

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

Introduction

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

Highlights

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

Major Revenues

Sales Tax

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

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

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

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

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

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

General Fund State-shared Revenue

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

State-shared Sales Tax

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

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

State-shared Income Tax

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

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

Vehicle License Tax

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

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

Highway User Revenue

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

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

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

Transportation Excise Tax Revenue

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

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

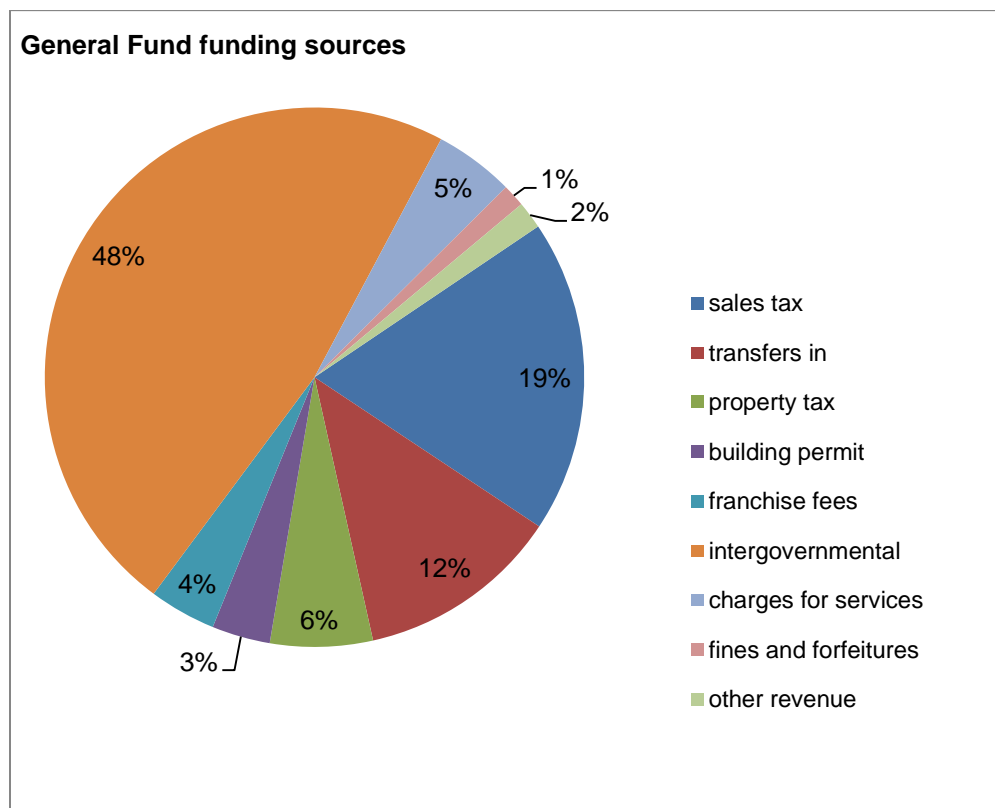
- The annual budget-projected transportation excise tax revenue is \$1,053,700.
- The total collected is \$236,770. This is \$21,144 or 8% less than the projected amount and \$5,102 or 2% lower than the prior year.

General Fund

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

General Fund Revenue

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



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

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

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

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

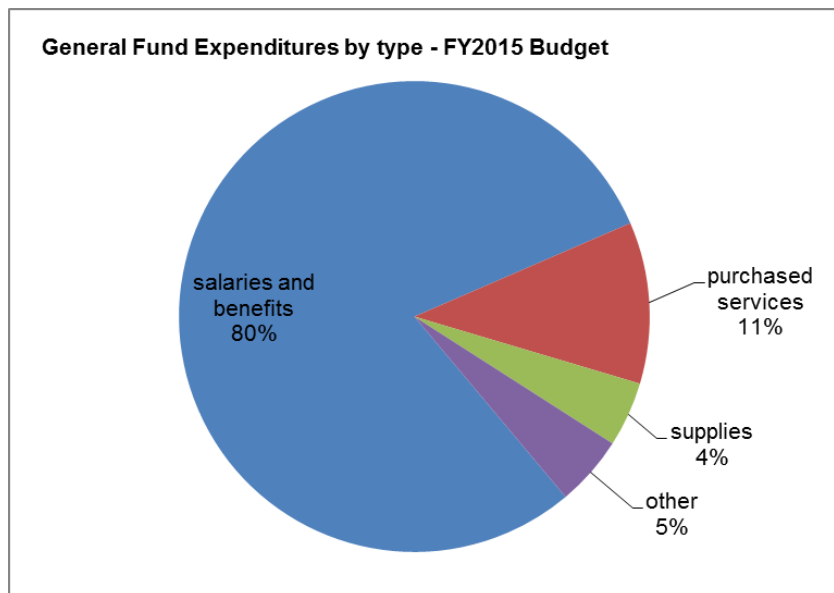
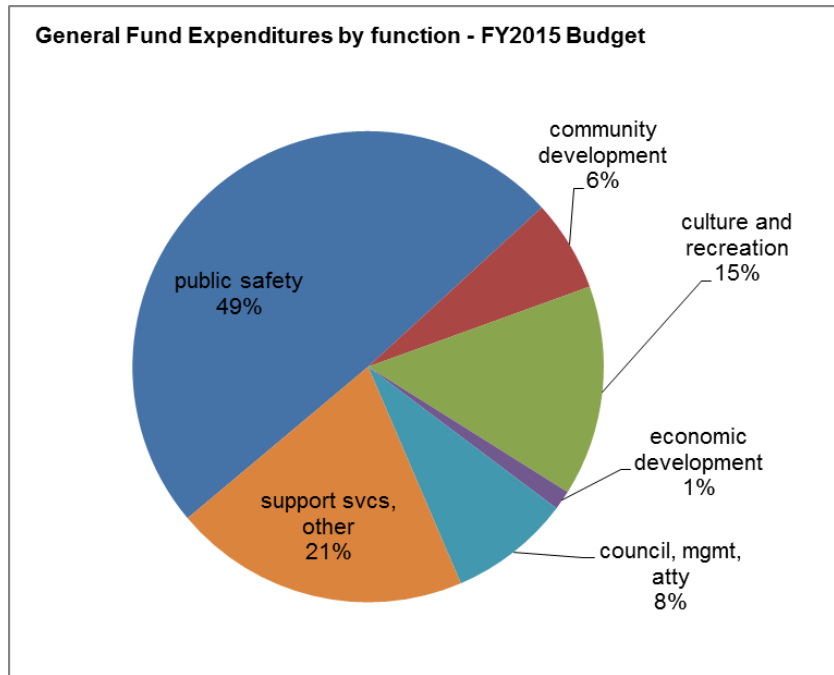
General Fund Expenditures

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

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

By type, expenditures for salary and benefits make up 80% of the total General Fund budget. The rest of the General Fund consists of purchased services (non-employee services) – 11%; supplies – 4%; and other (dues, memberships, training) – 5%.

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



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

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

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

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

Highway User Revenue Fund

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

Revenue

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

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

Expenditures

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

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

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

Capital Improvement Fund

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

Revenue

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

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

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

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

Expenditures

<i>Capital Projects Fund Expenditures</i>	budget	current year actual	% expended
<i>Police</i>			
security camera system upgrade, AV	21,000	14,524	69%
substation FFE	1,000	-	0%
compstat dashboard software	30,600	-	0%
<i>Fire/EMS</i>			
G2 alerting system	45,000	-	0%
SCBAs	29,100	-	0%
voice amplifiers and mics	35,000	-	0%
fire station #2 FFE	8,200	-	0%

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

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

Water Utility Fund

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

Revenue

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

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

Expenditures

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

- \$552,575 or 6% of the \$9,894,800 budget is expended.
- 4% of the capital outlay expenditures, the largest component, are expended. Excluding capital outlay, 12% of the budget is expended.

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

Wastewater Utility Fund

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

Revenue

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

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

Expenditures

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

- \$945,422 or 17% of the \$5,675,600 budget is expended.
- 1% of the capital outlay expenditures, the largest component, are expended. Excluding capital outlay and debt service, 26% of the budget is expended.

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

Sanitation Utility Fund

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

Sanitation Utility Fund Revenue

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

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

Sanitation Utility Fund Expenditures

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

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

Development Impact Fee Funds

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

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

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

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

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

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

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

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

Fund Summaries

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

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

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
Construction Tax Fund					
beginning fund balance	\$ 3,460,300	\$ 3,559,953			
revenue	73,200	46,509	64%	425%	8,865
expenditures	1,000,000	-	0%		-
ending fund balance	\$ 2,533,500	\$ 3,606,462			
Food Tax Fund					
beginning fund balance	\$ 1,845,900	\$ 1,849,870			
revenue	267,900	68,019	25%	34%	50,659
expenditures	2,100,000	-	0%		-
ending fund balance	\$ 13,800	\$ 1,917,889			
Debt Service Fund					
beginning fund balance	\$ 213,100	\$ 223,901			
revenue	519,200	-	0%		-
expenditures	543,800	69,748	13%	0%	69,748
ending fund balance	\$ 188,500	\$ 154,153			
Economic Development Capital Projects Fund					
beginning fund balance	\$ 442,900	\$ 447,250			
revenue	2,400	346	14%	69%	205
expenditures	442,700	-	0%		-
ending fund balance	\$ 2,600	\$ 447,596			
Water Utility Fund					
beginning funds available	\$ 10,234,600	\$ 10,375,178			
revenue	3,185,400	519,754	16%	-5%	545,478
expenditures	10,449,300	552,575	5%	81%	304,486
ending funds available	\$ 2,970,700	\$ 10,342,357			
Wastewater Utility Fund					
beginning funds available	\$ 8,688,700	\$ 9,202,269			
revenue	4,349,400	705,673	16%	-4%	734,537
expenditures	6,350,900	945,422	15%	16%	811,544
ending funds available	\$ 6,687,200	\$ 8,962,520			
Sanitation Utility Fund					
beginning funds available	\$ 1,887,000	\$ 1,643,801			
revenue	682,000	154,333	23%	-2%	157,777
expenditures	916,800	161,288	18%	-2%	165,405
ending funds available	\$ 1,652,200	\$ 1,636,846			

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
Grant Funds					
beginning fund balances	\$ -	\$ (14,670)			
revenue	3,538,600	-	0%		
expenditures	3,538,600	51,048	1%		
ending fund balances	\$ -	\$ (65,718)			
Other Special Revenue Funds					
beginning fund balances	\$ 122,900	\$ 176,194			
revenue	60,700	2,140	4%	1%	2,117
expenditures	104,300	2,085	2%	11%	1,875
ending fund balances	\$ 79,300	\$ 176,249			
Streetlight Improvement District Funds					
beginning fund balances	\$ 758,800	\$ 746,583			
revenue	4,400	570	13%	48%	385
expenditures	73,100	8,411	12%	10%	7,674
ending fund balances	\$ 690,100	\$ 738,742			
Development Impact Fee Funds					
beginning fund balances	\$ 4,324,500	\$ 5,192,738			
revenue	340,200	113,986	34%		
expenditures	3,356,100	-	0%		
ending fund balances	\$ 1,308,600	\$ 5,306,724			
Fleet Services Fund					
beginning funds available	\$ -	\$ -			
revenue	803,700	-	0%		
expenditures	803,700	128,858	16%		
ending funds available	\$ -	\$ (128,858)			
Facility Services Fund					
beginning funds available	\$ 1,100	\$ -			
revenue	449,000	-	0%		
expenditures	448,000	100,171	22%		
ending funds available	\$ 2,100	\$ (100,171)			
Firefighter Pension Fund					
beginning fund balance	\$ 322,600	\$ 323,223			
revenue	30,000	2,558	9%	-71%	8,906
expenditures	14,500	7,786	54%	33%	5,850
ending fund balance	\$ 338,100	\$ 317,995			

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

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

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