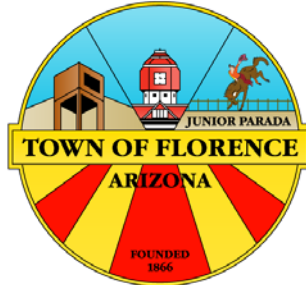


TOWN OF FLORENCE REGULAR MEETING AGENDA

Mayor Tara Walter
Vice-Mayor Vallarie Woolridge
Councilmember Bill Hawkins
Councilmember Becki Guilin
Councilmember John Anderson
Councilmember Karen Wall
Councilmember Kristen Larsen



Florence Town Hall
775 N. Main Street
Florence, AZ 85132
(520) 868-7500
www.florenceaz.gov
Meet 1st and 3rd Mondays

Monday, December 19, 2016

6:00 PM

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Town of Florence Council and to the general public that a Regular Meeting of the Florence Town Council will be held on Monday, December 19, 2016, at 6:00 p.m., in the Florence Town Council Chambers, located at 775 N. Main Street, Florence, Arizona. The agenda for this meeting is as follows:

1. CALL TO ORDER

2. ROLL CALL: Walter __, Woolridge __, Hawkins __, Guilin __, Anderson __,
Wall __, Larsen __.

3. MOMENT OF SILENCE

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 and acceptance** of the Town's Comprehensive Annual Financial Report, and Annual Expenditure Limitation Report for Fiscal Year ended June 30, 2016. (Brent Billingsley)
- b. Presentation on the Teen Leadership Program and recap of fall activities. (Bryan Hughes)
- c. **Presentation on the** Fire-Safe Seniors Program. (David Strayer)

7. 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 an** Intergovernmental Agreement with the Arizona Department of Fire, Building and Life Safety – Office of Manufactured Housing. (Mark Eckhoff)
- b. **Authorization to** enter into a Marketing License Agreement with Utility Services Partners Private Label, Inc., to provide optional protection on external water lines, external sewer lines, and in-home plumbing lines. (Brent Billingsley)
- c. **Recommendation of** approval to the Arizona Department of Liquor Licenses and Control on the Florence Gardens Mobile Home Association's applications for their Keg n' Cork events to be held on January 5, January 19, February 2, February 16, March 2, March 30, November 16, and December 7, 2017, at the Florence Gardens Club House, 3803 Florence Boulevard, Florence, Arizona. (Lisa Garcia)
- d. **Recommendation of** approval to the Arizona Department of Liquor License and Control on American Legion # 9 application for a Temporary Extension of Premises Patio Permit, for the Cornhole Cup event, on January 28, 2017, at 441 N. Main Street, Florence, Arizona. (Lisa Garcia)
- e. **Recommendation to** the Arizona Department of Liquor Licenses and Control on the Assumption of the Blessed Virgin Mary Roman Catholic Parish's application for a Special Event Liquor License, for their Fifth Annual Parish Festival, on February 11, 2017, at 221 E. 8th Street, Florence, Arizona. (Lisa Garcia)
- f. **Recommendation of** approval to the Arizona Department of Liquor Licenses and Control on the Coolidge-Florence Elks Lodge #2350 Special Event Liquor License application for their Prison Run event to be held on February 12, 2017, at the Charles Whitlow Memorial Rodeo Grounds, 4900 S. Pinal Parkway, Florence, Arizona. (Lisa Garcia)
- g. Receive and file the following board and commission minutes:
 - i. **May 25, July 27, September 28, and October 26, 2016**, 150th Year Anniversary Celebration Ad Hoc Committee minutes.
 - ii. **September 8, October 19 and November 17, 2016** Arts and Culture Commission minutes.

8. NEW BUSINESS

- a. **Discussion/Approval/Disapproval** of Board and Commission appointments to and authorization to continue to accept applications until all seats are filled. (Lisa Garcia)
 - i. Re-appointment of Jorganne Cochran to the Arts and Culture Commission with a term to expire December 31, 2019.
 - ii. Re-appointment of Sheree Berger to the Joint Library Advisory Board with a term to expire December 31, 2018.

- iii. Appoint Robert Smidt to the Planning and Zoning Commission with a term to expire December 31, 2017 and accept the termination of his appointment to the Parks and Recreation Board, effective December 31, 2016.
- b. **Discussion/Approval/Disapproval** of a professional services contract with Nu-Trend Architectural Services, LLC, for Architectural Support and One-Stop Shop Consulting Services, in an amount not to exceed \$150,000. (Chris Salas)
- c. **Discussion/Approval/Disapproval** to adopt Task Order No. 3a, in an amount not to exceed \$52,206, and Task Order No. 3b, in an amount not to exceed \$24,000, with EUSI, LLC, for Public Works Management Support and Consulting Services. (Brent Billingsley)

9. TOWN MANAGER'S REPORT

10. CALL TO THE PUBLIC


11. CALL TO THE COUNCIL – CURRENT EVENTS ONLY

12. 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 15, 2016 BY LISA GARCIA, TOWN CLERK, AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA, AND AT WWW.FLORENCEAZ.GOV.

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 COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 6a.
MEETING DATE: December 19, 2016 DEPARTMENT: Administration STAFF PRESENTER: Brent Billingsley, Town Manager SUBJECT: Annual Audit for Fiscal Year Ended June 30, 2016		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Accept the Town's Comprehensive Annual Financial Report, Generally Accepted Government Auditing Standards (GAGAS) Report, Single Audit Report and Annual Expenditure Limitation Report for Fiscal Year Ended June 30, 2016.

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 (CAFR), Generally Accepted Government Auditing Standards (GAGAS) Report and Single Audit Report, present 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.

The Annual Expenditure Limitation Report (AELR) report was reviewed by the Town's independent auditor Henry & Horne. The auditor has determined that the Town is free of material misstatement and that it is in compliance with the Uniform Expenditure Reporting System requirements.

FINANCIAL IMPACT:

None

STAFF RECOMMENDATION:

Staff recommends acceptance of the Comprehensive Annual Financial Report, Generally Accepted Government Auditing Standards (GAGAS) Report, Single Audit Report, Impact Fees AUP Report and the Annual Expenditure Limitation Report for the Fiscal Year Ended June 30, 2016.

ATTACHMENTS:

CAFR

Expenditure Limitation Report ending June 30, 2016

Auditor Letter to Management

Town of Florence

Comprehensive Annual Financial Report

Fiscal Year 15/16



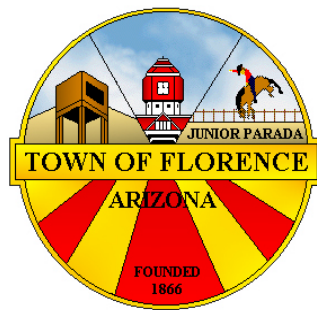
Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016



Florence, Arizona

TOWN OF FLORENCE, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ending June 30, 2016



Prepared by:
Finance Department

Marcia Goerd
Accounting Manager

Gabe Garcia
Finance Director

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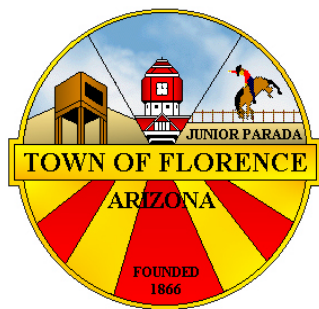
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III. STATISTICAL SECTION

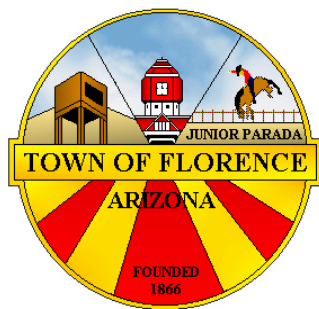
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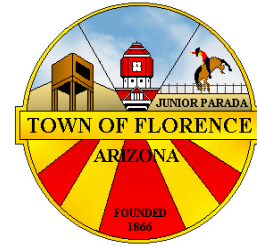
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INTRODUCTORY SECTION





Town of Florence

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

December 9, 2016

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, 2016. 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, 2016. 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-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 62.7 square miles and an estimated population of 26,513. 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 corrections industry 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 3,000 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 was completed in 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 7.1 percent. This is significantly lower than the past five years, which averaged 14.5 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 2016 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 19, 7, and 7 percent, respectively.

LONG-TERM FINANCIAL PLANNING

The Town is strategically planning for its economic and financial future. During the 2016 fiscal year budget process, the Town set forth the following strategic goals.

- Focus on road improvement projects including operations, repairs and maintenance to improve transportation infrastructure
- Economic development and revitalization of the downtown corridor to foster opportunities for growth
- 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
- Continue to provide a high level of service and improve quality of life for our residents while maintaining sound financial practices

MAJOR INITIATIVES

Investment in Capital Assets: During the 2015-2016 fiscal year the Town of Florence focused on completing existing capital improvement projects. These projects included completing the construction of new buildings, roadway improvements and utility upgrades that improve the quality of life for the residents.

- ***Library and Community Center:*** The Town was in the final stages of construction of the new library and community center building at the end of the prior fiscal year and has since been completed and is fully operational.

- ***Diversion Dam Road:*** The Town began improvements on Diversion Dam Road Phase I which widened the road and will install a traffic signal in the coming year. This is a major intersection for the Town at Highway 79 which will prove critical to transportation as Florence continues to grow.
- ***Wastewater Treatment Facility:*** The Town's wastewater treatment facility is undergoing upgrades to facilitate higher grade effluent water which includes chlorine and filtration systems.
- ***Water Utility:*** The Town continues to work on improving existing infrastructure that is in need of immediate attention. Efforts include expansion and recharge permitting efforts.

Alternative Expenditure Limitation (Home Rule Option) vs. the State-imposed Expenditure Limitation: The Town's four year alternative expenditure limitation expired at the end of the 2014-2015 fiscal year, the expiration of the alternative expenditure limitation does not affect the amount of money received by the Town but does affect the ability to spend it.

Under the state imposed limitation the Town would be authorized to spend just over \$17 million dollars.

However, the state constitution provides that cities and towns subject to the state imposed limitation may hold a special election to pose the question to voters to allow the Town to exceed the state imposed limitation by a specific amount.

In May of 2016 the Town held a special election approving expenditures to exceed the state imposed limitation by no more than \$15 million. This was the second consecutive year in which the Town voted to exceed the state imposed limitation.

The Town voters subsequently approved Home Rule in August of 2016 which allowed the Town Council the ability to set the expenditure annually for the next four fiscal years beginning in 2017-2018.

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, 2015. We are very pleased and proud to have received this award for the third 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,



Brent Billingsley
Town Manager



Gabriel Garcia
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, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO



Town Council, Appointed Officials and Senior Management Staff

Town Council

Tom J. Rankin – Mayor

Tara Walter – Vice Mayor
John Anderson – Councilmember
Rebecca Guilin – Councilmember

Karen Wall – Councilmember
Vallarie Woolridge – Councilmember
William Hawkins – Councilmember

Appointed Officials

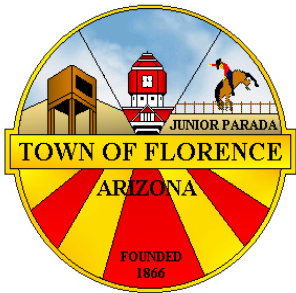
Brent Billingsley – Town Manager
Lisa Garcia – Town Clerk

Clifford Mattice – Town Attorney
Roger Valdez – 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
Chris Salas – Public Works Director
Mark Eckhoff – Community Development Director
Gabe Garcia – Finance Director
Bryan Hughes – Parks & Recreation Director
Daniel Hughes – Police Chief
David Strayer – Fire Chief

Organizational Chart

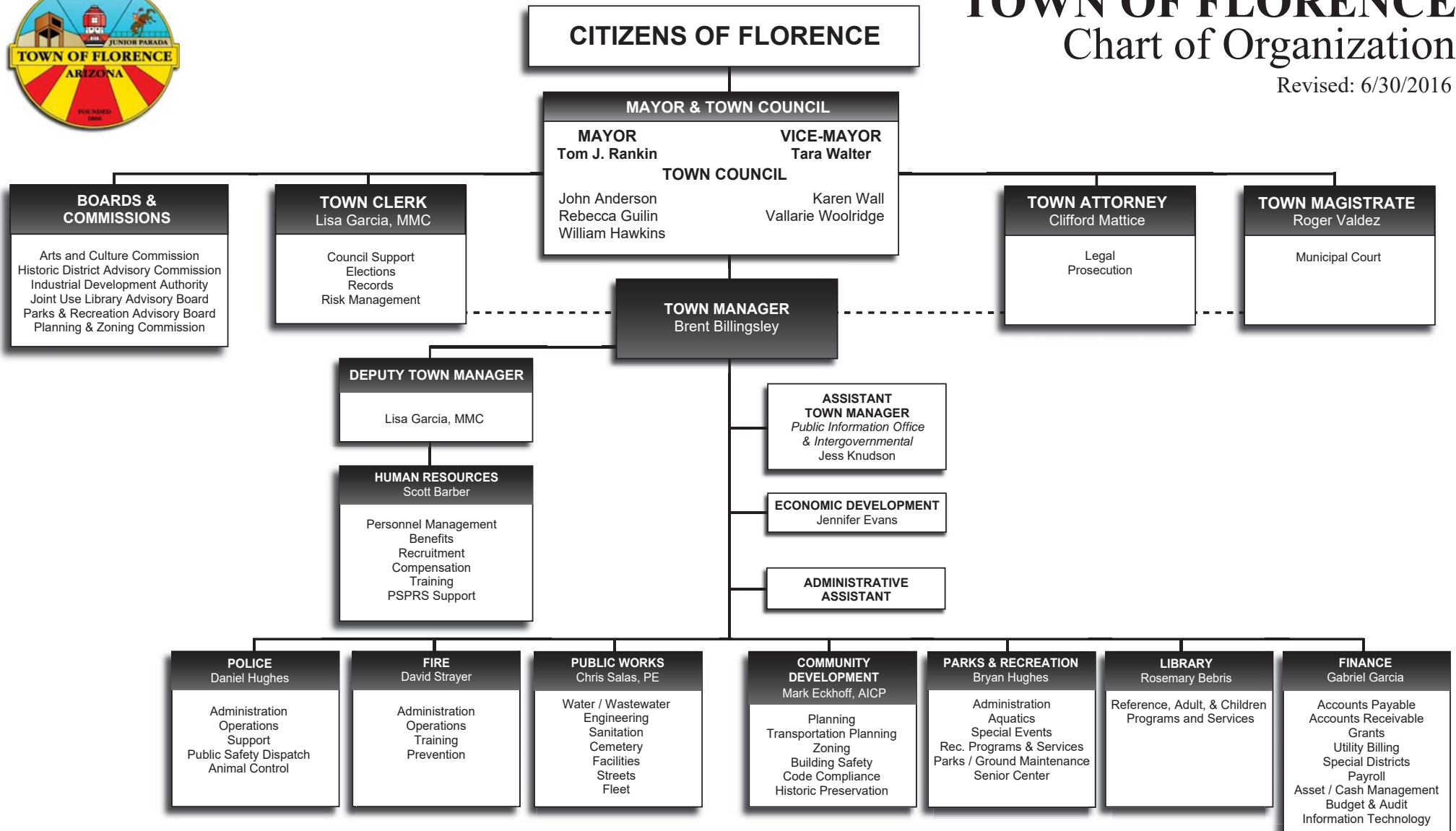




TOWN OF FLORENCE

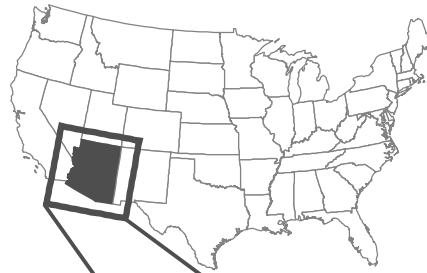
Chart of Organization

Revised: 6/30/2016

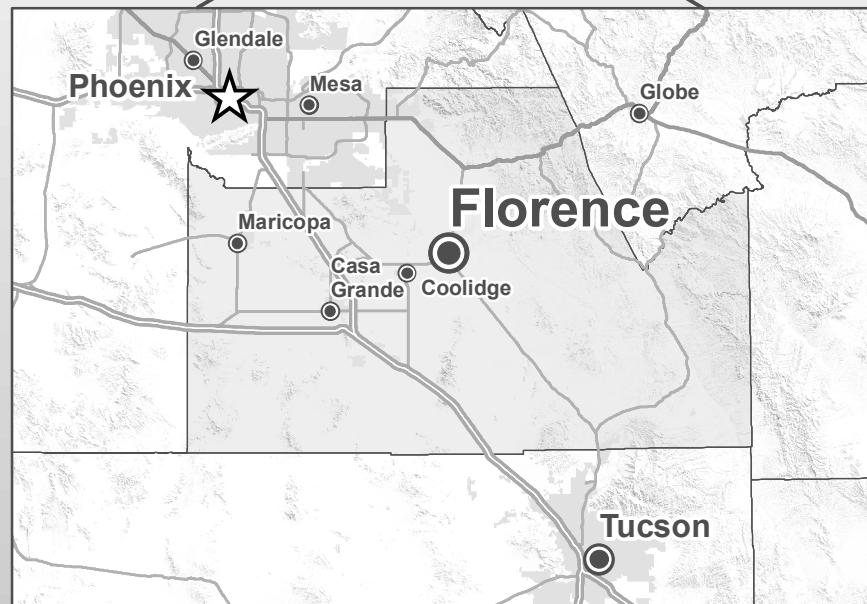


TOWN OF FLORENCE

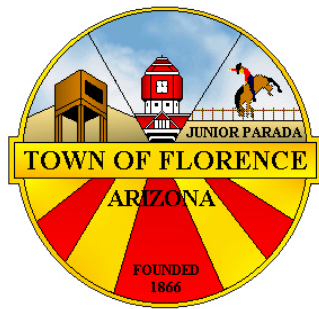
PINAL COUNTY, ARIZONA LOCATION MAP



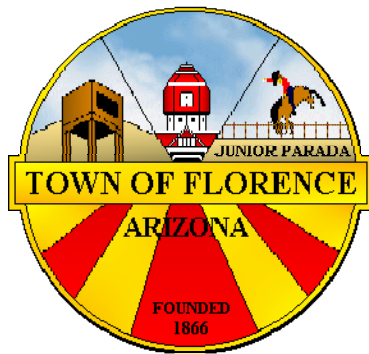
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Town of Florence GIS



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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, 2016, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. For the Town of Florence, GASB Statement No. 72 has added disclosures related to Note 2 of the financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative*

Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were 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 and the schedule of expenditures of federal awards are 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.

Compliance Over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the Town of Florence, Arizona failed to use highway user revenue fund monies received by the Town 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, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town of Florence's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, management, and other responsible parties with the Town and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2016 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,

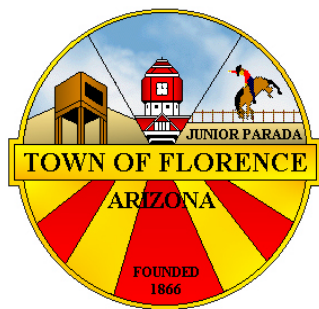
and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Florence, Arizona's, internal control over financial reporting and compliance.

Henry & Horne LLP

Casa Grande, Arizona
December 9, 2016

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, 2016. 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, 2016 by \$134.9 million. Of this amount, \$16.1 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 \$2.2 million from \$132.6 million to \$134.9 million. Net position in governmental activities decreased \$600,000 as the Town spent money to improve roadway infrastructure while net position in business-type activities increased \$2.8 million with assets increasing due to investment in infrastructure and an overall decrease in both accounts and notes payable as these projects are nearing completion.
- As of the end of the current fiscal year, the Town of Florence's governmental funds reported combined ending fund balances of \$36.1 million, an increase of \$6.2 million in comparison to the year before. This net is the effect of increased capital through the issuance of a Pinal County Excise Tax Obligation to fund future road projects and increased fiscal conservativeness by the Town in holding off on some capital expenditures thus increasing fund balance for use in future years.
- Approximately 24 percent or \$8.6 million of the combined ending fund balances constitutes unassigned fund balance, which is available for spending at the Town's discretion.
- The Town's investment in capital assets (net of depreciation) decreased \$4.1 million.
- At the end of the fiscal year, the Town had \$23.3 million in debt outstanding compared to \$18.1 million last year. The Town issued a \$4.5 million Pledged Excise Tax Obligation for road projects.

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 20 - 23 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 26 – 36 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 38 - 42 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 45 - 46 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 49 - 92 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 106 - 109 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, 2016 with a comparison to net position as of June 30, 2015.

Condensed Statement of Net Position (in Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 43,559	\$ 41,312	\$ 17,877	\$ 18,338	\$ 61,436	\$ 59,650
Capital assets	89,364	89,696	18,527	16,958	107,891	106,654
Total assets	132,923	131,008	36,404	35,296	169,327	166,304
Deferred outflows of resources	2,722	2,286	222	191	2,944	2,477
Other liabilities	3,500	6,151	862	2,262	4,362	8,413
Long-term liabilities	27,648	21,377	4,363	4,593	32,011	25,970
Total liabilities	31,148	27,528	5,225	6,855	36,373	34,383
Deferred inflows of resources	861	1,536	182	204	1,043	1,740
Net position:						
Net investment in capital assets	69,337	75,422	15,097	13,130	84,434	88,552
Restricted	31,504	26,798	2,817	2,903	34,321	29,701
Unrestricted	2,795	2,010	13,305	12,395	16,100	14,405
Total net position	\$ 103,636	\$ 104,230	\$ 31,219	\$ 28,428	\$ 134,855	\$ 132,658

The largest portion of the Town's net position is net investment in capital assets, which makes up 63 percent or \$84.4 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 49.

An additional portion (25% or \$34.3 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 position (12% or \$16.1 million) may be used to meet the Town's ongoing obligations to citizens and creditors.

Total governmental activities liabilities had a net increase of \$2 million largely due to issuance of Pledged Excise Tax Obligation in Governmental Funds and decreased liabilities in the Enterprise Funds.

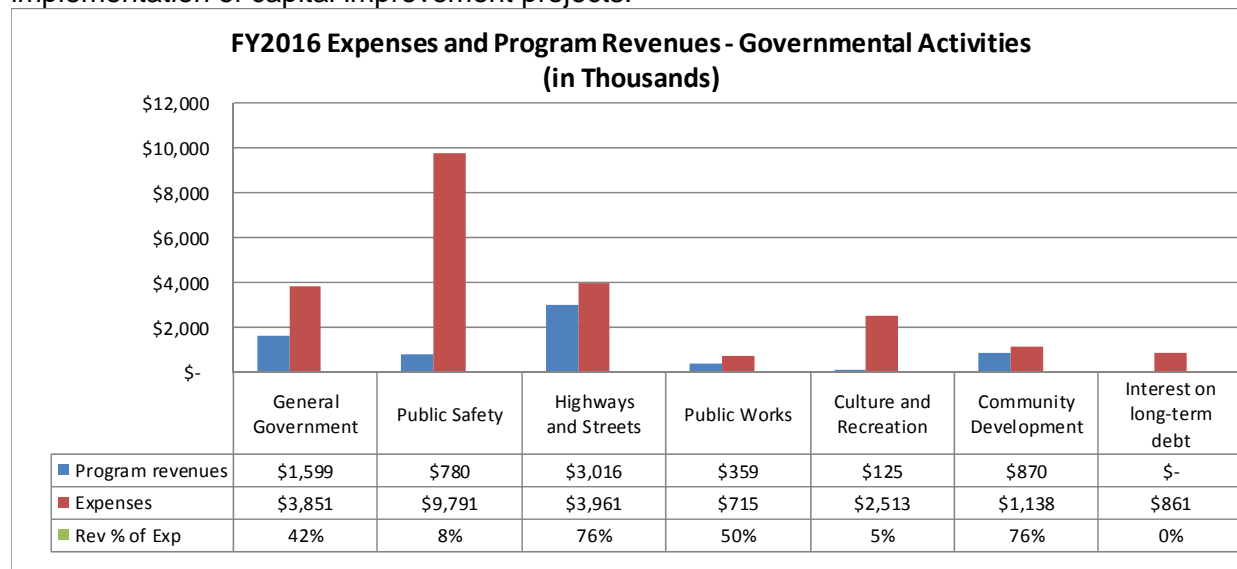
As illustrated in both the table above and table below, the Town's overall financial position showed an increase in net position during this fiscal year as reflected by increased fiscal conservativeness by the Town. The Town's total net position increased \$2.2 million from \$132.7 million to \$134.9 million. Net position in governmental activities decreased \$600,000 going from \$104.2 million to \$103.6 million. Net position in business-type activities increased \$2.7 million from \$28.4 million to \$31.2 million.

Changes in Net Position (in Thousands)						
	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Program revenues						
Charges for services	\$ 2,213	\$ 1,987	\$ 7,829	\$ 7,346	\$ 10,042	\$ 9,333
Operating grants	3,845	3,255	-	-	3,845	3,255
Capital grants and contributions	691	1,404	20	4	711	1,408
General revenues	-	-	-	-	-	-
Taxes	6,878	6,341	-	-	6,878	6,341
Intergovernmental	6,931	6,701	-	-	6,931	6,701
Investment earnings (losses)	355	315	189	212	544	527
Miscellaneous	318	277	26	19	344	296
Total revenues	<u>21,231</u>	<u>20,280</u>	<u>8,064</u>	<u>7,581</u>	<u>29,295</u>	<u>27,861</u>
Expenses						
General government	3,851	4,818	-	-	3,851	4,818
Public safety	9,791	8,081	-	-	9,791	8,081
Highways and streets	3,961	3,410	-	-	3,961	3,410
Public works	715	805	-	-	715	805
Culture and recreation	2,513	2,813	-	-	2,513	2,813
Community development	1,139	949	-	-	1,139	949
Interest on long-term debt	862	950	-	-	862	950
Water	-	-	1,418	1,784	1,418	1,784
Sewer	-	-	2,020	2,486	2,020	2,486
Sanitation	-	-	828	813	828	813
Total expenses	<u>22,832</u>	<u>21,826</u>	<u>4,266</u>	<u>5,083</u>	<u>27,098</u>	<u>26,909</u>
Excess before transfers	(1,601)	(1,546)	3,798	2,498	2,197	952
Transfers in (out)	1,007	1,050	(1,007)	(1,050)	-	-
Change in net position	<u>(594)</u>	<u>(496)</u>	<u>2,791</u>	<u>1,448</u>	<u>2,197</u>	<u>952</u>
Beginning net position,	104,230	111,611	28,428	28,139	132,658	139,750
Restatement	-	(6,885)	-	(1,159)	-	(8,044)
Beginning net position - restated	<u>104,230</u>	<u>104,726</u>	<u>28,428</u>	<u>26,980</u>	<u>132,658</u>	<u>131,706</u>
Ending net position	<u>\$ 103,636</u>	<u>\$ 104,230</u>	<u>\$ 31,219</u>	<u>\$ 28,428</u>	<u>\$ 134,855</u>	<u>\$ 132,658</u>

Changes in net position, shown above, illustrates the Town's total revenues and expenses for the fiscal year ended June 30, 2016 compared to the same period ended June 30, 2015.

Governmental activities

Total revenues increased by \$951,000 primarily due to increased revenues in charges for services, taxes, intergovernmental and investment earnings. Investment earnings increased by \$40,000 going from \$315,000 to \$355,000 primarily because of the decrease activity in the implementation of capital improvement projects.



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.

Business-type activities

Business-type activities total revenues increased by \$483,000 from \$7.6 million to \$8.1 million primarily due to an increase in revenue from charges for services. Business-type total expenditures decreased \$816,000 from \$5.1 million to \$4.3 million due to a decrease in expenditures as the Town is becoming more efficient in operations and evaluating current utility rates.

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 \$36.1 million, an increase of \$6.2 million in comparison to the year before. This net increase is due the issue of a \$4.7 million Pinal County Excise Tax Obligation for future road construction.

Approximately 24 percent of the combined ending fund balances (\$8.6 million) constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$223,866) 2) restricted for particular purposes (\$26.2 million), or 3) assigned for particular purposes (\$1.1 million).

General Fund. The General Fund is the chief operating fund of the Town. At the end of FY2016, unassigned fund balance of the General Fund was \$ 8.6 million making up 98 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. The fund balance increased \$626,348 this fiscal year as operational costs decreased and revenues increased.

Highway User Revenue Fund. The Highway User Revenue Fund, a major fund, ended the current year with a total fund balance of \$12.9 million, consisting of \$11.7 million restricted fund balance and \$674,185 assigned fund balance. Revenues must be used for streets and highway purposes. The Town issued a Pinal County Excise Tax Obligation in the amount of \$4.7 million which is restricted for capital projects that are planned in the coming years. This obligation is primarily responsible for the large increase in fund balance in the Highway User Revenue Fund from last year.

Impact Fees Fund. The Impact Fees Fund, a major fund, ended the current year with a total fund balance of \$932,572, a decrease of \$769,247. Impact fee projects included a ladder truck for the Anthem Fire Station, completion of the Library, Main Street Park Equipment and Diversion Dam Phase I. 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 \$3.9 million, an increase of \$527,884 over the prior year. The primary reason for this is the Town scaled back the investment in capital projects.

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 - \$6.1 million, Sewer - \$5.8 million and Sanitation - \$1.4 million. The unrestricted net position of each fund makes up the majority of their respective total net positions.

Total net position in the Water Utility Fund increased by \$1.1 million. Operating revenue increased and operating expenses decreased resulting in operating income of \$1.5 million.

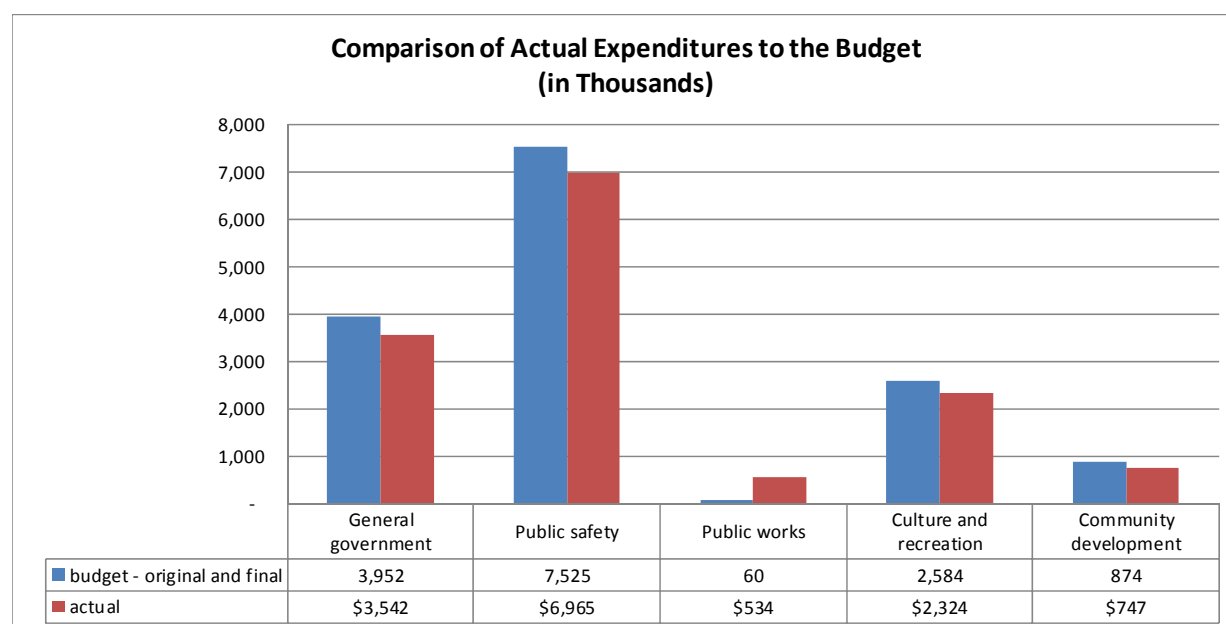
A significant portion of the increase in fund balance was related to a \$481,922 decrease in the amount spent for contractual services as the Town utilized internal staff and became less reliant on outside services.

The total net position in the Sewer Utility fund grew by \$1.7 million primarily due to an increase in operating revenue and a decrease in operating expenses, resulting in operating income of \$2.3 million. A significant portion of the reduction of expenses was related to a \$530,112 decrease in contractual services as the Town utilized internal staff and became less reliant on outside services.

Total net position decreased in the Sanitation Fund by \$103,615 mainly due to an operating loss of \$69,696 and transfer out of \$48,800. The Town of Florence outsourced the operation several years ago and is phasing out of this proprietary operation, as the operation is liquidated the net position will decrease.

General Fund Budgetary Highlights

A total of \$14.113 million was spent compared to a total final budget of \$14.996 million, resulting in a positive variance (budget savings) of \$883,028. 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, 2016, amounts to \$107.9 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 \$1.24 million. Additions to capital assets included completion of Recreation and Library Center, Diversion Dam Phase 1 and infrastructure improvements to enterprise funds.

Town of Florence Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Land	\$ 32,546,409	\$ 32,546,409	\$ 394,073	\$ 394,073	\$ 32,940,482	\$ 32,940,482
Buildings, infrastructure	51,853,493	39,623,975	7,587,226	8,593,961	59,440,719	48,217,936
Vehicles, furniture and equipment	2,824,271	3,303,901	201,988	200,057	3,026,259	3,503,958
Construction in progress	2,140,113	14,222,110	10,343,214	7,769,424	12,483,327	21,991,534
Total	<u>\$ 89,364,286</u>	<u>\$ 89,696,395</u>	<u>\$ 18,526,501</u>	<u>\$ 16,957,515</u>	<u>\$ 107,890,787</u>	<u>\$ 106,653,910</u>

Additional information on the Town of Florence's capital assets can be found in Note 4 on pages 64 - 65 in the notes to the financial statements.

Long-term Debt

At the end of the fiscal year, the Town had \$23.3 million in debt outstanding compared to \$18.1 million last year. The Town has notes payable outstanding totaling \$3.8 million at year end and a capital lease outstanding in the amount of \$285,746. A large portion of the debt listed below consists of general obligation bonds (\$10.3 million) and special assessment lien bonds (\$3.9 million) of the Town's component units, Merrill Ranch Community Facilities Districts No. 1 and No. 2.

Town of Florence Outstanding Debt

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
General obligation bonds - CFDs	\$ 10,335,000	\$ 8,540,000	\$ -	\$ -	\$ 10,335,000	\$ 8,540,000
Special assessment debt - CFDs	3,922,390	4,476,850	-	-	3,922,390	4,476,850
Special assessment debt - Town	218,000	282,000	-	-	218,000	282,000
Revenue bond debt - Town	4,740,000	-	-	-	4,740,000	-
Notes payable	338,551	385,188	3,429,461	3,827,612	3,768,012	4,212,800
Capital leases	285,746	567,382	-	-	285,746	567,382
Total	<u>\$ 19,839,687</u>	<u>\$ 14,251,420</u>	<u>\$ 3,429,461</u>	<u>\$ 3,827,612</u>	<u>\$ 23,269,148</u>	<u>\$ 18,079,032</u>

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 66 - 71 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 7.1 percent, up slightly from the prior year. This is significantly lower than the past five years, which averaged 14.5 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 (53%). 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 small 1 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. However, it should be noted that the Town Council did not raise rates the past two fiscal year and that the Town is in the process of completing a new study during the 2016-2017 year.

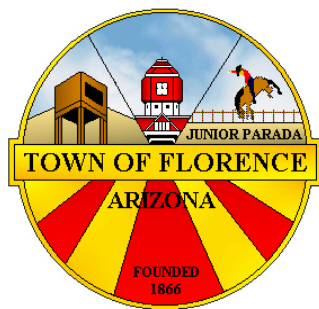
The Town's total budget for FY2017 is \$37.7 million, which includes approximately \$1.2 million in capital or capital-related expenditures.

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



FINANCIAL SECTION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF FLORENCE, ARIZONA
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,864,088	\$ 3,576,024	\$ 10,440,112
Receivables (net of allowance for uncollectibles)	1,553,066	808,305	2,361,371
Special assessment receivable	5,272,334	-	5,272,334
Due from other governments	311,542	-	311,542
Internal balances	(11,948)	11,948	-
Prepays	223,866	247,232	471,098
Restricted cash equivalents	5,456,116	-	5,456,116
Investments	23,617,180	13,233,774	36,850,954
Net pension asset	272,295	-	272,295
Capital assets			
Land and construction in progress	34,686,522	10,737,287	45,423,809
Other capital assets (net of accumulated depreciation)	54,677,764	7,789,214	62,466,978
Total assets	<u>132,922,825</u>	<u>36,403,784</u>	<u>169,326,609</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	1,749,204	146,056	1,895,260
Deferred outflows of employer contributions to pensions	972,517	75,982	1,048,499
Total deferred outflows of resources	<u>2,721,721</u>	<u>222,038</u>	<u>2,943,759</u>
LIABILITIES			
Accounts payable and other current liabilities	832,776	202,898	1,035,674
Customer deposits	154,311	127,702	282,013
Accrued wages and benefits	687,900	11,637	699,537
Accrued interest payable	501,676	57,255	558,931
Other accrued liabilities	9,470	2,386	11,856
Retainages	26,490	-	26,490
Current portion of			
Compensated absences	384,500	31,830	416,330
Capital leases	285,746	-	285,746
Notes payable	49,435	428,643	478,078
Bonds payable	568,150	-	568,150
Long-term portion of			
Compensated absences	84,486	-	84,486
Notes payable	289,116	3,000,818	3,289,934
Bonds payable	18,835,341	-	18,835,341
Net pension liability	8,438,483	1,362,046	9,800,529
Total liabilities	<u>31,147,880</u>	<u>5,225,215</u>	<u>36,373,095</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	860,973	182,284	1,043,257
Total deferred inflows of resources	<u>860,973</u>	<u>182,284</u>	<u>1,043,257</u>

See accompanying notes.

NET POSITION			
Net investment in capital assets	69,336,498	15,097,040	84,433,538
Restricted for			
Debt service	8,679,936	2,567,074	11,247,010
Highways and streets	12,234,084	-	12,234,084
Capital projects	9,539,179	249,739	9,788,918
Economic development	693,120	-	693,120
Community facilities	285,877	-	285,877
Public safety	71,740	-	71,740
Unrestricted	<u>2,795,259</u>	<u>13,304,470</u>	<u>16,099,729</u>
Total net position	<u>\$ 103,635,693</u>	<u>\$ 31,218,323</u>	<u>\$ 134,854,016</u>

TOWN OF FLORENCE, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 3,850,698	\$ 1,412,182	\$ 186,761	\$ -
Public safety	9,790,715	173,282	373,819	232,816
Highways and streets	3,961,384	33	3,016,256	-
Public works	714,647	-	-	359,301
Culture and recreation	2,513,486	8,672	17,260	99,280
Community development	1,138,496	619,027	250,500	-
Interest on long-term debt	862,286	-	-	-
Total governmental activities	<u>22,831,712</u>	<u>2,213,196</u>	<u>3,844,596</u>	<u>691,397</u>
Business-type activities				
Water	1,418,370	2,920,345	-	7,920
Sewer	2,021,295	4,162,105	-	12,198
Sanitation	827,655	746,862	-	-
Total business-type activities	<u>4,267,320</u>	<u>7,829,312</u>	<u>-</u>	<u>20,118</u>
Total primary government	<u>\$ 27,099,032</u>	<u>\$ 10,042,508</u>	<u>\$ 3,844,596</u>	<u>\$ 711,515</u>

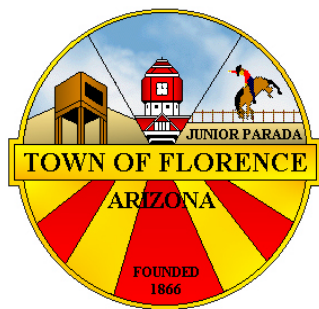
General revenues
 Property taxes
 Sales and use taxes
 Franchise taxes
 Shared revenues
 State sales taxes
 Urban revenue sharing
 Auto-in-lieu
 Investment income
 Interest income
 Net increase in the fair value of investments

 Miscellaneous
 Transfers in (out)
 Total general revenues and transfers
 Change in net position
Net position-July 1, 2015

Net position-June 30, 2016

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,251,755)	\$ -	\$ (2,251,755)
(9,010,798)	-	(9,010,798)
(945,095)	-	(945,095)
(355,346)	-	(355,346)
(2,388,274)	-	(2,388,274)
(268,969)	-	(268,969)
(862,286)	-	(862,286)
<u>(16,082,523)</u>	<u>-</u>	<u>(16,082,523)</u>
-	1,509,895	1,509,895
-	2,153,008	2,153,008
-	(80,793)	(80,793)
<u>-</u>	<u>3,582,110</u>	<u>3,582,110</u>
<u>(16,082,523)</u>	<u>3,582,110</u>	<u>(12,500,413)</u>
2,015,288	-	2,015,288
4,314,061	-	4,314,061
548,613	-	548,613
2,449,973	-	2,449,973
3,074,531	-	3,074,531
1,406,399	-	1,406,399
345,256	184,224	529,480
9,696	5,332	15,028
317,887	25,562	343,449
1,006,670	(1,006,670)	-
<u>15,488,374</u>	<u>(791,552)</u>	<u>14,696,822</u>
(594,149)	2,790,558	2,196,409
<u>104,229,842</u>	<u>28,427,765</u>	<u>132,657,607</u>
<u>\$ 103,635,693</u>	<u>\$ 31,218,323</u>	<u>\$ 134,854,016</u>



FINANCIAL SECTION

FUND FINANCIAL STATEMENTS

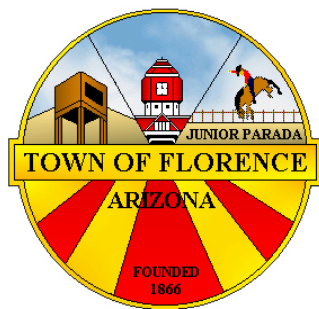
GOVERNMENTAL FUND FINANCIAL STATEMENTS

TOWN OF FLORENCE, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General	Highway User	Community Facilities Districts- Debt Service
ASSETS			
Cash and cash equivalents	\$ 1,750,375	\$ 1,702,398	\$ 514,210
Receivables (net of allowance for uncollectibles)	1,212,904	319,680	5,116,562
Due from other governments	-	-	13,766
Due from other funds	281,251	82	-
Prepays	166,575	57,291	-
Restricted assets			
Cash and cash equivalents	2,500	4,598,000	855,616
Investments	6,478,604	6,300,056	1,902,934
Total assets	\$ 9,892,209	\$ 12,977,507	\$ 8,403,088
LIABILITIES			
Accounts payable and other current liabilities	\$ 224,534	\$ 470,602	\$ 88
Customer deposits	154,311	-	-
Accrued wages and benefits	669,330	15,736	-
Other accrued liabilities	7,030	2,440	-
Due to other funds	-	-	-
Retainages	-	26,490	-
Total liabilities	1,055,205	515,268	88
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	106,180	4,658	5,134,537
Total deferred inflows of resources	106,180	4,658	5,134,537
FUND BALANCES			
Nonspendable			
Prepaid items	166,575	57,291	-
Restricted			
Public safety	-	-	-
Debt service	-	-	3,268,463
Capital projects	-	-	-
Highways and Streets	-	11,726,105	-
Economic development	-	-	-
Community Facilities Districts operations	-	-	-
Assigned			
Capital projects	-	-	-
Highways and Streets	-	674,185	-
Unassigned	8,564,249	-	-
Total fund balances	8,730,824	12,457,581	3,268,463
Total liabilities, deferred inflows of resources and fund balances	\$ 9,892,209	\$ 12,977,507	\$ 8,403,088

See accompanying notes.

Community Facilities Districts- Capital Improvements	Impact Fees	Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
\$ 923,671	\$ 198,132	\$ 830,217	\$ 945,085	\$ 6,864,088
3,056	3,152	4,286	165,760	6,825,400
-	-	-	297,776	311,542
-	-	-	-	281,333
-	-	-	-	223,866
-	-	-	-	5,456,116
1,632,514	733,224	3,072,379	3,497,469	23,617,180
<u>\$ 2,559,241</u>	<u>\$ 934,508</u>	<u>\$ 3,906,882</u>	<u>\$ 4,906,090</u>	<u>\$ 43,579,525</u>
\$ 110,348	\$ -	\$ -	\$ 27,204	\$ 832,776
-	-	-	-	154,311
-	-	-	2,834	687,900
-	-	-	-	9,470
-	542	-	292,739	293,281
-	-	-	-	26,490
110,348	542	-	322,777	2,004,228
1,352	1,394	1,896	196,446	5,446,463
1,352	1,394	1,896	196,446	5,446,463
-	-	-	-	223,866
-	-	-	71,740	71,740
-	-	-	116,548	3,385,011
2,447,541	424,593	3,447,463	3,219,582	9,539,179
-	507,979	-	-	12,234,084
-	-	-	693,120	693,120
-	-	-	285,877	285,877
-	-	457,523	-	457,523
-	-	-	-	674,185
-	-	-	-	8,564,249
2,447,541	932,572	3,904,986	4,386,867	36,128,834
<u>\$ 2,559,241</u>	<u>\$ 934,508</u>	<u>\$ 3,906,882</u>	<u>\$ 4,906,090</u>	<u>\$ 43,579,525</u>



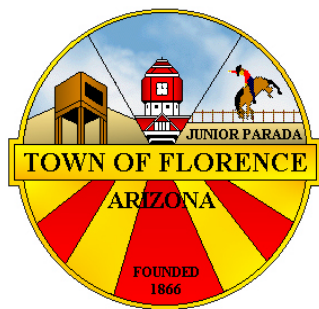
TOWN OF FLORENCE, ARIZONA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2016

Fund balance - total governmental funds balance sheet		\$ 36,128,834
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension assets held in trust for future benefits are not available for Town operations and, therefore, are not reported in the funds.		272,295
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 119,842,017	
Less accumulated depreciation	<u>(30,477,731)</u>	89,364,286
Deferred revenue is shown on the governmental funds, but is not deferred on the statement of net position.		
Special assessments	5,294,925	
Grant revenue	32,806	
Interest income	12,552	
Sale of property	43,915	
Other	<u>62,265</u>	5,446,463
Long-term liabilities, including net pension liabilities bonds payable and their related costs, are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability	(8,438,483)	
Compensated absences	(468,986)	
Capital leases	(285,746)	
Notes payable	(338,551)	
Bonds payable	<u>(19,403,491)</u>	(28,935,257)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	1,749,204	
Deferred outflows of employer contributions	972,517	
Deferred inflows of resources related to pensions	<u>(860,973)</u>	1,860,748
Interest payable on long-term debt is not reported in the governmental funds.		<u>(501,676)</u>
Net position of governmental activities - statement of net position		<u><u>\$ 103,635,693</u></u>

TOWN OF FLORENCE, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2016

	General	Highway User	Community Facilities Districts- Debt Service
REVENUES			
Taxes	\$ 3,318,796	\$ 3,016,256	\$ 1,044,815
Franchise fees	548,613	-	-
Licenses and permits	613,337	-	-
Intergovernmental revenues	6,930,903	-	-
Charges for services	940,189	-	-
Fines	146,875	-	-
Special assessments	-	-	1,083,987
Investment income			
Interest income	131,837	85,460	21,940
Net increase in the fair value of investments	2,952	2,290	799
Contributions and donations	44,566	-	-
Miscellaneous	359,510	224,188	150
Total revenues	<u>13,037,578</u>	<u>3,328,194</u>	<u>2,151,691</u>
EXPENDITURES			
Current			
General government	3,541,487	-	73,555
Public safety	6,964,971	-	-
Highways and streets	-	2,177,138	-
Public works	534,798	-	-
Culture and recreation	2,324,500	-	-
Community development	747,016	-	-
Capital outlay	-	915,771	-
Debt service			
Principal	-	-	759,460
Interest and fiscal charges	-	-	816,276
Total expenditures	<u>14,112,772</u>	<u>3,092,909</u>	<u>1,649,291</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,075,194)</u>	<u>235,285</u>	<u>502,400</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,704,147	557,669	-
Transfers out	(2,607)	(535,316)	-
Proceeds from obligations	-	4,740,000	-
Bond premium	-	-	-
Total other financing sources and uses	<u>1,701,540</u>	<u>4,762,353</u>	<u>-</u>
Net change in fund balances	626,346	4,997,638	502,400
Fund balances - beginning of year	<u>8,104,478</u>	<u>7,459,943</u>	<u>2,766,063</u>
Fund balances - end of year	<u>\$ 8,730,824</u>	<u>\$ 12,457,581</u>	<u>\$ 3,268,463</u>

Community Facilities Districts- Capital Improvements	Impact Fees	Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,464,561	\$ 501,177	\$ 9,345,605
-	-	-	-	548,613
-	-	-	-	613,337
-	-	-	1,095,357	8,026,260
-	413,917	-	25,154	1,379,260
-	-	-	3,168	150,043
-	-	-	64,353	1,148,340
9,622	22,076	31,553	44,656	347,144
664	685	932	1,374	9,696
-	-	-	1,500	46,066
40	1,192	1,126	60,109	646,315
10,326	437,870	1,498,172	1,796,848	22,260,679
-	-	-	60,982	3,676,024
206,848	-	-	341,398	7,513,217
-	-	-	-	2,177,138
-	-	-	102,184	636,982
-	-	-	78,139	2,402,639
133,967	-	-	259,591	1,140,574
1,757,123	-	1,369,253	288,495	4,330,642
-	-	-	392,272	1,151,732
-	-	-	56,652	872,928
2,097,938	-	1,369,253	1,579,713	23,901,876
(2,087,612)	437,870	128,919	217,135	(1,641,197)
20,634	-	758,628	362,270	3,403,348
-	(1,207,117)	(359,663)	(291,975)	(2,396,678)
2,000,000	-	-	-	6,740,000
165,829	-	-	-	165,829
2,186,463	(1,207,117)	398,965	70,295	7,912,499
98,851	(769,247)	527,884	287,430	6,271,302
2,348,690	1,701,819	3,377,102	4,099,437	29,857,532
\$ 2,447,541	\$ 932,572	\$ 3,904,986	\$ 4,386,867	\$ 36,128,834



TOWN OF FLORENCE, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

Net change in fund balances - total governmental funds		\$ 6,271,302
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.		
Expenditures for capitalized assets	\$ 2,282,483	
Less current year depreciation	<u>(2,614,592)</u>	(332,109)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues received in the current year that were accrued in the Statement of Activities in prior years are reported as revenues in the funds.		
Special assessments	(672,548)	
Grant revenue	23,839	
Interest income	(1,888)	
Sale of property	(3,331)	
Other	<u>29,300</u>	(624,628)
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.		(48,112)
Town pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Town pension contributions	972,517	
Pension expense	<u>(1,122,453)</u>	(149,936)
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.		(164,901)
Repayment of long-term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Issuance of bond debt	(6,740,000)	
Capital lease principal retirement	281,636	
Note payable principal retirement	46,637	
Bond principal retirement	<u>823,460</u>	(5,588,267)
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.		<u>42,502</u>
Change in net position of governmental activities		<u>\$ (594,149)</u>

TOWN OF FLORENCE, ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 3,346,400	\$ 3,346,400	\$ 3,318,796	\$ (27,604)
Franchise fees	592,600	592,600	548,613	(43,987)
Licenses and permits	521,000	521,000	613,337	92,337
Intergovernmental revenues	6,818,300	6,818,300	6,930,903	112,603
Charges for services	739,500	739,500	940,189	200,689
Fines	195,800	195,800	146,875	(48,925)
Investment income				
Interest income	85,000	85,000	131,837	46,837
Net increase in the fair value of investments	-	-	2,952	2,952
Contributions and donations	14,800	14,800	44,566	29,766
Miscellaneous	51,600	51,600	359,510	307,910
Total revenues	12,365,000	12,365,000	13,037,578	672,578
EXPENDITURES				
Current				
General government				
Town council	145,100	145,100	92,500	52,600
Administration	1,681,000	1,681,000	1,222,769	458,231
Legal	482,600	482,600	686,459	(203,859)
Finance	850,300	850,300	818,881	31,419
Human resources	257,100	257,100	239,925	17,175
Grants	75,900	75,900	20,559	55,341
Information technology	460,300	460,300	460,394	(94)
Public safety				
Courts	222,500	222,500	199,953	22,547
Police	4,238,900	4,238,900	3,869,533	369,367
Fire	3,062,900	3,062,900	2,895,485	167,415
Public works				
Engineering	60,100	60,100	60,321	(221)
Facilities maintenance	-	-	474,477	(474,477)
Culture and recreation				
Parks and recreation	2,151,400	2,151,400	1,931,462	219,938
Library	416,200	416,200	376,088	40,112
Cemetery	17,300	17,300	16,950	350
Community development				
Planning	709,900	709,900	611,006	98,894
Economic development	164,300	164,300	136,010	28,290
Total expenditures	14,995,800	14,995,800	14,112,772	883,028
Excess (deficiency) of revenues over (under) expenditures	(2,630,800)	(2,630,800)	(1,075,194)	1,555,606

OTHER FINANCING
SOURCES (USES)

Transfers in	1,478,100	1,478,100	1,704,147	226,047
Transfers out	-	-	(2,607)	(2,607)
Total other financing sources and uses	<u>1,478,100</u>	<u>1,478,100</u>	<u>1,701,540</u>	<u>223,440</u>
Net change in fund balance	<u>(1,152,700)</u>	<u>(1,152,700)</u>	<u>626,346</u>	<u>1,779,046</u>
Fund balance - beginning of year	<u>8,104,478</u>	<u>8,104,478</u>	<u>8,104,478</u>	<u>-</u>
Fund balance - end of year	<u>\$ 6,951,778</u>	<u>\$ 6,951,778</u>	<u>\$ 8,730,824</u>	<u>\$ 1,779,046</u>

TOWN OF FLORENCE, ARIZONA
HIGHWAY USER FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 2,880,000	\$ 2,880,000	\$ 3,016,256	\$ 136,256
Investment income				
Interest income	25,000	25,000	85,460	60,460
Net increase in the fair value of investments	-	-	2,290	2,290
Miscellaneous	15,300	15,300	224,188	208,888
Total revenues	<u>2,920,300</u>	<u>2,920,300</u>	<u>3,328,194</u>	<u>407,894</u>
EXPENDITURES				
Current				
Highways and streets	4,813,000	4,544,598	2,177,138	2,367,460
Capital outlay	<u>1,184,200</u>	<u>1,452,602</u>	<u>915,771</u>	<u>536,831</u>
Total expenditures	<u>5,997,200</u>	<u>5,997,200</u>	<u>3,092,909</u>	<u>2,904,291</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,076,900)</u>	<u>(3,076,900)</u>	<u>235,285</u>	<u>3,312,185</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	964,900	964,900	557,669	(407,231)
Transfers out	(498,700)	(498,700)	(535,316)	(36,616)
Proceeds from obligations	<u>-</u>	<u>-</u>	<u>4,740,000</u>	<u>4,740,000</u>
Total other financing sources and uses	<u>466,200</u>	<u>466,200</u>	<u>4,762,353</u>	<u>4,296,153</u>
Net change in fund balance	<u>(2,610,700)</u>	<u>(2,610,700)</u>	<u>4,997,638</u>	<u>7,608,338</u>
Fund balance - beginning of year	<u>7,459,943</u>	<u>7,459,943</u>	<u>7,459,943</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,849,243</u>	<u>\$ 4,849,243</u>	<u>\$ 12,457,581</u>	<u>\$ 7,608,338</u>

FINANCIAL SECTION

FUND FINANCIAL STATEMENTS

PROPRIETARY FUND FINANCIAL STATEMENTS

TOWN OF FLORENCE, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Business-type Activities-Enterprise Funds			
ASSETS				
Current assets	Water	Sewer	Sanitation	Total
Cash and cash equivalents	\$ 1,378,111	\$ 1,873,676	\$ 324,237	\$ 3,576,024
Receivables, net of uncollectibles	336,503	419,009	52,793	808,305
Due from other funds	11,948	-	-	11,948
Prepaid expense	-	247,232	-	247,232
Total current assets	1,726,562	2,539,917	377,030	4,643,509
Noncurrent assets				
Investments	5,099,967	6,933,903	1,199,904	13,233,774
Capital assets:				
Land	120,100	273,973	-	394,073
Buildings and improvements	4,034,101	10,616,609	-	14,650,710
Machinery and equipment	853,928	208,480	549,036	1,611,444
Construction in progress	7,296,993	3,046,221	-	10,343,214
Less accumulated depreciation	(4,068,981)	(3,859,988)	(543,971)	(8,472,940)
Total capital assets, net	8,236,141	10,285,295	5,065	18,526,501
Total noncurrent assets	13,336,108	17,219,198	1,204,969	31,760,275
Total assets	15,062,670	19,759,115	1,581,999	36,403,784
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	56,142	77,343	12,571	146,056
Deferred outflows of employer contributions to pensions	28,574	40,944	6,464	75,982
Total deferred outflows of resources	84,716	118,287	19,035	222,038
LIABILITIES				
Current liabilities				
Accounts payable	78,333	117,510	7,055	202,898
Customer deposits	84,745	-	42,957	127,702
Accrued wages and benefits	4,428.00	6,181	1,028	11,637
Accrued interest payable	-	57,255	-	57,255
Other accrued liabilities	638.00	1,478	270	2,386
Compensated absences	13,943	14,502	3,385	31,830
Notes payable	-	428,643	-	428,643
Total current liabilities	182,087	625,569	54,695	862,351
Noncurrent liabilities				
Notes payable	-	3,000,818	-	3,000,818
Net pension liability	523,327	726,884	111,835	1,362,046
Total noncurrent liabilities	523,327	3,727,702	111,835	4,362,864
Total liabilities	705,414	4,353,271	166,530	5,225,215
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	70,756	95,757	15,771	182,284
Total deferred inflows of resources	70,756	95,757	15,771	182,284

NET POSITION				
Net investment in capital assets	8,236,141	6,855,834	5,065	15,097,040
Restricted for				
Debt service	-	2,567,074	-	2,567,074
Capital projects	10,381	192,320	47,038	249,739
Unrestricted	<u>6,124,694</u>	<u>5,813,146</u>	<u>1,366,630</u>	<u>13,304,470</u>
Total net position	<u>\$ 14,371,216</u>	<u>\$ 15,428,374</u>	<u>\$ 1,418,733</u>	<u>\$ 31,218,323</u>

TOWN OF FLORENCE, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2016

	Business-type Activities-Enterprise Funds			
	Water	Sewer	Sanitation	Total
Operating revenues				
Water sales	\$ 2,680,577	\$ -	\$ -	\$ 2,680,577
Water connection fees	4,805	-	-	4,805
Service establishment fees	25,080	-	-	25,080
Sewer service fees	-	2,949,995	-	2,949,995
Sewer connection fees	-	2,850	-	2,850
DOC usage fees	-	1,209,260	-	1,209,260
Water standpipe	5,558	-	-	5,558
Hydro-sprinkler fees	4,511	-	-	4,511
Central Arizona Project	161,792	-	-	161,792
Refuse collection fees	-	-	746,862	746,862
Effluent charges	38,022	-	-	38,022
Miscellaneous	14,716	2,588	8,258	25,562
Total operating revenue	<u>2,935,061</u>	<u>4,164,693</u>	<u>755,120</u>	<u>7,854,874</u>
Operating expenses				
Personal services	385,457	589,898	107,493	1,082,848
Supplies	57,341	239,205	3,757	300,303
Contractual services and maintenance	814,374	833,032	693,578	2,340,984
Depreciation	161,198	242,150	19,988	423,336
Miscellaneous	-	2,500	-	2,500
Total operating expenses	<u>1,418,370</u>	<u>1,906,785</u>	<u>824,816</u>	<u>4,149,971</u>
Operating income (loss)	<u>1,516,691</u>	<u>2,257,908</u>	<u>(69,696)</u>	<u>3,704,903</u>
Nonoperating revenues (expense)				
Interest income	71,194	95,781	17,249	184,224
Net increase in the fair value of investments	2,067	2,794	471	5,332
Interest expense	-	(114,510)	-	(114,510)
Gain (loss) on sale of assets	-	-	(2,839)	(2,839)
Total nonoperating revenues (expense)	<u>73,261</u>	<u>(15,935)</u>	<u>14,881</u>	<u>72,207</u>
Income before development fees and transfers	1,589,952	2,241,973	(54,815)	3,777,110
Development fees	7,920	12,198	-	20,118
Transfers in	123,884	204,964	-	328,848
Transfers out	(530,600)	(756,118)	(48,800)	(1,335,518)
Change in net position	<u>1,191,156</u>	<u>1,703,017</u>	<u>(103,615)</u>	<u>2,790,558</u>
Net position, beginning of year	<u>13,180,060</u>	<u>13,725,357</u>	<u>1,522,348</u>	<u>28,427,765</u>
Net position-end of year	<u>\$ 14,371,216</u>	<u>\$ 15,428,374</u>	<u>\$ 1,418,733</u>	<u>\$ 31,218,323</u>

See accompanying notes.

TOWN OF FLORENCE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2016

	Business-type Activities-Enterprise Funds			
	Water	Sewer	Sanitation	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,936,133	\$ 4,178,589	\$ 764,397	\$ 7,879,119
Payments to suppliers	(1,831,155)	(1,328,736)	(729,291)	(3,889,182)
Payments to employees	(334,438)	(514,641)	(99,933)	(949,012)
Net cash provided (used) by operating activities	770,540	2,335,212	(64,827)	3,040,925
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(530,600)	(756,118)	(48,800)	(1,335,518)
Transfers from other funds	123,884	204,964	-	328,848
Net cash used by noncapital financing activities	(406,716)	(551,154)	(48,800)	(1,006,670)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(829,342)	(1,391,605)	-	(2,220,947)
Development fees received	7,920	12,198	-	20,118
Principal paid on capital debt	-	(398,151)	-	(398,151)
Interest paid on capital debt	-	(121,157)	-	(121,157)
Net cash provided (used) by capital and related financing activities	(821,422)	(1,898,715)	-	(2,720,137)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts of investments	227,007	-	57,361	284,368
Interest received	73,766	100,580	18,225	192,571
Net cash provided (used) by investing activities	300,773	15,054	75,586	391,413
Net increase (decrease) in cash and cash equivalents	(156,825)	(99,603)	(38,041)	(294,469)
Cash and cash equivalents at beginning of year	1,534,936	1,973,279	362,278	3,870,493
Cash and cash equivalents at end of year	\$ 1,378,111	\$ 1,873,676	\$ 324,237	\$ 3,576,024

See accompanying notes.

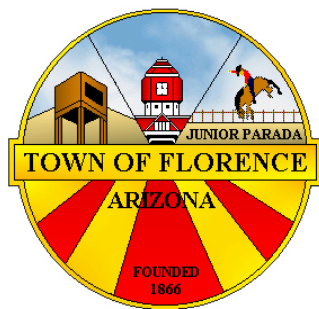
TOWN OF FLORENCE, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
Year Ended June 30, 2016

	Business-type Activities-Enterprise Funds			
	Water	Sewer	Sanitation	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,516,691	\$ 2,257,908	\$ (69,696)	\$ 3,704,903
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	161,198	242,150	19,988	423,336
Pension expense	80,588	123,913	13,408	217,909
Employer pension contributions	(28,574)	(40,944)	(6,464)	(75,982)
Provision for bad debt	6,677	-	205	6,882
(Increase) decrease in:				
Accounts receivable	9,994	13,896	2,955	26,845
Due from other funds	(11,948)	-	-	(11,948)
Prepays	-	(56,734)	-	(56,734)
Increase (decrease) in:				
Accounts payable	(959,823)	(197,970)	(32,106)	(1,189,899)
Customer deposits	(3,651)	-	6,117	2,466
Accrued wages and benefits	1,828	3,185	545	5,558
Other accrued liabilities	383	705	150	1,238
Compensated absences	(2,823)	(10,897)	71	(13,649)
Total adjustments	(746,151)	77,304	4,869	(663,978)
Net cash provided (used) by operating activities:	\$ 770,540	\$ 2,335,212	\$ (64,827)	\$ 3,040,925
Noncash investing, capital, and financing activities:				
Loss on sale of assets	\$ -	\$ -	\$ 2,839	\$ 2,839
Change in fair value of investments	2,067	2,794	471	5,332

FINANCIAL SECTION

FUND FINANCIAL STATEMENTS

FIDUCIARY FUND FINANCIAL STATEMENTS



TOWN OF FLORENCE, ARIZONA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2016

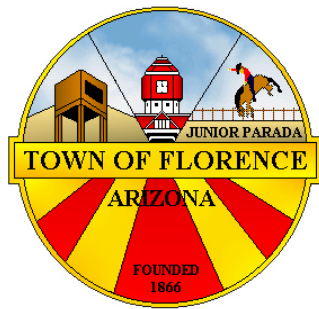
	<u>Pension Trust</u>
ASSETS	
Cash and cash equivalents	\$ 2,858
U.S. Government bonds	249,224
Equities	<u>63,790</u>
Total assets	<u>315,872</u>
LIABILITIES	
Accounts payable	<u>375</u>
Total liabilities	<u>375</u>
NET POSITION	
Held in trust for pension benefits and other purposes	<u>\$ 315,497</u>

TOWN OF FLORENCE, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2016

	<u>Pension Trust</u>
ADDITIONS	
Contributions	
Employee	<u>\$ 8,458</u>
Total contributions	<u>8,458</u>
Investment income	
Interest earnings	<u>2,290</u>
Total additions	<u>10,748</u>
DEDUCTIONS	
Pension withdrawals	<u>10,477</u>
Total deductions	<u>10,477</u>
Change in net position	271
Net position-beginning of year	<u>315,226</u>
Net position-end of year	<u>\$ 315,497</u>

FINANCIAL SECTION

NOTES TO FINANCIAL STATEMENTS



TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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, 2016

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, 2016, fund balances of the governmental funds are classified as follows:

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

Restricted - 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.

Committed - 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.

Assigned - 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.

Unassigned - all other spendable amounts.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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 \$1,725,000. 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

Governmental-wide Financial Statements - 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.

Fund Financial Statements - 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.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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:

General Fund - 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.

Highway User Fund – Special Revenue Fund - 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.

Community Facilities Districts - Debt Service Fund - 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.

Community Facilities Districts - Capital Improvements Fund - 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.

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

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Improvements Fund - 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.

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

The Town reports the following fiduciary fund:

Pension Trust Fund - 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.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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. However, on May 19, 2015, the Town held a special election to approve an amount in excess of the State imposed expenditure limitation for the fiscal year ended June 30, 2016 in which the voters approved the measure. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution. The Town did not exceed their one time approved expenditure override during the year ended June 30, 2016.

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.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Budgetary Data (Continued)

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

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, 2016, expenditures exceeded appropriations in the following General Fund departments (the legal level of budgetary control):

General Fund:

General government	
Legal	\$ 203,859
Information technology	94
Public works	
Engineering	221
Facilities maintenance	474,477
	<hr/>
Total	<u>\$ 678,651</u>

P. Change in Accounting Principle

In February 2015, the GASB issued Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 establish standards for measuring fair value and applying fair value to certain investments and disclosures related to all fair value measurements. Town of Florence adopted GASB No. 72 in fiscal year 2016. The adoption of GASB No. 72 has added disclosures in Note 2 of Town of Florence financial statements.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 DEPOSITS AND INVESTMENTS

At June 30, 2016, the Town had \$1,575 of cash on hand. The carrying amount of the Town's cash in bank totaled \$3,751,483 and the bank balance was \$3,977,661. Of the bank balance, \$1,000,000 was covered by federal depository insurance and the Securities Investor Protection Act, \$1,212,925 was covered by collateral held in the pledging bank's trust department not in the Town's name, and \$1,764,736 was uninsured and uncollateralized.

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 and Pool 7 (LGIP), investment pools 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 and the Investment Risk Management Committee have 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 22 days for Pool 5 and 73 days for Pool 7. The net asset value per share for each of the pools at June 30, 2016 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, 2016, the Town's funds invested with the State Treasurer totaled \$713,267.

At June 30, 2016, the Town held a repurchase agreement with National Bank that had a carry amount of \$5,976,208.

The Town utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

The Town's Community Facilities Districts have \$5,454,967 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.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

The Town also holds \$36,850,953 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 \$315,601 are held by Securian Retirement Services and consist of a money market fund, government bonds and equity securities.

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:

Investment Type	Total	Remaining Maturity (In Months)			Not Applicable
		12 Months or Less	13 to 24 Months	25 to 60 Months	
Primary Government					
Repurchase Agreement	\$ 5,976,208	\$ 5,976,208	\$ -	\$ -	\$ -
Money Market Funds	5,453,967	5,453,967	-	-	-
LGIP Pool 5	222,175	222,175	-	-	-
LGIP Pool 7	491,092	491,092	-	-	-
U.S. Government Bonds	36,850,954	3,099,580	10,580,900	23,170,474	-
	<u>48,994,396</u>	<u>15,243,022</u>	<u>10,580,900</u>	<u>23,170,474</u>	<u>-</u>
Fiduciary Fund					
Money Market Funds	2,587	2,587	-	-	-
U.S. Government Bonds	249,224	-	-	249,224	-
Equities	63,790	-	-	-	63,790
	<u>315,601</u>	<u>2,587</u>	<u>-</u>	<u>249,224</u>	<u>63,790</u>
Total	<u>\$ 49,309,997</u>	<u>\$ 15,245,609</u>	<u>\$ 10,580,900</u>	<u>\$ 23,419,698</u>	<u>\$ 63,790</u>

The Town has no policy regarding interest rate risk. State law limits investments into securities having maturities no greater than five (5) years. The maximum maturity for investments in repurchase agreements is 180 days.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Credit risk – Custodial 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. The Town does not have a formal investment policy regarding credit risk. However, the Town is prohibited by State law from investing in investments other than obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state and the State Treasurer's Local Investment Pool. Presented below is the actual rating as of year-end for each investment type.

Investment Type	Total	Ratings as of Year-End			
		AAAF/S1+	AA+	A	Unrated
Primary Government					
Repurchase Agreement	\$ 5,976,208	\$ -	\$ -	\$ -	\$ 5,976,208
Money Market Funds	5,453,967	5,453,967	-	-	-
LGIP	713,267	222,175	-	-	491,092
U.S. Government Bonds	36,850,954	-	36,850,954	-	-
	<u>48,994,396</u>	<u>5,676,142</u>	<u>36,850,954</u>	<u>-</u>	<u>6,467,300</u>
Fiduciary Fund					
Money Market Funds	2,587	-	-	-	2,587
U.S. Government Bonds	249,224	-	249,224	-	-
Equities	63,790	-	-	-	63,790
	<u>315,601</u>	<u>-</u>	<u>249,224</u>	<u>-</u>	<u>66,377</u>
Total	<u>\$ 49,309,997</u>	<u>\$ 5,676,142</u>	<u>\$ 37,100,178</u>	<u>\$ -</u>	<u>\$ 6,533,677</u>

Concentration of Credit Risk - At June 30, 2016, the Town's investments are included as follows:

Investment Type	Total	Concentration
Repurchase Agreement	\$ 5,976,208	12.12%
Money Market Funds	5,456,554	11.07%
LGIP	713,267	1.45%
U.S. Government Bonds	37,100,178	75.24%
Equities	<u>63,790</u>	0.13%
Total	<u>\$ 49,309,997</u>	100.00%

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Custodial credit risk-investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the investment in U.S. Government Bonds of \$37,100,178 and equities of \$63,790, the Town has a custodial credit risk exposure of \$37,163,968 because the related instruments are uninsured, unregistered, and held by the Town's brokerage firm. The Town held repurchase agreement investments of \$5,976,208 of which the underlying securities are held by the investments' counterparty, not in the name of the Town. The Town does not have a formal investment policy regarding custodial credit risk.

Fair Value Measurement - Investments are measured at fair value. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2016:

<u>2016</u>		Fair Value Measurement Using		
Investments By Fair Value Level	Amount	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 90,310	\$ -	\$ 90,310	\$ -
U.S. Government Bonds	249,224		249,224	-
Federal Nat'l Mtg Association	13,838,385	-	13,838,385	-
Federal Farm Credit Bank	15,313,769	-	15,313,769	-
Federal Home Loan MTG Corp	1,506,915	-	1,506,915	-
Federal Home Loan Bank	6,101,575	-	6,101,575	-
Total Investments by Fair Value Level	37,100,178	\$ -	\$ 37,100,178	\$ -
External Investment Pool Measured at Fair Value				
State Investment Pool (LGIP)	713,267			
Total Investments Measured at Fair Value	37,813,445			
Investments Measured at Amortized Costs				
Repurchase Agreement	5,976,208			
Mutual Funds	63,790			
Money Market Funds	5,456,554			
Total Investments Measured at Amortized Costs	11,496,552			
Total Investments	\$ 49,309,997			

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments categorized as Level 2 are valued significant other observable inputs for those investments. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the Town held. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

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:

			Community Facilities	Community Facilities Districts- Capital	Impact Fees	Capital Improvements	Non-Major Gov. Funds	Total Gov. Funds
Receivables:	General	Highway User	Debt Service	Improvements				
Taxes	\$ 817,146	\$ 309,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,126,295
Interest	13,577	10,531	3,673	3,056	3,152	4,286	6,315	44,590
Accounts	382,181	-	-	-	-	-	-	382,181
Assessments	-	-	5,112,889	-	-	-	159,445	5,272,334
	<u>\$ 1,212,904</u>	<u>\$ 319,680</u>	<u>\$ 5,116,562</u>	<u>\$ 3,056</u>	<u>\$ 3,152</u>	<u>\$ 4,286</u>	<u>\$ 165,760</u>	<u>\$ 6,825,400</u>

The following table summarizes the Town's receivables for the enterprise funds as of June 30, 2016.

Receivables:	Water Fund	Sewer Fund	Sanitation Fund	Total
Interest	\$ 9,509	\$ 12,853	\$ 2,167	\$ 24,529
Accounts	342,594	416,956	55,426	814,976
	<u>352,103</u>	<u>429,809</u>	<u>57,593</u>	<u>839,505</u>
Less:				
Allowance	(15,600)	(10,800)	(4,800)	(31,200)
Net receivables	<u>\$ 336,503</u>	<u>\$ 419,009</u>	<u>\$ 52,793</u>	<u>\$ 808,305</u>

Revenues of the enterprise funds are reported net of uncollectible amounts. There were uncollectible amounts related to revenues of the current period in the amount of \$6,677 for the water fund and \$205 for the sanitation fund.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2016 follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 32,546,409	\$ -	\$ -	\$ 32,546,409
Construction in progress	14,222,110	2,093,149	(14,175,146)	2,140,113
Total capital assets not being depreciated	46,768,519	2,093,149	(14,175,146)	34,686,522
Capital assets, being depreciated:				
Buildings, infrastructure and improvements	60,434,008	14,235,552	-	74,669,560
Vehicles, furniture and equipment	10,357,007	128,928	-	10,485,935
Total capital assets being depreciated	70,791,015	14,364,480	-	85,155,495
Less accumulated depreciation for:				
Buildings and improvements	(20,810,033)	(2,006,034)	-	(22,816,067)
Vehicles, furniture and equipment	(7,053,106)	(608,558)	-	(7,661,664)
Total accumulated depreciation	(27,863,139)	(2,614,592)	-	(30,477,731)
Total capital assets, being depreciated, net	42,927,876	11,749,888	-	54,677,764
Governmental activities capital assets, net	\$ 89,696,395	\$ 13,843,037	\$ (14,175,146)	\$ 89,364,286

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 CAPITAL ASSETS (Continued)

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 394,073	\$ -	\$ -	\$ 394,073
Construction in progress	7,769,424	2,573,790 *	-	10,343,214
Total capital assets not being depreciated	8,163,497	2,573,790	-	10,737,287
Capital assets, being depreciated:				
Buildings, infrastructure and improvements	15,368,822	62,367	(780,480) *	14,650,709
Vehicles, machinery and equipment	1,675,734	115,133	(179,422)	1,611,445
Total capital assets being depreciated	17,044,556	177,500	(959,902)	16,262,154
Less accumulated depreciation for:				
Buildings, infrastructure and improvements	(6,774,861)	(312,974)	24,352	(7,063,483)
Vehicles, machinery and equipment	(1,475,677)	(110,363)	176,583	(1,409,457)
Total accumulated depreciation	(8,250,538)	(423,337)	200,935	(8,472,940)
Total capital assets, being depreciated, net	8,794,018	(245,837)	(758,967)	7,789,214
Business-Type activities capital assets, net	\$ 16,957,515	\$ 2,327,953	\$ (758,967)	\$ 18,526,501

* Transfer of \$756,128 between buildings and CIP.

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 286,447
Public safety	779,863
Highway and streets	1,475,831
Culture and recreation	72,451
Total depreciation expense	\$ 2,614,592
Business-type activities	
Water	\$ 161,198
Sewer	242,150
Sanitation	19,988
Total depreciation expense	\$ 423,336

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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, 2016 in governmental activities.

	Year Ending, June 30	Principal
	2017	\$ 289,915
	2018	-
	2019	-
Total requirements		289,915
Less interest		4,169
		<u>\$ 285,746</u>
Present value of remaining payments		<u>\$ 285,746</u>

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

	Governmental Activities
Asset	
Vehicles	\$ 1,395,508
Less accumulated depreciation	(204,929)
Net	<u>\$ 1,190,578</u>

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 \$338,551 at June 30, 2016.

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, 2016, the Town has an outstanding balance of \$3,429,461. 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, 2016, the Town has drawn down \$70,943 of this note. Payments are due semi-annually including interest at 3.750%. Due to WIFA's required schedule amortization of the loan, the Town has a deposit totaling \$247,232 with WIFA at June 30, 2016.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 NOTES PAYABLE (Continued)

The annual debt service requirements to maturity as of June 30, 2016, are as follows:

Year Ending, June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 49,435	\$ 20,313	\$ 428,643	\$ 106,358
2018	52,401	17,347	442,955	91,806
2019	55,545	14,203	457,746	76,769
2020	58,877	10,870	473,030	61,230
2021	62,410	7,338	488,824	45,172
2022 - 2025	59,883	3,593	1,138,263	29,649
Total	<u>\$ 338,551</u>	<u>\$ 73,664</u>	<u>\$ 3,429,461</u>	<u>\$ 410,984</u>

NOTE 7 BONDS PAYABLE

Bonds payable from the Town at June 30, 2016, consisted of the outstanding special assessment and excise tax revenue obligation bonds presented below.

The bonds issued in 1994 to acquire Arizona Sierra Utility have an outstanding principal of \$218,000. 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.

In December 2015 the Town issued \$4,740,000 of pledged excise tax revenue obligation series 2015 bonds at a stated interest rate of 2.22% to finance transportation capital projects within the Town. The bonds are secured and payable from pledged excise tax revenues. The bonds mature in July 2027.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 BONDS PAYABLE (Continued)

Bonds payable from 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.

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.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 BONDS PAYABLE (Continued)

Bonds payable from Community Facilities Districts (Continued)

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.

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 was 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.

In June 2016 the Merrill Ranch Community Facilities District #2 issued \$2,000,000 of GO Series 2016 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.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 BONDS PAYABLE (Continued)

Bonds payable from Community Facilities Districts (Continued)

A summary of long-term bond debt payable at June 30, 2016, follows:

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2016	Due Within One Year
Utility Improvement District #1 Revenue Bonds 1994	8.45%	1/1/2019	\$ 218,000	\$ 64,000
Merrill Ranch CFD #1 Special Assessment Bonds 2006	4.30 - 5.30%	7/1/2030	1,162,000	77,000
Merrill Ranch CFD #2 Special Assessment Bonds 2006	4.30 - 5.30%	7/1/2030	1,298,000	79,000
Merrill Ranch CFD #1 General Obligation Bonds 2008A	6.00 - 7.40%	7/15/2033	3,760,000	105,000
Merrill Ranch CFD #1 Special Assessment Bonds 2009	9.00%	7/1/2034	258,950	7,080
Merrill Ranch CFD #2 Special Assessment Bonds 2009	9.00%	7/1/2034	609,850	16,620
Merrill Ranch CFD #2 Special Assessment Bonds 2010	7.75%	7/1/2035	165,940	4,220
Merrill Ranch CFD #1 Special Assessment Bonds 2010	7.50%	7/1/2035	258,650	6,230
Merrill Ranch CFD #2 General Obligation Bonds 2010	5.86%	7/15/2035	2,820,000	85,000
Merrill Ranch CFD #1 Special Assessment Bonds 2012	6.88%	7/1/2037	169,000	4,000
Merrill Ranch CFD #2 General Obligation Bonds 2013	1.50 - 6.75%	7/15/2038	1,755,000	25,000
Town of Florence Pledge Excise Tax Revenue Obligation, Series 2015	2.22%	7/1/2027	4,740,000	-
Merrill Ranch CFD #2 General Obligation Bonds 2016	2.00 - 5.25%	7/15/2040	2,000,000	95,000
Total			<u>\$ 19,215,390</u>	<u>\$ 568,150</u>

Annual debt service requirements to maturity on governmental bonds payable at June 30, 2016 are summarized as follows:

Fiscal year ending June 30,	Governmental Activities	
	Principal	Interest
2017	\$ 568,150	\$ 934,287
2018	937,070	940,827
2019	571,270	908,594
2020	906,710	869,425
2021	541,470	839,394
2022 - 2026	4,473,000	3,623,962
2027 - 2031	4,306,370	2,469,032
2032 - 2036	4,350,350	1,251,598
2037 - 2041	2,561,000	516,743
Total	<u>\$ 19,215,390</u>	<u>\$ 12,353,862</u>

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 13,298,850	\$ 6,740,000	\$ 823,460	\$ 19,215,390	\$ 568,150
Notes payable	385,188	-	46,637	338,551	49,435
Capital leases	567,382	-	281,636	285,746	285,746
Compensated absences	511,488	440,122	482,624	468,986	384,500
Net pension liability	7,721,499	716,984	-	8,438,483	-
Premiums	23,200	165,829	928	188,101	-
Governmental activities long-term liabilities	<u>\$ 22,507,607</u>	<u>\$ 8,062,935</u>	<u>\$ 1,635,285</u>	<u>\$ 28,935,257</u>	<u>\$ 1,287,831</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Notes payable	\$ 3,827,612	\$ -	\$ 398,150	\$ 3,429,462	\$ 428,643
Compensated absences	45,479	30,740	44,389	31,830	31,830
Net pension liability	1,167,339	194,707	-	1,362,046	-
Business-type activities long-term liabilities	<u>\$ 5,040,430</u>	<u>\$ 225,447</u>	<u>\$ 442,539</u>	<u>\$ 4,823,338</u>	<u>\$ 460,473</u>

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2016 all interfund balances consisted of short term loans made to cover operating cash deficits by the General Fund. At June 30, 2016, interfund receivables/payables consisted of the following:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 281,251	\$ -
Highway User	82	-
Impact Fees	-	542
Non-Major Governmental Funds	-	292,739
Water	11,948	-
	<u>11,948</u>	<u>-</u>
Total	<u>\$ 293,281</u>	<u>\$ 293,281</u>

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

At June 30, 2016, there were the following interfund transfers.

Fund	Transfers	Transfers
	Out	In
General Fund	\$ 2,607	\$ 1,704,147
Highway User	535,316	557,669
CFD Capital Improvements	-	20,634
Impact Fees	1,207,117	-
Capital Improvements	359,663	758,628
Non-Major Governmental Funds	291,975	362,270
Water	530,600	123,884
Sewer	756,118	204,964
Sanitation	48,800	-
Total	<u>\$ 3,732,196</u>	<u>\$ 3,732,196</u>

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, 2016.

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.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 11 CONTINGENT LIABILITIES

Federal and State grants and loans – 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, 2016; however, the Town expects no material disallowances of expenditures.

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The Town contributes to the plans described below. The plans are component units of the State of Arizona.

At June 30, 2016, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-type Activites	Total
Net pension asset	\$ 272,295	\$ -	\$ -
Net pension liabilities	8,438,483	1,362,046	9,800,529
Deferred outflows of resources	2,721,721	222,038	2,943,759
Deferred inflows of resources	860,973	182,284	1,043,257
Pension expense	773,688	142,711	916,399

The Town reported \$972,517 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan Description – Town employees not covered by the other pension plan described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

A. Arizona State Retirement System (Continued)

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

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

*with actuarially reduced benefits.

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

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

A. Arizona State Retirement System (Continued)

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2016, statute required active ASRS members to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and statute required the Town to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. The Town's contributions to the pension plan for the year ended June 30, 2016 were \$582,551. The Town's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

ASRS	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ended June 30		
2016	\$ 26,846	\$ 6,443
2015	32,639	6,528
2014	30,437	12,175

During fiscal year 2016, the Town paid for ASRS pension and OPEB contributions as follows: 72 percent from the General Fund, 9 percent from the water fund, 13 percent from the sewer fund, 2 percent from the sanitation fund and 4 percent from other non-major funds.

Pension Liability - At June 30, 2016, the Town reported a liability of \$9,160,327 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Town's proportion of the net pension liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Town's proportion measured as of June 30, 2015, was 0.058809 percent, which was an increase of 0.002497% from its proportion measured as of June 30, 2014.

The Town's reported liability at June 30, 2016, increased by \$828,143 from the Town's prior year liability of \$8,332,184 because of changes in the ASRS' net pension liability and the Town's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

A. Arizona State Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the Town recognized pension expense for ASRS of \$790,220. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 249,965	\$ 480,010
Net difference between projected and actual earnings on pension plan investments	-	293,568
Changes in proportion and differences between Town contributions and proportionate share of contributions	499,446	-
Town contributions subsequent to the measurement date	582,551	-
Total	<u>\$ 1,331,962</u>	<u>\$ 773,578</u>

The \$582,551 reported as deferred outflows of resources related to ASRS pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2017	\$ 100,143
2018	(149,994)
2019	(186,236)
2020	211,920
Thereafter	-

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

A. Arizona State Retirement System (Continued)

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

ASRS	
Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 20, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3 - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

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

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS		Long-Term
	Target	Expected Arithmetic
Asset Class	Allocation	Real Rate of Return
Equity	58%	6.79%
Fixed Income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.93%
Total	100%	

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

A. Arizona State Retirement System (Continued)

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

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

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% increase (9%)
Town's proportionate share of the net pension liability	\$ 12,003,158	\$ 9,160,327	\$ 7,212,055

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System

Plan Description – Town police department employees and fire department employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS plans. The report is available on the PSPRS website at www.psprs.com.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Benefits Provided - The PSPRS provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Retirement and Disability		
Years of service and age required to receive benefit	20 years, any age 15 years, age 62	25 years, and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefits		
Retired Members	80% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, from and after December 31, 2015, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees Covered by Benefit Terms - At June 30, 2016, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police	PSPRS Fire
Inactive employees or beneficiaries		
currently receiving benefits	6	-
Inactive employees entitled to		
by not yet receiving benefits	3	1
Active employees	30	28
Total	39	29

Contributions and Annual OPEB Cost - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2016, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members - Pension	11.65%	11.65%
Town		
Pension	15.04%	11.27%
Health insurance permium benefit	0.29%	0.39%

In addition, the Town was required by statute to contribute at the actuarially determined rate of 28.62 percent for the PSPRS of annual covered payroll of retired police and fire members who worked for the Town in positions that an employee who contributes to the PSPRS would typically fill.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

For the agent plans, the Town's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2016, were:

	PSPRS Police	PSPRS Fire
Pension		
Contributions made	\$ 280,703	\$ 185,246
Health Insurance Premium Benefit		
Annual OPEB cost contributions made	5,413	6,410

During fiscal year 2016, the Town paid 100 percent of the PSPRS pension and OPEB contributions from the General Fund.

Pension Liability - At June 30, 2016, the Town reported the Police Department PSPRS net pension liabilities of \$640,203 and a Fire Department PSPRS net pension asset of \$272,295.

The net pension liability and asset were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability and asset were determined by an actuarial valuation as of that date.

In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS' automatic cost-of-living adjustments. The statutory adjustments change the basis for future cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent. The change in the Town's net pension liability as a result of the statutory adjustments is not known.

Pension Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liabilities were as follows:

PSPRS	
Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.0% - 8.0%
Inflation	3.0% - 4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Actuarial assumptions used in the June 30, 2015, valuations were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS		
	Target	Long-term expected
Asset Class	Allocation	geometric real
		rate of return
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk Parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	16%	6.23%
Total	100.00%	

Pension Discount Rates – The discount rate used to measure the PSPRS total pension liabilities was 7.82 percent. The projection of cash flows used to determine the PSPRS discount rates assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Changes in the Net Pension Liability

PSPRS - Police

	Increase (Decrease)		
	Plan		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2015	\$ 5,013,874	\$ 4,457,220	\$ 556,654
Changes for the year:			
Service Cost	342,618		342,618
Interest on the total pension liability	400,319		400,319
Changes of benefit terms	-		-
Differences between expected and actual experience in the measurement of the pension liability	(65,501)		(65,501)
Changes of assumptions or other inputs	-		-
Contributions - employer		225,441	(225,441)
Contributions - employee		208,870	(208,870)
Net investment income		167,656	(167,656)
Benefit payments, including refunds of employee contributions	(171,147)	(171,147)	-
Administrative expense		(4,474)	4,474
Other changes		(3,606)	3,606
Net changes	506,289	422,740	83,549
Balances at June 30, 2016	\$ 5,520,163	\$ 4,879,960	\$ 640,203

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Changes in the Net Pension Asset

PSPRS - Fire	Increase (Decrease)		
	Plan		
	Total	Fiduciary	Net
	Pension	Net	Pension
	Liability	Position	Asset
	(a)	(b)	(a) - (b)
Balances at June 30, 2015	<u>\$ 2,612,785</u>	<u>\$ 3,004,606</u>	<u>\$ (391,821)</u>
Changes for the year:			
Service Cost	334,719		334,719
Interest on the total pension liability	217,485		217,485
Changes of benefit terms	-		-
Differences between expected and actual experience in the measurement of the pension liability	312,802		312,802
Changes of assumptions or other inputs	-		-
Contributions - employer		182,645	(182,645)
Contributions - employee		213,250	(213,250)
Net investment income		122,465	(122,465)
Benefit payments, including refunds of employee contributions	(19,275)	(19,275)	-
Administrative expense		(3,377)	3,377
Other changes		230,497	(230,497)
Net changes	<u>845,731</u>	<u>726,205</u>	<u>119,526</u>
Balances at June 30, 2016	<u><u>\$ 3,458,516</u></u>	<u><u>\$ 3,730,811</u></u>	<u><u>\$ (272,295)</u></u>

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Sensitivity of the Town's Net Pension Liability and Asset to Changes in the Discount Rate - The following table presents the Town's net pension liability and asset calculated using the discount rates noted above, as well as what the Town's net pension liability and asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

PSPRS - Police	1% Decrease	Current	1% increase
	(6.85%)	Discount Rate (7.85%)	(8.85%)
Total pension liability	\$ 6,303,572	\$ 5,520,163	\$ 4,871,498
Plan fiduciary net position	4,879,960	4,879,960	4,879,960
Net pension liability (asset)	\$ 1,423,612	\$ 640,203	\$ (8,462)
PSPRS - Fire	1% Decrease	Current	1% increase
	(6.85%)	Discount Rate (7.85%)	(8.85%)
Total pension liability	\$ 4,097,516	\$ 3,458,516	\$ 2,939,892
Plan fiduciary net position	3,730,811	3,730,811	3,730,811
Net pension liability (asset)	\$ 366,705	\$ (272,295)	\$ (790,919)

Pension Plans' Fiduciary Net Position - Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Pension Expense - For the year ended June 30, 2016, the Town recognized \$229,702 and (\$103,523) of Police Department and Fire Department PSPRS pension expense, respectively.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Pension Deferred Outflows/Inflows of Resources - At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,579	\$ 57,203
Changes of assumptions or other inputs	377,623	-
Net difference between projected and actual earnings on pension plan investments	153,798	130,871
Town contributions subsequent to the measurement date	280,703	-
Total	<u>\$ 829,703</u>	<u>\$ 188,074</u>
PSPRS - Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 463,800	\$ -
Changes of assumptions or other inputs	23,375	-
Net difference between projected and actual earnings on pension plan investments	109,674	81,604
Town contributions subsequent to the measurement date	185,246	-
Total	<u>\$ 782,095</u>	<u>\$ 81,604</u>

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

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

Year ending June 30,	PSPRS	PSPRS
	Police	Fire
2017	\$ 53,873	\$ 40,849
2018	53,873	40,849
2019	53,871	40,848
2020	97,494	68,048
2021	59,046	40,631
Thereafter	42,769	284,020

Agent plan OPEB actuarial assumptions - The health insurance premium benefit contribution requirements for the year ended June 30, 2016, were established by the June 30, 2014, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Projections of benefits are based on (1) the plans as the Town and plans' members understand them and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the Town and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2016 contribution requirements:

PSPRS - OPEB Contribution Requirements

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4% - 8% for PSPRS
Wage growth	4% for PSPRS

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Agent plan OPEB trend information - Annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years follows for each of the agent plans:

PSPRS - Police		Percentage of	
Year Ended June 30,	Annual OPEB Cost	Annual Cost Contributed	Net OPEB Obligation
2015	\$ 5,413	100%	\$ -
2014	19,199	100%	-
2013	15,527	100%	-
PSPRS - Fire		Percentage of	
Year Ended June 30,	Annual OPEB Cost	Annual Cost Contributed	Net OPEB Obligation
2015	\$ 6,410	100%	\$ -
2014	12,107	100%	-
2013	9,924	100%	-

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Agent plan OPEB funded status - The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2015, along with the actuarial assumptions and methods used in those valuations follow:

	PSPRS Police	PSPRS Fire
Actuarial value of assets (a)	\$ 216,721	\$ 108,369
Actuarial accrued liability (b)	146,230	130,865
Unfunded actuarial accrued liability (funded excess) (b) - (a)	(70,491)	22,496
Funded ratio (a)/(b)	148.21%	82.81%
Annual covered payroll (c)	\$ 1,799,178	\$ 1,671,510
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) - (a) / (c)	0.00%	1.35%

The actuarial methods and assumptions used are the same for all the PSPRS health insurance premium benefit plans (unless noted), and for the most recent valuation date are as follows:

PSPRS - OPEB Funded Status	
Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4% - 8% for PSPRS

C. Florence Volunteer Firefighter Retirement Profit Sharing Plan and Trust Fund

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.

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. Florence Volunteer Firefighter Retirement Profit Sharing Plan and Trust Fund (Continued)

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, 2016. The Town's required matching contributions for the plan were covered by the accumulated forfeited funds for the year ended June 30, 2016. As of June 30, 2016, there were seven eligible employees participating in the plan. The plan is administered by Securian Financial.

The plan has never had an actuarial valuation; however, benefits cannot exceed plan assets. The fair 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

Construction commitments - The Town has active construction projects as of June 30, 2016. 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.

Encumbrances - 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.

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:

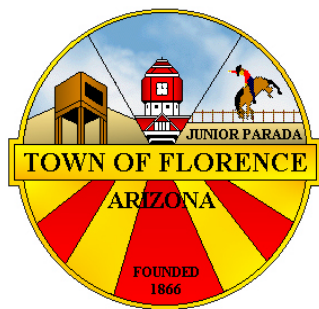
Project - Contractor	June 30, 2016	Encumbered Fund
Diversion Dam Phase II (T-17)		
<i>R.K. Sanders, Inc.</i>	26,490	HURF

TOWN OF FLORENCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 14 SUBSEQUENT EVENTS

On July 7, 2016, the Town issued \$987,000 in Special Assessment Lien Bonds to finance capital projects within the Merrill Ranch Community Facilities District No. 1 at a stated interest rate of 5.750% maturing in July 2040.

REQUIRED SUPPLEMENTARY INFORMATION



TOWN OF FLORENCE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST-SHARING PENSION PLAN
June 30, 2016

Arizona Retirement System

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2006
Town's proportion of the net pension liability	0.056311%	0.056311%	Information not available
Town's proportionate share of the net pension liability	\$ 9,160,327	\$ 8,332,184	
Town's covered payroll	5,439,862	5,072,813	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	168.39%	164.25%	
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%	

TOWN OF FLORENCE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLAN
June 30, 2016

Florence Police Dept.
Public Safety Personnel Retirement System

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2006
Total pension liability			
Service cost	\$ 342,618	\$ 318,072	Information not available
Interest on the total pension liability	400,319	316,736	
Changes on benefit terms	-	69,287	
Differences between expected and actual experience in the measurement of the pension liability	(65,501)	23,569	
Changes of assumptions or other inputs	-	506,321	
Benefit payments, including refunds of employee contributions	(171,147)	(191,863)	
Net change in total pension liability	506,289	1,042,122	
Total pension liability - beginning	5,013,874	3,971,752	
Total pension liability - ending (a)	<u>\$ 5,520,163</u>	<u>\$ 5,013,874</u>	
Plan fiduciary net position			
Contributions - employer	\$ 225,441	\$ 221,399	
Contributions - employee	208,870	192,212	
Net investment income	167,656	518,949	
Benefit payments, including refunds of employee contributions	(171,147)	(191,863)	
Administrative expense	(4,474)	(4,213)	
Other changes	(3,606)	(112,902)	
Net change in plan fiduciary net position	422,740	623,582	
Plan fiduciary net position - beginning	4,457,220	3,833,638	
Plan fiduciary net position - ending (b)	<u>\$ 4,879,960</u>	<u>\$ 4,457,220</u>	
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ 640,203</u>	<u>\$ 556,654</u>	

TOWN OF FLORENCE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLAN (CONTINUED)
June 30, 2016

Florence Police Dept.
Public Safety Personnel Retirement System

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2006
Plan fiduciary net position as a percentage of the total pension liability (asset)	88.40%	88.90%	Information not available
Covered payroll	\$ 1,846,771	\$ 1,713,615	
Town's net pension liability (asset) as a percentage of covered payroll	34.67%	32.48%	

TOWN OF FLORENCE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLAN (CONTINUED)
June 30, 2016

Florence Fire Dept.
Public Safety Personnel Retirement System

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2006
Total pension liability			
Service cost	\$ 334,719	\$ 256,499	Information
Interest on the total pension liability	217,485	164,612	not available
Changes on benefit terms	-	(9,051)	
Differences between expected and actual experience in the measurement of the pension liability	312,802	204,613	
Changes of assumptions or other inputs	-	27,389	
Benefit payments, including refunds of employee contributions	(19,275)	-	
Net change in total pension liability	845,731	644,062	
Total pension liability - beginning	2,612,785	1,968,723	
Total pension liability - ending (a)	<u>\$ 3,458,516</u>	<u>\$ 2,612,785</u>	
Plan fiduciary net position			
Contributions - employer	\$ 182,645	\$ 176,996	
Contributions - employee	213,250	161,991	
Net investment income	122,465	323,597	
Benefit payments, including refunds of employee contributions	(19,275)	-	
Administrative expense	(3,377)	(2,627)	
Other changes	230,497	179,386	
Net change in plan fiduciary net position	726,205	839,343	
Plan fiduciary net position - beginning	3,004,606	2,165,263	
Plan fiduciary net position - ending (b)	<u>\$ 3,730,811</u>	<u>\$ 3,004,606</u>	
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ (272,295)</u>	<u>\$ (391,821)</u>	

TOWN OF FLORENCE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLAN (CONCLUDED)
June 30, 2016

Florence Fire Dept.
Public Safety Personnel Retirement System

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2006
Plan fiduciary net position as a percentage of the total pension liability (asset)	88.40%	88.90%	Information not available
Covered payroll	\$ 1,761,335	\$ 1,846,771	
Town's net pension liability (asset) as a percentage of covered payroll	36.35%	30.14%	

TOWN OF FLORENCE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
June 30, 2016

Arizona Retirement System	Reporting Fiscal Year			2013 through 2006
	2016	2015	2014	
Statutorily required contribution	\$ 589,871	\$ 591,857	\$ 542,791	Information not available
Town's contributions in relation to the statutorily required contribution	589,871	591,857	542,791	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 5,436,599	\$ 5,439,862	\$ 5,072,813	
Town's contributions as a percentage of covered payroll	10.85%	10.88%	10.70%	

Florence Police Dept. Public Safety Personnel Retirement System	Reporting Fiscal Year			2013 through 2006
	2016	2015	2014	
Actuarially determined contribution	\$ 225,441	\$ 219,027	\$ 221,399	Information not available
Town's contributions in relation to the actuarially determined contribution	225,441	219,027	221,399	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 1,498,943	\$ 1,846,771	\$ 1,713,615	
Town's contributions as a percentage of covered payroll	15.04%	11.86%	12.92%	

Florence Fire Dept. Public Safety Personnel Retirement System	Reporting Fiscal Year			2013 through 2006
	2016	2015	2014	
Actuarially determined contribution	\$ 182,645	\$ 185,997	\$ 176,996	Information not available
Town's contributions in relation to the actuarially determined contribution	182,645	185,997	176,996	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 1,620,630	\$ 1,761,335	\$ 1,594,559	
Town's contributions as a percentage of covered payroll	11.27%	10.56%	11.10%	

TOWN OF FLORENCE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE PENSION PLAN SCHEDULES
June 30, 2016

NOTE 1 CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2016, the Town implemented the provisions of GASB Statement No. 82, Pension Issues. The statement changed the measure of payroll that is required to be presented in required supplementary information from covered-employee payroll to covered payroll. Accordingly, payroll amounts presented in the pension plan schedules and related ratios for prior periods have been restated.

TOWN OF FLORENCE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE PENSION PLAN SCHEDULES
June 30, 2016

NOTE 2 ACTUARIALLY DETERMINED CONTRIBUTION RATES

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period as of the 2013 actuarial valuation	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market
Actuarial assumptions: Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5% - 8.5% to 4.0% - 8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0% - 9.0% to 4.5% - 8.5% for PSPRS.
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% - 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

NOTE 3 FACTORS THAT AFFECT TRENDS

Changes include adjustments for prior year GASB 68 and reserve transfer to/from employer and employee reserves.

TOWN OF FLORENCE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
June 30, 2016

Health Insurance Premium Benefit

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b) - (a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll (b) - (a)/(c)
PSPRS Police						
6/30/2015	\$ 216,721	\$ 146,230	\$ (70,491)	148.21%	\$ 1,799,178	0.00%
6/30/2014	192,545	150,541	(42,004)	127.90%	1,721,954	0.00%
6/30/2013	-	130,591	130,591	0.00%	1,603,691	8.14%

The health insurance subsidy payment reported for FY 2015 was \$4,320

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b) - (a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll (b) - (a)/(c)
PSPRS Fire						
6/30/2015	\$ 108,369	\$ 130,865	\$ 22,496	82.81%	\$ 1,671,510	1.35%
6/30/2014	91,668	98,726	7,058	92.85%	1,770,958	0.40%
6/30/2013	-	74,997	74,997	0.00%	1,350,329	5.55%

The health insurance subsidy payment reported for FY 2015 was \$0

TOWN OF FLORENCE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
June 30, 2016

NOTE 1 FACTORS THAT AFFECT THE IDENTIFICATION OF TRENDS

Beginning in fiscal year 2014, PSPRS established separate funds for pension benefits and health insurance premium benefits. Previously, the plan recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plans transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from each plan's Pension Fund to the new Health Insurance Fund.

OTHER SUPPLEMENTARY INFORMATION

COMBINING NON-MAJOR FUNDS FINANCIAL STATEMENTS

TOWN OF FLORENCE, ARIZONA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2016

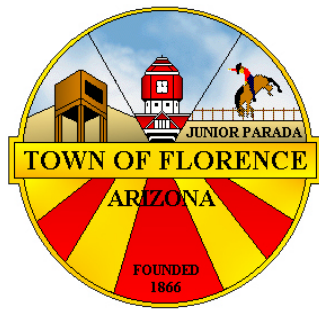
	Special Revenue			
	Grants	Economic Development	Community Services	Community Facilities Districts
ASSETS				
Cash and cash equivalents	\$ 15,757	\$ 141,610	\$ 15,249	\$ 63,149
Receivables (net of allowance for uncollectibles)	-	902	106	460
Due from other governments	296,734	-	-	1,042
Investments	58,314	524,056	56,432	233,694
Total assets	\$ 370,805	\$ 666,568	\$ 71,787	\$ 298,345
LIABILITIES				
Accounts payable and other current liabilities	\$ 8,790	\$ 6,684	\$ -	\$ 11,730
Accrued wages and benefits	2,834	-	-	-
Due to other funds	292,739	-	-	-
Total liabilities	304,363	6,684	-	11,730
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	32,806	400	47	738
Total deferred inflows of resources	32,806	400	47	738
FUND BALANCES				
Restricted				
Public safety	-	-	71,740	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Economic development	33,636	659,484	-	-
Community Facilities Districts operations	-	-	-	285,877
Total fund balances	33,636	659,484	71,740	285,877
Total liabilities, deferred inflows of resources and fund balances	\$ 370,805	\$ 666,568	\$ 71,787	\$ 298,345

Capital Projects			
Debt Service	Construction Tax	Food Tax	Total
\$ 24,958	\$ 615,017	\$ 69,345	\$ 945,085
159,618	4,256	418	165,760
-	-	-	297,776
92,360	2,275,988	256,625	3,497,469
<u>\$ 276,936</u>	<u>\$ 2,895,261</u>	<u>\$ 326,388</u>	<u>\$ 4,906,090</u>
\$ -	\$ -	\$ -	\$ 27,204
-	-	-	2,834
-	-	-	292,739
-	-	-	322,777
160,388	1,882	185	196,446
160,388	1,882	185	196,446
-	-	-	71,740
116,548	-	-	116,548
-	2,893,379	326,203	3,219,582
-	-	-	693,120
-	-	-	285,877
116,548	2,893,379	326,203	4,386,867
<u>\$ 276,936</u>	<u>\$ 2,895,261</u>	<u>\$ 326,388</u>	<u>\$ 4,906,090</u>

TOWN OF FLORENCE, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2016

	Special Revenue			Community Facilities Districts
REVENUES	Grants	Economic Development	Community Services	
Taxes	\$ -	\$ -	\$ -	\$ 96,414
Intergovernmental revenues	1,095,357	-	-	-
Charges for services	-	-	12,276	5,130
Fines	-	-	3,168	-
Special assessments	-	-	-	-
Investment income				
Interest income	-	7,349	760	3,208
Net increase in the fair value of investments	-	196	23	101
Contributions and donations	1,500	-	-	-
Miscellaneous	3,697	55,326	7	19
Total revenues	<u>1,100,554</u>	<u>62,871</u>	<u>16,234</u>	<u>104,872</u>
EXPENDITURES				
Current:				
General government	1,435	-	-	59,547
Public safety	336,839	-	4,559	-
Public works	45,938	56,246	-	-
Culture & recreation	78,139	-	-	-
Community development	258,059	-	1,482	50
Capital outlay	288,495	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,008,905</u>	<u>56,246</u>	<u>6,041</u>	<u>59,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>91,649</u>	<u>6,625</u>	<u>10,193</u>	<u>45,275</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,607	-	-	-
Transfers out	(99,280)	(163,061)	-	(20,634)
Total other financing sources and uses	<u>(96,673)</u>	<u>(163,061)</u>	<u>-</u>	<u>(20,634)</u>
Net change in fund balances	<u>(5,024)</u>	<u>(156,436)</u>	<u>10,193</u>	<u>24,641</u>
Fund balances - beginning of year	<u>38,660</u>	<u>815,920</u>	<u>61,547</u>	<u>261,236</u>
Fund balances - end of year	<u>\$ 33,636</u>	<u>\$ 659,484</u>	<u>\$ 71,740</u>	<u>\$ 285,877</u>

Capital Projects			
Debt Service	Construction Tax	Food Tax	Total
\$ -	\$ 122,205	\$ 282,558	\$ 501,177
-	-	-	1,095,357
7,748	-	-	25,154
-	-	-	3,168
64,353	-	-	64,353
1,386	30,253	1,700	44,656
38	925	91	1,374
-	-	-	1,500
62	802	196	60,109
<u>73,587</u>	<u>154,185</u>	<u>284,545</u>	<u>1,796,848</u>
-	-	-	60,982
-	-	-	341,398
-	-	-	102,184
-	-	-	78,139
-	-	-	259,591
-	-	-	288,495
392,272	-	-	392,272
56,652	-	-	56,652
<u>448,924</u>	<u>-</u>	<u>-</u>	<u>1,579,713</u>
<u>(375,337)</u>	<u>154,185</u>	<u>284,545</u>	<u>217,135</u>
359,663	-	-	362,270
(9,000)	-	-	(291,975)
<u>350,663</u>	<u>-</u>	<u>-</u>	<u>70,295</u>
(24,674)	154,185	284,545	287,430
<u>141,222</u>	<u>2,739,194</u>	<u>41,658</u>	<u>4,099,437</u>
<u>\$ 116,548</u>	<u>\$ 2,893,379</u>	<u>\$ 326,203</u>	<u>\$ 4,386,867</u>



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, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 1,068,600	\$ 1,068,600	\$ 1,044,815	\$ (23,785)
Special assessments	687,700	687,700	1,083,987	396,287
Investment income				
Interest income	7,000	7,000	21,940	14,940
Net increase in the fair value of investments	-	-	799	799
Miscellaneous	-	-	150	150
Total revenues	<u>1,763,300</u>	<u>1,763,300</u>	<u>2,151,691</u>	<u>388,391</u>
EXPENDITURES				
Current				
General government	81,300	81,300	73,555	7,745
Community development	276,400	276,400	-	276,400
Capital outlay	37,700	37,700	-	37,700
Debt service				
Principal	922,400	922,400	759,460	162,940
Interest and fiscal charges	1,119,300	1,119,300	816,276	303,024
Total expenditures	<u>2,437,100</u>	<u>2,437,100</u>	<u>1,649,291</u>	<u>787,809</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(673,800)</u>	<u>(673,800)</u>	<u>502,400</u>	<u>1,176,200</u>
Net change in fund balance	(673,800)	(673,800)	502,400	1,176,200
Fund balance - beginning of year	<u>2,766,063</u>	<u>2,766,063</u>	<u>2,766,063</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,092,263</u>	<u>\$ 2,092,263</u>	<u>\$ 3,268,463</u>	<u>\$ 1,176,200</u>

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, 2016

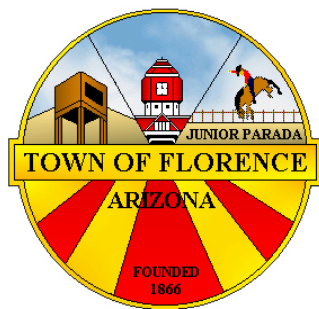
	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Investment income				
Interest income	\$ 3,300	\$ 3,300	\$ 9,622	\$ 6,322
Net increase in the fair value of investments	-	-	664	664
Miscellaneous	-	-	40	40
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>10,326</u>	<u>7,026</u>
EXPENDITURES				
Current				
General government	375,200	375,200	-	375,200
Public safety	2,841,000	2,841,000	206,848	2,634,152
Highways & streets	40,000	40,000	-	40,000
Community development	375,500	375,500	133,967	241,533
Capital outlay	<u>4,680,900</u>	<u>4,680,900</u>	<u>1,757,123</u>	<u>2,923,777</u>
Total expenditures	<u>8,312,600</u>	<u>8,312,600</u>	<u>2,097,938</u>	<u>6,214,662</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,309,300)</u>	<u>(8,309,300)</u>	<u>(2,087,612)</u>	<u>6,221,688</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	20,634	20,634
Proceeds from obligations	5,980,700	5,980,700	2,000,000	(3,980,700)
Bond premium	-	-	165,829	165,829
Total other financing sources and uses	<u>5,980,700</u>	<u>5,980,700</u>	<u>2,186,463</u>	<u>(3,794,237)</u>
Net change in fund balance	<u>(2,328,600)</u>	<u>(2,328,600)</u>	<u>98,851</u>	<u>2,427,451</u>
Fund balance - beginning of year	<u>2,348,690</u>	<u>2,348,690</u>	<u>2,348,690</u>	<u>-</u>
Fund balance - end of year	<u>\$ 20,090</u>	<u>\$ 20,090</u>	<u>\$ 2,447,541</u>	<u>\$ 2,427,451</u>

TOWN OF FLORENCE, ARIZONA
IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	\$ 314,600	\$ 314,600	\$ 413,917	\$ 99,317
Investment income				
Interest income	15,700	15,700	22,076	6,376
Net increase in the fair value of investments	-	-	685	685
Miscellaneous	-	-	1,192	1,192
Total revenues	<u>330,300</u>	<u>330,300</u>	<u>437,870</u>	<u>107,570</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>330,300</u>	<u>330,300</u>	<u>437,870</u>	<u>107,570</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(955,000)</u>	<u>(955,000)</u>	<u>(1,207,117)</u>	<u>(252,117)</u>
Total other financing sources and uses	<u>(955,000)</u>	<u>(955,000)</u>	<u>(1,207,117)</u>	<u>(252,117)</u>
Net change in fund balance	<u>(624,700)</u>	<u>(624,700)</u>	<u>(769,247)</u>	<u>(144,547)</u>
Fund balance - beginning of year	<u>1,701,819</u>	<u>1,701,819</u>	<u>1,701,819</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,077,119</u>	<u>\$ 1,077,119</u>	<u>\$ 932,572</u>	<u>\$ (144,547)</u>

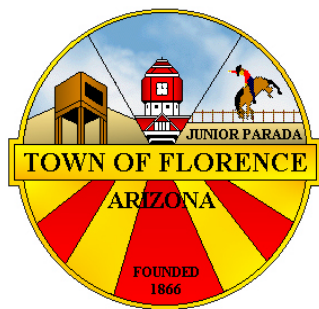
TOWN OF FLORENCE, ARIZONA
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,464,561	\$ 264,561
Investment income				
Interest income	32,400	32,400	31,553	(847)
Net increase in the fair value of investments	-	-	932	932
Miscellaneous	-	-	1,126	1,126
Total revenues	<u>1,232,400</u>	<u>1,232,400</u>	<u>1,498,172</u>	<u>265,772</u>
EXPENDITURES				
Current				
General government	2,000,000	578,220	-	578,220
Capital outlay	<u>2,848,000</u>	<u>4,269,781</u>	<u>1,369,253</u>	<u>2,900,528</u>
Total expenditures	<u>4,848,000</u>	<u>4,848,001</u>	<u>1,369,253</u>	<u>3,478,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,615,600)</u>	<u>(3,615,601)</u>	<u>128,919</u>	<u>3,744,520</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	758,628	758,628
Transfers out	<u>(359,800)</u>	<u>(359,800)</u>	<u>(359,663)</u>	<u>137</u>
Total other financing sources and uses	<u>(359,800)</u>	<u>(359,800)</u>	<u>398,965</u>	<u>758,765</u>
Net change in fund balance	<u>(3,975,400)</u>	<u>(3,975,401)</u>	<u>527,884</u>	<u>4,503,285</u>
Fund balance - beginning of year	<u>3,377,102</u>	<u>3,377,102</u>	<u>3,377,102</u>	<u>-</u>
Fund balance - end of year	<u>\$ (598,298)</u>	<u>\$ (598,299)</u>	<u>\$ 3,904,986</u>	<u>\$ 4,503,285</u>



OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS



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
GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental revenues	\$ 220,900	\$ 220,900	\$ 1,095,357	\$ 874,457
Contributions and donations	-	-	1,500	1,500
Miscellaneous	2,500,000	2,500,000	3,697	(2,496,303)
Total revenues	<u>2,720,900</u>	<u>2,720,900</u>	<u>1,100,554</u>	<u>(1,620,346)</u>
EXPENDITURES				
Current				
General government	-	-	1,435	(1,435)
Public safety	219,100	219,100	336,839	(117,739)
Public works	-	-	45,938	(45,938)
Culture and recreation	1,800	1,800	78,139	(76,339)
Community development	-	-	258,059	(258,059)
Capital outlay	<u>2,500,000</u>	<u>2,500,000</u>	<u>288,495</u>	<u>2,211,505</u>
Total expenditures	<u>2,720,900</u>	<u>2,720,900</u>	<u>1,008,905</u>	<u>1,711,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>91,649</u>	<u>91,649</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,607	2,607
Transfers out	<u>-</u>	<u>-</u>	<u>(99,280)</u>	<u>(99,280)</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(96,673)</u>	<u>(96,673)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(5,024)</u>	<u>(5,024)</u>
Fund balance - beginning of year	<u>38,660</u>	<u>38,660</u>	<u>38,660</u>	<u>-</u>
Fund balance - end of year	<u>\$ 38,660</u>	<u>\$ 38,660</u>	<u>\$ 33,636</u>	<u>\$ (5,024)</u>

TOWN OF FLORENCE, ARIZONA
ECONOMIC DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Investment income				
Interest income	\$ 4,400	\$ 4,400	\$ 7,349	\$ 2,949
Net increase in the fair value of investments	-	-	196	196
Miscellaneous	48,700	48,700	55,326	6,626
Total revenues	53,100	53,100	62,871	9,771
EXPENDITURES				
Current				
Public works	58,700	58,700	56,246	2,454
Community development	48,700	48,700	-	48,700
Total expenditures	107,400	107,400	56,246	51,154
Excess (deficiency) of revenues over (under) expenditures	(54,300)	(54,300)	6,625	60,925
OTHER FINANCING SOURCES (USES)				
Transfers out	(78,900)	(78,900)	(163,061)	(84,161)
Total other financing sources and uses	(78,900)	(78,900)	(163,061)	(84,161)
Net change in fund balance	(133,200)	(133,200)	(156,436)	(23,236)
Fund balance - beginning of year	815,920	815,920	815,920	-
Fund balance - end of year	\$ 682,720	\$ 682,720	\$ 659,484	\$ (23,236)

TOWN OF FLORENCE, ARIZONA
COMMUNITY SERVICES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	\$ 10,200	\$ 10,200	\$ 12,276	\$ 2,076
Fines	3,000	3,000	3,168	168
Investment income				
Interest income	200	200	760	560
Net increase in the fair value of investments	-	-	23	23
Miscellaneous	-	-	7	7
Total revenues	<u>13,400</u>	<u>13,400</u>	<u>16,234</u>	<u>2,834</u>
EXPENDITURES				
Current				
Public safety	3,800	3,800	4,559	(759)
Community development	<u>5,100</u>	<u>5,100</u>	<u>1,482</u>	<u>3,618</u>
Total expenditures	<u>8,900</u>	<u>8,900</u>	<u>6,041</u>	<u>2,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,500</u>	<u>4,500</u>	<u>10,193</u>	<u>5,693</u>
Net change in fund balance	4,500	4,500	10,193	5,693
Fund balance - beginning of year	<u>61,547</u>	<u>61,547</u>	<u>61,547</u>	<u>-</u>
Fund balance - end of year	<u>\$ 66,047</u>	<u>\$ 66,047</u>	<u>\$ 71,740</u>	<u>\$ 5,693</u>

TOWN OF FLORENCE, ARIZONA
COMMUNITY FACILITIES DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 98,600	\$ 98,600	\$ 96,414	\$ (2,186)
Charges for services	-	-	5,130	5,130
Investment income				
Interest income	2,200	2,200	3,208	1,008
Net increase in the fair value of investments	-	-	101	101
Miscellaneous	-	-	19	19
Total revenues	<u>100,800</u>	<u>100,800</u>	<u>104,872</u>	<u>4,072</u>
EXPENDITURES				
Current				
General government	60,200	60,200	59,547	653
Community development	<u>1,000</u>	<u>1,000</u>	<u>50</u>	<u>950</u>
Total expenditures	<u>61,200</u>	<u>61,200</u>	<u>59,597</u>	<u>1,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,600</u>	<u>39,600</u>	<u>45,275</u>	<u>5,675</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(20,634)</u>	<u>(20,634)</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(20,634)</u>	<u>(20,634)</u>
Net change in fund balance	39,600	39,600	24,641	(14,959)
Fund balance - beginning of year	<u>261,236</u>	<u>261,236</u>	<u>261,236</u>	<u>-</u>
Fund balance - end of year	<u>\$ 300,836</u>	<u>\$ 300,836</u>	<u>\$ 285,877</u>	<u>\$ (14,959)</u>

TOWN OF FLORENCE, ARIZONA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	\$ 9,000	\$ 9,000	\$ 7,748	\$ (1,252)
Special assessments	60,200	60,200	64,353	4,153
Investment income				
Interest income	200	200	1,386	1,186
Net increase in the fair value of investments	-	-	38	38
Miscellaneous	-	-	62	62
Total revenues	<u>69,400</u>	<u>69,400</u>	<u>73,587</u>	<u>4,187</u>
EXPENDITURES				
Debt service				
Principal	392,400	392,400	392,272	128
Interest and fiscal charges	<u>56,800</u>	<u>56,800</u>	<u>56,652</u>	<u>148</u>
Total expenditures	<u>449,200</u>	<u>449,200</u>	<u>448,924</u>	<u>276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(379,800)</u>	<u>(379,800)</u>	<u>(375,337)</u>	<u>4,463</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	359,800	359,800	359,663	(137)
Transfers out	<u>(9,000)</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
Total other financing sources and uses	<u>350,800</u>	<u>350,800</u>	<u>350,663</u>	<u>(137)</u>
Net change in fund balance	<u>(29,000)</u>	<u>(29,000)</u>	<u>(24,674)</u>	<u>4,326</u>
Fund balance - beginning of year	<u>141,222</u>	<u>141,222</u>	<u>141,222</u>	<u>-</u>
Fund balance - end of year	<u>\$ 112,222</u>	<u>\$ 112,222</u>	<u>\$ 116,548</u>	<u>\$ 4,326</u>

TOWN OF FLORENCE, ARIZONA
CONSTRUCTION TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 56,000	\$ 56,000	\$ 122,205	\$ 66,205
Investment income				
Interest income	2,000	2,000	30,253	28,253
Net increase in the fair value of investments	-	-	925	925
Miscellaneous	-	-	802	802
Total revenues	<u>58,000</u>	<u>58,000</u>	<u>154,185</u>	<u>96,185</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>58,000</u>	<u>58,000</u>	<u>154,185</u>	<u>96,185</u>
Net change in fund balance	58,000	58,000	154,185	96,185
Fund balance - beginning of year	<u>2,739,194</u>	<u>2,739,194</u>	<u>2,739,194</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,797,194</u>	<u>\$ 2,797,194</u>	<u>\$ 2,893,379</u>	<u>\$ 96,185</u>

TOWN OF FLORENCE, ARIZONA
FOOD TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 265,600	\$ 265,600	\$ 282,558	\$ 16,958
Investment income				
Interest income	5,900	5,900	1,700	(4,200)
Net increase in the fair value of investments	-	-	91	91
Miscellaneous	-	-	196	196
Total revenues	<u>271,500</u>	<u>271,500</u>	<u>284,545</u>	<u>13,045</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>271,500</u>	<u>271,500</u>	<u>284,545</u>	<u>13,045</u>
Net change in fund balance	271,500	271,500	284,545	13,045
Fund balance - beginning of year	<u>41,658</u>	<u>41,658</u>	<u>41,658</u>	<u>-</u>
Fund balance - end of year	<u>\$ 313,158</u>	<u>\$ 313,158</u>	<u>\$ 326,203</u>	<u>\$ 13,045</u>

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	128-139
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	140-141
These schedules contain information to help the reader assess the Town's most significant local revenue source, sales tax.	
Debt Capacity	142-144
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	145-146
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	147-150
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

	2007	2008	2009	2010
GOVERNMENTAL ACTIVITIES				
Invested in capital assets, net of related debt	\$ 38,967,000	\$ 50,480,000	\$ 57,868,000	\$ 58,303,000
Restricted	24,945,000	22,965,000	22,567,000	25,772,000
Unrestricted	9,171,000	12,643,000	18,077,000	18,248,000
Total governmental activities net position	<u>73,083,000</u>	<u>86,088,000</u>	<u>98,512,000</u>	<u>102,323,000</u>
BUSINESS-TYPE ACTIVITIES				
Invested in capital assets, net of related debt	7,146,000	6,314,000	6,007,000	6,012,000
Restricted	894,000	1,014,000	1,042,000	987,000
Unrestricted	5,824,000	8,022,000	8,392,000	10,290,000
Total business-type activities net position	<u>13,864,000</u>	<u>15,350,000</u>	<u>15,441,000</u>	<u>17,289,000</u>
PRIMARY GOVERNMENT				
Invested in capital assets, net of related debt	46,113,000	56,794,000	63,875,000	64,315,000
Restricted	25,839,000	23,979,000	23,609,000	26,759,000
Unrestricted	14,995,000	20,665,000	26,469,000	28,538,000
Total primary government net position	<u>\$ 86,947,000</u>	<u>\$ 101,438,000</u>	<u>\$ 113,953,000</u>	<u>\$ 119,612,000</u>

2011	2012	2013	2014	2015	2016
\$ 54,390,000	\$ 56,527,095	\$ 55,769,932	\$ 61,395,040	\$ 75,421,775	\$ 69,337,465
33,045,000	22,880,295	23,628,884	28,844,637	26,798,037	31,503,936
14,628,000	26,882,692	26,821,517	21,371,306	1,885,480	2,795,259
<u>102,063,000</u>	<u>106,290,082</u>	<u>106,220,333</u>	<u>111,610,983</u>	<u>104,105,292</u>	<u>103,636,660</u>
6,053,000	6,032,112	6,199,045	6,375,459	13,129,903	15,097,040
1,047,000	2,162,035	2,208,022	2,677,331	2,903,176	2,816,813
13,206,000	15,156,389	18,071,833	19,085,727	12,394,686	13,304,470
<u>20,306,000</u>	<u>23,350,536</u>	<u>26,478,900</u>	<u>28,138,517</u>	<u>28,427,765</u>	<u>31,218,323</u>
60,443,000	62,559,207	61,968,977	67,770,499	88,551,678	84,434,505
34,092,000	25,042,330	25,836,906	31,521,968	29,701,213	34,320,749
27,834,000	42,039,081	44,893,350	40,457,033	14,280,166	16,099,729
<u>\$ 122,369,000</u>	<u>\$ 129,640,618</u>	<u>\$ 132,699,233</u>	<u>\$ 139,749,500</u>	<u>\$ 132,533,057</u>	<u>\$ 134,854,983</u>

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

	2007	2008	2009	2010
EXPENSES				
Governmental activities				
General government	\$ 4,450,592	\$ 6,636,693	\$ 6,284,516	\$ 6,683,000
Public safety	4,116,005	5,276,621	5,970,645	5,571,657
Highways and streets	2,313,950	3,252,395	2,356,534	3,478,242
Public works	81,859	39,093	25,893	28,195
Culture and recreation	1,563,986	1,567,834	1,365,332	1,394,734
Community development	509,797	664,920	731,667	623,087
Interest on long-term debt	513,491	409,166	398,057	615,090
Total governmental activities	<u>13,549,680</u>	<u>17,846,722</u>	<u>17,132,644</u>	<u>18,394,005</u>
Business-type activities				
Water	1,376,209	1,685,957	1,437,206	1,390,873
Sewer	1,490,388	1,744,521	2,918,348	1,900,408
Solid waste	577,193	685,265	626,381	663,473
Solid waste impact fees	247,326	61,584	-	-
Total business-type activities	<u>3,691,116</u>	<u>4,177,327</u>	<u>4,981,935</u>	<u>3,954,754</u>
Total primary government expenses	<u>17,240,796</u>	<u>22,024,049</u>	<u>22,114,579</u>	<u>22,348,759</u>

2011	2012	2013	2014	2015	2016
\$ 6,932,444	\$ 3,452,054	\$ 4,055,352	\$ 8,262,562	\$ 4,818,029	\$ 3,850,698
5,313,251	4,008,506	5,528,833	4,816,583	8,081,544	9,790,715
2,960,896	3,064,386	3,001,939	2,728,013	3,409,782	3,961,384
41,693	202,167	293,202	579,857	805,196	714,647
1,257,819	1,450,633	1,684,400	1,699,128	2,813,496	2,513,486
630,865	2,407,647	1,082,103	858,152	948,650	1,138,496
685,365	911,203	888,193	816,839	949,903	861,319
<u>17,822,333</u>	<u>15,496,596</u>	<u>16,534,022</u>	<u>19,761,134</u>	<u>21,826,600</u>	<u>22,830,745</u>
1,321,927	1,293,664	1,362,620	1,618,878	1,783,823	1,418,370
1,806,536	1,819,735	1,747,616	2,140,836	2,486,417	2,021,295
661,964	699,249	682,078	825,239	812,811	827,655
-	-	-	-	-	-
<u>3,790,427</u>	<u>3,812,648</u>	<u>3,792,314</u>	<u>4,584,953</u>	<u>5,083,051</u>	<u>4,267,320</u>
<u>21,612,760</u>	<u>19,309,244</u>	<u>20,326,336</u>	<u>24,346,087</u>	<u>26,909,651</u>	<u>27,098,065</u>

(Continued)

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

	2007	2008	2009	2010
PROGRAM REVENUES				
Governmental activities				
Charges for services:				
General government	1,509,423	1,254,301	1,177,447	942,808
Public safety	161,788	180,201	276,078	298,993
Highway and streets	-	-	-	-
Culture and recreation	8,414	7,265	12,657	10,390
Community development	1,803,778	1,831,769	1,261,113	1,429,227
Interest on long-term debt	-	-	-	-
Operating grants and contributions	321,773	4,077,695	3,578,527	3,182,649
Capital grants and contributions	757,391	8,545,492	9,800,741	3,429,189
Total governmental activities	<u>4,562,567</u>	<u>15,896,723</u>	<u>16,106,563</u>	<u>9,293,256</u>
Business-type activities				
Charges for services:				
Water	1,780,026	2,216,245	2,392,682	2,597,067
Sewer	1,809,021	2,089,828	2,256,995	2,665,332
Solid waste	610,084	754,996	799,442	916,984
Water impact fees	11,135	13,723	-	11,101
Liquid waste	32,896	32,896	6,591	13,684
Solid waste	88,200	65,576	31,105	30,660
Operating grants and contributions	-	-	-	20,000
Capital grants and contributions	-	-	-	-
Total business-type activities	<u>4,331,362</u>	<u>5,173,264</u>	<u>5,486,815</u>	<u>6,254,828</u>
Total primary government program revenues	<u>8,893,929</u>	<u>21,069,987</u>	<u>21,593,378</u>	<u>15,548,084</u>
NET REVENUE (EXPENSE)				
Governmental activities	(8,987,113)	(1,949,999)	(1,026,081)	(9,100,749)
Business-type activities	<u>640,246</u>	<u>995,937</u>	<u>504,880</u>	<u>2,300,074</u>
Total primary government	<u>(8,346,867)</u>	<u>(954,062)</u>	<u>(521,201)</u>	<u>(6,800,675)</u>

2011	2012	2013	2014	2015	2016
947,188	733,487	875,429	1,117,187	1,374,728	1,412,182
306,789	310,166	331,103	216,740	175,084	173,282
-	-	-	41	41	33
9,466	7,401	4,316	8,964	9,882	8,672
474,938	525,659	798,678	507,094	427,676	619,027
-	-	-	-	-	-
3,179,055	2,579,917	2,700,108	2,810,427	3,254,978	3,844,596
1,339,952	1,500,250	953,145	5,403,053	1,404,328	691,397
<u>6,257,388</u>	<u>5,656,880</u>	<u>5,662,779</u>	<u>10,063,506</u>	<u>6,646,717</u>	<u>6,749,189</u>
2,961,152	2,793,341	2,691,199	2,834,647	2,738,692	2,920,345
3,218,251	3,165,051	3,536,085	3,824,435	3,891,568	4,162,105
979,401	1,019,021	1,082,281	678,596	716,166	746,862
-	-	-	-	-	-
27,369	-	-	-	-	-
16,058	5,580	-	-	-	-
-	-	-	-	-	-
-	-	28,503	-	3,718	20,118
<u>7,202,231</u>	<u>6,982,993</u>	<u>7,338,068</u>	<u>7,337,678</u>	<u>7,350,144</u>	<u>7,849,430</u>
<u>13,459,619</u>	<u>12,639,873</u>	<u>13,000,847</u>	<u>17,401,184</u>	<u>13,996,861</u>	<u>14,598,619</u>
(11,564,945)	(9,839,716)	(10,871,243)	(9,697,628)	(15,179,883)	(16,081,556)
<u>3,411,804</u>	<u>3,170,345</u>	<u>3,545,754</u>	<u>2,752,725</u>	<u>2,267,093</u>	<u>3,582,110</u>
<u>(8,153,141)</u>	<u>(6,669,371)</u>	<u>(7,325,489)</u>	<u>(6,944,903)</u>	<u>(12,912,790)</u>	<u>(12,499,446)</u>

(Continued)

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

	2007	2008	2009	2010
GENERAL REVENUES				
Governmental activities				
Taxes				
Sales taxes	3,726,230	5,737,272	4,282,871	3,707,169
Property taxes	341,664	985,758	1,840,508	2,096,826
Franchise taxes	288,426	358,071	366,481	371,537
State shared revenues	9,479,728	6,174,545	6,196,804	5,443,456
Investment income	1,239,799	1,135,669	19,251	334,969
Loss on Sale of Assets	-	-	-	-
Miscellaneous	349,265	237,361	163,863	254,305
Donation of capital assets	7,711,966	-	-	-
Transfers in (out)	348,792	326,795	580,388	703,556
Total governmental activities	<u>23,485,870</u>	<u>14,955,471</u>	<u>13,450,166</u>	<u>12,911,818</u>
Business-type activities				
Investment income	393,180	315,277	(1,839)	101,815
Loss on Sale of Assets	-	-	-	-
Miscellaneous	81,230	500,657	169,364	149,025
Transfers in (out)	(348,972)	(326,795)	(580,388)	(703,556)
Total business-type activities	<u>125,438</u>	<u>489,139</u>	<u>(412,863)</u>	<u>(452,716)</u>
CHANGES IN NET POSITION				
Governmental activities	14,498,757	13,005,472	12,424,085	12,911,818
Business-type activities	<u>765,684</u>	<u>1,485,076</u>	<u>92,017</u>	<u>(452,716)</u>
Total primary government	<u>\$ 15,264,441</u>	<u>\$ 14,490,548</u>	<u>\$ 12,516,102</u>	<u>\$ 12,459,102</u>

2011	2012	2013	2014	2015	2016
3,099,031	4,907,353	3,671,468	4,059,769	3,827,397	4,314,061
1,832,156	1,863,163	1,565,087	1,716,952	1,941,594	2,015,288
371,757	373,761	385,591	520,410	571,559	548,613
4,852,275	5,231,428	5,811,613	6,257,959	6,701,102	6,930,903
195,754	766,154	(259,780)	795,796	315,395	354,952
-	-	-	-	(224,556)	-
272,229	179,340	34,430	250,318	377,242	317,887
-	-	-	-	-	-
681,590	745,275	445,415	1,485,165	1,049,532	1,006,670
<u>11,304,792</u>	<u>14,066,474</u>	<u>11,653,824</u>	<u>15,086,369</u>	<u>14,559,265</u>	<u>15,488,374</u>
64,367	278,145	(111,009)	339,968	212,020	189,556
-	-	-	-	(45,949)	-
223,339	340,737	139,034	52,089	64,631	25,562
(681,590)	(745,275)	(445,415)	(1,485,165)	(1,049,532)	(1,006,670)
<u>(393,884)</u>	<u>(126,393)</u>	<u>(417,390)</u>	<u>(1,093,108)</u>	<u>(818,830)</u>	<u>(791,552)</u>
(260,153)	4,226,758	782,581	5,388,741	(620,618)	(593,182)
<u>3,017,920</u>	<u>3,043,952</u>	<u>3,128,364</u>	<u>1,659,617</u>	<u>1,448,263</u>	<u>2,790,558</u>
<u>\$ 2,757,767</u>	<u>\$ 7,270,710</u>	<u>\$ 3,910,945</u>	<u>\$ 7,048,358</u>	<u>\$ 827,645</u>	<u>\$ 2,197,376</u>

(Concluded)

Town of Florence, Arizona
Table 3
Governmental Funds
Fund Balances
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

	2007	2008	2009	2010
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	-	-	-	-
Unreserved	<u>4,377,961</u>	<u>9,115,927</u>	<u>10,344,343</u>	<u>11,107,505</u>
Total General Fund	<u>4,377,961</u>	<u>9,115,927</u>	<u>10,344,343</u>	<u>11,107,505</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unreserved	<u>24,009,357</u>	<u>21,240,051</u>	<u>25,505,919</u>	<u>27,050,641</u>
Total all other governmental funds	<u>24,009,357</u>	<u>21,240,051</u>	<u>25,505,919</u>	<u>27,050,641</u>
Total governmental funds	<u><u>\$ 28,387,318</u></u>	<u><u>\$ 30,355,978</u></u>	<u><u>\$ 35,850,262</u></u>	<u><u>\$ 38,158,146</u></u>

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.

2011	2012	2013	2014	2015	2016
\$ 64,468	\$ 66,671	\$ 66,700	\$ 63,968	\$ 42,742	\$ 166,575
-	-	-	-	-	-
-	-	-	-	-	-
12,094,137	14,703,424	11,357,149	8,433,419	8,061,736	8,564,249
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,158,605</u>	<u>14,770,095</u>	<u>11,423,849</u>	<u>8,497,387</u>	<u>8,104,478</u>	<u>8,730,824</u>
-	652,624	1,151,553	14,238	-	57,291
21,509,635	17,149,931	17,635,228	26,633,138	20,760,864	26,209,011
652,292	10,865,249	14,946,996	-	-	-
7,537,864	595,691	710,956	9,893,863	992,190	1,131,708
-	-	-	(54,351)	-	-
-	-	-	-	-	-
<u>29,699,791</u>	<u>29,263,495</u>	<u>34,444,733</u>	<u>36,486,888</u>	<u>21,753,054</u>	<u>27,398,010</u>
<u>\$ 41,858,396</u>	<u>\$ 44,033,590</u>	<u>\$ 45,868,582</u>	<u>\$ 44,984,275</u>	<u>\$ 29,857,532</u>	<u>\$ 36,128,834</u>

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

	2007	2008	2009	2010
REVENUES				
Taxes*	\$ 8,169,629	\$ 10,837,524	\$ 9,604,773	\$ 9,090,410
Intergovernmental	6,398,529	6,439,856	7,314,699	5,728,725
Fines and forfeits	74,031	92,304	147,949	132,006
Licenses and permits	554,462	612,530	414,270	425,005
Charges for services	2,821,017	2,536,992	2,113,020	2,094,688
Investment income	1,239,799	1,135,669	19,251	334,969
Contributions	7,184	5,636	26,607	40,051
Special assessments	444,740	592,372	859,365	810,148
Miscellaneous	349,065	233,881	157,697	203,882
Total revenues	20,058,456	22,486,764	20,657,631	18,859,884
EXPENDITURES				
Current:				
General government	3,142,739	3,363,465	3,631,445	3,314,037
Public safety	3,894,394	5,047,297	5,209,649	5,214,936
Highways and streets	1,209,696	2,245,359	1,497,896	1,823,091
Public works	2,656	-	1,328	2,427
Culture and recreation	1,349,633	1,527,826	1,431,507	1,298,065
Community development	901,958	792,679	852,276	712,206
Capital outlay	2,761,698	7,175,581	6,398,226	4,632,680
Debt Service:				
Principal	353,735	392,017	652,336	971,769
Interest and debt cost	418,413	302,068	469,072	672,634
Total expenditures	14,034,922	20,846,292	20,143,735	18,641,845
Excess of revenues over (under) expenditures	6,023,534	1,640,472	513,896	218,039
OTHER FINANCING SOURCES (USES)				
Transfers in	1,166,889	846,848	1,659,619	2,006,197
Transfers out	(817,917)	(520,053)	(1,079,231)	(1,302,641)
Sale of capital assets	9,290	1,393	10,000	289
Issuance of long-term debt	445,000	-	-	1,386,000
Bond premium	-	-	-	-
Total other financing sources (uses)	803,262	328,188	590,388	2,089,845
NET CHANGE IN FUND BALANCES	\$ 6,826,796	\$ 1,968,660	\$ 1,104,284	\$ 2,307,884
Debt service as a percentage of noncapital expenditures	6.85%	5.08%	8.16%	11.74%

Notes:

* Taxes consist of sales, property, and franchise taxes

2011	2012	2013	2014	2015	2016
\$ 8,197,401	\$ 9,511,918	\$ 8,153,474	\$ 8,930,412	\$ 9,176,916	\$ 9,894,218
5,230,895	6,123,769	6,306,573	6,767,071	7,381,412	8,026,260
155,862	149,668	175,058	198,608	157,016	150,043
352,062	291,697	389,434	438,522	526,694	613,337
1,189,716	1,100,044	1,425,455	1,124,212	1,237,474	1,379,260
191,295	766,154	(259,780)	658,692	419,208	356,840
30,713	100,522	16,206	20,618	15,657	46,066
866,452	840,591	905,924	1,017,577	1,185,546	1,148,340
265,314	164,893	113,512	246,829	382,504	646,315
<u>16,479,710</u>	<u>19,049,256</u>	<u>17,225,856</u>	<u>19,402,541</u>	<u>20,482,427</u>	<u>22,260,679</u>
3,429,221	2,944,893	3,469,628	5,183,343	5,608,718	3,602,024
4,966,311	5,423,446	5,791,565	7,008,249	7,954,879	7,587,217
1,528,943	1,653,929	1,596,838	1,947,936	2,752,728	2,177,138
1,425	168,975	167,397	481,598	746,264	636,982
1,134,885	1,362,291	1,623,120	1,636,101	2,026,120	2,402,639
710,314	925,382	757,219	707,699	932,867	1,140,574
4,397,001	3,321,325	2,311,315	5,028,258	14,135,118	4,330,642
366,849	879,340	804,176	839,790	1,580,563	1,151,732
786,733	942,200	909,081	886,179	945,302	872,928
<u>17,321,682</u>	<u>17,621,781</u>	<u>17,430,339</u>	<u>23,719,153</u>	<u>36,682,559</u>	<u>23,901,876</u>
(841,972)	1,427,475	(204,483)	(4,316,612)	(16,200,132)	(1,641,197)
1,223,451	2,412,935	6,618,130	9,320,084	8,433,435	3,403,348
(541,861)	(1,667,660)	(6,172,715)	(7,834,919)	(7,383,903)	(2,396,678)
10,161	2,414	5,060	72,973	(100,693)	-
3,850,500	-	1,589,000	1,850,000	-	6,740,000
-	-	-	24,167	-	165,829
<u>4,542,251</u>	<u>747,689</u>	<u>2,039,475</u>	<u>3,432,305</u>	<u>948,839</u>	<u>7,912,499</u>
<u>\$ 3,700,279</u>	<u>\$ 2,175,164</u>	<u>\$ 1,834,992</u>	<u>\$ (884,307)</u>	<u>\$ (15,251,293)</u>	<u>\$ 6,271,302</u>
8.93%	12.69%	11.21%	9.55%	11.71%	9.37%

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

Industry	2016			2007		
	Tax Paid	Rank	Percentage of Total	Tax Paid	Rank	Percentage of Total
Construction	\$ 1,392,927	1	32.66%	\$ 1,246,171	1	65.19%
Retail Trade	\$ 903,025	2	21.17%	\$ 171,265	3	8.96%
Communications and Utilities	\$ 524,980	3	12.31%	\$ 194,802	2	10.19%
Restaurants and Bars	\$ 470,777	4	11.04%	\$ 84,902	4	4.44%
All Other	\$ 314,241	5	7.37%	\$ 84,214	5	4.41%
Manufacturing	\$ 231,516	6	5.43%	\$ 28,035	8	1.47%
Real Estate, Rental & Leasing	\$ 182,663	7	4.28%	\$ 55,357	6	2.90%
Wholesale Trades	\$ 100,524	8	2.36%	\$ 7,020	10	0.37%
Finance and Insurance	\$ 92,884	9	2.18%	\$ 7,153	9	0.37%
Services	\$ 51,264	10	1.20%	\$ 32,575	7	1.70%
Total	<u>\$ 4,264,802</u>		<u>100.00%</u>	<u>\$ 1,911,493</u>		<u>100.00%</u>

Source: Arizona Department of Revenue

Notes:

- Based upon June 30, 2016 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, 2016

Type of Tax	Rates		
	Town	State and 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

Fiscal Year Ended June 30	Governmental Activities						
	Certificates of Participation	Special Assessment Bonds	Pledged Excise Tax Revenue Obligation	Notes Payable	Capital Leases	GO Bonds - CFDs	Special Assessment Bonds - CFDs
2016	\$ -	\$ 218,000	\$ 4,740,000	\$ 338,551	\$ 285,746	\$10,523,101	\$ 3,922,390
2015	-	282,000	-	385,188	567,382	8,563,200	4,476,850
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	5,822,100
2011	-	482,000	-	546,788	-	7,770,000	6,117,500
2010	-	610,000	-	581,637	-	4,285,000	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

**Business-
type**

Fiscal Year Ended June 30	Notes Payable	Percentage of Personal	
		Total Primary Government	Income Per Capita
2016	\$ 3,429,462	\$ 23,457,250	6.66% 884.75
2015	3,827,612	18,102,232	5.33% 693.60
2014	4,212,898	20,069,047	5.29% 764.10
2013	4,601,319	19,423,090	5.78% 703.38
2012	4,977,189	19,014,136	6.09% 706.32
2011	6,591,457	21,507,745	7.38% 815.15
2010	6,992,889	18,425,526	6.83% 721.52
2009	6,033,490	17,051,896	5.96% 657.25
2008	6,228,819	13,501,732	5.66% 558.83
2007	5,343,488	13,016,163	6.30% 593.52

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 10) for personal income and population data.

Town of Florence, Arizona
Table 8
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Pinal County Community College District	\$ 82,770,000	4.28%	\$ 3,542,556
Florence Unified School District No. 1	37,170,000	25.32%	9,411,444
Total Overlapping Debt			<u>12,954,000</u>
Town of Florence Direct Debt			<u>20,027,788</u>
Total Direct and overlapping debt			<u><u>\$ 32,981,788</u></u>

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

Fiscal Year Ended June 30	Special Assessment Bonds				
	Special Assessment Collections	Debt Service		Coverage	
		Principal	Interest		
2016	\$ 64,352	\$ 64,000	\$ 23,829	0.73	
2015	70,134	55,000	28,477	0.84	
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	

- *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

Fiscal Year	Population	Estimated Personal Income (In thousands)	Estimated Per Capita Personal Income	October Enrollment School Enrollment	Education Level in Years of Schooling	Town Unemployment Rate
2016	26,513	\$ 352,252	\$ 13,286	2,417	13 to 16	7.1%
2015	26,099	339,783	13,019	2,466	13 to 16	7.0%
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%

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

Major Employer	2016			2007		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
State of Arizona	1,971	1	27.93%	3,009	1	36.24%
Pinal County Government	1,850	2	26.22%	2,261	2	27.23%
Correctional Corporation of America	871	3	12.34%	958	3	11.54%
DHS/ICE/DOJ - Federal Government	598	4	8.47%	362	5	4.36%
Florence Schools	401	5	5.68%	417	4	5.02%
GEO - Private Prison System	321	6	4.55%	155	6	1.87%
Town of Florence	200	7	2.83%	161	7	1.94%
Total Town Employment	<u>7,057</u>		88.03%	<u>8,302</u>		88.21%

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

Notes:

- Total Town employment equal to FTE's (Full Time Equivalents)

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

Fiscal Year	Function/Program							Total
	General Government	Public Safety	Highways and Streets	Culture and Recreation	Community Development	Water and Sewer	Sanitation	
2016	29.74	95.32	19.62	34.57	7.25	12.43	1.06	199.99
2015	31.88	79.75	22.33	20.25	6.00	14.55	1.55	176.31
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

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

Function	2007	2008	2009	2010
Police				
Total arrests	222	308	400	406
Moving violation citations	602	981	105	1,000
Total calls for service	7,823	7,314	7,456	5,757
Total 911 calls	2,853	4,501	5,125	5,849
Total part I crimes	398	430	402	351
Fire				
All emergency responses	1,679	1,902	2,105	2,042
Fire and hazmat responses	119	83	127	108
Emergency medical responses	1,155	1,376	1,605	1,654
Other responses	405	443	373	280
Highways and Streets				
Street resurfacing (miles)	0.67	2.50	2.90	1.40
Potholes repaired (estimate)	3,824	5,968	5,094	5,730
Streets maintained (miles)	99.22	99.22	99.22	108.08
Community Development				
Building permits issued	799	703	606	436
Code enforcement cases	188	125	126	80
Parks, Recreation and Library				
Attendance at aquatics facilities	2,386	3,081	3,216	2,561
Attendance at other facilities	22,972	19,008	30,000	24,444
Library visits	113,957	119,564	154,645	130,636
Library materials checked out	60,922	77,756	98,114	103,277
Sanitation				
Homes serviced	2,248	2,643	2,603	3,246
Tons of refuse and garbage hauled	5,812	5,771	5,468	5,569
Water				
Water service connections	3,235	3,266	3,278	3,287
Water consumption (millions gallons/day)	1.92	1.91	1.87	1.90
Water consumption (millions gallons/year)	701	697	683	694
Sewer				
Sewer service connections	3,211	3,241	3,251	3,260
Sewage treated (millions gallons per day)	1.58	1.68	2.02	2.04
Sewage treated (millions gallons per year)	575	613	737	745

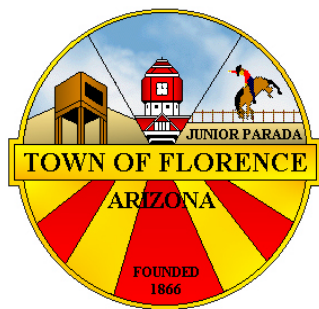
2011	2012	2013	2014	2015	2016
278	264	597	599	563	706
836	701	931	1,637	908	1,519
4,996	5,450	6,341	11,429	11,291	13,453
5,392	5,023	5,796	1,962	1,187	1,069
296	214	363	243	263	306
2,074	2,083	3,469	3,036	2,691	2,885
102	114	133	91	117	123
1,239	1,290	1,941	1,900	1,905	2,024
733	679	1,395	1,042	669	738
3.40	-	2.00	0.50	1.75	3.70
2,978	4,869	6,000	6,600	6,600	7,500
108.08	108.08	110.00	110.00	114.50	126.33
465	78	135	337	615	626
43	19	70	23	148	39
2,441	2,840	1,578	5,000	1,313	27,943
33,936	22,116	30,604	32,600	21,054	56,502
119,254	118,121	99,943	102,623	85,210	N/A
65,120	60,550	60,091	67,726	61,187	70,993
3,446	3,519	3,400	2,967	3,092	3,276
5,319	5,096	5,165	4,003	4,714	N/A
3,295	3,295	3,257	4,002	3,633	3,594
1.98	2.04	1.37	1.71	1.40	1.40
723	745	500	624	518	511
3,268	3,268	3,230	3,337	3,350	3,350
2.06	2.07	1.63	1.64	1.60	1.60
753	757	594	599	584	584

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police stations	1	1	1	1	1	1	1	1.5	1.5	1.5
Police vehicles	26	29	34	38	41	42	44	48	57	54
Fire stations	1	2	2	2	2	2	2	2	2	2
Fire apparatus	6	5	8	8	6	6	7	6	7	8
Other fire vehicles	3	4	4	4	4	5	5	6	5	6
Highways and Streets										
Street (miles)	97	99	99	99	108	108	108	108	113	113
Streetlights	680	889	964	985	1,039	1,039	1,060	1,060	1,182	1,182
Traffic signals own	-	1	1	1	1	1	2	2	2	2
Traffic signals don't own	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Parks	6	7	8	8	8	8	8	8	8	11
Parks acreage	289	289	289	289	289	289	289	341	343	349
Fitness center	1	1	1	1	1	1	1	1	1	1
Swimming pool**	1	1	1	1	1	1	1	1	1	1
Libraries**	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sanitary sewers (miles)	45.5	45.5	45.7	45.7	45.7	45.7	45.7	45.7	54.5	54.5
Storm sewers (miles)	1.5	4.7	6.8	7.2	7.5	7.8	8.4	8.4	8.4	8.4
Treatment capacity (thousands of gallons)	1,920	1,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920

**School owned prior to 2016

COMPLIANCE REPORT





INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

The Honorable Mayor and Town Council
Town of 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, Arizona as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Florence, Arizona's basic financial statements, and have issued our report thereon dated December 9, 2016.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the 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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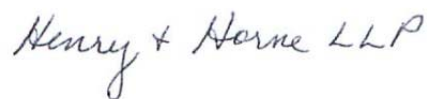
Casa Grande
1115 E. Cottonwood Lane
Suite 100
Casa Grande, AZ 85122-2950
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Fax (520) 426-9432

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Florence, Arizona's financial statements are free from 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.

A handwritten signature in blue ink that reads "Henry & Horne LLP". The signature is written in a cursive, flowing style.

Casa Grande, Arizona
December 9, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE

The Honorable Mayor and Town Council
Town of Florence, Arizona

Report on Compliance for Each Major Federal Program

We have audited the Town of Florence, Arizona's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Florence, Arizona's major federal programs for the year ended June 30, 2016. Town of Florence, Arizona's major federal programs are 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Florence, Arizona's major federal programs 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, Arizona'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 each major federal program. However, our audit does not provide a legal determination of the Town of Florence, Arizona's compliance.

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Opinion on Each Major Federal Program

In our opinion, the Town of Florence, Arizona, 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, 2016.

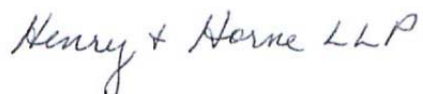
Report on Internal Control over Compliance

Management of the Town of Florence, Arizona, 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, Arizona's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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, Arizona'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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Casa Grande, Arizona
December 9, 2016

TOWN OF FLORENCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Grantor/Program	CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development:			
Pass-through programs from:			
State of Arizona, Department of Housing			
Community Development Block Grants/State's program			
and Non-Entitlement Grants in Hawaii	14.228	107-15	\$ 185,583
Home Investment Partnerships Program	14.239	302-15	249,500 *
Total U.S. Department of Housing and Urban Development			<u>435,083</u>
U.S. Department of the Interior			
Pass-through program from:			
Arizona State Parks Board/State Historic Preservation Office			
Historic Preservation Fund Grants-In-Aid	15.904	441511	<u>1,590</u>
U.S. Department of Justice			
Direct program:			
Bulletproof Vest Partnership Program	16.607	N/A	2,297
Pass through program from:			
Arizona Criminal Justice Division			
National Criminal History Improvement Program	16.554	NCP 14-15-007	<u>29,384</u>
Total U.S. Department of Justice			<u>31,681</u>
U.S. Department of Transportation			
Pass-through programs from:			
Arizona Governor's Office of Highway Safety			
State and Community Highway Safety- Selective Traffic Enforcement	20.600	2016-PT-011	6,916
State and Community Highway Safety- DUI Alcohol Enforcement OT/ERE	20.600	2016-AL-009	2,500
State and Community Highway Safety- Occupant Protection Ed/Equip	20.600	2016-OP-012	279
Minimum Penalties for Repeat Offenders for Driving			
While Intoxicated	20.608	2015-HV-007	<u>2,588</u>
Total U.S. Department of Transportation			<u>12,283</u>
Institute of Museum and Library Services			
Pass-through program from:			
Arizona State Library Archives & Public Records			
Grants to States - LSTA Grant	45.310	2015-35017-9	<u>11,400</u>
Executive Office of the President			
Pass-through programs from:			
City of Tucson			
High Intensity Drug Trafficking Areas Program	95.001	HT-15-2522	<u>91,462</u>
U.S. Department of Homeland Security			
Direct program:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2013-FH-00406	149,071
Pass-through programs from:			
Arizona Department of Homeland Security			
Homeland Security Grant - Operation Stonegarden OT/Mileage	97.067	140316-01	45,938
Homeland Security Grant - Operation Stonegarden Equipment	97.067	140316-02	511
Homeland Security Grant - Operation Stonegarden OT/Mileage	97.067	150316-01	27,966
Homeland Security Grant - Operation Stonegarden Equipment	97.067	150316-02	<u>40,129</u>
Subtotal Department of Homeland Security pass-through programs			<u>114,544</u>
Total U.S. Department of Homeland Security			<u>263,615</u>
Total Expenditures of Federal Awards			<u>\$ 847,114</u>

*denotes major program

TOWN OF FLORENCE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2016

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Florence under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Town of Florence, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Florence.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B) The Town of Florence has elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

TOWN OF FLORENCE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? reported

___ yes ___ X no

___ yes ___ X none

Noncompliance material to financial statements noted?

___ yes ___ X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? reported

___ yes ___ X no

___ yes ___ X none

Type of auditors' report issued on compliance for each
Major program listed below:

Home Investments Partnerships Program

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR section 200.516(a)?

___ yes ___ X no

Identification of major programs:

CFDA Numbers
14.239

Name of Federal Program or Cluster
Home Investments Partnerships Program

Dollar threshold used to distinguish between Type A and
Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

___ X ___ yes ___ no

TOWN OF FLORENCE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

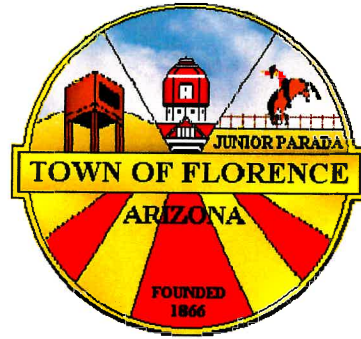
None noted.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YB Finding No. 2015-001

Condition: The ability to change user rights in the capital asset module of the Town's accounting software was not restricted to management.

Current Status: The Town has restricted the ability to change, or authorize changes to user rights in the Town's accounting software effective.

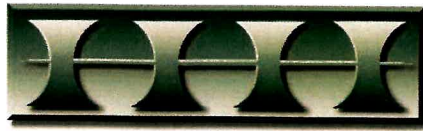


**EXPENDITURE LIMITATION REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2016

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HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT

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

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

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

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

Henry & Horne LLP

Casa Grande, Arizona
December 9, 2016

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TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2016

1. Economic Estimates Commission expenditure limitation	\$ 17,377,010
2. Voter-approved alternative expenditures limitation (date approved May 19, 2015) (Note 2)	<u>32,377,010</u>
3. Enter applicable amount from Line 1 or Line 2	<u>\$ 32,377,010</u>
3. Amount subject to expenditure limitation (total amount from Part II, line B)	<u>26,419,800</u>
4. Amount under the expenditure limitation	<u>\$ 5,957,210</u>

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

Signature of Chief Fiscal Officer: _____



Name and Title: Gabriel Garcia, Finance Director

Telephone Number: 520-868-7505

Date: _____

12/9/2016

TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2016

Description	Governmental Funds	Enterprise Funds	Fiduciary Fund	Total
A. Amounts reported on the Reconciliation, Line D	<u>\$ 20,095,050</u>	<u>\$ 6,311,434</u>	<u>\$ 10,477</u>	<u>\$ 26,416,961</u>
B. Amount subject to expenditure limitation	<u><u>\$ 20,095,050</u></u>	<u><u>\$ 6,311,434</u></u>	<u><u>\$ 10,477</u></u>	<u><u>\$ 26,416,961</u></u>

See accompanying notes.

TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2016

Description	Governmental Funds	Enterprise Funds	Fiduciary Fund	Total
A. Total expenditures/expenses reported within the fund financial statements	\$ 23,901,876	\$ 4,267,320	\$ 10,477	\$ 28,179,673
B. Subtractions:				
Depreciation	-	423,336	-	423,336
Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-
Loss on disposal of assets	3,806,826	-	-	3,806,826
Bad Debt Expense	-	2,839	-	2,839
Pension Expense	-	6,882	-	6,882
	-	217,909	-	217,909
Total subtractions	3,806,826	650,966	-	4,457,792
C. Additions:				
Principal payments on long- term debt	-	398,151	-	398,151
Acquisition of capital assets	-	2,220,947	-	2,220,947
Pension Contribution	-	75,982	-	75,982
Total additions	-	2,695,080	-	2,695,080
D. Amounts reported on Part II, Line A	<u>\$ 20,095,050</u>	<u>\$ 6,311,434</u>	<u>\$ 10,477</u>	<u>\$ 26,416,961</u>

See accompanying notes.

TOWN OF FLORENCE, ARIZONA
NOTE TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the Uniform Expenditure Reporting System (UERS), as required by the Arizona Revised Statutes §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation plan on May 19, 2015, as authorized by the Arizona Constitution, Article IX, §20(9).

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

NOTE 2 AMOUNT IN EXCESS OF STATE-IMPOSED LIMIT

On May 19, 2015, an amount in excess of the state-imposed Expenditure Limitation of \$15,000,000 was approved by the citizens of Florence under Resolution No. 1521-15. The state-imposed expenditure limitation for the year ended June 30, 2016 was \$17,377,010.

The approved Alternative Expenditure Limitation for the year ended June 30, 2016, as adopted under Resolution No. 1521-15 on May 19, 2015, is \$32,377,010.

NOTE 3 ENTERPRISE FUNDS EXPENSES

The total expenses for the Enterprise Funds of \$4,267,320 includes the total operating expenses of \$4,149,971, loss on sale of assets of \$2,839, and interest expense of \$114,510.

NOTE 4 ADDITIONS TO PROPRIETARY CAPITAL ASSETS

Capital assets in the enterprise funds were increased by \$2,220,947.



HENRY & HORNE, LLP
Certified Public Accountants

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

We have audited the financial statements of Town of Florence for the year ended June 30, 2016, and have issued our report thereon dated December 9, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards require that we communicate to you the following information related to our audit.

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

As stated in our engagement letter dated May 3, 2016, 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.

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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, 2016. We noted no transactions entered into by the Town of Florence during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Calculation of compensated absences due within one year.
- Calculation of depreciation.
- Calculation of pension liability.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. 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 9, 2016.

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.

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 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 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 is not intended to be, and should not be, used by anyone other than these specified parties.

Henry & Horne LLP

Casa Grande, Arizona
December 9, 2016

Henry & Horne, LLP
1115 E Cottonwood Lane, Suite 100
Casa Grande, AZ 85122

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, 2016, 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 the date this letter is signed by us, the following representations made to you during your audit.

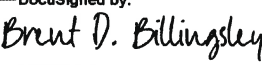
- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 3, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in 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) Significant assumptions we used in making accounting estimates are reasonable.
- 6) 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 U.S. GAAP.
- 7) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 8) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 9) Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.

- 10) We have provided you with:
 - a) 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 Town 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.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) 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.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Town and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements communicated by employees, former employees, regulators, or others.
- 15) 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.
- 16) We have disclosed to you the identity of the Town's related parties and all the related party relationships and transactions of which we are aware.
- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) 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.
- 19) The Town of Florence has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 20) 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 legal and contractual provisions for reporting specific activities in separate funds.
- 21) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 22) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.


- 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) In regard to the proposing entries affecting the financial statements services performed by you, we have –
 - a) Assumed all management responsibilities
 - b) Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the results of the services.
- 26) The Town 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 has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) 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.
- 29) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .
- 30) 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.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 32) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) 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.
- 35) 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.
- 36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 39) We have appropriately disclosed the Town'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.
- 40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 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 annual expenditure limitation report, Combining Fund Financial Statements and Budgetary Annual Financial Report, Other Supplementary Information of the Comprehensive Annual Financial Report, and the statement that fulfills the HURF requirement:
- a) We acknowledge our responsibility for presenting the items listed above in accordance with accounting principles generally accepted in the United States of America, and we believe the those items, 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 those items 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 items listed above are 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 award programs:
- a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. 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 the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, 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 federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards 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 federal statutes, regulations, and the terms and conditions of federal awards 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 federal awards (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 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 federal awarding agencies 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.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Indian 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 taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

DocuSigned by:

Signature: 39922704CA6D450...

Title: Town Manager

DocuSigned by:

Signature: FF726B0D7768481...

Title: Finance Director

12/6/2016
10:22 AM

Client: **0407503 - Town of Florence**
 Engagement: **0407503 - Town of Florence**
 Period Ending: **6/30/2016**
 Trial Balance: **05.01 - TB**
 Workpaper: **05.06 - Adjusting Journal Entry Report**

DS DS
 BDB 88

Account	Description	Debit	Credit
Adjusting Journal Entry JE # 101			
Client Entry to record cash at trustee and proceeds for Transportation projects Pledge Excise Rev. Bonds			
012-118100	Restricted Cash	4,598,000.00	
012-389-690	Loan Proceeds		4,598,000.00
Total		4,598,000.00	4,598,000.00
Adjusting Journal Entry JE # 102			
Client Entry to move AR Billings from incorrect revenue account setup			
010-120000	ACCOUNTS RECEIVABLE	82.00	
010-120000	ACCOUNTS RECEIVABLE	300.00	
010-120000	ACCOUNTS RECEIVABLE	477.00	
010-120000	ACCOUNTS RECEIVABLE	647.00	
010-120000	ACCOUNTS RECEIVABLE	1,013.00	
010-120000	ACCOUNTS RECEIVABLE	1,077.00	
010-120000	ACCOUNTS RECEIVABLE	8,734.00	
012-137000	Due From Other Funds	82.00	
051-137000	Due From other Funds	477.00	
051-137000	Due From other Funds	647.00	
051-137000	Due From other Funds	1,013.00	
051-137000	Due From other Funds	1,077.00	
051-137000	Due From other Funds	8,734.00	
010-250066	Due to other funds		82.00
010-250066	Due to other funds		477.00
010-250066	Due to other funds		647.00
010-250066	Due to other funds		1,013.00
010-250066	Due to other funds		1,077.00
010-250066	Due to other funds		8,734.00
010-339-605	Special Events		300.00
012-518-215	Gas/Electric Charges		82.00
051-371-450	Effluent Charges		477.00
051-371-450	Effluent Charges		647.00
051-371-450	Effluent Charges		1,013.00
051-371-450	Effluent Charges		1,077.00
051-371-450	Effluent Charges		8,734.00
Total		24,360.00	24,360.00
Adjusting Journal Entry JE # 103			
Audit adjustment to correct water fixed assets.			
051-163000	A/D BUILDINGS AND STRUCTURES	6,822.00	
051-170000	MACHINERY AND OTHER EQUIPMENT	118.00	
051-173000	AID MACHINERY & EQUIP - WATER	115,014.00	
051-162000	BUILDING AND STRUCTURES		6,822.00
051-581-507	Improvements Other Than Builds		115,132.00
Total		121,954.00	121,954.00

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Client: **0407503 - Town of Florence**
Engagement: **0407503 - Town of Florence**
Period Ending: **6/30/2016**
Trial Balance: **05.01 - TB**
Workpaper: **05.06 - Adjusting Journal Entry Report**

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Account	Description	Debit	Credit
Adjusting Journal Entry JE # 104			
Audit adjustment to correct sewer fixed assets			
052-163000	ALLOWANCE FOR DEPRECIATION	17,529.00	
052-173000	A/D MACHINERY & EQUIP-SEWER	40,058.00	
052-162000	BUILDING AND STRUCTURES		17,529.00
052-170000	MACHINERY AND OTHER EQUIPMENT		40,058.00
Total		57,587.00	57,587.00
Adjusting Journal Entry JE # 105			
Audit adjustment to correct Sanitation fixed assets.			
053-173000	AID MACHINERY & EQUIP - WATER	21,510.00	
053-350-683	Gain/Loss on Sale of Assets	2,839.00	
053-170000	MACHINERY AND OTHER EQUIPMENT		24,349.00
Total		24,349.00	24,349.00

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Client: **0407503 - Town of Florence**
Engagement: **0407503 - Town of Florence**
Period Ending: **6/30/2016**
Trial Balance: **05.01 - TB**
Workpaper: **05.07 - GASB Journal Entry Report**



Account	Description	Debit	Credit
GASB Journal Entry JE # 1			
To record beginning capital assets			
000-1610-000-0	Land	32,546,409.00	
000-1615-000-0	Construction in progress	14,222,110.00	
000-1620-000-0	Other Capital Assets	70,791,015.00	
000-1630-000-0	Accumulated Depreciation - Capital Assets		27,863,139.00
000-2800-000-0	Investment in Capital Assets		89,696,395.00
Total		<u>117,559,534.00</u>	<u>117,559,534.00</u>

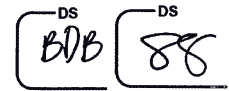
GASB Journal Entry JE # 2			
To record current year capital assets			
000-1615-000-0	Construction in progress	2,093,149.00	
000-1620-000-0	Other Capital Assets	189,334.00	
000-1-3620-000-000	Donation of Capital Assets		
000-1610-000-0	Land		
000-501-501	General Government Capital Expenditures		1,310,871.00
000-510-501	Community Development Capital Expenditure		38,965.00
000-511-501	Public Safety Capital Expenditures		150,681.00
000-518-501	Streets Capital Expenditures		661,676.00
000-521-501	Culture Capital Expenditures		120,290.00
Total		<u>2,282,483.00</u>	<u>2,282,483.00</u>

GASB Journal Entry JE # 3			
To record current year disposals and transfer of CIP			
000-1620-000-0	Other Capital Assets	14,175,146.00	
000-00-000-0000-00	Loss on sale of capital assets		
000-1610-000-0	Land		
000-1615-000-0	Construction in progress		14,175,146.00
000-1620-000-0	Other Capital Assets		
000-1630-000-0	Accumulated Depreciation - Capital Assets		
Total		<u>14,175,146.00</u>	<u>14,175,146.00</u>

GASB Journal Entry JE # 4			
To record current year depreciation for governmental funds			
000-01-000-0000-00	General government depreciation expense	286,447.00	
000-20-000-0000-00	Public Safety depreciation expense	779,862.00	
000-25-000-0000-00	Highways & Streets depreciation expense	1,475,832.00	
000-40-000-0000-00	Culture & rec depreciation expense	72,451.00	
000-1630-000-0	Accumulated Depreciation - Capital Assets		2,614,592.00
000-45-000-0000-00	Community Development depreciation expense		
Total		<u>2,614,592.00</u>	<u>2,614,592.00</u>

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Client: **0407503 - Town of Florence**
 Engagement: **0407503 - Town of Florence**
 Period Ending: **6/30/2016**
 Trial Balance: **05.01 - TB**
 Workpaper: **05.07 - GASB Journal Entry Report**



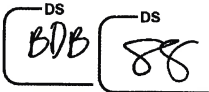
Account	Description	Debit	Credit
GASB Journal Entry JE # 5			
To record beginning year debt service			
000-2500-000-0	Governmental equity	14,274,620.00	
000-2171-200-0	Certificates of Participation L/T Debt		
000-2172-200-0	Special assessment L/T Debt		13,298,850.00
000-2172-250-0	Premiums		23,200.00
000-2173-200-0	Notes Payable L/T Debt		385,188.00
000-2174-200-0	Capital leases		567,382.00
Total		14,274,620.00	14,274,620.00

GASB Journal Entry JE # 6			
To record current year debt activity			
000-2172-200-0	Special assessment L/T Debt	823,460.00	
000-2172-250-0	Premiums	928.00	
000-2173-200-0	Notes Payable L/T Debt	46,637.00	
000-2174-200-0	Capital leases	281,636.00	
012-389-690	Loan Proceeds	4,740,000.00	
920-389-695	BOND PREMIUM	165,829.00	
920-389-770	GO Bond Issuance	2,000,000.00	
000-00-000-5000-00	Principal L/T Debt		1,152,661.00
000-2171-200-0	Certificates of Participation L/T Debt		
000-2172-200-0	Special assessment L/T Debt		6,740,000.00
000-2172-250-0	Premiums		165,829.00
000-2173-200-0	Notes Payable L/T Debt		
000-2174-200-0	Capital leases		
000-2175-200-0	Bonds payable		
011-350-699	Proceeds From Loan		
012-350-699	Proceeds		
910-389-701	Proceeds From Bond Sales 17B		
920-389-690	Proceeds From Bond Sales		
921-596-602	INTEREST- G.O.		
Total		8,058,490.00	8,058,490.00

GASB Journal Entry JE # 7			
To record accrued interest payable			
000-00-000-5000-00	Principal L/T Debt	48,112.00	
000-2500-000-0	Governmental equity	453,564.00	
000-2200-200-0	Interest Payable		501,676.00
000-2200-200-0	Interest Payable		
Total		501,676.00	501,676.00

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Client: **0407503 - Town of Florence**
Engagement: **0407503 - Town of Florence**
Period Ending: **6/30/2016**
Trial Balance: **05.01 - TB**
Workpaper: **05.07 - GASB Journal Entry Report**



Account	Description	Debit	Credit
GASB Journal Entry JE # 8			
To move short term debt from long term debt			
000-2172-200-0	Special assessment L/T Debt	568,150.00	
000-2173-200-0	Notes Payable L/T Debt	49,435.00	
000-2174-200-0	Capital leases	281,636.00	
000-2071-200-0	Certificates of Participation S/T Debt		
000-2072-200-0	Special assessment S/T Debt		568,150.00
000-2073-200-0	Notes Payable S/T Debt		49,435.00
000-2074-200-0	Capital leases short term		281,636.00
000-2171-200-0	Certificates of Participation L/T Debt		
Total		899,221.00	899,221.00
GASB Journal Entry JE # 9			
To record compensated absences, and short term portion.			
000-2170-100-0	Compensated Absences	384,500.00	
000-2500-000-0	Governmental equity	511,488.00	
000-2170-100-0	Compensated Absences		468,986.00
000-2170-200-0	Compensated Absences - Short Term Portion		384,500.00
000-500-000	Compensated absences expense		42,502.00
Total		895,988.00	895,988.00

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Client: **0407503 - Town of Florence**
Engagement: **0407503 - Town of Florence**
Period Ending: **6/30/2016**
Trial Balance: **05.01 - TB**
Workpaper: **05.07 - GASB Journal Entry Report**



Account	Description	Debit	Credit
GASB Journal Entry JE # 10			
To recognized beginning deferred revenues related to special assessments, interest income, grants and sale of property.			
010-246100	Deferred Revenue	32,965.00	
010-246500	Deferred Revenue-H.Luge Note	47,246.00	
011-246100	Deferred Revenue	2,603.00	
012-246100	Deferred Revenue	5,541.00	
013-246100	Deferred Revenue	1,984.00	
019-246100	Deferred Revenue	331.00	
205-246100	Deferred Revenue	3,655.00	
216-246100	Deferred Revenue	2,928.00	
249-246100	Deferred Revenue	273.00	
250-246100	Deferred Revenue	1,011.00	
252-246100	Deferred Revenue	1,100.00	
300-246100	Deferred Revenue	173.00	
301-246100	Deferred Revenue	231.00	
302-246100	Deferred Revenue	102.00	
505-246100	Deferred Revenue	667.00	
508-246100	Deferred Revenue	223.00	
509-246100	Deferred Revenue	336.00	
510-246100	Deferred Revenue	12.00	
511-246100	Deferred Revenue	12.00	
532-246100	Deferred Revenue	17.00	
540-246100	Deferred Revenue	4.00	
541-242000	DEFERRED INCOME-ASSESSMENTS	209,287.00	
566-246100	Deferred Revenue	24.00	
911-242000	DEFERRED INCOME ASSESS AREA 1	1,175,472.00	
911-243000	DEFERRED INCOME ASSESS AREA 2	258,810.00	
911-244000	DEFERRED INCOME-UNIT 17A	241,851.00	
911-246000	DEFERRED INCOME ASSESS Unit 18	243,702.00	
911-247000	DEFER INC ASSESS AREA5 Unit17B	164,528.00	
911-248000	DEFER INC ASSESS AREA 6 Unit9A	272,508.00	
911-249000	DEFER INC ASSESS AREA 6 Unit 2	125,237.00	
911-250000	DEFER INC ASSESS AREA 7 Unit9B	280,000.00	
911-251000	DEFER INC ASSESS AREA 7 Unit16	385,275.00	
911-252000	DEFER INC ASSESS AREA 7Unit17C	59,500.00	
920-246100	Deferred Revenue	1,283.00	
921-242000	DEFERRED INCOME-ASSESS AREA 1	1,286,949.00	
921-243000	DEFERRED INCOME AREA 2 UNIT 29	230,779.00	
921-244000	DEFER INCOME AREA 3 UNIT 40	372,014.00	
921-245000	Defer Income Area 4 Unit 20	155,680.00	
921-246000	DEFER INCOME AREA 5 UNIT 22A	220,352.00	
921-247000	DEFER INCOME AREA 5 UNIT 22B	285,529.00	
957-240100	Deferred Revenue	239.00	
957-246100	Deferred Revenue	137.00	
958-240100	Deferred Revenue	471.00	
958-246100	Deferred Revenue	50.00	
000-2500-000-0	Governmental equity		6,071,091.00
Total		6,071,091.00	6,071,091.00

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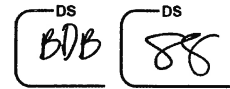
Client: **0407503 - Town of Florence**
 Engagement: **0407503 - Town of Florence**
 Period Ending: **6/30/2016**
 Trial Balance: **05.01 - TB**
 Workpaper: **05.07 - GASB Journal Entry Report**



Account	Description	Debit	Credit
GASB Journal Entry JE # 11			
To recognize changes in deferred revenues related to special assessments, interest earnings, grants and sale of property.			
010-246100	Deferred Revenue	29,300.00	
010-350-684	Luge Principal (Sale of Asset)	3,331.00	
011-345-682	Interest Earnings	1,005.00	
012-345-682	Interest Earnings	883.00	
013-345-682	Interest Earnings	102.00	
014-246100	Deferred Revenue	185.00	
019-345-682	Interest Earnings	33.00	
205-330-337	Other Federal Grants	3,655.00	
216-246100	Deferred Revenue	22,913.00	
223-246100	Deferred Revenue	5,141.00	
249-312-337	Other Fed'l Grant OP STONEGRDN	273.00	
250-246100	Deferred Revenue	813.00	
252-330-337	Other Federal Grants	1,100.00	
300-345-682	Interest Earning	38.00	
301-345-682	Interest Earning	44.00	
302-345-682	Interest Earning	24.00	
505-246100	Deferred Revenue	21.00	
508-246100	Deferred Revenue	54.00	
509-246100	Deferred Revenue	41.00	
510-246100	Deferred Revenue	4.00	
511-246100	Deferred Revenue	24.00	
532-345-682	Interest Earning	2.00	
541-315-701	PRINCIPAL INCOME	48,899.00	
566-246100	Deferred Revenue	4.00	
911-315-701	Area 1 - Principal	143,967.00	
911-316-701	Area 2-54 Principal	33,541.00	
911-317-701	Area 3-17A Principal	12,462.00	
911-318-701	Area 4-18 Principal	19,546.00	
911-319-701	Area 5-17B Principal	13,665.00	
911-320-701	Area 6-9A Principal	21,761.00	
911-321-701	Area 6-2 Principal	8,516.00	
911-322-701	Area 7-17C Principal	1,040.00	
911-323-701	Area 7-9B Principal	21,178.00	
911-324-701	Area 7-16 Principal	45,636.00	
920-246100	Deferred Revenue	69.00	
921-315-701	PRINCIPAL INCOME	21,272.00	
921-315-701	PRINCIPAL INCOME	202,994.00	
921-316-701	PRINCIPAL INCOME	14,114.00	
921-317-701	PRINCIPAL INCOME	26,927.00	
921-318-701	PRINCIPAL INCOME	11,621.00	
921-320-701	PRINCIPAL INCOME	25,409.00	
957-240100	Deferred Revenue	13.00	
957-345-682	Interest Earning	2.00	
958-246100	Deferred Revenue	18.00	
958-345-682	Interest Earning	188.00	

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Client: **0407503 - Town of Florence**
 Engagement: **0407503 - Town of Florence**
 Period Ending: **6/30/2016**
 Trial Balance: **05.01 - TB**
 Workpaper: **05.07 - GASB Journal Entry Report**



Account	Description	Debit	Credit
010-246500	Deferred Revenue-H.Luge Note		3,331.00
010-350-698	Miscellaneous Revenue		29,300.00
011-246100	Deferred Revenue		1,005.00
012-246100	Deferred Revenue		883.00
013-246100	Deferred Revenue		102.00
014-345-682	Interest Earnings		185.00
019-246100	Deferred Revenue		33.00
205-246100	Deferred Revenue		3,655.00
216-312-337	Other Fed'l Grant CDBG 2014/15		22,913.00
223-330-337	Other Federal Grants		5,141.00
249-246100	Deferred Revenue		273.00
250-330-337	Other Federal Grants		813.00
252-246100	Deferred Revenue		1,100.00
300-246100	Deferred Revenue		38.00
301-246100	Deferred Revenue		44.00
302-246100	Deferred Revenue		24.00
505-345-682	Interest Earning		21.00
508-345-682	Interest Earning		54.00
509-345-682	Interest Earning		41.00
510-345-682	Interest Earning		4.00
511-345-682	Interest Earning		24.00
532-246100	Deferred Revenue		2.00
541-242000	DEFERRED INCOME-ASSESMENTS		48,899.00
566-345-682	Interest Earnings		4.00
911-242000	DEFERRED INCOME ASSESS AREA 1		143,967.00
911-243000	DEFERRED INCOME ASSESS AREA 2		33,541.00
911-244000	DEFERRED INCOME-UNIT 17A		12,462.00
911-246000	DEFERRED INCOME ASSESS Unit 18		19,546.00
911-247000	DEFER INC ASSESS AREA5 Unit17B		13,665.00
911-248000	DEFER INC ASSESS AREA 6 Unit9A		21,761.00
911-249000	DEFER INC ASSESS AREA 6 Unit 2		8,516.00
911-250000	DEFER INC ASSESS AREA 7 Unit9B		21,178.00
911-251000	DEFER INC ASSESS AREA 7 Unit16		45,636.00
911-252000	DEFER INC ASSESS AREA 7Unit17C		1,040.00
920-345-682	Interest Earning		69.00
921-242000	DEFERRED INCOME-ASSESS AREA 1		202,994.00
921-243000	DEFERRED INCOME AREA 2 UNIT 29		14,114.00
921-244000	DEFER INCOME AREA 3 UNIT 40		26,927.00
921-245000	Defer Income Area 4 Unit 20		11,621.00
921-246000	DEFER INCOME AREA 5 UNIT 22A		21,272.00
921-247000	DEFER INCOME AREA 5 UNIT 22B		25,409.00
957-246100	Deferred Revenue		2.00
957-345-682	Interest Earning		13.00
958-240100	Deferred Revenue		188.00
958-345-682	Interest Earning		18.00
Total		741,828.00	741,828.00

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Client: **0407503 - Town of Florence**
 Engagement: **0407503 - Town of Florence**
 Period Ending: **6/30/2016**
 Trial Balance: **05.01 - TB**
 Workpaper: **05.07 - GASB Journal Entry Report**

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Account	Description	Debit	Credit
GASB Journal Entry JE # 12			
To post beginning balances related to ASRS pensions payable GASB 68.			
000-180-100	Deferred Outflows of Employer Contributions	477,138.00	
000-180-200	Deferred Outflows of Resources Related to Pensions	649,464.00	
000-2500-000-0	Governmental equity	6,789,946.00	
000-240-000	Net Pension Liability		6,738,237.00
000-250-200	Deferred Inflows of Resources Related to Pensions		1,178,311.00
Total		7,916,548.00	7,916,548.00

GASB Journal Entry JE # 13

To post the change in ASRS Net Pension Liabilities in the current year.

000-250-200	Deferred Inflows of Resources Related to Pensions	587,016.00	
000-501-111	General Government Pension Expense	218,787.00	
000-510-111	Community Development Pension Expense	57,562.00	
000-511-111	Public Safety Pension Expense	116,268.00	
000-518-111	Highways and Streets Pension Expense	121,438.00	
000-521-111	Culture and Recreation Pension Expense	122,544.00	
000-530-111	Public Works Pension Expense	10,910.00	
010-350-698	Miscellaneous Revenue	294,513.00	
012-350-698	Miscellaneous Revenue	54,252.00	
000-180-100	Deferred Outflows of Employer Contributions		477,138.00
000-180-200	Deferred Outflows of Resources Related to		46,109.00
000-240-000	Net Pension Liability		1,060,043.00
Total		1,583,290.00	1,583,290.00

GASB Journal Entry JE # 14

Reclassifying entry for employer contributions to ASRS Pension in Current Year.

000-180-100	Deferred Outflows of Employer Contributions	506,568.00	
000-501-111	General Government Pension Expense		154,333.00
000-510-111	Community Development Pension Expense		45,492.00
000-511-111	Public Safety Pension Expense		96,065.00
000-518-111	Highways and Streets Pension Expense		104,060.00
000-521-111	Culture and Recreation Pension Expense		84,219.00
000-530-111	Public Works Pension Expense		22,399.00
Total		506,568.00	506,568.00

GASB Journal Entry JE # 15

To post beginning balances for PSPRS Police pensions payable.

000-180-100	Deferred Outflows of Employer Contributions	219,027.00	
000-180-200	Deferred Outflows of Resources Related to	462,546.00	
000-2500-000-0	Governmental equity	49,575.00	
000-240-000	Net Pension Liability		556,654.00
000-250-200	Deferred Inflows of Resources Related to Pensions		174,494.00
Total		731,148.00	731,148.00

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Client: **0407503 - Town of Florence**
 Engagement: **0407503 - Town of Florence**
 Period Ending: **6/30/2016**
 Trial Balance: **05.01 - TB**
 Workpaper: **05.07 - GASB Journal Entry Report**

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Account	Description	Debit	Credit
GASB Journal Entry JE # 16			
To properly state the change in Net Pension Liability in the CY for PSPRS Police.			
000-180-200	Deferred Outflows of Resources Related to Pensions	86,454.00	
000-511-111	Public Safety Pension Expense	229,702.00	
000-180-100	Deferred Outflows of Employer Contributions		219,027.00
000-240-000	Net Pension Liability		83,549.00
000-250-200	Deferred Inflows of Resources Related to Pensions		13,580.00
Total		316,156.00	316,156.00

GASB Journal Entry JE # 17

Reclassifying entry for employer pension contributions in the CY for PSPRS Police.

000-180-100	Deferred Outflows of Employer Contributions	280,703.00	
000-511-111	Public Safety Pension Expense		280,703.00
Total		280,703.00	280,703.00

GASB Journal Entry JE # 18

To post beginning balances for PSPRS Fire pensions asset.

000-180-000	Net Pension Asset	391,821.00	
000-180-100	Deferred Outflows of Employer Contributions	185,997.00	
000-180-200	Deferred Outflows of Resources Related to Pensions	215,004.00	
000-2500-000-0	Governmental equity		684,017.00
000-250-200	Deferred Inflows of Resources Related to Pensions		108,805.00
Total		792,822.00	792,822.00

GASB Journal Entry JE # 19

To properly state change in Net Pension Asset in the Current Year for PSPRS Fire.

000-180-200	Deferred Outflows of Resources Related to Pensions	381,845.00	
000-250-200	Deferred Inflows of Resources Related to Pensions	27,201.00	
000-180-000	Net Pension Asset		119,526.00
000-180-100	Deferred Outflows of Employer Contributions		185,997.00
000-511-111	Public Safety Pension Expense		103,523.00
Total		409,046.00	409,046.00

GASB Journal Entry JE # 20

Reclassifying entry for employer contributions in the current year for PSPRS Fire.

000-180-100	Deferred Outflows of Employer Contributions	185,246.00	
000-511-111	Public Safety Pension Expense		185,246.00
Total		185,246.00	185,246.00

FLORENCE FIRE AND MEDICAL DEPARTMENT

FIRE-SAFE SENIORS PROGRAM



OLDER ADULTS FACE THE GREATEST RELATIVE RISK OF DYING IN A FIRE

In 2013, older adults:

- Represented 14 percent of the United States population but suffered 36 percent of all fire deaths.
- Had a 2.5 times greater risk of dying in a fire than the total population.
- Ages 85 and over were 3.6 times more likely to die in a fire than the total population.

Source: U.S. Fire Administration

LOCAL IMPACT



- The Florence Department has responded to 2 fatal fires since 2012.
- Both fatalities were elderly residents in their homes.
- Several grants have recently been awarded for smoke detectors.
- Most effective to address the greatest at-risk segment of the community first.

FIRE-SAFE SENIORS: *PROGRAM GOALS*

- **Home assessments** to determine the need for smoke alarms and identify any existing fire hazards in older adults' homes.
- **Smoke alarm installation** to ensure participants' homes are adequately equipped with working smoke alarms.
- **Education** to provide in-person fire safety messages and tips to older adults, their family members and caregivers.

HOME FIRE SAFETY SURVEY

Home Fire Safety Survey Mobile Homes



General

- ☐ Yes ☐ No Smoke alarms are located outside each separate sleeping area.
☐ Yes ☐ No Smoke alarms are located at least 10 feet from a stationary or fixed cooking appliance.
☐ Yes ☐ No Home has ionization smoke alarms.
☐ Yes ☐ No Home has photoelectric smoke alarms.
☐ Yes ☐ No Home has combination (photoelectric and ionization) smoke alarms.
☐ Yes ☐ No All smoke alarms are working.
☐ Yes ☐ No Home owner has a home fire escape plan.
☐ Yes ☐ No Home owner practices the home fire escape plan at least twice a year.
☐ Yes ☐ No The home has occupant(s) that require assistance to escape. Occupants discuss escape planning and occupant requirements in case of a fire or emergency escape.
☐ Yes ☐ No House number is visible from the street.
☐ Yes ☐ No Windows used for escape open easily — not blocked by furniture, security bars or nailed/painted shut.
☐ Yes ☐ No Security bars, if present, have a quick release device.
☐ Yes ☐ No Home has a carbon monoxide alarm outside each separate sleeping area.
☐ Yes ☐ No Carbon monoxide alarms are working.

Throughout the Home

- ☐ Yes ☐ No Smokers smoke outside the home. Never smoke in bed.
☐ Yes ☐ No Large ashtrays are provided outside for smokers.
☐ Yes ☐ No Matches and lighters are stored in a secure cabinet.
☐ Yes ☐ No Lit candles are not left unattended.
☐ Yes ☐ No Flammable liquids, if stored in the home, are limited in quantity.
☐ Yes ☐ No The home is not cluttered with clothes, magazines, newspapers and other items that can burn.

Kitchen

- ☐ Yes ☐ No Things that can burn are removed from the stovetop.
☐ Yes ☐ No Small appliances are unplugged when not in use.
☐ Yes ☐ No Adult stays in the kitchen when stovetop is in use.

Living/Family Room

- ☐ Yes ☐ No Fireplace has proper screen and hearth.
☐ Yes ☐ No Chimney is inspected annually and cleaned as needed.
☐ Yes ☐ No Things that can burn are at least 3 feet from space heaters and fireplaces.
☐ Yes ☐ No Things that can burn are at least 3 feet from the furnace.
☐ Yes ☐ No Furnace is inspected and cleaned annually.

Bedrooms

- ☐ Yes ☐ No All bedrooms have two ways out — window and a door.
☐ Yes ☐ No Home has a smoke alarm in every bedroom.
☐ Yes ☐ No Glasses, keys, and shoes are kept at bedside during sleeping hours.
☐ Yes ☐ No Phone in bedroom, or cell phone kept on night-stand
☐ Yes ☐ No Things that can burn are at least 3 feet from space heaters

Continued on next page —>

Home Fire Safety Survey Mobile Homes

Laundry Room

- ☐ Yes ☐ No Workshop area is clean of things that can burn.
☐ Yes ☐ No Hot water heater is set at no higher than 120° Fahrenheit.
☐ Yes ☐ No Clothes dryer lint filter and vent pipe are clean.

Garage / Sheds

- ☐ Yes ☐ No There is a solid door between garage and residence.
☐ Yes ☐ No Gas powered equipment is stored in an outside shed or garage, separate from the home.
☐ Yes ☐ No Gasoline is stored in an approved safety container in an outside shed or garage, separate from the home.

Outside the Home

- ☐ Yes ☐ No Outside electrical receptacles are GFCI and they are in good working condition.
☐ Yes ☐ No There is no rubbish, trash, brush or tree trimmings accumulation on the property.
☐ Yes ☐ No Barbecue grill is only used outdoors.
☐ Yes ☐ No Swimming pool or hot tub is enclosed by a four-sided fence and locked gate. Filter, heater or hot tub is properly grounded.

Electrical

- ☐ Yes ☐ No AFCIs (arc-fault circuit interrupters) are installed throughout the home and they are working properly (new home construction only).
☐ Yes ☐ No Kitchen and bathrooms have GFCI outlets on countertop surfaces within 6 feet of running water outlets and they are working properly.
☐ Yes ☐ No All receptacle and switch faceplates are installed and in good condition.
☐ Yes ☐ No Receptacles have been tested and are in good working condition — no evidence of arcing or overheating.
☐ Yes ☐ No Switches are in good condition — no evidence of arcing or overheating.
☐ Yes ☐ No Lighting fixture canopies are fastened in place and fixture is in good condition.
☐ Yes ☐ No Bulbs in light fixtures are the correct wattage for the lighting fixture.
☐ Yes ☐ No Flexible cords and cables are not used as fixed wiring, run through holes in walls, ceiling or floor, run through doorways or windows or under carpets or attached to building surfaces.
☐ Yes ☐ No Panel board and distribution equipment is accessible for inspection and in good condition — no evidence of overheating, corrosion or other damage.
☐ Yes ☐ No Service entrance raceways or cables are fastened in place, grounded, readily accessible and in good condition.

Stair Safety *Trips and falls on stairs are a leading cause of home injuries.*

- ☐ Yes ☐ No Stair is provided with a handrail(s).
☐ Yes ☐ No Stair can be illuminated for night time use.
☐ Yes ☐ No Stair tread depth and riser height are uniform.
☐ Yes ☐ No Stair landing nosing projections are consistent with other nosings on the stair flight.
 (You can determine this by doing a "crouch and sight" test. Crouch down at the top landing of the stair. All the nosings from the landing to the bottom step should line up.)

With your consent, the Home Fire Safety Survey Team has done a fire inspection of your home. The items checked "No" may put you and your family at risk. You are urged to correct these at once for your own safety. This inspection does not identify future conditions such as failure of components, wiring or human behavior which could result in a fire.

EMERGENCY MEDICAL INFORMATION



1. Fill out the Vial of Life form

- Make blank copies of this form to keep your information current or maintain and store your updated information online with us.
- Fill out the backside of the Vial of Life form. Answer all or any pertinent questions.



2. Place the decal on front of a plastic baggie

- Place the form you filled out in the plastic baggie.
- You may also consider placing the following items in the baggie.
 - Copy of EKG
 - DNR (Do Not Resuscitate)
 - Living Will or Equivalent
 - Recent Picture of Yourself



3. Place the baggie on refrigerator door

- Securely tape plastic baggie on the front of your refrigerator door.
- Place the decal on your refrigerator – this could be on the front or side of the refrigerator, whichever is easiest for EMS personnel to see and access.



4. Place the second decal on front door

- Place the decal on the front door so it can easily be seen by anyone responding to an emergency.

■ Florence Fire will also be offering a “Vial of Life” program

■ Very simple to use

■ Saves valuable time

■ Easily updated

■ Free download

■ Over 2 million kits are in use


HOW TO SCHEDULE AN INSPECTION

- **Presentations will be made on this program to retirement communities along with sign-up sheets.**
- **Call the Fire Station Administration main phone number:
(520) 868-7609**
- **Electronically from the Town of Florence website:
<http://www.florenceaz.gov/fire/>**

QUESTIONS?



We thank you for the continued opportunity to serve the citizens of the Town of Florence.

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 7a.
MEETING DATE: December 19, 2016 DEPARTMENT: Community Development STAFF PRESENTER: Mark Eckhoff, AICP Community Development Director SUBJECT: Intergovernmental Agreement with the Arizona Department of Fire, Building and Life Safety – Office of Manufactured Housing		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <div style="margin-left: 20px;"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading </div> <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Motion to approve the Intergovernmental Agreement with the Arizona Department of Fire, Building and Life Safety – Office of Manufactured Housing.

BACKGROUND/DISCUSSION:

The current Intergovernmental Agreement (IGA) with the Arizona Department of Fire, Building and Life Safety – Office of Manufactured Housing (OMH) expires in December 2016. Renewal of the IGA allows the Town to continue our agreement with the OMH another five years. In general terms, the agreement allows the Town to enforce installation standards for manufactured homes, factory-built buildings and mobile homes.

FINANCIAL IMPACT:

In return for providing the services described in IGA, the Town is able to collect the revenue for such services per the fee schedule included with the IGA. Though this is proposed continuation of an existing agreement and fee, i.e., this is not a new fee, notice of the possible adoption of this IGA and Fee Schedule has been posted on the Town's webpage per A.R.S. §9-499.15 for informative purposes.

RECOMMENDATION:

Motion to approve the IGA with the Arizona Department of Fire, Building and Life Safety – Office of Manufactured Housing.

ATTACHMENTS:

IGA with the Arizona Department of Fire, Building and Life Safety – Office of Manufactured Housing. The current Fee Schedule is also attached.

AGREEMENT

BETWEEN

**ARIZONA DEPARTMENT OF HOUSING
OFFICE OF MANUFACTURED HOUSING**

AND

TOWN OF FLORENCE

TO ENFORCE INSTALLATION STANDARDS

This **AGREEMENT** ("Agreement") is entered into this _____ day of _____, _____, by and between the **ARIZONA DEPARTMENT OF HOUSING, OFFICE OF MANUFACTURED HOUSING** ("OMH") and the Town of Florence ("Agency").

WHEREAS, pursuant to A.R.S. § 41-4002 the purpose of OMH is to maintain standards of quality and safety for manufactured homes, factory-built buildings, mobile homes, and the installation of the same.

WHEREAS, A.R.S. § 41-4004 (B) (5) directs OMH to enter into agreements with local enforcement agencies to enforce the installation standards in their respective jurisdictions consistent with the installation standards of OMH; and

WHEREAS, it is the desire of both parties to eliminate unnecessary duplication of inspections regarding installation standards within the Agency's jurisdiction;

NOW, THEREFORE, in consideration of the premises and mutual promises and undertakings herein contained, and for other good and valuable consideration, the parties agree as follows:

1. Monitoring and Enforcement. For the duration of this Agreement, the Agency will monitor and enforce the installation standards set forth in A.R.S. § 41-4004 (B) (4) and A.A.C. R4-34-102 as they apply to installation standards and accessory structures.
2. Term. The term of this Agreement shall be for five (5) years from the date of this Agreement.
3. Standards of Performance. In exercising the authority delegated hereunder the Agency shall perform to the same standards of performance that the law imposes upon OMH in exercising the authority described in section 1 hereof. In addition, the Agency shall not approve any installation unless the installer affixes a State Insignia of Approval as required by A.A.C. R4-34-802 (A) and pays to the Agency the fee established by OMH pursuant to the authority by A.A.C. R4-34-501 and as permitted by A.A.C. R4-34-506.
4. Monthly Reporting. The Agency in this Agreement shall submit a Monthly IGA Report to OMH. A copy of each closed mobile home/HUD manufactured home or FBB permit shall be submitted with the monthly report. The monthly report with copies of permits shall be submitted

by mail, fax, or email, on or before the 15th of the following month. OMH will provide the monthly report format which will require the following be collected and documented:

- a. ARZ HUD label number(s) or FBB manufacturers insignia number
- b. Unit serial number
- c. Installation insignia or FBB plan approval number
- d. Address of installation
- e. Date of approved final installation inspection

5. Fees Charged by the Agency. Permit fees charged by the Agency shall be the same as the Fee Schedule created by OMH pursuant to its authority under A.R.S. § 41-4010 (A) (4) and A.A.C. R4-34-501 and no more than permitted by R4-34-801(E). All fees collected by the Agency shall be kept by the Agency as compensation for the services performed by the Agency under this agreement. The Agency shall not be entitled to any other compensation for services rendered by it under this Agreement.

6. Termination. Either party may terminate this Agreement at any time without cause by giving the other party thirty (30) days written notice prior to the date of termination. Additionally, OMH may terminate this Agreement immediately and without notice, if OMH determines that the installation standards required in the Agreement are not being maintained, or that local fees are not consistent with the inspection fees established by the Board of Manufactured Housing.

7. Qualifications of Personnel. The personnel that perform the functions delegated to the Agency in paragraph 1 hereof shall each have no less than one year of experience as a building code inspector or manufactured housing installation inspector.

8. Inspector Training. All Agency Inspectors performing under this Agreement shall participate in required initial and/or periodic training as set and coordinated by the State.

9. Duties of OMH. Should OMH require inspections of any portion of the installation of mobile, manufactured homes, accessory structures or factory built buildings not required by the Rules referred to herein and not covered under this Agreement, OMH shall be responsible for the inspections and enforcement thereof.

10. Notices. All notices shall be mailed or delivered to the party to receive such notice to the following address.

- a. If intended for OMH to:

Arizona Department of Housing
Office of Manufactured Housing
1110 West Washington, Suite #280
Phoenix, AZ 85007-2935

Attn: Debra Blake
Title: Deputy Director
Phone: (602) 364-1022

b. If intended for Agency, to:

Town of Florence
775 N. Main St.
P.O. Box 2670
Florence, AZ 85132

Attn: Brent Billingsley
Title: Town Manager
Phone: (520) 868-7558

11. Interpretation and Amendments. This Agreement contains the entire agreement between the parties hereto. This Agreement shall not be amended or modified in any manner, except by an instrument in writing signed by the parties hereto.

12. Headings. Headings are for convenience only and are not to be construed as part of this Agreement.

13. Invalidity of a Term. The parties agree that in the event any term, covenant or conditions herein contained should be held to be invalid or void, the invalidity of any such term, covenant or condition shall in no way affect any other term, covenant or condition of this Agreement.

14. Dispute. In the event of any dispute between the parties under this Agreement, the parties agree that they shall submit the dispute to arbitration pursuant to A.R.S. §§ 12-133(D) and 12-1518.

15. Inspection and Audit. Pursuant to A.R.S. §§ 35-214 and 35-215, all books, accounts, reports, files and other records relating to this Agreement shall be subject at all reasonable times to inspection and audit by the State of Arizona for five (5) years after completion of this Agreement. Such records shall be produced at the Auditor General's Office or such other office as the parties hereto may mutually agree within a reasonable time after request.

16. Conflict of Interest. The parties acknowledge that this Agreement is subject to cancellation by the Governor of Arizona pursuant to A.R.S. § 38-511, the provisions of which are incorporated herein.

17. Prohibition Against Discrimination. In the event that it applies, the parties agree to comply with the Arizona Governor's Executive Order No. 2009-09.

18. Governing Law and Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona. The exclusive venue for any litigation, arbitration, administrative hearing or the like concerning this Agreement or any matter arising therefrom shall be in Maricopa County, State of Arizona.

19. Unavailability of Funding. Every payment or financial obligation of the parties under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by any party at the end of the period for which funds are available. No liability shall accrue to any party in the event this provision is exercised,

and neither the OMH or Agency shall be obligated or liable for any future payments nor for any damages as a result of termination under this paragraph.

20. E-verify. To the extent applicable under A.R.S. § 41-4401, each party and its respective subcontractors warrant compliance with all federal immigration laws and regulations that relate to its employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Each party has the right to inspect the papers of the other party or its subcontractors participating in this Agreement and may result in the termination of the Agreement by a non-breaching party under terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto agree to carry out the terms of this Agreement and have executed this Agreement the day, month and year first written above.

ARIZONA DEPARTMENT OF HOUSING:

TOWN OF FLORENCE:

Names: _____
Michael Trailor, Director
Arizona Department of Housing

Name: _____
Tara Walter, Mayor

Debra Blake, Deputy Director
Arizona Department of Housing
Office of Manufactured Housing

ATTEST: _____
Lisa Garcia, Town Clerk

APPROVED this _____ day of _____, ____.

This Intergovernmental Agreement has been reviewed by the undersigned attorney for the Agency who has determined that it is in appropriate form and within the powers and authority granted by law to the Agency designed herein.

BY: _____
Clifford L. Mattice, Town Attorney

This Intergovernmental Agreement has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General, who has determined that it is in the proper form and is within the powers granted under the laws of the State of Arizona to those Parties to the Agreement represented by the Attorney General.

Dated this ____ day of _____, ____.

BY: _____
Valerie L. Marciano, Esq.
Assistant Attorney General



DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

1110 W. WASHINGTON, SUITE 100

PHOENIX, AZ 85007

(602) 364-1003 OFFICE

(602) 364-1052 FAX

www.dfbls.az.gov

FEE SCHEDULE FOR 2016 FISCAL YEAR

FEES ARE EFFECTIVE JULY 1, 2015

Fees charged by the Department are not included in Rule and are exempt from the State Rule procedures (Arizona Revised Statutes § 41-2144(C)).

<u>LICENSING FEES</u>				
	Class	Class Description	New License	Renewal License
MANUFACTURER	M-9A	Factory-built-buildings (FBB) and subassemblies	\$ 864.00	\$ 432.00
	M-9C	Manufactured (MFG) Homes	\$ 864.00	\$ 432.00
	M-9E	Master, includes M-9A and M-9C	\$ 1,358.00	\$ 679.00
RETAILER/ DEALER/ BROKER	D-8	Retailer Mobile/MFG Homes	\$ 566.00	\$ 283.00
	D-8B	Broker Mobile/MFG Homes	\$ 432.00	\$ 216.00
	D-10	Retailer FBB or FBB Subassemblies	\$ 566.00	\$ 283.00
	D-12	Master, includes D-8, D-8B, and D-10	\$ 864.00	\$ 432.00
INSTALLERS	I-10C	General Installer	\$ 432.00	\$ 216.00
	I-10D	Installer of Attached Accessory Structures	\$ 432.00	\$ 216.00
	I-10G	Master, includes I-10C and I-10D	\$ 741.00	\$ 370.00
SALESPERSON	NA	Employee of a licensed Retailer/Dealer/Broker	\$ 206.00	\$ 103.00

<u>PLAN FEES</u>	
DESCRIPTION	FEE
Standard Plan Review	
Application Submittal and Plan Review	\$150.00 Includes up to 1 hour of plan review time
Plan Review	\$119.00 hour Each additional hour
EXPEDITED Plan Review	
Expedited Application and Plan Review	\$269.00 Includes up to 1 hour of plan review time
Expedited Plan Review	\$238.00 hour Each additional hour


CERTIFICATE (INSIGNIA) FEES	
DESCRIPTION	FEE
Installation Certificate	\$10.00 each
Modular Manufacturer Certificate	\$51.00 each
Reconstruction Certificate	\$51.00 each

PERMIT FEES		
DESCRIPTION	STATE ISSUED PERMIT FEE	IGA FEE
Mobile/MFG Home	\$350.00 each <i>Includes 3 Inspections</i>	Up to \$ 350.00 each
FBB – residential	\$ 450.00 per story <i>Includes 3 Inspections</i>	\$ 450.00 per story
FBB – commercial	\$ 4.50/LF per story <i>Includes 3 Inspections</i>	\$ 4.50/LF per story
6 Month Extension on Permit (MFG and FBB)	\$ 82.00	
FBB Special Event	\$ 67.00	
Rehabilitation – Mobile Home	\$ 49.00 <i>Includes 2 Inspections</i>	

INSPECTION FEES	
DESCRIPTION	FEE
MFG facility	\$ 51.00 per hour, plus mileage @ 0.445/mile
Installation Re-Inspection (MFG, FBB, Rehabilitation)	\$ 82.00 per hour, plus mileage @ 0.445/mile
Technical Service	\$ 82.00 per hour

INSTALLATION TRAINING	
DESCRIPTION	FEE
Installation Training <i>OMH Installer: Qualifying Party or Corporate Officer</i> <i>Registrar of Contractor; Participant in the Installation Certificate Program: Qualifying Party or Corporate Officer</i>	\$ 100.00

ADMINISTRATIVE FUNCTION FEES	
DESCRIPTION	FEE
Change on installation permit	\$ 10.00 per item
Change name of license	\$ 10.00 each
Change license location	\$ 10.00 each
Change license telephone number	\$ 10.00 each
Add branch location	\$ 10.00 each
Delete branch location	\$ 10.00 each
Reinstate bond	\$ 10.00 each
Process returned check	\$ 10.00 each
Change status of license to inactive	\$ 10.00 each
Copies	\$.50 each
All refunds are subject to a fee of	\$ 59.00 each

	<h2 style="text-align: center;">TOWN OF FLORENCE COUNCIL ACTION FORM</h2>	<h3 style="text-align: center;"><u>AGENDA ITEM</u> 7b.</h3>
<p>MEETING DATE: December 19, 2016</p> <p>DEPARTMENT: Administration</p> <p>STAFF PRESENTER: Brent Billingsley, Town Manager</p> <p>SUBJECT: Service Line Warranty Program</p>		<p> <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance </p> <p style="margin-left: 40px;"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading </p> <p><input type="checkbox"/> Other</p>

RECOMMENDED MOTION/ACTION:

Authorization to enter into a Marketing License Agreement with Utility Service Partners Private Label, Inc., to provide optional protection on external water lines, external sewer lines, and in-home plumbing lines.

BACKGROUND/DISCUSSION:

Ashley Shiwarski, from Utility Service Partners Private Label, Inc., the administrators of the National League of Cities (NLC) Service Line Warranty Program, attended the November 7, 2016 Council meeting and discussed the program with Council. This program is the only service line program endorsed by the National League of Cities (NLC) and the League of Arizona Cities and Towns.

The Council directed staff to place the item on the agenda for consideration. Entering into a Marketing License Agreement with Utility Service Partners Private Label, Inc., provides residents with optional protection on their external water lines, external sewer lines, and in-home plumbing lines. Fifteen communities in Arizona are currently providing this solution to residents: Avondale; Nogales; Phoenix; Tucson; Mesa; Fredonia; Jerome; Duncan; Kingman; Show Low; Globe; Green Valley; Thatcher; Benson; and Taylor.

The Service Line Warranty Program covers the portion of the outside water and waste lines that are the responsibility of the homeowner. While the homeowner is responsible for their in-home water and waste lines, they are also responsible for the portion of the line that is buried outside of the home to the point of the utility connection.

- Utility Service Partners Private Label Inc., program handles all aspects of the program and it is offered at no cost to the town.
- Warranty coverage with most repairs are completed within 24 hours.
- Warranty covers failures due to normal wear and tear, including age, ground shifting, fluctuating temperatures, tree root invasion and frozen lines. Participation is voluntary and warranties can be cancelled at any time.
- No service fees, deductibles, permit fees, or lifetime or annual limits.
- Around-the-clock claims hotline, including weekends and holidays.

- Use of only licensed, local contractors ensures repairs are made to local code.

FINANCIAL IMPACT:

The program is at no cost to the Town and the Town would receive an incremental revenue stream of \$0.50 per month per paid warranty contract. This royalty is paid to the Town every January.

STAFF RECOMMENDATION:

Authorization to enter into a Marketing License Agreement with Utility Service Partners Private Label, Inc., to provide optional protection on external water lines, external sewer lines, and in-home plumbing lines.

ATTACHMENTS:

Contract

**MARKETING LICENSE AGREEMENT BETWEEN THE TOWN OF
FLORENCE, ARIZONA, AND UTILITY SERVICE PARTNERS PRIVATE LABEL,
INC. D/B/A SERVICE LINE WARRANTIES OF AMERICA**

This MARKETING LICENSE AGREEMENT ("Agreement") entered into as of [_____, 20__] ("Effective Date"), by and between the Town of Florence, Arizona ("Town"), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("SLWA"), herein collectively referred to singularly as "Party" and collectively as the "Parties".

RECITALS:

WHEREAS, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners ("Residential Property Owner"); and

WHEREAS, Town desires to offer Residential Property Owners the opportunity, but not the obligation, to purchase a service line warranty and other similar products ("Warranty"); and

WHEREAS, SLWA is the administrator of the National League of Cities Service Line Warranty Program and has agreed to provide the Warranty to Residential Property Owners subject to the terms and conditions contained herein; and

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

AGREEMENT

1. **Purpose.** Town hereby grants to SLWA the right to offer the Warranty to Residential Property Owners subject to the terms and conditions herein.
2. **Grant of License.** Town hereby grants to SLWA a non-exclusive license ("License") to use Town's name and logo on letterhead, bills and marketing materials to be sent to Residential Property Owners from time to time, and to be used in advertising, all at SLWA's sole cost and expense and subject to Town's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. Town agrees that it will not extend a similar license to any competitor of SLWA during the term of this Agreement.
3. **Term.** The term of this Agreement ("Term") shall be for three (3) years from the

Effective Date. The Agreement will automatically renew for additional one (1) year terms ("Renewal Term") unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Term or of a Renewal Term that the Party does not intend to renew this Agreement. In the event that SLWA is in material breach of this Agreement, the Town may terminate this Agreement thirty (30) days after giving written notice to SLWA of such breach, if said breach is not cured during said thirty (30) day period. SLWA will be permitted to complete any marketing initiative initiated or planned prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate. During the Term, SLWA shall conduct seasonal campaigns each year in accordance with the schedules set forth in Exhibit A. The pricing for each such campaign shall be in accordance with Exhibit A attached hereto. The parties are aware of the provisions of A.R.S. §38-511 and recognize its potential effect on this Agreement. City shall additionally have the right to terminate this Agreement for convenience upon six (6) months written notice to SLWA.

4. Consideration. As consideration for such license, SLWA will pay to Town a License Fee of Fifty-Cents (\$.50) for each month a Warranty shall be in force (and for which payment is received by SLWA) for a Residential Property Owner ("License Fee") during the term of this Agreement. The first payment shall be due by January 30th of the year following the conclusion of first year of the Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term and any Renewal Term, due and payable on January 30th of the succeeding year. Each License Fee payment herein shall be paid within thirty (30) days after it becomes due. SLWA shall include with each License Fee payment to Town a statement signed by an SLWA corporate officer certifying the calculation of the License Fee. Town will have the right, at its sole expense, to conduct an audit, upon reasonable notice and during normal business hours, of SLWA's books and records pertaining to any fees due under this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement.

5. Indemnification. SLWA hereby agrees to protect, indemnify, and hold the Town, its elected officials, officers, employees and agents (collectively or individually, "Indemnatee") harmless from and against any and all claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees and court costs (individually or collectively, "Claim"), which an Indemnatee may suffer or which may be sought against or are recovered or obtainable from an Indemnatee, as a result of, or by reason of, or arising out of or in consequence of any act or omission, negligent or otherwise, of the SLWA or its officers, employees, contractors, subcontractors, agents or anyone who is directly or indirectly employed by, or is acting in concert with, the SLWA or its officers, its employees, contractors, subcontractors, or agents in the performance of this Agreement; provided that the applicable Indemnatee notifies SLWA of any such Claim within a time that does not prejudice the ability of SLWA to defend against such Claim. Any Indemnatee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

6. Notice. Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by personal service, (ii) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or (iii)

deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

To: Town:
ATTN: Brent Billingsley
Town of Florence
PO Box 2670
Florence, AZ 85132
Phone: (520) 868-7558
Email: brent.billingsley@florenceaz.gov

To: SLWA:
ATTN: Vice President, Business Development
Utility Service Partners Private Label, Inc.
11 Grandview Circle, Suite 100
Canonsburg, PA 15317
Phone: (866) 974-4801

7. Modifications or Amendments/Entire Agreement. Any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a party unless in writing signed by that Party.

8. Assignment. This Agreement and the License granted herein may not be assigned by SLWA without the prior written consent of the Town, such consent not to be unreasonably withheld.

9. Counterparts/Electronic Delivery. This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter.

10. Choice of Law/Attorney Fees. The governing law shall be the laws of the State of Arizona. In the event that at any time during the Term or any Renewal Term either Party institutes any action or proceeding against the other relating to the provisions of this Agreement or any default hereunder, then the unsuccessful Party shall be responsible for the reasonable expenses of such action including reasonable attorney's fees, incurred therein by the successful Party.

11. Incorporation of Recitals and Exhibits. The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first written above.

**MARKETING LICENSE AGREEMENT BETWEEN THE TOWN
OF FLORENCE AND UTILITY SERVICE PARTNERS PRIVATE LABEL, INC. D/B/A
SERVICE LINE WARRANTIES OF AMERICA**

TOWN OF FLORENCE

By:_____

UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

By:_____

Exhibit A
NLC Service Line Warranty Program
Town of Florence, AZ
Term Sheet
August 30, 2016

- I. Term of agreement
 - a. Initial term
 - i. Three years guaranteed (total of 9 campaigns)
- II. Annual royalty – \$0.50 per month per paid warranty contract
 - a. Town logo on letterhead, advertising, billing, and marketing materials
 - b. Signature by Town official
- III. Products offered
 - a. External sewer line warranty
 - b. External water line warranty
 - c. In-home plumbing warranty
- IV. Scope of Coverage
 - a. External sewer line warranty
 - i. Scope is from the Town main tap until line daylights inside home...of which includes the service line under the concrete floor. [Note: **If homeowner responsibility is different than this language, please advise.**]
 - b. External water line warranty
 - i. Scope is from the meter and/or curb box until it daylights inside home...of which includes the service line under the concrete floor. [Note: **If homeowner responsibility is different than this language, please advise.**]
 - c. In-home plumbing warranty
 - i. Scope covers residential in-home water supply lines and in-home sewer lines and all drain lines connected to the main sewer stack that are broken or leaking inside the home after the point of entry. Coverage includes broken or leaking water, sewer, or drain lines that may be embedded under the slab or basement floor. Coverage also includes repair of clogged toilets.
- V. Marketing Campaigns – three seasonal campaigns per year (Spring, Fall and Winter)
 - a. 2017 Spring
 - b. 2017 Fall
 - c. 2018 Winter
 - d. 2018 Spring
 - e. 2018 Fall
 - f. 2019 Winter
 - g. 2019 Spring
 - h. 2019 Fall
 - i. 2020 Winter
- VI. Standard Pricing (Outside of Campaign)
 - a. Sewer

- i. Year 1 - \$8.75 per month; \$100.00 annually
 - ii. Year 2 - \$8.75 per month; \$100.00 annually (subject to annual review)
 - iii. Year 3 - \$8.75 per month; \$100.00 annually (subject to annual review)
 - b. Water
 - i. Year 1 - \$6.50 per month; \$73.00 annually
 - ii. Year 2 - \$6.50 per month; \$73.00 annually (subject to annual review)
 - iii. Year 3 - \$6.50 per month; \$73.00 annually (subject to annual review)
 - c. In-home plumbing
 - i. Year 1 - \$7.75 per month; \$88.00 annually
 - ii. Year 2 - \$7.75 per month; \$88.00 annually (subject to annual review)
 - iii. Year 3 - \$7.75 per month; \$88.00 annually (subject to annual review)
- VII. Campaign Pricing
- a. Sewer
 - i. Year 1 - \$7.75 per month; \$88.00 annually
 - ii. Year 2 - \$7.75 per month; \$88.00 annually (subject to annual review)
 - iii. Year 3 - \$7.75 per month; \$88.00 annually (subject to annual review)
 - b. Water
 - i. Year 1 - \$5.75 per month; \$64.00 annually
 - ii. Year 2 - \$5.75 per month; \$64.00 annually (subject to annual review)
 - iii. Year 3 - \$5.75 per month; \$64.00 annually (subject to annual review)
 - c. In-home plumbing
 - i. Year 1 - \$6.99 per month; \$78.99 annually
 - ii. Year 2 - \$6.99 per month; \$78.99 annually (subject to annual review)
 - iii. Year 3 - \$6.99 per month; \$78.99 annually (subject to annual review)

NLC Service Line Warranty Program Highlights for:

Arizona Cities



- Over 60,000 households in Arizona enjoy sewer, water and/or in-home plumbing line coverage
- Over \$2.5 million paid in repair costs
- Over 99% of Arizona claims approved
- Endorsed by the League of Arizona Cities and Towns (LACT)
- Homeowners are educated about their service line responsibilities
- 24/7/365 bilingual customer service



WHAT ARIZONA CUSTOMERS ARE SAYING

"I was impressed with my claim service. Everything and everyone was nice, quick and very easy in getting my repair taken care of. I am very happy I made the decision two years ago to buy your policy." - Doug J., Phoenix, AZ

"Water/Sewer line ruptures can be terribly expensive! Service Line Warranties has saved me big dollars twice already. Thank you!" - Diane S., Tucson, AZ

"Outstanding service! After I called in the water leak, it only took 3 hours and everything was fixed and I was up and running." - Tim C., Phoenix, AZ

PARTICIPATING CITIES

Sample of over 15 Arizona cities – over 300 cities participate nationally

Avondale, AZ
Globe, AZ
Kingman, AZ
Mesa, AZ

Phoenix, AZ
Tucson, AZ
Nogales, AZ

Duncan, AZ
Benson, AZ
Taylor, AZ

NLC Service Line Warranty Program

PROGRAM BENEFITS

CITY

Provides non-tax revenue stream without any investment

Reduces calls to City/Public Works when a homeowner's line fails

Contractors undergo rigorous vetting process to ensure repairs meet city code

Reduces costs associated with sending Public Works to residents' homes to assess lateral line issues

Keeps money in the local economy by using contractors in the metro area

Contractors must be current with insurance and required licenses

RESIDENTS

Affordable utility line repair solution for families on a budget

Educates homeowners about their service line responsibilities

Prevents aggravation of having to find a reliable, reputable plumber

Peace of mind – with one toll-free call a plumber is dispatched

Keeps money in the homeowner's pocket; without coverage, repairs cost from hundreds of dollars up to \$3,900

No service fees or deductibles, paperwork or forms to complete for the homeowner

PROGRAM ACCOLADES & ACCOMPLISHMENTS



BBB Torch Award for Marketplace Ethics


Trust • Performance • Integrity

2013 Winner
Western Pennsylvania Better Business Bureau®

◆ **BBB Accredited Business with A+ rating for nearly a decade**

◆ **2013 Western Pennsylvania Better Business Bureau Torch Award winner for Marketplace Ethics**

- ◆ More than **97%** of all submitted claims are approved
- ◆ A customer satisfaction rating that has exceeded **95%** for more than a decade
- ◆ **9 of 10** customers surveyed have recommended the program to friends, family and neighbors
- ◆ The **only** utility line protection program endorsed by the National League of Cities

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 7c.
MEETING DATE: December 19, 2016 DEPARTMENT: Administration STAFF PRESENTER: Lisa Garcia Deputy Town Manager/Town Clerk SUBJECT: Florence Garden Mobile Home Association's Special Event Liquor License Applications		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <div style="margin-left: 20px;"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading </div> <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Recommendation to the Arizona Department of Liquor Licenses and Control on the Florence Gardens Mobile Home Association's applications for a Special Event Liquor License for their Keg n' Cork events, to be held on January 5, January 19, February 2, February 16, March 2, March 30, November 16, and December 7, 2017.

BACKGROUND/DISCUSSION:

The Florence Gardens Mobile Home Association has submitted eight applications for their Special Event Liquor License for their Keg n' Cork events to be held on January 5, January 19, February 2, February 16, March 2, March 30, November 16, and December 7, 2017, at the Florence Gardens Club House, 3803 Florence Boulevard, Florence, Arizona.

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. These events will bring their total to nine events for the 2017 calendar year. The fee for a Special Event License is \$25 per day, payable to the Arizona Department of Liquor License and Control. The Town of Florence is holding a check totaling \$200 to forward to the Arizona Department of Liquor License and Control upon Council approval.

FINANCIAL IMPACT:

None

STAFF RECOMMENDATION:

Staff recommends that Council forward a favorable recommendation to the Arizona Department of Liquor Licenses and Control.

ATTACHMENTS:

Applications



Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLLC USE ONLY

Event Date(s):

Event time start/end:

CSR:

License:

APPLICATION FOR SPECIAL EVENT LICENSE

Fee= \$25.00 per day for 1-10 days (consecutive)

Cash Checks or Money Orders Only

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: Florence Gardens Mobil Home Association

SECTION 2 Non-Profit/IRS Tax Exempt Number: 86-0346915

SECTION 3 The organization is a: (check one box only)

- ☐ Charitable ☐ Fraternal (must have regular membership and have been in existence for over five (5) years)
☐ Religious ☒ Civic (Rotary, College Scholarship) ☐ Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises? ☐ Yes ☒ No

Name of Business

License Number

Phone (include Area Code)

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

- ☐ Place license in non-use
☐ Dispense and serve all spirituous liquors under retailer's license
☒ Dispense and serve all spirituous liquors under special event
☐ Split premise between special event and retail location

(IF NOT USING RETAIL LICENSE, SUBMIT A LETTER OF AGREEMENT FROM THE AGENT/OWNER OF THE LICENSED PREMISE TO SUSPEND THE LICENSE DURING THE EVENT. IF THE SPECIAL EVENT IS ONLY USING A PORTION OF PREMISE, AGENT/OWNER WILL NEED TO SUSPEND THAT PORTION OF THE PREMISE.)

SECTION 6 What is the purpose of this event? ☒ On-site consumption ☐ Off-site (auction) ☐ Both

SECTION 7 Location of the Event: Florence Gardens Club House

Address of Location: 3803 Florence Blvd. Florence Pinal AZ 85132
Street City COUNTY State Zip

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ☒ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Shaete Rebbie A 11-29-44
Last First Middle Date of Birth

2. Applicant's mailing address: 3703 N Colorado Ave Florence AZ 85132
Street City State Zip

3. Applicant's home/cell phone: 608 539-2729 Applicant's business phone: ()

4. Applicant's email address: pigsfly05@yahoo.com

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?

☐ Yes ☒ No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 9
(The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. Is the organization using the services of a promoter or other person to manage the event? ☐ Yes ☒ No
(If yes, attach a copy of the agreement.)

4. 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 the special event liquor sales. Attach an additional page if necessary.

Name Florence Gardens Mobil Home Ass. Percentage: 100%
Address 3803 Florence Blvd. Florence AZ 85732
Street City State Zip

Name _____ Percentage: _____

Address _____
Street City State Zip

5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.

"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

6. What type of security and control measures will you take to prevent violations of liquor laws at this event?
(List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

_____ Number of Police _____ Number of Security Personnel ☐ Fencing ☐ Barriers

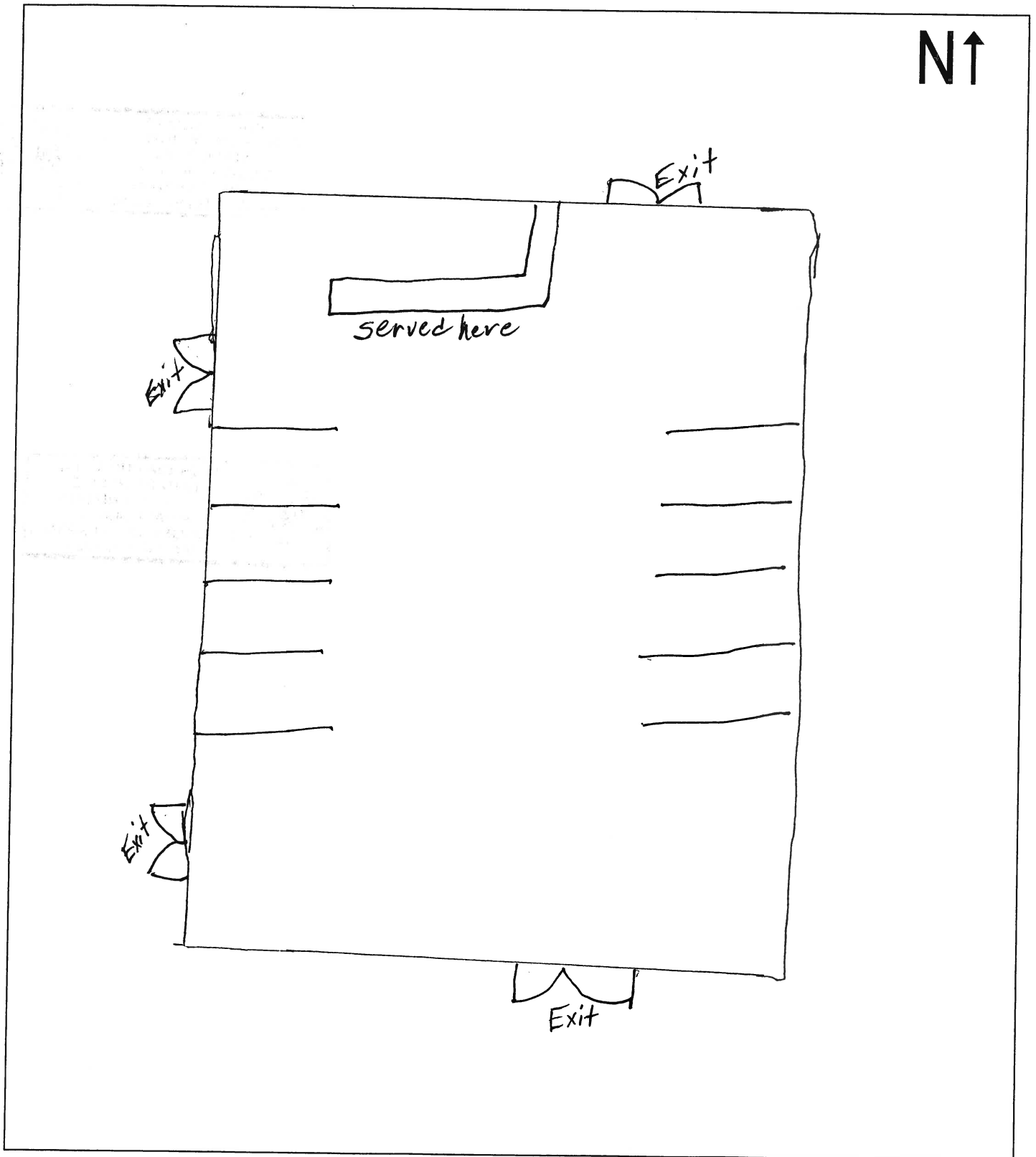
Explanation: Members of the committee patrol & monitor the function.
Have to be a member or guest of association to attend.
Reg & Cork

SECTION 11 Dates and Hours of Event. Days must be consecutive but may not exceed 10 consecutive days.
See A.R.S. § 4-244(15) and (17) for legal hours of service.

PLEASE FILL OUT A SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>1-5-17</u>	<u>Thurs.</u>	<u>3:30</u>	<u>5:00</u>
DAY 2:	_____	_____	_____	_____
DAY 3:	_____	_____	_____	_____
DAY 4:	_____	_____	_____	_____
DAY 5:	_____	_____	_____	_____
DAY 6:	_____	_____	_____	_____
DAY 7:	_____	_____	_____	_____
DAY 8:	_____	_____	_____	_____
DAY 9:	_____	_____	_____	_____
DAY 10:	_____	_____	_____	_____

SECTION 12 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space 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 position.



SECTION 13 To be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, (Print Full Name) Debbie A Thacte declare that I am an Officer, Director or Chairperson of the organization filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

X Debbie A Thacte Sec Board 12-1-16 208-539-2729
Signature Title/ Position Date Phone Number

The foregoing instrument was acknowledged before me this 2nd December 2016
Day Month Year

State Arizona County of Pinal

My Commission Expires on: Jan. 10, 2020 Date

Signature of Notary Public Patricia Buchanan

PATRICIA BUCHANAN
NOTARY PUBLIC
STATE OF ARIZONA
PINAL COUNTY
MY COMMISSION EXPIRES
JANUARY 10, 2020

SECTION 14 This section is to be completed only by the applicant named in Section 9.

I, (Print Full Name) Debbie A Thacte declare that I am the APPLICANT filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

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Signature Title/ Position Date Phone Number

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Signature of Notary Public Patricia Buchanan

PATRICIA BUCHANAN
NOTARY PUBLIC
STATE OF ARIZONA
PINAL COUNTY
MY COMMISSION EXPIRES
JANUARY 10, 2020

Please contact the local governing board for additional application requirements and submission deadlines. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section.

I, _____ recommend ☐ APPROVAL ☐ DISAPPROVAL
(Government Official) (Title)

On behalf of _____, _____, _____, _____
(City, Town, County) Signature Date Phone

SECTION 16 For Department of Liquor Licenses and Control use only.

☐ APPROVAL ☐ DISAPPROVAL BY: _____ DATE: ____/____/____

A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.



Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLIC USE ONLY

Event Date(s):
Event time start/end:
CSR:
License:

APPLICATION FOR SPECIAL EVENT LICENSE
Fee= \$25.00 per day for 1-10 days (consecutive)
Cash Checks or Money Orders Only

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

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Name of Business

License Number

Phone (include Area Code)

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SECTION 6 What is the purpose of this event? ☒ On-site consumption ☐ Off-site (auction) ☐ Both

SECTION 7 Location of the Event: Florence Gardens Club House

Address of Location: 3800³ Florence Blvd. Florence Pinal AZ 85132
Street City COUNTY State Zip

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ☐ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Phacte Reblie A. 11-29-44
Last First Middle Date of Birth
2. Applicant's mailing address: 3703 W Colorado Florence AZ 85132
Street City State Zip
3. Applicant's home/cell phone: 208-539-2729 Applicant's business phone: (____)
4. Applicant's email address: pigsfly05@yahoo.com

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?

☐ Yes ☒ No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 9
(The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

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(If yes, attach a copy of the agreement.)

4. 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 the special event liquor sales. Attach an additional page if necessary.

Name Florence Gardens Mobil Home Ass. Percentage: 100%

Address 3803 Florence Blvd Florence AZ 85132
Street City State Zip

Name _____ Percentage: _____

Address _____
Street City State Zip

5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.

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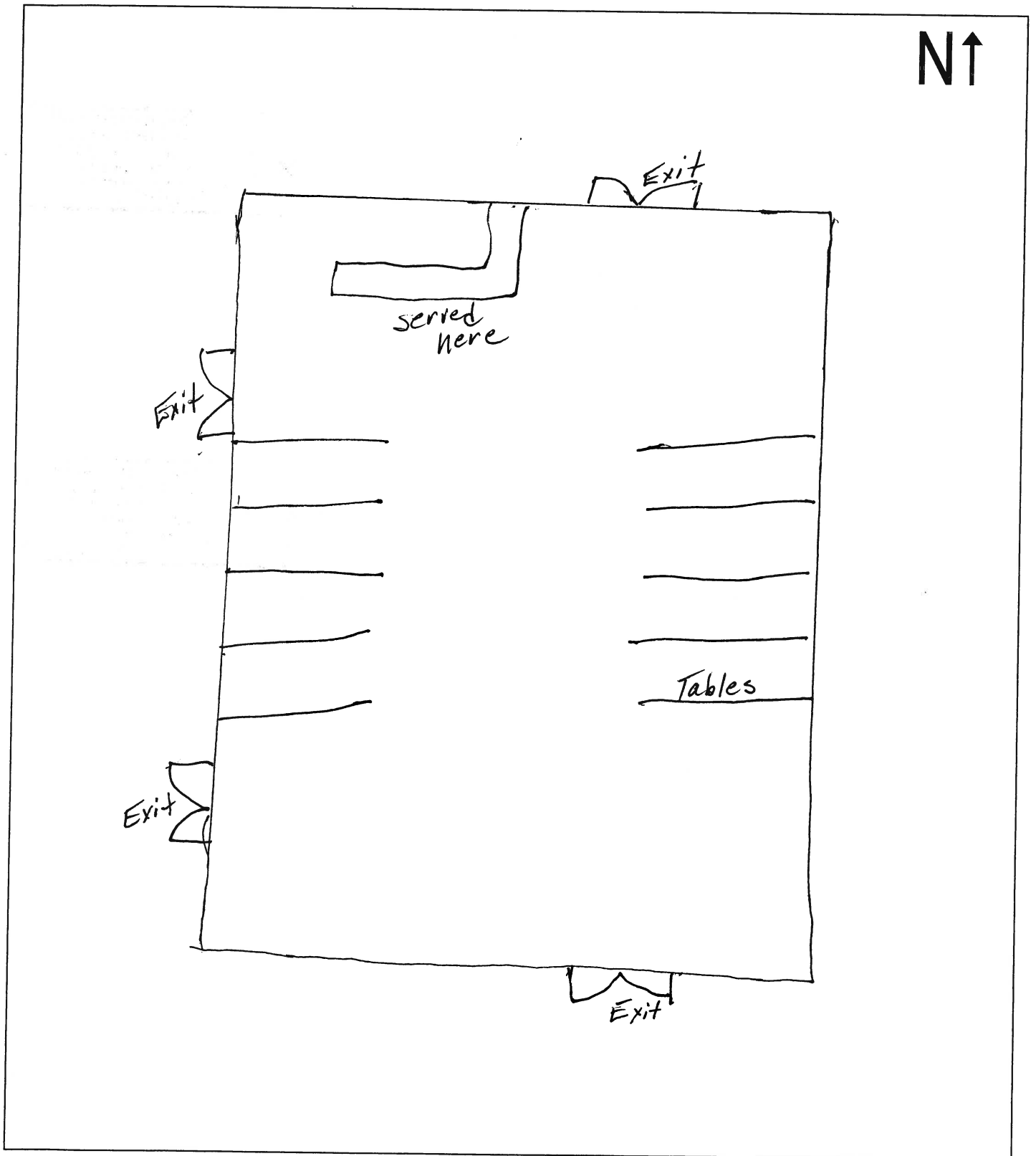
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DAY 4:	_____	_____	_____	_____
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I, (Print Full Name) Debbie A. Thaele declare that I am an Officer, Director or Chairperson of the organization filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

X Debbie A. Thaele Sec Board 12-1-16 208-539-2729
Signature Title/ Position Date Phone Number

The foregoing instrument was acknowledged before me this 2nd December 2016
State Arizona County of Pinal Day Month Year

My Commission Expires on Jan 10, 2020 Date

Patricia Buchanan  PATRICIA BUCHANAN
NOTARY PUBLIC
STATE OF ARIZONA
PINAL COUNTY
MY COMMISSION EXPIRES
JANUARY 10, 2020
Signature of Notary Public

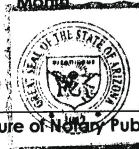
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Signature Title/ Position Date Phone Number

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State Arizona County of Pinal Day Month Year

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Patricia Buchanan  PATRICIA BUCHANAN
NOTARY PUBLIC
STATE OF ARIZONA
PINAL COUNTY
MY COMMISSION EXPIRES
JANUARY 10, 2020
Signature of Notary Public

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(Government Official) (Title)

On behalf of _____, _____, _____, _____
(City, Town, County) Signature Date Phone

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A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

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FOR DLLC USE ONLY

Event Date(s):
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APPLICATION FOR SPECIAL EVENT LICENSE
Fee= \$25.00 per day for 1-10 days (consecutive)
Cash Checks or Money Orders Only

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: Florence Gardens Mobil Home Association

SECTION 2 Non-Profit/IRS Tax Exempt Number: 86-0346915

SECTION 3 The organization is a: (check one box only)

- ☐ Charitable ☐ Fraternal (must have regular membership and have been in existence for over five (5) years)
☐ Religious ☒ Civic (Rotary, College Scholarship) ☐ Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises? ☐ Yes ☒ No

Name of Business

License Number

Phone (include Area Code)

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

- ☐ Place license in non-use
☐ Dispense and serve all spirituous liquors under retailer's license
☒ Dispense and serve all spirituous liquors under special event
☐ Split premise between special event and retail location

(IF NOT USING RETAIL LICENSE, SUBMIT A LETTER OF AGREEMENT FROM THE AGENT/OWNER OF THE LICENSED PREMISE TO SUSPEND THE LICENSE DURING THE EVENT. IF THE SPECIAL EVENT IS ONLY USING A PORTION OF PREMISE, AGENT/OWNER WILL NEED TO SUSPEND THAT PORTION OF THE PREMISE.)

SECTION 6 What is the purpose of this event? ☒ On-site consumption ☐ Off-site (auction) ☐ Both

SECTION 7 Location of the Event: Florence Gardens Club House
Address of Location: 3803 Florence Blvd Florence Pinal AZ 85132
Street City COUNTY State Zip

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ☒ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Shaft Nehle A. 11-29-44
Last First Middle Date of Birth
2. Applicant's mailing address: 3703 N Colorado Ave Florence AZ 85132
Street City State Zip
3. Applicant's home/cell phone: (208) 539-2729 Applicant's business phone: ()
4. Applicant's email address: pigsfly05@yahoo.com

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?

☐ Yes ☒ No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 9
(The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. Is the organization using the services of a promoter or other person to manage the event? ☐ Yes ☒ No
(If yes, attach a copy of the agreement.)

4. 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 the special event liquor sales. Attach an additional page if necessary.

Name Florence Gardens Mobil Home Ass. Percentage: 100%

Address 3803 Florence Blvd Florence AZ 85732
Street City State Zip

Name _____ Percentage: _____

Address _____
Street City State Zip

5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.

"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

6. What type of security and control measures will you take to prevent violations of liquor laws at this event?
(List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

Number of Police _____ Number of Security Personnel _____ ☐ Fencing ☐ Barriers

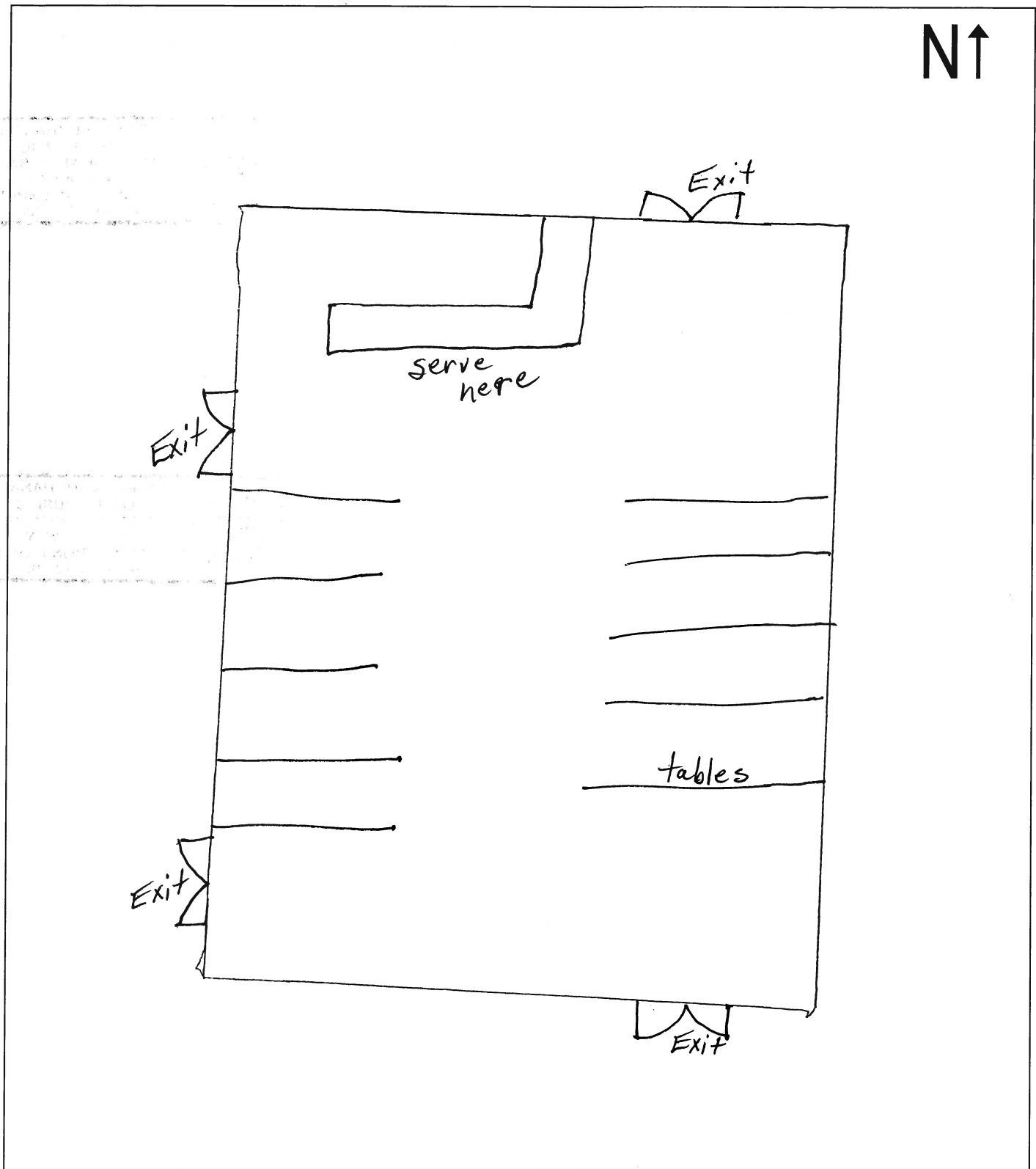
Explanation: Members of the committee patrol & monitor the function.
Have to be a member or guest of the association to attend.
Reg. n' Cork

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See A.R.S. § 4-244(15) and (17) for legal hours of service.

PLEASE FILL OUT A SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>2-2-17</u>	<u>Thurs.</u>	<u>3:30</u>	<u>5:00</u>
DAY 2:	_____	_____	_____	_____
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SECTION 12 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space 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 position.



SECTION 13 To be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, (Print Full Name) Debbie A. Thaele declare that I am an Officer, Director or Chairperson of the organization filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.


X Debbie A. Thaele Signature Title/ Position Sec Board Date 12-1-16 Phone Number 208-539-2729

The foregoing instrument was acknowledged before me this 2nd Day December 2016

State Arizona County of Pinal

My Commission Expires on Jan 10, 2020 Date

Patricia Buchanan Signature of Notary Public

 PATRICIA BUCHANAN
NOTARY PUBLIC
STATE OF ARIZONA
PINAL COUNTY
MY COMMISSION EXPIRES
JANUARY 10, 2020

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SECTION 15 Local Governing Body Approval Section.

I, _____ recommend ☐ APPROVAL ☐ DISAPPROVAL
(Government Official) (Title)

On behalf of _____
(City, Town, County) Signature _____ Date _____ Phone _____

SECTION 16 For Department of Liquor Licenses and Control use only.

☐ APPROVAL ☐ DISAPPROVAL BY: _____ DATE: ____/____/____

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B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

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Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLIC USE ONLY

Event Date(s):
Event time start/end:
CSR:
License:

APPLICATION FOR SPECIAL EVENT LICENSE
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Last First Middle Date of Birth
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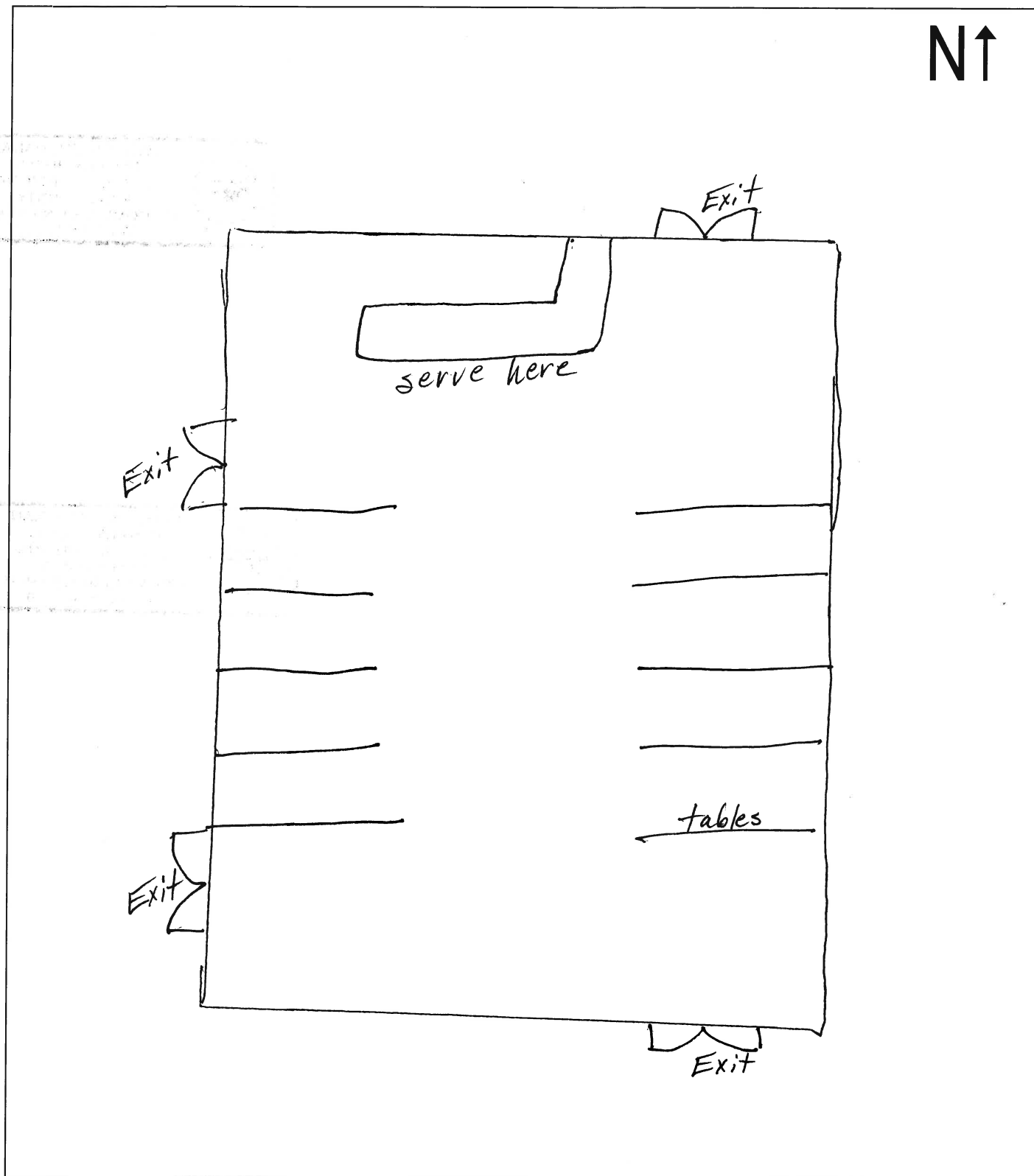
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PLEASE FILL OUT A SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>2-16-17</u>	<u>Thurs</u>	<u>3:30</u>	<u>5:00</u>
DAY 2:	_____	_____	_____	_____
DAY 3:	_____	_____	_____	_____
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X Debbie A Thaele Signature Title/ Position Sec Board Date 12-1-16 Phone Number 208-539-2129

The foregoing instrument was acknowledged before me this 2nd Day December 2016 Month Year

State Arizona County of Pinal

My Commission Expires on: Jan. 10, 2020 Date Signature of Notary Public Patricia Buchanan

 PATRICIA BUCHANAN
NOTARY PUBLIC
STATE OF ARIZONA
PINAL COUNTY
MY COMMISSION EXPIRES
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(Government Official) (Title)

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FOR DLLC USE ONLY

Event Date(s):
Event time start/end:
CSR:
License:

APPLICATION FOR SPECIAL EVENT LICENSE
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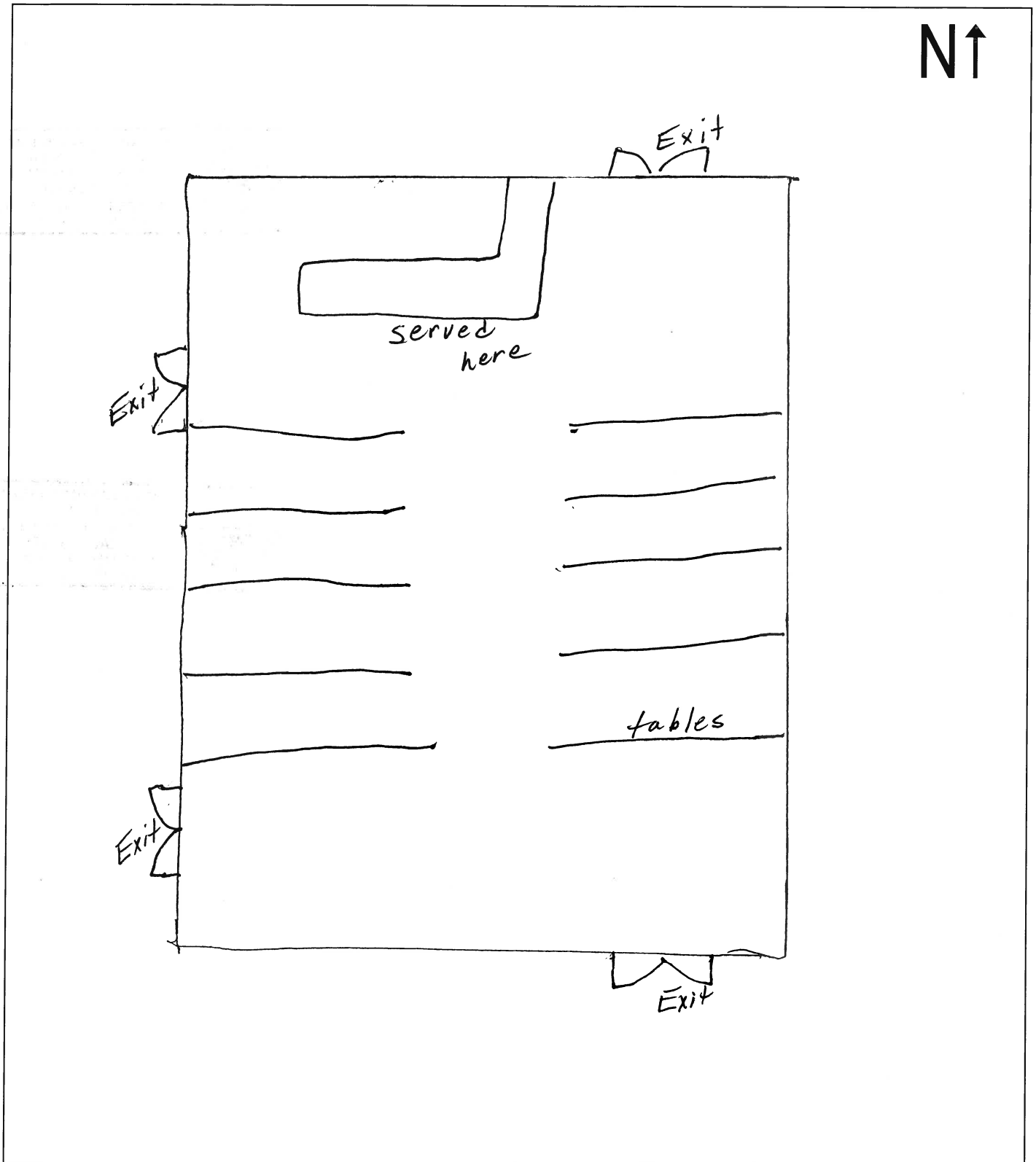
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	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>March 2, 2017</u>	<u>Thurs</u>	<u>3:30</u>	<u>5:00</u>
DAY 2:	_____	_____	_____	_____
DAY 3:	_____	_____	_____	_____
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Signature Title/ Position Date Phone Number

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State Arizona County of Pinal Day Month Year

My Commission Expires on: Jan. 10, 2020 Patricia Buchanan
Date Signature of Notary Public

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SECTION 2 Non-Profit/IRS Tax Exempt Number: 86-0346915

SECTION 3 The organization is a: (check one box only)

- ☐ Charitable ☐ Fraternal (must have regular membership and have been in existence for over five (5) years)
☐ Religious ☒ Civic (Rotary, College Scholarship) ☐ Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises? ☐ Yes ☒ No

Name of Business

License Number

Phone (include Area Code)

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

- ☐ Place license in non-use
☐ Dispense and serve all spirituous liquors under retailer's license
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☐ Split premise between special event and retail location

(IF NOT USING RETAIL LICENSE, SUBMIT A LETTER OF AGREEMENT FROM THE AGENT/OWNER OF THE LICENSED PREMISE TO SUSPEND THE LICENSE DURING THE EVENT. IF THE SPECIAL EVENT IS ONLY USING A PORTION OF PREMISE, AGENT/OWNER WILL NEED TO SUSPEND THAT PORTION OF THE PREMISE.)

SECTION 6 What is the purpose of this event? ☒ On-site consumption ☐ Off-site (auction) ☐ Both

SECTION 7 Location of the Event: Florence Gardens Club House

Address of Location: 3803 Florence Blvd Florence Pinal AZ 85132
Street City COUNTY State Zip

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ☒ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Shante Reblie A.
Last First Middle

2. Applicant's mailing address: 3703 N Colorado Ave Florence AZ 85132
Street City State Zip

3. Applicant's home/cell phone: 208 539-2729 Applicant's business phone: ()

4. Applicant's email address: pigsfly05@yahoo.com

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
☐ Yes ☒ No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 9
(The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. Is the organization using the services of a promoter or other person to manage the event? ☐ Yes ☒ No
(If yes, attach a copy of the agreement.)

4. 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 the special event liquor sales. Attach an additional page if necessary.

Name Florence Gardens Mobil Home Ass. Percentage: 100%
Address 3803 Florence Blvd Florence AZ 85132
Street City State Zip

Name _____ Percentage: _____
Address _____
Street City State Zip

5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.
"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

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(List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

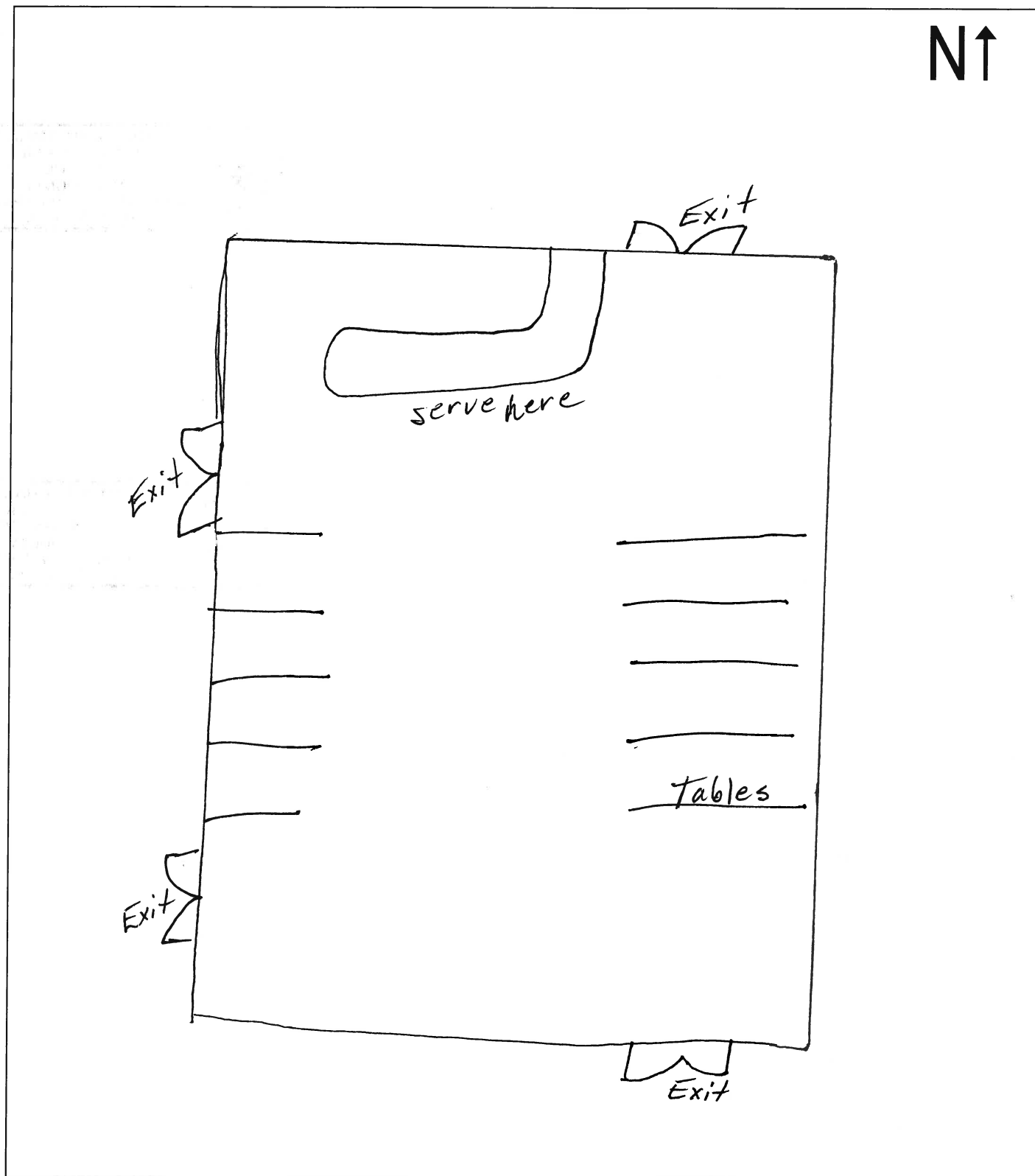
Number of Police _____ Number of Security Personnel _____ ☐ Fencing ☐ Barriers
Explanation: Members of the committee patrol & monitor the function.
Have to be a member or guest of the association to attend.
Keg n' Cork

SECTION 11 Dates and Hours of Event. Days must be consecutive but may not exceed 10 consecutive days.
See A.R.S. § 4-244(15) and (17) for legal hours of service.

PLEASE FILL OUT A SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>March 30, 2017</u>	<u>Thurs</u>	<u>5:30</u>	<u>5:00</u>
DAY 2:	_____	_____	_____	_____
DAY 3:	_____	_____	_____	_____
DAY 4:	_____	_____	_____	_____
DAY 5:	_____	_____	_____	_____
DAY 6:	_____	_____	_____	_____
DAY 7:	_____	_____	_____	_____
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SECTION 12 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space 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 position.



SECTION 13 To be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, (Print Full Name) Debbie A. Thaele declare that I am an Officer, Director or Chairperson of the organization filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.


X Debbie A. Thaele Signature Sec. Board Title/ Position 12-1-16 Date 208-539-2729 Phone Number

The foregoing instrument was acknowledged before me this 2nd Day December Month 2016 Year

State Arizona County of Pinal

My Commission Expires on Jan 10, 2020 Date

Patricia Buchanan Signature of Notary Public

 PATRICIA BUCHANAN
NOTARY PUBLIC
STATE OF ARIZONA
PINAL COUNTY
MY COMMISSION EXPIRES
JANUARY 10, 2020

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I, _____ (Government Official) _____ (Title) recommend ☐ APPROVAL ☐ DISAPPROVAL

On behalf of _____ (City, Town, County) _____ Signature _____ Date _____ Phone _____

SECTION 16 For Department of Liquor Licenses and Control use only.

☐ APPROVAL ☐ DISAPPROVAL BY: _____ DATE: ____/____/____

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Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLLC USE ONLY

Event Date(s):
Event time start/end:
CSR:
License:

APPLICATION FOR SPECIAL EVENT LICENSE
Fee= \$25.00 per day for 1-10 days (consecutive)
Cash Checks or Money Orders Only

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

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Name of Business

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Phone (include Area Code)

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SECTION 7 Location of the Event: Florence Gardens Club House
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SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ☐ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Phact Albilee A.
Last First Middle Date of Birth
2. Applicant's mailing address: 3703 N Colorado Ave Florence AZ 85132
Street City State Zip
3. Applicant's home/cell phone: 208-539-2729 Applicant's business phone: ()
4. Applicant's email address: pigsfly05@yahoo.com

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☐ Yes ☒ No (If yes, attach explanation.)

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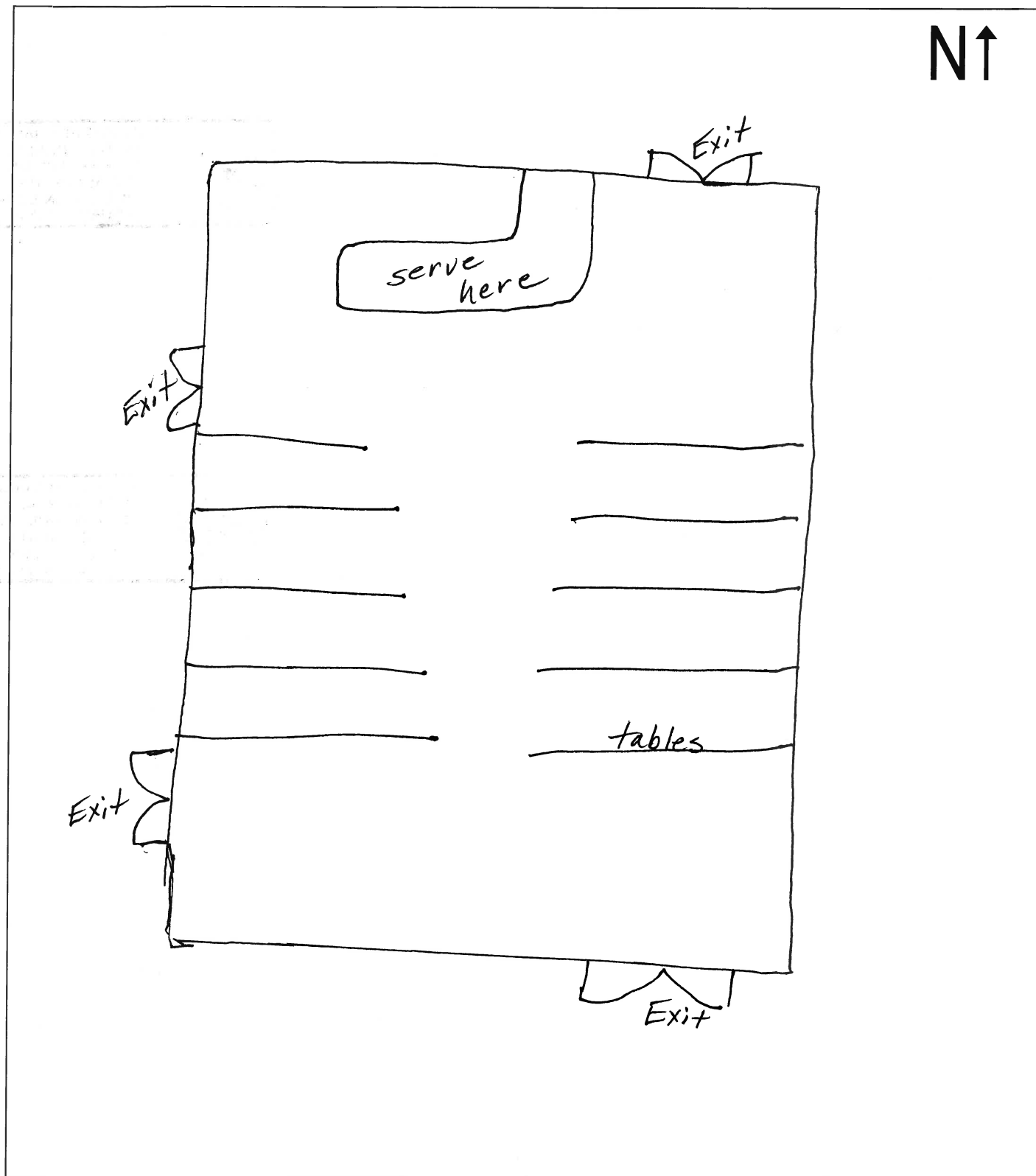
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PLEASE FILL OUT A SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>Nov 16, 2017</u>	<u>Thurs</u>	<u>3:30</u>	<u>5:00</u>
DAY 2:	_____	_____	_____	_____
DAY 3:	_____	_____	_____	_____
DAY 4:	_____	_____	_____	_____
DAY 5:	_____	_____	_____	_____
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Signature Title/ Position Date Phone Number

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Day Month Year

State Arizona County of Pinal

My Commission Expires on Jan 10, 2020 Patricia Buchanan
Date Signature of Notary Public

 PATRICIA BUCHANAN
NOTARY PUBLIC
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PINAL COUNTY
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FOR DLLC USE ONLY

Event Date(s):
Event time start/end:
CSR:
License:

APPLICATION FOR SPECIAL EVENT LICENSE
Fee= \$25.00 per day for 1-10 days (consecutive)
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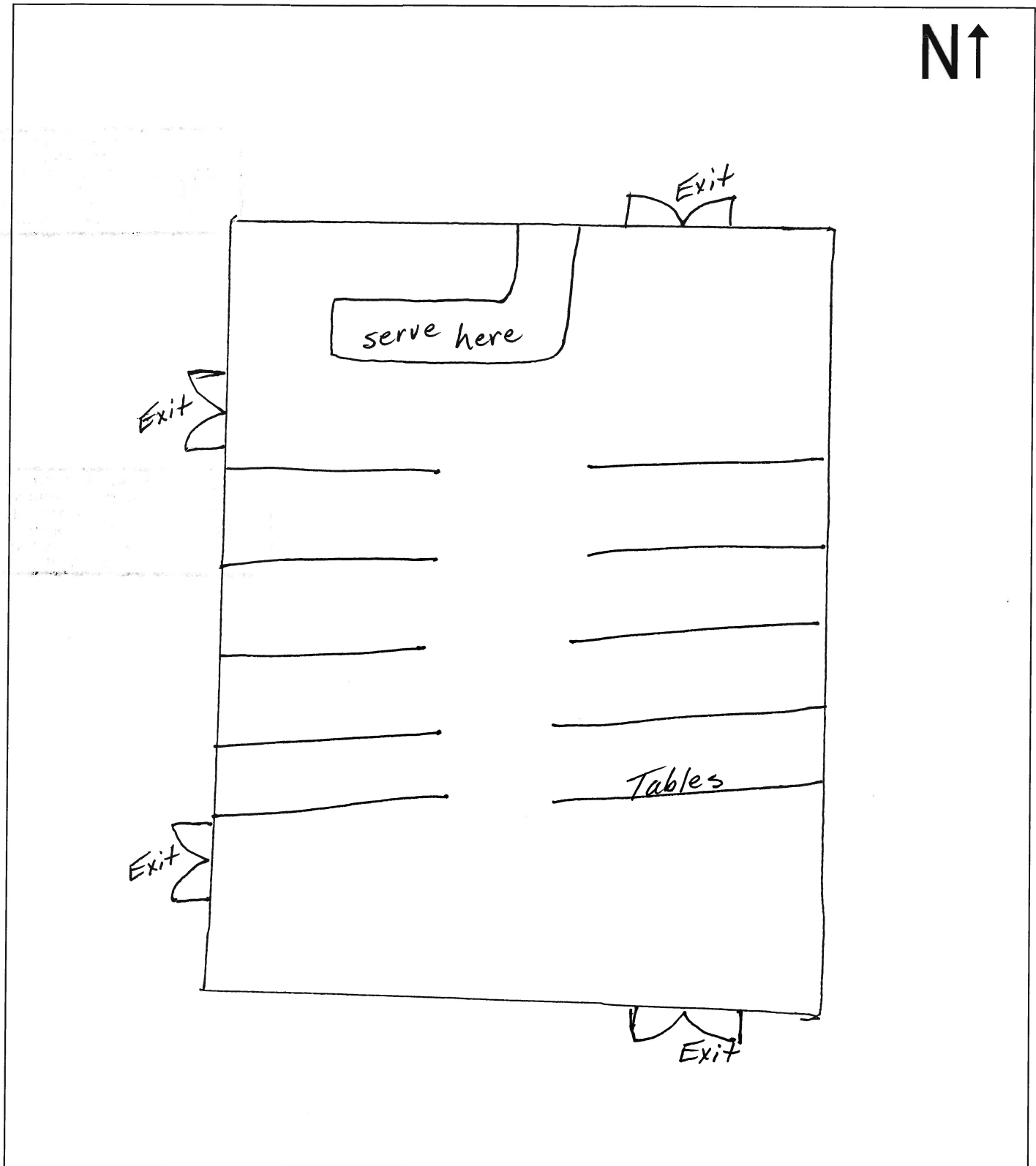
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PLEASE FILL OUT A SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY

	Date	Day of Week	Event Start Time AM <input checked="" type="radio"/> PM	License End Time AM <input checked="" type="radio"/> PM
DAY 1:	<u>Dec 7, 2017</u>	<u>Thurs</u>	<u>3:30</u>	<u>5:00</u>
DAY 2:	_____	_____	_____	_____
DAY 3:	_____	_____	_____	_____
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Signature Title/ Position Date Phone Number

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Signature of Notary Public

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TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 7d.

MEETING DATE: December 19, 2016

DEPARTMENT: Administration

STAFF PRESENTER: Lisa Garcia, Deputy Town Manager/
Town Clerk

SUBJECT: Recommendation to the Arizona Department of
Liquor License and Control on the American Legion #9
application for a Temporary Extension of Premises Patio
Permit.

- ☒ **Action**
- ☐ **Information Only**
- ☐ **Public Hearing**
- ☐ **Resolution**
- ☐ **Ordinance**
 - ☐ **Regulatory**
 - ☐ **1st Reading**
 - ☐ **2nd Reading**
- ☐ **Other**

RECOMMENDED MOTION/ACTION:

Recommendation of approval to the Arizona Department of Liquor License and Control on the American Legion #9 application for a Temporary Extension of Premises Patio Permit for the Cornhole Cup event, on January 28, 2017.

BACKGROUND/DISCUSSION:

The American Legion #9 is participating in the Cornhole Cup event, sponsored by the Town of Florence, on Saturday, January 28, 2017 from 11:00 am to 12:00 am.

Any business that has an active Arizona Liquor License can apply for a permit that temporarily extends the area where alcohol is served beyond the licensed boundaries. There is no cost for the temporary extension/patio permit. Arizona Statutes and regulations that apply are: R19-1-311, ARS § 4-244.31, § 4-244.20, and § 4-207.01

FINANCIAL IMPACT:

None

STAFF RECOMMENDATION:

Staff recommends that Council forward a favorable recommendation to the Arizona Department of Liquor Licenses and Control.

ATTACHMENTS:

Application



Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

DLLC USE ONLY

CSR:

Log #:

APPLICATION FOR EXTENSION OF PREMISES/PATIO PERMIT

OBTAIN APPROVAL FROM LOCAL GOVERNING BOARD BEFORE SUBMITTING TO THE DEPARTMENT OF LIQUOR

Notice: Allow 30-45 days to process permanent change of premise

☐ Permanent change of area of service. A non-refundable \$50. Fee will apply. Specific purpose for change:

☒ Temporary change (No Fee) for date(s) of: 1/28/17 through 1/28/17 list specific purpose for change:

1. Licensee's Name: LABAKIS RICHARD JOSEPH License#: 14110022
Last First Middle
2. Mailing address: P.O. Box 1080 FLORENCE AZ. 85132
Street City State Zip Code
3. Business Name: AMERICAN LEGION #9
4. Business Address: 444 N. MAIN ST. FLORENCE AZ. 85132
Street City State Zip Code
5. Email Address: AL9FLORENCE@AOL.COM
6. Business Phone Number: 520-868-5576 Contact Phone Number: 520-371-1214

7. Is extension of premises/patio complete?

☒ N/A ☐ Yes ☐ No If no, what is your estimated completion date? / /

8. Do you understand Arizona Liquor Laws and Regulations?

☒ Yes ☐ No

9. Does this extension bring your premises within 300 feet of a church or school?

☐ Yes ☒ No

10. Have you received approved Liquor Law Training?

☒ Yes ☐ No

11. What security precautions will be taken to prevent liquor violations in the extended area? FENCED AREA
WITH GATE SECURITY CHECKING ID'S

12. **IMPORTANT:** Attach the revised floor plan, clearly depicting your licensed premise along with the new extended area outlined in black marker or ink, if the extended area is not outlined and marked "extension" we cannot accept the application.

- ☐ Barrier Exemption: an exception to the requirement of barriers surrounding a patio/outdoor serving area may be requested. Barrier exemptions are granted based on public safety, pedestrian traffic, and other factors unique to a licensed premise. List specific reasons for exemption:

☐ Approval ☐ Disapproval by **DLLC**: _____ Date: ____/____/____

Notary

I, (Print Full Name) _____, hereby declare that I am a **CONTROLLING PERSON/ AGENT** filing this notification. I have read this document and the contents and all statements are true, correct and complete.

X (Signature) _____
Controlling Person / Agent

State of _____ County of _____
the foregoing instrument was acknowledged before me this

_____ of _____
Day Month Year

My commission expires on: _____

Signature of NOTARY PUBLIC

GOVERNING BOARD

After completion, and **BEFORE submitting to the Department of Liquor**, please take this application to your local Board of Supervisors, City Council or Designate for their recommendation. This recommendation is not binding on the Department of Liquor.

☐ Approval ☐ Disapproval

Authorized Signature

Title

Agency

Date

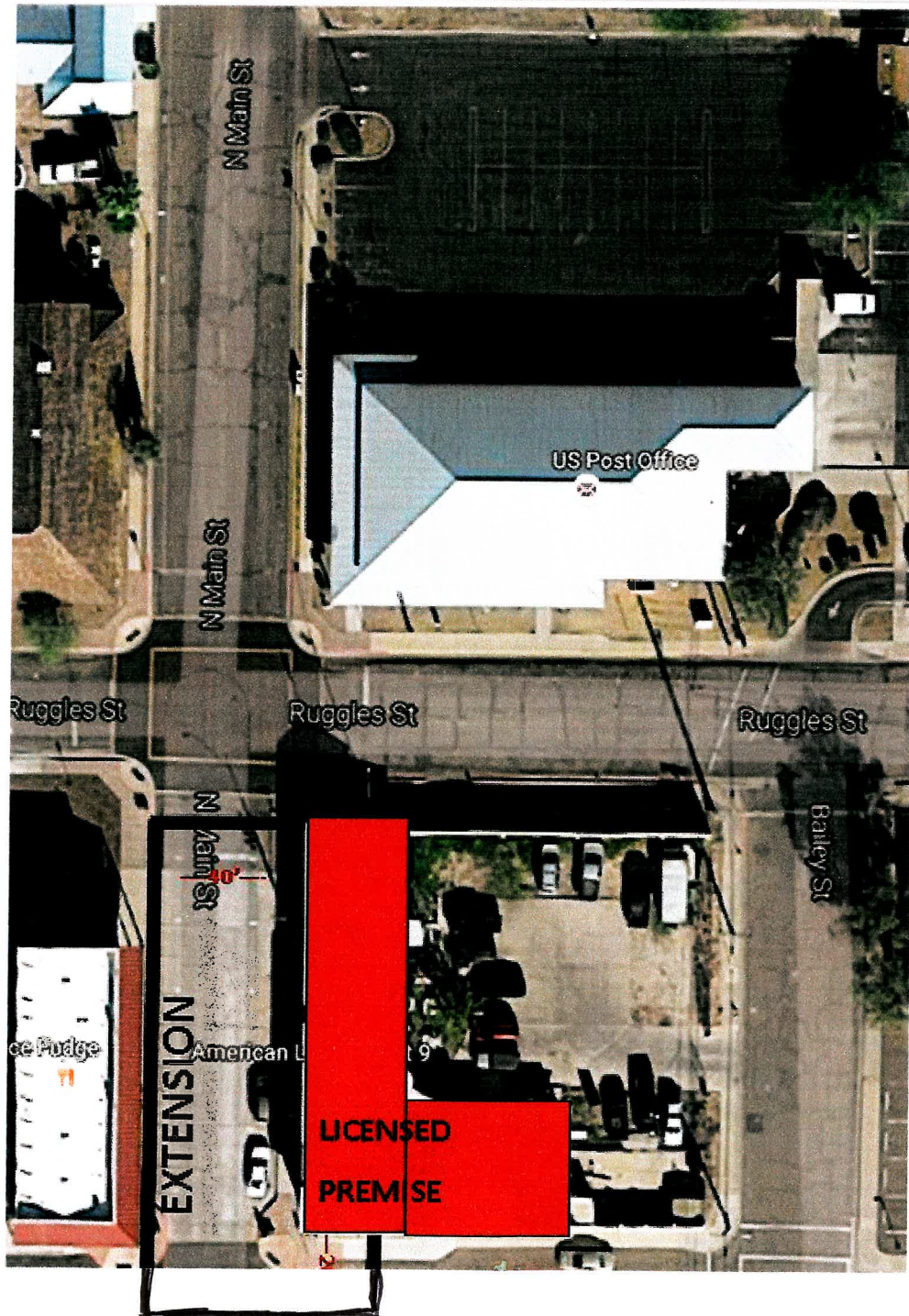
DLLC USE ONLY


Investigation Recommendation: ☐ Approval ☐ Disapproval by: _____ Date: ____/____/____

Director Signature required for Disapprovals: _____ Date: ____/____/____

To: dwali20@cox.net <dwali20@cox.net>

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	<p align="center">TOWN OF FLORENCE COUNCIL ACTION FORM</p>	<p align="center"><u>AGENDA ITEM</u> 7e.</p>
<p>MEETING DATE: December 19, 2016</p> <p>DEPARTMENT: Administration</p> <p>STAFF PRESENTER: Lisa Garcia Deputy Town Manager/Town Clerk</p> <p>SUBJECT: Assumption of the Blessed Virgin Mary Roman Catholic Parish Special Event Liquor License Application</p>		<p> <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance </p> <p> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other </p>

RECOMMENDED MOTION/ACTION:

Recommendation to the Arizona Department of Liquor Licenses and Control on the Assumption of the Blessed Virgin Mary Roman Catholic Parish's application for a Special Event Liquor License for their Fifth Annual Parish Festival on February 11, 2017.

BACKGROUND/DISCUSSION:

The Assumption of the Blessed Virgin Mary Roman Catholic Parish has submitted an application for a Special Event Liquor License for their Fifth Annual Parish Festival, on February 11, 2017, from 9:00 am to 4:00 pm, at the Phelan Hall, 221 E. 8th Street, Florence, Arizona.

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. This is their first event for the 2017 calendar year. The fee for a Special Event License is \$25 per day, payable to the Arizona Department of Liquor License and Control. The Town of Florence is holding a check totaling \$25 to forward to the Arizona Department of Liquor License and Control upon Council approval.

FINANCIAL IMPACT:

None

STAFF RECOMMENDATION:

Staff recommends that Council forward a favorable recommendation to the Arizona Department of Liquor Licenses and Control.

ATTACHMENTS:

Application



Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLLC USE ONLY

Event Date(s):
Event time start/end:
CSR:
License:

APPLICATION FOR SPECIAL EVENT LICENSE
Fee= \$25.00 per day for 1-10 days (consecutive)
Cash Checks or Money Orders Only

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: Assumption of the Blessed Virgin Mary Roman Catholic Parish

SECTION 2 Non-Profit/IRS Tax Exempt Number: 86-0196140

SECTION 3 The organization is a: (check one box only)

- ☐ Charitable ☐ Fraternal (must have regular membership and have been in existence for over five (5) years)
☒ Religious ☐ Civic (Rotary, College Scholarship) ☐ Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises? ☐ Yes ☒ No

Name of Business

License Number

Phone (include Area Code)

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

- ☐ Place license in non-use
☐ Dispense and serve all spirituous liquors under retailer's license
☒ Dispense and serve all spirituous liquors under special event
☐ Split premise between special event and retail location

(IF NOT USING RETAIL LICENSE, SUBMIT A LETTER OF AGREEMENT FROM THE AGENT/OWNER OF THE LICENSED PREMISE TO SUSPEND THE LICENSE DURING THE EVENT. IF THE SPECIAL EVENT IS ONLY USING A PORTION OF PREMISE, AGENT/OWNER WILL NEED TO SUSPEND THAT PORTION OF THE PREMISE.)

SECTION 6 What is the purpose of this event? ☒ On-site consumption ☐ Off-site (auction) ☐ Both

SECTION 7 Location of the Event: Assumption of the Blessed Virgin Mary Roman Catholic Parish

Address of Location: 221 E. 8th St. Florence Pinal Ariz. 85132
Street City COUNTY State Zip

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ☒ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Currens Sandra J. 7-4-1946
Last First Middle Date of Birth
2. Applicant's mailing address: P.O. Box 1231 Florence Az 85132
Street City State Zip
3. Applicant's home/cell phone: (520) 471-1548 Applicant's business phone: (520) 868-5940
4. Applicant's email address: scurrens@gmail.com

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
☐ Yes ☒ No (If yes, attach explanation.)
2. How many special event licenses have been issued to this location this year? 0
(The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)
3. Is the organization using the services of a promoter or other person to manage the event? ☐ Yes ☒ No
(If yes, attach a copy of the agreement.)
4. 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 the special event liquor sales. Attach an additional page if necessary.
- Name Assumption of the Blessed Virgin Mary Parish Percentage: 100%
Address 221 E. 8th St. Florence AZ 85132
Street City State Zip
Name _____ Percentage: _____
Address _____
Street City State Zip
5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.

"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

6. What type of security and control measures will you take to prevent violations of liquor laws at this event?
(List type and number of police/security personnel and type of fencing or control barriers, if applicable.)
- 1 Number of Police _____ Number of Security Personnel ☒ Fencing ☐ Barriers
- Explanation: To be determined - Always have 1 police officer on site to watch over secured area

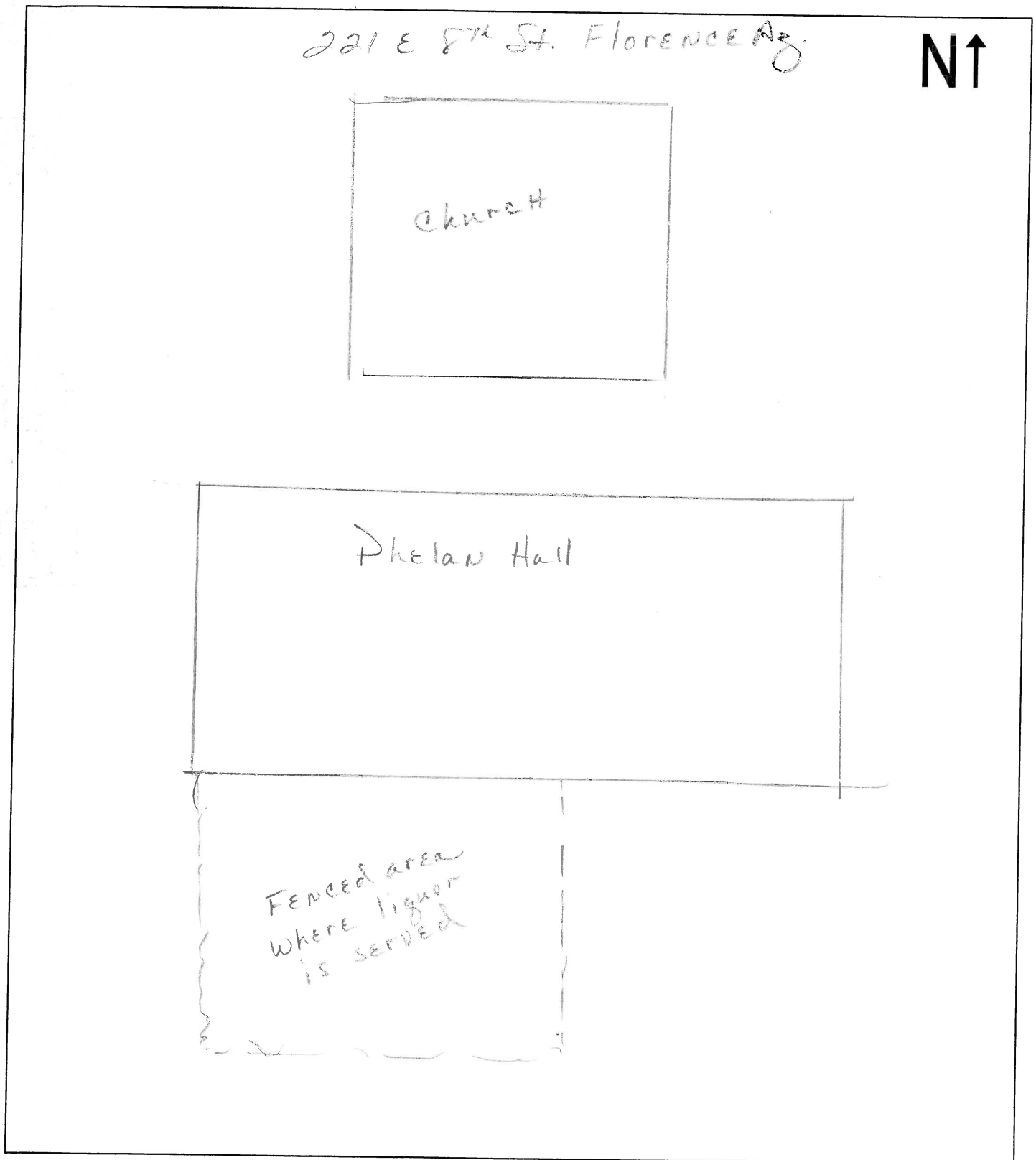
SECTION 11

Dates and Hours of Event. Days must be consecutive but may not exceed 10 consecutive days.
See A.R.S. § 4-244(15) and (17) for legal hours of service.

PLEASE FILL OUT A SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>2/11/2017</u>	<u>Saturday</u>	<u>9 AM</u>	<u>4 pm</u>
DAY 2:	_____	_____	_____	_____
DAY 3:	_____	_____	_____	_____
DAY 4:	_____	_____	_____	_____
DAY 5:	_____	_____	_____	_____
DAY 6:	_____	_____	_____	_____
DAY 7:	_____	_____	_____	_____
DAY 8:	_____	_____	_____	_____
DAY 9:	_____	_____	_____	_____
DAY 10:	_____	_____	_____	_____

SECTION 12 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space 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 position.



SECTION 13 To be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, (Print Full Name) Sandra June Currens declare that I am an Officer, Director or Chairperson of the organization filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

X Sandra June Currens Signature Title/ Position Chairperson Date 12/13/16 Phone Number 520-471-1500

The foregoing instrument was acknowledged before me this 13th Day December Month 2016 Year

State Arizona County of Pinal

My Commission Expires on: 5-3-19 Date

Mary C. Bojorquez Signature of Notary Public

MARY C. BOJORQUEZ
Notary Public - State of Arizona
PINAL COUNTY
My Commission Expires May 3, 2019

SECTION 14 This section is to be completed only by the applicant named in Section 9.

I, (Print Full Name) Sandra June Currens declare that I am the APPLICANT filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

X Sandra June Currens Signature Title/ Position Chairperson Date 12/13/16 Phone Number 520-471-1500

The foregoing instrument was acknowledged before me this 13th Day December Month 2016 Year

State Arizona County of Pinal

My Commission Expires on: 5-3-19 Date

Mary C. Bojorquez Signature of Notary Public

MARY C. BOJORQUEZ
Notary Public - State of Arizona
PINAL COUNTY
My Commission Expires May 3, 2019

Please contact the local governing board for additional application requirements and submission deadlines. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section.

I, _____ (Government Official) _____ (Title) recommend ☐ APPROVAL ☐ DISAPPROVAL

On behalf of _____ (City, Town, County) _____ Signature _____ Date _____ Phone _____

SECTION 16 For Department of Liquor Licenses and Control use only.

☐ APPROVAL ☐ DISAPPROVAL BY: _____ DATE: ____/____/____


A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.

	<p align="center">TOWN OF FLORENCE COUNCIL ACTION FORM</p>	<p align="center"><u>AGENDA ITEM</u> 7f.</p>
<p>MEETING DATE: December 19, 2016</p> <p>DEPARTMENT: Administration</p> <p>STAFF PRESENTER: Lisa Garcia Deputy Town Manager/Town Clerk</p> <p>SUBJECT: Coolidge-Florence Elks Lodge #2350 Special Event Liquor License Application</p>		<p> <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance </p> <p> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other </p>

RECOMMENDED MOTION/ACTION:

Recommendation to the Arizona Department of Liquor Licenses and Control on the Coolidge-Florence Elks Lodge #2350 application for a Special Event Liquor License for their Prison Run event on February 12, 2017.

BACKGROUND/DISCUSSION:

The Coolidge-Florence Elks Lodge #2350 has submitted an application for a Special Event Liquor License for their Prison Run event, on February 12, 2017, from 9:00 am to 6:00 pm, at the Charles Whitlow Memorial Rodeo Grounds, 4900 S. Pinal Parkway, Florence, Arizona.

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. This is their first event for the 2017 calendar year. The fee for a Special Event License is \$25 per day, payable to the Arizona Department of Liquor License and Control. The Town of Florence is holding a check totaling \$25 to forward to the Arizona Department of Liquor License and Control upon Council approval.

FINANCIAL IMPACT:

None

STAFF RECOMMENDATION:

Staff recommends that Council forward a favorable recommendation to the Arizona Department of Liquor Licenses and Control.

ATTACHMENTS:

Application



Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLIC USE ONLY

Event Date(s):

Event time start/end:

CSR:

License:

APPLICATION FOR SPECIAL EVENT LICENSE

Fee= \$25.00 per day for 1-10 days (consecutive)

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: COOLIDGE FLORENCE ELKS LODGE 2350

SECTION 2 Non-Profit/IRS Tax Exempt Number: 86-6057513

SECTION 3 The organization is a: (check one box only)

- ☐ Charitable ☒ Fraternal (must have regular membership and have been in existence for over five (5) years)
☐ Religious ☐ Civic (Rotary, College Scholarship) ☐ Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises? ☐ Yes ☒ No

Name of Business

License Number

Phone (include Area Code)

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

- ☐ Place license in non-use
☐ Dispense and serve all spirituous liquors under retailer's license
☒ Dispense and serve all spirituous liquors under special event
☐ Split premise between special event and retail location

(If not using retail license, submit a letter of agreement from the agent/owner of the licensed premise to suspend the license during the event. If the special event is only using a portion of premise, agent/owner will need to suspend that portion of the premise.)

SECTION 6 What is the purpose of this event? ☒ On-site consumption ☐ Off-site (auction) ☐ Both

SECTION 7 Location of the Event: CHARLES WHITLOW MEMORIAL RODEO GROUNDS
Address of Location: 4900 S. PINAL PARKWAY FLORENCE PINAL AZ 85132
Street City COUNTY State Zip

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ☒ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: MYERS VARR H. 3-4-1981
Last First Middle Date of Birth

2. Applicant's mailing address: 9805 N. VALLEY FARMS RD COOLIDGE AZ 85128
Street City State Zip

3. Applicant's home/cell phone: (520) 560-5198 Applicant's business phone: (520) 560-5198

4. Applicant's email address: varrmyers@gmail.com

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
☐ Yes ☒ No (If yes, attach explanation.)
2. How many special event licenses have been issued to this location this year? 8
(The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)
3. Is the organization using the services of a promoter or other person to manage the event? ☐ Yes ☒ No
(If yes, attach a copy of the agreement.)
4. 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 the special event liquor sales. Attach an additional page if necessary.

Name PINAL COUNTY MOUNTED POSSE Percentage: 50%
Address P.O. Box 1128, 4900 S. Pinal Park Way, FLORENCE AZ 85132
Name COOLIDGE - FLORENCE ELKS LODGE #2356 Percentage: 50%
Address 2241 N. ATTAWAY RE, P.O. Box 1033, COOLIDGE AZ 85138
FLORENCE, AZ 85132

5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.

"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

6. What type of security and control measures will you take to prevent violations of liquor laws at this event?
(List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

1 Number of Police 6 Number of Security Personnel ☒ Fencing ☐ Barriers

Explanation: TOWN OF FLORENCE PATROLING EVENT, UNIFORMED
POSSE MEMBERS THROUGHOUT THE EVENT

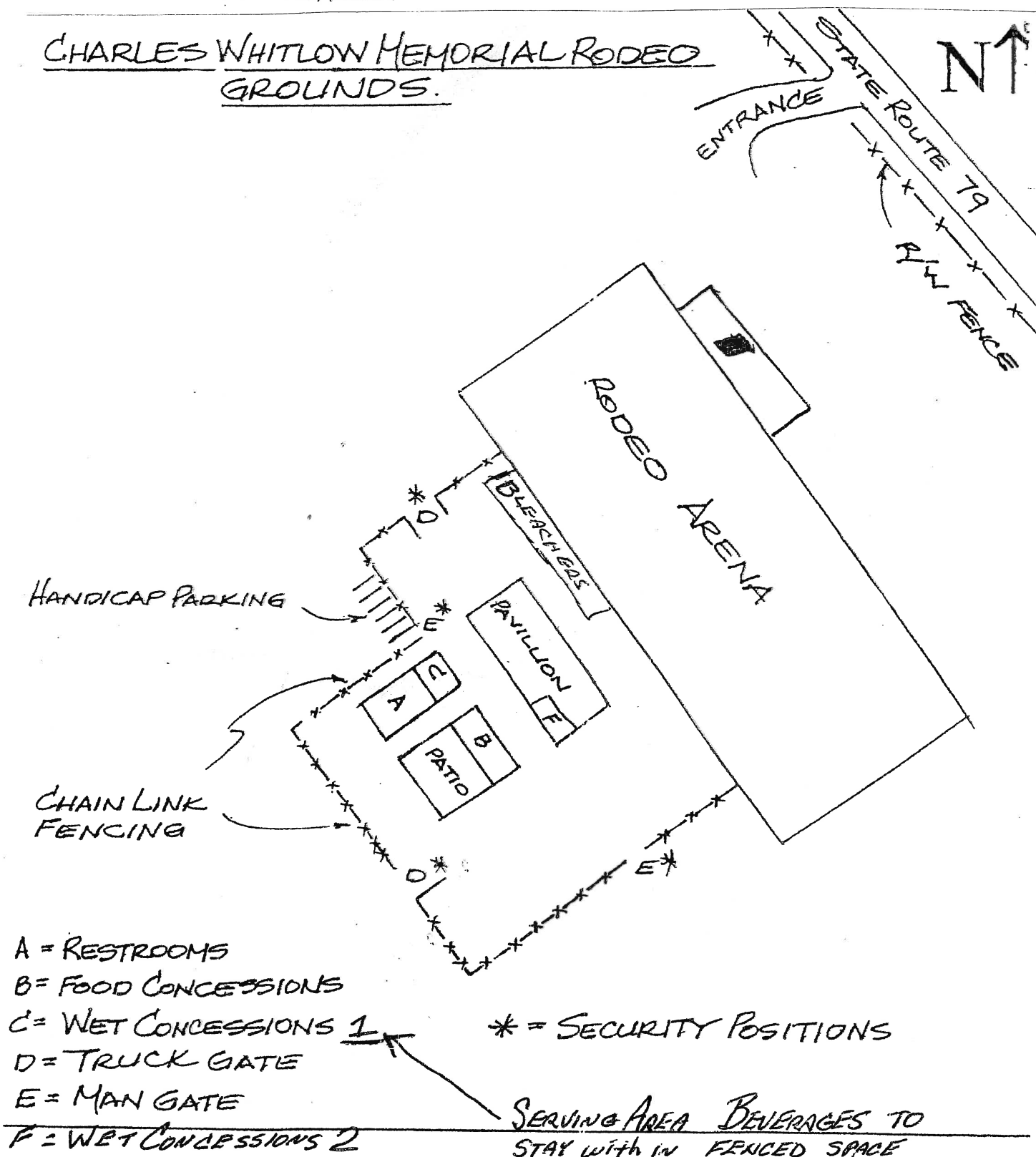
SECTION 11

Date(s) and Hours of Event. May not exceed 10 consecutive days.
See A.R.S. § 4-244(15) and (17) for legal hours of service.

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>2-12-2017</u>	<u>SUNDAY</u>	<u>9 AM</u>	<u>6 PM</u>
DAY 2:	_____	_____	_____	_____
DAY 3:	_____	_____	_____	_____
DAY 4:	_____	_____	_____	_____
DAY 5:	_____	_____	_____	_____
DAY 6:	_____	_____	_____	_____
DAY 7:	_____	_____	_____	_____
DAY 8:	_____	_____	_____	_____
DAY 9:	_____	_____	_____	_____
DAY 10:	_____	_____	_____	_____

SECTION 12 license premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space 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 position.

CHARLES WHITLOW MEMORIAL RODEO GROUNDS.



SECTION 13 To be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

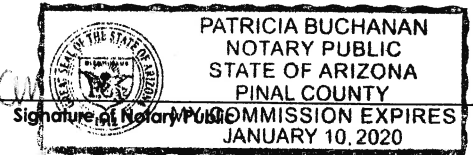
I, VARR H MYERS declare that I am an OFFICER, DIRECTOR, or CHAIRPERSON
(Print Full Name)
appointing the applicant listed in Section 9, to apply on behalf of the foregoing organization for a Special Event
Liquor License.

X [Signature] TRUSTEE 12-2-2016 520-560-5198
(Signature) Title/ Position Date Phone #

The foregoing instrument was acknowledged before me this 2nd December 2016
Day Month Year

State Arizona County of Pinal

My Commission Expires on: Jan. 10, 2020
Date



SECTION 14 This section is to be completed only by the applicant named in Section 9.

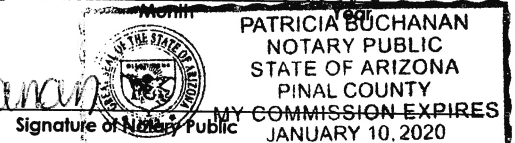
I, VARR H MYERS declare that I am the APPLICANT filing this application as
(Print Full Name)
listed in Section 9. I have read the application and the contents and all statements are true, correct and
complete.

X [Signature] TRUSTEE 12-2-16 520-560-5198
(Signature) Title/ Position Date Phone #

The foregoing instrument was acknowledged before me this 2nd December 2016
Day Month Year

State Arizona County of Pinal

My Commission Expires on: Jan 10 2020
Date



Please contact the local governing board for additional application requirements and submission deadlines. Additional
licensing fees may also be required before approval may be granted. For more information, please contact your local
jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section

I, _____ recommend ☐ APPROVAL ☐ DISAPPROVAL
(Government Official) (Title)

on behalf of _____
(City, Town, County) Signature Date Phone

FOR DEPARTMENT OF LIQUOR LICENSES AND CONTROL USE ONLY

☐ APPROVAL ☐ DISAPPROVAL BY: _____ DATE: _____

A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.

TOWN OF FLORENCE 150 YEAR ANNIVERSARY CELEBRATION AD HOC COMMITTEE MEETING

MINUTES FROM THE MEETING HELD ON WEDNESDAY, MAY 25, 2016 AT 5:00 P.M. IN RUGGLES ROOM 2, LOCATED AT 778 N. MAIN STREET, FLORENCE, AZ.

1. CALL TO ORDER

Mayor Tom Rankin called the meeting to order at 5:09 P.M.

2. INTRODUCTIONS:

- a. Members**
- b. Council Liaisons: Mayor Tom Rankin, Vice Mayor Tara Walter, Councilmember John Anderson**
- c. Staff: Bryan Hughes, Alison Feliz**

Members introduced themselves.

3. NEW BUSINESS

- a. Approval of Meetings Minutes**
 - i. December 2, 2015
 - ii. January 6, 2016
 - iii. January 28, 2016
 - iv. February 24, 2016
 - v. March 23, 2016
 - vi. April 27, 2016

On motion of Member Rankin, seconded by Member Anderson, and carried to approve the December 2, 2015, January 6, 2016, January 28, 2016, February 24, 2016, March 23, 2016 and April 27, 2016 150th Ad-Hoc Committee meeting minutes.

b. Upcoming Special Events (Alison Feliz)

Liaison Bryan Hughes informed the Committee that the only event planned for the summer was 4th of July Freedom Fest, which will be held at Heritage Park. The Aquatic Center will also participate in the celebration; open swim will be free on 4th of July.

The movie 'The Good Dinosaur' is scheduled to show on September 17, 2016.

c. Proposed Events (Bryan Hughes)

Member David Wall suggested having a Nascar Sprint Cup Car displayed at Heritage Park and possibly having the Military present along with a live Band.

Band suggestions were Ashley Wineland or Ryan Bexley. Member Wall checked into having Dale Earnhardt Jr. come to Florence, but the November 5, 2016 date conflicts with Mr. Earnhardt's previous engagements.

Liaison Alison Feliz suggested contacting CAC Rodeo Barrel Racing and Roping and ask them if they are willing to do an event at the rodeo grounds for the summer.

Member Rankin commented due to the weather a lot of people will not attend outdoor events, instead suggested having a Street Dance in the fall. The dance will be similar to the Road to Country Thunder event. Member Rankin suggested having the Street dance on New Year's Eve and making it a grand event to close out the 150th Celebration.

On motion of Committee Member Rankin, seconded by Committee Member Anderson, and carried to approve the planning of the New Year's Eve Spectacular.

d. Sponsorship Update (Alison Feliz)

No updates.

e. Next Meeting

Next meeting is tentative June 22, 2016

4. CALL TO THE PUBLIC/COMMITTEE RESPONSE

CALL TO THE PUBLIC FOR PUBLIC COMMENT ON ISSUES WITHIN THE JURISDICTION OF THE TOWN OF FLORENCE 150th BIRTHDAY CELEBRATION AD HOC COMMITTEE. RULES LIMIT PUBLIC COMMENT TO THREE MINUTES. INDIVIDUAL MEMBERS 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 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.

5. ADJOURNMENT

On motion by Mayor Tom Rankin, and carried to adjourn the meeting at 5:50 P.M.

Approved:



Tom Rankin, Mayor

**TOWN OF FLORENCE 150 YEAR ANNIVERSARY CELEBRATION AD HOC
COMMITTEE MEETING**

**MINUTES FROM THE MEETING HELD ON WEDNESDAY, JULY 27, 2016 AT 5:00
P.M. IN RUGGLES ROOM 2, LOCATED AT 778 N. MAIN STREET, FLORENCE, AZ.**

1. CALL TO ORDER

Mayor Tom Rankin called the meeting to order at 4:57 P.M.

2. INTRODUCTIONS:

- a. **Members**
- b. **Council Liaisons: Mayor Tom Rankin, Vice Mayor Tara Walter,
Councilmember John Anderson**
- c. **Staff: Bryan Hughes**

Members introduced themselves.

3. NEW BUSINESS

- a. **Approval of Meetings Minutes**
 - i. May 25, 2016

No action taken

b. Upcoming Special Events (Bryan Hughes)

Liaison Bryan Hughes did a recap of the 4th of July event. Majority of attendees were from the San Tan Valley area.

Town Manager, Brent Billingsley, had a lot of positive feedback about the event especially the live band.

Mayor, Tom Rankin, suggested only patriotic music be played during the firework display.

There were no major issues; overall it was a successful event.

The movie 'The Good Dinosaur' is scheduled to show on September 17, 2016 at the new fields west of the Aquatic Center. Originally, Movie in the Park was being held at Padilla Park, but our attendance numbers have gone up and needed more space to accommodate attendees.

The following movie will be 'Zootopia' and that is scheduled for October 15, 2016.

Town Manager, Brent Billingsley, commented that with the Main St. beautification project, it makes sense to also move both movie events to Heritage Park.

Fright Fest is scheduled for October 31, 2016. Parks and Recreation hopes to partner with local businesses and members of the Community to help run game booths. Partnerships like this help build better relationships

with Town Staff; it also helps businesses and residents get involved in their Community.

Liaison Hughes stated that "Save the Date" post cards were mailed out to numerous businesses and past parade participants for the Junior Parada Parade, which is scheduled on November 26, 2016. Mayor Rankin asked Liaison Hughes to work closely with Public Works on getting Main St. ready for the Parade.

Council Liaison Anderson suggested posting banners in the Anthem area. Town Manager, Billingsley commented, that in order to hang banners, there must be poles up and there are no poles in the Anthem area specific for banners. Mr. Billingsley, did however suggest banners be posted along the road, as long as we obtain permission either from the Public Works dept., Community Development dept. or ADOT.

Vice-Mayor, Tara Walter, suggested maybe a few 4'x4' or 4'x8' sized banners be posted along the roadway.

Christmas on Main is scheduled for December 2, 2016. The attendance for this event has been growing steadily in the past two years. Recreation staff will be asking Main St. business owners if they would like to decorate or have someone from the Community decorate their storefront. Last year, the Florence Chamber of Commerce was not successful in getting businesses to participate on decorated their storefronts. Manager Billingsley suggested the Parks and Recreation dept. get in contact with the new Chamber President and ask her if she is willing to coordinate the storefront decorating this year. Liaison Hughes hopes to have a Christmas tree lit up and decorated on Main St. for the event.

Manager Billingsley shared with the Committee, that when he worked in Globe he was against having a Christmas tree displayed in public; he was glad to see how well received the tree was.

Mayor Rankin suggested having children from the Community create the ornaments and decorations for the Christmas tree, maybe that will deter vandalism.

c. Proposed Events (Bryan Hughes)

Liaison Hughes updated the Committee about the Florence Carnival. Frazier Shows, the Company that hosted last year's carnival, is not available this year. Staff is looking into alternative carnival companies.

Member Jim Tchida, commented that there needs to be more marketing to draw in folks from surrounding areas. Liaison Hughes responded, last year we only had one week to market the carnival, and still had pretty good attendance, but agreed that marketing is key to reach people and have them visit Florence.

Liaison Hughes stated that by not creating new events, they can re-allocate the money to the New Year Spectacular.

d. Sponsorship Update (Bryan Hughes)

SRP donated \$5,000 for the 4th of July Freedom Fest celebrations.

e. Next Meeting

No August meeting

4. CALL TO THE PUBLIC/COMMITTEE RESPONSE

No comments made.

CALL TO THE PUBLIC FOR PUBLIC COMMENT ON ISSUES WITHIN THE JURISDICTION OF THE TOWN OF FLORENCE 150th BIRTHDAY CELEBRATION AD HOC COMMITTEE. RULES LIMIT PUBLIC COMMENT TO THREE MINUTES. INDIVIDUAL MEMBERS 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 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.

5. ADJOURNMENT

On motion by Mayor Tom Rankin, and carried to adjourn the meeting at 5:40 P.M.

Approved:



Tom Rankin, Mayor

**TOWN OF FLORENCE 150 YEAR ANNIVERSARY CELEBRATION AD HOC
COMMITTEE MEETING**

**MINUTES FROM THE MEETING HELD ON WEDNESDAY, SEPTEMBER 28, 2016 AT
5:00 P.M. IN RUGGLES ROOM 2, LOCATED AT 778 N. MAIN STREET, FLORENCE,
AZ.**

1. CALL TO ORDER

Liaison Bryan Hughes called the meeting to order at 5:02 P.M.

2. INTRODUCTIONS:

- a. Members**
- b. Council Liaisons: Mayor Tom Rankin, Vice Mayor Tara Walter,
Councilmember John Anderson**
- c. Staff: Bryan Hughes, Alison Feliz, John Nixon, Teresa Graciano**

Members introduced themselves.

3. NEW BUSINESS

- a. Approval of Meetings Minutes**
 - i. July 27, 2016

No action taken

b. Past Special Event Report (Alison Feliz)

Liaison Alison Feliz did a recap of the movie 'The Good Dinosaur' which showed on September 17, 2016 at the new fields west of the Aquatic Center. Originally, Movie in the Park was being held at Padilla Park, but our attendance numbers have gone up and needed more space to accommodate attendees. The Florence Teen Council was present at the event as well; they provided balloon animals to the children.

c. Upcoming Special Events (Alison Feliz)

Liaison Bryan Hughes stated that the existing events will have the 150th theme at each event. The movie 'Zootopia' is scheduled for October 15, 2016. Banner Hospital from Casa Grande may be giving away car seats to families at the October 15th movie; they hope to partner up with Florence Police Department to have officers ensure car seat are properly installed. The Fall Carnival will be from October 27th through the 31st. There is no cost to the Town for the Fall Carnival but, the Town will get a share of the ticket sales. Fright Fest is scheduled for October 31, 2016. This year there will be an inflatable corn maze and the costume contest as well.

For Junior Parada, Staff sent out "Save the Date" postcards to all past participants to remind them of the upcoming event and hopefully they will sign up early. Liaison Feliz also sent out letters to elected officials in hopes of having them participate in the Parade. Liaison Hughes introduced Ms. Jorganne Cochran, Chairman for the Arts and Culture Commission. Ms. Cochran is working on getting children from Florence K-8 to participate in Junior Parada. Ms. Cochran suggested hosting a box horse or box bull activity, where children may walk in their creations in the parade. Kathy Kitchell asked if the box horse and box bull activity was a competition. Ms. Cochran stated that they will receive a ribbon from the Arts and Culture Commission for participating. Liaison Feliz commented that the Parks and Recreation Dept. always offered trophies for Junior Parada, but no one would pick them up, so this year will be the first year we will not offer the trophies.

Liaison Hughes spoke about Christmas on Main which is scheduled for December 2, 2016. There will be Pony rides, Karaoke, Flash mob and Liaison Feliz is still looking for Carolers. The Florence Teen Council will have activities set for that evening as well. There will also be pictures with Santa, food vendors and we will close out the night with the Main of Lights Parade. Liaison Hughes stated that Liaison Feliz is hoping to get businesses to decorate their storefronts on Main St., and if there are any vacant buildings, individuals or other businesses not on Main St. may adopt the storefront and with the permission of the owner decorate it for the December 2, 2016 event.

Liaison Hughes concluded with an update on the New Year's Block Party. The Florence American Legion and Kokopelli Moon Saloon are interested in having a beer garden at the New Year's Block Party Event. Liaison Feliz stated that she is working on getting a stage for a band or a DJ; we will also have fireworks to ring in the New Year. The event is Family oriented so there will be inflatables and other fun activities for the children. Liaison Hughes stated it's been 16 years since the Town of Florence has celebrated New Year's and it will be a great closure to our 150th Celebration.

d. Sponsorship Update (Alison Feliz)

Liaison Feliz stated that the Town has received \$22,900 in sponsorships.

e. Marketing Update

Liaison Hughes stated that Staff continues to produce and distribute flyers throughout the Community, Facebook event post have produced a lot of

views, and newspaper ads are also being utilized to get the word out about our events.

f. Merchandising/Collectibles (Bryan Hughes)

No update

g. Next Meeting

October 26, 2016 will be the last meeting for the 150 Year Anniversary Celebration Ad-Hoc Committee.

4. CALL TO THE PUBLIC/COMMITTEE RESPONSE

No comments made.

CALL TO THE PUBLIC FOR PUBLIC COMMENT ON ISSUES WITHIN THE JURISDICTION OF THE TOWN OF FLORENCE 150th BIRTHDAY CELEBRATION AD HOC COMMITTEE. RULES LIMIT PUBLIC COMMENT TO THREE MINUTES. INDIVIDUAL MEMBERS 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 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.

5. ADJOURNMENT

On motion by Liaison Bryan Hughes, and carried to adjourn the meeting at 5:38 P.M.

Approved:



Tom Rankin, Mayor

TOWN OF FLORENCE 150 YEAR ANNIVERSARY CELEBRATION AD HOC COMMITTEE MEETING

MINUTES FROM THE MEETING HELD ON WEDNESDAY, OCTOBER 26, 2016 AT 5:00 P.M. IN RUGGLES ROOM 2, LOCATED AT 778 N. MAIN STREET, FLORENCE, AZ.

1. CALL TO ORDER

Liaison Alison Feliz called the meeting to order at 5:08 P.M.

2. INTRODUCTIONS:

- a. Members**
- b. Council Liaisons: Councilmember John Anderson**
- c. Staff: Alison Feliz, John Nixon, Teresa Graciano**

Members introduced themselves.

3. NEW BUSINESS

a. Approval of Meetings Minutes

- i. May 25, 2016
- ii. September 28, 2016

On motion of Member Anderson, seconded by Member Tchida, and carried to approve the May 25, 2016 and the September 28, 2016 150th Ad-Hoc Committee meeting minutes.

b. Past Special Event Report (Alison Feliz)

Liaison Alison Feliz did a recap of the GAIN event put on by the Florence Police Dept. at the Anthem Community Park. Liaison Feliz stated there was a low attendance, hopefully next year the event will have better attendance.

c. Upcoming Special Events (Alison Feliz)

Liaison Feliz updated the Committee of upcoming events which include the Fall Carnival, Halloween Fright Fest, Mariachi Music and Munch, Christmas on Main and the final event being the New Year's Block Party. Liaison Feliz stated there will be live entertainment and two beer gardens, inflatables for the kids and a fireworks display at midnight to close out the year.

d. Sponsorship Update (Alison Feliz)

No Update

e. Marketing Update (Alison Feliz)

Liaison Feliz stated the Town has been marketing through social media, flyers and newspaper ads to promote upcoming events.

f. Merchandising/Collectibles (Alison Feliz)

No update

g. Next Meeting

Liaison Feliz informed the Committee that this meeting would be the last meeting of the 150 Year Ad-Hoc Committee.

4. CALL TO THE PUBLIC/COMMITTEE RESPONSE

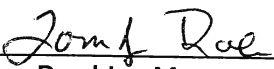
Member Anderson thanked Alison Feliz for all the hard work she and the Parks and Recreation Department did to boost up the Town of Florence's 150th Anniversary.

CALL TO THE PUBLIC FOR PUBLIC COMMENT ON ISSUES WITHIN THE JURISDICTION OF THE TOWN OF FLORENCE 150th BIRTHDAY CELEBRATION AD HOC COMMITTEE. RULES LIMIT PUBLIC COMMENT TO THREE MINUTES. INDIVIDUAL MEMBERS 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 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.

5. ADJOURNMENT

On motion by Member Anderson, seconded by Member Tchida, and carried to adjourn the meeting at 5:31 P.M.

Approved:


Tom Rankin, Mayor

**MINUTES OF THE TOWN OF FLORENCE ARTS AND CULTURE COMMISSION
REGULAR MEETING HELD ON THURSDAY, SEPTEMBER 8, 2016, AT 6:00 PM, AT
THE FLORENCE COMMUNITY CENTER, LOCATED AT 778 NORTH MAIN STREET,
FLORENCE, ARIZONA.**

CALL TO ORDER:

Chairman Cochran called the meeting to order at 6:00 pm.

ROLL CALL:

Present: Cochran, Rankin, Duncan
Absent: Hansen, Curran

PLEDGE OF ALLEGIANCE

NEW BUSINESS

Discussion/Approval/Disapproval of Minutes from the July 14, 2016 Regular Meeting

On motion of Commissioner Rankin, seconded by Chairman Cochran, and carried to approve the July 14, 2016 Regular Meeting minutes with one correction.

Discussion of a Community Arts Forum

Chairman Cochran said she thought the discussion should take place when Vice Chairman Hansen was present since she is the lead on the event. Staff Liaison Evans said the agenda needs to be confirmed but there is still time to work on it. Parks and Recreation Director, Bryan Hughes, passed around a draft flyer for the forum. Commissioner Duncan asked if it would be on the website and in the newspaper. Commissioner Rankin asked if a work day is needed to prepare for the forum. It will be scheduled when Vice Chairman Hansen is available.

Discussion of the Project Proposal "How Sweet the Sound" Vocal Master Classes and Recital

Commissioner Duncan said the updated proposal takes into consideration one concert, one master class, and one performance. A choir is not needed with the revised proposal. Commissioner Duncan said she researched venues and thinks McFarland State Park would be a good fit. A piano is needed for the class and performance. The master class would have up to 5 students in a class. A price quote will be needed for the pianist. Ms. Evans mentioned the budget worksheet that will help determine the costs of having the activity once all of the necessary information is added to the document. Mr. Hughes explained the three categories of cost recovery for activities.

Adult classes usually require full cost recovery. Commissioner Duncan will get cost estimates for pianists.

Discussion/Approval/Disapproval of the Event Plan Priorities

Chairman Cochran asked each of the commissioners to review the plan and indicate their top four priorities. The Community Forum was removed from the list because it is scheduled November 17th. The results follow:

- | | |
|--|---|
| - Junior Parada Box Bull art project | #1 – Rankin; #4 - Cochran |
| - Vocal Master Classes | #2 - Duncan |
| - Sustainable Family Gardens/Economy of Cooking with Fresh Produce | #1 – Cochran; #4 - Rankin |
| - Cultural Pima & Mexican American Cooking Demonstration/Classes | #1 – Duncan; #3 - Cochran |
| - Quick Draw Art Event | #2 – Cochran; #2 – Rankin;
#3 - Duncan |
| - Own and Original Exhibit | #3 - Rankin |

The commissioners who are absent will be asked for their input. The item was tabled until the next meeting.

Discussion/Approval/Disapproval of the Suter House Proposal

Chairman Cochran said that activities listed in the proposal may be eligible for grant funding and that the deadline for arts grants was today. She encouraged the commission to plan and decide on activities in a timely manner to take advantage of grant opportunities.

Motion by Rankin, seconded by Duncan and carried to approve the Suter House Proposal. The proposal will be submitted to the Industrial Development Authority to see if they are interested in holding the listed activities at the Suter House.

Discussion of Upcoming Events

Mr. Hughes said the next community event is the Junior Parada. Chairman Cochran demonstrated a proto-type box bull as an example of an art project for kids to make for the Junior Parada. She will work with the Florence and Anthem K-8 schools to promote the activity. Mr. Hughes also mentioned needing assistance with the window decorating contest during the Christmas on Main Event.

Discussion of Staff Liaison Transition

Mr. Hughes will take over as staff liaison next month. Ms. Evans will volunteer to assist with projects as needed.

CALL TO THE PUBLIC/COMMISSION RESPONSE

Call to the Public for Comment is limited to issues within the jurisdiction of the Town of Florence Arts and Culture Commission. Individual commission members may respond to criticism made by those commenting, may ask the staff liaison to review a matter raised, or may ask that a matter be placed on a future agenda.

CALL TO THE COMMISSION – CURRENT EVENTS ONLY

Commissioner Rankin mentioned participating in the Celebration of the Arts event at Anthem on November 12th. The GAIN event will be October 22nd. The Commission will have a booth at the Celebration of the Arts event.

ADJOURNMENT

On motion of Commissioner Duncan, seconded by Commissioner Rankin, and carried to adjourn the meeting at 6:55 pm.

Approved:


Jorganne Cochran, Chairman

**MINUTES OF THE TOWN OF FLORENCE ARTS AND CULTURE COMMISSION
REGULAR MEETING HELD ON WEDNESDAY, OCTOBER 19, 2016 AT 3:00 P.M. IN
RUGGLES ROOM 1, LOCATED AT 778 N. MAIN STREET, FLORENCE, AZ.**

1. CALL TO ORDER

Chair Cochran called the meeting to order at 3:00 p.m.

2. ROLL CALL:

Present: Cochran, Curran, Duncan, Rankin

Absent: Hansen

3. PLEDGE OF ALLEGIANCE

4. NEW BUSINESS

a. Discussion/Approval/Disapproval of Minutes from the September 8, 2016 Regular Meeting.

On motion by Commissioner Curran, seconded by Commissioner Rankin, and carried to approve the September 8, 2016 regular meeting minutes.

b. Discussion/Approval/Disapproval of Debra Hansen Resignation.

On motion by Commissioner Rankin, seconded by Commissioner Curran, and carried to approve the Resignation of Debra Hansen.

c. Discussion/Approval/Disapproval of nomination and election of a new Vice Chair.

On motion by Commissioner Curran, seconded by Commissioner Cochran, and carried to appoint Commissioner Rankin as the new Vice Chair.

d. Discussion of a Community Arts Forum

Liaison Bryan Hughes informed the Commission of the marketing the Parks and Recreation Dept. will be doing to advertise the Community Art Forum. Staff will create and distribute flyers; there will be news releases sent out and social media advertisement as well. Liaison Hughes stated that Staff will distribute flyers at the upcoming events for example, GAIN (Getting Arizona Involved in Neighborhoods) and at the Anthem Celebrates the Arts events.

Liaison Hughes stated that the reason for the Forum is to introduce the Arts & Culture Committee to the public and he hopes the public will suggest ideas for future programming.

Chair Cochran requested easels to write attendees ideas. Chair Cochran informed the Commissioners that they will be manning the stations. Commissioner Curran suggested

the displays include detailed information on the different programs the Commission is working on.

Chair Cochran asked if one of the Commissioners would like to volunteer to do the opening speech at the Forum. Commissioner Curran volunteered to be the speaker.

e. Discussion of Information Booths at Upcoming Events

Liaison Hughes informed the Commission that staff will have informational booths at both the GAIN and Anthem Celebrates the Arts events. Liaison Hughes stated that Staff will print out and distribute ¼ page flyers informing the public about the Forum.

Liaison Hughes invited Commissioners to attend the events and answer any questions the public may have about the Forum. Chair Cochran suggested the Commissioners display the Arts & Culture banner at both events. Liaison Hughes stated if the Commissioners were not able to attend the Anthem Celebrates the Arts event, that he will schedule additional staff for coverage.

f. Discussion/Approval/Disapproval of the Event Plan Priorities

Chair Cochran stated that we should reduce the long list of proposed events and ideas to a year's worth of manageable events.

g. Discussion/Approval/Disapproval of the Project Proposal "How Sweet the Sound" Vocal Master Classes and Recital

Commissioner Duncan recused herself due to a conflict of interest and left the meeting.

On motion by Commissioner Curran, seconded by Commissioner Rankin, and carried to disapprove the Project Proposal "How Sweet the Sound" Vocal Master Classes and Recital.

h. Discussion of the Suter House Proposal

Liaison Hughes stated that Jennifer Evans, Commissioner Rankin, Chair Cochran and himself, attended the meeting for the Suter House Enrichment Academy. Liaison Hughes hopes to utilize the open space as well as the buildings for Arts and Culture Commission programs. Liaison Hughes stated that there will be no cost to the Town. Liaison Hughes stated that the Town will draft an IGA with the Industrial Development Authority. Liaison Hughes also stated that the IGA will have to be approved by Town Council.

i. Discussion of Upcoming Events

Liaison Hughes stated that upcoming events include Junior Parada, where they will have a box pony/bull entry, the Arts and Culture Forum and a quick draw event; which we will need canvases for. Liaison Hughes stated there were about 16-20 canvases on hand already.

5. CALL TO THE PUBLIC/BOARD RESPONSE

Call to the Public for Comment is limited to issues within the jurisdiction of the Town of Florence Arts and Culture Commission. Individual commission

members may respond to criticism made by those commenting, may ask the staff liaison to review a matter raised, or may ask that a matter be placed on future agenda.

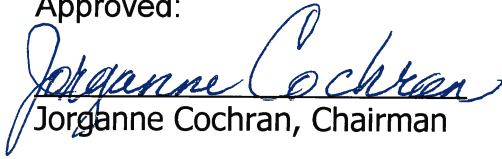
6. CALL TO THE COMMISSION

Chair Cochran stated classes can be revisited in the future with the feedback we get from the Forum.

7. ADJOURNMENT

On motion by Commissioner Rankin, seconded by Commissioner Curran, and carried to adjourn the meeting at 4:18 P.M.

Approved:


Jorganne Cochran, Chairman

Posted 18th day of November, 2016, by Maria Hernandez, Deputy Town Clerk, at 775 North Main Street and 1000 South Willow Street, Florence, Arizona 85132 and at www.florenceaz.gov.

**MINUTES OF THE TOWN OF FLORENCE ARTS AND CULTURE COMMISSION
SPECIAL MEETING HELD ON THURSDAY, NOVEMBER 17, 2016 AT 5:00 P.M. IN
RUGGLES ROOM 1, LOCATED AT 778 N. MAIN STREET, FLORENCE, AZ.**

1. CALL TO ORDER

Chair Cochran called the meeting to order at 5:00 p.m.

2. ROLL CALL:

Present: Cochran, Duncan, Rankin

Absent: Curran

3. PLEDGE OF ALLEGIANCE

4. NEW BUSINESS

a. Discussion/Approval/Disapproval of Minutes from the October 19, 2016 Regular Meeting.

On motion by Commissioner Rankin, seconded by Commissioner Duncan, and carried to approve the October 19, 2016 regular meeting minutes.

b. Discussion of Community Arts Forum.

Liaison Bryan Hughes stated everything is ready for the Community Arts Forum event that will take place tonight in Recreation Room C. Liaison Hughes said there were snacks and drinks available for attendees. Also, a sign-in sheet was placed to have attendees provide their information for marketing analysis. Liaison Hughes stated he placed easels, pads and markers for the Commissioners to write down ideas given from the public. Chair Cochran stated that Commissioner Curran was not available to provide music at the Forum, but Commissioner Curran arranged to have someone else come in his place.

c. Discussion/Approval/Disapproval of the Event Plan Priorities.

Liaison Hughes opened the discussion about the Event Plan Priorities. Liaison Hughes stated that the Commission has picked the top four event/program ideas which include Suter House Enrichment Academy, Quick Draw, Junior Parada Pimp your pony/bull and the Pastel Workshop. There are two event/program ideas that received the most votes so these events/programs are a go. Liaison Hughes suggested moving forward with these events/programs, or wait and see what ideas the Commission gets from the Arts Forum. Chair Cochran suggested holding off on taking action for approval/disapproval until we review ideas from the Arts Forum.

Commissioner Duncan asked where the Art classes will be hosted. Liaison Hughes stated that the art classes will be at the Suter House, but if there are any issues we can move the classes to the Community Center.

Discussion only; no action taken

d. Discussion/Approval/Disapproval of the Program/Events Budget

Liaison Hughes discussed the budget worksheets he handed out to the Commission. The worksheets include supplies needed and contracts for professional services. Liaison Hughes stated that the amounts figured into the worksheets are ballpark amounts and the bottom line amount may change.

Chair Cochran advised the Commission to approve for one class of Pastel Painting. Commissioner Duncan asked what Pastel Painting was. Chair Cochran stated that Pastel painting was more like chalk paint. Commissioner Duncan asked if it was the same as they do at the Windmill Winery. Vice-Chair Rankin stated it was similar as the Windmill, only the paint itself was different. Liaison John Anderson asked if the class information can be posted on the Anthem Newsletter. Liaison Hughes responded that he will try, as Anthem only advertises their events/programs. Chair Cochran mentioned Sun City Anthem has a Pastel Painting class.

Chair Cochran suggested approve only portion of the budget in the amount of \$800 to be approved for the Pastel Workshop, Quick Draw, Art Forum and Drawing Classes.

On motion by Commissioner Rankin, seconded by Commissioner Duncan, and carried to approve the Pastel Workshop, Quick Draw, Art Forum and Drawing Classes up to \$800.

e. Discussion of the Suter House Enrichment Academy.

Liaison Hughes stated that the IGA (Inter Government Agreement) for the Suter House Enrichment Academy has been drafted and is currently being reviewed by the Town Attorney. The IGA will be sent to the home owners for their own review, and present it to the Town Council. If approved by Council, the house may be used right away. Liaison Anderson stated that IDA (Industrial Development Authority) individuals are excited the Suter House will be utilized.

f. Discussion of Upcoming Events.

Chair Cochran stated she and Vice-Chair Rankin went to Florence K-8 and pitched their idea about the box pony/bull, and only a few individuals were interested. Liaison Anderson asked Chair Cochran if she checked with Anthem K-8. Chair Cochran responded that she reached out to the Principal from Anthem K-8 and never received a response back.

Liaison Hughes expressed his appreciation to the Commissioners that attended the Anthem Celebrates the Arts event.

Liaison Hughes stated that the Mariachi Music and Munch event that was held on November 2, 2016 at lunch time was a success. Liaison Hughes thinks lunch concerts may be better attended in the springtime.

5. CALL TO THE PUBLIC/BOARD RESPONSE

Call to the Public for Comment is limited to issues within the jurisdiction of the Town of Florence Arts and Culture Commission. Individual commission members may respond to criticism made by those commenting, may ask

the staff liaison to review a matter raised, or may ask that a matter be placed on future agenda.

Ms. Ruth Harrison stated to the Commission that the music at the Mariachi Music and Munch was hard to hear and suggested the Town provide a better sound system.

6. CALL TO THE COMMISSION


7. ADJOURNMENT

On motion by Commissioner Duncan, seconded by Chair Cochran, and carried to adjourn the meeting at 5:41 P.M.

Approved:


Jorganne Cochran, Chairman

Posted 9th day of December, 2016, by Maria Hernandez, Deputy Town Clerk, at 775 North Main Street and 1000 South Willow Street, Florence, Arizona 85132 and at www.florenceaz.gov.

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 8a.
MEETING DATE: December 19, 2016 DEPARTMENT: Administration STAFF PRESENTER: Lisa Garcia Deputy Town Manager/Town Clerk SUBJECT: Appointments to Town of Florence Boards and Commissions		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <div style="margin-left: 40px;"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading </div> <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Appointment of members to the open boards and commission seats.

BACKGROUND/DISCUSSION:

Advertisements were placed on the Town website, on Channel 11, and in the Florence Reminder noticing the availability of board and commission seats. The Town has had ongoing advertising for vacancies and will continue to collect applications until all vacancies are filled.

Ms. Jorganne Cochran currently services on the Arts and Culture Commission and if accepted, would be a re-appointment for a three year term, with a term to expire December 31, 2019.

Ms. Sheree Berger currently serves on the Library Advisory Board and if accepted, would be a re-appointment for a two year term, with a term to expire December 31, 2018.

Mr. Robert Smidt currently serves on the Parks and Recreation Board with a term to expire December 31, 2017. If accepted to serve on the Planning and Zoning Commission, he would fill one of the vacant seats with a term to expire on December 31, 2017 and would need to resign from the Parks and Recreation Advisory Board unless Council authorizes him to serve on two boards/commissions simultaneously. This would create one vacancy on the Parks and Recreation Board.

The following is an excerpt for the Florence Town Code regarding Board and Commission:

32.002 MEMBERSHIP.

- A. All boards, commissions and committees of the municipality shall have five members unless a motion, resolution or ordinance creating the board, commission or committee specifies a different number of members.
- B. Each board, commission or committee shall as nearly as possible have an integrated or balanced membership with representatives of each race, sex and geographical area of the municipality.
- C. The Council shall, in making the appointment, take into consideration each person's knowledge, background, interest, experience and availability to perform the work and duties of the board, commission or committee. The applicant's political affiliation shall also be considered in making the appointment.
- D. A member of any board, commission or committee may concurrently serve on any other board, commission or committee of the municipality provided that there is no conflict created by the concurrent service, or unless a motion, resolution or ordinance creating the board, commission or committee specifies otherwise.
- E. All members shall be bona fide residents of the municipality and a registered voter, if 18 years of age or older, unless a motion, resolution or ordinance creating a board, commission or committee specifies otherwise, and shall serve without pay or compensation, except that a member shall be reimbursed for his or her actual and necessary expenses incurred in the performance of his or her official duties, provided that the expenses are approved by the Council prior to being incurred. Town employees or appointed officers shall not be eligible for appointment to any board, commission and committee, but may be requested to provide staff support thereto.

The liaisons have reviewed the applications and are forwarding the following recommendations to Council. Recommendations are based on each applicant's first choice and no member serving on more than one board at a time. If Council would rather conduct interviews, the Mayor is agreeable.

FINANCIAL IMPACT:

None

STAFF RECOMMENDATION:

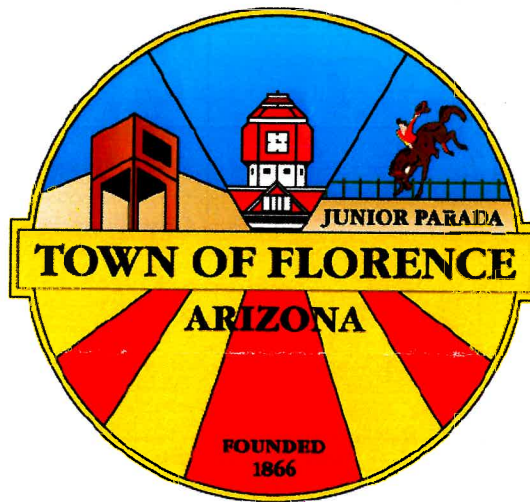
Mayor's recommendations for appointment are as follows:

- I. Re-appointment of Jorganne Cochran to the Arts and Culture Commission with a term to expire December 31, 2019.
- II. Re-appointment of Sheree Berger to the Joint Library Advisory Board with a term to expire December 31, 2018.

- III. Appoint Robert Smidt to the Planning and Zoning Commission with a term to expire December 31, 2017 and accept the termination of his appointment to the Parks and Recreation Board, effective December 19, 2016.

ATTACHMENTS:

Applications
Boardmember Lists



Board and Commission Application

NAME: Jorganne Cochran DATE: 11/09/2016

Date Received: _____

Appointed on: _____ to _____ Board/Commission

Term Expires: _____

Board and Commission Application

Name: <u>Jorganne Cochran</u>	Date: <u>11/09/2016</u>
E-Mail Address: <u>robnjoc83@gmail.com</u>	
Street Address: <u>3742 N. Monument Dr.</u>	Mailing Address: <u>Florence, AZ 85132</u>
Home Telephone: <u>719-322-1003</u>	Work Telephone: _____
Occupation: <u>Retired</u>	Best Time to Call: <u>Anytime</u>
Do you own commercial property or operate a business in Florence? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please provide: Work/Business Name: _____ Work/Business Address: _____	
Length of Residency in Florence: _____ Years Are you a Registered Voter? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Do you live within the Town's incorporated limits? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Are you now, or have you ever served on a board, commission or committee for the Town of Florence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide name of board, commission and/or committee and dates served:	
1. <u>Arts & Culture</u> Dates: <u>1/2014</u> thru <u>12/31/2016</u> 2. <u>Historic Downtown Advisory Com.</u> Dates: <u>9/2010</u> thru <u>12/31/2014</u> 3. _____ Dates: _____ thru _____ 4. _____ Dates: _____ thru _____	

BOARD OR COMMISSION PREFERENCE(S): Refer to last page for list of boards and commissions (Please list <u>no more than two</u> boards, commissions in order of preference)	
1. <u>Arts & Culture</u>	2. _____
If appointed, how much time would you be able to devote to the board or commission? Hours per week? _____ Hours per month? _____	

Employment History		
Employment Period	Employer's Name and Address	Title
See Previous applications on file.		
Civic Activities – Service Organizations		
① Town Commissions		
② AZ Site Steward		

What personal and professional experience or background can you contribute to the board or commission? Career program developer

What is the most significant contribution you can make as a member of the board or commission for which you are applying? Enthusiasm, Creativity, commission experience, thinking outside box to achieve goals

Please state in what ways you have been involved in the Florence community and what prompted you to apply for appointment to the Town's boards and commissions. As a

town resident I think it is important to participate and give back to the community.

I understand that if a subject is presented for discussion to a board or commission where you have a conflict of interest, I will excuse myself from the discussion and abstain from voting. (For more information on conflict of interest, please contact the Town Attorney).

I understand that boards and commissions shall have no administrative authority unless specifically required by Federal or State Law, or Intergovernmental Agreement. Members of boards and commissions shall serve without compensation.

I further understand that to be considered for appointment to a board or commission I must be at least eighteen (18) years of age (except youth representatives), a qualified elector, and a resident of Florence unless a motion, resolution, or ordinance creating a board or commission specifies otherwise.

I further understand that my attendance at all regularly scheduled meetings is critical even if I am an alternate member and that the Town Council may appoint a replacement for members who are chronically absent from regular meetings. If a member is absent without an excuse from three (3) or more consecutive meetings, the Town Council may remove this member from the board or commission and appoint another (subject to Town Council approval) to serve the remainder of the term. I also understand that this application is considered a public record.

Applicant's Signature: Gorgonne Cochran

Date: 11/09/2016

All applications are kept on file for one year. During that time, your application will be considered when there is an opening for the board or Commission for which you have applied.

- Please notify the Town Clerk's Office at 520-868-7552 if you move or no longer wish to be considered for appointment.
- Please feel free to attach a resume and/or copies of any certificates pertinent to the appointment you are seeking.
- Mail or deliver your completed application to: Town of Florence, Town Clerk's Office, 775 North Main Street, P.O. Box 2670, Florence, AZ 85132

* Application must be completely filled out in order to be considered *

THANK YOU FOR YOUR INTEREST IN THE TOWN OF FLORENCE

CITIZEN'S GUIDE.....Florence's Boards and Commissions

Arts and Culture Commission

Duties: Advises the Town Council on policies and plans pertaining to public art and the humanities in Florence.

Membership: Five members and one alternate appointed by the Town Council for three year terms. Members must be Florence residents or business owner.

Meetings: Meetings are held the 2nd Thursday of the month at 6:00 pm, at Florence Community Center, Ruggles #1, 778 North Main Street

Board of Adjustment

Duties: Serves as a quasi-judiciary board that hears variances, appeals and ordinance interpretations relating to regulations contained in the Zoning Ordinance.

Membership: The seven members of Council serve as the Board of Adjustments.

Meetings: As needed during regular Council Meetings

Historic District Advisory Commission

Duties: Maintains the historical integrity of the buildings within the district.

Membership: Seven members appointed by the Mayor and Council for a three year term, 4 of which shall be property owners within the district. Three or fewer shall have qualifications in one of the following areas historic preservation, architecture, planning, history, archeology, or related field. Three or fewer may also be filled by elected or appointed representatives of the municipality and its various commissions and authorities. Three or fewer places may be filled by at large residents of the municipality.

Meetings: Meetings are held the last Wednesday of the month at 6:00 pm, at Florence Town Hall, 775 North Main Street

Industrial Development Authority

Duties: In addition to the powers granted to an industrial development authority bylaw, the authority has the powers to acquire, whether by purchase, exchange, gift, and lease or otherwise establish, construct, improve, maintain equip and furnish one or more projects. The authority has the power to lease, sell, exchange, or donate any or all of its projects. The authority as all other powers as defined by ARS 35-706.

Membership: Seven regular members appointed by the Town Council for Six-year terms.

Meetings: The authority meetings are posted 24 in advance with time, date, and location of meeting

Library Advisory Board

Duties: To promote the interests of the Florence Public Library.

Membership: Five regular members appointed by the Town Council for two-year terms. Member must reside within the Florence Unified School District.

Meetings: Meetings are held the 3rd Wednesday of the month at 6:00 pm, at Florence Community Center, 778 North Main Street

Parks & Recreation Board

Duties: Advises Town Council and staff on issues pertaining to parks, open space, trails and recreation.

Membership: Five members appointed by the Town Council for a three-year terms.

Meetings: Meetings are held the 4th Thursday of the month at 6:00 pm at Florence Community Center, 778 North Main Street

Planning & Zoning Commission

Duties: Analyze, review and make recommendations to the Council regarding land use and development related issues.

Membership: Five members and one alternate* appointed by the Town Council for three-year terms.

Meetings: Meetings are held the 1st and 3rd Thursday of the month at 6:00 pm, at Florence Town Hall, 775 North Main Street

* Alternates are not selected to fill in for board, commission or committee members that do not attend meetings. Alternates may attend meetings and are encouraged to do so as their attendance will enhance their overall knowledge and abilities and help them prepare for future appointment. However, alternates may not formally participate in the board, committee or commission decisions unless and until there is a vacancy, at which time they are automatically appointed to the open position.

Arts and Culture Commission

(3 Year Term)

Meets the Second Thursday of the month at 6:00 pm at Florence
Community Center, Ruggles #1 Room
5 members

Chairman

Jorganne Cochran

Chair Term expires 12/31/15

3742 N. Monument Drive

Florence AZ 85132

Home: (520) 723-4715

Cell: (719) 322-1003

jnrcochran@msn.com

Appointed: 2/17/2015

Expires: 12/31/2016

Vacant

Expires: 12/31/2016

Ann Rankin

P O Box 1471

351 W. Poston Butte Loop

Florence AZ 85132

Home: (520) 868-9528

Cell: 520-705-2469

strawpad@cox.net

Appointed: 1/5/2015

Expires: 12/31/2017

Georgine Duncan

2352 N. Palo Verde Dr.

Florence AZ 85132

Cell: (520) 279-0054

jwduncanjr@hotmail.com

Appointed: 2/17/2015

Expires: 12/31/2016

Ed Curran

P O Box 1734

495 N. Warner

Florence AZ 85132

Home: 520-483-6694

Appointed: 12/7/2015

Expires: 12/31/2017

Council Liaison:

Councilmember Bill Hawkins

130 Campbell Road

P O Box 1378

Florence, AZ 85132

Cell: 520-705-1601

Staff Liaison:

Bryan Hughes

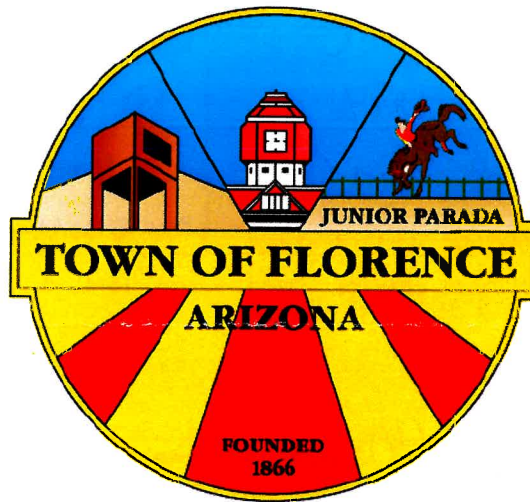
P o Box 2670

Florence AZ 85132

Phone: (520) 868-7582

Email: bryan.hughes@florenceaz.gov

Updated: 12-5-16



Board and Commission Application

NAME: Sheree Berger DATE: _____

Date Received: _____

Appointed on: _____ to _____ Board/Commission

Term Expires: _____

Board and Commission Application

Name: Sherree Berger	Date: 10-30-16
E-Mail Address: Sherree Berger @ hot mail. com	
Street Address: 409 E Ashley way	Mailing Address: PO Box 324
Home Telephone: 520 868-5288	Work Telephone: _____
Occupation: SPED Para Pro	Best Time to Call: after 3
Do you own commercial property or operate a business in Florence? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please provide: Work/Business Name: Work/Business Address:	
Length of Residency in Florence: 40 Years Are you a Registered Voter? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Do you live within the Town's incorporated limits? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Are you now, or have you ever served on a board, commission or committee for the Town of Florence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide name of board, commission and/or committee and dates served:	
1. Library Board	Dates: 2006-? thru Present
2. _____	Dates: _____ thru _____
3. _____	Dates: _____ thru _____
4. _____	Dates: _____ thru _____

BOARD OR COMMISSION PREFERENCE(S): Refer to last page for list of boards and commissions (Please list <u>no more than two</u> boards, commissions in order of preference)	
1. Library Board	2. _____
If appointed, how much time would you be able to devote to the board or commission? Hours per week? 3 Hours per month? 12	

Employment History		
Employment Period	Employer's Name and Address	Title
2006-?	Florence Unified	SPED Para Pro
Civic Activities – Service Organizations		
Library Board		

What personal and professional experience or background can you contribute to the board or commission? I have been on the Library

board for many years and I have
been a Library Patron for over 40 years
and I love books and all the Library offers.

What is the most significant contribution you can make as a member of the board or commission for which you are applying? I will do my best to

serve the interest of the town
and its people to serve their best interest
in the Library.

Please state in what ways you have been involved in the Florence community and what prompted you to apply for appointment to the Town's boards and commissions. I love

the Library and I have been involved
for many years in it.

I understand that if a subject is presented for discussion to a board or commission where you have a conflict of interest, I will excuse myself from the discussion and abstain from voting. (For more information on conflict of interest, please contact the Town Attorney).

I understand that boards and commissions shall have no administrative authority unless specifically required by Federal or State Law, or Intergovernmental Agreement. Members of boards and commissions shall serve without compensation.

I further understand that to be considered for appointment to a board or commission I must be at least eighteen (18) years of age (except youth representatives), a qualified elector, and a resident of Florence unless a motion, resolution, or ordinance creating a board or commission specifies otherwise.

I further understand that my attendance at all regularly scheduled meetings is critical even if I am an alternate member and that the Town Council may appoint a replacement for members who are chronically absent from regular meetings. If a member is absent without an excuse from three (3) or more consecutive meetings, the Town Council may remove this member from the board or commission and appoint another (subject to Town Council approval) to serve the remainder of the term. I also understand that this application is considered a public record.

Applicant's Signature: Shere Berge

Date: 10-30-10

All applications are kept on file for one year. During that time, your application will be considered when there is an opening for the board or Commission for which you have applied.

- Please notify the Town Clerk's Office at 520-868-7552 if you move or no longer wish to be considered for appointment.
- Please feel free to attach a resume and/or copies of any certificates pertinent to the appointment you are seeking.
- Mail or deliver your completed application to: Town of Florence, Town Clerk's Office, 775 North Main Street, P.O. Box 2670, Florence, AZ 85132

* Application must be completely filled out in order to be considered *

THANK YOU FOR YOUR INTEREST IN THE TOWN OF FLORENCE

CITIZEN'S GUIDE.....Florence's Boards and Commissions

Arts and Culture Commission

Duties: Advises the Town Council on policies and plans pertaining to public art and the humanities in Florence.

Membership: Five members and one alternate appointed by the Town Council for three year terms. Members must be Florence residents or business owner.

Meetings: Meetings are held the 2nd Thursday of the month at 6:00 pm, at Florence Community Center, Ruggles #1, 778 North Main Street

Board of Adjustment

Duties: Serves as a quasi-judiciary board that hears variances, appeals and ordinance interpretations relating to regulations contained in the Zoning Ordinance.

Membership: The seven members of Council serve as the Board of Adjustments.

Meetings: As needed during regular Council Meetings

Historic District Advisory Commission

Duties: Maintains the historical integrity of the buildings within the district.

Membership: Seven members appointed by the Mayor and Council for a three year term, 4 of which shall be property owners within the district. Three or fewer shall have qualifications in one of the following areas historic preservation, architecture, planning, history, archeology, or related field. Three or fewer may also be filled by elected or appointed representatives of the municipality and its various commissions and authorities. Three or fewer places may be filled by at large residents of the municipality.

Meetings: Meetings are held the last Wednesday of the month at 6:00 pm, at Florence Town Hall, 775 North Main Street

Industrial Development Authority

Duties: In addition to the powers granted to an industrial development authority bylaw, the authority has the powers to acquire, whether by purchase, exchange, gift, and lease or otherwise establish, construct, improve, maintain equip and furnish one or more projects. The authority has the power to lease, sell, exchange, or donate any or all of its projects. The authority as all other powers as defined by ARS 35-706.

Membership: Seven regular members appointed by the Town Council for Six-year terms.

Meetings: The authority meetings are posted 24 in advance with time, date, and location of meeting

Library Advisory Board

Duties: To promote the interests of the Florence Public Library.

Membership: Five regular members appointed by the Town Council for two-year terms. Member must reside within the Florence Unified School District.

Meetings: Meetings are held the 3rd Wednesday of the month at 6:00 pm, at Florence Community Center, 778 North Main Street

Parks & Recreation Board

Duties: Advises Town Council and staff on issues pertaining to parks, open space, trails and recreation.

Membership: Five members appointed by the Town Council for a three-year terms.

Meetings: Meetings are held the 4th Thursday of the month at 6:00 pm at Florence Community Center, 778 North Main Street

Planning & Zoning Commission

Duties: Analyze, review and make recommendations to the Council regarding land use and development related issues.

Membership: Five members and one alternate* appointed by the Town Council for three-year terms.

Meetings: Meetings are held the 1st and 3rd Thursday of the month at 6:00 pm, at Florence Town Hall, 775 North Main Street

* Alternates are not selected to fill in for board, commission or committee members that do not attend meetings. Alternates may attend meetings and are encouraged to do so as their attendance will enhance their overall knowledge and abilities and help them prepare for future appointment. However, alternates may not formally participate in the board, committee or commission decisions unless and until there is a vacancy, at which time they are automatically appointed to the open position.

Library Advisory Board

(2 Year Term)

Meets the Third Wednesday of the Month at 6:00 p.m.
5 members

Denise E. Kollert, Chairman

802 E. McFarland Blvd.
Florence, AZ 85132
Home: (520) 868-8177
denkoll123@gmail.com
Appointed: 2/1/2016
Expires: 12/31/2017

Talma Harmon, Secretary

P O Box 1944
515 N. Warner
Florence, AZ 85132
Cell: (520) 450-2183
Work: (520) 866-4037
quitah@hotmail.com
Appointed: 1/5/2015
Expires: 12/31/2016

Kamian Harmon

P O Box 1944
515 N. Warner
Florence AZ 85132
Cell: (520) 208-4235
kharmon@scvuhs.org
Appointed: 3/7/2016
Expires: 12/31/2017

Sheree Berger

P O Box 324
409 Ashley Way
Florence, AZ 85132
Home: (520) 868-5288
Work: (520) 866-3500
Cell: (520) 518-1526
shereeberger@hotmail.com
Appointed: 1/5/2015
Expires: 12/31/2016

Eugene Horan

3686 N. Princeton Ct.
Florence, AZ 85132
Home: (520) 723-1339
Cell: (520)-431-1638
genehoran@mac.com
Appointed: 1/5/2015
Expires: 12/31/2016

Alternate:

Trudy Kelm

P O Box 615
150 S. Central
Florence AZ 85132
Home: (520) 868-4764
trudyk24@yahoo.com
Appointed: 1/5/2015
Expires: 12/31/2016

Council Liaisons

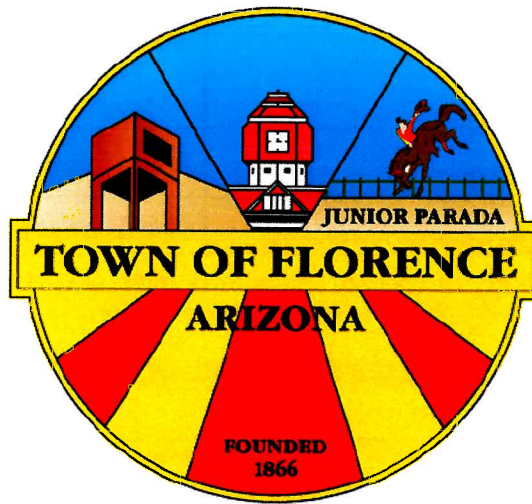
Vice-Mayor Vallarie Woolridge

534 W. 14th Street
P O Box 2670
Florence, AZ 85132
Home: (520) 868-3204
Cell: (520) 560-2211

Staff Liaison

Rosemary Bebris

1000 S. Willow Street
Florence, AZ 85132
(520) 868-9471
rosemary.bebris@florenceaz.gov



Board and Commission Application

NAME: Robert Smith DATE: 9/21/16

Date Received: _____

Appointed on: _____ to _____ Board/Commission

Term Expires: _____

Board and Commission Application

Name: <i>Robert Smidt</i>	Date: <i>9-21-16</i>
E-Mail Address: <i>Bobwteri Smidt @ MSN</i>	
Street Address: <i>590 N. King St Florence</i>	Mailing Address: <i>P.O. Box 1191</i>
Home Telephone: <i>520 868 9554</i>	Work Telephone: <i>520 868-7290</i>
Occupation: <i>Corrections Supervisor</i>	Best Time to Call: <i>1000 - 1800</i>
Do you own commercial property or operate a business in Florence? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please provide: Work/Business Name: Work/Business Address:	
Length of Residency in Florence: <i>26</i> Years Are you a Registered Voter? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Do you live within the Town's incorporated limits? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Are you now, or have you ever served on a board, commission or committee for the Town of Florence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide name of board, commission and/or committee and dates served:	
1. <i>Parks and Recreation</i> Dates: <i>?</i> thru <i>Present</i> 2. _____ Dates: _____ thru _____ 3. _____ Dates: _____ thru _____ 4. _____ Dates: _____ thru _____	

BOARD OR COMMISSION PREFERENCE(S): Refer to last page for list of boards and commissions (Please list <u>no more</u> than two boards, commissions in order of preference)	
1 <i>PLANNING / ZONING</i>	2 _____
If appointed, how much time would you be able to devote to the board or commission? Hours per week? <i>AS NEEDED</i> Hours per month? <i>AS NEEDED</i>	

Employment History		
Employment Period	Employer's Name and Address	Title
<i>9/08 to Present</i>	<i>CORRECTIONS CORP OF AMERICA 1100 N. Bowling Road</i>	<i>(Lieutenant) ASSISTANT SHIFT SUPERV.</i>
<i>2-86 to 9-08</i>	<i>ARIZONA DEPARTMENT OF CORRECTIONS Bette Ave</i>	<i>Lieutenant</i>
Civic Activities – Service Organizations		

What personal and professional experience or background can you contribute to the board or commission? A DESIRE TO BE INVOLVED IN MY COMMUNITY PLANNING IN UPCOMING YEARS AS IT EXPERIENCES GROWTH

What is the most significant contribution you can make as a member of the board or commission for which you are applying? A DESIRE TO LEARN ABOUT THE PLANNING AND ZONING PROCESS AND TO BECOME INVOLVED

Please state in what ways you have been involved in the Florence community and what prompted you to apply for appointment to the Town's boards and commissions. I HAVE LIVED IN AND AROUND FLORENCE FOR 62 YEARS THE LAST 26 IN TOWN. I CURRENTLY SERVE ON THE PARKS & RECREATION BOARD

I understand that if a subject is presented for discussion to a board or commission where you have a conflict of interest, I will excuse myself from the discussion and abstain from voting. (For more information on conflict of interest, please contact the Town Attorney).

I understand that boards and commissions shall have no administrative authority unless specifically required by Federal or State Law, or Intergovernmental Agreement. Members of boards and commissions shall serve without compensation.

I further understand that to be considered for appointment to a board or commission I must be at least eighteen (18) years of age (except youth representatives), a qualified elector, and a resident of Florence unless a motion, resolution, or ordinance creating a board or commission specifies otherwise.

I further understand that my attendance at all regularly scheduled meetings is critical even if I am an alternate member and that the Town Council may appoint a replacement for members who are chronically absent from regular meetings. If a member is absent without an excuse from three (3) or more consecutive meetings, the Town Council may remove this member from the board or commission and appoint another (subject to Town Council approval) to serve the remainder of the term. I also understand that this application is considered a public record.

Applicant's Signature: Robert Smith Date: 9-21-16

All applications are kept on file for one year. During that time, your application will be considered when there is an opening for the board or Commission for which you have applied.

- Please notify the Town Clerk's Office at 520-868-7552 if you move or no longer wish to be considered for appointment.
- Please feel free to attach a resume and/or copies of any certificates pertinent to the appointment you are seeking.
- Mail or deliver your completed application to: Town of Florence, Town Clerk's Office, 775 North Main Street, P.O. Box 2670, Florence, AZ 85132

* Application must be completely filled out in order to be considered *
THANK YOU FOR YOUR INTEREST IN THE TOWN OF FLORENCE

CITIZEN'S GUIDE.....Florence's Boards and Commissions

Arts and Culture Commission

Duties: Advises the Town Council on policies and plans pertaining to public art and the humanities in Florence.

Membership: Five members and one alternate appointed by the Town Council for three year terms. Members must be Florence residents or business owner.

Meetings: Meetings are held the 2nd Thursday of the month at 6:00 pm, at Florence Community Center, Ruggles #1, 778 North Main Street

Board of Adjustment

Duties: Serves as a quasi-judiciary board that hears variances, appeals and ordinance interpretations relating to regulations contained in the Zoning Ordinance.

Membership: The seven members of Council serve as the Board of Adjustments.

Meetings: As needed during regular Council Meetings

Historic District Advisory Commission

Duties: Maintains the historical integrity of the buildings within the district.

Membership: Seven members appointed by the Mayor and Council for a three year term, 4 of which shall be property owners within the district. Three or fewer shall have qualifications in one of the following areas historic preservation, architecture, planning, history, archeology, or related field. Three or fewer may also be filled by elected or appointed representatives of the municipality and its various commissions and authorities. Three or fewer places may be filled by at large residents of the municipality.

Meetings: Meetings are held the last Wednesday of the month at 6:00 pm, at Florence Town Hall, 775 North Main Street

Industrial Development Authority

Duties: In addition to the powers granted to an industrial development authority bylaw, the authority has the powers to acquire, whether by purchase, exchange, gift, and lease or otherwise establish, construct, improve, maintain equip and furnish one or more projects. The authority has the power to lease, sell, exchange, or donate any or all of its projects. The authority as all other powers as defined by ARS 35-706.

Membership: Seven regular members appointed by the Town Council for Six-year terms.

Meetings: The authority meetings are posted 24 in advance with time, date, and location of meeting

Library Advisory Board

Duties: To promote the interests of the Florence Public Library.

Membership: Five regular members appointed by the Town Council for two-year terms. Member must reside within the Florence Unified School District.

Meetings: Meetings are held the 3rd Wednesday of the month at 6:00 pm, at Florence Community Center, 778 North Main Street

Parks & Recreation Board

Duties: Advises Town Council and staff on issues pertaining to parks, open space, trails and recreation.

Membership: Five members appointed by the Town Council for a three-year terms.

Meetings: Meetings are held the 4th Thursday of the month at 6:00 pm at Florence Community Center, 778 North Main Street

Planning & Zoning Commission

Duties: Analyze, review and make recommendations to the Council regarding land use and development related issues.

Membership: Five members and one alternate* appointed by the Town Council for three-year terms.

Meetings: Meetings are held the 1st and 3rd Thursday of the month at 6:00 pm, at Florence Town Hall, 775 North Main Street

*** Alternates are not selected to fill in for board, commission or committee members that do not attend meetings. Alternates may attend meetings and are encouraged to do so as their attendance will enhance their overall knowledge and abilities and help them prepare for future appointment. However, alternates may not formally participate in the board, committee or commission decisions unless and until there is a vacancy, at which time they are automatically appointed to the open position.**

Parks & Recreation Board

(3 Year Term)

Meets Fourth Thursday of the Month

At 6:00 pm

5 members

Tom Smith

P O Box 1810

192 N. Bailey Street

Florence AZ 85132

Home: 520-868-4473

Cell: 520-705-1221

Toml.lynn05@gmail.com

Appointed: 9/19/2016

Expires: 12/31/2017

Donald Woolridge

P O Box 482

534 W. 14th Street

Florence, AZ 85132

Home: (520) 868-3204

Work: (520) 868-4772

dlwoolridge@cox.net

Appointed: 2/18/2014

Expires: 12/31/2016

Don Pinson

P O Box 1165

177 S. Bush Street

Florence, AZ 85132

Home: (520) 868-4872

Cell: (520) 518-1625

dandnpinson@cgmailbox.com

Appointed: 2/1/2016

Expires: 12/31/2018

Council Liaison

Councilmember Kristen Larsen

7322 W. Pleasant Oak Way

Florence, AZ 85132

Kristen.larsen@florenceaz.gov

Cell: 605-376-2048

Staff Liaison

Bryan Hughes

P O Box 2670

778 N. Main Street

Florence, AZ 85132

bryan.hughes@florenceaz.gov

Office: (520) 868-7582

Cell: (520) 840-1443

Robert Smidt

P O Box 1191

590 N. King Street

Florence, AZ 85132

Work: (520) 868-7250

Home: (520) 868-9554

bobnterismidt@msn.com

Appointed: 1/5/2015

Expires: 12/31/2017

Linda Fenstermaker

3625 N. Princeton Ct.

Florence, AZ 85132

(760) 686-8286

lindylu92345@yahoo.com

Appointed: 4/20/2015

Expires: 12/31/2017

**Planning and Zoning Commission
(3 Year Term)
Meets the First and Third Thursday of the Month at 6:00p.m.
5 members**

Chairman

Gary J. Pranzo

420 N. Quartz St.
P O Box 577
Florence AZ 85132
Home: (520) 868-0591
Cell: (520) 709-0707
gary@pranzocarpentry.com
Appointed: 2/1/2016
Expires: 12/31/2018

Vice-Chair

Larry R. Putrick

6434 W. Willow Way
Florence, Arizona 85132
Home: (520) 709-3389
Alternate: (425) 641-3898
premaero@cox.net
Appointed: 2/1/2016
Expires: 12/31/2018

Carl Bell

565 S. Central
P O Box 2021
Florence, Arizona 85132
Home: (520) 560-4614
deadbugs@centurylink.net
Appointed: 2/1/2016
Expires: 12/31/2018

Vacant

Expires: 12/31/2017

Vacant

Expires: 12/31/2017


Council Liaison

Council Member Bill Hawkins
130 Campbell Road
P O Box 1378
Florence, Arizona 85132
Cell: (520) 705-1601

Staff Liaisons

Mark Eckhoff
P O Box 2670
Florence, Arizona 85132
Phone: (520) 868-7540
Email: Mark.Eckhoff@florenceaz.gov

Will Randall
P O Box 2670
Florence, Arizona 85132
Phone: (520) 868-7572
Email: will.randall@florenceaz.gov

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 8b.
MEETING DATE: December 19, 2016 DEPARTMENT: Public Works Department STAFF PRESENTER: Christopher A. Salas, Public Works Director/Town Engineer SUBJECT: Approval to award Nu-Trend Architectural Services, LLC, a contract for Public Works Architectural Support and One-Stop Shop Consulting Services		<input checked="checked" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Motion to authorize the approval of a Professional Services Contract with Nu-Trend Architectural Services, LLC, for architectural support and one-stop shop consulting services, in an amount not to exceed \$150,000.

BACKGROUND/DISCUSSION:

Nu-Trend Architectural Services, LLC, is a full-service Building Official, Code Official, Architectural, Plan Review & One-Stop Shop Consultant Firm.

The Town of Florence currently has been using Nu-Trend Architectural Services, LLC, since September 8, 2016, for the above-mentioned services and has now reached the Town Manager's signatory authorization. The Town would like to continue to contract with Nu-Trend Architectural Services, LLC, to develop Plan Reviewers and a Building Official internal to the organization. For years, the Town has used outside consultants to perform building safety and fire plan reviews. In order for the Town to develop current employees into these roles, the Town needs to contract with Nu-Trend Architectural Services, LLC.

The Town is currently working on adopting 2012 International Codes and Nu-Trend Architectural Services, LLC, is instrumental in the adoption process as well. Town staff has an implemented plan that will eventually eliminate the ongoing need for outside consultant services to be required, including Nu-Trend Architectural Services, LLC.

The Town is currently working with the development team responsible for the Windmill Winery Expansion, preliminary discussions with the development

team and their expedited review requirements will require a dedicated plan review team to meet the development team's self-imposed deadlines. The Town will need Nu-Trend Architectural Services, LLC, to perform these services. The developer will pay the fees to the Town and the Town will pay the contracted services to Nu-Trend Architectural Services, LLC.

The Nu-Trend Architectural Services, LLC, fees are as follows;

- \$80.00 per hour for for Building Official and Building Code Services work done within the Community Development Services Building
- \$60.00 per hour for plan review done offsite
- \$125.00 per hour for third party Inspections

The term of the contract is from December 19, 2016 through June 30, 2017.

FINANCIAL IMPACT:

The fiscal impact is \$25,000.00 to be funded from the Community Development and Fire Department Professional Services accounts (010-510-217, 010-515-217 respectively). The additional contract amount includes the value authorized within the Town Manager purchasing authority authorized under the September 8, 2016 Professional Services Agreement, as well as potential services that are reimbursed through Town schedule of fees for services.

Procurement Process:

This contract is for Professional Services and was procured following the Town's Purchasing Policy, Section **5.76 Professional Services:**

5.76 Professional Services

The procurement of services from professional classifications, without regard to dollar amount of contract, is exempt from the competitive bid process. The selection of professional services is based on qualifications. Such professional services include, but are not limited to: engineer, management services for construction projects, architects, geologists, hydrologists, land surveyors, landscape architects, assayers, real estate, computers, accounting, actuaries, personnel and insurance consultants; psychologist, medical doctors and attorneys-at-law. See ARS for more information.

The Town and Nu-Trend Architectural Services, LLC, agree to a professional services contract, dated December 19, 2016.

RECOMMENDATION:

Authorize the approval of a professional services contract with Nu-Trend Architectural Services, LLC, for Architectural Support and One-Stop Shop Consulting Services, in an amount not to exceed \$150,000.

ATTACHMENTS:

Professional Services Contract

TOWN OF FLORENCE PROFESSIONAL SERVICES CONTRACT

THIS PROFESSIONAL SERVICES CONTRACT ("**Contract**"), is made and entered into as of December 19, 2016 ("Effective Date"), and is by and between the Town of Florence, a municipal corporation of the State of Arizona ("**Town**"), and Nu-Trend Architectural Services, L.L.C. ("**Contractor**"). The Town and the Contractor may be referred to in the Contract collectively as the "parties" and each individually as a "party".

RECITALS

WHEREAS, the Town desires to contract for professional third-party inspection, plan review and Building Code Official services as specified in Exhibit "A" ("**Scope of Work**" or "**Services**");

WHEREAS, Contractor is duly qualified to perform the requested Services;

WHEREAS, Contractor has agreed to perform the Services as set forth in Exhibit "A" attached hereto and incorporated herein.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

AGREEMENTS

1.0 DESCRIPTION, ACCEPTANCE, DOCUMENTATION

Contractor shall act under the authority and approval of the Contract Administrator for the Town, further named herein, to provide the professional services required by this Contract.

1.1 Service Description. The Contractor shall provide the requested services as set forth in Exhibit "A" (the "Services"). Contractor shall perform the Services in conformance with generally accepted industry standards and the standard of care for like professionals in the same geographic area.

1.2 Acceptance and Documentation.

1.2.1 Each deliverable shall be reviewed and approved by the Town Manager or his designee to determine acceptable completion.

1.2.2. The Town shall provide all necessary information to the Contractor for timely completion of the tasks specified in Item 1.1 above.

1.2.3 All documents, including but not limited to, data compilations, studies, and/or reports, which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Town Manager before final payment is made to the Contractor.

2.0 FEES, CATEGORIES OF SERVICE AND PAYMENTS

2.1 Contract: The contract shall not exceed \$150,000.00.

2.2. Fees. Contractor will be paid within 30 days of the receipt of an itemized invoice. Monthly payment based on the rates described herein may be made to Contractor on the basis of a progress report prepared and submitted by Contractor for

the Services completed through the last day of the proceeding calendar month and for the production of the deliverables as described in Exhibit "A".

2.3 Payment Approval. Amounts set forth in Section 1.1 and 2.1 represent the rates and entire amounts payable under this Contract and shall be paid upon the submission of monthly invoices to and approved by the Town.

2.4 Business License. Contractor will purchase and maintain a business license with the Town of Florence.

3.0 SCHEDULE AND TERMINATION

3.1 Project Schedule. The Contractor shall perform the Scope of Work in accordance with the schedule attached as Exhibit "A".

3.2 Termination

3.2.1 Termination for Cause: Town may terminate this Contract with seven (7) days' prior written notice for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any industry standards and customary practices terms and conditions of this Contract. Unsatisfactory performance as judged by industry standards and customary practices, and failure to provide Town, upon request, with adequate assurances of future performance shall all be causes allowing Town to terminate this Contract for cause. In the event of termination for cause, Town shall not be liable to Contractor for any amount, and Contractor shall be liable to Town for any and all damages sustained by reason of the default which gave rise to the termination.

3.2.2 Termination for Convenience. The Town may terminate performance of the Services under this Contract, in whole or, from time-to-time, in part, if Town determines termination is in Town's interest. Town shall effect such termination by delivering to Contractor a written Notice of Termination specifying the extent of termination and the effective date. Town may terminate this Contract, or any part thereof for its sole convenience, at any time, without penalty or recourse.

3.2.3 Termination for Violation of Law. In the event Contractor is in violation of any Federal, State, County or Town law, regulation or ordinance, the Town may terminate this Contract immediately upon giving notice to the Contractor.

3.3 Funds Appropriation. If the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees to give written notice pursuant to Section 4.13 of termination to the Contractor at least thirty (30) days prior to the end of its current fiscal period and will pay to the Contractor all approved charges incurred through the end of such period.

3.4 Term. The term of this Contract shall be from the Effective Date through satisfactory completion of the Services and acceptance of the Services by the Town.

4.0 GENERAL TERMS

4.1 Entire Contract. This Contract constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the Services specified herein. This Contract may not be modified or amended except by a written document, signed by authorized representatives of each party.

4.2 Arizona Law. This Contract shall be governed and interpreted according to the laws of the State of Arizona, without reference to choice of law or conflicts of laws principles thereof.

4.3 Modifications. Any amendment, modification or variation from the terms of this Contract shall be in writing and shall be effective only after approval of all parties signing the original Contract.

4.4 Assignment. Services covered by this Contract shall not be assigned or sublet in whole or in part without the prior written consent of the Public Works Director and Contract Administrator. The Town acknowledges the sub-consultant(s) listed in Exhibit "A" and consents to the use of that sub-consultant.

4.5 Successors and Assigns. This Contract shall extend to and be binding upon Contractor, its successors and assigns, including any individual, company, partnership or other entity with or into which Contractor shall merge, consolidate or be liquidated, or any person, corporation, partnership or other entity to which Contractor shall sell its assets.

4.6 Contract Administrator. The Contract Administrator for the Town shall be the Town Manager, or designee. The Contract Administrator shall oversee the execution of this Contract, assist the Contractor in accessing the organization, audit billings, and approve payments. The Contractor shall channel reports and special requests through the Contract Administrator.

4.7 Records and Audit Rights.

4.7.1 Contractor's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this Contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the Services, and any invoices, change orders, payments or claims submitted by the Contractor or any of his payees pursuant to the execution of the Contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Contractor's records and personnel pursuant to the provisions of this section throughout the term of this Contract and for a period of three years after last or final payment.

4.7.2 Contractor shall require all subcontractors, insurance agents, and material suppliers to comply with the provisions of this section by insertion of the requirements hereof in a written agreement between the Contractor and such subcontractors, insurance agents, and material suppliers.

4.7.3 If an audit in accordance with this section, discloses overcharges, of any nature, by the Contractor to the Town in excess of one percent (1%) of the monthly billings, the actual cost of the Town's audit shall be reimbursed to the Town by the Contractor. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Contractor's invoices and/or records shall be made within a reasonable amount of time, not to exceed thirty (30) days from presentation of Town's findings to Contractor.

4.8 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys'

fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

4.9 Ineligible Bidder. The preparer of specifications is not eligible to submit a bid or proposal on the solicitation for which they prepared the specification, nor is the preparer eligible to supply any product to a bidder or contractor on the solicitation for which they prepared the specification.

4.10 Independent Contractor.

4.10.1 The Services Contractor provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. The Town will report the value paid for these services each year to the Internal Revenue Service (I.R.S.) using Form 1099.

4.10.2 Town shall not withhold income tax as a deduction from contractual payments. As a result of this, Contractor may be subject to I.R.S. provisions for payment of estimated income tax. Contractor is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

4.11 Conflict of Interest. The Town may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town's departments or agencies is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Town is received by all other parties to the contract, unless the notice specifies a later time (A.R.S. § 38-511).

4.12 Compliance with Federal and State Laws.

4.12.1 The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

4.12.2 Under the provisions of A. R. S. § 41-4401, Contractor hereby warrants to the Town that the Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A. R. S. § 23-214 (A) (hereinafter "**Contractor Immigration Warranty**").

4.12.3 A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the Town.

4.12.4 The Town retains the legal right to inspect the papers of any Contractor or Subcontractor's employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the Town in regard to any such inspections.

4.12.5 The Town may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with

Contractor's Immigration Warranty. Contractor agrees to assist the Town in regard to any random verifications performed.

4.12.6 Neither the Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by section 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A. R. S. § 23-214, Subsection A.

4.12.7 The provisions of this Section must be included in any contract the Contractor enters into with any and all of its subcontractors who provide Services under this Contract or any subcontract. "**Services**" are defined as furnishing labor, time or effort in the State of Arizona by a Contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

4.13 Notices. All notices or demands required to be given pursuant to the terms of this Contract shall be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of Contractor: Nu-Trend Architectural Services L.L.C.
13102 N. 23rd Avenue
Phoenix, Arizona 85029
Attn: Donald E. Bent Sr.

In the case of Town: Town of Florence
775 N, Main Street
PO Box 2670
Florence, AZ 85132
Attn: Town Manager

Notices shall be deemed received on the date delivered, if delivered by hand, or on the delivery date indicated on receipt if delivered by certified or registered mail.

4.14 Force Majeure. Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, or earthquakes.

4.15 Taxes. Contractor shall be solely responsible for any and all tax obligations which may result out of the Contractor's performance of this Contract. The Town shall have no obligation to pay any amounts for taxes, of any type, incurred by the Contractor.

4.16 Advertising. No advertising or publicity concerning the Town using the Contractor's services shall be undertaken without prior written approval of such advertising or publicity by the Town Contract Administrator. Written approval is required until such time as the project is complete or any adjudication of claims relating to the Services provided herein is complete, whichever occurs later.

4.17 Counterparts. This Contract may be executed in one or more counterparts, and each originally executed duplicate counterpart of this Contract shall be deemed to possess the

full force and effect of the original, but all of which together shall constitute one and the same instrument, binding on the parties. The parties agree that this Contract may be transmitted between them via facsimile or so called "PDF" signature. The parties intend that faxed or "PDF" signatures constitute original signatures and that a fully collated agreement containing the signatures (original, faxed or PDF) of the parties is binding upon the parties.

4.18 Captions. The captions used in this Contract are solely for the convenience of the parties, do not constitute a part of this Contract and are not to be used to construe or interpret this Contract.

4.19 Subcontractors. During the performance of the Contract, the Contractor may engage such additional sub-consultants as may be required for the timely completion of this Contract. The addition of any sub-consultant shall be subject to the prior approval of the Town. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Contract rests with the Contractor. The Town acknowledges the sub-consultant(s) listed in Exhibit "A" and consents to the use of that sub-consultant.

4.20 Indemnification.

4.20.1 To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall indemnify, defend, hold harmless the Town of Florence, its Mayor and Council members and its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to damages for personal injury or personal property damage, attorneys' fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expenses, related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to the Services in the performance of this Contract, including but not limited to, any sub-consultant or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and sub-consultant's employees.

4.20.2 Insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this section and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this section shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

4.21 Changes in the Services.

4.21.1 The Town may at any time, as the need arises, order changes within the scope of the Services without invalidating the Contract. If such changes increase or decrease the amount due under the Contract documents, or in the time required for performance of the work, an equitable adjustment shall be authorized by written Change Order.

4.21.2 The Town will execute a formal Change Order based on detailed written quotations from the Contractor for work related changes and/or a time of completion variance. All Change Orders are subject to the prior written approval by the Town.

4.21.3 Contract Change Orders are subject to the Rules and Procedures within the Town's Procurement Code.

4.22 Alternative Dispute Resolution. If a dispute arises between the parties relating to this Contract, the parties agree to use the following procedure prior to either party pursuing other available remedies:

4.22.1 A meeting shall be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.

4.22.2 If, within 30 days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will jointly appoint a mutually acceptable neutral person not affiliated with either of the parties (the “**neutral**”), seeking assistance in such regard if they have been unable to agree upon such appointment within 40 days from the initial meeting. The fees of the neutral shall be shared equally by the parties.

4.22.3 In consultation with the neutral, the parties will select or devise an alternative dispute resolution procedure (“**ADR**”) by which they will attempt to resolve the dispute, and a time and place for the ADR to be held, with the neutral making the decision as to the procedure, and/or place and time (but unless circumstances require otherwise, not later than 60 days after selection of the neutral) if the parties have been unable to agree on any of such matters within 20 days after initial consultation with the neutral.

4.22.4. The parties agree to participate in good faith in the ADR to its conclusion as designated by the neutral. If the parties are not successful in resolving the dispute through the ADR, then the parties may agree to submit the matter to arbitration or a private adjudicator, or either party may seek an adjudicated resolution through the appropriate court.

4.23 Town Provided Information and Services. The Town shall furnish the Contractor available studies, reports and other data pertinent to the Contractor's Services; obtain or authorize the Contractor to obtain or provide additional reports and data as required; furnish to the Contractor services of others required for the performance of the Contractor's Services hereunder, and the Contractor shall be entitled to use and rely upon all such information and services provided by the Town or others in performing the Contractor's Services under this Agreement.

4.24 Estimates and Projections. In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for potential projects, the Contractor has no control over cost or price of labor and material; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance of third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate project cost or schedule. Therefore, the Contractor makes no warranty that the Town's actual project costs, financial aspects, economic feasibility, or schedules will not vary from the Contractor's opinions, analyses, projections, or estimates.

4.25 Access. The Town shall arrange for access to and make all provisions for the Contractor to enter upon public and private property as required for the Contractor to perform Services hereunder.

4.26 Third Parties. The services to be performed by the Contractor are intended solely for the benefit of the Town. No person or entity not a signatory to this Agreement shall be entitled to rely on the Contractor's performance of its Services hereunder, and no right to assert a claim against the Contractor by assignment of indemnity rights or otherwise shall accrue to a

third party as a result of this Contract or the performance of the Contractor's Services hereunder.

4.27 Survival. All representations and indemnifications by Contractor shall survive the completion, expiration or termination of this Contract.

5.0 RESERVED

6.0 SEVERABILITY

6.1 Severability. If any term or provision of this Contract shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted.

IN WITNESS WHEREOF, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract to be effective on or as of the day and year first above written.

TOWN OF FLORENCE

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Florence Town Attorney

By: _____
Contractor

By: _____

Name: _____

Its: _____


Exhibit “A”
Scope of Work/Services

Exhibit A

Fee Proposal/Hourly Rates for Services Provided

I am pleased to submit an hourly rate fee proposal for various services to be provided, as listed below:

- A. Provide Building Official and Building Code Official services, to assist the Town of Florence with establishing a one-stop shop permitting process for convenient and friendly customer service. Interface, consult and assist the Fire Department, Public Works Department, and Community Development Department Directors and/or Managers, toward enacting proper protocol and procedures to insure consistency toward project plan reviews, inspections, etc., and assist, as needed, toward the Adoption of the 2012 International Codes and Town Amendments. Provide ongoing in-house code training sessions, and assist staff with individual career training programs to achieve code certifications, at an hourly rate of Eighty Dollars, (\$80.00) per hour for travel time and services provided for the Town of Florence.
- B. Provide Plan Review services for project submittals, as requested per Town of Florence, at an hourly rate of Sixty Five Dollars, (\$65.00) per hour. All plan review fee proposals, based on project scope, use and occupancy classification, shall be submitted to, reviewed and approval by the Town Manager.
- C. Third Party Inspections, as requested per Town of Florence, shall be provided at an hourly rate of One Hundred Twenty Five Dollars, (\$125.00) per hour based on project scope, and shall be submitted for review and approval by the Town Manager. All required fee proposals for third party inspections by others, not included. Fee proposals by others shall be obtained and submitted on an as needed basis.

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 8c.
MEETING DATE: December 19, 2016 DEPARTMENT: Public Works Department STAFF PRESENTER: Brent Billingsley, Town Manager SUBJECT: EUSI, LLC Task Order No. 3 a and b		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Approval of Task Order No. 3a and 3b to the professional services contract with EUSI, LLC, for Public Works Management Support and Consulting Services.

BACKGROUND/DISCUSSION:

EUSI, LLC, was retained to provide Public Works Management Support and Consulting Services as well as Project and Program Management Services as authorized by the Town. EUSI, LLC, will complement and supplement the Public Works Director/Town Engineer, Mr. Salas, in this capacity by providing technical and project and program management expertise, especially in the water and wastewater utility areas. The term of the contract is February 10, 2016 thru February 28, 2017. Task orders may be issued at any time during the term of the agreement.

Task Order No. 1 expired on August 10, 2016 (\$81,442.80 plus project related fees such as mileage)

Task Order No. 2 will expire at the time the EUSI professional services contract expires, February 28, 2017 (\$63,000, plus project related fees such as mileage).

Task Order No. 3a is proposed to develop and provide a sampling and analysis plan for the permanent closure of the Town of Florence Wastewater Reclamation Facility polishing ponds under Aquifer Protection Permit No. P-100370 and to provide supplemental professional services to the Town related to a possible development agreement for proposed well drilling and conversion to service area wells.

Task Order 3b is proposed to develop and provide permitting services for Dobson Lands Water Accounting, Recovery Well, and Groundwater Savings Facility Permitting

FINANCIAL IMPACT:

The fiscal impact of Task Order No. 3a is \$ 52,206, plus project related fees such as mileage. The fiscal impact of Task Order No. 3b is \$24,000, plus project related fees such as mileage. It is anticipated that some or all of Task Order No. 3b costs will be reimbursed by the owners of the Dobson lands. There will be no impact to the General Fund.

RECOMMENDATION:

Adopt Task Order No. 3a and 3b with EUSI, LLC, for Public Works Management Support and Consulting Services.

ATTACHMENTS:

Task Order No. 3a
Task Order No. 3b
EUSI Contract

TOWN OF FLORENCE PROFESSIONAL SERVICES CONTRACT

THIS PROFESSIONAL SERVICES CONTRACT ("**Contract**"), is made and entered into as of February 10, 2016 ("**Effective Date**"), and is by and between the Town of Florence, a municipal corporation of the State of Arizona ("**Town**"), and EUSI, LLC ("**Contractor**"). The Town and the Contractor may be referred to in the Contract collectively as the "**parties**" and each individually as a "**party**".

RECITALS

WHEREAS, the Town desires to Contract for Public Works Management Support and Consulting Services, Project and Program Management (PM) Services as specified in Exhibit A ("**Scope of Work**" or "**Services**");

WHEREAS, Contractor is duly qualified to perform the requested services;

WHEREAS, Contractor has agreed to perform the services as set forth in Exhibit A attached hereto and incorporated herein;

WHEREAS, Town desires and Contractor agrees that this Contract is entered into by the parties, as a cooperative purchase pursuant to the City of Globe Professional Services Contract dated June 24, 2014 between the City of Globe and EUSI, LLC, and Contractor agrees that the master cooperative solicitation/Contract documents issued by the City of Globe for the Services ("**Master Contract**") is in full force and effect and all terms and conditions of the Master Contract are incorporated by reference into this Contract.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

AGREEMENTS

1.0 DESCRIPTION, ACCEPTANCE, DOCUMENTATION

Contractor shall act under the authority and approval of the Contract Administrator for the Town, further named herein, to provide the professional services required by this Contract.

1.1 Service Description. The Contractor shall provide the requested services as set forth in Exhibit A and as set forth in individual Task Orders (the "**Services**"). This Contract includes this agreement, including any attachments, and any Task Orders that may be issued as agreed to by the parties to implement the services. Task Order means a specific written agreement between the Town and Contractor for work to be performed under this Contract for an individual, mutually agreed upon scope of work, schedule and price. In response to Task Orders that may be mutually agreed upon and issued periodically by Town, Contractor shall perform the Services, except as may be specified elsewhere in the Contract Order. The Services shall be performed in accordance with the requirements set forth in each Task Order.

1.2 Acceptance and Documentation.

1.2.1 Each deliverable shall be reviewed and approved by the Town Manager or his designee to determine acceptable completion.

1.2.2 The Town shall provide all necessary information to the Contractor for timely completion of the tasks specified in Item 1.1 above.

1.2.3 All documents, including but not limited to, data compilations, studies, and/or reports, which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Town Manager before final payment is made to the Contractor.

2.0 FEES, CATEGORIES OF SERVICE AND PAYMENTS

2.1 Fees. Contractor will be paid within 30 days of the receipt of an itemized invoice. Monthly payment may be made to Contractor on the basis of a progress report prepared and submitted by Contractor for the Services completed through the last day of the proceeding calendar month and for the production of the deliverables as spelled out in Exhibit A, and the individual Task Order approved by the Town.

2.2 Categories of Service. Services means in response to Task Orders, including Exhibit A, that may be mutually agreed upon and issued periodically by Town, Contractor shall furnish all necessary work which will be defined and further described as to specific project requirements in each Task Order.

2.3 Payment Approval. Amounts set forth in Section 1.1 and 2.2 represent the entire amounts payable under this Contract and shall be paid upon the submission of monthly invoices to and approved by the Town.

2.4 Business License. Contractor will purchase and maintain a business license with the Town of Florence.

3.0 SCHEDULE AND TERMINATION

3.1 Project Schedule. The Contractor shall perform the Scope of Work in accordance with the schedule attached as Exhibit A, and any Task Order.

3.2 Termination.

3.2.1 Termination for Cause: Town may also terminate this Contract with seven (7) days' prior written notice for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any industry standards and customary practices terms and conditions of this Contract. Unsatisfactory performance as judged by Industry standards and customary practices, and failure to provide Town, upon request, with adequate assurances of future performance shall all be causes allowing Town to terminate this Contract for cause. In the event of termination for cause, Town shall not be liable to Contractor for any amount, and Contractor shall be liable to Town for any and all damages sustained by reason of the default which gave rise to the termination.

3.2.2 Termination for Convenience. The Parties reserve the right to terminate this Contract with or without cause upon 30 days' prior written notice. In the event the Town terminates this Contract pursuant to this Section 3.2.2, then in that event the Town agrees to

pay for the work performed prior to the date of termination. Town may terminate this Contract, or any part thereof for its sole convenience, at any time without penalty or recourse.

3.2.3 Termination for Violation of Law. In the event Contractor is in violation of any Federal, State, County or Town law, regulation or ordinance, the Town may terminate this Contract immediately upon giving notice to the Contractor.

3.3 Funds Appropriation. If the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees to give written notice pursuant to Section 4.13 of termination to the Contractor at least thirty (30) days prior to the end of its current fiscal period and will pay to the Contractor all approved charges incurred through the end of such period.

3.4 Terms. The term of this Contract shall be from the Effective Date through February 28, 2017. Task Orders may be issued at any time during the term of this Contract. This Contract will remain in full force and effect during the performance of any Task Order. The Contract may be renewed upon mutual agreement of the parties.

4.0 GENERAL TERMS

4.1 Entire Contract. This Contract constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified herein. This Contract may not be modified or amended except by a written document, signed by authorized representatives of each party.

4.2 Arizona Law. This Contract shall be governed and interpreted according to the laws of the State of Arizona, without reference to choice of law or conflicts of laws principles thereof.

4.3 Modifications. Any amendment, modification or variation from the terms of this Contract shall be in writing and shall be effective only after approval of all parties signing the original Contract.

4.4 Assignment. Services covered by this Contract shall not be assigned or sublet in whole or in part without the prior written consent of the Finance Director and Contract Administrator. The Town acknowledges the sub-consultant(s) listed in Exhibit A and consents to the use of that sub-consultant.

4.5 Successors and Assigns. This Contract shall extend to and be binding upon Contractor, its successors and assigns, including any individual, company, partnership or other entity with or into which Contractor shall merge, consolidate or be liquidated, or any person, corporation, partnership or other entity to which Contractor shall sell its assets.

4.6 Contract Administrator. The Contract Administrator for the Town shall be the Town Manager or designee. The Contract Administrator shall oversee the execution of this Contract, assist the Contractor in accessing the organization, audit billings, and approve payments. The Contractor shall channel reports and special requests through the Contract Administrator.

4.7 Records and Audit Rights.

4.7.1 Contractor's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this Contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the service or work, and any invoices, change orders, payments or claims submitted by the Contractor or any of his payees pursuant to the execution of the Contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Contractor's records and personnel pursuant to the provisions of this section throughout the term of this Contract and for a period of three years after last or final payment.

4.7.2 Contractor shall require all subcontractors, insurance agents, and material suppliers to comply with the provisions of this section by insertion of the requirements hereof in a written Contract between Contractor and such subcontractors, insurance agents, and material suppliers.

4.7.3 If an audit in accordance with this section, discloses overcharges, of any nature, by the Contractor to the Town in excess of one percent (1%) of the monthly billings, the actual cost of the Town's audit shall be reimbursed to the Town by the Contractor. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Contractor's invoices and/or records shall be made within a reasonable amount of time, not to exceed thirty (30) days from presentation of Town's findings to Contractor.

4.8 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

4.9 Ineligible Bidder. The preparer of specifications is not eligible to submit a bid or proposal on the solicitation for which they prepared the specification, nor is the preparer eligible to supply any product to a bidder or Contractor on the solicitation for which they prepared the specification.

4.10 Independent Contractor.

4.10.1 The Services Contractor provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. The Town will report the value paid for these services each year to the Internal Revenue Service (I.R.S.) using Form 1099.

4.10.2 Town shall not withhold income tax as a deduction from Contractual payments. As a result of this, Contractor may be subject to I.R.S. provisions for payment of estimated income tax. Contractor is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

4.11 Conflict of Interest. The Town may cancel any Contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing,

drafting or creating the Contract on behalf of the Town's departments or agencies is, at any time while the Contract or any extension of the Contract is in effect, an employee of any other party to the Contract in any capacity or a consultant to any other party to the Contract with respect to the subject matter of the Contract. The cancellation shall be effective when written notice from the Town is received by all other parties to the Contract, unless the notice specifies a later time (A.R.S. § 38-511).

4.12 Compliance with Federal and State Laws.

4.12.1 The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

4.12.2 Under the provisions of A. R. S. § 41-4401, Contractor hereby warrants to the Town that the Contractor and each of its subcontractors will comply with, and are Contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A. R. S. § 23-214 (A) (hereinafter "**Contractor Immigration Warranty**").

4.12.3 A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the Town.

4.12.4 The Town retains the legal right to inspect the papers of any Contractor or Subcontractor's employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the Town in regard to any such inspections.

4.12.5 The Town may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the Town in regard to any random verifications performed.

4.12.6 Neither the Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by section 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A. R. S. § 23-214, Subsection A.

4.12.7 The provisions of this Section must be included in any Contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "**Services**" are defined as furnishing labor, time or effort in the State of Arizona by a Contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

4.12.8 The provisions of this Section 4.12 must be included in any Contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract.

4.13 Notices. All notices or demands required to be given pursuant to the terms of this Contract shall be given to the other party in writing, delivered by hand or registered or

certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of Contractor: EUSI, LLC
Kris Hendricks
4501 W. Tierra Buena Lane
Glendale, AZ 85306

In the case of Town: Town of Florence
775 N. Main Street
PO Box 2670
Florence, AZ 85132
Attn: Town Manager

Notices shall be deemed received on date delivered, if delivered by hand, or on the delivery date indicated on receipt if delivered by certified or registered mail.

4.14 Force Majeure. Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, or earthquakes.

4.15 Taxes. Contractor shall be solely responsible for any and all tax obligations which may result out of the Contractor's performance of this Contract. The Town shall have no obligation to pay any amounts for taxes, of any type, incurred by the Contractor.

4.16 Advertising. No advertising or publicity concerning the Town using the Contractor's services shall be undertaken without prior written approval of such advertising or publicity by the Town Contract Administrator. Written approval is required until such time as the project is complete or any adjudication of claims relating to the services provided herein is complete, whichever occurs later.

4.17 Counterparts. This Contract may be executed in one or more counterparts, and each originally executed duplicate counterpart of this Contract shall be deemed to possess the full force and effect of the original.

4.18 Captions. The captions used in this Contract are solely for the convenience of the parties, do not constitute a part of this Contract and are not to be used to construe or interpret this Contract.

4.19 Subcontractors. During the performance of the Contract, the Contractor may engage such additional Subcontractors as may be required for the timely completion of this Contract. The addition of any Subcontractors shall be subject to the prior approval of the Town. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Contract rests with the Contractor. The Town acknowledges the sub-consultant(s) listed in Exhibit A and consents to the use of that sub-consultant.

4.20 Indemnification.

4.20.1 To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall indemnify, defend, hold harmless Town of Florence, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to damages for personal injury or personal property damage, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work or services in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees.

To the fullest extent permitted by law, Town of Florence, its successors, assigns and guarantors, shall indemnify and hold harmless Contractor, its agents, Representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expenses, related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused by the Town of Florence relating to work or services in the performance of this Contract.

4.20.2 Insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this section and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this sections shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

4.21 Changes in the Work.

4.21.1 The Town may at any time, as the need arises, order changes within the scope of the work without invalidating the Contract. If such changes increase or decrease the amount due under the Contract documents, or in the time required for performance of the work, an equitable adjustment shall be authorized by written Change Order.

4.21.2 The Town will execute a formal Change Order based on detailed written quotations from the Contractor for work related changes and/or a time of completion variance. All Change Orders are subject to the prior written approval by the Town.

4.21.3 Contract Change Orders are subject to the Rules and Procedures within the Town's Procurement Code.

4.22 Co-op Use of Contract. The Town and Contractor agree that this Contract is entered into by the parties, as a cooperative purchase pursuant to the City of Globe Professional Services Contract dated June 24, 2014 between the City of Globe and EUSI, LLC, and Contractor agrees that the master cooperative solicitation/Contract documents issued by the City of Globe for the Services("Master Contract") is in full force and effect and all terms and conditions of the Master Contract are incorporated by reference into this Contract.

4.23 Alternative Dispute Resolution. If a dispute arises between the parties relating to this Contract, the parties agree to use the following procedure prior to either party pursuing other available remedies:

4.23.1 A meeting shall be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.

4.23.2 If, within 30 days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will jointly appoint a mutually acceptable neutral person not affiliated with either of the parties (the "neutral"), seeking assistance in such regard if they have been unable to agree upon such appointment within 40 days from the initial meeting. The fees of the neutral shall be shared equally by the parties.

4.23.3 In consultation with the neutral, the parties will select or devise an alternative dispute resolution procedure ("ADR") by which they will attempt to resolve the dispute, and a time and place for the ADR to be held, with the neutral making the decision as to the procedure, and/or place and time (but unless circumstances require otherwise, not later than 60 days after selection of the neutral) if the parties have been unable to agree on any of such matters within 20 days after initial consultation with the neutral.

4.23.4. The parties agree to participate in good faith in the ADR to its conclusion as designated by the neutral. If the parties are not successful in resolving the dispute through the ADR, then the parties may agree to submit the matter to binding arbitration or a private adjudicator, or either party may seek an adjudicated resolution through the appropriate court.

4.24 Town Provided Information and Services. The Town shall furnish the Contractor available studies, reports and other data pertinent to the Contractor's services; obtain or authorize the Contractor to obtain or provide additional reports and data as required; furnish to the Contractor services of others required for the performance of the Contractor's services hereunder, and the Contractor shall be entitled to use and rely upon all such information and services provided by the Town or others in performing the Contractor's Services under this Agreement.

4.25 Estimates and Projections. In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for potential projects, the Contractor has no control over cost or price of labor and material; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance of third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate project cost or schedule. Therefore, the Contractor makes no warranty that the Town's actual project costs, financial aspects, economic feasibility, or schedules will not vary from the Contractor's opinions, analyses, projections, or estimates.

4.26 Access. The Town shall arrange for access to and make all provisions for the Contractor to enter upon public and private property as required for the Contractor to perform Services hereunder.

4.27 Third Parties. The services to be performed by the Contractor are intended solely for the benefit of the Town. No person or entity not a signatory to this Agreement shall be entitled to rely on the Contractor's performance of its services hereunder, and no right to assert a claim against the Contractor by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Contract or the performance of the Contractor's Services hereunder.

5.0 INSURANCE

5.1. General. Contractor agrees to comply with all Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of B ++ 6 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town of Florence. Failure to maintain insurance as specified may result in termination of this Contract at Town of Florence's option. The Contractor is primarily responsible for the risk management if its work under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract. The Contractor shall require any and all subcontractors to maintain insurance as required herein naming the Town and Contractor as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Contractor's insurance coverage shall be primary insurance with respect to all available sources. Coverage provided by the Contractor shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Contractor waives all rights of subrogation or similar rights against Town, its representatives, agents, and employees. All insurance policies, except Workers' Compensation, required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of performance of this Contract, Town of Florence, its mayor and councilmembers, agents, representatives, offices, directors, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies and endorsements required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of Contract.

5.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town of Florence does not represent that coverage and limits will be adequate to protect Contractor. Town of Florence reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Contract or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.

5.3 Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Contract is satisfactorily performed, completed and formally accepted by the Town of Florence, unless specified otherwise in this Contract.

5.4 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage which contain deductibles or self insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to Town of Florence. Contractor shall be solely responsible for any such deductible or self insured retention amount. Town of Florence, at its option, may require Contractor to secure payment of such deductible or self insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

5.5 Use of Subcontractors. If any work under this Contract is subContracted in any way, Contractor shall execute written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting Town of Florence and Contractor. Contractor shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

5.6 Evidence of Insurance. Prior to commencing any work or Services under this Contract, Contractor shall furnish Town of Florence with Certificate(s) of Insurance, or formal endorsements as required by this Contract, issued by Contractor's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage's, conditions, and limits of coverage and that such coverage and provisions are in full force and effect.

5.7 Required Coverage.

5.7.1 Commercial General Liability. Contractor shall maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent Contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance limited to, separation of insureds clause. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader to coverage scope then underlying.

5.7.2 Worker's Compensation Insurance. Contractor shall maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of work or Services under this Contract and shall also maintain Employers Liability Insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$250,000 disease policy limit.

5.7.3 Commercial Auto Coverage. Auto Liability limits of not less than \$1,000,000 each accident, combined Bodily Injury and Property Damage Liability insurance. Certificate to reflect coverage for "Any Auto" or "All Owned, Scheduled, Hired and Non-Owned".

6.0 SEVERABILITY AND AUTHORITY

6.1 Severability. If any term or provision of this Contract shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted.

6.2 Authority. Each party hereby warrants and represents that it has full power and authority to enter into and perform this Contract, and that the person signing on behalf of each has been properly authorized and empowered to enter this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

IN WITNESS WHEREOF, the Town of Florence by its Mayor, Tom J. Rankin has hereunto subscribed his name this 16 day of January, 2016.

TOWN OF FLORENCE

By: Tom J Rankin
Tom J. Rankin, Mayor

By: _____

Name: _____

Its: _____

ATTEST:

[Signature]
Lisa Garcia, Town Clerk

By: EUSI, LLC
Contractor

By: Kris Hendricks

Name: Kris Hendricks

Its: managing member

Approved as Form:

[Signature]
Clifford L. Matice, Florence Town Attorney

Exhibit A
Town of Florence
Public Works Support Services
Task Order 1

February 2016

The Town of Florence (TOWN) hereby issues Task Order #1 to EUSI, LLC (CONTRACTOR) to provide overall Public Works Management Support and Consulting Services.

CONTRACTOR is retained by the TOWN to generally provide Public Works Management Support and Consulting Services as well as Project and Program Management (PM) Services as authorized in new Task Orders by the TOWN. The intent of the services provided by CONTRACTOR is to complement and supplement the TOWN's staff in an integrated manner to advance the TOWN's Public Works Departments and Divisions toward "Best Management Practices". The TOWN engages the CONTRACTOR to provide related Professional Services for the TOWN that may include, but are not limited to Public Works Management and Organizational Development, Project and Program Management, Regulatory Agency Support, Infrastructure Project Improvements, Utility Management Support, Utility Operation and Maintenance Support, Water Resource Policy and Strategic Planning Support Services. Additional Consulting and Support Services may also be assigned from time to time under new Task Orders as deemed to be in the best interests of the TOWN.

CONTRACTOR may assist TOWN with effectively and efficiently planning, organizing and assisting with management of programs related to public works and infrastructure projects.

CONTRACTOR may also provide PM and other Public Works Management Services as requested in future Task Orders by the TOWN, related to the management of design and construction projects specifically in the area of civil engineering such as general public works and utility projects, storm water management, street and traffic engineering, public works, infrastructure assessments, real estate, and utility coordination.

CONTRACTOR may also provide PM and Procurement Support Services to aid in the contracting of engineering and construction companies utilizing a wide range of project delivery methods.

CONTRACTOR may be requested by the TOWN under new Task Orders to provide project specific planning, procurement, permitting, engineering, construction, administration, and management functions for approved projects.

The CONTRACTOR working as an extension of TOWN's staff will work to initiate personnel training and development to optimization services delivered to the public. CONTRACTOR will facilitate and coordinate tasks with the TOWN's personnel.

The fee for the basic services in Task Order #1 shall be performed for a monthly fee of \$22,721.40 /month from February 10, 2016 thru April 10, 2016. During this initial period, CONTRACTOR will provide up to three (3) days per week of services.

To achieve a budget neutral cost for services, CONTRACTOR will reduce the activity level and fee for the basic services in Task Order #1 to a monthly fee of \$9,000.00 /month from April 10, 2016 thru August 10, 2016.

Project related expenses, such as mileage, at current IRS rates, and other expenses associated with providing Task Order services will be invoiced at cost.

Task Order #1 shall be authorized for six (6) months, with multiple renewal options based upon mutual agreement of the TOWN and CONTRACTOR. Following the initial six (6) month period the TOWN and the CONTRACTOR may renegotiate the monthly fee and assignments in a revised Task Order.

- TOWN will provide access and use of Facilities and Equipment needed in the course of the Task Order;
- TOWN will provide a location for CONTRACTOR to place and use their RV with electrical, water and sewer connections;
- **Focused Activities** Clarify priorities of the TOWN and modify activities of CONTRACTOR to address priorities.
- Provide Public Works oversight and assist TOWN's staff in the improvement of Public Works Services, including but not limited to operations and maintenance services, record keeping and reporting, housekeeping and organization, document observations
- Assist TOWN's staff with the development of a "Best in Class" procedures and practices.
- Oversee the training of TOWN's staff with preparation of reports for the regulatory agencies.
- Advise TOWN relating to regulatory agency issues.
- Evaluate and work with TOWN's staff to make necessary improvements to the overall services provided to the citizens of Florence.
- Be available to respond to supplemental service requests and emergency conditions at the request of the TOWN. This includes phone consultation.

Should CONTRACTOR personnel be requested by the TOWN to respond on site to emergency conditions, such services will be authorized under Section 2.0 of the Professional Services Contract.

- Consult weekly with the designated representative of the TOWN and otherwise work with the TOWN staff to ensure adequate communication.

Town of Florence
Public Works Support Services
Task Order 2

August 1, 2016

The Town of Florence (TOWN) hereby issues Task Order #2 to EUSI, LLC (CONTRACTOR) to provide overall Public Works Management Support and Consulting Services.

CONTRACTOR is retained by the TOWN to generally provide Public Works Management Support and Consulting Services as well as Project and Program Management (PM) Services as authorized in new Task Orders by the TOWN. The intent of the services provided by CONTRACTOR is to complement and supplement the TOWN's staff in an integrated manner to advance the TOWN's Public Works Departments and Divisions toward "Best Management Practices". The TOWN engages the CONTRACTOR to provide related Professional Services for the TOWN that may include, but are not limited to Public Works Management and Organizational Development, Project and Program Management, Regulatory Agency Support, Infrastructure Project Improvements, Utility Management Support, Utility Operation and Maintenance Support, Water Resource Policy and Strategic Planning Support Services. Additional Consulting and Support Services may also be assigned from time to time under new Task Orders as deemed to be in the best interests of the TOWN.

CONTRACTOR may assist TOWN with effectively and efficiently planning, organizing and assisting with management of programs related to public works and infrastructure projects.

CONTRACTOR may also provide PM and other Public Works Management Services as requested in future Task Orders by the TOWN, related to the management of design and construction projects specifically in the area of civil engineering such as general public works and utility projects, storm water management, street and traffic engineering, public works, infrastructure assessments, real estate, and utility coordination.

CONTRACTOR may also provide PM and Procurement Support Services to aid in the contracting of engineering and construction companies utilizing a wide range of project delivery methods.

CONTRACTOR may be requested by the TOWN under new Task Orders to provide project specific planning, procurement, permitting, engineering, construction, administration, and management functions for approved projects.

The CONTRACTOR working as an extension of TOWN's staff will work to initiate personnel training and development to optimization services delivered to the public. CONTRACTOR will facilitate and coordinate tasks with the TOWN's personnel.

The fee for the basic services in Task Order #2 shall be performed for a monthly fee of \$9,000 /month from August 10, 2016 thru February 28, 2017.

Project related expenses, such as mileage, at current IRS rates, and other expenses associated with providing Task Order services will be invoiced at cost.

TOWN will provide access and use of Facilities and Equipment needed in the course of the Task Order;

TOWN will provide a location for CONTRACTOR to place and use their RV with electrical, water and sewer connections;

Focused Activities

- Provide Water and Wastewater as well as limited Public Works oversight and assist TOWN's staff in the improvement of Services, including but not limited to operations and maintenance services, record keeping and reporting, housekeeping and organization, document observations
- Assist TOWN's staff with the development of a "Best in Class" procedures and practices.
- Oversee the training of TOWN's staff with preparation of reports for the regulatory agencies.
- Advise TOWN relating to regulatory agency issues.
- Work to assist in the development of Water and Wastewater Utility Staff and leadership development within this group.
- Evaluate and work with TOWN's staff to make necessary improvements to overall services provided to the citizens of Florence.
- Be available to respond to supplemental service request and emergency conditions at the request of the Town. This includes phone consultation.

TOWN OF FLORENCE

By: _____

Tom J. Rankin, Mayor

EUSI

By: _____

EUSI:

ATTEST:

Lisa Garcia, Town Clerk

Approved as Form:

Clifford L. Mattice, Florence Town Attorney

Town of Florence
SAMPLING AND ANALYSIS PLAN
FOR THE
PERMANENT CLOSURE OF THE EXISTING
TOWN OF FLORENCE
WASTEWATER RECLAMATION FACILITY
POLISHING PONDS
and
Support of Town
Related to Development Agreement
for
Well Spacing and Production Estimate
Task Order 3a

December 2016

The Town of Florence (OWNER) wishes to have EUSI, LLC, (CONSULTANT) work as an extension of Town Staff to develop and provide a sampling and analysis plan (SAP) for the permanent closure of the Town of Florence Wastewater Reclamation Facility (WRF) polishing ponds under Aquifer Protection Permit No.P-100370. The OWNER also wishes to have CONSULTANT provide Supplemental Support Services to the Town related to development agreement for proposed well drilling and conversion to service area wells.

The cost for services to assist in the permanent closure of the Town of Florence Wastewater Reclamation Facility (WRF) polishing ponds would be a Supplemental Services performed as a Lump Sum Task Order under the current contract with the Town of Florence. This work would be performed for \$42,356.00, plus permit fees and direct costs as outlined in the current contract. Project related expenses, such as mileage, at current IRS rates, and other expenses associated with providing Task Order services will be invoiced at cost.

The cost for services to assist in the Supplemental Support Services to the Town related to development agreement for proposed well drilling and conversion to service area wells would be a Supplemental Services performed as a Lump Sum Task Order under the current contract with the Town of Florence. This work would be performed for \$9,850.00 plus permit fees and direct costs as outlined in the current contract. Project related expenses, such as mileage, at current IRS rates, and other expenses associated with providing Task Order services will be invoiced at cost.

Consult weekly with the designated representative of the OWNER and otherwise work with the OWNER staff to ensure adequate communication.

SCOPE OF WORK- Permanent Closure of the Town of Florence Wastewater Reclamation Facility (WRF) Polishing Ponds

EUSI, LLC, proposes to provide the following scope of work in the preparation of a Sampling and Analysis Plan (SAP) for the permanent closure of the existing Town of Florence Wastewater Reclamation Facility (WRF) Polishing Ponds located at the Town of Florence South Plant. The polishing impoundments were previously operated under Aquifer Protection Permit (APP) Number P-100370.

Closure activities will be performed in accordance with Arizona Revised Statutes (A.R.S.) 49-252 and Arizona Administrative Code (A.A.C.) R18-9-A209(B)(1)(a). It is our understanding that the ponds were not lined and that soil sampling and profiling will be required. There was no sludge disposed in the ponds. The following activities will be completed as part of this scope of work.

- Preparation of a SAP to outline all sampling and analysis procedures.
- Sampling and analysis of sub-grade soil in the ponds and beneath the conveyance piping to confirm that contaminants are not present.

This scope of work does not include provisions for backfilling, final grading, and converting these ponds (two) to recharge basins (that scope of work will be provided under separate cover). CONSULTANT will conduct infiltration testing in the ponds to help determine if the ponds are capable of being converted to recharge ponds.

TASK 1 SAMPLING AND ANALYSIS PLAN

SGC will prepare a draft SAP for review and approval by the Arizona Department of Environmental Quality (ADEQ). The final approved SAP will outline the sampling and analysis procedures that will be implemented to meet the closure requirements for the surface impoundments.

TASK 2 SAMPLING OF SUB-GRADE SOIL

Random Sample Locations

An estimated ten (10) random soil samples will be collected from 1 — 2 feet beneath the base of the existing impoundments. The samples will be analyzed for the thirteen (13) Priority Pollutant Metals using EPA Method 200.7/6010B and for Nitrite and Nitrate using EPA Test Method 300.0.

Authoritative Sample Locations

If any visually impacted areas are present (heavy staining, evidence of a release) authoritative samples will be collected at those locations. Authoritative samples will also

be collected at any locations along the piping trench where apparent leaks or breaks in the piping may have occurred. For estimating purposes, it is assumed that up to four (4) authoritative samples will be collected. The samples will be analyzed for the 13 Priority Pollutant Metals using EPA Method 200.7/6010B and for Nitrite and Nitrate using EPA Test Method 300.0.

If the analytical results of sub-grade samples indicate the presence of contaminants of concern above laboratory reporting limits and/or background levels, further characterization and remedial activities may be required. A characterization/remedial action plan and additional cost estimate will be developed to address any potential contaminants that may be identified.

Infiltration Testing

CONSULTANT will conduct percolation testing using the single-ring infiltrometer testing method with corrections for divergence (Bouwer et al, 1999). CONSULTANT anticipates that infiltration rate measurements will be recorded at four (4) points centrally located (three (3) in the north pond and one (1) in the south pond. CONSULTANT assumes that the depth of the proposed recharge basins will be determined by review of the existing POC lithologic log. The Town of Florence will provide a backhoe and operator to help locate the depth of the infiltration testing.

TASK 3 PRELIMINARY ASSESSMENT REPORT

Following completion of sampling activities, and receipt of final laboratory analyses, a Preliminary Assessment Report will be prepared to document the findings of the investigation. The report will include site maps showing sample locations, a tabular presentation of sample analytical results, a narrative description of field activities, and notable observations. The sample results will be compared to ADEQ Soil Remediation Levels (SRLs). Photocopies of laboratory analytical reports, and chain-of-custody documentation, will be included as appendices to the report. Following acceptance of the findings of the Preliminary Assessment Report, it is expected that final closure activities will be implemented by others, which will include redeveloping the impoundments as recharge basins.

A final Closure Report will be prepared following acceptance and approval of the preliminary report by ADEQ. The report can then be used to support final Clean Closure acceptance by ADEQ.

SCOPE OF WORK- Support Services Well Spacing and Production Estimate

- Conduct a well spacing and impact study at the proposed new Dobson well existing Johnson Estates Well (55-221800).

- Provide an estimate of the production capability of the new well.

TASK 1— WELL SPACING AND IMPACT — NEW DOBSON WELL

CONSULTANT will prepare a well spacing and impact analysis based on local hydrogeologic data including well specific testing, and ADWR Pinal County Numerical Groundwater Flow Model aquifer data. CONSULTANT will analyze these data and conduct a well spacing and impact analysis based on the requirements of the ADWR Rule R12-15-1302. SGC anticipates that the THWELLS Analytical Method will be used to determine pumping impacts.

The work product of this task will be a Well Spacing Report presenting the annual volume of ground water that may be pumped from well 55-221800 without requiring a waiver from a neighboring well of record owner.

TASK 2 — PRODUCTION RATE

Based on the hydrogeologic conduction evaluated during Task 1, SGC will provide an estimate of the long-term pumping rate anticipated that a properly designed and completed well would yield at the identified Task 1 well site.

TOWN OF FLORENCE

EUSI

Tara Walter, Mayor

EUSI:

ATTEST:

Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

Clifford L. Mattice, Town Attorney

**Town of Florence
Task Order 3b**

DOBSON LANDS WATER ACCOUNTING AND RECOVERY WELL

AND

GSF PERMITTING, FLORENCE, ARIZONA

December 2016

The Town of Florence (OWNER) wishes to have EUSI, LLC, (CONSULTANT) work as an extension of Town Staff to develop and provide Permitting Services for Dobson Lands Water Accounting, Recovery Well, and Groundwater Savings Facility Permitting. The OWNER also wishes to have CONSULTANT provide Supplemental Support Services to the Town related to this project.

The cost for these services would be a Supplemental Services performed as a Lump Sum Task Order under the current contract with the Town of Florence. This work would be performed for \$24,000.00, plus permit fees and direct costs as outlined in the current contract. Project related expenses, such as mileage, at current IRS rates, and other expenses associated with providing Task Order services will be invoiced at cost.

Task 1 — Water Accounting for the Retirement of Dobson Lands to M&I Use	\$8,200
Task 2 — Water Rights and Credits for a New Well	\$5,800
Task 3 - Permitting a GSF for Dobson Lands	
Sub-task 3.1 — Pre-application Meeting	\$2,200
Sub-task 3.2 — Permit Application	\$7,800
TOTAL	\$24,000

Consult weekly with the designated representative of the OWNER and otherwise work with the OWNER staff to ensure adequate communication.

SCOPE OF WORK

- Prepare a water accounting for the retirement of Dobson Lands to M&I use.
- Document how water rights and credits will work regarding the new well, if a new well can be drilled as a Town of Florence potable water service area well.
- Permitting a GSF for Dobson Lands using effluent from the Town of Florence south WWTP (SWRF).

TASK 1— WATER ACCOUNTING FOR THE RETIREMENT OF DOBSON LANDS TO M&I USE

CONSULTANT will work with the Town and legal counsel to evaluate the accounting of water rights for the retirement of Dobson Irrigation Grandfathered Rights as the land transitions from agricultural to M&I use. CONSULTANT assumes several (3) meetings will be conducted with Town and Dobson representatives.

TASK 2 — WATER RIGHTS AND CREDITS FOR A NEW WELL

CONSULTANT will meet with ADWR to review the well permit options and will evaluate the permit requirements for a new well including the permitting of a non-exempt well, a recovery well, and/or a service area well. Once it is determined the method of permitting, the proper permit will be prepared with support from the Town and submitted to ADWR.

TASK 3 - PERMITTING A GSF FOR DOBSON LANDS

The source of the in lieu water will be treated effluent from the Town of Florence south WWTP.

Sub-task 3.1 — Pre-application Meeting

A pre-application meeting with ADWR is recommended and will be conducted. ADWR will evaluate the permits that may be required and will provide technical and legal assistance in interpreting the statutory requirements. This meeting will greatly benefit the preparation of the GSF permit.

Sub-task 3.2 — Permit Application

An Application for Groundwater Savings Facility Permit (GSF) (45-812.01) will be prepared with support from the Town and their on-call engineering company. A detailed plan for proving the amount of groundwater savings will be prepared and submitted in support of the application. In addition, a plan of operation for the facility will be prepared that:

- 1) Describes the facility in detail.
- 2) Demonstrates direct reduction or elimination of groundwater withdrawals resulting from the receipt of the in lieu water.
- 3) Demonstrates that the substitute or in lieu water would not have been a reasonable alternative to the recipient without the project.
- 4) Demonstrate that the substitute or in lieu water was not delivered before 9/1/90.
- 5) Demonstrate that the substitute or in lieu water is the only reasonably available substitute for groundwater.
- 6) Describe the area of impact of the water storage.

TOWN OF FLORENCE

EUSI

Tara Walter, Mayor

EUSI:

ATTEST:

Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

Clifford L. Mattice, Town Attorney