

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

Introduction

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

Highlights

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

Major Revenues

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

Sales Tax

The Town imposes a two percent (2%) transaction privilege tax rate on retail sales and services made within the Town boundaries.

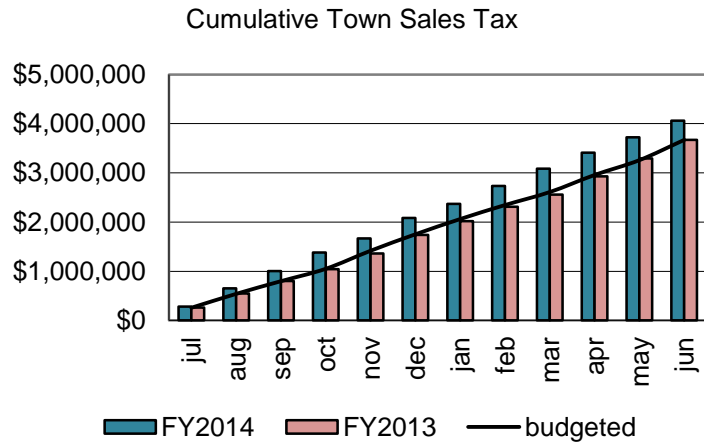
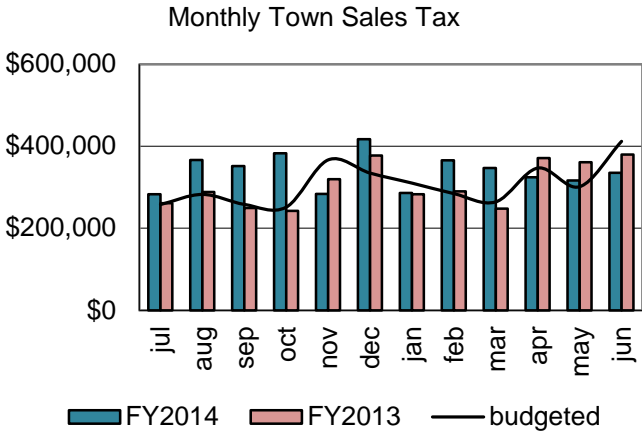
This tax is commonly referred to as sales tax. The total tax rate within the Town is 8.7 percent, which also includes the State and Pinal County tax rates. Sales tax revenue supports the Capital Improvements Fund (sales tax on private construction projects), Construction Tax Fund (sales tax on governmental entity

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

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



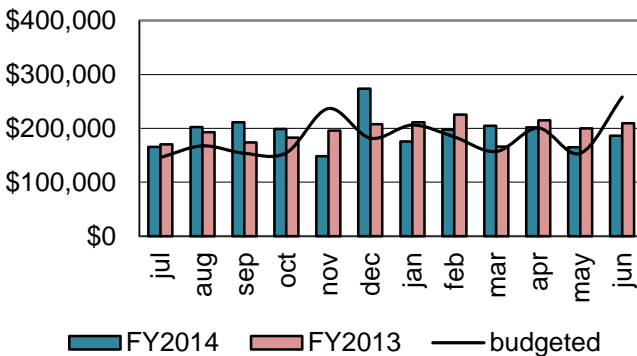
- The table below breaks down the sales tax collected by type. General and sales tax on food and private construction were ahead of projections. Sales tax on government construction was behind projections.

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

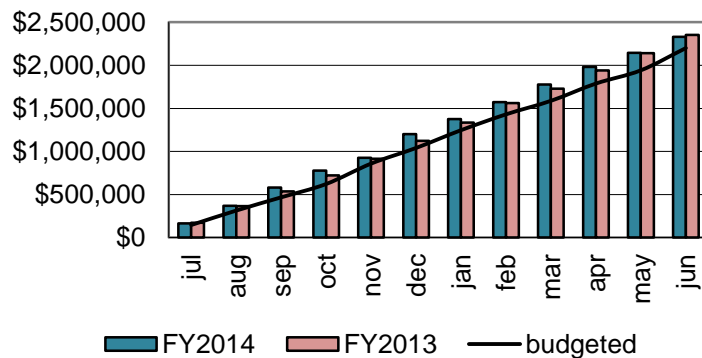
- The following table and charts below show sales tax collected by type by month for the General Fund. Total general sales tax collected was \$2,331,574 and was \$131,574 or 6% ahead of projections; however, was \$19,925 or 1% lower than the prior year.

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

Monthly Town Sales Tax
General Fund



Cumulative Town Sales Tax
General Fund



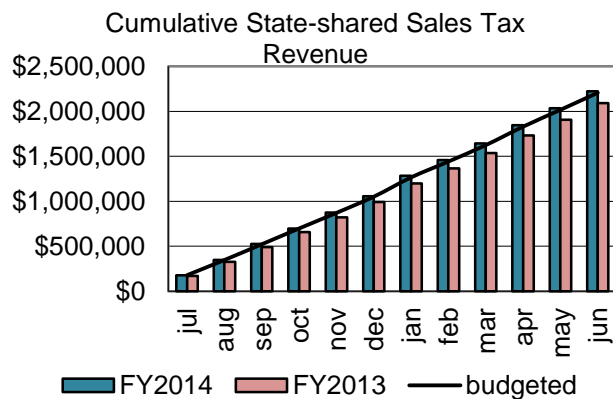
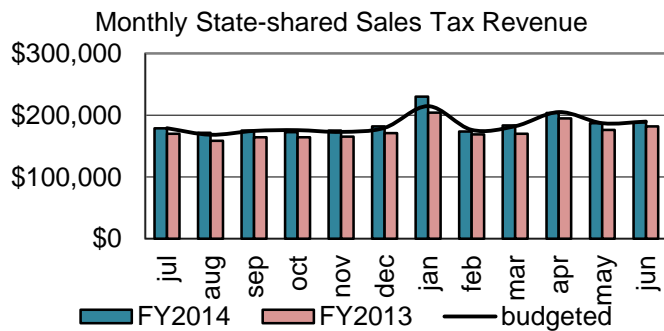
General Fund State-shared Revenue

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

State-shared Sales Tax

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

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

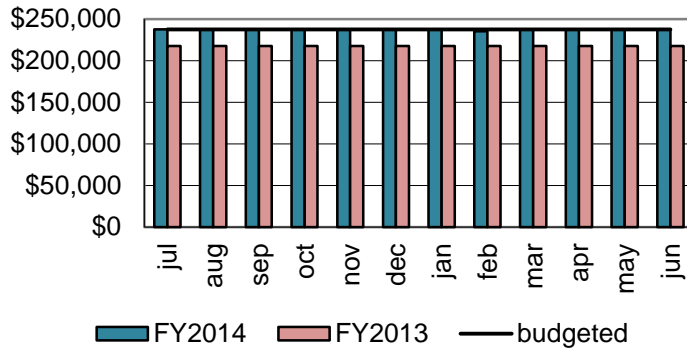


State-shared Income Tax

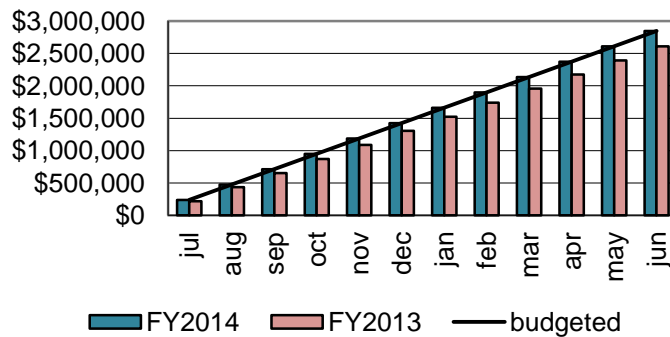
State-shared Income Tax	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	237,410	237,411	0%	9%	217,371
Aug	237,410	237,410	0%	9%	217,370
Sep	237,410	237,411	0%	9%	217,371
Oct	237,410	237,411	0%	9%	217,371
Nov	237,410	237,410	0%	9%	217,370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

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

Monthly State-shared Income Tax Revenue



Cumulative State-shared Income Tax Revenue

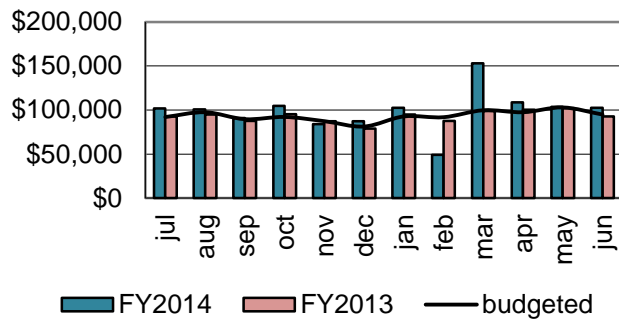


Vehicle License Tax

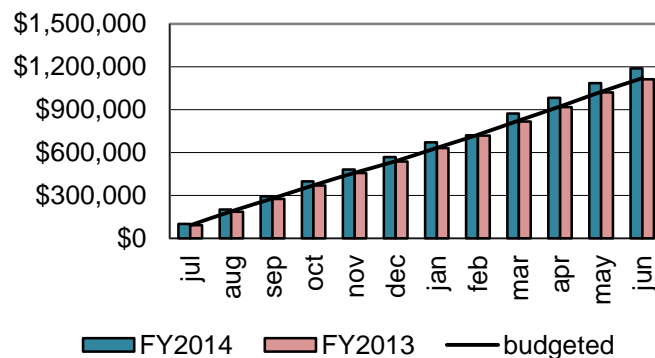
Vehicle License Tax	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	92,073	101,813	11%	10%	92,559
Aug	97,488	100,820	3%	6%	95,039
Sep	89,623	91,075	2%	4%	87,533
Oct	92,134	104,544	13%	10%	95,262
Nov	87,350	83,894	-4%	-4%	87,229
Dec	81,298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

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

Monthly Vehicle License Tax Revenue



Cumulative Vehicle License Tax Revenue



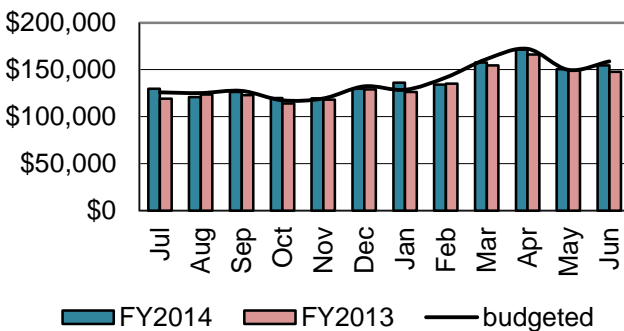
Highway User Revenue

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

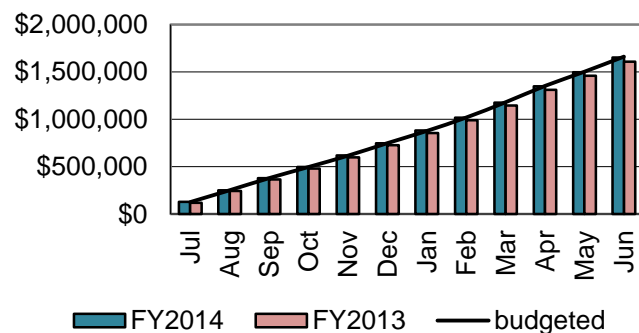
Highway User Revenue	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	125,872	129,734	3%	9%	119,180
Aug	125,136	120,910	-3%	-2%	123,491
Sep	127,443	126,382	-1%	3%	122,804
Oct	117,433	119,995	2%	5%	114,017
Nov	119,405	119,662	0%	1%	118,209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

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

Monthly Highway User Revenue



Cumulative Highway User Revenue



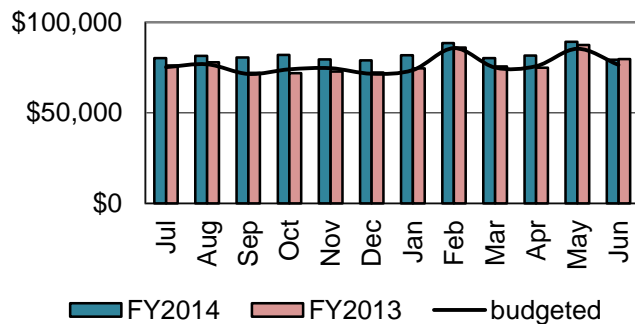
Transportation Excise Tax Revenue

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

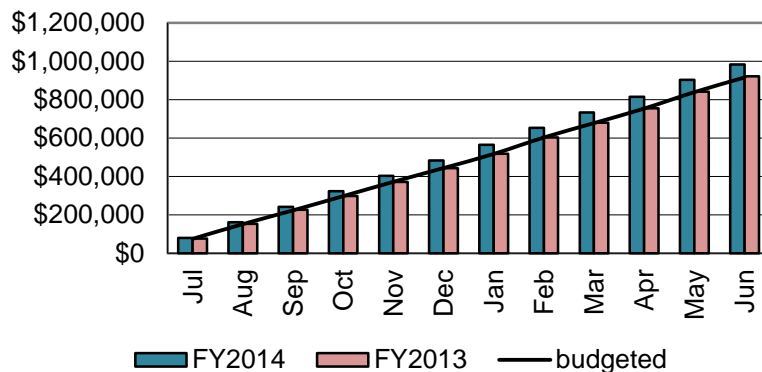
Transportation Excise Tax	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	75,163	80,140	7%	5%	76,154
Aug	76,733	81,312	6%	4%	77,885
Sep	71,418	80,420	13%	12%	71,961
Oct	73,974	81,938	11%	14%	71,906
Nov	74,597	79,369	6%	9%	72,725
Dec	71,533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

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

Monthly Transportation Excise Tax



Cumulative Transportation Excise Tax

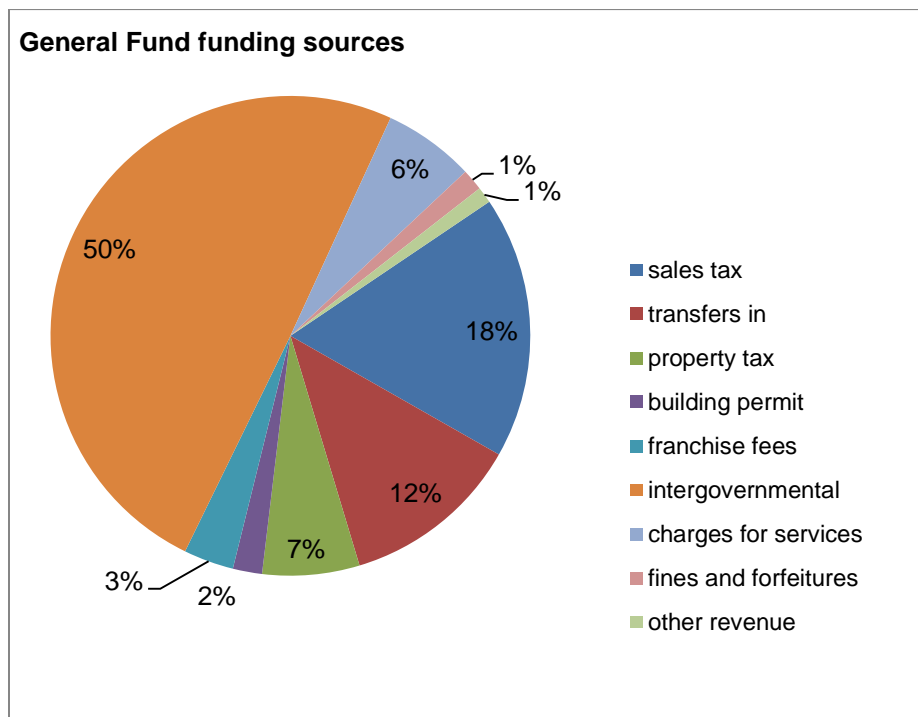


General Fund

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

General Fund Revenue

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

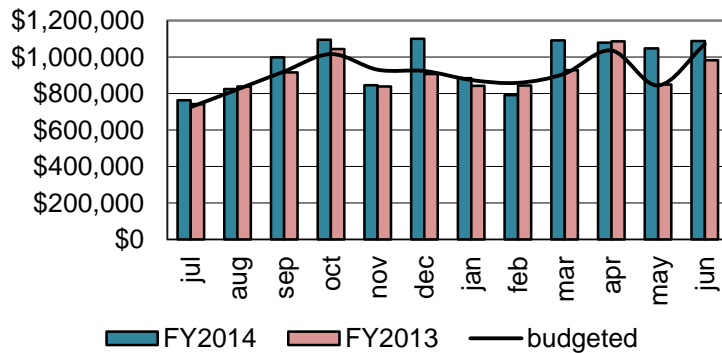


Major revenues supporting the General Fund are discussed above in the Major Revenue section of this report.

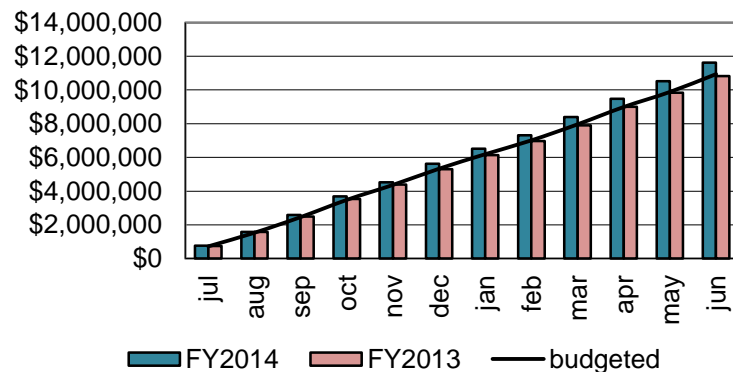
General Fund Revenue	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	725,773	763,649	5%	3%	742,843
Aug	822,957	824,631	0%	-2%	839,034
Sep	921,453	999,210	8%	9%	916,847
Oct	1,016,678	1,094,423	8%	5%	1,044,466
Nov	930,771	846,626	-9%	1%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

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

Monthly General Fund Revenue



Cumulative General Fund Revenue

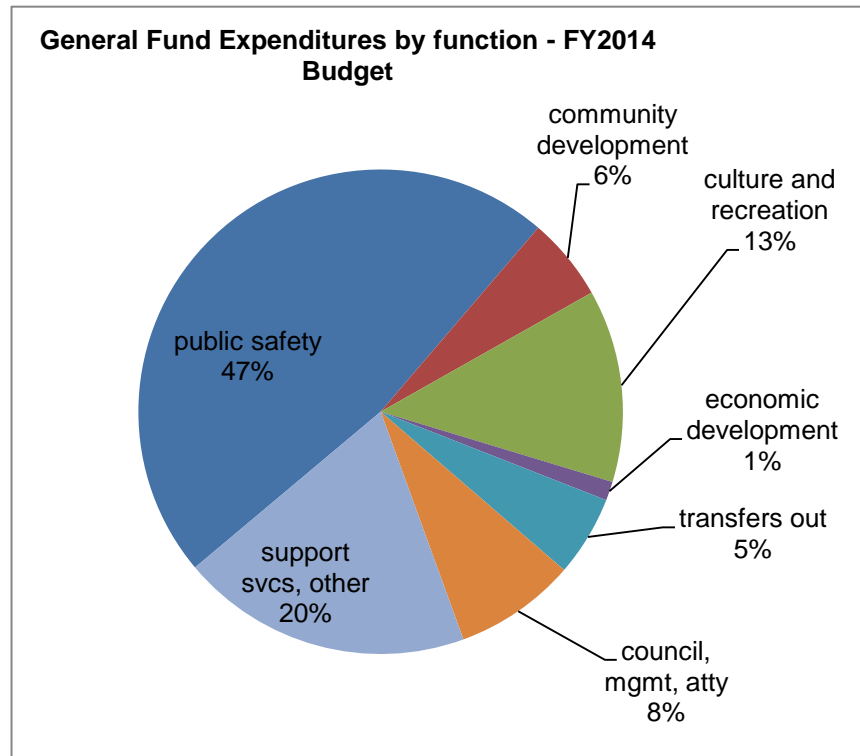


<i>General Fund Revenue</i>	budget	current year actual	% received	prior year actual	% change from prior year	\$ diff
<u>taxes</u>						
sales tax	\$ 2,200,000	\$ 2,331,574	106%	\$ 2,351,499	-1%	\$ (19,925)
property tax	814,526	796,588	98%	775,131	3%	21,457
total taxes	3,014,526	3,128,162	104%	3,126,630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

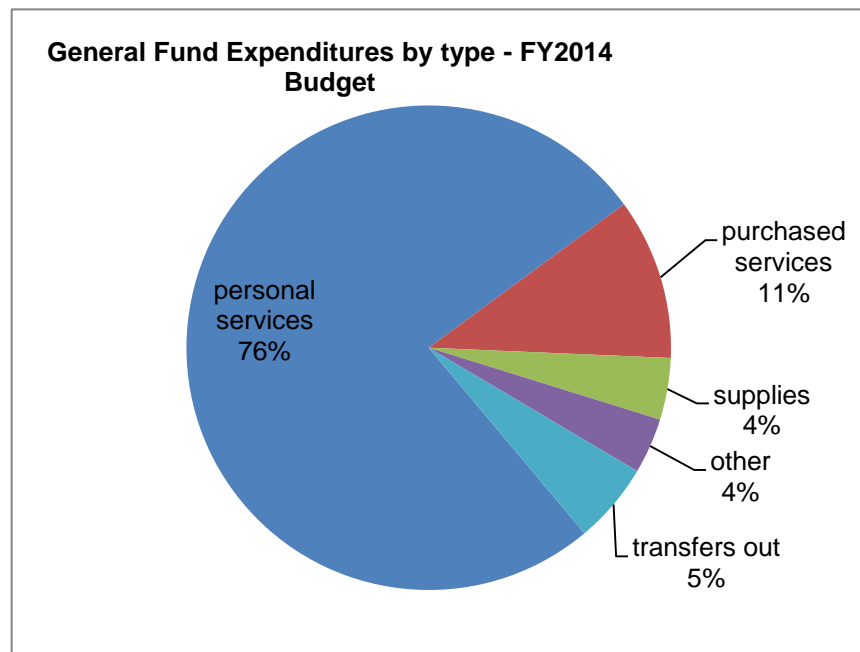
- The table above compares actual current revenue to the budgeted amount and the prior year for each of the major components of the General Fund revenue.
- At year end, the total revenue received, including transfers in, is 109% of the budgeted amount and exceeded the prior year by 14%.

General Fund Expenditures

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



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



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

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

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

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

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

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

Highway User Revenue Fund

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

Revenue

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

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

Expenditures

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

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

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

Capital Improvement Fund

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

Revenue

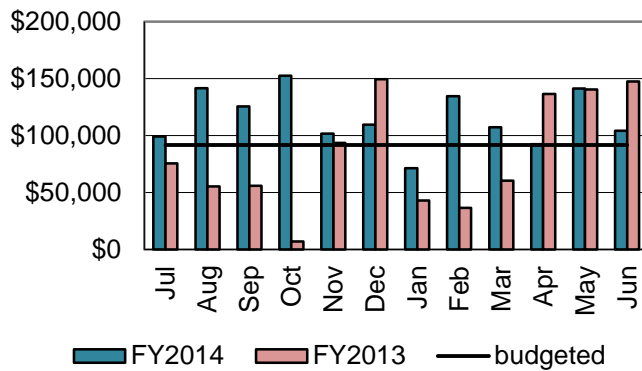
<i>Capital Projects Fund Revenue</i>	budget	current year actual	% received	% change from prior year	prior year actual
private construction tax	\$ 1,100,000	\$ 1,380,169	125%	38%	\$ 1,000,661
other revenues	80,000	76,164	95%	51%	50,287
total	\$ 1,180,000	\$ 1,456,333	123%	39%	\$ 1,050,948

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

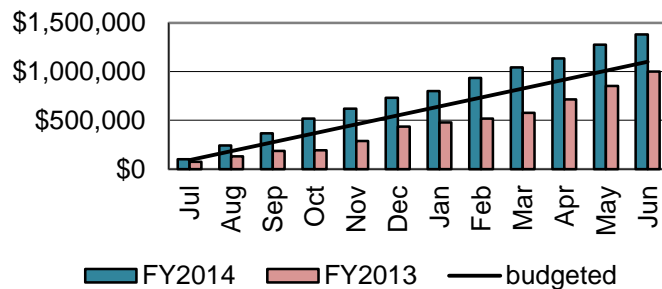
<i>Private Construction Sales Tax</i>	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	91,667	99,011	8%	31%	75,460
Aug	91,667	141,373	54%	155%	55,345
Sep	91,667	125,508	37%	124%	55,999
Oct	91,667	152,369	66%	2038%	7,126
Nov	91,667	101,586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

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

Monthly Construction Sales Tax



Cumulative Construction Sales Tax



Expenditures

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

<i>Capital Projects Fund Expenditures</i>	budget	current year actual	% expended
<i>Police</i>			
security camera system upgrade	35,000	13,945	40%
911 ops tower	-	20,482	
Anthem substation FFE	15,000	14,159	94%
	50,000	48,586	97%
<i>Fire/EMS</i>			
heart monitors/defibrillator replacements	100,000	99,845	100%
patient care reporting system	35,000	33,664	96%
SCBAs/turnouts	73,509	45,918	62%
voice amplifiers	35,000	-	0%
Anthem substation FFE	15,000	13,442	90%
firetruck	1,151,553	1,196,178	104%
	1,410,062	1,389,047	99%
<i>Parks and Recreation</i>			
parks - 3 barbecue and 5 water closets for parks	4,500	-	0%
Fitness Center - improvements	-	3,888	
Aero Modeler Park improvements	6,000	6,000	100%
Bailey Street Community Park improvements	-	-	
downtown park improvements	-	-	
mower/bunker rake/ATV	29,000	24,989	86%
scoreboards for ball parks	44,000	9,442	21%
Main Street playground equipment	125,000	149,483	120%
Padilla Park improvements	350,000	108,932	31%
softball field #3 lighting	100,000	-	0%
land acquisition	-	-	
	658,500	302,734	46%
<i>Public Works</i>			
tractor	30,000	-	0%
crosswalk improvements	240,000	235,972	98%
neighborhood lighting project	500,000	-	0%
	770,000	235,972	31%
<i>General Government</i>			
computers and printers	67,600	55,259	82%
council meeting agenda system	-	7,550	
utility acquisition	-	182,307	
wireless interconnection redundancy upgrade	157,650	50,500	32%
	225,250	295,616	131%

<i>Capital Projects Fund Expenditures (cont.)</i>	budget	current year actual	% expended
<i>Facilities</i>			
Town Hall - paint exterior	21,700	19,500	90%
land acquisition	500,000	298,569	60%
Territory Square CLOMR/LOMR and site work	600,000	478,386	80%
Police Station improvements	248,500	30,893	12%
Fire Station - patch bay floors	6,000	-	0%
Public Works building improvements	30,000	5,040	17%
Fitness Center - replace 3 HVAC units	24,000	-	0%
Heritage Park - new roof	5,000	573	11%
Heritage Park - concession area cooler	1,200	209	17%
Senior Center - replace 2 HVAC units	18,000	-	0%
Senior Center - repair restroom floors and sinks	9,200	-	0%
Town facilities maintenance	100,000	-	0%
Fire Station, Fitness Center, Silver King Marketplace - roof repair	52,300	22,398	43%
Town Hall - HVAC rebalancing	15,000	4,923	33%
relocate temporary fire station structure	-	31,403	
Town Hall - administration conference room expansion	16,200	12,635	78%
Roadway for fueling facility - as built survey	-	3,300	
Brunekant stabilization, rehabilitation	250,000	184,701	74%
	1,897,100	1,092,530	58%
<i>Fleet</i>			
4 floor jacks	8,000	-	0%
2 battery chargers	2,000	2,749	137%
AC recovery/recycling/recharge system	12,000	4,238	35%
all-including diagnostics system	23,500	3,912	17%
heavy-duty transmission fluid system	19,000	-	0%
coolant recovery system	5,500	2,499	45%
lift jack	6,500	-	0%
	76,500	13,398	18%
total	\$ 5,087,412	\$ 3,377,883	66%

Water Utility Fund

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

Revenue

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

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

Expenditures

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

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

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

Wastewater Utility Fund

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

Revenue

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

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

Expenditures

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

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

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

Sanitation Utility Fund

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

Sanitation Utility Fund Revenue

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

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

Sanitation Utility Fund Expenditures

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

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

Development Impact Fee Funds

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

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

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

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

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

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

Summary of Collection and Use of Development Impact Fees	North Florence Water		North Florence Sewer	
	budget	actual	budget	actual
Sources				
Development Fees Collected	\$ -	\$ -	\$ -	\$ -
Interest Earnings	15	570	-	101
Loan Proceeds	-	-	-	-
Transfers In	-	-	-	-
Total Sources	15	570	-	101
Uses				
Capital Improvement Projects - DIF funded	-	-	-	-
Debt Service	-	-	-	-
Professional Services - DIF Revisions	-	233	-	-
Professional Services - CIP-related	-	-	-	-
Transfers Out	-	-	-	-
Total Uses	-	233	-	-
Net Increase (Decrease)	15	337	-	101
Beginning Balance - July 1, 2013	10,074	9,513	7,415	12,173
Ending Balance - June 30, 2014	\$ 10,089	\$ 9,850	\$ 7,415	\$ 12,274

Fund Summaries

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

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

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
Construction Tax Fund					
beginning fund balance	\$ 3,496,181	\$ 3,388,188			
revenue	190,000	171,765	90%	148%	69,150
expenditures	-	-		-100%	260,913
ending fund balance	\$ 3,686,181	\$ 3,559,953			
Food Tax Fund					
beginning fund balance	\$ 1,600,797	\$ 1,590,293			
revenue	230,000	259,577	113%	32%	196,298
expenditures	-	-			-
ending fund balance	\$ 1,830,797	\$ 1,849,870			
Debt Service Fund					
beginning fund balance	\$ 87,493	\$ 237,973			
revenue	429,063	439,793	103%	-8%	478,898
expenditures	453,949	453,865	100%	1%	448,843
ending fund balance	\$ 62,607	\$ 223,901			
Economic Development Capital Projects Fund					
beginning fund balance	\$ 444,856	\$ 442,650			
revenue	5,000	6,773	135%	-98%	442,650
expenditures	444,856	2,173	0%		-
ending fund balance	\$ 5,000	\$ 447,250			
Water Utility Fund					
beginning funds available	\$ 7,256,603	\$ 9,832,339			
revenue	2,962,100	3,019,668	102%	-1%	3,040,884
expenditures	7,110,077	2,476,829	35%	39%	1,776,701
ending funds available	\$ 3,108,626	\$ 10,375,178			
Wastewater Utility Fund					
beginning funds available	\$ 4,843,912	\$ 8,198,537			
revenue	4,691,652	3,975,566	85%	12%	3,543,511
expenditures	5,298,162	2,971,834	56%	45%	2,048,865
ending funds available	\$ 4,237,402	\$ 9,202,269			
Sanitation Utility Fund					
beginning funds available	\$ 2,313,100	\$ 1,715,757			
revenue	983,090	732,208	74%	-34%	1,104,898
expenditures	828,119	804,164	97%	7%	750,963
ending funds available	\$ 2,468,071	\$ 1,643,801			

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
Grant Funds					
beginning fund balances	\$ 65,132	\$ 88,846			
revenue	1,442,850	702,286	49%		
expenditures	1,506,392	805,802	53%		
ending fund balances	\$ 1,590	\$ (14,670)			
Other Special Revenue Funds					
beginning fund balances	\$ 63,930	\$ 118,349			
revenue	53,285	64,658	121%	26%	51,404
expenditures	53,850	6,813	13%	20%	5,698
ending fund balances	\$ 63,365	\$ 176,194			
Streetlight Improvement District Funds					
beginning fund balances	\$ 816,809	\$ 825,104			
revenue	1,250	12,276	982%	-432%	(3,696)
expenditures	69,500	90,797	131%	70%	53,546
ending fund balances	\$ 748,559	\$ 746,583			
Development Impact Fee Funds					
beginning fund balances	\$ 6,461,920	\$ 6,556,346			
revenue	2,334,167	1,933,659	83%		
expenditures	5,867,721	3,297,267	56%		
ending fund balances	\$ 2,928,366	\$ 5,192,738			
Fleet Services Fund					
beginning funds available	\$ -	\$ -			
revenue	671,228	666,499	99%		
expenditures	671,228	666,499	99%		
ending funds available	\$ -	\$ -			
Facility Services Fund					
beginning funds available	\$ -	\$ -			
revenue	436,745	384,428	88%		
expenditures	435,745	384,428	88%		
ending funds available	\$ 1,000	\$ -			
Firefighter Pension Fund					
beginning fund balance	\$ 314,835	\$ 307,073			
revenue	30,000	39,172	131%	90%	20,658
expenditures	10,500	23,022	219%	191%	7,919
ending fund balance	\$ 334,335	\$ 323,223			

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
All Town Funds					
beginning fund balances	\$ 50,771,479	\$ 61,798,358			
revenue	30,686,066	34,442,928	112%	16%	29,816,389
expenditures	50,756,909	34,553,111	68%	39%	24,937,367
ending fund balances	\$ 30,700,636	\$ 61,688,175			
Community Facilities District #1					
beginning fund balances	\$ 3,287,450	\$ 2,934,675			
revenue	1,613,774	1,871,671	116%	64%	1,142,649
expenditures	3,728,284	2,533,865	68%	94%	1,307,971
ending fund balances	\$ 1,172,940	\$ 2,272,481			
Community Facilities District #2					
beginning fund balances	\$ 1,366,529	\$ 1,551,268			
revenue	3,155,455	3,329,203	106%	325%	783,355
expenditures	3,875,860	1,770,566	46%	96%	903,520
ending fund balances	\$ 646,124	\$ 3,109,905			

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

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