

**Town of Florence**  
**Quarterly Financial Report**  
**As of September 30, 2013**  
**(unaudited)**

**Introduction**

The following report highlights the financial results of the Town for the first quarter of 2013. 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.

**Highlights**

- Overall, revenues are meeting expectations through the first quarter of the year and expenditures are within budget. Town and Community Facilities Districts' funds continue to maintain healthy fund balances.
- Sales tax and state-shared revenues, which make up a majority of Town total revenues, are meeting budget expectations.
  - Sales tax revenue is at expectations and 3% ahead of the prior year.
  - Transportation excise tax revenue is 2% ahead (+\$4,000) of expectations and 7% ahead of the prior year.
  - State-shared sales tax revenue is lagging expectations by 1% (-\$5,000) but is 7% ahead of the prior year.
  - State-shared income tax revenue is at expectations and 9% ahead of the prior year.
  - Vehicle license tax revenue is 4% ahead of expectations (+\$7,000) and 8% ahead of the prior year.
  - Highway user revenue is behind expectations by 2% (-\$4,600) but ahead of the prior year by 3% or \$8,000.
  - Combined, these revenues are \$1,400 ahead of expectations.
- General Fund revenues and expenditures are within expectations with 25% of the year complete. Revenues are at 18% of the budget, which is normal through Sep. 30 due to the lag in the receipt of revenue from the state. Expenditures are at 20% of the total budget with all departments at normal operating levels.
- For the most part, capital project expenditures have yet or just starting to get underway but a number of projects are in the works and major expenditures will soon occur.
- Utility Fund revenues may be less than expected; however, expenditures are well within the 25% expended budget level and therefore, overall fund operating levels are fine.
- Overall, all funds are on course with the budget and finances are sound.

## 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 consists of the State and Pinal County tax rates. Depending on the source, sales tax revenue supports the Capital Improvements Fund (sales tax on construction projects), Construction Tax Fund (sales tax on construction of governmental entity projects) or Food Tax Fund (sales tax on food for home consumption) with the rest remaining in the General Fund.

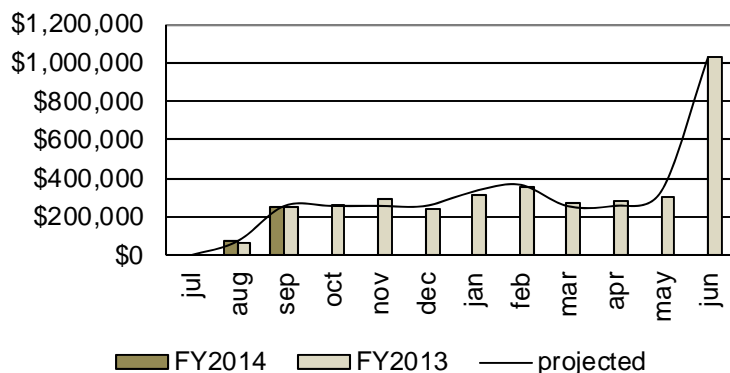
Sales Tax Rate in Florence	
Town	2.0%
Pinal County	1.1%
State of Arizona	5.6%
<b>Total</b>	<b>8.7%</b>

SALES TAX	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	\$ -	\$ -			\$ -
Aug	73,400	78,297	7%	14%	68,560
Sep	256,900	252,069	-2%	0%	250,876
YTD total	330,300	330,366			319,436
YTD variance		66	0%	3%	10,930
annual total	\$ 3,670,000				\$ 3,670,259

Note – The Town’s sales tax revenue is collected by the state and remitted to the Town on a monthly basis. There is a 6 to 7 week lag in remittance to the Town. For example, sales tax paid by the consumer in July is remitted to the Town beginning in mid- to late August. Revenues in this table are shown on a cash basis.

- The current year projection is nearly identical to the final sales tax revenue in FY2013.
- Through the first three months, year-to-date revenue is meeting projections and is 3% or \$10,930 ahead of the prior year.
- Fiscal year (FY) 2014 total projected revenue for sales tax is \$3,670,000 with 60% or \$2.2 million in the General Fund, \$1.1 million in the Capital Improvements Fund, \$210,000 in the Food Tax Fund and \$160,000 in the Construction Tax Fund.

Monthly Sales Tax Collections

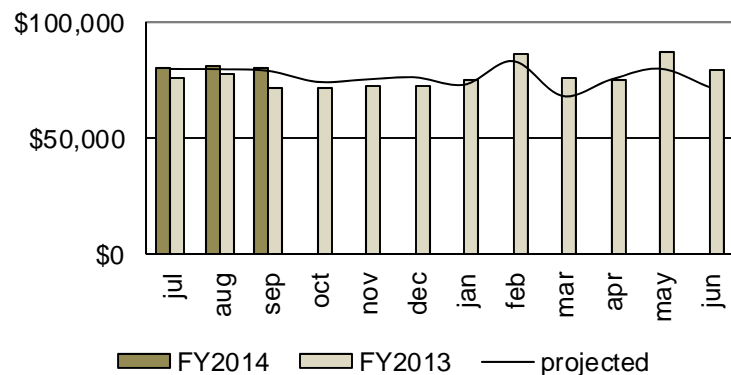


## Transportation Excise Tax Revenue

<b>TRANSPORTATION EXCISE TAX</b>	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	\$ 79,730	\$ 80,140	1%	5%	\$ 76,154
Aug	79,618	81,312	2%	4%	77,885
Sep	78,862	80,420	2%	12%	71,960
YTD total	238,209	241,872			225,999
YTD variance		3,663	2%	7%	15,873
annual total	\$ 915,000				\$ 920,806

- Transportation excise tax revenue is slightly exceeding projections by 2% or \$3,663 and exceeding the prior year by 7% or \$15,873.

Monthly Transportation Excise Tax Revenue



## State-shared Revenue

As with all Arizona municipalities, the Town receives certain revenues from the state based on population - sales tax, income tax, vehicle license tax and highway user revenue. 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, which are recorded in the Highway User Revenue Fund. State-shared sales tax, income tax and vehicle license tax support the General Fund.

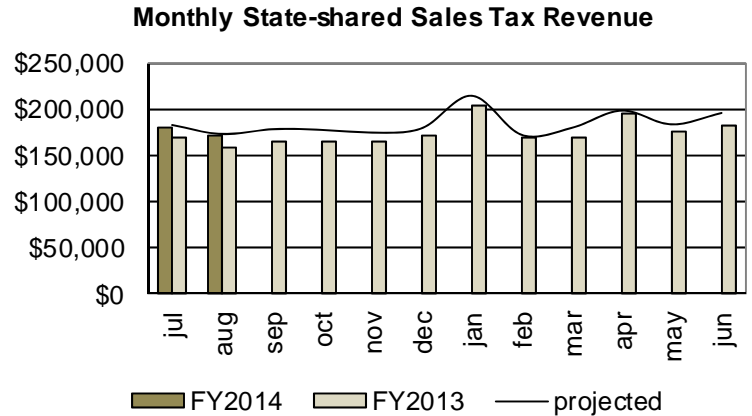
## State-shared Sales Tax

<b>STATE-SHARED SALES TAX</b>	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	\$ 182,534	\$ 178,913	-2%	5%	\$ 169,848
Aug	172,800	171,410	-1%	8%	158,459
YTD total	355,334	350,323			328,307
YTD variance		(5,011)	-1%	7%	22,016
annual total	\$ 2,206,504				\$ 2,090,169

Note – State-shared sales tax revenue is remitted to the Town on a monthly basis. There is a one-month lag.

**State-shared Revenue (cont.)**

- Through the first two months of the fiscal year, revenue is 1% or \$5,011 than the two-month projected amount; yet, 7% or \$22,016 greater than the previous 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	\$ 237,410	\$ 237,411	0%	9%	\$ 217,371
Aug	237,410	237,410	0%	9%	217,370
Sep	237,410	237,411	0%	9%	217,371
YTD total	712,231	712,232			652,112
YTD variance		2	0%	9%	60,120
annual total	\$ 2,848,922				\$ 2,608,448

- The Town budgeted and is receiving 9% more than revenue than the prior year.
- Monthly receipts of the state-shared income tax revenue are consistent throughout the year and the Town knows the amount it will receive for the upcoming year during the budget process; therefore, the current year actual will be exactly as expected throughout the entire year.

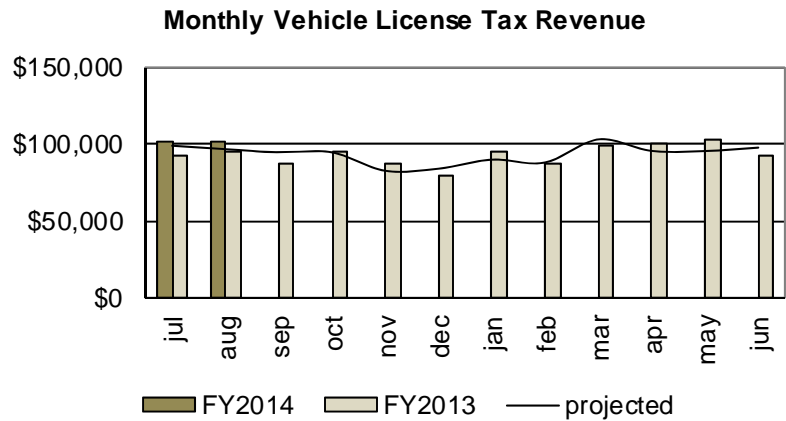
**Vehicle License Tax**

VEHICLE LICENSE TAX	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	\$ 98,768	\$ 101,813	3%	10%	\$ 92,559
Aug	96,530	100,820	4%	6%	95,039
YTD total	195,298	202,633			187,598
YTD variance		7,335	4%	8%	15,035
annual total	\$ 1,119,567				\$ 1,112,995

Note – Vehicle license tax revenue is remitted to the Town on a monthly basis. There is a one-month lag.

**State-shared Revenue (cont.)**

- Through the first two months of the fiscal year, revenue is 4% or \$7,335 more than the two-month projected amount and 8% or \$15,035 greater than the prior year.

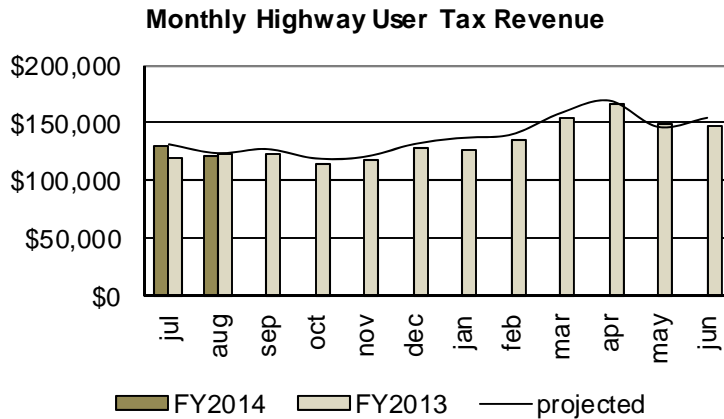


**Highway User Revenue**

HIGHWAY USER REVENUE	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	\$ 131,486	\$ 129,734	-1%	9%	\$ 119,180
Aug	123,784	120,910	-2%	-2%	123,491
YTD total	255,270	250,644			242,671
YTD variance		(4,626)	-2%	3%	7,973
annual total	\$ 1,659,987				\$ 1,606,251

Note – Highway user revenue is remitted to the Town on a monthly basis. There is a one-month lag.

- Through the first two months of the fiscal year, revenue is 2% or \$4,626 lower than the two-month projected amount; yet, 3% or \$7,973 greater than the prior year.

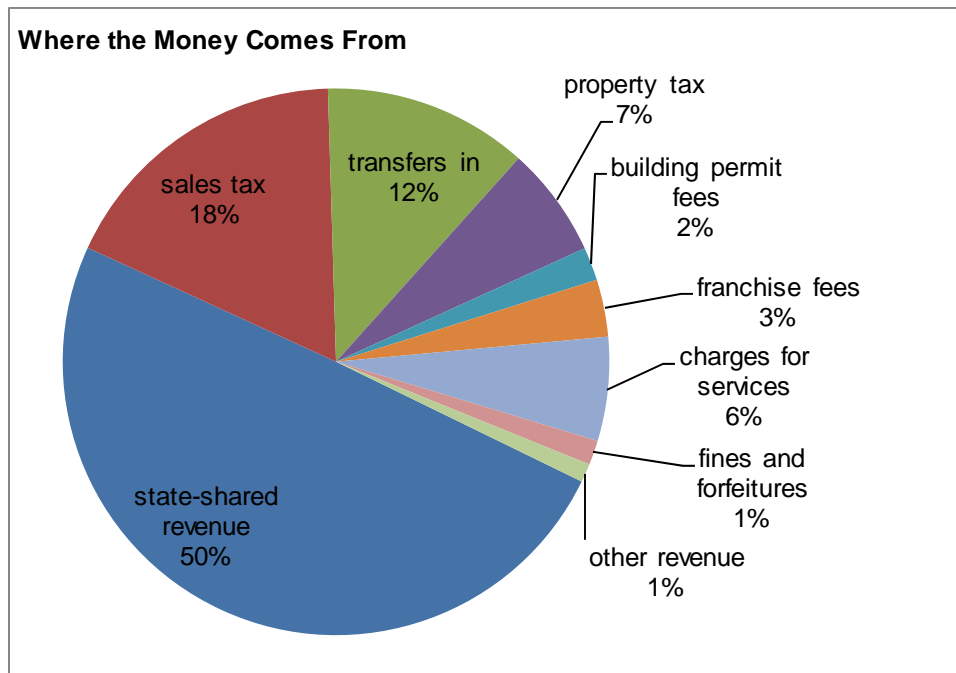


## General Fund

The General Fund is the Town's main operating fund accounting for most of the Town's services, including public safety, culture and recreation, community development, general government and other expenditures not accounted for in other funds. 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 and local sales tax – 68%. The remainder comes from property tax – 7%, building permit fees – 2%, franchise fees – 3%, charges for services – 6%, fines and forfeitures – 1% and other sources – 1%.



The table below compares current year actuals to the budget and prior year. The majority of the revenues are discussed in the Major Revenue section of this report. Overall, revenues are meeting expectations and exceeding the prior year by 10%.

**General Fund Revenue**

<b>GENERAL FUND REVENUE</b>	<b>budget</b>	<b>current year actual</b>	<b>% received</b>	<b>% change from prior year</b>	<b>prior year actual</b>
<u>taxes</u>					
sales tax	\$ 2,200,000	\$ 198,220	9%	3%	\$ 191,662
property tax	814,526	2,913	0%	-6%	3,105
<b>total taxes</b>	<b>3,014,526</b>	<b>201,133</b>	<b>7%</b>	<b>3%</b>	<b>194,767</b>
<u>licenses and permits</u>					
building permit fee	245,000	97,906	40%	44%	68,018
other licenses/permits	39,000	2,030	5%	-4%	2,120
<b>total licenses/permits</b>	<b>284,000</b>	<b>99,936</b>	<b>35%</b>	<b>42%</b>	<b>70,138</b>
<u>franchise fees</u>					
APS franchise fee	267,000	-	0%		-
other franchise fees	153,180	9,077	6%	400%	1,817
<b>total intergovernmental</b>	<b>420,180</b>	<b>9,077</b>	<b>2%</b>	<b>400%</b>	<b>1,817</b>
<u>intergovernmental</u>					
state-shared sales tax	2,206,504	350,323	16%	7%	328,307
state-shared income tax	2,848,922	712,232	25%	9%	652,112
vehicle license tax	1,119,567	202,633	18%	8%	187,598
<b>total intergovernmental</b>	<b>6,174,993</b>	<b>1,265,188</b>	<b>20%</b>	<b>8%</b>	<b>1,168,017</b>
<u>charges for services</u>					
development-related	282,000	56,793	20%	-60%	140,959
police	91,800	6,026	7%	-88%	51,056
fire/ems	57,500	12,804	22%	-31%	18,657
parks and recreation	63,150	17,957	28%	-8%	19,582
senior center	16,700	4,442	27%	20%	3,711
library	83,700	70,219	84%	4264%	1,609
general government	152,988	428	0%	-94%	7,089
cemetery	17,500	2,255	13%	-62%	5,900
<b>total charges for svcs</b>	<b>765,338</b>	<b>170,924</b>	<b>22%</b>	<b>-31%</b>	<b>248,563</b>
<u>other revenues</u>					
finances and forfeitures	180,410	40,800	23%	15%	35,327
other revenues	97,315	28,190	29%	-1467%	(2,062)
<b>total other revenues</b>	<b>277,725</b>	<b>68,990</b>	<b>25%</b>	<b>107%</b>	<b>33,265</b>
<b>transfers in</b>	<b>1,507,137</b>	<b>358,551</b>		<b>37%</b>	<b>261,681</b>
<b>total YTD</b>	<b>\$ 12,443,899</b>	<b>\$ 2,173,799</b>	<b>17%</b>	<b>10%</b>	<b>\$ 1,978,248</b>

## General Fund Expenditures

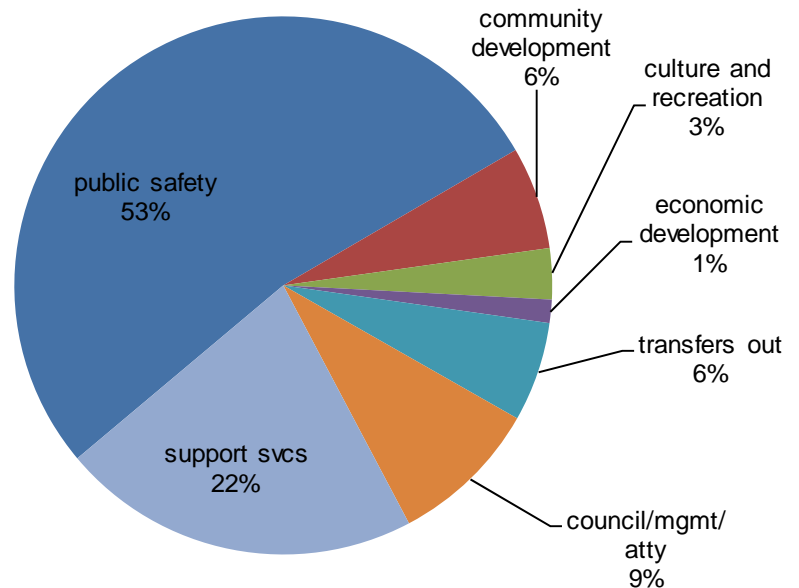
The General Fund accounts for the majority of the Town's services including, public safety – police and fire/EMS services; culture and recreation – parks maintenance, recreation programs, fitness center, aquatics, special events, senior center and library services; community development; and general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

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

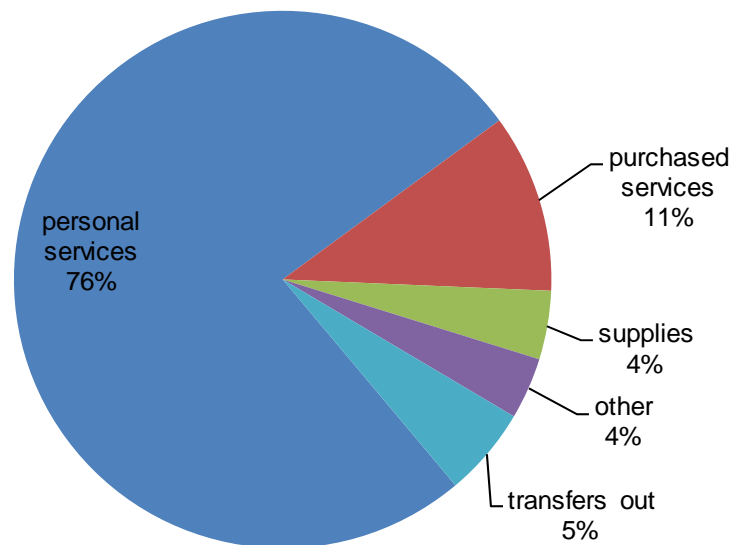
Looking at it another way, personal services (employee salary and benefits) make up 76% of the total General Fund budget. The rest of the General Fund consists of purchased services (non-employee services) – 11%; supplies – 4%; and other (dues, memberships, training).

The following tables compare current year-to-date actuals to the budget and prior year amounts by department and then by each category as summarized above.

**How the Money is Spent (by function) - FY2014 Budget**



**How the Money is Spent (by type) - FY2014 Budget**





**General Fund Expenditures (cont.)**

<b>EXP BY DEPARTMENT</b>	<b>budget</b>	<b>current year actual</b>	<b>% expended</b>	<b>% change from prior year</b>	<b>prior year actual</b>
town council	\$ 152,324	\$ 53,481	35%	-1%	\$ 54,080
administration	673,404	188,024	28%	32%	141,943
courts	278,448	43,318	16%	-3%	44,575
town attorney	255,460	48,559	19%	15%	42,242
finance	908,947	192,769	21%	14%	168,686
human resources	214,794	41,985	20%	28%	32,699
community development	561,700	133,180	24%	38%	96,711
police	3,771,703	742,600	20%	3%	721,252
fire/EMS	2,534,446	601,242	24%	25%	481,347
information technology	536,365	141,085	26%	38%	102,035
parks and recreation	1,345,340	268,992	20%	6%	252,629
library	367,040	80,258	22%	31%	61,143
engineering	176,435	21,304	12%	-25%	28,326
general government	623,085	86,955	14%	66%	52,395
cemetery	25,550	2,773	11%	-28%	3,830
economic development	167,665	29,056	17%	3%	28,308
transfers out	716,308	-	0%		-
<b>total</b>	<b>\$ 13,309,014</b>	<b>\$ 2,675,581</b>	<b>20%</b>	<b>16%</b>	<b>\$ 2,312,201</b>

- The total General Fund budget is \$13,309,014. To date, one-fourth of the way through the fiscal year, \$2,675,581 or 20% has been expended. Many of the departments' expenditures are significantly greater than the prior year; however, these differences are expected and budgeted. Most departments are within 25% of the annual budget, which is normal 25% of the way through the year. Significant variances are explained below.
- The budget variance for Town Council is 35% expended only 25% of the way through the year because a large portion of the budget is for membership dues, which are primarily paid at the beginning of the year.
- Administration expenditures are within budget but are 32% greater than the prior year primarily due to mailing and supply costs associated with the proposed annexation.
- Town Attorney expenditures are within budget but are 15% greater than the prior year due to the hiring to fill a new full-time associate attorney position.
- Finance expenditures are within budget but are 14% greater than the prior year due to the hiring to fill a customer service representative position and additional overtime needed to facilitate the transition of the new Finance Director during year-end and audit preparation procedures.
- Human Resources expenditures are within budget but are 28% greater than the prior year due to operating the first part of the prior year without a Human Resources Director.
- Community Development expenditures are within budget but are 38% greater than the prior year due to professional services related to the proposed annexation and contracted building inspection used while employee out on worker's compensation leave.

**General Fund Expenditures (cont.)**

- Fire/EMS expenditures are within budget but are 25% greater than the prior period due to the hiring of a new Fire Chief.
- Information Technology expenditures are within budget but are 38% greater than the prior year primarily due to a position vacancy in FY2013 and increased expenditures for Channel 11.
- Library expenditures are within budget but are 31% greater than the prior year due to position vacancies in FY2013.
- General government expenditures are within budget but are 66% greater than the prior year because of the timing difference of the liability insurance payment.

<b>EXP BY FUNCTION</b>	<b>budget</b>	<b>current year actual</b>	<b>% expended</b>	<b>% change from prior year</b>	<b>prior year actual</b>
general government	\$ 3,668,377	\$ 798,949	22%	24%	\$ 642,485
public safety	6,306,149	1,343,842	21%	12%	1,202,599
community development	738,135	154,484	21%	24%	125,037
culture and recreation	367,040	349,250	95%	11%	313,772
economic development	167,665	29,056	17%	3%	28,308
transfers out	716,308	-	0%		-
<b>total</b>	<b>\$ 11,963,674</b>	<b>\$ 2,675,581</b>	<b>22%</b>	<b>16%</b>	<b>\$ 2,312,201</b>

<b>EXP BY TYPE</b>	<b>budget</b>	<b>current year actual</b>	<b>% expended</b>	<b>% change from prior year</b>	<b>prior year actual</b>
personal services	\$ 10,118,661	\$ 2,169,183	21%	15%	\$ 1,882,982
purchased services	1,431,587	263,024	18%	40%	188,350
supplies	548,691	121,684	22%	-24%	159,491
other	493,767	121,690	25%	50%	81,378
transfers out	716,308	-	0%		-
<b>total</b>	<b>\$ 13,309,014</b>	<b>\$ 2,675,581</b>	<b>20%</b>	<b>16%</b>	<b>\$ 2,312,201</b>

## Highway User Revenue Fund

The Highway User Revenue Fund accounts for operation, maintenance and capital expenditures of Town streets and highways (public works). The Highway User Revenue Fund 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.

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
<b>Highway User Revenue Fund</b>					
beginning fund balance	\$ 6,542,995	\$ 6,542,995			\$ 6,130,762
revenue	2,601,737	513,499	20%	7%	480,891
expenditures	7,250,721	585,828	8%	8%	541,535
ending fund balance	\$ 1,894,011	\$ 6,470,666			\$ 6,070,118

- Overall, revenues are meeting expectations and expenditures are within budget.
- Budgeted expenditures exceed current year revenues by \$4.6 million. Capital projects account for the majority of this \$4.6 million use of fund balance.

### Highway User Revenue Fund Revenue

REVENUE	budget	current year actual	% received	% change from prior year	prior year actual
highway user revenue	\$ 1,659,987	\$ 250,644	15%	3%	\$ 242,671
transportation excise tax	915,000	241,872	26%	7%	226,000
other revenues	26,750	20,983	78%	72%	12,220
total YTD	\$ 2,601,737	\$ 513,499	20%	7%	\$ 480,891

- Highway user revenue is near expectations with 15% received and 3% greater than the prior year (only two months of highway user revenue are reported due to the one month lag in receipts from the state).
- Transportation excise tax revenues are meeting expectations with 26% received, one-fourth of the way through the year. They are 7% ahead of the prior year.
- Overall, highway user revenue fund revenues are meeting budget expectations and are 7% greater than the prior year.

**Highway User Revenue Fund Expenditures**

<b>EXPENDITURES</b>	<b>budget</b>	<b>current year actual</b>	<b>% expended</b>	<b>% change from prior year</b>	<b>prior year actual</b>
personal services	\$ 1,272,506	\$ 271,764	21%	-8%	\$ 294,032
purchased services	251,200	44,778	18%	33%	33,790
supplies	423,400	32,351	8%	-39%	52,743
capital outlay	4,525,000	115,271	3%	38%	83,492
other	5,080	95	2%		-
transfers out	773,535	121,569	16%	57%	77,478
<b>total</b>	<b>\$ 7,250,721</b>	<b>\$ 585,828</b>	<b>8%</b>	<b>8%</b>	<b>\$ 541,535</b>

- With 8% of the budget expended, expenditures are within budget with 25% of the year complete.
- A majority of the capital improvement projects are yet to get underway, with only 3% or \$115,271 of \$4.5 million budget expended.

<b>CAPITAL OUTLAY EXPENDITURES</b>	<b>budget</b>	<b>current year actual</b>	<b>% expended</b>
<i>equipment:</i>			
backhoe attachments	\$ 25,000	\$ -	
<i>street and highways:</i>			
Florence Gardens phase 1/2 curb, gutter, pavement, storm drainage	1,600,000		
Florence Gardens phase 4 curb, gutter, pavement, storm drainage	40,000		
State Highways 79B and 287 intersection improvements	250,000		
Diversion Dam Road improvements from Hwy 79 to Bowling Road	1,575,000		
Street signalization	150,000		
Felix Road milling and paving from Hiller to Heritage	450,000		
Pinal Street drainage improvements from Butte to Ruggles	125,000		
Hunt Highway overlay to County line	110,000		
Butte Avenue pavement sealing from Hwy 79A to Diffin Road	175,000		
Stormwater master plan	25,000		
	<b>4,500,000</b>	<b>115,271</b>	<b>3%</b>
<b>total</b>	<b>\$ 4,525,000</b>	<b>\$ 115,271</b>	<b>3%</b>

- The \$115,271 to date includes expenditures for work on the State Highways 79B/287 intersection improvements and the Diversion Dam Road improvements.

## Capital Improvement Fund

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

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
<b>Capital Improvements Fund</b>					
beginning fund balance	\$ 10,847,831	\$ 10,847,831			\$ 6,478,644
revenue	1,180,000	112,677	10%	37%	82,073
expenditures	7,447,075	139,668	2%	-84%	850,123
ending fund balance	\$ 4,580,756	\$ 10,820,840			\$ 5,710,594

- A large number of capital projects are planned for FY2014 using up a large portion of fund balance. However, a projected \$4.6 million of fund balance will remain for future years.

### Capital Improvement Fund Revenue

REVENUE	budget	current year actual	% received	% change from prior year	prior year actual
sales tax	\$ 1,100,000	\$ 99,011	9%	31%	\$ 75,459
interest earnings	50,000	13,666	27%	107%	6,614
other revenues	30,000	-	0%		-
total	\$ 1,180,000	\$ 112,677	10%	37%	\$ 82,073

- Total revenue in FY2014 is projected to be \$1,180,000.
- Due to the lag in sales tax received from the state, only one month of sales tax has been recorded to date; therefore, 9% received is normal for this report. Compared to the prior year, revenue is up 31%.
- In total, 10% of revenue has been received and is 37% over the prior year.

## Capital Improvement Fund Expenditures

- As illustrated in the table below, the majority of the capital improvement projects are yet to get underway, with only 3% or \$139,668 of \$5.1 million budget expended.

EXPENDITURES	budget	current year actual	% expended
<i>Administration/General Government</i>			
council meeting agenda system	\$ -	\$ 7,550	
land acquisition	500,000	-	0%
Town facilities maintenance	100,000	-	0%
	<b>600,000</b>	<b>7,550</b>	1%
<i>Police</i>			
security camera system upgrade	35,000	-	0%
Anthem substation FFE	15,000	-	0%
parking lot	120,000	-	0%
building improvements	30,000	-	0%
lobby/records area security upgrades	10,500	1,846	18%
	<b>210,500</b>	<b>1,846</b>	1%
<i>Information Technology</i>			
wireless interconnection redundancy upgrade	157,650	3,420	2%
computers and printers	67,600	5,364	8%
	<b>225,250</b>	<b>8,784</b>	4%
<i>Community Development</i>			
Territory Square CLOMR/LOMR and site work	<b>600,000</b>	21,353	4%
<i>Fire/EMS</i>			
heart monitors/defibrillator replacements	100,000	99,845	100%
patient care reporting system	35,000	-	0%
SCBAs	73,509	-	0%
voice amplifiers	35,000	-	0%
firetruck	1,151,553	116	0%
Anthem substation FFE	15,000	-	0%
	<b>1,410,062</b>	<b>99,961</b>	7%
<i>Economic Development</i>			
Silver King Marketplace improvements	<b>250,000</b>	174	0%
<i>Public Works</i>			
building improvements	30,000	-	0%
crosswalk improvements	240,000	-	0%
neighborhood lighting project	500,000	-	0%
tractor	30,000	-	0%
	<b>800,000</b>	-	0%

**Capital Improvement Fund Expenditures (cont.)**

<b>EXPENDITURES</b>	<b>budget</b>	<b>current year actual</b>	<b>% expended</b>
<i>Parks and Recreation</i>			
Aero Modeler Park improvements	6,000	-	0%
Bailey Street Community Park improvements	50,000	-	0%
downtown park improvements	50,000	-	0%
mower	9,000	-	0%
bunker rake	12,000	-	0%
ATV	8,000	-	0%
scoreboards for ball parks	44,000	-	0%
Main Street playground equipment	125,000	-	0%
Heritage Park parking lot lighting	200,000	-	0%
softball field #3 lighting	100,000	-	0%
land acquisition	50,000	-	0%
	<b>654,000</b>	-	0%
<i>Facilities</i>			
Town Hall - paint exterior	21,700	-	0%
Police Station - improvements	88,000	-	0%
Fire Station - patch bay floors	6,000	-	0%
Fitness Center - replace 3 HVAC units	24,000	-	0%
parks - 3 barbecue and 5 water closets for parks	4,500	-	0%
Heritage Park - new roof	5,000	-	0%
Heritage Park - concession area cooler	1,200	-	0%
Senior Center - replace 2 HVAC units	18,000	-	0%
Senior Center - repair restroom floors and sinks	9,200	-	0%
Fire Station, Fitness Center, Silver King Marketplace - roof repai	56,500	-	0%
Town Hall - HVAC rebalancing	15,000	-	0%
Town Hall - administration conference room expansion	12,000	-	0%
	<b>261,100</b>	-	0%
<i>Fleet</i>			
AC recovery/recycling/recharge system	12,000	-	0%
all-including diagnostics system	23,500	-	0%
heavy-duty transmission fluid system	19,000	-	0%
coolant recovery system	5,500	-	0%
lift jack	6,500	-	0%
4 floor jacks	8,000	-	0%
2 battery chargers	2,000	-	0%
	<b>76,500</b>	-	0%
<b>total</b>	<b>\$ 5,087,412</b>	<b>\$ 139,668</b>	<b>3%</b>

## 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.

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
<b>Water Utility Fund</b>					
beginning funds available	\$ 7,319,515	\$ 7,319,515			\$ 6,055,330
revenue	2,962,100	545,479	18%	-15%	643,413
expenditures	7,110,077	299,697	4%	4%	287,759
ending funds available	\$ 3,171,538	\$ 7,565,297			\$ 6,410,984

- Fund balance is budgeted to be drawn down by over \$4.1 million in order to complete \$4.8 million in capital projects. A healthy \$3.2 million ending fund balance is projected.

### Water Utility Fund Revenue

REVENUE	budget	current year actual	% received	% change from prior year	prior year actual
water usage fees	\$ 2,800,000	\$ 513,596	18%	-12%	\$ 584,461
other fees	142,100	26,961	19%	-44%	47,845
other revenues	20,000	4,922	25%	-56%	11,107
total	\$ 2,962,100	\$ 545,479	18%	-15%	\$ 643,413

- Only 18% of the water usage fee revenue has been received (25% of the year complete). Current year revenue is also 12% lower than the amount recorded for the prior year. The 12% decrease is because revenue recorded in July 2012 is actually for June 2012.

### Water Utility Fund Expenditures

EXPENDITURES	budget	current year actual	% expended	% change from prior year	prior year actual
personal services	\$ 491,400	\$ 84,932	17%	24%	\$ 68,617
purchased services	586,250	57,697	10%	-10%	63,783
supplies	146,900	21,290	14%	58%	13,451
capital outlay	4,836,000	-	0%	-100%	6,108
other	450,053	7,852	2%	1121%	643
transfers out	599,474	127,926	21%	-5%	135,157
total	\$ 7,110,077	\$ 299,697	4%	4%	\$ 287,759

- All water utility expenditures are within budget at this point of the year.



**Water Utility Fund Expenditures (cont.)**

- Personal services are well within budget; however, they are 24% more than the prior year due to the filling of vacant positions and filling of the new Utility Director and Finance Office Assistant positions.
- As illustrated in the table below, capital improvement projects have yet to get underway.

<b>CAPITAL OUTLAY EXPENDITURES</b>	<b>budget</b>	<b>current year actual</b>	<b>% expended</b>
new well in North Florence	\$ 45,000	\$ -	0%
relocation of water line at INS Admin Building	110,000	-	0%
water storage tank at Florence Gardens	1,400,000	-	0%
fire hydrant replacements	60,000	-	0%
replace well #3	235,000	-	0%
water valve replacements	105,000	-	0%
water line replacement on Main Street	92,000	-	0%
4" and under water line replacements in various locations	400,000	-	0%
fire hydrant system replacement in downtown	35,000	-	0%
water line replacement from Main Street to Centennial and 20th Street to high school	438,000	-	0%
loop system to storage tank for North Florence main supply	105,000	-	0%
water line extension from well #5 to well # 4 along Willow	918,000	-	0%
water line from well #3 and well #4 supply site to Bowling Road	70,000	-	0%
water line extension from Butte to Ruggles with loop to Granite	783,000	-	0%
VFDs on booster pumps	40,000	-	0%
<b>total</b>	<b>\$ 4,836,000</b>	<b>\$ -</b>	<b>0%</b>

**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.

	<b>budget</b>	<b>current year actual</b>	<b>% received/ expended</b>	<b>% change from prior year</b>	<b>prior year actual</b>
<b>Wastewater Utility Fund</b>					
beginning funds available	\$ 5,540,788	\$ 5,540,788			\$ 4,046,141
revenue	4,691,652	733,092	16%	2%	717,486
expenditures	5,298,162	806,755	15%	67%	483,202
ending funds available	\$ 4,934,278	\$ 5,467,125			\$ 4,280,425

- Fund balance is budgeted to be drawn down by over approximately \$600,000, which helps cover completion of \$2.3 million in capital projects. A healthy \$4.9 million ending fund balance is projected.

### Wastewater Utility Fund Revenue

REVENUE	budget	current year actual	% received	% change from prior year	prior year actual
sewer usage fees	\$ 3,751,652	\$ 730,815	19%	1%	\$ 722,914
other fees	57,000	-	0%	-100%	950
loan proceeds	870,000	-	0%		-
other revenues	13,000	2,277	18%	-136%	(6,378)
<b>total</b>	<b>\$ 4,691,652</b>	<b>\$ 733,092</b>	<b>16%</b>	<b>2%</b>	<b>\$ 717,486</b>

- Only 19% of the sewer usage fee revenue has been received with 25% of the year complete. Current year revenue is 1% more than the prior year.

### Wastewater Utility Fund Expenditures

EXPENDITURES	budget	current year actual	% expended	% change from prior year	prior year actual
personal services	\$ 616,000	\$ 108,383	18%	56%	\$ 69,423
purchased services	1,021,110	131,918	13%	-31%	192,407
supplies	179,100	21,399	12%	-31%	30,902
capital outlay	2,314,500	-	0%		-
other	29,600	6,637	22%	156%	2,588
transfers out	1,137,852	538,418	47%	187%	187,882
<b>total</b>	<b>\$ 5,298,162</b>	<b>\$ 806,755</b>	<b>15%</b>	<b>67%</b>	<b>\$ 483,202</b>

- All wastewater utility expenditures are within budget at this point of the year.
- Personal services expenditures are well within budget; however, they are 56% greater than the prior year due to the filling of vacant positions and filling of the new Utility Director and Finance Office Assistant positions.
- As illustrated in the table below, capital improvement projects have yet to get underway.

CAPITAL OUTLAY EXPENDITURES	budget	current year actual	% expended
sewer main extension and replacement as needed	\$ 400,000	-	0%
Florence wastewater treatment plant (WWTP) expansion	525,000	-	0%
polishing lagoons and berm reconstruction at WWTP	214,000	-	0%
office lab space at WWTP	288,000	-	0%
office space renovation at WWTP	57,500	-	0%
expand effluent discharge system	700,000	-	0%
18" sewer bore across SH79 at Hunt Highway	100,000	-	0%
sewer line extension to expand North Florence WWTP capacity	30,000	-	0%
<b>total</b>	<b>\$ 2,314,500</b>	<b>\$ -</b>	<b>0%</b>

## 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.

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
<b>Sanitation Utility Fund</b>					
beginning funds available	\$ 1,354,064	\$ 1,354,064			\$ 1,000,131
revenue	983,090	157,460	16%	-37%	248,224
expenditures	828,119	159,940	19%	1%	158,573
ending funds available	\$ 1,509,035	\$ 1,351,584			\$ 1,089,782

### Sanitation Utility Fund Revenue

REVENUE	budget	current year actual	% received	% change	prior year actual
sanitation usage fees	\$ 669,090	\$ 156,885	23%	-35.1%	\$ 241,666
other fees	-	-		-100.0%	5,862
other revenues	314,000	575	0%	-17.4%	696
total	\$ 983,090	\$ 157,460	16%	-36.6%	\$ 248,224

- Revenues are meeting expectations at 23% received with 25% of the year complete.
- Sanitation fees are 35% lower than the prior year due to a reduction in the fee with the switch to contracted trash pickup services.

### Sanitation Utility Fund Expenditures

EXPENDITURES	budget	current year actual	% expended	% change	prior year actual
personal services	\$ 96,900	\$ 25,217	26%	-64%	\$ 69,154
purchased services	660,695	119,300	18%	224%	36,831
supplies	1,800	2,661	148%	-78%	12,184
other	-	-		-100%	22,674
transfers out	68,724	12,762	19%	-28%	17,730
total	\$ 828,119	\$ 159,940	19%	1%	\$ 158,573

- Overall, sanitation utility expenditures are within budget at this point of the year.
- Personal services expenditures are 64% lower and purchased services are 224% greater due to the switch to contracted trash pickup services.

## 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. Library impact fees may still be collected; however, the Town ceased their collection until a new impact fee study could be completed since the Town does not own a library.

The following table summarizes the collection, use and balances of these impact fees.

Summary of Collection and Use of Development Impact Fees	General Government		Police	
	budget	actual	budget	actual
<b>Sources</b>				
Development Fees Collected	\$ -	\$ -	\$ 146,798	\$ 36,519
Interest Earnings	2,000	560	100	171
Loan Proceeds	-	-	-	-
Transfers In	-	-	-	-
<b>Total Sources</b>	<b>2,000</b>	<b>560</b>	<b>146,898</b>	<b>36,690</b>
<b>Uses</b>				
Capital Improvement Projects - DIF funded	-	-	-	-
Debt Service	-	-	-	-
Professional Services - DIF Revisions	-	233	-	233
Professional Services - CIP-related	-	-	127,300	-
Transfers Out	-	-	149,078	-
<b>Total Uses</b>	<b>-</b>	<b>233</b>	<b>276,378</b>	<b>233</b>
<b>Net Increase (Decrease)</b>	<b>2,000</b>	<b>327</b>	<b>(129,480)</b>	<b>36,457</b>
<b>Beginning Balance - July 1, 2013</b>	<b>1,218,975</b>	<b>1,218,975</b>	<b>357,397</b>	<b>357,397</b>
<b>Ending Balance - September 30, 2013</b>	<b>\$ 1,220,975</b>	<b>\$ 1,219,302</b>	<b>\$ 227,917</b>	<b>\$ 393,854</b>

**Development Impact Fee Funds (cont.)**

Summary of Collection and Use of Development Impact Fees	Fire/EMS		Transportation	
	budget	actual	budget	actual
<b>Sources</b>				
Development Fees Collected	\$ 199,778	\$ 48,361	\$ 268,403	\$ 50,093
Interest Earnings	2,000	829	1,000	320
Loan Proceeds	1,295,749	-	-	-
Transfers In	149,078	-	-	-
<b>Total Sources</b>	<b>1,646,605</b>	<b>49,190</b>	<b>269,403</b>	<b>50,413</b>
<b>Uses</b>				
Capital Improvement Projects - DIF funded	3,019,244	446,383	-	-
Debt Service	-	-	-	-
Professional Services - DIF Revisions	-	233	-	233
Professional Services - CIP-related	-	-	846,747	-
Transfers Out	-	-	-	-
<b>Total Uses</b>	<b>3,019,244</b>	<b>446,616</b>	<b>846,747</b>	<b>233</b>
<b>Net Increase (Decrease)</b>	<b>(1,372,639)</b>	<b>(397,426)</b>	<b>(577,344)</b>	<b>50,180</b>
<b>Beginning Balance - July 1, 2013</b>	<b>1,807,744</b>	<b>1,807,744</b>	<b>674,359</b>	<b>674,359</b>
<b>Ending Balance - September 30, 2013</b>	<b>\$ 435,105</b>	<b>\$ 1,410,318</b>	<b>\$ 97,015</b>	<b>\$ 724,539</b>

Summary of Collection and Use of Development Impact Fees	Parks/Open Space		Library	
	budget	actual	budget	actual
<b>Sources</b>				
Development Fees Collected	\$ 227,960	\$ 34,295	\$ 20,806	\$ -
Interest Earnings	2,000	569	1,000	367
Loan Proceeds	-	-	-	-
Transfers In	-	-	-	-
<b>Total Sources</b>	<b>229,960</b>	<b>34,864</b>	<b>21,806</b>	<b>367</b>
<b>Uses</b>				
Capital Improvement Projects - DIF funded	1,181,677	-	-	-
Debt Service	-	-	-	-
Professional Services - DIF Revisions	-	233	-	233
Professional Services - CIP-related	-	-	500,000	-
Transfers Out	-	-	-	-
<b>Total Uses</b>	<b>1,181,677</b>	<b>233</b>	<b>500,000</b>	<b>233</b>
<b>Net Increase (Decrease)</b>	<b>(951,717)</b>	<b>34,631</b>	<b>(478,194)</b>	<b>134</b>
<b>Beginning Balance - July 1, 2013</b>	<b>1,224,805</b>	<b>1,224,805</b>	<b>798,998</b>	<b>798,998</b>
<b>Ending Balance - September 30, 2013</b>	<b>\$ 273,088</b>	<b>\$ 1,259,436</b>	<b>\$ 320,804</b>	<b>\$ 799,132</b>

## Development Impact Fee Funds (cont.)

Summary of Collection and Use of Development Impact Fees	Water		Sewer	
	budget	actual	budget	actual
<b>Sources</b>				
Development Fees Collected	\$ 7,920	\$ -	\$ 8,560	\$ -
Interest Earnings	-	51	1,000	165
Loan Proceeds	-	-	-	-
Transfers In	-	-	-	-
<b>Total Sources</b>	<b>7,920</b>	<b>51</b>	<b>9,560</b>	<b>165</b>
<b>Uses</b>				
Capital Improvement Projects - DIF funded	-	-	-	-
Debt Service	-	-	-	-
Professional Services - DIF Revisions	-	233	-	233
Professional Services - CIP-related	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Uses</b>	<b>-</b>	<b>233</b>	<b>-</b>	<b>233</b>
<b>Net Increase (Decrease)</b>	<b>7,920</b>	<b>(182)</b>	<b>9,560</b>	<b>(68)</b>
<b>Beginning Balance - July 1, 2013</b>	<b>111,196</b>	<b>111,196</b>	<b>359,426</b>	<b>359,426</b>
<b>Ending Balance - September 30, 2013</b>	<b>\$ 119,116</b>	<b>\$ 111,014</b>	<b>\$ 368,986</b>	<b>\$ 359,358</b>

Summary of Collection and Use of Development Impact Fees	Sanitation		North Florence Water	
	budget	actual	budget	actual
<b>Sources</b>				
Development Fees Collected	\$ -	\$ -	\$ -	\$ -
Interest Earnings	-	21	15	4
Loan Proceeds	-	-	-	-
Transfers In	-	-	-	-
<b>Total Sources</b>	<b>-</b>	<b>21</b>	<b>15</b>	<b>4</b>
<b>Uses</b>				
Capital Improvement Projects - DIF funded	43,675	-	-	-
Debt Service	-	-	-	-
Professional Services - DIF Revisions	-	-	-	233
Professional Services - CIP-related	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Uses</b>	<b>43,675</b>	<b>-</b>	<b>-</b>	<b>233</b>
<b>Net Increase (Decrease)</b>	<b>(43,675)</b>	<b>21</b>	<b>15</b>	<b>(229)</b>
<b>Beginning Balance - July 1, 2013</b>	<b>45,751</b>	<b>45,751</b>	<b>9,637</b>	<b>9,637</b>
<b>Ending Balance - September 30, 2013</b>	<b>\$ 2,076</b>	<b>\$ 45,772</b>	<b>\$ 9,652</b>	<b>\$ 9,408</b>

**Development Impact Fee Funds (cont.)**

<b>Summary of Collection and Use of Development Impact Fees</b>	<b>North Florence Sewer</b>	
	<b>budget</b>	<b>actual</b>
<b>Sources</b>		
Development Fees Collected	\$ -	\$ -
Interest Earnings	-	6
Loan Proceeds	-	-
Transfers In	-	-
<b>Total Sources</b>	<b>-</b>	<b>6</b>
<b>Uses</b>		
Capital Improvement Projects - DIF funded	-	-
Debt Service	-	-
Professional Services - DIF Revisions	-	-
Professional Services - CIP-related	-	-
Transfers Out	-	-
<b>Total Uses</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease)</b>	<b>-</b>	<b>6</b>
<b>Beginning Balance - July 1, 2013</b>	<b>12,297</b>	<b>12,297</b>
<b>Ending Balance - September 30, 2013</b>	<b>\$ 12,297</b>	<b>\$ 12,303</b>

## Fund Summaries

In addition to the funds discussed above, the following table summarizes all Town funds.

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
<b>General Fund</b>					
beginning fund balance	\$ 11,253,437	\$ 11,253,437			
revenue	12,443,899	2,173,799	17%	10%	\$ 1,978,248
expenditures	13,309,014	2,675,581	20%	16%	2,312,201
ending fund balance	\$ 10,388,322	\$ 10,751,655			
<b>Capital Improvements Fund</b>					
beginning fund balance	\$ 10,847,831	\$ 10,847,831			
revenue	1,180,000	112,677	10%	37%	82,073
expenditures	7,447,075	139,668	2%	-84%	850,123
ending fund balance	\$ 4,580,756	\$ 10,820,840			
<b>Highway User Revenue Fund</b>					
beginning fund balance	\$ 6,542,995	\$ 6,542,995			
revenue	2,601,737	513,499	20%	7%	480,891
expenditures	7,250,721	585,828	8%	8%	541,535
ending fund balance	\$ 1,894,011	\$ 6,470,666			
<b>Construction Tax Fund</b>					
beginning fund balance	\$ 3,388,187	\$ 3,388,187			
revenue	190,000	930	0%	-96%	21,710
expenditures	-	-			-
ending fund balance	\$ 3,578,187	\$ 3,389,117			
<b>Food Tax Fund</b>					
beginning fund balance	\$ 1,590,293	\$ 1,590,293			
revenue	230,000	19,704	9%	-33%	29,285
expenditures	-	-			-
ending fund balance	\$ 1,820,293	\$ 1,609,997			
<b>Debt Service Fund</b>					
beginning fund balance	\$ 69,748	\$ 69,748			
revenue	359,663	-	0%		-
expenditures	359,663	-	0%	-100%	69,748
ending fund balance	\$ 69,748	\$ 69,748			
<b>Economic Development Capital Projects Fund</b>					
beginning fund balance	\$ 442,650	\$ 442,650			
revenue	5,000	122	2%		-
expenditures	444,856	-	0%		-
ending fund balance	\$ 2,794	\$ 442,772			



**Fund Summaries (cont.)**

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
<b>Water Utility Fund</b>					
beginning funds available	\$ 7,319,515	\$ 7,319,515			
revenue	2,962,100	545,479	18%	-15%	643,413
expenditures	7,110,077	299,697	4%	4%	287,759
ending funds available	\$ 3,171,538	\$ 7,565,297			
<b>Wastewater Utility Fund</b>					
beginning funds available	\$ 5,540,788	\$ 5,540,788			
revenue	4,691,652	733,092	16%	2%	717,486
expenditures	5,298,162	806,755	15%	67%	483,202
ending funds available	\$ 4,934,278	\$ 5,467,125			
<b>Sanitation Utility Fund</b>					
beginning funds available	\$ 1,354,064	\$ 1,354,064			
revenue	983,090	157,460	16%	-37%	248,224
expenditures	828,119	159,940	19%	1%	158,573
ending funds available	\$ 1,509,035	\$ 1,351,584			
<b>Grant Funds</b>					
beginning fund balances	\$ 89,637	\$ 89,637			
revenue	1,442,850	154,827	11%		
expenditures	1,506,212	307,548	20%		
ending fund balances	\$ 26,275	\$ (63,084)			
<b>Other Special Revenue Funds</b>					
beginning fund balances	\$ 108,307	\$ 108,307			
revenue	53,285	2,109	4%	-30%	2,996
expenditures	53,850	1,875	3%	-10%	2,090
ending fund balances	\$ 107,742	\$ 108,541			
<b>Streetlight Improvement District Funds</b>					
beginning fund balances	\$ 825,104	\$ 825,104			
revenue	1,250	229	18%	-331%	(99)
expenditures	69,500	7,674	11%	-35%	11,749
ending fund balances	\$ 756,854	\$ 817,659			
<b>Development Impact Fee Funds</b>					
beginning fund balances	\$ 6,620,585	\$ 6,620,585			
revenue	2,334,167	172,331	7%		
expenditures	5,867,721	448,480	8%		
ending fund balances	\$ 3,087,031	\$ 6,344,436			

**Fund Summaries (cont.)**

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
<b><i>Fleet Services Fund</i></b>					
beginning funds available	\$ -	\$ -			
revenue	671,228	118,101	18%		
expenditures	671,228	118,101	18%		
ending funds available	\$ -	\$ -			
<b><i>Facility Services Fund</i></b>					
beginning funds available	\$ -	\$ -			
revenue	436,745	58,762	13%		
expenditures	435,745	58,762	13%		
ending funds available	\$ 1,000	\$ -			
<b><i>Firefighter Pension Fund</i></b>					
beginning fund balance	\$ 14,780	\$ 14,780			
revenue	741,000	285,109	38%	-7%	307,498
expenditures	740,900	285,225	38%	-7%	307,462
ending fund balance	\$ 14,880	\$ 14,664			
<b><i>All Town Funds</i></b>					
beginning fund balances	\$ 56,007,921	\$ 56,007,921			
revenue	31,327,666	5,048,230	16%	12%	4,511,725
expenditures	51,392,843	5,895,134	11%	17%	5,024,442
ending fund balances	\$ 35,942,744	\$ 55,161,017			
<b><i>Community Facilities District #1</i></b>					
beginning fund balances	\$ 3,697,454	\$ 2,934,675			
revenue	1,613,774	41,026	3%	-82%	222,072
expenditures	3,728,284	1,393,647	37%	99%	700,170
ending fund balances	\$ 1,582,944	\$ 1,582,054			
<b><i>Community Facilities District #2</i></b>					
beginning fund balances	\$ 1,942,903	\$ 1,551,357			
revenue	3,155,455	27,768	1%	-11%	31,267
expenditures	3,875,860	926,706	24%	66%	558,768
ending fund balances	\$ 1,222,498	\$ 652,419			