{430}$, $\underline{00}$, for each consecutive calendar days thereafter as provided in Section 15 of the GENERAL CONDITIONS. This BID will remain open for sixty (60) days after the date of Bid Opening. If awarded the Contract, the BIDDER will sign the CONSTRUCTION CONTRACT and submit the security and the other documents required by the CONTRACT within ten (10) days after the date of the OWNER'S "Notice of Award".

BIDDER acknowledges receipt of the following ADDENDA: Addendum NO. 1 10/24/14

The BID Schedule is provided on the following page. The BID Schedule must be completed in full by the BIDDER and signed properly to be considered responsible.

Form 403

REVISED BID SCHEDULE

CONTRACT FOR: Bailey Street and 12th Street Water Line

The undersigned Bidder, having examined and determined the scope of the Contract Documents, hereby proposes to perform the work described herein for the following unit prices or lump sum amounts.

- Note: 1. Bids shall include sales tax and all other applicable taxes and fees
 - 2. All bids shall be checked for errors. If errors are made, unit prices shall govern and corrections will be made according to the unit price and totals will be revised to reflect the corrections.

| - | | | | | | |
|-----|-----------------------------|---|----------|------|------------|---------|
| No. | Spec. | Item | Quantity | Unit | Unit Price | Amount |
| 1 | MAG | Sawcut & Remove Asphalt | 13,890 | SF | 2 | 27,780 |
| 2 | MAG | Sawcut & Remove Existing Concrete Sidewalk | 310 | SF | 6 | 1,800 |
| 3 | MAG | Sawcut & Remove Existing Curb & Gutter | 68 | LF | 22 | 1,496 |
| 4 | MAG | Sawcut & Remove Existing Valley Gutter | 59 | SF | 27 | 1,593 |
| 5 | MAG | Remove Existing Gate Valve, Riser, Frame & Cover | 2 | EA | 900 | 1,800 |
| 6 | MAG | Remove Existing Service, Cap at Main | 8 | EA | 920 | 7,360 |
| 7 | MAG | Remove Existing Pipe (Length and Size as Noted) | 31 | LF | 80 | 2,480 |
| 8 | MAG | Abandon Existing Water Line, Cap Ends Per Plan (Size as Noted) | 6 | EA | 490 | 2,940 |
| | | Demo Existing Fire Hydrant Riser and Elbow. Cap Service Line. Abandon Valve in Place. Turn off, Remove Valve Box, Frame and Cover. Deliver Existing Hydrant Assembly to Town of Florence Public Works | | | r. | |
| 9 | MAG | Yard. | 1 | EA | 1650 | 1.650 |
| 10 | MAG | Install Asphalt Pavement Replacement per MAG Std. Dtl. 200-1, T-Top | 13,890 | SF | 3.00 | 50,004 |
| 11 | MAG | Install Sidewalk Per MAG Std. Dtl. 230 | 310 | SF | 18 | 5,580,- |
| 12 | MAG | Install Curb & Gutter per MAG Std. Dtl. 220- 1, Type A or C | 68 | LF | Чь. – | 3,128 |
| 13 | MAG | Install Valley Gutter per MAG Std. Dt. 240 | 59 | SF | 50 | 2,950 |
| 14 | MAG | Furnish & Install 12" PVC C-900 DR 18 Water Line (length as noted) | 2,979 | LF | 51 | 151,929 |
| 15 | MAG | Furnish & Install 12" Gate Valve, Box and Cover per MAG Std. Dtl. 301 & 391 | 22 | EA | 3100 | 68,200 |
| 16 | MAG | Furnish & Install 6" Fire Hydrant Assembly per MAG Std. Dtl. 360 | 9 | EA | 4100 | 36,900> |
| 17 | Technical Specifications | Furnish & Install 1" Water Service per Dtl. B, Sheet DT | 10 | EA | 1800 | 18,000 |

Form 403a

| No. | Spec. | Item | Quantity | Unit | Unit Price | Amount |
|-----|-----------------------------|---|----------|------|------------|----------|
| 18 | MAG | Furnish & Install Tee (size as noted) NPI | 3 | EA | \geq | \geq |
| 19 | MAG | Furnish & Install Bend (size & degree as noted) NPI | 2 | EA | \searrow | \geq |
| 20 | MAG | Furnish & Install Cross (size as noted) NPI | 5 | EA | \geq | \geq |
| 21 | MAG | Furnish & Install Reducer (size as noted) NPI | 6 | EA | \geq | \geq |
| 22 | MAG | Furnish & Install End Cap & Flushing Assembly with Thrust Block per MAG Std. Dtl. 380 & 390 (size as noted) Furnish & Install Tapping Sleeve per MAG | 8 | EA | 1,420 | 11,360 |
| 23 | MAG | Std. Dtl. 340 (size as noted) | 2 | EA | 4,100 | 8,200 |
| 24 | Technical Specifications | Furnish & Install by Mini-Horizontal Directional Drilling 12" HDPE Water Line | 82 | LF | 214 | 17,548 |
| 25 | Technical Specifications | Furnish & Install HDPE Flange Adaptor per Dtl. C, Sheet DT-NPI | 4 | EA | \geq | \geq |
| 26 | MAG | Vertical Realignment of Main per MAG Std. Dtl. 370, Ductile Iron, MJ (size as noted) | 4 | EA | 1124 | 4,496 |
| 27 | Technical Specifications | Furnish & Install Long Range Coupler, ROMAC or approved equal (size as noted) | 3 | EA | 700 | 2,100 |
| 28 | MAG | Furnish & Install 6" PVC C-900 DR 18 Water Line (length as noted) | 18 | LF | 50 | 900 |
| 29 | MAG | Furnish & Install Bollards per MAG Std. Dtl. 140 | 4 | EA | 400 | 1,600 |
| 30 | Technical Specifications | Furnish & Install 2" Combination Air/ Vacuum Valve, APCO Model 145C or approved equal, see Dtl. D, Sheet DT | 3 | EA | 2,500 | 7,500 |
| 31 | MAG | General Unforeseen Conditions | 1 | AL | | \$25,000 |
| 32 | Technical Specifications | Furnish & Install 12" HDPE Water Line | 70 | LF | 214 | 14,980 |
| | | | | | TOTAL | 479,334. |

The undersigned Bidder certifies that this proposal is made in good faith, without collusion or connection with any other person or persons bidding on the work.

ROC253882 Oct. 29,2014

Seal (if bid is by Corporation)

Respectfully Submitted: Bidder: <u>Apache Underground + Excavating</u> Signature <u>Melii di Ditandur</u> Signature Title: Managing Member Address: ake side, AZ 85929

License No.

Date:

| Form 4 |
|--------|
|--------|

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, _

as Principal, and ____

, as Surety, are hereby

(Contractor's Name)

(SURETY'S Name) held and firmly bound unto <u>Town of Florence</u> as OWNER in the penal sum of (OWNER+S Name)

for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, successors and assigns.

Signed this _____ day of ______, 20_____

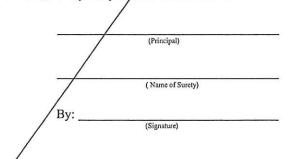
NOW, THEREFORE,

- (a) If said BID shall be rejected, or
- (b) If said Bid shall be accepted and the Principal shall execute and deliver a contract in the Form of Contract attached hereto (properly completed in accordance with said BID) and shall furnish a bond or bonds as may be specified in the CONTRACT DOCUMENTS with surety acceptable to the OWNER and shall in all other respects perform the CONSTRUCTION CONTRACT created by the acceptance of said BID,

then this obligation shall be void, otherwise the same shall remain in force and effect; it being expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligations of said Surety and its BOND shall be in no way impaired or affected by any extension of the time within which the OWNER may accept such BID; and said Surety does hereby waive notice of any such extension.

IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.



IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where the project is located.

Town of Florence Utility Department Bidding Documents

PROPOSED SUBCONTRACTORS

The following information gives the name, business address, and portion of WORK (description of WORK to be done) for each SUBCONTRACTOR that WILL be used in the WORK if the BIDDER is awarded the CONTRACT. No SUBCONTRACTOR doing WORK in excess of Ten Thousand Dollars (\$10,000.00) and who is not listed SHALL be used without the written approval of the OWNER which SHALL not be unreasonably withheld. (Additional supporting data MAY be attached to this page. Each page SHALL be sequentially numbered and headed "Proposed Subcontractors" and SHALL be signed.) Substitutions of SUBCONTRACTORS MAY be made by the BIDDER so long as all SUBCONTRACTORS used meet all requirements for SUBCONTRACTORS and all subcontract agreements meet all requirements for sub-agreements and lower tier agreements as set forth in the CONTRACT DOCUMENTS.

R Blume Underground 2895 n. Huy 89 Chino Valley, AZ 86323 Name

Committed Construction 820E. Pine Un. Concrete

Show Low, AZ 85901

Description of Work Directional Drilling

Melide Dreaden Signature of Bidder P. D. Box 113 Lakeside, MZ Advance Flidder 85929

Town of Florence Utility Department **Bidding Documents**

Proposed Subcontractors Page 10

*Excavating UC

AFFIDAVIT BY CONTRACTOR - NO COLLUSION IN BIDDING

STATE OF ARIZONA))§ COUNTY OF ARIZONA)

Mark Gardner BEING FIRST DULY SWORN, DEPOSES AND SAYS: That he is a managing member A (Title) of (Name of Business) That he is property qualified for bidding on Project No. TOF WU.73, for the construction of Junst Wa

That he certifies as follows:

That neither he nor anyone associated with the said <u>Apache Underand</u> has, directly or indirectly, entered into any agreement, participated in any

(Name of Business)

collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the above mentioned project.

Subscribed and sworn to before me this $\frac{24}{3}$ day of $\frac{1}{3}$

Notary Public

VICKI DAVIS Notary Public - Arizona Navajo County Comm. Expires Jul 12, 2018

Name of Business

My Commission Expires: 7-12-2018

Town of Florence Utility Department Bidding Documents

CONTRACTOR'S AFFIDAVIT SETTLEMENT OF CLAIMS

DATE:

PROJECT NO: TOF WU-73 NAME: Bailey Street & 12th Street Water Line

TO:

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment, and labor used in connection with the construction of the above, whether by subcontractor or claimant in person, have been duly discharged. The undersigned, for the consideration of \$_____, as set forth in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of this project. The undersigned further agrees to indemnify and hold harmless ______ Town of Florence _____ against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which ______ Town of Florence ____ may suffer arising out of the failure of the undersigned to pay for all labor performance and materials furnished for the performance of said project.

| , this | day of | , 20 | |
|--------|-----------|--------------|---|
| | Arache | Undermind | + Excavating U.C. |
| | aparta de | (CONTRACTOR) | |
| | BY: Alar | Aguch | |
| | , this | | , this day of, 20 Apache. Undergrainel (CONTRECTOR) BY: Math And |

STATE OF ARIZONA))§ **COUNTY OF MARICOPA)**

Notary Pubic

My Commission Expires:

7-12-2018

VICKI DAVIS Notary Public - Arizona Navajo County My Comm. Expires Jul 12, 2018

CONSTRUCTION CONTRACT

| THIS CONSTRUCTION CONTRACT, made this | day of, 20, by and |
|--|---|
| between <u>Town of Florence</u> , hereinafter called "OWNER" (OWNER's Name) | and fpache Under onound + Excamping doing |
| business as a <u>Corporation</u> (Inser Corporation, Partnership, or Individual as appropriate) | hereinafter called "CONTRACTOR". |

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The CONTRACTOR will commence and complete the construction of:

12-inch PVC water line in public streets with two sections of 12-inch HDPE to be installed by horizontal directional drilling.

- 2. The CONTRACTOR will furnish all of the material, supplies, tools, equipment, labor, and other services necessary for the construction and completion of the PROJECT described herein.
- 3. The CONTRACTOR will commence the work required by the CONTRACT DOCUMENTS within <u>10</u> calendar days after the date of the NOTICE TO PROCEED and will complete the same within <u>120</u> **90** calendar days after the date of the "Notice to Proceed", unless the period for completion is extended otherwise by the CONTRACT DOCUMENTS.
- 4. The CONTRACTOR agrees to perform all of the WORK described in the CONTRACT DOCUMENTS and comply with the terms therein for the sum of \$<u>479,334.</u>, or as shown otherwise in the BID schedule.
- 5. The term "CONTRACT DOCUMENTS" means and includes the following:
 - (A) INVITATION TO BID
 - (B) INSTRUCTION TO BIDDERS
 - (C) BID AND BID SCHEDULE
 - (D) BID BOND
 - (E) PROPOSED SUBCONTRACTORS
 - (F) AFFIDAVIT BY CONTRACTOR CERTIFYING THAT THERE WAS NO COLLUSION IN BIDDING FOR CONTRACT
 - (G) CONTRACTOR'S AFFIDAVIT SETTLEMENT OF CLAIMS
 - (H) CONSTRUCTION CONTRACT, INCLUDING THE GENERAL CONDITIONS OF THE CONTRACT AND ATTACHED EXHIBITS A, B AND C
 - (I) PERFORMANCE BOND
 - (J) PAYMENT BOND
 - (K) TOWN OF FLORENCE BUSINESS LICENSE
 - (L) NOTICE OF AWARD
 - (M) NOTICE TO PROCEED
 - (N) APPLICATION FOR PAYMENT
 - (O) CONTRACT CHANGE ORDER
 - (P) FIELD WORK ORDER
 - (Q) NOTICE OF SUBSTANTIAL COMPLETION
 - (R) NOTICE OF FINAL ACCEPTANCE
 - (S) DISBURSEMENT SUMMARY
 - (T) TECHNICAL SPECIFICATIONS
 - (U) DRAWINGS prepared by Sunrise Engineering, Inc., numbered <u>1</u> through <u>9</u>

and

| 0 | 20 | | 1.1 |
|---------|------|-----|-----|
| dated 9 | 1.29 | ,20 | 14. |
| _ | | | |

(V) STANDARD SPECIFICATIONS FOR CONSTRUCTION – Uniform Standard Specifications and Details for Public Works Construction, 2014 Revision to 2012 Edition as sponsored and distributed by the Maricopa Association of Governments (MAG).
 (W) ADDENDA:

|) | ADDENDA: No. | , dated 10/24/14 | , 20 |
|---|-----------------|------------------|------|
| | No. | , dated | , 20 |
| | No. | , dated | , 20 |

- 6. The OWNER will pay to the CONTRACTOR in the manner and at such times as set forth in the General Conditions such amounts as required by the CONTRACT DOCUMENTS.
- 7. This CONSTRUCTION CONTRACT shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this CONSTRUCTION CONTRACT in <u>3</u> copies, each of which shall be deemed an original on the date first above written.

| | OWNER: Town of Florence |
|------------------|--|
| | BY: |
| | NAME: |
| | TITLE: |
| (SEAL) ATTEST | |
| BY | * |
| TITLE | |
| | CONTRACTOR: Apache Undergrand + Excavating UC BY:Melica D. Calin |
| | BY: Melida D. Cardyu |
| | NAME: Melinda Gardner |
| | ADDRESS: $\underline{\mathcal{P}}, \underline{\mathcal{O}}, \underline{\mathcal{B}} \underline{\mathcal{O}} \underline{\mathcal{X}}$ 113 |
| | Lakeside, HZ 85929 |
| (SEAL) ATTEST | |
| BY | |

TITLE

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS THAT:

| Name of CONTRACTOR | |
|---|----------|
| Name of CONTRACTOR | |
| | |
| Address of CONTRACTOR | |
| a, hereinafter called PRINCIPAL and | |
| (Corporation), (Partnership) or (Individual) | |
| к. К | |
| Name of SURETY | |
| | |
| Address of SURETY | |
| hereinafter called SURETY, are held and firmly bound unto | |
| Town of Florence | |
| Name of OWNER | |
| 775 North Main Street, Florence, AZ 85132 | |
| Address of OWNER | |
| hereinafter called OWNER, in the total aggregate penal sum of | Dollars |
| (\$) in lawful money of the United States, for the payment of which sum well | |
| we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and seve | |
| presents. | ,, , , , |

THE CONDITION OF THIS OBLIGATION is such that, whereas the PRINCIPAL entered into a certain contract with the OWNER, DATED THE ______day of ______, 20____, a copy of which is hereto attached and made a part of the construction contract for ______Bailey Street & 12th Street Water Line

(Contract Name)

NOW, THEREFORE, if the PRINCIPAL shall well, truly and faithfully perform its duties, all the undertakings, covenants, terms, conditions and agreements of said CONTRACT during the original term thereof, and any extensions thereof which may be granted by the OWNER with or without notice to the SURETY and during the one year guaranty period; and if the PRINCIPAL shall satisfy all claims and demand incurred under such contract; and shall fully indemnify and save harmless the OWNER from all costs and damages which it may suffer by reason of failure to do so; and shall reimburse and repay the OWNER all outlay and expense which the OWNER may incur in making good any default; then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, that the said SURETY, for value received hereby stipulates and agrees that no change, extension or time, alteration or addition to the terms of the CONTRACT or to the WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any way affect its obligation on this BOND; and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the CONTRACT or to the WORK or to the SPECIFICATIONS.

PROVIDED FURTHER, that it is expressly agreed that this BOND shall be deemed amended automatically and immediately, without formal and separate amendments hereto; upon amendment to the CONTRACT not increasing the contract price more than 20 percent, so as to bind the PRINCIPAL and the SURETY to the full and faithful performance of the CONTRACT as amended. The term "AMENDMENT"; wherever used in this BOND and whether referring to this BOND, the CONTRACT or the LOAN DOCUMENTS shall include any alteration, addition, extension or modification of any character whatsoever.

PROVIDED FURTHER, that no final settlement between the OWNER and the PRINCIPAL shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied. The OWNER is the only beneficiary hereunder.

IN WITNESS WHEREOF, this instrument is executed in ______ counterparts, each one of which shall be deemed an original, this ______ day of ______, 20__

Witness as to SURETY

Address

PLEASE NOTE:

- 1. Date of BOND must not be prior to date of CONTRACT.
- 2. If CONTRACTOR is partnership, all partners should execute BOND.
- 3. Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State where the project is located.
- 4. Use of this form as an instrument of SURETY for this project is not mandatory. Use of other forms normally deemed acceptable in the State wherein the project is located may be allowed.

PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS THAT:

Address of OWNER

hereinafter called OWNER, in the total aggregate penal sum of ______ Dollars (\$_____) in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that, whereas the PRINCIPAL entered into a certain contract with the OWNER, dated the _____ day of ______, 20____, a copy of which is hereto attached and made a part of the construction contract for ______ Bailey Street & 12th Street Water Line ______.

NOW, THEREFORE, if the PRINCIPAL shall promptly make payments to all persons, firms and corporations furnishing materials for, or performing labor in the prosecution of the WORK provided for in such contract; and any authorized extensions or modifications thereof, including amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such WORK; and for all labor costs incurred in such WORK, including that by a sub-contractor; and to any mechanic or materialman, lienholder; whether it acquires its lien by operation of State or Federal law; then this obligation shall be void, other wise to remain in full force and effect.

PROVIDED, that beneficiaries or claimants hereunder shall be limited to the sub-contractors and persons, firms and corporations having a direct contract with the PRINCIPAL or its sub-contractors.

PROVIDED FURTHER. that the said SURETY, for value received hereby stipulates and agrees that no change, extension or time, alteration or addition to the terms of the CONTRACT or to the WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any way affect its obligation on this BOND; and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the CONTRACT or to the WORK or to the SPECIFICATIONS.

PROVIDED FURTHER, that no suit or action shall be commenced hereunder by any claimant: (a) Unless claimant, other than one having a direct contract with the PRINCIPAL shall have given written notice to any two of the following: the PRINCIPAL, the OWNER or the SURETY above named within ninety (90) days after such claimant did or performed the last of the WORK or labor, or furnished the list of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the WORK or labor was done or performed. Such notice shall be served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the PRINCIPAL, OWNER or SURETY, at any place where an office is regularly maintained for the transaction of business, or served in any manner in which legal process may be served in the State in which the aforesaid project is located, save that such service need not be made by a public office. (b) After the expiration of one (1) year following the date of which PRINCIPAL ceased WORK on said CONTRACT, it being understood; however, that if any limitation embodied in the BOND is prohibited by any law controlling the construction hereof, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

PROVIDED FURTHER, it is expressly agreed that this BOND shall be deemed amended automatically and immediately, without formal and separate amendments hereto; upon amendment to the CONTRACT not increasing the contract price more than 20 percent, so as to bind the PRINCIPAL and the SURETY to the full and faithful performance of the CONTRACT as amended. The term "AMENDMENT"; wherever used in this BOND and whether referring to this BOND, the CONTRACT or the LOAN DOCUMENTS shall include any alteration, addition, extension or modification of any character whatsoever.

PROVIDED FURTHER, that no final settlement between the OWNER and the PRINCIPAL shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied. The OWNER is the only beneficiary hereunder.

| IN WITNESS WHEREOF, this deemed an original, this | s instrument is executed in day of | counterparts, each one of which shall be, 20 |
|---|---------------------------------------|--|
| PRINCIPAL'S ATTEST: | | PRINCIPAL |
| | Ву: | |
| (SEAL) | Address: | |
| SURETY'S ATTEST: | | SURETY |
| | Ву: | Attomey-in-Fact |
| (SEAL) | Address: | |
| PLEASE NOTE: | | |

Date of BOND must not be prior to date of CONTRACT. 1.

If CONTRACTOR is partnership, all partners should execute BOND. 2.

Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 3. 570 as amended) and be authorized to transact business in the State where the project is located.

Use of this form as an instrument of SURETY for this project is not mandatory. Use of other forms 4. normally deemed acceptable in the State wherein the project is located may be allowed.

Town of Florence Utility Department. Contract Documents

TOWN OF FLORENCE BUSINESS LICENSE

Refer to INSTRUCTIONS TO BIDDERS

PROJECT NAME: Bailey Street & 12th Street Water Line

PROJECT NUMBER: _____ TOF WU-73

<u>Please attach current BUSINESS LICENSE per INSTRUCTIONS TO BIDDERS within ten (10)</u> calendar days of NOTICE OF AWARD.

Town of Florence Utility Department. Contract Documents

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' Form 412

NOTICE OF AWARD

TO:

+ Excavating LUC Underonound AZ 85929

Bailey Street & 12th Street Water Line CONTRACT FOR:_

29. , 2014, submitted by you for the above The OWNER has considered the BID dated ______ described WORK in response to its Advertisement for Bids and Information for Bidders.

You are hereby notified that your BID has been accepted for items in the amount of: $\frac{979,334}{1000}$

You are required by the Instruction to Bidders to execute the CONSTRUCTION CONTRACT and furnish the required CONTRACTOR'S Performance BOND, Payment BOND, and Certificates of Insurance within ten (10) calendar days from the date of this Notice to you.

If you fail to execute said CONSTRUCTION CONTRACT and to furnish said BONDS within ten (10) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of you BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the OWNER.

Dated this _____ day of ______, 20____.

OWNER: Town of Florence

(Name of Owner)

(Signature)

TITLE:

BY: _____

ACCEPTANCE OF NOTICE

| Receipt of the above NOTICE OF AWARD is hereby acknowledge | ed by |
|---|--------------|
| Receipt of the above NOTICE of MWMAD is hereby dealer heage | (Contractor) |
| thisday of, 20 | |
| By: | |
| (Signature) | |
| Title: | 1 |

Form 413

| NOTICE | TO | PROCEED |
|--------|----|---------|
|--------|----|---------|

| TO: Apachell <u>insert Name (CONTRACTOR)</u> P.O. BOX 113 Lakeside, AZ 8592 | |
|---|---|
| CONTRACT: Bailey Street | et & 12 th Street Water Line |
| HDPE to be installed by horizontal directional drilling. | water line in public streets with two sections of 12-inch dated, 20, you are , 20, and you are to complete onsecutive calendar days thereafter. The date of completion |
| OV | VNER: |
| ВҮ | :(Signature) |
| TI | ſĹĖ: |
| | TE ISSUED, 20 |
| ACCEPTAN | CE OF NOTICE |
| Receipt of the above NOTICE TO PROCEED is hereby thisday of, 20 | acknowledged by(Contractor) |
| By: | |

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Notice to Proceed Page 21

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| | | | | | CONTRACT NO. | TOF WU-73 | |
|---------------------------|------------------|-----------------------------|----------------|---|--|-------------------|--|
| | APPLI | CATION | FOR PAY | MENT | PAYMENT NO. | | |
| | Bailey S | Street and 12 th | Street Water I | Line | PAGE | OF | |
| OWNER: | Town of Flo | orence | CONTRACTOR | : | PERIOD OF ESTIM | ATE | |
| | | | | T 1510 471 | | | |
| | | ANGE ORDER | | 1. Original Contract Price | ON OF PAYMENT | ٩ | |
| NO. | APPROVAL | ADDITIONS | AMOUNT | 2. Change Orders | | | |
| | DATE | ADDITIONS | DEDUCTIONS | 3. Revised Contract Price (| | | |
| | | | | 5. Revised Contract Frice (| 1 + 2) | • | |
| | | * | | 4. Total Value of Work Corr | poleted to Date * | - S - | |
| | | | | 5. Allowance for Materials S | | | |
| | | | | 6. Subtotal (4+5) | | | |
| | | | | 0. Subiolai (4+0) | | | |
| | | | | 7. Previously earned by Co | ntractor (Prev. #6) | \$ - | |
| | | | | 8. Value of Work Complete | | | |
| | | | | o, value of work complete | | | |
| | | 1 | | 9. Retainage Held Prior to | this Payment (Prev. #11) | . S - | |
| | | | | 10. Retainage to be Held f | | | |
| | | | | 11. Total Retainage to be l | | | |
| | | | | Th. Total Relatinge to be | | | |
| TOTAL | 0 | \$ - | s - | 12. Payment Due Contracto | or this Period (8-10) | s - | |
| TOTAL | | \$ - \$ - | | | | | |
| NET CH | TANGE | \$ - | CONTRA | *Detailed breakdown on attached continuation sheet RACT TIME | | | |
| Original Court | mat Time (Dava) | | 1 | On Schedule | Starting Date: | | |
| | ract Time (Days) | | Yes | No | Completion Date: | | |
| Revisions Remaining Ti | | | | 110 | completion Butter | | |
| | | | : | ENGINEER'S CER The undersigned certifies that t best of their knowledge and be correct and the work has been documents. | the work has been inspected lief, the quantitles shown on | this estimate are | |
| APPRO | VED BY OW | NER: | | Engineer: SUNRIS | SE ENGINEERIN | G, INC. | |
| Ву: | | | 20 | _Ву: | | | |
| Data | | | | Date: | | | |
| Date: | S. | | | | | u a | |

Town of Florence Utility Department Contract Documents

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Form 414a

| СС | CONTINUATION SHEET - Application for Payment | | | | | | | Payment N | 0 | | |
|------|--|------|----------|----------|----------------|--------------------|-------------|-----------------|---------------------|----------------|------------|
| | | | | | | | | Co | ntract Cost | | |
| Con | ractor: | | | | | | | 1. I. | Original Revised | | |
| | | | | | Tabulation of | Payment Due Th | | | | | |
| Item | | c.o. | | Original | Contract Sched | ale | Work Comple | ted This Period | Work Com | pleted to Date | % |
| No. | Payment Item Description | No. | Quantity | Unit | Unit Price | Total Cost | Quantity | Value | Quantity | Value | o mp le te |
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Value of Total Work Completed on Contract this Period

Table of Allowance for Materials Stored on Site

| Line | Description | Amount |
|------|---|--------|
| a | ALLOWANCE ON LAST PAYMENT | |
| b | VALUE OF MATERIALS DELIVERED THIS PERIOD | |
| с | VALUE OF MATERIALS USED THIS PERIOD | |
| d | VALUE OF MATERIALS STORED THIS PERIOD (a+b-c) | |
| | ALLOWANCE FOR MATERIALS STORED THIS PERIOD(d-a) | |

| | CON | | ANCE ODD | БD | | | ORDER NO. | y y a sa a t | |
|---------|-------------------|---------------------|---|--|------------------|---------------|--|--|-------|
| CONT | RACT FOR: | | ANGE ORD | | | | DATE: | - <u></u> | |
| CONT | NACT FOR. | Balley Street o | c 12 Street Water | LINC | 1 . | 1 | 1 1 1 200 1 1 20 | dan sama sen an A | |
| OWN | ER: Town of | Florence | | | 1 | | 1. | | |
| CONT | RACTOR: | | a a a a | đ: = | 4 | | | 2 X # | (#) |
| e. | You are here | eby requested to co | omply with the follow g Bid Items will be re | ing chang | es from th | e contract p | lans and hedule | | |
| Bid | | Description of Cl | | 1 | | Unit | Decrease in | Increase | : in |
| Item | (Supplementa | | cifications Attached) | Qty | Unit | Price | Contract Price | Contract I | Price |
| Chang | 2 21 2 | NGE IN CONTRA | TOTALS | 1, 13, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1 | | | <u>s</u> - <u>s</u> - <u>s</u> - <u>s</u> - <u>s</u> - <u>s</u> - <u>s</u> - <u>s</u> - <u>s</u> - <u>s</u> - | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | |
| T1 | | | eased/decreased by t | : | | | t. I | \$ | |
| | S | | | | стал. | | | DOLI | LAR |
| The Co | ontract total inc | luding this and pr | evious change orders | s will be: | a ⁰ * | | 1800 - ² | \$ DOLI | LARS |
| The Co | ontract period p | provided for compl | etion will be (increase | ed)(decrea | sed)(unch | anged) by: | | 8 | |
| New C | ompletion date | : | 5 | n) | | i. | .1 | | |
| This de | ocument will b | ecome a suppleme | nt to the Contract and | d all provis | sions will a | apply thereto |), | | |
| Reques | sted (OWNER) | | a a | | | 8 | Date: | | 72 |
| Recom | mended (ENGI | NEER) | | | | a | _ Date: | 9 (8 | |
| Accep | ted (CONTRAC | CTOR) | 4 | | | ¢ | Date: | | |
| Approv | ved | | r | | • | • | _ Date: | 2 | 55 |
| Approv | ved | • | | a. | ÷ , | | _ Date: | | |
| | | | | | | | | 21 21 | |

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Form 416

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| | FIELD | WORK | ORDER |
|-----------------------|--------------------------------|---|--|
| Contract for: | Bailey | Street and 12 th St Town of Florenc | |
| Owner: Contractor: | sache Undergr | | excavating LLC |
| You are hereby reque | sted to: | | н |
| | | | |
| | | | |
| | | SU | INRISE ENGINEERING, INC. |
| | | Issued by: | (Signature) |
| | | | (Title) |
| ACCEPTANCE OF | ORDER | O | (Date) WNER APPROVAL OF ORDER |
| | s hereby acknowledged by | y: | |
| (Contracto | 's Representative's Signature) | 7 million (1997) 1 | (Signature) |
| | (Title) | | (Tide) |
| | (Date) | h | (Date) |
| Note: Thi | s order is not intended to s | serve as a change | order for this contract and does not 3.3 of the General Conditions. |

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Form 417

NOTICE OF SUBSTANTIAL COMPLETION

| Project: | Bailey Street & 12 th Street Water Line | | | | | | |
|----------|---|--|--|--|--|--|--|
| Owner: | Town of Florence | | | | | | |
| To: | CONTRACTOR Name: <u>Apache Underground + Excavating LLC</u> Address: <u>P.O. Box 113 Lakeside, AZ 85939</u> | | | | | | |
| | tice of Substantial Completion applies to all work included under the Contract Documents or to the g specified parts thereof: (Insert description of applicable parts) | | | | | | |

The work described above and performed under this Contract has been reviewed and found substantially complete and the date of SUBSTANTIAL COMPLETION for this work is hereby established as: ______. The guarantee period shall commence on this date.

Definition of Date of Substantial Completion: That Date certified by the ENGINEER/ARCHITECT when the construction of the PROJECT, or a specified part thereof, is sufficiently completed in accordance with the CONTRACT DOCUMENTS so that the PROJECT, or specified part, can be utilized for the purpose for which it is intended.

A list of items to be completed or corrected, which are connected to or affected by the work described above, is attached hereto. The failure to include any items on such list does not alter the responsibility of the CONTRACTOR to complete all work in accordance with the CONTRACT DOCUMENTS. The date of commencement of guarantee for items in the attached list will be the date of final acceptance, unless agreed otherwise in writing.

SUNRISE ENGINEERING, INC.

Engineer

Receipt of this notice is hereby acknowledged:

Contractor's Name

Date

Notice of Substantial Completion Page 26

| Form | 41 | 8 |
|------|----|---|
|------|----|---|

| NOTICE | OF | FINAL | ACCEPTANCE |
|--------|----|-------|------------|
|--------|----|-------|------------|

Apache Undergrand + Excavating LLC P.D. Box 113 Address Lakeside, AZ 85929 To:

| RE: | Bailey Street & 12 th Street Water Line | |
|--------|--|--|
| | Contract Name | |
| OWNER: | Town of Florence | |
| | Name | |

A final inspection of the WORK completed under the Contract indicated above has been made and all WORK has been found to be completed. All known changes to the WORK have been documented and approved at this time and to the best of our knowledge, information and belief. The work required by this Contract has been performed and completed in accordance with the approved DRAWINGS, SPECIFICATIONS and other CONTRACT DOCUMENTS. Final payment for the Contract has therefore been requested and should follow shortly.

Thank you for your effort and cooperation towards the successful completion of this WORK.

ENGINEER:

Signature

Date:

OWNER'S Representative:

Signature

Date:

Form 419

| DISBURSEMENT SUMMARY | | | | | | |
|---|---------------------|-----------------|--------------------------|-------------------|-------------------|---------------------|
| DISBURSEMENT SUMMARY FORM NAME OF PROJECT | | | | | | |
| TOTAL PROJECT BUDGET:DISBURSEMENT NO.FUNDING AGENCY CONTRIBUTION:FROM:TOWN CONTRIBUTION:TO: | | | | | | |
| NAME OF OWNER: Town | of Florence | | | | Project No.:T | OF WU-73 |
| DESCRIPTION OF JOB: Ba | | 2th Street Wate | er Line | | 1 | |
| PRO JECT CO ST CLASSIFICATIO N | O RIGINAL BUDGET | | PREVIO USLY DISBURSED | THIS REQ UES T | TO TAL TO DATE | BALANCE OF FUNDS |
| A. CONSTRUCTION Due Contractor Due Retainage | | | | | | |
| B. ADMINISTRATIO N | | | | | | |
| C. DESIGN | | | | | | |
| D. SPECIAL SERVICES | | | | | | |
| E. QUALITY CONTROL & INSPECTION | | | | | | |
| F. LAND EASEMENTS | | | | | | |
| G. LEGAL & FISCAL & R.O.W. | | | | | | |
| H. CONTINGENCY | | | | | | |
| NETCOMMULATIVE | | | | | | |
| SUNRISE ENGINEERING, INC.: | | | | DATE: | | |
| TOWN OF FLORENCE: | | | | DATE: | | |
| CONTRACTOR: | | | | DATE: | | |
| FUNDING AGENCY: | | | | DATE: | 90 | |
| | | | | | | |



Town of Florence, Arizona

ADDENDUM NO. 1

BAILEY STREET AND 12TH STREET WATER LINE

Project Number: WU-73

October 24, 2014

- 1. Bidder shall acknowledge the receipt of this addendum on page 5 of the contract documents entitled BID.
- 2. Bid schedule. <u>Replace</u> the BID SCHEDULE in its entirety with the accompanying **REVISED BID** SCHEDULE, pages 6 through 7.
- Technical Specifications. Add Item No. 32 "Furnish and Install 12-in HDPE Water Line" Construction Callout #18 Installation and materials for 12-inch HDPE water pipe water line shall conform to MAG Specifications 610. HDPE pipe shall be PE4710 DR 11 and shall conform to AWWA C901/C906, ASTM D3350, and ANSI/NSF 14/61. The pipe shall be butt fused per the manufacturers recommendations.

This item of work includes backfill and compaction shall conform to Detail A, Sheet DT of the plans and to MAG Specifications 601. Existing storm drain crossings shall be CLSM backfilled 10-ft beyond edge of storm drain pipe. CLSM shall comply with MAG Specifications 728

The Contractor shall provide all materials, equipment and labor to install a new 12-inch HDPE water line to the elevations indicated on the plans. Pipe fittings such as bends, elbows, tees, crosses and reducers shall be considered incidental to the new 12-inch HDPE water line installation.

Measurement and payment shall be made at the contract unit price bid for linear foot and shall be full compensation for the item complete in place.

- Plans. Sheet W06, Construction Callout #11, 12-inch HDPE install by bore. Revise to Construction Callout #18, "Furnish and Install 12-in HDPE Water Line" "Furnish and Install 12-in HDPE Water Line", see #3 above.
- 5. Details. Sheet DT, Detail A, Pipe Bedding shall be ABC per MAG specification 702 and 601.
- 6. The attached Pre Bid Conference meeting minutes shall be considered part of this addendum.

If you have any questions or comments please e-mail me at <u>rholston@sunrise-eng.com</u>

Ricky Holston, P.E. Project Manager Sunrise Engineering, Inc.



MINUTES Bailey Street & 12th Street Water Line TOF WU-73

Meeting Purpose: Pre-Bid Meeting Date: October 16, 2014 Client Project No.: TOF WU-73 SEI Project No.: 04742.000

Attendees: Geoff Child, Ricky Holston, Timm Wainscott. See sign in sheet attached separatly

Meeting Items:

 Can contractors use an open trench as an alternative to boring on Willow Street? Means and method?
 Response: Ves trench alternative with means and method is approved. Use HDPE pipe per t

Response: Yes trench alternative with means and method is approved. Use HDPE pipe per the plan. Slurry backfill under storm drain pipes.

- How old are the storm drains? Response: 36" CMP drains were built in 1988 and 60" cast in place concrete drains were constructed in 2003.
- When is the deadline for questions?
 Response: October 21st
- What company will be providing the surveying? Response: Sunrise Engineering, Inc. Refer to the Technical Specifications for the staking scope of work.
- 5. Who is responsible for material testing? **Response:** Contractor
- 6. Is staking included? **Response:** Yes, see response to question 4 above for further information.
- What is the number of working days?
 Response: 90 days, an addendum will be sent out with the revision.
- Who is responsible for record drawings?
 Response: The Contractor shall be required to keep a daily record on a field set of plans. Sunrise Engineering, Inc. will prepare record drawings from field redlines provided by the Contractor.
- Will there be any work located on private property?
 Response: No. All new services shall be located in the same area as existing services. There shall be no work on private property.
- 10. Liquidated damages? **Response:** Per MAG Section 108.9, the actual amount shall be determined by the bid amount and filled in on the Bid Form.

Page 1 of 5



- What is the contract time/ schedule?
 Response: See the response to question 7 above. The Contractor must provide a preliminary schedule.
- 12. Bid Item #1 states SY. Should it be SF? Response: Yes, an addendum will be sent out with the revision.
- 13. Bac-T samples?Response: To be provided by the Contractor.
- Details do not show how the water services are to be replaced. Clarify. Response: Install new water services to the box with curb/ valve stop. Connect the meter after testing and Bac-T.
- 15. No engineering estimate was provided. Will one be provided? **Response:** No.
- 16. Can contractors use the Town construction yard? Response: Contractor will be responsible for providing their own construction yard.
- 17. What is the cost of the right-of-way permit? Will it be waived? **Response:** \$25, cannot be waived.
- 18. What water source will be provided for construction? Response: The Contractor shall use a hydrant with a meter. The cost shall be \$1,000 refundable deposit/ meter/ and \$2.50 / 1,000 gallons. There will be a onetime charge of \$75.00 to install the meter and a onetime charge of \$70.00 to remove the meter.
- 19. Will tie-in with a jumper be allowed or a hard tie-in? Backflow sleeve? **Response:** It shall be a hard tie-in, no backflow sleeve is necessary.
- What is the inspection fee?
 Response: The inspection fee will be waived. There will be no additional cost to the Contractor for inspections.
- 21. Mini-horizontal directional drilling "mini". Is the plan accurate or will it be necessary to go back further?
 Response: It may be necessary to go back further.
- 22. What is the location for stockpiling soil in the north part of the project? **Response:** Clean soil only, no asphaltic concrete, can be deposited at 3200 North Pinal Parkway. There will not be a charge to the Contractor. The Contractor is responsible for hauling off spoils with asphaltic concrete, broken concrete, rocks, and other debris in the soil.
- 23. Is there a location in Florence to dispose of broken asphalt? **Response:** No, the Contractor will be responsible for hauling away asphalt.
- 24. The HDPE bore radius looks too tight to work. **Response:** See the response to question 21.



- 25. What is the start date for construction? Response: Estimated start date is the end of November – beginning of December 2014. Assume a start date in December 2014.
- 26. Who is the preferred compaction testing company? **Response:** The Contractor is responsible for providing the compaction testing.
- 27. How often is compaction testing required? **Response:** Refer to MAG Standards for requirements.

28. Use T-top trench repair? AC thickness? ABC or slurry on shelf? ABC or native backfill? Response: Yes, T-top trench repair be per MAG detail 200-1 AC thickness - assume 3-inches ABC on shelf Native backfill.

- 29. Is there an existing soils report available? **Response:** No.
- 30. What is the existing asphalt thickness? **Response:** Unknown assume 3 inches
- 31. Pipe bedding zone? Can MAG ABC be used?
 Response: Pipe bedding zone per trench detail on plans.
 Yes ABC can be used. ABC shall be per MAG Specification 702 and 601.
- 32. Will it be permissible to temporary fill trenches with AB versus cold patch? **Response:** Okay to use AB for temporary trench patch.
- 33. Can traffic control be left in place overnight? Response: Yes
- 34. Can streets be closed one block at a time during construction? **Response:** No
- 35. Who is responsible for public notices? **Response:** The Town of Florence and Sunrise Engineering, Inc.
- 36. The pre-bid meeting is mandatory. Any Contractor who did not attend the pre-bid meeting will be disqualified from submitting a bid, is that correct? Response: Yes, only contractors in attendance at the October 16, 2014 pre-bid meeting and who signed in on the sign-in list be able to submit bids to the Town of Florence.
- 37. Can backfill processed native dirt that meets the spec of the trench detail on sheet 15 of the plan set be used?Response: Yes, native is allowable backfill. Compaction per MAG Section 601.4.4.

Page 3 of 5



38. In the event that steel plates need to be used on top of open trenches, will the Contractor be required to mill them in?
Response: Trench plates per MAG 107.09 and 601.2.10. Milling varies by posted speed limit.

All streets within project limits are local streets, 25MPH

- 39. Will a different trench detail be provided for trenches running parallel and transverse to the road? This is to address the concern if any slurry backfill would be required. Response: Same trench detail for parallel and transverse. No slurry backfill.
- Paving is shown under the bore sections on the plans. Will this be changed?
 Response: No. Leave in for change to trenching if Contractor provides means and methods. See question #1.
- 41. Flush pipe? Page W04 it shows 12 to 6 to a 90 which location to a valve what are where are placing the flush pipe of the line?Response: Connect flush pipe to 6" line.
- 42. Do to having driven the job, to have the safest work environment, it would be the safest to close a block down and even an intersection at a time. Is there any way to do this? Response: No, Town wants streets to stay open.
- 43. Are we using existing meter boxes, or placing new ones, if came across damaged one who will be replacing?

Response: Replace boxes noted on plans. Contractor is responsible for accidental breakage of existing boxes not noted for replacement.

- 44. Page W01 and W08 13th and Bailey ,the line going East, what size is the line 12,8,6? **Response:** 12-inch, Construction Note #1 on W08.
- 45. What are the requirements, liquid or granule chlorine? **Response:** Liquid
- 46. Do the contractors have to haul the tested water, or to be ran into the street or used to mix soils? **Response:** Use to mix soils.
- 47. What is the depth requirements? The general notes say 4 feet, but the scale says 5 feet. **Response:** 5-foot typical cover per profiles and trench detail on plans.
 4-feet in General Notes #1 on all plan sheets is referring to restrained joint lengths.
 4-feet is the minimum cover required for the restrained joint lengths given in MAG standards.
- 48. Is it fine to pressure test section as the job proceeds to clean up faster and cut down on customer complaints?Response: Yes, ok to pressure test sections at a time.
- 49. Is AY McDonald is an approved equal for the 1" Double Water Service Brass? Either the CTS PJ or Q CTS conductor connection (Mueller 110 equal)?Response: Yes, will accept AY McMonald if truly equal to Mueller 110.



Town of Florence Sign-In Sheet

Project Name: Bailey Street 7 12th Street Water Line TOF WU-73 Date: October 16, 2014

EMAIL ADDRESS PHONE NO. PLEASE PRINT NAME 520-560-3198 MATT HARRINGTON MAHY @ tee peo constragors.com ahingan abria Steeper confractors.com 520 280 2845 520-280-1029 Kernit & Yeefee contractors com Kermit Schafersman ESTIMATING @ REDPOINT CONTRACTING COL 480 -381-7345 AJ CHIONGBIAN brunson@kinknduvil com Bronson White 480-6410-4438 devin C. dwarcon struction.com 520-251.1035 Anderson Deuin 520-294-8000 Jenemy Etrushis SWURSONWESTERN. UUM estimating etteonstruction.com 480-837-2192 J. Wise 602 501 1354 ORIZ Jouralez @ talis. US 481557-6100 quere unday round @ Frontier AR 928 242 1055 MUSANDERS Q. TEAM FISHEL COM 602-233-6949 Sal 612-233-6911 ('russ MJCrusz tenn FISHEL, Com NIVS ARAMADOCACTTONPIPELINE, COM 520-292-4302 Wesley pehunter contracting. com (602) 359-0526 dspencereactionbarricade.com 602-288-6350 David Spencer 602.885.4914 MIKE WERTHEIMER mike wertheineresdb. com



The aforementioned is considered to be a true and accurate record of all items discussed. Please contact the originator within 3 business days to correct any discrepancies or inconsistencies.

÷

Ricky Holston, P.E.

rholston@sunrise-eng.com

480-768-8600

P:\Florence\04742BaileyStWaterline\Construction Admin\Pre-Bid Meeting\MINUTES - Bailey Street & 12th Street Water Line TOF WU-73 10-20-14.docx

| TOWN OF FLORENCE AREZONA NUMBER | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 9d. | |
|--|---|---|--|
| MEETING DATE: December 15, 2014 | | Action | |
| DEPARTMENT: Administration | | Public Hearing Resolution Ordinance | |
| STAFF PRESENTER: Lisa Garcia, Town Clerk | | ☐ Regulatory | |
| SUBJECT: Florence | Special Event License | ☐ 1 st Reading ☐ 2 nd Reading ─ Other | |

RECOMMENDED MOTION/ACTION:

Recommendation to the Arizona Department of Liquor Licenses and Control on Florence Gardens Mobile Home Association's applications for a Special Event Liquor License for social hours on January 8, January 22, February 5, February 19, March 5, March 19, November 12, and December 10, 2015.

BACKGROUND/DISCUSSION:

Florence Gardens Mobile Home Association has submitted eight applications for a Special Event License. The purpose of a Special Event License is to allow charitable, civic, fraternal, political, or religious organizations to sell and serve spirituous liquor for consumption as a fundraiser. Special event licenses may be issued for no more than a cumulative total of 10 days in a calendar year. The fee for a Special Event License is \$25 per day, payable to the Arizona Department of Liquor License and Control. The \$200 check will be forwarded to the Arizona Department of Liquor Licenses upon Council's approval.

FINANCIAL IMPACT:

None

STAFF RECOMMENDATION:

Staff recommends the Council forward a favorable recommendation to the Arizona Department of Liquor Licenses and Control.

ATTACHMENTS:

Applications

State of Arizona Department of Liquor Licenses and Control 800 W. Washington, 5th Floor Phoenix, AZ 85007 www.azliquor.gov (602)542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

Fee = \$25.00 per day for 1-10 day events only A service fee of \$25.00 will be charged for all dishonored checks (A.R.S.§ 44-6852)

NOTE: THIS DOCUMENT MUST BE FULLY COMPLETED OR IT WILL BE RETURNED. PLEASE ALLOW 10 BUSINESS DAYS FOR APPROVAL

| | | | - | LLC USE ON | T.Y |
|---|---------------------------------|-------------------------|--------------------|---------------|----------------------------------|
| **Application must be ap Department of Liquor Li | | | | TOPNER # | |
| 1. Name of Organization | on: <u>Florence</u> | Gardens M | obil Some | H3300 | pation. |
| 2. Non-Profit/I.R.S. Tax | x Exempt Number: _ | 86-034691 | 5 | | |
| 3. The organization is | a. (check one box of | nly) | | | |
| | Fraternal (must) | have regular members | | | r 5 years) |
| Civic | Political Party, E | Ballot Measure, or Can | npaign Committe | e | |
| Religious | | | | | |
| 4. What is the purpose | e of this event? | Jocia / X/04 | <u>c</u> | | 1 0,-122 |
| 5 Location of the ever | nt: <u>3830 F</u> | Torence Blu | d. Florene | County | Zip Chairperson of |
| Applicant must be a me | when of the qualifying | organization and autho | nized by an Omicel | , Director or | O Run porton |
| Applicant must be a me the Organization named | in Question #1. (Sign | ature required in secuo | 11#101 | | 1. 79 42/ |
| 6. Applicant: | haete ? | <u>L'Ebbie</u> First | Middle | <u>D</u> | ate of Birth |
| 7. Applicant's Mailing | Address: <u>3703</u> | <u>3 N Cabrado</u> | Flarence City | State | <u>85/32</u> Zip |
| 8. Phone Numbers: (| 520) 868 - 4770 Site Owner # | 2 (_) Applicant's | Business # | Applica | <u> 39- 3739</u> Int's Home # |
| 9. Date(s) & Hours of | | | | | |
| ••••••••••••••••••••••••••••••••••••••• | Date | Day of Week | Hours from A.M | л./Р.М. | To A.M./P.M. |
| Day 1: J | an. 8 2015_ | - | 3:30 | | 5:00 |
| Day 2: | | | | | |
| | | | | | |
| Day 3: | | | | | |
| Day 4: | | | | | |
| Day 5: | | | - | | |
| Day 6: | | | | | |
| Day 7: | | | | | |
| Day 8: | | | | | |
| Day 9: | | | | | |
| Day 10: | | | | | |

*Disabled individuals requiring special accommodations, please call (602) 542-9027

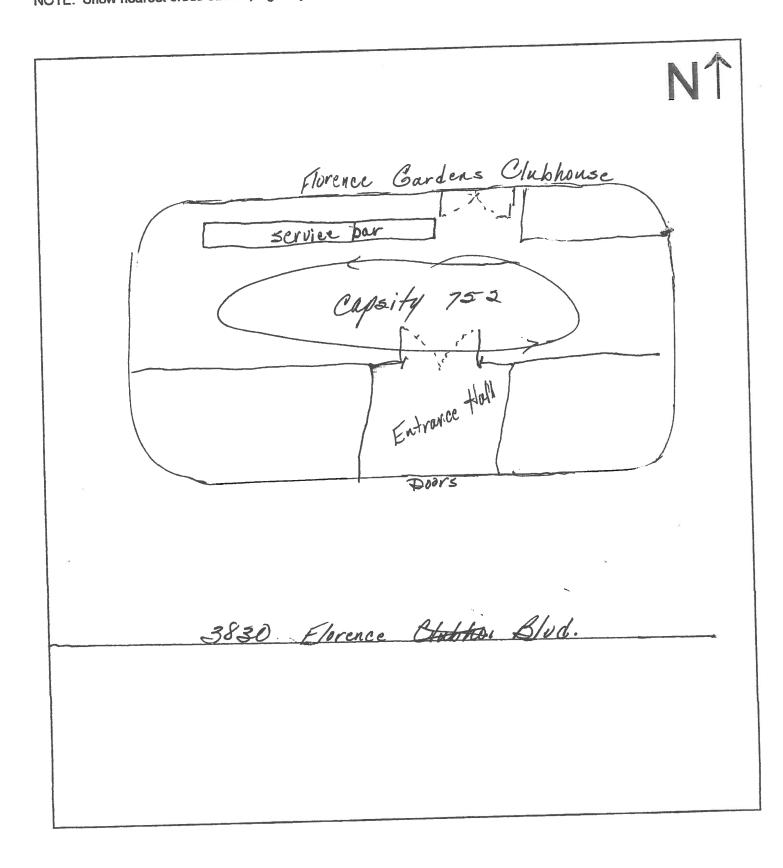
| 10. Has the applicant been convicted of a felony in the past five years, or had a liquor license r YES X NO (attach explanation) | |
|--|------------------|
| 11. This organization has been issued a special event license for days this year, include (not to exceed 10 d | |
| 12. Is the organization using the services of a promoter or other person to manage the event? If yes, attach a copy of the agreement. | |
| 13. List all people and organizations who will receive the proceeds. Account for 100% of the part of the organization applying MUST RECEIVE 25% OF THE GROSS REVENUES EVENT LIQUOR SALES. | OF THE SPECIAL |
| Name | Percentage |
| Address | |
| Name | Percentage |
| Address (Attach additional sheet if necessary) | |
| 14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violatic any questions regarding the law or this application, please contact the Arizona State De Licenses and Control for assistance. | |
| NOTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EV "NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREN | |
| What security and control measures will you take to prevent violations of state liquor law (List type and number of security/police personnel and type of fencing or control barriers) | s at this event? |
| <pre># Police</pre> | / |
| Members of the committee patrol and the function. Have to be a member | - of association |
| the function. Have to be a member to attend. | |
| 16. Is there an existing liquor license at the location where the special event is being held? | TYES 🗹 NO |
| If yes, does the existing business agree to suspend their industries can be period, and in the area in which the special event license will be in use? | YES NO |
| (ATTACH COPY OF AGREEMENT) |) |
| Name of Business | Phone Number |

17. Your licensed premises is that area in which you are authorized to sell, dispense, or serve spirituous liquors under the provisions of your license. The following page is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades or other control measures and security positions.

| THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR OR CHAIRPERSON OF THE |
|--|
| THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR |
| declare that I am an Officer/Director/Chairperson appointing the |
| (Print full name) (Print full name) |
| X Using State Association Manager (Ja/3/14 (Sab) 868-4770 (Date)) X OFFICIAL SEAL (Title/Position) (Date) (Phone #) Visit Notary Public - State of Arizona State of Manager (Title/Position) (Date) (Phone #) Notary Public - State of Arizona PINAL COUNTY My Comm. Explices Nov. 16, 2018 State of The foregoing/instrument was acknowledged before me this My Commission expires on: Mb-2018 Day Month Year (Signature of NOTARY PUBLIC) Month Year |
| (Date) (Signature of NOTART + 652.6) |
| THE ADDI ICANT NAMED IN QUESTION #6 |
| THIS SECTION TO BE COMPLETED ONLY BY THE APPLICANT NAMED IN QUESTION #6 |
| 19 J Jebbie That en that I am the APPLICANT filing this application as |
| (Print full name) listed in Question 6. I have read the application and the contents and all statements are true, correct and complete. |
| State of <u>Magan</u> County of <u>Vinn</u> The foregoing instrument was acknowledged before me this |
| |
| (Signatures 193 32) CONNIE J. LARSON Noter Date of Arizona Day Month Year |
| Notary Public - State of Arizona Day |
| My commission expirements My/Comm Expires Nov. 18:2018 (Signature of NOTARY PUBLIC) |
| |
| You must obtain local government approval. City or County MUST recommend event and complete item #20. The local governing body may require additional applications to be completed and submitted 60 days in advance of the event. Additional licensing fees may also be required before approval may be granted. |
| |
| LOCAL GOVERNING BODY APPROVAL SECTION |
| hereby recommend this special event application |
| 20. I, (Government Official) (Title) |
| (Date) |
| on behalf of (City, Town or County) (Signature of OFFICIAL) (Date) |
| FOR DLLC DEPARTMENT USE ONLY |
| Department Comment Section: |
| (Employee) (Date) |
| |
| |
| |
| (Title) (Date) |

SPECIAL EVENT LICENSED PREMISES DIAGRAM (This diagram must be completed with this application)

Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions) NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.



SERIES: 15 SPECIAL EVENT LICENSE (Temporary) Non-transferable On-sale retail privileges

PURPOSE:

Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

The applicant for a special event license must request a special event application from the Department and file the application with the governing body of the city or town, or Board of Supervisors of an unincorporated area of a county (where the special event is to take place) for approval or disapproval. Some local governing bodies may require approximately 60 days prior notice.

If the application is approved by the local authority, and the event meets the requirements for granting the license, the Director will issue a special event license to the qualifying organization.

Qualifying organizations will be granted a special event license for no more than ten (10) days in a calendar year. Events must be held on consecutive days and at the same location or additional licenses will be required. The license is automatically terminated upon closing of the last day of the event or the expiration of the license, whichever occurs first.

The qualified organization must receive at least twenty-five percent (25 %) of the gross revenues of the special event liquor sales.

A person selling spirituous liquor under a special event license must purchase the spirituous liquor from the holder of a license authorized to sell off-sale; *except that*, in the case of a non-profit organization which has obtained a special event license for the purpose of charitable fund raising activities, a person may receive the spirituous liquor from a wholesaler as a donation.

AVERAGE APPROVAL TIME: One (1) to seven (7) days.

PERIOD OF ISSUANCE:

issued for no more than a cumulative total of ten (10) days in a calendar year. A special event may be held for more than one (1) day, but it must be held on consecutive days and at the same location or additional licenses will be required.

FEES: \$25.00 per day.

ARIZONA STATUTES AND REGULATIONS:

ARS 4-203.02, 4-244, 4-261; Rule R19-1-228, R19-1-235, R19-1-309.

Disabled individuals requiring special accommodations please call (602) 542-9027

State of Arizona Department of Liquor Licenses and Control 800 W. Washington, 5th Floor Phoenix, AZ 85007 www.azliquor.gov (602)542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

Fee = \$25.00 per day for 1-10 day events only A service fee of \$25.00 will be charged for all dishonored checks (A.R.S.§ 44-6852)

NOTE: THIS DOCUMENT MUST BE FULLY COMPLETED OR IT WILL BE RETURNED. PLEASE ALLOW 10 BUSINESS DAYS FOR APPROVAL

| **Application must be approved by local government before submission to Department of Liquor Licenses and Control. (Section #20) | DLLC USE ONLY LICENSE # |
|--|--------------------------------------|
| 1. Name of Organization: <u>Florence Gardens Mabil Home</u> | e Association |
| 2. Non-Profit/I.R.S. Tax Exempt Number:86-0346915 | |
| 2. The ergenization is a: (check one box ONIV) | |
| Charitable Fraternal (must have regular membership and in exit | |
| Civic Delitical Party, Ballot Measure, or Campaign Commi | ttee |
| | |
| Silie and Social Hour | |
| 4. What is the purpose of this event? <u>Social Hour</u> | D. 1 AM22 |
| 5. Location of the event: <u>3830 Florence Blud. Florence</u> Address of physical location (Not P.O. Box) City | c Pinal Jolda |
| 5. Location of the event Address of physical location (Not P.O. Box) City | County Zip |
| the matter of the qualifying organization and authonized by an only | cer, Director or ortan percent |
| the Organization named in Question #1. [Signature required in our and the second s | 11-29-44 |
| 6. Applicant: <u>Thate Debbie</u> H | Date of Birth |
| Last Filst | N7 P5132 |
| 7. Applicant's Mailing Address: <u>3703 // Colorado Florence</u> | State Zip |
| 7. Applicant's Maning Address City | |
| 8. Phone Numbers: (520) 868-4770 (| (208) 539-2729 Applicant's Home # |
| Site Owner # Applicant's Business # | |
| 9. Date(s) & Hours of Event: | A.M./P.M. To A.M./P.M. |
| Date Day of Week Hours from A | |
| Day 1: Jan 322015 Thurs. 3:3 | 0 5:00 |
| Day 2: | |
| Day 3: | |
| Day 4: | |
| Day 5: | |
| | |
| Day 6: | |
| Day 7: | |
| Day 8: | |
| Day 9: | |
| Day 10: | |

Lic 0106 05/2009

*Disabled individuals requiring special accommodations, please call (602) 542-9027

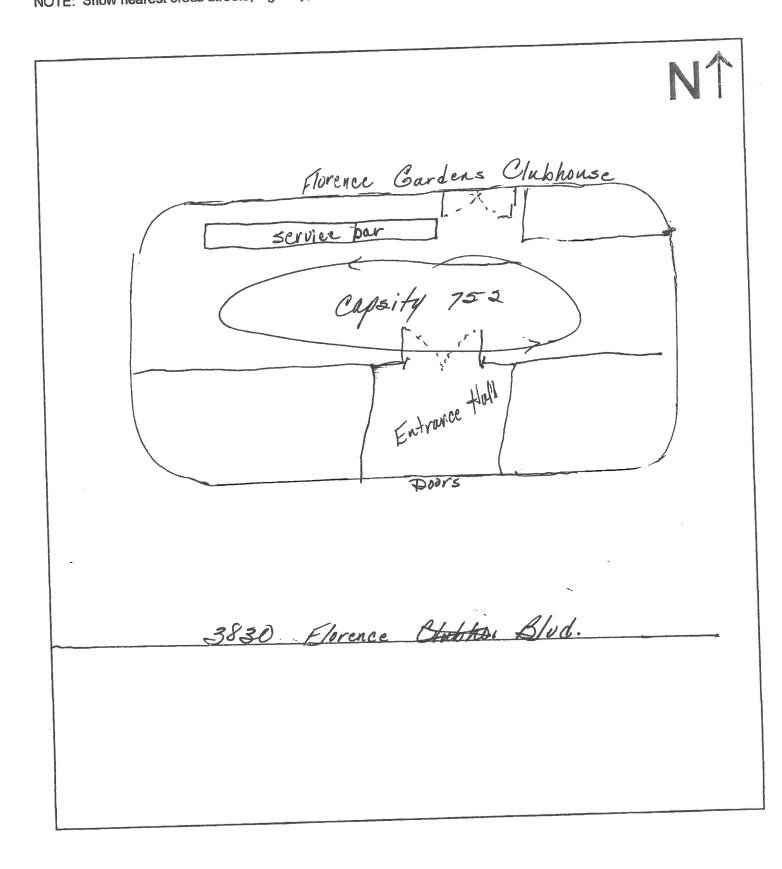
| 10. Has the applicant been convicted of a felony in the past five years, or had a liquor license re YES X NO (attach explanation) | |
|--|---------------------------------|
| 11. This organization has been issued a special event license for days this year, includ (not to exceed 10 days) | |
| 12. Is the organization using the services of a promoter or other person to manage the event? If yes, attach a copy of the agreement. | |
| 13. List all people and organizations who will receive the proceeds. Account for 100% of the p THE ORGANIZATION APPLYING MUST RECEIVE 25% OF THE GROSS REVENUES (EVENT LIQUOR SALES. | oroceeds. OF THE SPECIAL |
| Name | Percentage |
| Address | |
| | |
| Name | Percentage |
| Address | |
| (Attach additional sheet if necessary) | na If you have |
| 14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violation any questions regarding the law or this application, please contact the Arizona State Dep Licenses and Control for assistance. | |
| NOTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVE "NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREM | |
| What security and control measures will you take to prevent violations of state liquor laws (List type and number of security/police personnel and type of fencing or control barriers i | at this event? f applicable) |
| # Police Fencing # Security personnel Barriers | |
| Members of the committee patrol and m the function. Have to be a member of | f assciation |
| to attend. | |
| | |
| 16. Is there an existing liquor license at the location where the special event is being held? | |
| 16. Is there an existing liquor license at the total of their liquor license during the time If yes, does the existing business agree to suspend their liquor license during the time period, and in the area in which the special event license will be in use? | YES NO |
| (ATTACH COPY OF AGREEMENT) | |
| e (|) Phone Number |
| Name of Business | Phone Number |

17. Your licensed premises is that area in which you are authorized to sell, dispense, or serve spirituous liquors under the provisions of your license. The following page is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades or other control measures and security positions.

| THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR OR CHAIRPERSON OF THE |
|---|
| THIS SECTION TO BE COMPLETED ONE TO NAMED IN QUESTION #1 |
| 18. William Sutera declare that I am an Officer/Director/Chairperson appointing the |
| (Print full name) applicant listed in Question 6, to apply on behalf of the foregoing organization for a Special Event Liquor License. |
| X Willing Stater (Title/Position) (Date) (Date) (Phone #) |
| OFFICIAL SEAL CONNIE J. LARSON Notary Public - State of Artzona PINAL COUNTY My Comm. Expires Nov. 16, 2018 State of Artzona PINAL COUNTY My Comm. Expires Nov. 16, 2018 Muggare The foregoing instrument was acknowledged before me this Day My Commission expires on: 1-16-2018 Muggare Day Omegare Month Muggare Month Muggare Month Muggare Month Muggare Month Muggare Month Muggare Month Muggare Month Muggare Month Muggare Month Muggare Month Muggare Muggare Month Muggare Mugg |
| (Date) (Signature of NOTART POBLIC) |
| THIS SECTION TO BE COMPLETED ONLY BY THE APPLICANT NAMED IN QUESTION #6 |
| a sector that I am the APPLICANT filing this application as |
| |
| (Print full name) listed in Question 6. I have read the application and the contents and all statements are true, correct and complete. |
| A A A A A A A A A A A A A A A A A A A |
| State of |
| PINAL COUNTY |
| My Comm. Expires Nov. 16, 2018 |
| My commission expires on: |
| (DE(O) |
| You must obtain local government approval. City or County MUST recommend event and complete item #20. The local governing body may require additional applications to be completed and submitted 60 days. The local governing body may require additional fees may also be required before approval may be granted. |
| The local governing body may require additional applications to be completed and output of the second may be granted. |
| |
| LOCAL GOVERNING BODY APPROVAL SECTION |
| hereby recommend this special event application |
| 20. I, (Government Official) (Title) |
| (Date) |
| (City, Town or County) (Signature of Of Horize) |
| FOR DLLC DEPARTMENT USE ONLY |
| Department Comment Section: |
| (Date) |
| (Employee) |
| |
| APPROVED DISAPPROVED BY: |
| (Title) (Date) |

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PURPOSE:

Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

The applicant for a special event license must request a special event application from the Department and file the application with the governing body of the city or town, or Board of Supervisors of an unincorporated area of a county (where the special event is to take place) for approval or disapproval. Some local governing bodies may require approximately 60 days prior notice.

If the application is approved by the local authority, and the event meets the requirements for granting the license, the Director will issue a special event license to the qualifying organization.

Qualifying organizations will be granted a special event license for no more than ten (10) days in a calendar year. Events must be held on consecutive days and at the same location or additional licenses will be required. The license is automatically terminated upon closing of the last day of the event or the expiration of the license, whichever occurs first.

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AVERAGE APPROVAL TIME: One (1) to seven (7) days.

PERIOD OF ISSUANCE:

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FEES: \$25.00 per day.

ARIZONA STATUTES AND REGULATIONS:

ARS 4-203.02, 4-244, 4-261; Rule R19-1-228, R19-1-235, R19-1-309.

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State of Arizona Department of Liquor Licenses and Control 800 W. Washington, 5th Floor Phoenix, AZ 85007 www.azliquor.gov (602)542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

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NOTE: THIS DOCUMENT MUST BE FULLY COMPLETED OR IT WILL BE RETURNED. PLEASE ALLOW 10 BUSINESS DAYS FOR APPROVAL

| **Application must be approved by local Department of Liquor Licenses and Cor | | DLLC USE ONLY LICENSE # |
|--|---|--|
| 1. Name of Organization: <u>Flore</u> | ence Gardens Mok | il Home Association |
| 2. Non-Profit/I.R.S. Tax Exempt Num | ber: <u>86-0346915</u> | |
| 3. The organization is a: (check one Charitable Fraternal (| box only) must have regular membership and | |
| Civic Delitical Particular | arty, Ballot Measure, or Campaign | Committee |
| Religious | | |
| 4. What is the purpose of this event? | Social Hour | O I Aviza |
| 5 Location of the event: 383 | O Florence Blud. Flor | County Zip an Officer, Director or Chairperson of |
| Applicant must be a member of the qua the Organization named in Question #1. | Siulialui Cicquii oo iii oo | |
| 6. Applicant: Thacte | Debbie Ko | |
| 7. Applicant's Mailing Address: | 703 N Colora do F | Torence AZ 85132 State Zip |
| 8. Phone Numbers: (520) 868 - 9 Site Owner | | (208)539-2729 |
| 9. Date(s) & Hours of Event: Date | Day of Week Hours | s from A.M./P.M. To A.M./P.M. |
| Day 1: Feb 3 20 | 015 Thurs | 3:30 5:00 |
| Day 2: | | |
| Day 3: | | |
| Day 4: | | |
| Day 5: | | |
| Day 6: | | |
| Day 7: | | |
| Day 8: | | |
| Day 9: | | |
| Day 10: | | |

Lic 0106 05/2009

*Disabled individuals requiring special accommodations, please call (602) 542-9027

| 10. Has the applicant been convicted of a felony in the past five years, or had a liquor license revo | |
|---|---------------------------|
| 11. This organization has been issued a special event license for2 days this year, including (not to exceed 10 days | |
| 12. Is the organization using the services of a promoter or other person to manage the event? | |
| 13. List all people and organizations who will receive the proceeds. Account for 100% of the proc THE ORGANIZATION APPLYING MUST RECEIVE 25% OF THE GROSS REVENUES OF EVENT LIQUOR SALES. | æeds. THE SPECIAL |
| Name | Percentage |
| Address | |
| Name | Percentage |
| Address | |
| (Attach additional sheet if necessary) | 10 1 1 1 1 1 |
| 14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violations. any questions regarding the law or this application, please contact the Arizona State Depart Licenses and Control for assistance. | |
| NOTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVEN "NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREMISE | |
| 15. What security and control measures will you take to prevent violations of state liquor laws at (List type and number of security/police personnel and type of fencing or control barriers if a | this event? pplicable) |
| # Police # Security personnel Barriers | |
| # Security personnel | paiton |
| # Security personnel Dearriers <u>Members of the committee patrol and members</u> <u>the function. Have to be a member of as</u> <u>to attend</u> . | sociation |
| to attend. | |
| <u>70 control of the subset the special event is being held?</u> | |
| 16. Is there an existing liquor license at the location where the special event is being held? | |
| 16. Is there an existing inquot incense at the result of the liquor license during the time lf yes, does the existing business agree to suspend their liquor license during the time period, and in the area in which the special event license will be in use? | YES NO |
| (ATTACH COPY OF AGREEMENT) | |
| () | Phone Number |
| Name of Business | Phone Number |

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| THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR OR CHAIRPERSON OF THE |
|--|
| THIS SECTION TO BE COMPLETED ORET DT AN OFFICE IN QUESTION #1 |
| 18. 1. William Sytera declare that I am an Officer/Director/Chairperson appointing the |
| (Print full name) |
| X Willing Sitera Association Manager 12/3/14 (570) 868-4770 (Signature (Title/Position) (Date) P. (Phone #) (Title/Position) County of Lenal |
| CONNIE J. LARSONATE OF Notary Public - State of Arizona PINAL COUNTY My Comm. Expires Nov. 16, 2018 Month Year |
| My Commission expires on: <u>11-16-2018</u> Connel (Signature of NOTARY PUBLIC) (Date) |
| THE ADDI ICANT NAMED IN QUESTION #6 |
| THIS SECTION TO BE COMPLETED ONLY BY THE APPLICANT NAMED IN QUESTION #6 |
| 19. Depbie That I am the APPLICANT filing this application as |
| (Print full name) listed in Question 6. I have read the application and the contents and all statements are true, correct and complete. |
| A country of that |
| x State of |
| Bigr GONNIE J. LARSON 3 / 2 |
| PINAL COUNTY |
| My comm. Expires Nov. 16, 2018 // -/ & - 2018 Connet (Signature of NOTARY PUBLIC) |
| (Date) |
| You must obtain local government approval. City or County MUST recommend event and complete item #20. The local governing body may require additional applications to be completed and submitted 60 days The local governing body may require additional licensing fees may also be required before approval may be granted. |
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| LOCAL GOVERNING BODY APPROVAL SECTION |
| hereby recommend this special event application |
| 20. I, (Government Official) (Title) |
| on behalf of (City, Town or County) (Date) (Date) |
| (City, Town of County) |
| FOR DLLC DEPARTMENT USE ONLY |
| Department Comment Section: |
| (Date) |
| (Employee) |
| BY: |
| APPROVED DISAPPROVED BY: |
| (Title) (Date) |

¥.

SPECIAL EVENT LICENSED PREMISES DIAGRAM (This diagram must be completed with this application)

Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions) NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.

Florence Gardens Clubhouse service par Capsity 752 Entrance Hall DOOrs 3830 Florence Chattan Blud.

SERIES:

15 SPECIAL EVENT LICENSE (Temporary) Non-transferable On-sale retail privileges

PURPOSE:

Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

The applicant for a special event license must request a special event application from the Department and file the application with the governing body of the city or town, or Board of Supervisors of an unincorporated area of a county (where the special event is to take place) for approval or disapproval. Some local governing bodies may require approximately 60 days prior notice.

If the application is approved by the local authority, and the event meets the requirements for granting the license, the Director will issue a special event license to the qualifying organization.

Qualifying organizations will be granted a special event license for no more than ten (10) days in a calendar year. Events must be held on consecutive days and at the same location or additional licenses will be required. The license is automatically terminated upon closing of the last day of the event or the expiration of the license, whichever occurs first.

The qualified organization must receive at least twenty-five percent (25 %) of the gross revenues of the special event liquor sales.

A person selling spirituous liquor under a special event license must purchase the spirituous liquor from the holder of a license authorized to sell off-sale; *except that*, in the case of a non-profit organization which has obtained a special event license for the purpose of charitable fund raising activities, a person may receive the spirituous liquor from a wholesaler as a donation.

AVERAGE APPROVAL TIME: One (1) to seven (7) days.

PERIOD OF ISSUANCE:

issued for no more than a cumulative total of ten (10) days in a calendar year. A special event may be held for more than one (1) day, but it must be held on consecutive days and at the same location or additional licenses will be required.

FEES: \$25.00 per day.

ARIZONA STATUTES AND REGULATIONS:

ARS 4-203.02, 4-244, 4-261; Rule R19-1-228, R19-1-235, R19-1-309.

Disabled individuals requiring special accommodations please call (602) 542-9027

State of Arizona Department of Liquor Licenses and Control 800 W. Washington, 5th Floor Phoenix, AZ 85007 www.azliquor.gov (602)542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

Fee = \$25.00 per day for 1-10 day events only A service fee of \$25.00 will be charged for all dishonored checks (A.R.S.§ 44-6852)

NOTE: THIS DOCUMENT MUST BE FULLY COMPLETED OR IT WILL BE RETURNED. PLEASE ALLOW 10 BUSINESS DAYS FOR APPROVAL

| **Application must be approved by local governm Department of Liquor Licenses and Control. (Se | | DLLC USE LICENSE | # |
|--|-----------------------------|--|--------------------------------|
| 1. Name of Organization: <u>Florence</u> | Gardens Mub | Home He | ssociation |
| 2. Non-Profit/I.R.S. Tax Exempt Number: | 86-0346915 | | |
| | ive regular membership a | | over 5 years) |
| Civic 🔲 Political Party, Ba | llot Measure, or Campaig | n Committee | |
| Religious | | | |
| 4. What is the purpose of this event? | ocial Hour | <u> </u> | |
| 5. Location of the event: <u>3830 Flore</u> Address of physical location Applicant must be a member of the qualifying or | ence Blud. Flu | y County by an Officer, Directo | Zip r or Chairperson of |
| Applicant must be a member of the qualitying of the Organization named in Question #1. (Signat | ure required in section #18 | | 1-0 /1 |
| 6. Applicant: That the the the the the the the the the th | Debbie 1 | ddle | //-37-44 Date of Birth |
| T. Applicant's Mailing Address: <u>3703</u> | | rence AZ | 85132 Zip |
| 8. Phone Numbers: (<u>520) 868-4776</u> Site Owner # | () Applicant's Busir | | 539 - 2729 blicant's Home # |
| 9. Date(s) & Hours of Event: | | | To A.M./P.M. |
| Date | Day of Meen | urs from A.M./P.M. | 5:00 |
| Day 1: Feb 19 30/5 | Thurs | 3:30 | 0.00 |
| Day 2: | | | |
| Day 3: | | ······································ | |
| Day 4: | | | |
| Day 5: | | | |
| Day 6: | | | |
| Day 7: | | | |
| Day 8: | | | |
| Day 9: | | | |
| Day 10: | | an anil (602) 542-0027 | |

*Disabled individuals requiring special accommodations, please call (602) 542-9027

| | . Has the applicant been convicted of a felony in the past five years, or had a liquor license revoked? YES X NO (attach explanation if ves) | |
|---|--|--------------------------|
| 11. | . This organization has been issued a special event license for days this year, including this event (not to exceed 10 days per year). | |
| | Is the organization using the services of a promoter or other person to manage the event? | |
| 13. | List all people and organizations who will receive the proceeds. Account for 100% of the proc THE ORGANIZATION APPLYING MUST RECEIVE 25% OF THE GROSS REVENUES OF EVENT LIQUOR SALES. | æeds. THE SPECIAL |
| Na | ame | Percentage |
| Ade | dress | |
| N | ame | Percentage |
| | dress(Attach additional sheet if necessary) | |
| 14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violations. If you have any questions regarding the law or this application, please contact the Arizona State Department of Liquor Licenses and Control for assistance. | | |
| | DTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVEN "NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREMISE | |
| 15 | 5. What security and control measures will you take to prevent violations of state liquor laws at this event? (List type and number of security/police personnel and type of fencing or control barriers if applicable) | |
| | # Police | ·) |
| | Members of the committee patrol and r the function. Have to be a member to attend. | nonter of association |
| | 5. Is there an existing liquor license at the location where the special event is being held? | |
| 16 | If yes, does the existing business agree to suspend their liquor license during the time period, and in the area in which the special event license will be in use? | |
| | (ATTACH COPY OF AGREEMENT) | |
| | Name of Business | Phone Number |
| | | |

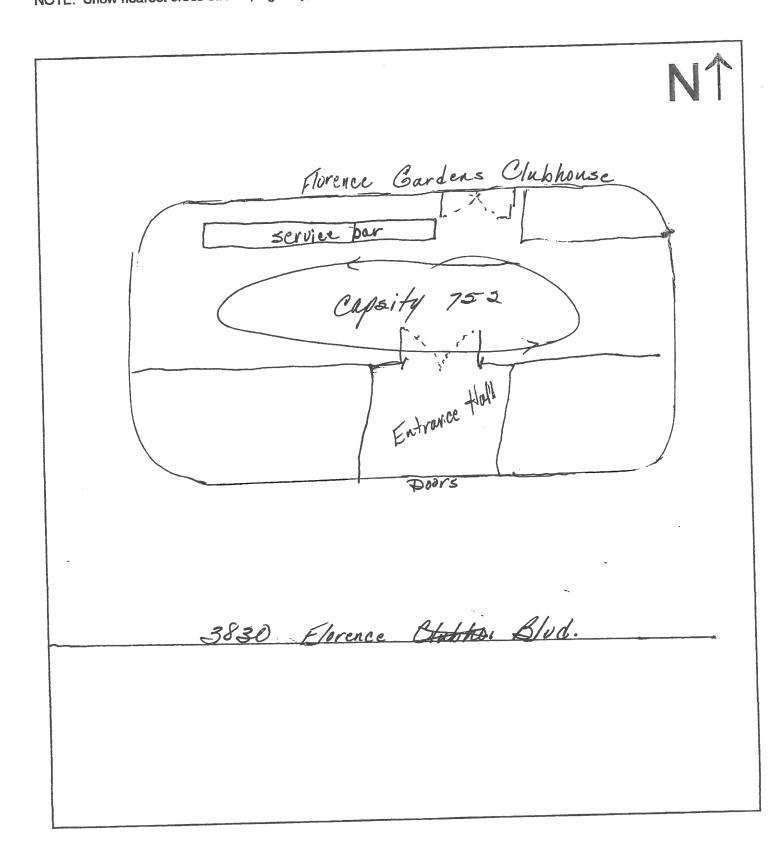
14.5

17. Your licensed premises is that area in which you are authorized to sell, dispense, or serve spirituous liquors under the provisions of your license. The following page is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades or other control measures and security positions.

| THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR OR CHAIRPERSON OF THE | | |
|--|--|--|
| ORGANIZATION NAMED IN COLO IN | | |
| 18. 1. William Swtera declare that I am an Officer/Director/Chairperson appointing the | | |
| (Print full name) applicant listed in Question 6, to apply on behalf of the foregoing organization for a Special Event Liquor License. | | |
| X Well Swarn Association Manager 12/3/14 (520) 868-7710 (Signature (Title/Position) (Date), (Phone #) (Title/Position) (Date) Penal | | |
| CONNIE J. LARSON Notary Public - State of Arizona PINAL COUNTY My Comm. Expires Nov. 16, 2018 | | |
| My Commission expires on: | | |
| THIS SECTION TO BE COMPLETED ONLY BY THE APPLICANT NAMED IN QUESTION #6 | | |
| THIS SECTION TO BE COMPLETED ONLY BY THE AT ENTRY AND AND THE APPLICANT filing this application as | | |
| | | |
| (Print full name) listed in Question 6. I have read the application and the contents and all statements are true, correct and complete. | | |
| State of <u>Utyona</u> County of <u>Penac</u> The foregoing instrument was acknowledged before me this | | |
| 3 12 2014 | | |
| Notary Public - State of Arizona PINAL COUNTY My Comm. Expires Nov. 16, 2018 - 16 - 2018 Connel Access | | |
| My commission explicit for an and the second | | |
| You must obtain local government approval. City or County MUST recommend event and complete item #20. The local governing body may require additional applications to be completed and submitted 60 days in advance of the event. Additional licensing fees may also be required before approval may be granted. | | |
| LOCAL GOVERNING BODY APPROVAL SECTION | | |
| hereby recommend this special event application | | |
| 20. I, (Government Official) (Title) | | |
| on behalf of(Signature of OFFICIAL) (Date) | | |
| FOR DLLC DEPARTMENT USE ONLY | | |
| Department Comment Section: | | |
| (Employee) (Date) | | |
| | | |
| APPROVED DISAPPROVED BY: | | |
| (Title) (Date) | | |

SPECIAL EVENT LICENSED PREMISES DIAGRAM (This diagram must be completed with this application)

Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions) NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.



SERIES: 15 SPECIAL EVENT LICENSE (Temporary) Non-transferable On-sale retail privileges

<u>PURPOSE:</u>

Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

The applicant for a special event license must request a special event application from the Department and file the application with the governing body of the city or town, or Board of Supervisors of an unincorporated area of a county (where the special event is to take place) for approval or disapproval. Some local governing bodies may require approximately 60 days prior notice.

If the application is approved by the local authority, and the event meets the requirements for granting the license, the Director will issue a special event license to the qualifying organization.

Qualifying organizations will be granted a special event license for no more than ten (10) days in a calendar year. Events must be held on consecutive days and at the same location or additional licenses will be required. The license is automatically terminated upon closing of the last day of the event or the expiration of the license, whichever occurs first.

The qualified organization must receive at least twenty-five percent (25 %) of the gross revenues of the special event liquor sales.

A person selling spirituous liquor under a special event license must purchase the spirituous liquor from the holder of a license authorized to sell off-sale; *except that,* in the case of a non-profit organization which has obtained a special event license for the purpose of charitable fund raising activities, a person may receive the spirituous liquor from a wholesaler as a donation.

AVERAGE APPROVAL TIME: One (1) to seven (7) days.

PERIOD OF ISSUANCE:

issued for no more than a cumulative total of ten (10) days in a calendar year. A special event may be held for more than one (1) day, but it must be held on consecutive days and at the same location or additional licenses will be required.

FEES: \$25.00 per day.

ARIZONA STATUTES AND REGULATIONS:

ARS 4-203.02, 4-244, 4-261; Rule R19-1-228, R19-1-235, R19-1-309.

Disabled individuals requiring special accommodations please call (602) 542-9027

State of Arizona Department of Liquor Licenses and Control 800 W. Washington, 5th Floor Phoenix, AZ 85007 www.azliquor.gov (602)542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

Fee = \$25.00 per day for 1-10 day events only A service fee of \$25.00 will be charged for all dishonored checks (A.R.S.§ 44-6852)

NOTE: THIS DOCUMENT MUST BE FULLY COMPLETED OR IT WILL BE RETURNED. PLEASE ALLOW 10 BUSINESS DAYS FOR APPROVAL

| **Application must be approved by local government before submission to DLLC USE ONLY Department of Liquor Licenses and Control. (Section #20) | |
|---|---------------------|
| 1. Name of Organization: Florence Gardens Mobil Home Associat | Lion |
| 2. Non-Profit/I.R.S. Tax Exempt Number: <u>86-0346</u> | <u></u> |
| 3. The organization is a: (check one box only) Charitable Fraternal (must have regular membership and in existence for over 5 ye | ears) |
| Civic Dolitical Party, Ballot Measure, or Campaign Committee | |
| Religious | |
| 4. What is the purpose of this event? <u>Social Hour</u> | |
| 5 Location of the event: 3830 Florence 5/00. Florence Florence County Z | ip |
| Address of physical location (Not P.O. Box) City County Address of physical location (Not P.O. Box) City City County Address of physical location (Not P.O. Box) City City County Address of physical location (Not P.O. Box) City City County County Address of physical location (Not P.O. Box) City City County City County City County City County City City County City City City County City City City City City City City Ci | |
| the Organization named in decidion in the Debbie A 11-2 | 9-4/4 |
| 6. Applicant: Thacte Debbie H Date of Last First Middle Date of | |
| 7. Applicant's Mailing Address: <u>3703 // Cabrado Florence HZ 8.</u> Street City State Z | 3/22 |
| 8. Phone Numbers: (<u>539,868-2/770</u> () Site Owner# (<u>208)539-3</u> Applicant's Business # Applicant's H | <u>2729</u> ome# |
| 9. Date(s) & Hours of Event: Date Day of Week Hours from A.M./P.M. To A | .M./P.M. |
| Date Day of Week Hours from Addition | :00 |
| Day 1: March 52015 Thurs. 3:30 5 | |
| Day 2: | |
| Day 3: | |
| Day 4: | |
| Day 5: | |
| Day 6: | |
| Day 7: | |
| Day 8: | |
| Day 9: | |
| Day 10: | |

Lic 0106 05/2009

*Disabled individuals requiring special accommodations, please call (602) 542-9027

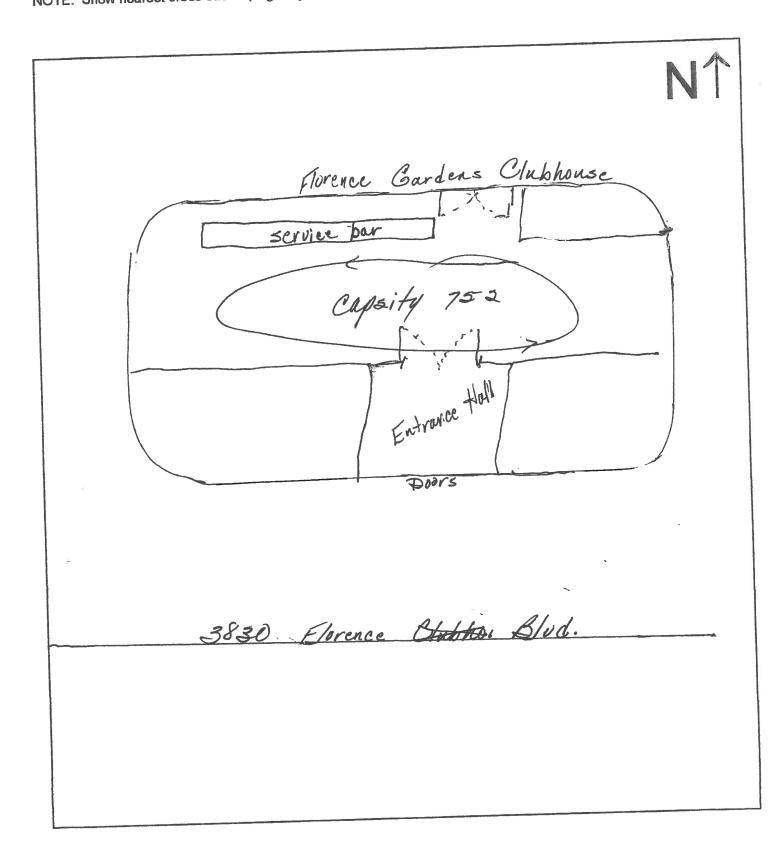
| 10. Has the applicant been convicted of a felony in the past five years, or had a liquor license revo TYES X NO (attach explanation) | oked? <u>if ves</u>) |
|--|---------------------------|
| 11. This organization has been issued a special event license for days this year, including (not to exceed 10 days | s per year). |
| 12. Is the organization using the services of a promoter or other person to manage the event? | |
| 13. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds THE ORGANIZATION APPLYING MUST RECEIVE 25% OF THE GROSS REVENUES OF EVENT LIQUOR SALES. | ceeds. THE SPECIAL |
| Name | Percentage |
| Address | |
| Name | Percentage |
| Address | |
| (Attach additional sheet if necessary) | If have |
| 14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violations. any questions regarding the law or this application, please contact the Arizona State Depar Licenses and Control for assistance. | |
| NOTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVEN "NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREMIS | |
| 15. What security and control measures will you take to prevent violations of state liquor laws at (List type and number of security/police personnel and type of fencing or control barriers if a | this event? pplicable) |
| # Police Fencing # Security personnel Barriers | |
| | monitor |
| to attend. | |
| to there on existing liquer license at the location where the special event is being held? | YES NO |
| If yes, does the existing business agree to suspend their induct license during the time period, and in the area in which the special event license will be in use? | |
| (ATTACH COPY OF AGREEMENT) | |
| Name of Business | Phone Number |
| | |

17. Your licensed premises is that area in which you are authorized to sell, dispense, or serve spirituous liquors under the provisions of your license. The following page is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades or other control measures and security positions.

| THIS SECTION TO BE COMPLETED ONLY BY AN OF | FICER, DIRECTOR OR CHAIRPERSON OF THE |
|---|--|
| THIS SECTION TO BE COMPLETED ONLT BY AN OF ORGANIZATION NAME | DIN QUESTION #1 |
| | clare that I am an Officer/Director/Chairperson appointing the |
| (Print full name) applicant listed in Question 6, to apply on behalf of the foregoing or | panization for a Special Event Liquor License. |
| X Uille Streen Associated (Signature (Title/I OFFICIAL SEAL CONNIE J. LARSON Notary Public - State of Arizona PINAL COUNTY My Comm. Expires Nov. 16, 2018 | Desition) (Date) (500) 368 4770 Position) (Date) (Phone #) (Wisione County of Linal oregoing instrument was acknowledged before me this 3 12 2014 Day Month Year Day Month Year |
| My Commission expires on: | (Signature of NOTARY PUBLIC) |
| | THE REAL PROPERTY AND A REAL PROPERTY A REAL PROPERTY A REAL PROPERTY AND A REAL PROPERTY AND A REAL PROPERTY AND A REAL PROPE |
| THIS SECTION TO BE COMPLETED ONLY BY | THE APPLICANT NAMED IN QUESTION # |
| 101 Debbie Thate de | eclare that I am the APPLICANT filing this application as |
| (Print full name) listed in Question 6. I have read the application and the con | tents and all statements are true, correct and complete. |
| | County of that |
| × Activity The The | e foregoing instrument was acknowledged before me this |
| A REAL AND | Day Month Year |
| | onniel Larson |
| My commission expression (Date) | (Signature of NØTARY PUBLIC) |
| | county MUST recommend event and complete item #20. |
| You must obtain local government approval. City or C The local governing body may require additional approved additional licensing fees may | blications to be completed and submitted 60 days |
| The local governing body may require additional apprint in advance of the event. Additional licensing fees may | also be required before approval may be stand |
| LOCAL GOVERNING BOD | |
| | hereby recommend this special event application |
| 20. I, (Government Official) (Tit | |
| | (Directure of OFFICIAL) (Date) |
| on behalf of | (Signature of OFFICIAL) (Date) |
| FOR DLLC DEPAR | TMENT USE ONLY |
| Department Comment Section: | |
| | (Date) |
| (Employee) | |
| DISAPPROVED BY: | |
| APPROVED DISAPPROVED BY: | |
| | (Date) |
| | (Title) |

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PURPOSE:

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AVERAGE APPROVAL TIME: One (1) to seven (7) days.

PERIOD OF ISSUANCE:

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ARS 4-203.02, 4-244, 4-261; Rule R19-1-228, R19-1-235, R19-1-309.

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State of Arizona Department of Liquor Licenses and Control 800 W. Washington, 5th Floor Phoenix, AZ 85007 www.azliquor.gov (602)542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

Fee = \$25.00 per day for 1-10 day events only A service fee of \$25.00 will be charged for all dishonored checks (A.R.S.§ 44-6852)

NOTE: THIS DOCUMENT MUST BE FULLY COMPLETED OR IT WILL BE RETURNED. PLEASE ALLOW 10 BUSINESS DAYS FOR APPROVAL

| *Application must be approved by local government before submission to Department of Liquor Licenses and Control. (Section #20) |
|--|
| 1. Name of Organization: <u>Florence Gardens Mobil Home Association</u> |
| 2. Non-Profit/I.R.S. Tax Exempt Number: <u>86-0346915</u> |
| 3. The organization is a: (check one box only) |
| Charitable Fraternal (must have regular membership and in existence for over 5 years) |
| Civic 🔲 Political Party, Ballot Measure, or Campaign Committee |
| |
| 4. What is the purpose of this event? <u>Social Hour</u> |
| 5 Location of the event: 3830 Florence Blud. Florence Pinal 83130 |
| 5. Location of the event. <u>County</u> Zip Address of physical location (Not P.O. Box) City County Zip Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of Applicant must be a member of the qualifying required in section #18) |
| Applicant must be a member of the qualitying organization environment of the Applicant must be a member of the qualitying organization environment of the Applicant must be a member of the qualitying organization environment of the Applicant must be a member of the qualitying organization environment of the Applicant must be a member of the qualitying organization environment of the Applicant must be a member of the qualitying organization environment of the Applicant must be a member of the qualitying organization environment of the Applicant must be a member of the qualitying organization environment of the Applicant must be a member of the qualitying organization environment of the Applicant environme |
| 1 1 1 1 1 1 3 1 -7 |
| 6. Applicant: <u>7haete</u> <u>Debbie</u> <u>Middle</u> Date of Birth |
| Last 37A3 A/ Colorado Florence AZ 85132 |
| 7. Applicant's Mailing Address: <u>3703 // Colorado Florence HZ 85732</u> Street City State Zip |
| (250) 5-59-7729 |
| 8. Phone Numbers: (520)868- #770 (|
| 9. Date(s) & Hours of Event: |
| Date Day of Week Hours from A.M./P.M. To A.M./P.M. |
| Day 1: March 19 2015 Thurs 3:30 5:00 |
| |
| Day 2: |
| |
| Day 4: |
| Day 5: |
| Day 6: |
| Day 7: |
| Day 8: |
| Day 9: |
| Day 10: |

-

*Disabled individuals requiring special accommodations, please call (602) 542-9027

| 10. Has the applicant been convicted of a felony in the past five years, or had a liquor license rev | oked? <u>i if ves</u>) |
|--|------------------------------|
| 11. This organization has been issued a special event license for days this year, includin (not to exceed 10 day | g this event s per year). |
| 12. Is the organization using the services of a promoter or other person to manage the event? | |
| List all people and organizations who will receive the proceeds. Account for 100% of the pro THE ORGANIZATION APPLYING MUST RECEIVE 25% OF THE GROSS REVENUES OF EVENT LIQUOR SALES. | THE SPECIAL |
| Name | Percentage |
| Address | |
| Name | Percentage |
| | |
| Address (Attach additional sheet if necessary) | |
| 14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violations any questions regarding the law or this application, please contact the Arizona State Depa Licenses and Control for assistance. | |
| NOTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVEN "NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREMIS | |
| 15. What security and control measures will you take to prevent violations of state liquor laws a (List type and number of security/police personnel and type of fencing or control barriers if a | at this event? |
| # Police # Security personnel Barriers | , |
| Members of the committee patroland the function. Have to be a member to attend | of association |
| to attend | |
| 16. Is there an existing liquor license at the location where the special event is being held? | YES YNO |
| 16. Is there an existing liquor license at the location three liquor license during the time If yes, does the existing business agree to suspend their liquor license during the time period, and in the area in which the special event license will be in use? | |
| (ATTACH COPY OF AGREEMENT) | |
| |) Phone Number |
| Name of Business | |

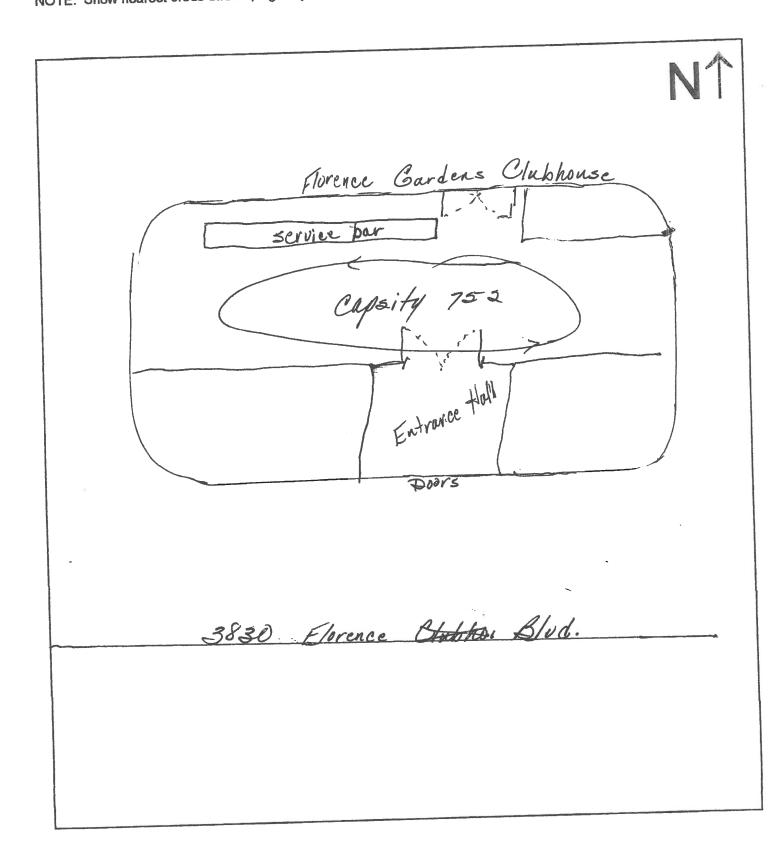
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| THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR OR CHAIRPERSON OF THE | | |
|--|--|--|
| THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR | | |
| 18 William Sutera declare that I am an Officer/Director/Chairperson appointing the | | |
| (Print full name) applicant listed in Question 6, to apply on behalf of the foregoing organization for a Special Event Liquor License. | | |
| X Willing Sintering Association Muniger 12/3/17 (Date) (Phone #) (Title/Position) (Date) (Phone #) | | |
| CONNIE J. LARSON the of Notary Public - State of Arizona PINAL COUNTY Not Comme Explores Nov, 16, 2018 | | |
| La united a society of the society o | | |
| My Commission expires on: | | |
| THIS SECTION TO BE COMPLETED ONLY BY THE APPLICANT NAMED IN QUESTION #6 | | |
| THIS SECTION TO BE COMPLETED ONLY Declare that I am the APPLICANT filing this application as | | |
| | | |
| (Print full name) listed in Question 6. I have read the application and the contents and all statements are true, correct and complete. | | |
| State of <u>Manna</u> County of <u>Manna</u> The foregoing instrument was acknowledged before me this | | |
| X JANNIE J. LARSON 3 12 2014 | | |
| PINAL COUNTY | | |
| My comm. Expires Nov. 16, 2018 | | |
| | | |
| You must obtain local government approval. <u>City or County MUST recommend event and complete item #20.</u> <u>The local governing body may require additional applications to be completed and submitted 60 days</u> <u>The local governing body may require additional licensing fees may also be required before approval may be granted.</u> | | |
| The local governing body may require additional applications to be completed and summer be granted. In advance of the event. Additional licensing fees may also be required before approval may be granted. | | |
| | | |
| LOCAL GOVERNING BODY APPROVAL SECTION | | |
| 20. I, hereby recommend this special event application (Title) | | |
| (Government Omclai) | | |
| on behalf of(Signature of OFFICIAL) (Date) | | |
| FOR DLLC DEPARTMENT USE ONLY | | |
| Department Comment Section: | | |
| (Date) | | |
| (Employee) | | |
| BY: | | |
| APPROVED DISAPPROVED BY: | | |
| (Title) (Date) | | |

÷ .

SPECIAL EVENT LICENSED PREMISES DIAGRAM (This diagram must be completed with this application)

Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions) NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.



SERIES:

15 SPECIAL EVENT LICENSE (Temporary) Non-transferable On-sale retail privileges

PURPOSE:

1.1. 4.4

Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

The applicant for a special event license must request a special event application from the Department and file the application with the governing body of the city or town, or Board of Supervisors of an unincorporated area of a county (where the special event is to take place) for approval or disapproval. Some local governing bodies may require approximately 60 days prior notice.

If the application is approved by the local authority, and the event meets the requirements for granting the license, the Director will issue a special event license to the qualifying organization.

Qualifying organizations will be granted a special event license for no more than ten (10) days in a calendar year. Events must be held on consecutive days and at the same location or additional licenses will be required. The license is automatically terminated upon closing of the last day of the event or the expiration of the license, whichever occurs first.

The qualified organization must receive at least twenty-five percent (25 %) of the gross revenues of the special event liquor sales.

A person selling spirituous liquor under a special event license must purchase the spirituous liquor from the holder of a license authorized to sell off-sale; *except that*, in the case of a non-profit organization which has obtained a special event license for the purpose of charitable fund raising activities, a person may receive the spirituous liquor from a wholesaler as a donation.

AVERAGE APPROVAL TIME: One (1) to seven (7) days.

PERIOD OF ISSUANCE:

issued for no more than a cumulative total of ten (10) days in a calendar year. A special event may be held for more than one (1) day, but it must be held on consecutive days and at the same location or additional licenses will be required.

FEES: \$25.00 per day.

ARIZONA STATUTES AND REGULATIONS:

ARS 4-203.02, 4-244, 4-261; Rule R19-1-228, R19-1-235, R19-1-309.

Disabled individuals requiring special accommodations please call (602) 542-9027

State of Arizona Department of Liquor Licenses and Control 800 W. Washington, 5th Floor Phoenix, AZ 85007 www.azliquor.gov (602)542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

Fee = \$25.00 per day for 1-10 day events only A service fee of \$25.00 will be charged for all dishonored checks (A.R.S.§ 44-6852)

NOTE: THIS DOCUMENT MUST BE FULLY COMPLETED OR IT WILL BE RETURNED. PLEASE ALLOW 10 BUSINESS DAYS FOR APPROVAL

| **Application must be app Department of Liquor Li | | | | DLLC USE (LICENSE # | |
|--|-------------------------|-------------------------|--------------------|-------------------------|----------------------------------|
| 1. Name of Organizatio | on: Florence | Gardens M | obil For | me As | sociation |
| 2. Non-Profit/I.R.S. Tax | x Exempt Number: | 86-03469 | 15 | | |
| 3. The organization is a | a: (check one box or | nly) | | | - |
| Charitable | 🔲 Fraternal (must l | have regular member | | | er 5 years) |
| Civic | Political Party, B | allot Measure, or Ca | mpaign Commit | iee | |
| Religious | | 1 | | | |
| What is the purpose | of this event? | Docial Hu | oun | Δ. | 1 0 - 1 - 0 |
| 5. Location of the ever | nt: <u>3830 FTor</u> | ence Blud. | 2-lorence | County | / <u>85/32</u> Zip |
| | where of the qualifying | organization and autho | prized by an Offic | er, Director | or Chairperson of |
| the Organization named | in Question #1. (Sign | ature required in order | <u>on #18)</u> | | 11-29-44 |
| 6. Applicant: | Thaete | Debbie | Niddle | | Date of Birth |
| 0. Appneans | Last | First | | 17 | |
| 7. Applicant's Mailing | Address: <u>370</u> | 3 N Colorado | City | State | Zip |
| 8. Phone Numbers: (| Bitter | • | s Business # | (208) 5 | <u>39-2729</u> icant's Home # |
| 9. Date(s) & Hours of | Event: | | _ | | T- A M /D M |
| | Date | Day of Week | Hours from A | | To A.M./P.M. |
| Day 1: N | 01 12 2015_ | Thurs | 3:30 | | 5:00 |
| Day 2: | | | | | |
| Day 3: | | | | | |
| Day 4: | | | | | |
| Day 5: | | | | | |
| Day 6: | | | | | |
| Day 7: | | | | | |
| Day 8: | | | | | |
| Day 9: | | | | | |
| Day 10: | | | | 542 0027 | |

Lic 0106 05/2009

*Disabled individuals requiring special accommodations, please call (602) 542-9027

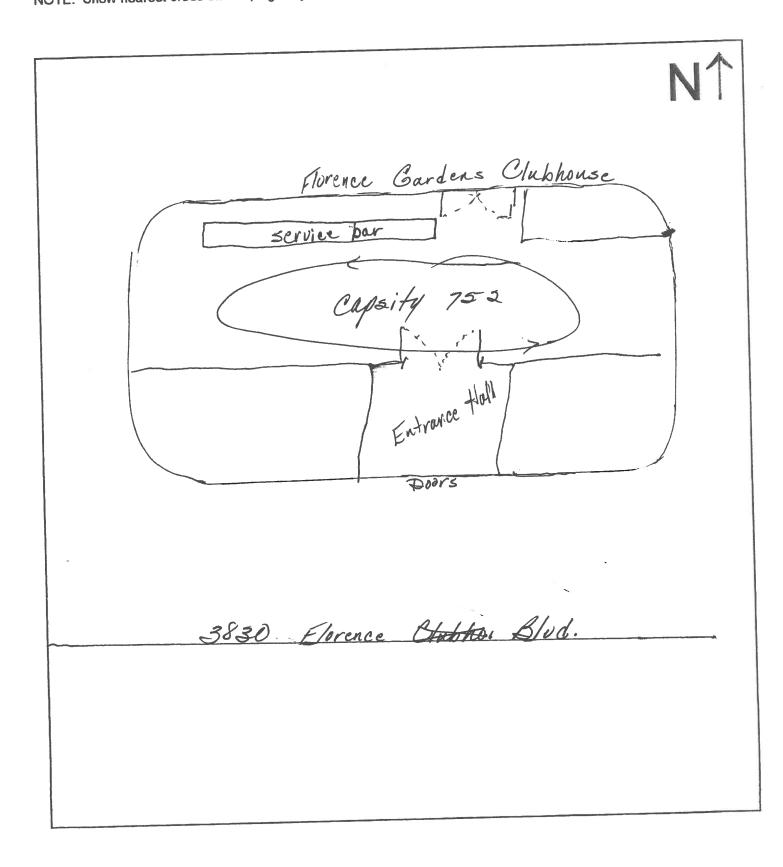
| 10. Has the applicant been convicted of a felony in the past five years, or had a liquor license rev | oked? <u>n if ves</u>) |
|--|------------------------------------|
| 11. This organization has been issued a special event license for days this year, includin (not to exceed 10 day | g this event vs per year). |
| 12. Is the organization using the services of a promoter or other person to manage the event? If yes, attach a copy of the agreement. | |
| 13. List all people and organizations who will receive the proceeds. Account for 100% of the pro THE ORGANIZATION APPLYING MUST RECEIVE 25% OF THE GROSS REVENUES OF EVENT LIQUOR SALES. | oceeds. = THE SPECIAL |
| Name | Percentage |
| Address | |
| Name | Percentage |
| Address (Attach additional sheet if necessary) 14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violations any questions regarding the law or this application, please contact the Arizona State Depa Licenses and Control for assistance. | s. If you have rtment of Liquor |
| NOTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVEN "NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREMIS | |
| What security and control measures will you take to prevent violations of state liquor laws a (List type and number of security/police personnel and type of fencing or control barriers if a | t this event? |
| # Police # Security personnel Barriers <u>Members of the committee patrol and</u> <u>the function. Have to be a member</u> to attend | nd monitor |
| 16. Is there an existing liquor license at the location where the special event is being held? If yes, does the existing business agree to suspend their liquor license during the time period, and in the area in which the special event license will be in use? (ATTACH COPY OF AGREEMENT) | |
| Name of Business |) Phone Number |

17. Your licensed premises is that area in which you are authorized to sell, dispense, or serve spirituous liquors under the provisions of your license. The following page is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades or other control measures and security positions.

| THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR OR CHAIRPERSON OF THE | | |
|---|--|--|
| THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER DIFERENCE ORGANIZATION NAMED IN QUESTION #1 | | |
| 18 1 William Sutera declare that I am an Officer/Director/Chairperson appointing the | | |
| (Print full name) (Print full name) (Print full name) (Print full name) | | |
| X <u>Well</u> <u>Signature</u> (Signature) OFFICIAL SEAL State of Notary Public - State of Artzona PINAL COUNTY My Commission expires on: <u>II-16-0018</u> (Date) <u>Association Manager</u> <u>12/3/14</u> (520) 868 4770 (Date) (Date) (Date) (Date) (Date) (Date) (Date) (Date) (Date) (Date) (Date) (Date) (Phone#) (Phone#) (Phone#) (Phone#) (Phone#) (Date) (Signature of NOTARY PUBLIC) | | |
| A DELIGANT NAMED IN OUESTION #6 | | |
| THIS SECTION TO BE COMPLETED ONLY BY THE APPLICANT NAMED IN QUESTION #6 | | |
| 19. Debbie That et e declare that I am the APPLICANT filing this application as | | |
| (Print full name) (Print full name) listed in Question 6. I have read the application and the contents and all statements are true, correct and complete. | | |
| 1 W is such to F F M C | | |
| State of <u>WMMM</u> County of <u>First Astronomy</u> State of <u>County of First Astronomy State of County of First Astronomy State of County of First Astronomy State of County of First Astronomy State of <u>County of First Astronomy</u> State of <u>County of First Astronomy State of State of State of County of First Astronomy State of State of</u></u> | | |
| X CONNIE J. LARSON 7 7 7017 | | |
| Notary Public - State of Arizona PINAL COUNTY Day Month Year | | |
| My Comm. Expires Nov. 16, 2018 20/8 Connel Oalson | | |
| My commission expires on:(Date) (Signature of NOTARY PUBLIC) | | |
| You must obtain local government approval. City or County MUST recommend event and complete item #20. The local governing body may require additional applications to be completed and submitted 60 days in advance of the event. Additional licensing fees may also be required before approval may be granted. | | |
| LOCAL GOVERNING BODY APPROVAL SECTION | | |
| | | |
| 20. I, hereby recommend this special event application | | |
| 20. I, (Government Official) (Title) | | |
| on behalf of(Signature of OFFICIAL) (Date) | | |
| FOR DLLC DEPARTMENT USE ONLY | | |
| POR DLLC DEPARTMENT OCE ONE | | |
| (Date) | | |
| (Employee) | | |
| APPROVED DISAPPROVED BY: | | |
| (Title) (Date) | | |

SPECIAL EVENT LICENSED PREMISES DIAGRAM (This diagram must be completed with this application)

Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions) NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.



SERIES: 15 SPECIAL EVENT LICENSE (Temporary) Non-transferable On-sale retail privileges

<u>PURPOSE:</u>

Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

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AVERAGE APPROVAL TIME: One (1) to seven (7) days.

PERIOD OF ISSUANCE:

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ARS 4-203.02, 4-244, 4-261; Rule R19-1-228, R19-1-235, R19-1-309.

Disabled individuals requiring special accommodations please call (602) 542-9027

State of Arizona Department of Liquor Licenses and Control 800 W. Washington, 5th Floor Phoenix, AZ 85007 www.azliquor.gov (602)542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

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NOTE: THIS DOCUMENT MUST BE FULLY COMPLETED OR IT WILL BE RETURNED. PLEASE ALLOW 10 BUSINESS DAYS FOR APPROVAL

| DLLC USE ONLY |
|--|
| Application must be approved by local government before submission and LICENSE # |
| . Name of Organization: Florence Gardens Mobil Home Association |
| 2. Non-Profit/I.R.S. Tax Exempt Number:86 - 03469/5 |
| The emerization is a: (check one box only) |
| Charitable Fraternal (must have regular membership and in existence for over 5 years) |
| Civic Delitical Party, Ballot Measure, or Campaign Committee |
| |
| 4. What is the purpose of this event? <u>Socia Hour</u> |
| 4. Willactis the purpose of the |
| 5. Location of the event: <u>3830 Florence Blud Florence Pinal</u> <u>J3137</u> Address of physical location (Not P.O. Box) City County Zip |
| the start of the subliking organization and autionzed by an onicer, |
| the Organization named in Question #1. (Signature required in a line of the second secon |
| 6. Applicant: <u>Maete</u> <u>Debbie</u> <u>M</u> First Middle Date of Birth |
| Last 3703 NCalarada Florence AZ 85/32 |
| 7. Applicant's Mailing Address 700 // Colored City State Zip |
| 8. Phone Numbers: (520) 868-4770 () Site Owner # Applicant's Business # Applicant's Home # |
| Q Date(s) & Hours of Event: |
| Date Day of Week Hours from A.M./P.M. TO A.M./T.M. |
| Day 1: Dec 10, 2015 Thurs 3:30 5:00 |
| Day 2: |
| Day 3: |
| Day 4: |
| Day 5: |
| Day 6: |
| Day 7: |
| Day 8: |
| Day 9: |

Lic 0106 05/2009

Day 10:

*Disabled individuals requiring special accommodations, please call (602) 542-9027

| 10. Has the applicant been convicted of a felony in the past five years, or had a liquor license revoke | |
|--|---------------------------------------|
| 11. This organization has been issued a special event license for days this year, including the (not to exceed 10 days p | his event per year). |
| 12. Is the organization using the services of a promoter or other person to manage the event? TY If yes, attach a copy of the agreement. | |
| 13. List all people and organizations who will receive the proceeds. Account for 100% of the proceed THE ORGANIZATION APPLYING MUST RECEIVE 25% OF THE GROSS REVENUES OF THE EVENT LIQUOR SALES. | eds. HE SPECIAL |
| Name | Percentage |
| Address | |
| Name | Percentage |
| | |
| Address (Attach additional sheet if necessary) | |
| 14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violations. It any questions regarding the law or this application, please contact the Arizona State Department Licenses and Control for assistance. | |
| NOTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT "NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREMISES | |
| 15. What security and control measures will you take to prevent violations of state liquor laws at the (List type and number of security/police personnel and type of fencing or control barriers if application). | nis event? blicable) |
| # Police Fencing # Security personnel Barriers | . / |
| Members of the committee patrol and in the function. Have to be a member of to attend. | <u>monitor</u> <u>fassociation</u> |
| | 🔲 YES 📈 NO |
| 16. Is there an existing liquor license at the location where the special event is being held? If yes, does the existing business agree to suspend their liquor license during the time period, and in the area in which the special event license will be in use? | |
| (ATTACH COPY OF AGREEMENT) | |
| _()_ | |
| Name of Business | Phone Number |

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| THE DIRECTOR OR CHAIRPERSON OF THE | | | | |
|--|--|--|--|--|
| THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR OR CHAIRPERSON OF THE ORGANIZATION NAMED IN QUESTION #1 | | | | |
| declare that I am an Officer/Director/Chairperson appointing | | | | |
| 18. I Contract (Print full name) (Print full name) | | | | |
| X Willing Signature Association Manager 12/3/17 (Date) (Phone#) (Signature (Title/Position) | 10 | | | |
| My Commission expires on: | s | | | |
| | #6 | | | |
| THIS SECTION TO BE COMPLETED ONLY BY THE APPLICANT NAMED IN QUESTION # | - | | | |
| 10 Debbie Thate declare that I am the APPLICANT filing this application | a5 . | | | |
| (Print full name) listed in Question 6. I have read the application and the contents and all statements are true, correct and complete | te. | | | |
| X Notary Public - State of Arizona PINAL COUNTY My Comm. Expires Nov. 16, 2018 | · <u>+</u> | | | |
| a with the transmission of | | | | |
| My commission expires on: | | | | |
| You must obtain local government approval. <u>City or County MUST recommend event and complete</u> <u>The local governing body may require additional applications to be completed and submitted 60</u> in advance of the event. Additional licensing fees may also be required before approval may be grant | <u>item #2</u> 0. <u>days</u> ted. | | | |
| LOCAL GOVERNING BODY APPROVAL SECTION | | | | |
| 20. I, hereby recommend this special event app (Government Official) (Title) | vication | | | |
| | | | | |
| on behalf of (City, Town or County) (Signature of OFFICIAL) (Date | シ | | | |
| FOR DLLC DEPARTMENT USE ONLY | | | | |
| Department Comment Section: | | | | |
| (Employee) (Date) | | | | |
| APPROVED DISAPPROVED BY: | | | | |
| (Title) (Date) | | | | |

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Florence Gardens Clubhouse service par Capsity 752 Entrance Hall Poors 3830 Florence Hubton Blud.

SERIES:

15 SPECIAL EVENT LICENSE (Temporary) Non-transferable On-sale retail privileges

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FEES: \$25.00 per day.

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ARS 4-203.02, 4-244, 4-261; Rule R19-1-228, R19-1-235, R19-1-309.

Disabled individuals requiring special accommodations please call (602) 542-9027

MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, DECEMBER 1, 2014, AT 6:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Rankin called the meeting to order at 6:08 pm.

ROLL CALL:

Present: Rankin, Smith, Celaya, Hawkins, Montaño, Walter, Woolridge

PLEDGE OF ALLEGIANCE

Vice-Mayor Smith led the Pledge of Allegiance.

CALL TO THE PUBLIC/COUNCIL RESPONSE:

Call to the Public for Public Comment on issues within the jurisdiction of the Town Council. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda.

Ms. Adrianna Lahr, Florence Resident, stated that the Florence Dog Park is in need of routine maintenance including the repair of the water fountain that has been broken for three years. She stated she would like to see the park taken better care of and inquired which department is responsible for the maintenance and upkeep of the facility.

Mayor Rankin acknowledged Ms. Lahr's concerns and asked the Parks Department to follow up and report back to him in two weeks.

Mr. James Mannato, Town Attorney, stated that he was leaving his position with the Town. He stated the position has been challenging, yet rewarding, providing him the opportunity to work with highly talented and dedicated Town employees. He thanked Ms. Lisa Garcia for her continued support and professional advice throughout his tenure with the Town. He advised the Council to be skeptical of those who try to undermine the Council as they are doing great things for the Town.

Mr. Dave Downey, Florence Resident, stated that he believes Councilmember Walter would be the right person to be elected as Vice-Mayor. He stated that she is a civic-minded person who recently was promoted to Vice-Principal of Walker-Butte Elementary. He stated that she is committed to her family, neighbors and community, and represents the Town of Florence well.

Ms. Denise Kollert, Florence Resident, thanked Councilmember Celaya and Vice-Mayor Smith for their service to the Town. She thanked the Parks and Recreation Department for the Junior Parada parade on Saturday and was happy to see so many participants Florence Town Council Meeting December 1, 2014 Page 1 of 8 and attendees at the event. She stated that Alison Feliz, Recreation Programmer, is doing a great job with the Concert in the Park series and hopes it continues.

Ms. Micky McGraw, Florence Resident, stated she has not received any communication from the Town Manager regarding the zero-usage water and sewer fees charged to part-time residents that she brought to Council at their last regular meeting. She stated that collectively, Caliente RV Park, Florence Gardens and Tierra Del Sol, with an estimated 1758 RV spots of which 1540 are seasonal, pay approximately \$65,957.30 in zero-usage fees for water and sewer monthly. She stated she would like to understand why the fees are so high and would like to have the billing protocol reviewed for a more equitable fee for zero-usage times.

Mayor Rankin requested Mr. Charles Montoya, Town Manager, to meet with Ms. McGraw in the next 24 hours.

Mr. Montoya stated he would collect the information and contact Ms. McGraw.

UNFINISHED BUSINESS

Discussion/Approval/Disapproval of the November 3, November 17 and November 21, 2014 Council Minutes.

On motion of Councilmember Montaño, seconded by Vice-Mayor Smith and carried to approve the Council Meeting minutes of November 3, November 17 and November 21, 2014.

CALL TO THE COUNCIL

Councilmember Walter stated that the Junior Parada parade and rodeo were amazing. She thanked the following:

- Councilmember Celaya and Vice-Mayor Smith for their service.
- Mr. Mannato for his legal guidance over the years. He will be missed.
- Ms. Garcia, for all her hard work and for everything she does for Council and for the Town of Florence.

Councilmember Walter welcomed the newly seated Councilmembers and looks forward to working with them.

Councilmember Montaño stated he wished Councilmember Celaya and Vice-Mayor Smith a wonderful life away from Town Council and appreciated their hard work and service. He congratulated the new Councilmembers and looks forward to working with them. He stated that he appreciated Mr. Mannato's work with the Town.

Councilmember Woolridge stated it was a pleasure working with Councilmember Celaya and Vice-Mayor Smith. She stated Mr. Mannato has done a great job over the

Florence Town Council Meeting December 1, 2014 Page **2** of **8** year, performing his duties with integrity and honesty, and will be missed. She stated that she was pleased to see Ms. Garcia being recognized for her hard work and service to the Town.

Councilmember Celaya stated that it has been an honor to serve the community. He stated serving on the Town Council has provided him the opportunity for personal and professional growth. He stated over the past 10 years he has seen the Town grow and develop completing multiple projects He thanked staff for teaching him, providing integrity and honesty to the process, and providing a strong foundation for the Town and Council. He expressed his appreciation to all the Councilmembers, past and present, and wished the new Councilmembers success in their new positions.

Vice-Mayor Smith stated the Town has the best departments he has seen. He stated the service level they provide the community is outstanding. He thanked staff for their commitment and support to the Council and Town, and to the past and current Councilmembers who have served the community well. He reminded the current Councilmembers and the newly seated members that the Town Council is made up of elected members and as such they need to listen to the voters.

Mayor Rankin stated he is sad to see Councilmember Celaya and Vice-Mayor Smith leave Council. He stated that that he agrees with Councilmember Celaya regarding the numerous accomplishments of the Town over the years and those accomplishments came to be through the efforts of the Town Council, staff and the voters of Florence past and present. He stated the Town will continue to grow and move forward making Florence better. He thanked Councilmember Celaya and Vice-Mayor Smith for participating in those efforts.

Mayor Rankin expressed his appreciation for the patience and understanding of the spouses and family members of those who serve or have served on the Town Council. He stated that he understands that the needs of the Town can take time away from family and appreciates their support of this commitment to the community.

Mayor Rankin stated that he would like to send best wishes to Mr. Wayne Costa, Public Works Director, and hopes he gets well soon.

SWEARING IN OF THE NEWLY ELECTED OFFICIALS

Honorable Steven J. Fuller swore in new Councilmembers: Rebecca Guilin, John Lee Anderson and re-elected Councilmember Valerie Woolridge.

ROLL CALL:

Present: Rankin, Woolridge, Hawkins, Walter, Montaño, Guilin, Anderson

PRESENTATIONS

Florence Town Council Meeting December 1, 2014 Page **3** of **8**

Mayor Tom Rankin recognizes former Vice-Mayor Smith for his dedication and service to the community.

Mayor Rankin presented a pocket watch to Mr. Smith in gratitude for her service to the Town. He expressed his appreciation for Mr. Smith's service as Vice-Mayor and looks forward to continuing to work with Mr. Smith throughout the Town in various activities.

Mayor Tom Rankin recognizes former Councilmember Celaya for his dedication and service to the community.

Mayor Rankin presented a gift certificate to the Painted Guitar to Mr. Celaya in gratitude for his service to the Town.

Presentation of Service Award to Lisa Garcia, Deputy Town Manager/Town Clerk.

Mayor Rankin presented to Ms. Garcia a plaque representing her loyal dedication and commitment to the Town of Florence for 20 years. He stated that Ms. Garcia joined the Town of Florence in 1994 as the Executive Secretary/Deputy Town Clerk. She was promoted to Town Clerk in 1997 and in 2011 added to her position, Deputy Town Manager. He stated that Ms. Garcia earned her Master Municipal Clerk designation in 2006 and was elected twice as President of the Arizona Clerks Association.

Mayor Rankin stated that Ms. Garcia graciously performs her duties providing guidance to Council and staff, representing the Town of Florence, its history and its community atmosphere with genuine love and compassion for the Town.

Ms. Garcia stated that it has been a pleasure working for the Town and with staff. She has enjoyed working for the community and looks forward to the opportunity to work for the Town for another 10 years.

Ms. Garcia's family presented to her with a balloon and flowers.

Public Hearing on Resolution No. 1486-14: A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FLORENCE, ARIZONA, PROPOSING A ONE-TIME SPECIFIC AMOUNT IN EXCESS OF THE STATE-IMPOSED EXPENDITURE LIMITATION AND SETTING A SPECIAL ELECTION FOR MAY 19, 2015.

Mr. Michael Farina, Finance Director, stated that with the failure of the Home Rule Option in August 2014, the Town is now subject to the state-imposed expenditure limitation which will significantly reduce the Town's budget for the next two fiscal years.

Mr. Farina stated that the Arizona State Constitution gives the voters of Florence the ability to regain local control over the development of the budget rather than being restricted by the state. He stated if the voters authorize a specific amount in excess of the state-imposed expenditure limitation, the voters would be providing the ability to develop a budget that will maintain the current level of services that the citizens of Florence Town Council Meeting December 1, 2014 Page **4** of **8**

Florence have come to expect in the areas that include, police, fire, economic and community development, parks and recreation, water, wastewater and sanitation services. He stated that staff is recommending the Florence voters authorize to exceed the state-imposed expenditure limitation for Fiscal Year 2015-2016 by \$15,000,000, allowing the Town to adopt a budget no greater than the amount that was adopted for Fiscal Year 2014-2015.

Mr. Farina stated that the Town is required to hold two public hearings, this being the first one. He stated the second public hearing will be December 15, 2014. Immediately following the second hearing, Council must convene in a special meeting and vote on the proposed excess expenditure special election. He stated if approved, a record of the vote and the purposes of the excess expenditure special election must be published in the newspaper. He stated on January 5, 2015 Town Council will call for the special election to be held on the third Tuesday in May 2015.

Councilmember Montaño inquired the following:

- What will occur to the funds that are collected and are not spent under Home Rule?
- Will the spending limitation reduce tax payer's obligations, and if so, when would that occur?

Mr. Farina stated that the funds that are collected through taxes, that are not able to be spent based on the Home Rules limitations, will be left in the Town's bank accounts. He stated that tax payers will not see a reduction in their taxes but a reduction in services only.

Councilmember Montaño stated that the proposed election in May is then asking to spend the money the Town will be collecting and to continue services at our current levels.

Mayor Rankin opened the Public Hearing, being no comments, closed the Public Hearing.

CONSENT: All items on the consent agenda will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

- a. *Approval of a utility easement between the Town of Florence and Arizona Public Service Company.
- b. *Approval of the acceptance of public infrastructure for maintenance into the Town of Florence within dedicated rights of way. Pulte Home Corp. has completed the public improvements necessary for the acceptance of:
 - I. Hunt Highway Phase I (partial) and Phase IV from STA 60+62.97 Phase I northerly to STA 22+50 Phase IV.

Florence Town Council Meeting December 1, 2014 Page **5** of **8**

- II. Franklin Road from STA 32+97.05 (west of Hunt Highway) to STA 36+23.58 (east of Hunt Highway).
- III. Spirit Way Phase III from STA 24+00.05 to STA 42+00

*Recommendation to the Arizona Department of Liquor Licenses and Control to approve a Special Event Liquor License to the Florence Gardens Mobile Home Association for a January 25, 2015 3Parks Wine and Micro Brew Fund Raiser.

On motion of Councilmember Hawkins, seconded by Councilmember Walter, and carried to approve the Consent Agenda, as written, with the exception of item 10b.

- b. Approval of the acceptance of public infrastructure for maintenance into the Town of Florence within dedicated rights of way. Pulte Home Corp. has completed the public improvements necessary for the acceptance of:
 - IV. Hunt Highway Phase I (partial) and Phase IV from STA 60+62.97 Phase I northerly to STA 22+50 Phase IV.
 - V. Franklin Road from STA 32+97.05 (west of Hunt Highway) to STA 36+23.58 (east of Hunt Highway).
 - VI. Spirit Way Phase III from STA 24+00.05 to STA 42+00

Councilmember Walter inquired as to the location of the property.

Mr. Dan Bonow, Pulte Homes Corp., stated that the property in question starts on Merrill Ranch Parkway going north to Franklin Road.

Councilmember Anderson inquired if the area has been fully landscaped including the area north of the school.

Mr. Bonow stated there is an area north of the school towards Franklin Road that is owned by the LDS church that will be landscaped when the property is developed.

On motion of Councilmember Walter, seconded by Councilmember Anderson, and carried to approve item 10b.

NEW BUSINESS

Discussion/Approval/Disapproval of nomination and election of a Vice-Mayor.

Mayor Rankin provided a brief description of the duties of the Vice-Mayor that include running meetings when the Mayor is not in attendance, attending out-of-town meetings, and public appearances when the Mayor is not available.

Councilmember Montaño nominated Councilmember Walter as Vice-Mayor.

Councilmember Walter accepted the nomination.

Florence Town Council Meeting December 1, 2014 Page **6** of **8** Councilmember Hawkins nominated Councilmember Woolridge as Vice-Mayor.

Councilmember Woolridge accepted the nomination.

| Roll call vote to elect Councilmember Walter as Vice-Mayor: | |
|---|-----|
| Councilmember Montaño: | Yes |
| Councilmember Walter: | Yes |
| Councilmember Hawkins: | No |
| Councilmember Anderson: | Yes |
| Councilmember Guilin: | No |
| Councilmember Woolridge: | No |
| Mayor Rankin: | Yes |

Motion passed Yes: 4; No: 3

Councilmember Walter is elected as Vice-Mayor.

Announcement of the Mayor's appointments to the following liaison positions:

Anthem Area **Budget Committee Central Arizona Association of Governments Emergency Operations Center** Greater Florence Chamber of Commerce Industrial Development Authority of the Town of Florence, Inc. Florence Unified School District Four Parks Area (Florence Gardens/Caliente/Casitas) **Historic District Advisory Commission** Leagues of Cities and Towns Resolution Committee Joint Use Library Advisory Board Parks and Recreation Advisory Board **Pinal County Government Alliance** Pinal Partnership **Planning and Zoning Commission** Public Safety Retirement (Police and Fire) Maricopa Association of Governments Native American Community Tribes (Tohono O'odham Village and Gila River Indian Community)

The Mayoral appointments were tabled to the December 15, 2014 Town Council meeting.

CALL TO THE COUNCIL

Councilmember Hawkins congratulated Councilmember Walter for being elected Vice-Mayor. Florence Town Council Meeting December 1, 2014 Page **7** of **8** Councilmember Montaño congratulated Councilmember Walter for being elected Vice-Mayor and Councilmember Woolridge for being nominated.

Councilmember Guilin congratulated Councilmember Walter for being elected Vice-Mayor. She stated that she is sad that Mr. Mannato is leaving the Town as he has been a tenacious and outstanding Town Attorney.

Mayor Rankin stated that the next meeting of Council will be on December 8, 2014.

ADJOURNMENT

On motion of Councilmember Hawkins, seconded by Councilmember Montaño, and carried to adjourn the meeting at 7:55 pm.

Tom J. Rankin, Mayor

ATTEST:

Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on December 1, 2014, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

Florence Town Council Meeting December 1, 2014 Page **8** of **8**

MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, DECEMBER 8, 2014, AT 4:30 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Rankin called the meeting to order at 4:34 pm.

ROLL CALL:

Present: Rankin, Walter, Woolridge, Hawkins, Montaño, Guilin, Anderson

CALL TO THE PUBLIC

Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

Ms. Ruth Harrison, Florence Resident, stated that she did not feel tonight's meeting was communicated thoroughly to the community. She recommend to have Council meeting notices publicized in the paper, the Wednesday prior to the meeting, to give the citizens a better opportunity to attend all meetings. She stated that she feels this type of notice would assist with the transparency of the Council.

ADJOURN TO EXECUTIVE SESSION: For the purpose of discussion of the public body, pursuant to A.R.S. 38-431.03(A)(1), to interview candidates for Interim Prosecutor and Interim Town Attorney; and for contract negotiations with said attorneys pursuant to A.R.S. 38-431.03(A)(4).

On motion of Councilmember Montaño, seconded by Councilmember Hawkins, and carried to adjourn to Executive Session.

ADJOURN FROM EXECUTIVE SESSION

On motion of Councilmember Woolridge, seconded by Councilmember Hawkins, and carried to adjourn from Executive Session.

NEW BUSINESS

Discussion/Approval/Disapproval of entering into a contract for an Interim Town Prosecutor.

Florence Town Council Meeting Minutes December 8, 2014 Page 1 of 8 On motion of Vice-Mayor Walter, seconded by Councilmember Hawkins, and carried to approve a contract with Richard V. Husk as interim Town Prosecutor.

Discussion/Approval/Disapproval of entering into a contract with a law firm to provide Interim Legal Services to the Town of Florence.

On motion of Vice-Mayor Walter, seconded by Councilmember Montaño, and carried to enter into contract with Dickinson Wright, PLLC, to provide interim legal services to the Town of Florence.

Resolution No. 1490-14:

Mr. Charles Montoya, Town Manager, read Resolution No. 1490-14 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AFFIRMING THE TOWN OF FLORENCE'S PREFERENCES REGARDING THE PROPOSED ADOT NORTH-SOUTH FREEWAY CORRIDOR.

Mr. Mark Eckhoff, Community Development Director, stated that the North-South Corridor is a 45 mile freeway between Apache Junction and Eloy. He stated that ADOT is seeking comments on specific route alternatives that will be studied in greater detail during the next phase of the study. Town Council had previously approved corridor refinements allowing the Town to better plan for future density and to ensure that the freeway is beneficial to the Town. He stated that the location of the corridor was a critical consideration in the planning of Territory Square Zoning District and the North End Framework Vision Plan.

Mr. Eckhoff stated that ADOT held public hearings in November 2014. The comment period for this stage of the study will remain open until January 9, 2015. Staff believes it is essential that the Town continue to be proactive in this process to ensure that the final corridor is as close as possible to the preferences of the Town. He stated that the resolution affirms the preferences of the Town, denoting the segments of the corridor that are preferred and essential to the long term prosperity and sustainability of the Town. He stated that the information regarding where to send written comments to ADOT is located on the Town website. All comments must be received no later than January 9, 2015.

On motion of Councilmember Montaño, seconded by Councilmember Woolridge, and carried to adopt Resolution No. 1490-14.

WORK SESSION WITH LOCAL VENDORS REGARDING FARMERS MARKET DOWNTOWN.

Florence Town Council Meeting Minutes December 8, 2014 Page **2** of **8** Ms. Jennifer Evans, Management Analyst, stated that the Chamber of Commerce helped develop the Farmer's Market in 2002 and during their overseeing of the market requested that the vendor fees be waived for this weekly event.

Ms. Evans stated in 2011 the Town approved a policy that required all venders to have a vendors permit when participating in any event within the Town. Based on the criteria of the policy, vendors would need a regular or exemption permit in order to participate in the events. Most of the vendors for the Farmer's Market would qualify for an exemption. She stated that staff is trying to bring the Arriola Square Farmer's Market into compliance with current Town policy.

Ms. Evans stated that the following is being recommended:

- Make it an artisans market and allow vendors with hand crafted products
- Draw produce vendors and value-added agricultural products.

Ms. Evans stated that staff is proposing to move the Farmer's Market to 6th Street; near Padilla Park and change the days and times of operation to better accommodate the public who commute into Town on a daily basis. She stated that it is being recommended that the Farmer's Market be held on the 1st and 3rd Thursday of the month, from 11:00 am to 3:00 pm, and to be in conjunction with other activities already planned at Padilla Park. The vendors would be required to have a vendor permit with the Town and to set up a free-standing booth. They would not be allowed to sell directly out of their vehicles. She stated this would preserve the high-quality image of the market.

Ms. Evans stated that a majority of Farmer Markets held in our region are held on Saturdays. She stated that Flagstaff holds a market on Sundays during the summer months and Cottonwood holds their market July through October on Thursday evenings. She stated that all the markets had artistic and food/produce vendors. A majority of the markets researched were started by a municipality then were turned over to the private sector once they become successful.

Councilmember Anderson inquired what the definition of handmade would be for the market.

Ms. Evans stated that the product being sold must be made by the selling vendor. She stated that the market is for hobbyists who need an outlet for their arts and crafts and is not for items that are mass-produced.

Mayor Rankin stated that the name of the market would have to change to better reflect the mix of artisans and produce/food vendors. He stated when the Farmer's Market first started it ran from one end of Main Street to the other and now there are just a few vendors at Arriola Square.

Florence Town Council Meeting Minutes December 8, 2014 Page **3** of **8** Mayor Rankin stated that on Saturdays there are only a few shops open on Main Street. He would like to see the market reach from Arriola Square to Padilla Park bringing the public out to Main Street. He stated that he disagrees with changing the market day to Thursday as he does not believe it would have the attendance needed to be successful and that the Town has a higher level of traffic on Fridays and Saturdays that would lend to a more successful market.

Mayor Rankin inquired as to what the fee was for a special event permit.

Ms. Evans stated that if a vendor made more than \$3,000 a year they would be considered a commercial vendor and the fee for the license would be \$10. She stated that a majority of the vendors who participate in the Farmer's Market would qualify for an exemption as they make less than \$3,000 a year and there would not be a fee for the special event permit.

Councilmember Woolridge stated that she was in favor of the current licensing policy as it provides the Town with the information needed to know who is participating in the event, what they are selling and if there is a problem, which can be held accountable.

Mayor Rankin inquired as to how extensive is the application for an event license.

Ms. Evans stated that a license for a permanent business is several pages and requires a great amount of information whereas a special event permit is only one page.

Councilmember Hawkins stated that based on the information provided the Town should start with the Thursday market but still allow the Saturday market until the Thursday market is successful.

Mayor Rankin is concerned that the Towns and Cities researched are larger than Florence and have a higher population to draw from for a market.

Councilmember Hawkins stated it might be easier to get more vendors from some of these areas to come to Florence and will be available on a Thursday verses a Saturday.

Councilmember Woolridge stated that if the goal is to capture those who commute into Florence for work, the hours of market would need to be later in the afternoon into early evening to allow workers to take their purchases directly home.

Councilmember Montaño inquired if the market could be held on Thursday and Saturday.

Mayor Rankin inquired if vendors have been located for a Thursday market.

Ms. Evans stated that she has been able to make contact with five local vendors who would be interested in the Thursday market.

Florence Town Council Meeting Minutes December 8, 2014 Page **4** of **8** Mayor Rankin stated that there is a concern with produce vendors who have a limited window to sell their produce and if they do not make money, they will not continue to participate. He stated that advertising for the market is going to be critical to its success.

Councilmember Anderson stated that it might be a good idea to start the market on a seasonal basis until it grows and can sustain a year-round program.

Ms. Evans stated that she is recommending the market to be seasonal from October through April.

Councilmember Montaño stated there is a concern with preferential treatment of location at the market. He stated that vendor space should be on a first-come-first-service basis as long as the vendor has a permit. He does not believe a vendor should have a reserved location.

Councilmember Hawkins stated that he has wanted to see advertising for the Town and this would be an opportunity to promote the Town and the market.

Councilmember Guilin inquired if a cost study has been completed to determine the cost of the market including advertising, operations and staff time.

Ms. Evans stated that the market does not currently have a budget but is looking at using free social media and with a few hundred dollars a month for print advertising the market would receive strong local media exposure. She stated that she has estimated that it will take approximately 20 hours of staff time to coordinate and operate the market weekly.

Mayor Rankin inquired as to the number of vendors that have been identified to participate in the market.

Ms. Evans stated that she has identified 5 artisans that would be interested in the market in addition to the craft and jewelry vendors.

Mayor Rankin stated that he would like to see more input from produce vendors and what they believe would be the right day of the week for the market, times, and seasonality that would help a new market be successful.

Councilmember Anderson stated that he would recommend a name for the market like the Florence Peoples Market.

Councilmember Woolridge stated that she has a vendor from Casa Grande that may be interested in the participating in the market and will provide that information to Ms. Evans.

Florence Town Council Meeting Minutes December 8, 2014 Page **5** of **8** Ms. Evans stated that she will continue to build her vendor list and develop diversity in the types of vendors; their availability and the thoughts on what they think will work and make the market successful.

Mayor Rankin inquired as to what the thoughts have been for those vendors who do not fit within the categories of a Farmers Market.

Ms. Evans stated that the model that is being used to develop the market for the Town is based on the markets that are being run in other towns and cities in the area.

Ms. Debbie Kiern, Florence Resident, stated that the current vendors of the market are willing to work with the Town and that they currently do keep a written record of the vendors that participate each week with their contact information which is then turned over to Christy Cox. She stated that she does believe having the market two nights a week would be good and with more advertising could be very successful.

Mr. Donald Underdonk II, Florence Resident, stated that he agrees the name of the market should be broader and reflect the community. He stated that he has been working with Debbie Kiern to develop a small brochure for the market to be distributed in businesses around Town and in Coolidge and Casa Grande but is holding off until the situation with the Town is resolved. He stated that he believes not holding the market on a Saturday would be detrimental to the market as they do have many customers that might be lost if the market is moved. He stated that he does agree with the Town that the market does need to be organized and properly advertised.

Mr. Dennis Irvin, Florence Resident, stated that he would be the one vendor that does not fit the product compliance for the market. He stated that he would move to a different location but would like to stay in Florence if possible.

Ms. Ruth Harrison, Florence Resident, inquired if the new location will be on a back parking lot. She stated that she understands that the group would like to stay on Main Street.

Ms. Evans stated that she will inquire with other municipalities that have Farmer's Markets what their licensing process is and build a matrix of produce vendors inquiring what they would need to participate in the Town's Farmer's Market.

Mr. Larry Pfeiffer, Florence Resident, stated the Farmer's Market group has been selfgoverning and believes the compliance and permitting process the Town is concerned with is adding a level of confusion. He stated that he believes Main Street is in a great need of more retail options and the Farmer's Market has been operating for 12 years on Main Street and been able to sustain itself when many other businesses have not. He stated that he would like to see the Town encourage and support the Saturday market along with developing a Thursday market.

Florence Town Council Meeting Minutes December 8, 2014 Page 6 of 8 Mr. Montoya stated that he would recommend that staff go back and do the research that has been discussed this evening and come back to Council in January with a study session to review staff's findings. He stated that while the research is being done, the Town should allow the Arriola Square Farmer's Market to continue as it normally does.

Mayor Rankin stated that he agrees with an additional study session in January 2015 with members of Council in concurrence.

CALL TO THE PUBLIC

There were no public comments.

CALL TO THE COUNCIL

Councilmember Anderson stated that he was impressed with the attendance numbers at the Holiday Parade Friday night and complimented staff for their hard work.

Councilmember Montaño stated that he would like to see the attendance numbers continue through Founder's Day and Country Thunder upcoming events in the spring.

Councilmember Hawkins stated that he would like to see the Farmer's Market situation resolved in a timely fashion with simplicity.

Vice-Mayor Walter congratulated Alison Feliz, Recreation Programmer, who is graduating with her Bachelors in Parks and Recreation.

Mayor Rankin stated that he along with the Town Council send their condolences to the Celaya family for their loss and to the families of Manual Ruiz and Jim Martin. He stated that the parade was a beautiful event and he appreciated the 40 entries and the efforts of staff.

ADJOURNMENT

On motion of Councilmember Montaño, seconded by Councilmember Hawkins, and carried to adjourn the meeting at 8:53 pm.

Tom J. Rankin, Mayor

ATTEST:

Florence Town Council Meeting Minutes December 8, 2014 Page **7** of **8** Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council special meeting held on December 8, 2014, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

Florence Town Council Meeting Minutes December 8, 2014 Page 8 of 8

| TOWN OF FLORENCE ARZONA PRIZONA | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 10a. | |
|---|--|----------------------------|--|
| MEETING DATE: Dece DEPARTMENT: Parks | Action Information Only Public Hearing Resolution | | |
| STAFF PRESENTER: SUBJECT: Proposed F | ☐ Ordinance ☐ Regulatory ☐ 1st Reading ☐ 2nd Reading ☐ Other | | |

RECOMMENDED MOTION/ACTION:

Option #1: Motion to authorize staff to issue a Request for Proposals to the short-listed design-build firms for the proposed Fitness and Recreation Center and establish a maximum project budget of \$6,750,000.

Option #2: Motion to suspend the project indefinitely due to budgetary constraints.

BACKGROUND/DISCUSSION:

At the Work Session on July 31, 2014, the Town Council directed staff to get cost estimates for construction of a Fitness and Recreation Center that will allow for indoor athletics, cardio and strength training, and other recreation pursuits.

On September 15, 2014, the Town Council further directed staff to issue a Request for Qualifications (RFQ) to secure a design-build team for a Fitness and Recreation Center.

Due to state procurement laws related to design-build, a Fitness and Recreation Center project needed to be procured separately from the Library/Recreation Complex project, but could be constructed concurrently.

On October 23, 2014, the Town Clerk's Office documented the receipt of 12 Statements of Qualifications (SOQ) for the above referenced project. The project selection committee reviewed and scored the SOQs based on the criteria referenced in the RFQ and short-listed the five most qualified design-build teams as follows:

- 1. Haydon Building Corp/Architekton
- 2. Low Mountain Construction/Hidell and Associates
- 3. Sun Eagle/Breckenridge Group
- 4. Adolfson & Peterson Construction/Gabor Lorant Architects
- 5. D.L. Withers Construction/Saemisch + De Bella Architects

The short-listed design-build teams will be issued a Request for Proposal upon further direction from the Town Council.

FINANCIAL IMPACT:

Construction Costs

Based on information provided in the SOQs, staff is estimating a 30,000 square foot facility at a cost of approximately \$225 per square foot. The total cost for construction and furniture, fixtures and equipment would be estimated at an amount not to exceed \$6,750,000. There is currently no funding identified for this project in the Town Budget for FY15 or the Capital Improvement Plan.

Proposed Recreation Center

Proposed Amenities Include:

- Gymnasium (1-2 Courts)
- Indoor Track (3-Lane)
- Cardio and Strength Training
- Stretching Area
- Aerobics/Dance Room
- Climbing Wall
- Locker Rooms
- Social/Gaming Room
- Kids Club (Child Watch)
- Reception
- Administration (2 Offices, 2 Shared Work Stations)
- Lighted Parking

Annual Expenditure and Revenue Estimates

- Recreation Center
 - <u>Expenditures</u> Staff is estimating that it will cost approximately \$254,000 for salaries and benefits and \$165,150 for operations and maintenance for a total of \$419,150 annually to operate the facility. \$94,900 was budgeted in FY15 to operate the Fitness Center, so the net increase is estimated to be \$324,250.
 - <u>Revenues</u> Staff is estimating that we will generate \$104,750, or 25% cost recovery, from memberships and daily drop-in fees. It is anticipated that this could grow in subsequent years.
 - <u>Net Operating Costs</u> Estimated to be \$314,400 annually.

Summary:

Construction of a Fitness and Recreation Center is estimated at an amount not to exceed \$6,750,000 and cost up to an estimated \$419,150 annually for operations and maintenance.

The pending expenditure limitations would have a direct effect on funding construction and operational costs. No funding sources have been identified for this project or ongoing operations and maintenance.

STAFF RECOMMENDATION:

Staff will proceed as directed by Town Council; however there are two options to consider:

Option #1: Motion to authorize staff to issue a Request for Proposals (RFP) to the shortlisted design-build firms for the proposed Fitness and Recreation Center and establish a maximum project budget of \$6,750,000.

Option #2: Motion to suspend the project indefinitely due to budgetary constraints.

ATTACHMENTS:

Request for Qualifications with Schedule of Events attached SOQ Scoring Summary Notice of Design-Build Short List

Town of Florence



Request for Qualifications For Design-Build Services

Town of Florence

775 N. Main Street

P.O. Box 2670

Florence, Arizona 85132

(520) 868-7582

Bryan Hughes, Project Manager

Public Notice

Town of Florence

Invitations for Design-Build Services

Request for Qualifications

The Town of Florence hereby solicits a Statement of Qualifications for Design-Build Services from qualified and experienced firms or individuals for the construction of a fitness and recreation center on a portion of an undeveloped 40 acre pad located directly west of Town Hall in Florence, AZ 85132.

To secure a complete copy of the Request for Qualifications (RFQ) package, visit the Town of Florence website at <u>www.florenceaz.gov/rfp.</u>

A Statement of Qualifications pre-submittal meeting is scheduled for Friday, October 10, 2014 at 10:00 a.m. at the Council Chambers at Florence Town Hall, located at 775 North Main Street. Attendance is required for all those planning to submit a Statement of Qualifications (SOQ).

The Town of Florence must receive proposals no later than 3:00 PM, local time, Wednesday, October 22, 2014. Mail or deliver your completed Statement of Qualifications to the Office of the Town Clerk, Florence Town Hall, 775 North Main Street, P.O. Box 2670, Florence, Arizona 85132. No faxed proposals. Failure of the proposer to complete all of the requested information may result in rejection of the proposal.

Persons with disabilities may request a reasonable accommodation, by contacting the 504/ADA Coordinator for the Town of Florence at (520)-868-7554 or (520)-868-7502 (TDD). Please make all requests as early as possible so as to allow time to arrange the accommodation.

The Town of Florence is an Affirmative Action/Equal Opportunity Employer.

Design-Build Services

The Town of Florence hereby solicits Statement of Qualifications for Design-Build Services from the qualified and experienced firms for the design and construction of a fitness and recreation center on a portion of an undeveloped 40 acre pad located directly west of Town Hall in Florence, AZ 85132.

See Exhibit 1 for a schematic drawing of the location of the project.

Background

The Town of Florence was founded in 1866 and is the fifth oldest incorporated municipality in Arizona. Florence is a rural community situated in the central portion of Pinal County, Arizona about 45 minutes away from the Phoenix and Tucson metropolitan areas. Florence, at an elevation of 1,493 feet, has been the county seat since its formation in 1875. The current residential population in Florence is approximately 9,000. The projected regional growth trend places Florence directly in the path of rapid development.

The Town Council has expressed an interest in the construction of a fitness and recreation center to complement other facilities currently under contract and scheduled for completion in 2015, including a library and activity center, aquatics center, and athletic fields and sport courts.

Government Operations

Florence is a full-service council-manager form of government with a mayor, council and town manager who oversees the operations of the following departments: Administration, Courts, Finance, Fire, Library, Parks and Recreation, Community Development, Police, Utilities, and Public Works.

Florence Data

- Incorporated Area: 62 square miles
- Municipal Planning Area: 153 square miles
- Elevation: 1,493 feet above sea level
- Population: 25,971
- Infrastructure:
 - Water: Town of Florence and Johnson Utilities
 - o Sewer: Town of Florence and Johnson Utilities
 - Streets: Town of Florence and Arizona Department of Transportation
 - Electric: APS and SRP
 - Gas: Southwest Gas
 - Sanitation: Right Away Disposal

Project Description

The project consists of all aspects associated with the design and construction of a recreation center, including all on-site and off-site improvements required to support the facility.

Proposed Recreation Center

Proposed Amenities Include:

- Gymnasium (1-2-courts)
- Indoor Track (3-Lane)
- Cardio and Strength Training
- Stretching Area
- Aerobics/Dance Room
- Climbing Wall
- Locker Rooms
- Social/Gaming Room
- Kids Club (Child Watch)
- Reception
- Administration (2 Offices, 2 Shared Work Stations)
- Lighted Parking

Design Requirements

The design, character and architectural scale of the building and ancillary improvements should generally complement the historic downtown area and be consistent with the vision expressed in the Town's North End Framework Vision Plan and the regulatory framework established within the Territory Square Zoning District applicable for the subject property. These documents are available at www.florenceaz.gov/pz-documents.

Utilities

Design shall include all utilities and infrastructure: water, sanitary sewer, drainage, telecommunications, electrical, gas, cable, etc. that are necessary for the operation and safety of the facility. Any off-site infrastructure (water, sanitary, storm drainage, gas, electrical) required for the development of this site and operation of the facility shall have been investigated and discussed with appropriate authorities to ensure that services to the proposed site can be achieved including roads and streets.

Pre-Submittal Meeting

A Statement of Qualifications pre-submittal meeting is scheduled for Friday, October 10, 2014 at 10:00 a.m. at the Council Chambers at Florence Town Hall, located at 775 North Main Street. Attendance is required for all those planning to submit a Statement of Qualifications (SOQ).

Preliminary Scope of Work

The following Scope of Work generally describes the consultant services that are required, but are not limited to:

1. Pre-Design:

- Site Visit with Design-Build team and Town of Florence
- Pre-Design Meeting

2. Conceptual Design:

- Conceptual Design, Design Submissions
- Client Reviews, Comments
- Review Meetings
- Revisions Requested by Client
- Final Conceptual Design Approval by Client

3. Schematic Design (30% Completion):

- Schematic Design, Design Submissions
- Client Reviews, Comments, Review Meetings
- Revisions Requested by Client
- Final Schematic Design Submittal
- Final Schematic Design Approval by Client

4. Design Development (60% Completion):

- Design Development, Design Submissions
- Client Reviews, Comments, Review Meetings
- Revisions Requested by Client
- Final Design Development Submittal
- Final Design Development Approval by Client

5. Construction Documents (95% Completion):

- Construction Document Submittals
- Client Reviews, Comments, Review Meetings
- Revisions Requested by Client
- Final Construction Document Submittal
- Final Construction Document Approval by Client

6. Permit Documents:

- Revisions Requested by Client
- Submission to Town of Florence for Permit Review

7. Pre-Construction:

- Performing a constructability review
- Conduct a pre-construction conference with the Town of Florence, Subcontractors, and Utility Companies.

8. Construction:

- Schedule tracking
- Track sub-contractor work
- Maintaining organized photographic records
- Maintaining as-built notes and drawings
- Maintaining ASI & RFI logs, submitting questions and tracking decisions formally.
- Managing and tracking change orders and project budgets
- Submitting progress payments
- Weekly construction meetings with Town of Florence, and Sub-contractors
- Punch list walk-through, review and completion

9. Post Construction:

- Complete project documentation including but not limited to: Change order summary, final detailed budget report, project acceptance documentation, contract closeout
- As-built drawings submitted to Client
- Training of Town of Florence Personnel

Project Schedule

Refer to Exhibit 2 – Schedule of Events. The Schedule of Events is subject to change at the direction of the Town Council.

Statement of Qualifications Requirements

The organization of the Statement of Qualifications is intended to be as brief as possible while addressing the requested components adequately.

Submittal:

One original and seven copies of the Statement of Qualifications must be mailed or delivered by the date, time and location identified in the RFP. Submittals are limited to forty 8.5" X 11" pages (minimum 12 pt. size text) or graphics. Submittals may be double sided. The limitation is a page count limitation, not a sheet count. Failure to comply with the page limitation may result in rejection of the proposal.

Note that the content in the appendix does not need to be included in the total page limitation.

Also please submit one electronic version of the Statement of Qualifications on a CD, USB, or disk, using a current version of Word or a PDF File.

Content:

The Statement of Qualifications must include each of the following sections and information. They are not listed here in order of importance, but every effort should be made to maintain the same order in the proposals to facilitate comparisons.

- 1. Cover Letter: List the name of the prime (and supportive) firm(s), and the project manager, his/her address, and the telephone, and email information for the project. The cover letter shall also identify the firm or prime firm that has the authority to negotiate and contractually bind the firm or prime firm (if different from the project manager). His or her title, address, telephone, fax, email information shall also be provided. The cover letter shall count in the page limit identified above.
- 2. Member Roles and Capabilities: List members of the firm/team selected for this project. The project manager and key task managers that will be directly and regularly working on this project must be identified, as well as any consultants. Briefly describe the directly related project experience of the project manager and team members. Include information that describes the role of the team members, related project experience (i.e. year project was prepared, budget and project duration). Provide a complete resume in the appendix of the proposal.
- **3. Management Plan:** Provide a diagram or outline for the teams proposed management strategy outlining oversights, general team member, consultant responsibilities, and points of contacts. Provide the name of the Project Manager and his/her responsibilities.
- 4. Subcontractor Selection Plan: Each Statement of Qualifications shall include a proposed subcontractor selection plan and a requirement that the proposed subcontractor selection plan must select subcontractors based on a combination of qualifications and price and shall not select subcontractors based on price alone.
- 5. Key Issues: Please identify at least four key issues that must be addressed with this project and briefly state how your scope of work will resolve these issues in a comprehensive manner.
- 6. **Timeline:** As part of your Statement of Qualifications, a timeline schedule for the project shall be provided.
- 7. Samples of Work: Provide a minimum of three samples of work that were completed for similar projects in scope. Include photos or images and a brief description of each sample, including square footage and final construction cost. Contact information should be provided for each project listed. Projects ideally completed within past five to ten years.
- 8. References: Include at least three references from directly related projects (preferably municipal projects such as recreation centers). Include name, title, address, telephone, fax, and email of contact person and name of project.

9. Appendix:

a. Scope of Work: Include your specific Scope of Work using the same format provided in the Preliminary Scope of Work. Include and clarify all base components and optional services. Note whether optional services are available within the proposed team, or would be performed through additional consultants. It is essential that the specific Scope of Work addressed in your proposal at least satisfy the Preliminary Scope of Work outlined in this RFQ. Failure to comply with these requirements may diminish the scoring of your proposal. Your proposals should clearly indicate a full understanding of how the project is implemented and maintained. Each short listed firm/team is highly encouraged to critically review this scope and refine/augment it as necessary. Creatively departing from this scope is also encouraged. All deviations from the Preliminary Scope of Work shall be summarized in the proposals.

b. Insurance and Bonds:

Employer's Liability \$500,000-1,000,000

| Gene | ral Liability | | |
|-------|---------------------------------|-----------------|-------------|
| а. | General Aggregate | \$2,000,000 | |
| | Products - Completed Op | \$2,000,000 | |
| | Personal and Advertising | \$2,000,000 | |
| | Each Occurrence (Bodily I | \$2,000,000 | |
| | e. Excess or Umbrella Liability | | |
| | 1) General Aggregate per job | | \$3,000,000 |
| | , | per policy year | \$5,000,000 |
| | 2) Each Occurrence | per job | \$3,000,000 |
| | , | per policy year | \$5,000,000 |
| | | | . , , |
| Autor | nobile Liability | | |
| a. | Bodily Injury: | | |
| | Each Person | \$1,000,000 | |
| | Each Accident | \$1,000,000 | |
| b. | Property Damage: | | |
| | Each Accident | | \$1,000,000 |
| c. | c. Combined Single Limit of | | \$1,000,000 |
| | | | |
| Contr | actual Liability | | |
| a. | Bodily Injury: | | |
| | Each Accident | | \$2,000,000 |
| | Annual Aggregate | | \$2,000,000 |
| b. | Property Damage: | | |
| | Each Accident | | \$2,000,000 |
| | Annual Aggregate | | \$2,000,000 |
| | Each Accident | | \$2,000,000 |
| | Annual Aggregate | | \$2,000,000 |
| | | | |

Workman's Compensation

| a. | Bodily Injury by Accident | each accident | \$1,000,000 |
|----|---------------------------|---------------|-------------|
| b. | Bodily Injury by Disease | each employee | \$1,000,000 |
| C. | Bodily Injury by Disease | policy limit | \$1,000,000 |

The Town of Florence requires that a certificate of Liability and Workman's Compensation Insurance be provided with limits of liability and the Town of Florence named as additional insured.

c. Bond

The successful firm shall be required to furnish bonds in the full penal sum of the Contract Price covering faithful performance of the Contract and payment obligations arising thereunder. Such bonds shall be furnished pursuant to the Contract Documents on the date of execution of the Contract."

Evaluation

Each Statement of Qualifications will be evaluated on the following criteria (100 points possible), in order to be selected for an interview:

- Experience of the Project Manager, Designer, General Contractor, the organization and the consultants who will do the work (35 points)
- Consultants' understanding of the Town's needs (20 points)
- Scope of work (15 points)
- Clarity and succinctness of the proposal (10 points)
- Discretionary (10 points)
- Subcontractor Selection Plan (5 points)
- Proposal conforms to format (5 points)

Selection Process

The Selection Committee will evaluate all valid proposals based on the evaluation criteria set forth herein. The Town may or may not interview any of the firms, based on the evaluation scoring, to discuss the proposer's qualifications, proposed scope of work, and other related items.

If interviews are held, then the scoring of the interviews will be evaluated based on the following criteria (100 points possible):

- Experience of the Project Manager, Designer, General Contractor, the organization and the consultants who will do the work (35 points)
- Consultants' understanding of the Town's needs (25 points)
- Scope of work (20 points)
- Clarity and succinctness of the presentation (10 points)
- Discretionary (10 points)

If interviews are not held, then proposals will be scored based on the criteria identified in the Evaluation section within this RFQ.

Based on scoring criteria identified through the evaluation and possible interview scoring, the Selection Committee will make a determination of what proposers, if any, qualify to make the Town's final list. The final list will contain no less than three firms and no more than five firms.

Firms that make the Town's final list through the initial RFQ process will be invited to submit a proposal that includes the firms experience, qualifications, scope of work, project budget for design and construction, project schedule, and other relevant information. The Selection Committee will evaluate and score the proposals and then select the firm that is best qualified to complete the project. If the Town is not able to negotiate an agreement with the Selection Committee's top selection, then the Town will negotiate a contract with the Selection Committee's second selection, and so on.

If necessary, interviews will be held at:

Town of Florence 775 North Main Street Florence, AZ 85132 Date(s) and time(s) to be determined.

Town Budget

The Town Council has not yet established a budget for this project.

Deadline

All copies of the Statement of Qualifications, including one original and six copies, must be received and clearly labeled "Town of Florence Fitness and Recreation Center Design-Build Services, Attn: Office of the Town Clerk" at the Florence Town Hall, 775 N. Main Street, P.O. Box 2670, Florence, Arizona 85132 by 3:00 pm local time on Wednesday, October 22, 2014. Statement of Qualifications may not be faxed nor electronically transmitted to the Town. Proposals, which are received after the deadline, will not be considered. Submitters must ensure delivery (not postmarking) by the date and time indicated above.

All questions should be submitted to Bryan Hughes by email to <u>bryan.hughes@florenceaz.gov</u> no later than Wednesday, October 15, 2014 by 3:00 pm local time, to ensure major issues and answers are resolved to all groups submitting Statement of Qualifications. All questions answered by the Town will be posted on the Town's website at <u>www.florenceaz.gov/rfp.</u>

The Town of Florence is an Affirmative Action/Equal Opportunity Employer. Persons with disabilities requesting reasonable accommodations may contact the Town of Florence ADA Coordinator at (520)-868-7554 or (520)-868-7502 (TDD) at least 72 hours in advance.

Reservation Rights

The Town of Florence reserves the sole right to evaluate the Statement of Qualifications submitted, waive any irregularity, evaluate and select any firm, and/or reject any and all Statement of Qualifications in part or in whole. The Town may contact the firm during its review of proposals for additional clarification or information.

The firm is entirely responsible for all costs associated with the preparation of this Statement of Qualifications. The Town will not reimburse the selected firm for any work performed prior to the execution of a contract.

The Town of Florence may or may not proceed with issuing a Request for Proposals for this project following the RFQ process.

Protest Procedure

Bid protests shall be submitted in writing to: Town Manager, Florence Town Hall, 775 North Main Street, P.O. Box 2670, Florence, Arizona 85132, phone (520) 868-7500 or (520) 868-7502 (TDD Relay) within 72 hours of notification award. Protests must contain at a minimum, the name, address, and telephone number of the protester; the signature of the protester or its representative and evidence of the authority to sign; a detailed statement of the legal and factual grounds of the protest including copies of relevant data; and the form of relief requested. Within three business days of receipt, and after consultation with legal counsel, the Town will respond to the protest. EXHIBIT 1

Schematic Drawing of Project Location



EXHIBIT 2

Town of Florence Parks and Recreation Department

Proposed Fitness & Recreation Center

Schedule of Events

| Selection Schedule | | |
|--|----------------------------|--|
| Issue Request for Qualifications (RFQ) | September 30, 2014 | |
| Statement of Qualifications (SOQ) Pre-Submittal | | |
| Meeting | October 10, 2014 | |
| Deadline for Questions | October 15, 2014 | |
| SOQ Deadline | October 22, 2014 | |
| Evaluate SOQs | October 23-27, 2014 | |
| | | |
| Town Council Meeting | November 3, 2014 | |
| Announcement of Short-Listed Firms and | | |
| Mandatory Technical Proposal Pre-Submittal | | |
| Meeting | November 4, 2014 | |
| Mandatory Technical Proposal Pre-Submittal | | |
| Meeting | November 12, 2014 | |
| Alternate Technical Concepts Discussions | November 17-21, 2014 | |
| Technical and Price Proposals Deadline | December 3, 2014 | |
| Evaluate Responsiveness, Oral Interviews, and | | |
| Scoring of Technical Proposals | December 4-9, 2014 | |
| Cash Flow and Escrow Documentation Due | December 10, 2014 | |
| Public Opening of Price Proposals | December 17, 2014 | |
| Town Council Meeting | January 5, 2015 | |
| Award of Contract | January 5, 2015 | |
| Notice to Proceed | January 12, 2015 | |
| Design-Construction Schedule | | |
| Project Kick-off | January 12, 2015 | |
| Begin Design Phase (120 days) | January 12, 2015 | |
| Begin Construction (240 days) | May 12, 2015 | |
| All Submittals Due | May 22, 2015 | |
| Project Construction 50% Complete | Complete September 9, 2015 | |
| First Walkthrough / Punch-List | December 8, 2015 | |
| Project Substantially Complete / Final Walkthrough | January 7, 2016 | |





NOTICE OF DESIGN-BUILD SHORT-LIST FOR FITNESS & RECREATION CENTER

Date: November 14, 2014

Subject: RFQ Selection Committee Scoring Results – Fitness & Recreation Center

On October 23, 2014, the Town Clerk's Office documented the receipt of twelve (12) Statements of Qualifications (SOQ) for the above referenced project. The project selection committee reviewed and scored the SOQs based on the criteria referenced in the Request for Qualifications and has short-listed the five most qualified design-build teams as follows:

- 1. Haydon Building Corp/Architekton
- 2. Low Mountain Construction/Hidell and Associates
- 3. Sun Eagle/Breckenridge Group
- 4. Adolfson & Peterson Construction/Gabor Lorant Architects
- 5. D.L. Withers Construction/Saemisch + De Bella Architects

The short-listed design-build teams will be issued a Request for Proposal upon further direction from the Town Council.

Respectfully,

Bryan C. Hughes, CPRE Parks and Recreation Director

Statement of Qualifications (SOQ) Scoring - Fitness & Recreation Center

| | Selection Committee | | | | | | |
|----------------------------------|---------------------|-----------|-----------|-----------|-----------|-------|-----|
| Design-Build Team | Member #1 | Member #2 | Member #3 | Member #4 | Member #5 | TOTAL | AVG |
| Points Possible | 100 | 100 | 100 | 100 | 100 | 500 | 100 |
| Haydon Building Corp | 86 | 74 | 96 | 98 | 91 | 445 | 89 |
| Low Mountain Construction | 70 | 78 | 90 | 87 | 95 | 420 | 84 |
| Sun Eagle Corporation | 70 | 92 | 75 | 82 | 87 | 406 | 81 |
| Adolfson & Peterson Construction | 86 | 59 | 87 | 86 | 83 | 401 | 80 |
| DL Withers Construction | 73 | 70 | 86 | 86 | 83 | 398 | 80 |
| CORE Construction | 92 | 43 | 85 | 81 | 89 | 390 | 78 |
| FCI Constructors | 80 | 71 | 77 | 84 | 78 | 390 | 78 |
| Concord General Contracting | 86 | 84 | 74 | 62 | 73 | 379 | 76 |
| Weitz | 82 | 60 | 76 | 69 | 71 | 358 | 72 |
| BarkerMorrissey Contracting | 70 | 50 | 79 | 69 | 82 | 350 | 70 |
| WE O'Neil Construction | 83 | 33 | 78 | 70 | 69 | 333 | 67 |
| Bayley Construction | 70 | 24 | 73 | 60 | 81 | 308 | 62 |

MEMORANDUM

| To: | Mayor and Town Council |
|-------|---|
| From: | Charles Montoya, Town Manager |
| Cc: | Lisa Garcia, Deputy Town Manager/Town Clerk |
| | Department Heads |
| Date: | December 15, 2014 |
| Re: | Bi-Weekly Update |



Department Updates

Community Development

- Seven single family home permits for November.
- Grading and foundation activities underway on the library/aquatics center site.
- New Inspector getting trained and acclimated.
- Working on tenant improvements to new Community Development office and preparing for office move in January.
- Working on Johnson Ranch Estates GPA and PUD cases.
- Having early discussions regarding possible annexations.
- Helping Caliente update their monument sign (digital reader sign versus existing marquee).
- Working on update to Town's Floodplain Management ordinance.
- Staff assisting with 2015 Home Tour event.
- Working on new subdivision applications for Anthem at Merrill Ranch.
- Commencing construction review process on new solar farm proposed for Monterra project site.

Finance Department

- Completed final draft and review of CAFR. It is anticipated that the CAFR and audit will be presented on December 15, 2014.
- Completed two assistance to firefighter grant applications.
- Nearing completion of fulfilling eligibility requirements for first two homeowners signed up for housing rehabilitation.

Information Technology Department

- Planned and quoted the addition of wireless desktop microphones in the Council chambers.
- Installed the new SCADA Wide Area Network to cover all Town utility infrastructures.
- Worked with National Guard to improve addressing information.

Library

- The State Library has informed FCL that our application for SGIA Construction funding in the amount of \$99,280 has been approved. The official award letter is to follow. SGIA Construction grants are typically in the \$5,000 to \$20,000 range, so we are quite thrilled to receive the entire amount requested. These funds will be used in the construction of the Children's collection area of the new library facility.
- 16 people attended a local author panel on November 21st at 5:30 pm. Authors Daniel Pike ("The Wolf of Descarta"), StevieAnne Petitt ("Egos Are Like Farts...: A Comedic Approach to Conscious Living"), and Kathy McCoy, PhD ("Purr Therapy: What Timmy & Marina Taught Me About Life, Love and Loss") each spoke for a short period, followed by an audience Q&A. This program was made possible through the support of the Friends of the Florence Community Library.
- 1,494 total items were circulated between Saturday, November 22nd and Wednesday, November 26th. 121 holds were placed. 230 computer users were recorded in the computer lab. The average computer use session was 45.370 minutes. For the week of November 16th November 22nd, there were 368 wireless sessions.
- 2,140 total items were circulated between Saturday, November 15th and Friday, November 21st. 188 holds were placed. 425 computer users were recorded. The average computer use session was 47.786 minutes. For the week of November 8th November 14th, there were 291 wireless sessions. PCLD has changed the wireless report day to Monday, so these statistics will now be one week behind.

Parks and Recreation

- Staff attended the weekly meeting with the Territory Square Library/Recreation Complex Project Team and Low Mountain Design-Build Team. All construction plans have been submitted for review and additional permits will be issued within the next few weeks to continue the construction phase.
- The Concert in the Park scheduled for Thursday, December 4, at Padilla Park was cancelled due to inclement weather. An additional concert will be added to the spring series. Thank you to Main Street Family Practice for sponsoring this year's concerts.
- Congratulations to John Nixon, Recreation Coordinator, for successfully completing the Certified Parks and Recreation Professional Exam. Attaining the CPRP designation shows that staff have met education and experience qualifications, and illustrates a commitment to the profession as well as knowledge and understanding of key concepts within parks and recreation.

Police

- Chief Hughes, Lt. Tryon, Deanna, and Detectives Helsdingen and Gaston attended the Grand Opening of the Family Advocacy Center in San Tan Valley.
- Officers will be participated with Pinal County Sheriff's Office on 12/05-12/06 for the Holiday DUI Taskforce.
- Officers responded to an explosion/fire at 407 N. Pinal #18. Officers located (2) victims on the property suffering from burns. FFP responded and extinguished the fire; along with treating the burn victims. Both victims were transported to the Burn

Unit at MMC. The investigation is on-going and appears to be focused on an explosion caused by propane. Detectives are conducting a follow-up investigation.

- Radar Trailer #1 is located at Sun City Blvd; Radar Trailer #2 is on San Carlos Street.
- Chief Hughes and Deanna attended the AZ Department of Homeland Security East Regional Advisory Council Meeting held in Globe. During the meeting grant funds were reallocated. The Board approved an additional \$2,747 for the purchase of the Ballistic Shields that was previously awarded to the Department.
- Sgt. Tatlock attended the AZGOHS DUI Holiday Task Force Kickoff held in Phoenix

Public Works/Utilities

- Utility and Public Works were recombined on an interim basis awaiting return of Wayne Costa.
- Sun Western Contractor is continuing work on Well 3B.
- Approval to sign contract with Apache Underground and Excavation scheduled for December 15, 2014 Council meeting. Staff met with contractor regarding schedule. Expected start date is January 5, 2015. Conflicts with historical home tour mitigated.
- Currier Construction continuing work on the SWWTP effluent pump station/chlorine modifications/administration building project.
- Staff is continuing work on the lower clarifier at the North plant. New chains, sprockets, guide rails and paddle boards are being installed. Work expected to be completed in mid-December.
- Staff has begun to prioritize Public Works projects for design and/or construction. To that end, a series of meetings have been set with on-call consultants to determine which projects have been assigned to them, scope, contract status, and next steps.
- Staff completed water valve replacement at GEO prison.
- Staff installed new fire hydrants at Ruggles and Willow St and Park and 6th St.