

**Town of Florence**  
**Quarterly Financial Report**  
**As of December 31, 2014**  
**(unaudited)**

**Introduction**

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

**Highlights**

- Sales tax is 15% lower than budget expectations and 11% lower than the prior year due to less revenue from private construction and several vendors who have not paid sales tax for several months. The Town is following up with the state and the vendors on these past due accounts.
- State-shared sales tax is 1% lower than budget expectations and 5% ahead of the prior year.
- State-shared income tax equals budget expectations and is 9% ahead of the prior year.
- Vehicle license tax is 2% ahead of budget expectations and 7% ahead of the prior year.
- Highway user revenue is 5% ahead of budget expectations and 11% ahead of the prior year.
- Transportation tax is 7% lower than budget expectations and 1% lower than the prior year.
- Town revenues are slightly lower than expectations; however, expenditures are within budget.
- General Fund: Excluding transfers, revenue is meeting budget expectations. Expenditures are within budget with 43% of the budget expended.
- Capital Improvements Fund: Sales tax from private construction is 25% lower than budget expectations. Expenditures are within budget.
- HURF: Highway user revenue is 5% ahead of budget expectations. Transportation excise tax is 7% lower than budget expectations. Expenditures are within budget.
- Water Utility: 38% of the budgeted fee revenue is collected. Expenditures are within budget.
- Sewer Utility: 38% of the budgeted fee revenue is collected. Expenditures are within budget.
- Sanitation: 50% of the budgeted fee revenue is collected. Expenditures are within budget.
- Fund balances are healthy and normal.

## Major Revenues

### Sales Tax

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

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

Town Sales Tax	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	312,462	291,872	-7%	3%	283,062
Aug	362,930	318,984	-12%	-13%	366,237
Sep	338,005	307,521	-9%	-13%	351,956
Oct	343,805	384,878	12%	1%	382,733
Nov	400,852	272,036	-32%	-4%	283,804
Dec	423,531	272,583	-36%	-35%	416,711
YTD total	2,181,587	1,847,874			2,084,503
YTD variance		(333,713)	-15%	-11%	(236,629)

Town Sales Tax by Type	General	Private Construction	Government Construction	Food	Total
Jul	157,202	89,689	12,380	32,601	291,872
Aug	164,603	112,379	24,619	17,383	318,984
Sep	173,051	111,141	6,748	16,581	307,521
Oct	221,802	137,264	3,323	22,489	384,878
Nov	179,282	64,239	4,985	23,530	272,036
Dec	179,745	53,790	12,581	26,467	272,583
YTD total	1,075,685	568,502	64,636	139,051	1,847,874
Prior year	1,200,198	729,195	42,705	112,405	2,084,503
\$ difference	(124,513)	(160,693)	21,931	26,646	(236,629)
% difference	-10%	-22%	51%	24%	-11%

General Fund Town Sales Tax	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	178,992	157,202	-12%	-5%	165,685
Aug	210,062	164,603	-22%	-19%	202,270
Sep	202,416	173,051	-15%	-18%	211,097
Oct	198,614	221,802	12%	11%	198,967
Nov	245,126	179,282	-27%	21%	148,415
Dec	248,408	179,745	-28%	-34%	273,764
YTD total	1,283,619	1,075,685			1,200,198
YTD variance		(207,934)	-16%	-10%	(124,513)

- The annual budget-projected sales tax revenue is \$4,458,700; including \$2,636,600 from general retail, \$1,509,000 from private construction, \$55,200 from government construction and \$257,900 from food.
- The total collected is \$1,075,685. This is \$207,934 or 16% lower than the projected amount and \$124,513 or 10% lower than the prior year.
- General retail and private construction sales tax revenue are lower than projections and prior year. Staff is researching a few of our retailers that have not remitted sales tax for several months, which may have caused this lag in revenue.

### ***General Fund State-shared Revenue***

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

### ***State-shared Sales Tax***

<i>State-shared Sales Tax</i>	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	190,360	185,459	-3%	4%	178,913
Aug	180,179	177,331	-2%	3%	171,410
Sep	185,966	182,929	-2%	4%	175,258
Oct	185,944	182,997	-2%	6%	172,748
Nov	184,846	181,644	-2%	4%	175,336
Dec	191,835	193,972	1%	7%	181,802
YTD total	1,119,130	1,104,332			1,055,467
YTD variance		(14,798)	-1%	5%	48,865

- The annual budget-projected state-shared sales tax revenue is \$2,352,000.
- The total collected is \$1,104,332. This is \$14,798 or 1% less than the projected amount and \$48,865 or 5% greater than the prior year.

### ***State-shared Income Tax***

<i>State-shared Income Tax</i>	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	257,592	257,608	0%	9%	237,411
Aug	257,592	257,607	0%	9%	237,410
Sep	257,592	257,608	0%	9%	237,411
Oct	257,592	257,607	0%	9%	237,411
Nov	257,592	257,608	0%	9%	237,410
Dec	257,592	257,607	0%	9%	237,411
YTD total	1,545,552	1,545,645			1,424,464
YTD variance		93	0%	9%	121,181

- The annual budget-projected state-shared income tax revenue is \$3,091,100.
- The total collected is \$1,545,645, which is meeting projections and is \$121,181 or 9% greater than the prior year.

### ***Vehicle License Tax***

<b><i>Vehicle License Tax</i></b>	<b>monthly projections</b>	<b>current year actual</b>	<b>% variance from projection</b>	<b>% change from prior year</b>	<b>prior year actual</b>
Jul	103,648	109,022	5%	7%	101,813
Aug	107,310	99,893	-7%	-1%	100,820
Sep	98,091	103,872	6%	14%	91,075
Oct	104,645	108,282	3%	4%	104,544
Nov	93,905	140,063	49%	67%	83,894
Dec	90,608	46,975	-48%	-46%	87,289
YTD total	598,206	608,107			569,435
YTD variance		9,901	2%	7%	38,672

- The annual budget-projected vehicle license tax revenue is \$1,243,200.
- The total collected is \$608,107. This is \$9,901 or 2% greater than the projected amount and \$38,672 or 7% greater than the prior year.

### ***Highway User Revenue***

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

<b><i>Highway User Revenue</i></b>	<b>monthly projections</b>	<b>current year actual</b>	<b>% variance from projection</b>	<b>% change from prior year</b>	<b>prior year actual</b>
Jul	134,522	142,347	6%	10%	129,734
Aug	130,882	136,018	4%	12%	120,910
Sep	134,442	137,170	2%	9%	126,382
Oct	125,135	134,431	7%	12%	119,995
Nov	126,406	136,067	8%	14%	119,662
Dec	139,088	145,801	5%	12%	129,846
YTD total	790,475	831,834			746,529
YTD variance		41,359	5%	11%	85,305

- The annual budget-projected highway user revenue is \$1,752,800.
- The total collected is \$831,834. This is \$41,359 or 5% greater than the projected amount and \$85,305 or 11% greater than the prior year.

### ***Transportation Excise Tax Revenue***

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

<i>Transportation Excise Tax</i>	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	86,355	78,819	-9%	-2%	80,140
Aug	87,979	77,720	-12%	-4%	81,312
Sep	83,580	80,231	-4%	0%	80,420
Oct	86,085	79,699	-7%	-3%	81,938
Nov	85,645	79,963	-7%	1%	79,369
Dec	83,159	79,507	-4%	1%	78,997
YTD total	512,803	475,939			482,176
YTD variance		(36,864)	-7%	-1%	(6,237)

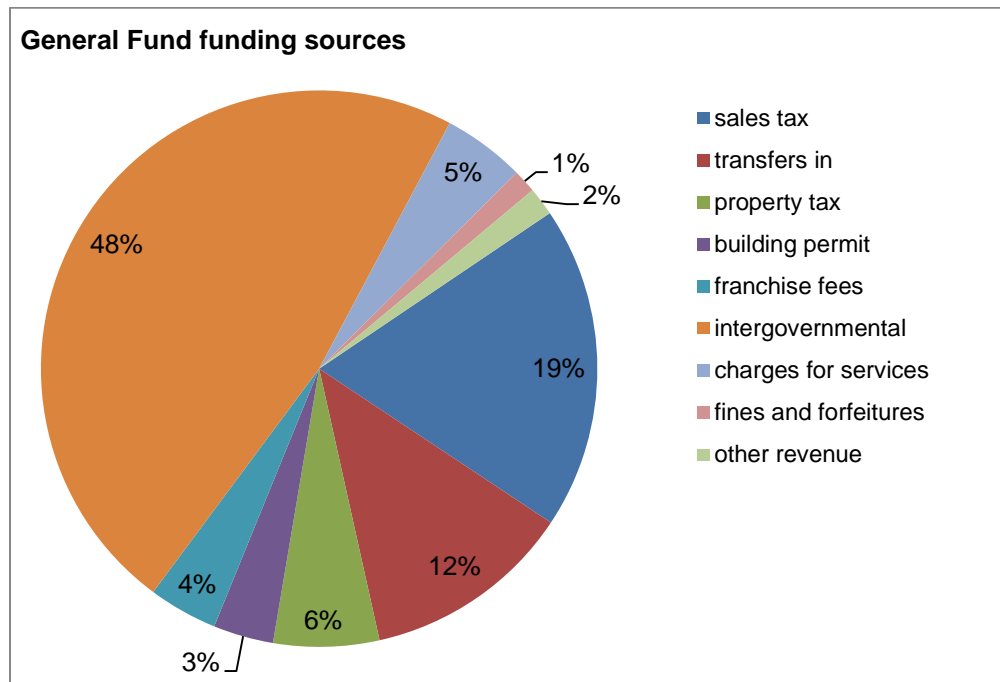
- The annual budget-projected transportation excise tax revenue is \$1,053,700.
- The total collected is \$475,939. This is \$36,864 or 7% lower than the projected amount and \$6,237 or 1% lower than the prior year.

## General Fund

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

### General Fund Revenue

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



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

<i>General Fund Revenue</i>	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	815,967	1,067,800	31%	40%	763,649
Aug	910,617	800,055	-12%	-3%	824,631
Sep	1,046,469	997,074	-5%	0%	999,210
Oct	1,151,765	1,182,008	3%	8%	1,094,423
Nov	999,455	936,312	-6%	11%	846,626
Dec	1,083,935	1,029,872	-5%	-6%	1,100,092
YTD total	6,008,208	6,013,121			5,628,631
YTD variance		4,913	0%	7%	384,490

- The annual budget-projected General Fund revenue, excluding transfers, is \$12,332,800.
- The total collected is \$6,013,121. This is meeting projections and is \$384,490 or 7% greater than the prior year.

<i>General Fund Revenue</i>	budget	current year actual	% received	prior year actual	% change from prior year	\$ diff
<b><u>taxes</u></b>						
sales tax	\$ 2,636,600	\$ 1,075,685	41%	\$ 1,200,198	-10%	\$ (124,513)
property tax	863,000	508,757	59%	477,407	7%	31,350
<b>total taxes</b>	<b>3,499,600</b>	<b>1,584,442</b>	<b>45%</b>	<b>1,677,605</b>	<b>-6%</b>	<b>(93,163)</b>
<b><u>licenses and permits</u></b>						
other franchise fees	274,800	109,242	40%	73,493	49%	35,749
<b>total franchise fees</b>	<b>563,600</b>	<b>272,086</b>	<b>48%</b>	<b>234,291</b>	<b>16%</b>	<b>37,795</b>
<b><u>intergovernmental</u></b>						
state-shared sales tax	2,352,000	1,104,332	47%	1,055,467	5%	48,865
state-shared income tax	3,091,100	1,545,645	50%	1,424,464	9%	121,181
vehicle license tax	1,243,200	608,107	49%	569,435	7%	38,672
<b>total intergovernmental</b>	<b>6,686,300</b>	<b>3,258,084</b>	<b>49%</b>	<b>3,049,366</b>	<b>7%</b>	<b>208,718</b>
<b><u>charges for services</u></b>	<b>671,200</b>	<b>300,550</b>	<b>45%</b>	<b>254,470</b>	<b>18%</b>	<b>46,080</b>
<b><u>finances and forfeitures</u></b>	<b>190,200</b>	<b>71,237</b>	<b>37%</b>	<b>86,970</b>	<b>-18%</b>	<b>(15,733)</b>
<b><u>other revenues</u></b>	<b>183,800</b>	<b>274,396</b>	<b>149%</b>	<b>93,707</b>	<b>193%</b>	<b>180,689</b>
<b><u>transfers in</u></b>	<b>1,711,200</b>	<b>773,397</b>	<b>45%</b>	<b>358,551</b>	<b>116%</b>	<b>414,846</b>
<b>total</b>	<b>\$ 14,044,000</b>	<b>\$ 6,786,518</b>	<b>48%</b>	<b>\$ 5,987,182</b>	<b>13%</b>	<b>\$ 799,336</b>

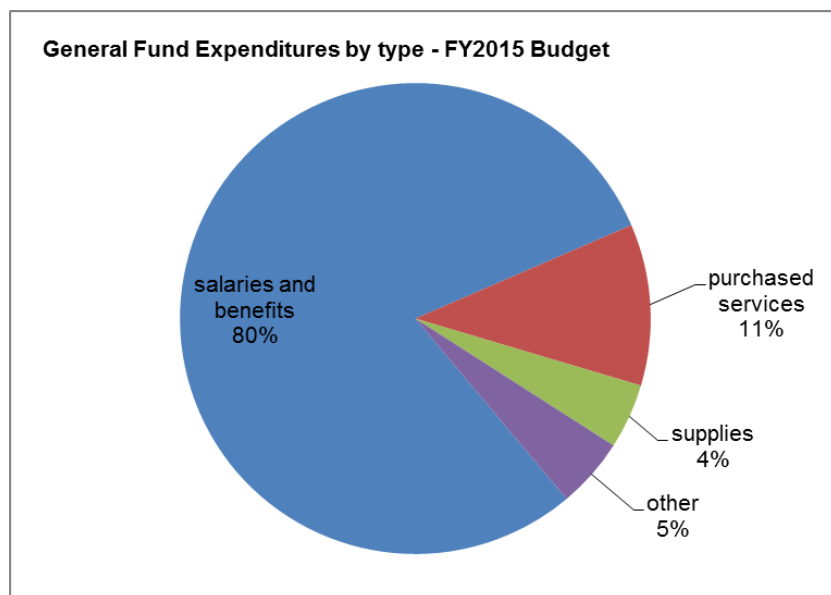
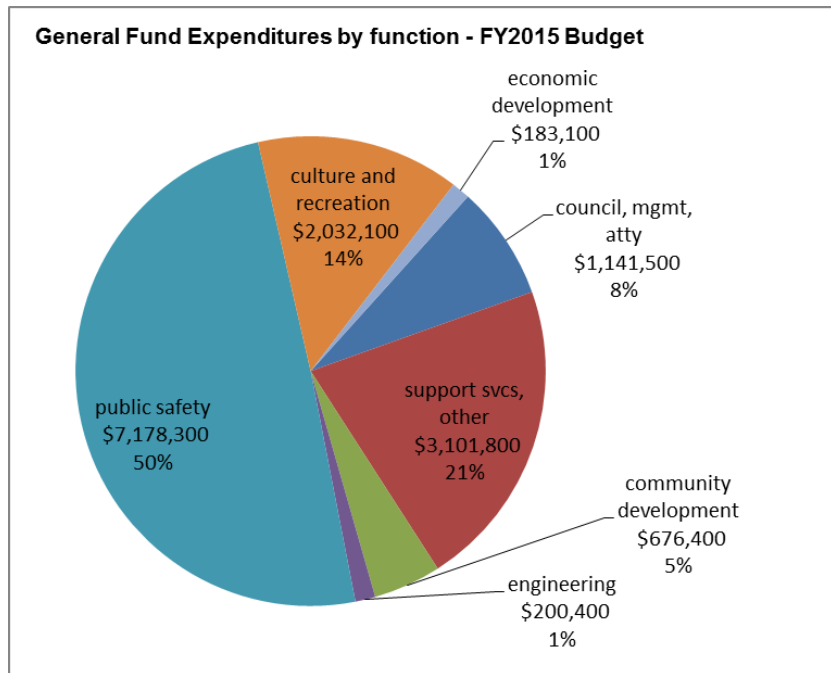
## General Fund Expenditures

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.

By function, expenditures for public safety, which includes fire and police, make up 50 percent of the total budget in the General Fund. The General Fund also includes culture and recreation, which includes parks, recreation and library services – 14%; and, community development, which includes planning, zoning and building inspection – 5%. The upper chart to the right shows the breakdown of the entire General Fund by service functions.

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

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



General Fund Expenditures by Department	budget	current year actual	% expended	% change from prior year	prior year actual
town council	\$ 158,200	\$ 70,434	45%	8%	\$ 65,243
administration	713,500	336,617	47%	-3%	348,142
courts	292,200	128,415	44%	5%	122,128
legal services	269,800	118,190	44%	-1%	119,251
finance	936,300	432,071	46%	5%	412,056
human resources	253,800	114,855	45%	9%	105,404
community development	676,400	256,009	38%	9%	234,580
police	4,244,400	1,766,924	42%	5%	1,681,594
fire/EMS	2,933,900	1,457,964	50%	10%	1,328,570
information technology	618,000	250,473	41%	-3%	257,984
parks and recreation	1,649,900	690,594	42%	22%	568,304
library	382,200	199,915	52%	15%	173,744
engineering	200,400	62,328	31%	31%	47,475
general government	992,500	249,977	25%	-31%	364,177
cemetery	9,000	2,910	32%	-52%	6,126
economic development	183,100	56,147	31%	-27%	77,097
<b>total</b>	<b>\$ 14,513,600</b>	<b>\$ 6,193,823</b>	<b>43%</b>	<b>5%</b>	<b>\$ 5,911,875</b>

- The General Fund budget, excluding transfers, is \$14,513,600.
- The total spent is \$6,193,823 or 43% of the budgeted amount. This is 5% greater than the prior year.
- Departments are within budget expectations with 50% of the year completed.
- The following tables summarize the General Fund expenditures by function and type.

General Fund Expenditures by Function	budget	current year actual	% expended	% change from prior year	prior year actual
general government	\$ 4,243,300	\$ 1,703,942	40%	-5%	\$ 1,800,511
public safety	7,178,300	3,224,888	45%	7%	3,010,164
community development	876,800	318,337	36%	13%	282,055
culture and recreation	2,032,100	890,509	44%	20%	742,048
economic development	183,100	56,147	31%	-27%	77,097
<b>total</b>	<b>\$ 14,513,600</b>	<b>\$ 6,193,823</b>	<b>43%</b>	<b>5%</b>	<b>\$ 5,911,875</b>

General Fund Expenditures by Type	budget	current year actual	% expended	% change from prior year	prior year actual
salaries and benefits	\$ 10,919,400	\$ 5,265,424	48%	10%	\$ 4,807,539
purchased services	2,320,200	523,071	23%	-20%	657,570
supplies	612,300	209,502	34%	-17%	253,724
other	661,700	195,826	30%	1%	193,042
<b>total</b>	<b>\$ 14,513,600</b>	<b>\$ 6,193,823</b>	<b>43%</b>	<b>5%</b>	<b>\$ 5,911,875</b>



## Highway User Revenue Fund

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

### Revenue

<i>HURF Revenue</i>	budget	current year actual	% received	% change from prior year	prior year actual
highway user revenue	\$ 1,752,800	\$ 831,834	47%	11%	\$ 746,529
transportation excise tax	1,053,700	475,939	45%	-1%	482,176
other revenues	37,000	34,126	92%	8%	31,609
transfers in	9,900	-	0%		-
<b>total</b>	<b>\$ 2,853,400</b>	<b>\$ 1,341,899</b>	<b>47%</b>	<b>6%</b>	<b>\$ 1,260,314</b>

- \$1,341,899 or 47% of the \$2,853,400 revenue budget is collected. This is 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

<i>HURF Expenditures</i>	budget	current year actual	% expended	% change from prior year	prior year actual
personal services	\$ 1,178,700	\$ 575,556	49%	4%	\$ 555,267
purchased services	466,000	70,880	15%	-14%	82,537
supplies	84,000	11,374	14%	-91%	128,074
capital outlay	6,725,700	58,443	1%	-52%	122,447
other	4,800	701	15%	-58%	1,668
<b>total</b>	<b>\$ 8,459,200</b>	<b>\$ 716,954</b>	<b>8%</b>	<b>-19%</b>	<b>\$ 889,993</b>

- \$716,954 or 8% of the \$8,459,200 budget is expended.
- \$58,443 or 1% of the capital expenditure budget has been spent (see list on next page). Excluding capital expenditures, 38% of the budget was expended.

<i>HURF Capital Outlay Expenditures</i>	budget	current year actual	% expended
<b>equipment:</b>			
backhoe attachments	\$ 25,000	\$ -	0%
<b>streets and highways:</b>			
Florence Gardens street improvements	40,000	-	0%
SH79B/SH287 intersection improvements	603,600	-	0%
Diversion Dam road improvements	2,091,300	54,143	3%
streets signalization	402,900	-	0%
Felix Road 1/2 road improvements	225,000	-	0%
Pinal Street drainage improvements (Butte to First)	650,000	4,300	1%
Hunt Highway overlay	44,600	-	0%
East Butte microseal	175,000	-	0%
Hunt Highway intersection improvement	355,000	-	0%
Florence Heights improvements (Main to SR79)	1,900,000	-	0%
stormwater masterplan	125,000	-	0%
stormwater improvements	45,000	-	0%
<b>total</b>	<b>\$ 6,682,400</b>	<b>\$ 58,443</b>	<b>1%</b>

## Capital Improvement Fund

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

### Revenue

<i>Capital Projects Fund Revenue</i>	budget	current year actual	% received	% change from prior year	prior year actual
private construction tax	\$ 1,509,000	\$ 568,502	38%	-22%	\$ 729,195
other revenues	50,000	43,807	88%	83%	23,905
<b>total</b>	<b>\$ 1,559,000</b>	<b>\$ 612,309</b>	<b>39%</b>	<b>-19%</b>	<b>\$ 753,100</b>

- \$612,309 or 39% of the \$1,559,000 revenue budget is collected. This is 19% lower than the prior year.

<i>Private Construction Sales Tax</i>	monthly projections	current year actual	% variance from projection	% change from prior year	prior year actual
Jul	125,750	89,689	-29%	-9%	99,011
Aug	125,750	112,379	-11%	-21%	141,373
Sep	125,750	111,141	-12%	-11%	125,508
Oct	125,750	137,264	9%	-10%	152,369
Nov	125,750	64,239	-49%	-37%	101,586
Dec	125,750	53,790	-57%	-51%	109,348
YTD total	754,500	568,502			729,195
YTD variance		(185,998)	-25%	-22%	(160,693)

- The major revenue of this fund, private construction tax, is \$185,998 or 25% lower than budget projections and \$160,693 or 22% lower than the prior year.

### ***Expenditures***

<i>Capital Projects Fund Expenditures</i>	budget	current year actual	% expended
<i>Police</i>			
security camera system upgrade, AV, substation FFE	21,000	13,471	64%
substation FFE	1,000	-	0%
compstat dashboard software	30,600	30,441	99%
<i>Parks and Recreation</i>			
softball field #3 lighting	150,000	5,500	4%
various park improvements	6,100	9,593	157%
scoreboards	34,600	-	0%
mower/ATV/bunker rake	4,100	-	0%
<i>Public Works</i>			
Main Street extension	700,000	15,544	2%
roadway repair and maintenance	500,000	181,978	36%
curb/sidewalk new and replace	250,000	8,836	4%
Main Street overlay	200,000	-	0%
tractor	30,000	-	0%
neighborhood lighting	500,000	-	0%
<i>General Government</i>			
cost of issuance (johnson utility evaluation, impact fee analysis)	100,000	18,251	18%
public art	100,000	-	0%
wireless interconnection redundancy upgrade	107,200	640	1%
modular workstations in finance area	20,000	-	0%
annexation set aside	500,000	-	0%

<i>Capital Projects Fund Expenditures</i>	budget	current year actual	% expended
<i>Facilities</i>			
fiber connection to new CD/Utility building	15,000	-	0%
Territory Square CLOMR/LOMR	721,700	699,812	97%
cashier window expansion in Finance dept.	18,000	1,275	7%
library/aquatics/recreation complex	13,280,000	1,354,598	10%
acquire building for CD/Utility depts	335,000	334,866	100%
tenant improvements for new CD/Utility building	60,000	7,510	13%
admin counter security modifications	10,000	-	0%
various minor capital outlay	100,000	-	0%
Fire Station #1 sprinklers (office/dorm windows)	50,000	7,235	14%
Silver King electrical rewiring	100,000	2,556	3%
land acquisition	201,500	113,385	56%
police station outside improvements and repairs	88,000	-	0%
police station parking lot	120,000	-	0%
police station building improvements	9,700	3,557	37%
fire station #1 bay floor patching	6,000	-	0%
Padilla Park	391,100	578,047	148%
Senior Center HVAC and restrooms	27,200	6,159	23%
Town Hall facility maintenance	100,000	-	0%
fire station #1, fitness center, SK recoat roof foaming	33,700	-	0%
Town Hall HVAC rebalancing	10,100	-	0%
Brunenkant building business center	75,000	2,497	3%
<i>Fleet</i>			
fleet replacement	242,000	-	0%
2 new police vehicles	98,000	84,406	86%
PW water truck	125,000	-	0%
fleet pool vehicle	35,000	30,624	87%
fueling facility	200,000	-	0%
floor jacks, battery charges	7,300	4,549	62%
A/C recovery, recycling, recharge	7,800	-	0%
diagnostic system	19,600	8,478	43%
transmission fluid system	19,000	5,090	27%
coolant recovery system	3,100	-	0%
lift jack	6,500	-	0%
<b>total</b>	<b>\$19,887,200</b>	<b>\$ 3,528,898</b>	<b>17%</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.

### Revenue

Water Utility Revenue	budget	current year actual	% received	% change from prior year	prior year actual
water utility fees	\$ 3,165,400	\$ 1,205,789	38%	-9%	\$ 1,319,221
other revenues	20,000	40,790	204%	-10%	45,273
<b>total</b>	<b>\$ 3,185,400</b>	<b>\$ 1,246,579</b>	<b>39%</b>	<b>-9%</b>	<b>\$ 1,364,494</b>

- \$1,246,579 or 39% of the \$3,185,400 revenue budget is collected. This is 9% lower than the prior year. Most of this decrease is due to a bill timing difference and should resolve itself in the next quarter.

### Expenditures

Water Utility Expenditures	budget	current year actual	% expended	% change from prior year	prior year actual
personal services	\$ 408,300	\$ 174,548	43%	-14%	\$ 203,468
purchased services	640,400	177,718	28%	45%	122,884
supplies	134,100	36,666	27%	-23%	47,888
capital outlay	8,350,400	795,641	10%	1659%	45,237
other	458,800	72,982	16%	-8%	79,198
<b>total</b>	<b>\$ 9,992,000</b>	<b>\$ 1,257,555</b>	<b>13%</b>	<b>152%</b>	<b>\$ 498,675</b>

- \$1,257,555 or 6% of the \$9,992,000 budget is expended.
- 10% of the capital outlay expenditures, the largest component, are expended. Excluding capital outlay, 33% of the budget is expended.

Water Utility Capital Outlay Expenditures	budget	current year actual	% expended
new well in North Florence	\$ 784,600	\$ -	0%
relocation of water line at INS Admin Building	110,000	-	0%
water storage tank at Florence Gardens	2,519,500	48,274	2%
fire hydrant replacements	38,300	2,545	7%
replace well #3	1,692,200	627,357	37%
water valve replacements	31,500	-	0%
water line replacement on Main Street	92,000	-	0%
4" and under water line replacements in various locations	198,100	34,785	18%
fire hydrant system replacement in downtown	35,000	-	0%
SCADA tie-ins	85,000	-	0%
booster pumps at well #5	150,000	-	0%
Adamsville water lines	838,000	-	0%
water transmission line extension	603,300	31,767	5%
Bailey Street water line extension	736,900	8,973	1%
water line extension	200,000	39,255	20%
VFDs on booster pumps	40,000	-	0%
office space renovation	57,500	2,685	5%
<b>total</b>	<b>\$ 8,211,900</b>	<b>\$ 795,641</b>	<b>10%</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.

### Revenue

Sewer Utility Revenue	budget	current year actual	% received	% change from prior year	prior year actual
wastewater fees	\$ 4,314,400	\$ 1,654,088	38%	1%	\$ 1,635,360
loan proceeds	1,300,000	-	0%	0%	-
other revenues	35,000	71,113	203%	106%	34,547
<b>total</b>	<b>\$ 5,649,400</b>	<b>\$ 1,725,201</b>	<b>31%</b>	<b>3%</b>	<b>\$ 1,669,907</b>

- \$1,725,201 or 31% of the \$5,649,400 revenue budget is collected. Excluding budgeted loan proceeds, 40% of the revenue budget is collected and 3% greater than the prior year.

### Expenditures

Sewer Utility Expenditures	budget	current year actual	% expended	% change from prior year	prior year actual
personal services	\$ 587,800	\$ 252,482	43%	0%	\$ 251,529
purchased services	1,224,800	513,763	42%	62%	317,264
supplies	178,200	39,530	22%	-19%	48,882
capital outlay	3,177,600	205,862	6%	0%	-
other	19,400	11,405	59%	48%	7,703
debt service	620,400	440,483	71%	0%	442,124
<b>total</b>	<b>\$ 5,808,200</b>	<b>\$ 1,463,525</b>	<b>25%</b>	<b>37%</b>	<b>\$ 1,067,502</b>

- \$1,463,525 or 25% of the \$5,808,200 budget is expended.
- 6% of the capital outlay expenditures, the largest component, are expended. Excluding capital outlay and debt service, 41% of the budget is expended.

Sewer Utility Capital Outlay Expenditures	budget	current year actual	% expended
2.5 mechanical sewer plant recharge	1,288,500	58,567	5%
polishing lagoons and berm reconstruction at WWTP	40,000	-	0%
office lab space at WWTP	214,000	7,400	3%
office space renovation at WWTP	280,700	3,360	1%
expand effluent discharge system	57,500	-	0%
	1,264,100	136,535	11%
<b>total</b>	<b>\$ 3,144,800</b>	<b>\$ 205,862</b>	<b>7%</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.

### *Sanitation Utility Fund Revenue*

<i>Sanitation Revenue</i>	budget	current year actual	% received	% change	prior year actual
sanitation fees	\$ 672,000	\$ 334,453	50%	-1%	\$ 338,366
other revenues	10,000	6,328	63%	33%	4,758
<b>total</b>	<b>\$ 682,000</b>	<b>\$ 340,781</b>	<b>50%</b>	<b>-1%</b>	<b>\$ 343,124</b>

- \$340,781 or 50% of the \$682,000 revenue budget is collected and is 1% lower than the prior year.

### *Sanitation Utility Fund Expenditures*

<i>Sanitation Expenditures</i>	budget	current year actual	% expended	% change	prior year actual
personal services	\$ 77,000	\$ 46,668	61%	-14%	\$ 54,052
purchased services	788,200	309,091	39%	23%	252,095
supplies	2,100	477	23%	-84%	2,892
<b>total</b>	<b>\$ 867,300</b>	<b>\$ 356,236</b>	<b>41%</b>	<b>15%</b>	<b>\$ 309,039</b>

- \$356,236 or 41% of the \$867,300 budget is expended.

## Development Impact Fee Funds

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

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

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

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

<i>Summary of Collection and Use of Development Impact Fees</i>	General Government		Police		Fire/EMS	
	budget	actual	budget	actual	budget	actual
<b>Sources</b>						
Development Fees Collected	\$ -	\$ -	\$ 91,100	\$ 47,192	\$ 91,100	\$ 48,194
Interest Earnings	6,400	5,040	1,800	942	4,000	1,564
Loan Proceeds	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
<b>Total Sources</b>	<b>6,400</b>	<b>5,040</b>	<b>92,900</b>	<b>48,134</b>	<b>95,100</b>	<b>49,758</b>
<b>Uses</b>						
Capital Improvement Projects - DIF funded	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Professional Services - DIF Revisions	-	-	-	-	-	-
Professional Services - CIP-related	-	-	-	-	-	-
Transfers Out	1,219,700	-	-	-	-	-
<b>Total Uses</b>	<b>1,219,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease)</b>	<b>(1,213,300)</b>	<b>5,040</b>	<b>92,900</b>	<b>48,134</b>	<b>95,100</b>	<b>49,758</b>
<b>Beginning Balance - July 1, 2014</b>	<b>1,213,400</b>	<b>1,217,306</b>	<b>188,600</b>	<b>192,062</b>	<b>340,700</b>	<b>343,993</b>
<b>Ending Balance - June 30, 2015</b>	<b>\$ 100</b>	<b>\$ 1,222,346</b>	<b>\$ 281,500</b>	<b>\$ 240,196</b>	<b>\$ 435,800</b>	<b>\$ 393,751</b>



Summary of Collection and Use of Development Impact Fees	Transportation		Parks/Open Space		Library	
	budget	actual	budget	actual	budget	actual
<b>Sources</b>						
Development Fees Collected	\$ 96,200	\$ 57,339	\$ 5,700	\$ 1,662	\$ 30,500	\$ 15,604
Interest Earnings	-	3,354	6,700	5,305	4,200	3,418
Loan Proceeds	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
<b>Total Sources</b>	<b>96,200</b>	<b>60,693</b>	<b>12,400</b>	<b>6,967</b>	<b>34,700</b>	<b>19,022</b>
<b>Uses</b>						
Capital Improvement Projects - DIF funded	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Professional Services - DIF Revisions	-	-	-	-	-	-
Professional Services - CIP-related	-	-	-	-	-	-
Transfers Out	-	-	1,289,700	-	846,700	-
<b>Total Uses</b>	<b>-</b>	<b>-</b>	<b>1,289,700</b>	<b>-</b>	<b>846,700</b>	<b>-</b>
<b>Net Increase (Decrease)</b>	<b>96,200</b>	<b>60,693</b>	<b>(1,277,300)</b>	<b>6,967</b>	<b>(812,000)</b>	<b>19,022</b>
<b>Beginning Balance - July 1, 2014</b>	<b>-</b>	<b>767,565</b>	<b>1,277,400</b>	<b>1,279,662</b>	<b>812,100</b>	<b>815,305</b>
<b>Ending Balance - June 30, 2015</b>	<b>\$ 96,200</b>	<b>\$ 828,258</b>	<b>\$ 100</b>	<b>\$ 1,286,629</b>	<b>\$ 100</b>	<b>\$ 834,327</b>

Summary of Collection and Use of Development Impact Fees	Water		Sewer		Sanitation	
	budget	actual	budget	actual	budget	actual
<b>Sources</b>						
Development Fees Collected	\$ -	\$ 1,665	\$ -	\$ 2,053	\$ -	\$ -
Interest Earnings	400	395	1,500	1,267	-	161
Loan Proceeds	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
<b>Total Sources</b>	<b>400</b>	<b>2,060</b>	<b>1,500</b>	<b>3,320</b>	<b>-</b>	<b>161</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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease)</b>	<b>400</b>	<b>2,060</b>	<b>1,500</b>	<b>3,320</b>	<b>-</b>	<b>161</b>
<b>Beginning Balance - July 1, 2014</b>	<b>110,600</b>	<b>110,799</b>	<b>357,500</b>	<b>358,589</b>	<b>1,900</b>	<b>45,766</b>
<b>Ending Balance - June 30, 2015</b>	<b>\$ 111,000</b>	<b>\$ 112,859</b>	<b>\$ 359,000</b>	<b>\$ 361,909</b>	<b>\$ 1,900</b>	<b>\$ 45,927</b>

Summary of Collection and Use of Development Impact Fees	North Florence Water		North Florence Sewer	
	budget	actual	budget	actual
<b>Sources</b>				
Development Fees Collected	\$ -	\$ -	\$ -	\$ -
Interest Earnings	500	35	100	43
Loan Proceeds	-	-	-	-
Transfers In	-	-	-	-
<b>Total Sources</b>	<b>500</b>	<b>35</b>	<b>100</b>	<b>43</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>-</b>	<b>-</b>
<b>Net Increase (Decrease)</b>	<b>500</b>	<b>35</b>	<b>100</b>	<b>43</b>
<b>Beginning Balance - July 1, 2014</b>	<b>10,000</b>	<b>9,841</b>	<b>12,300</b>	<b>12,263</b>
<b>Ending Balance - June 30, 2015</b>	<b>\$ 10,500</b>	<b>\$ 9,876</b>	<b>\$ 12,400</b>	<b>\$ 12,306</b>

## 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
<b>General Fund</b>					
beginning fund balance	\$ 7,654,700	\$ 8,497,387			
revenue	14,044,000	6,786,518	48%	13%	\$ 5,987,182
expenditures	14,513,600	6,193,823	43%	5%	5,918,609
ending fund balance	\$ 7,185,100	\$ 9,090,082			
<b>Capital Improvements Fund</b>					
beginning fund balance	\$ 13,152,100	\$ 12,604,436			
revenue	13,015,100	612,309	5%	-19%	753,100
expenditures	23,177,600	3,641,573	16%	131%	1,576,551
ending fund balance	\$ 2,989,600	\$ 9,575,172			
<b>Highway User Revenue Fund</b>					
beginning fund balance	\$ 6,366,700	\$ 6,860,062			
revenue	2,853,400	1,341,899	47%	6%	1,260,314
expenditures	8,876,300	913,208	10%	-19%	1,133,131
ending fund balance	\$ 343,800	\$ 7,288,753			

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
<b>Construction Tax Fund</b>					
beginning fund balance	\$ 3,460,300	\$ 3,559,953			
revenue	73,200	79,338	108%	55%	51,311
expenditures	1,000,000	-	0%		-
ending fund balance	\$ 2,533,500	\$ 3,639,291			
<b>Food Tax Fund</b>					
beginning fund balance	\$ 1,845,900	\$ 1,849,870			
revenue	267,900	146,780	55%	25%	117,405
expenditures	2,100,000	-	0%		-
ending fund balance	\$ 13,800	\$ 1,996,650			
<b>Debt Service Fund</b>					
beginning fund balance	\$ 213,100	\$ 223,901			
revenue	519,200	127,790	25%	134%	54,683
expenditures	543,800	157,724	29%	3%	153,534
ending fund balance	\$ 188,500	\$ 193,967			
<b>Economic Development Capital Projects Fund</b>					
beginning fund balance	\$ 442,900	\$ 447,250			
revenue	2,400	1,837	77%	63%	1,125
expenditures	442,700	-	0%		-
ending fund balance	\$ 2,600	\$ 449,087			
<b>Water Utility Fund</b>					
beginning funds available	\$ 10,234,600	\$ 10,375,179			
revenue	3,185,400	1,246,579	39%	-9%	1,364,494
expenditures	10,449,300	1,486,203	14%	97%	754,527
ending funds available	\$ 2,970,700	\$ 10,135,555			
<b>Sewer Utility Fund</b>					
beginning funds available	\$ 8,688,700	\$ 8,996,026			
revenue	5,649,400	1,725,201	31%	3%	1,669,907
expenditures	6,350,900	1,734,893	27%	38%	1,260,090
ending funds available	\$ 7,987,200	\$ 8,986,334			
<b>Sanitation Utility Fund</b>					
beginning funds available	\$ 1,887,000	\$ 1,643,801			
revenue	682,000	340,781	50%	-1%	343,124
expenditures	916,800	380,986	42%	14%	334,563
ending funds available	\$ 1,652,200	\$ 1,603,596			

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
<b>Grant Funds</b>					
beginning fund balances	\$ -	\$ (14,670)			
revenue	3,538,600	93,279	3%	-70%	307,661
expenditures	3,538,600	425,425	12%	-21%	540,405
ending fund balances	\$ -	\$ (346,816)			
<b>Other Special Revenue Funds</b>					
beginning fund balances	\$ 122,900	\$ 176,194			
revenue	60,700	13,887	23%	6%	13,048
expenditures	104,300	2,085	2%	-2%	2,138
ending fund balances	\$ 79,300	\$ 187,996			
<b>Streetlight Improvement District Funds</b>					
beginning fund balances	\$ 758,800	\$ 746,583			
revenue	4,400	2,971	68%	41%	2,103
expenditures	73,100	31,077	43%	67%	18,647
ending fund balances	\$ 690,100	\$ 718,477			
<b>Development Impact Fee Funds</b>					
beginning fund balances	\$ 4,324,500	\$ 5,192,738			
revenue	340,200	195,233	57%	-26%	262,344
expenditures	3,356,100	-	0%	-100%	2,089,856
ending fund balances	\$ 1,308,600	\$ 5,387,971			
<b>Fleet Services Fund</b>					
beginning funds available	\$ -	\$ -			
revenue	803,700	304,393	38%	12%	272,542
expenditures	803,700	304,393	38%	12%	272,542
ending funds available	\$ -	\$ -			
<b>Facility Services Fund</b>					
beginning funds available	\$ 1,100	\$ -			
revenue	449,000	200,650	45%	51%	133,293
expenditures	448,000	200,650	45%	51%	133,293
ending funds available	\$ 2,100	\$ -			
<b>Firefighter Pension Fund</b>					
beginning fund balance	\$ 322,600	\$ 323,223			
revenue	30,000	2,558	9%	-86%	17,724
expenditures	14,500	7,785	54%	-45%	14,211
ending fund balance	\$ 338,100	\$ 317,996			

	budget	current year actual	% received/ expended	% change from prior year	prior year actual
<b>All Town Funds</b>					
beginning fund balances	\$ 59,475,900	\$ 61,481,933			
revenue	45,518,600	13,222,003	29%	5%	12,611,360
expenditures	76,709,300	15,479,825	20%	9%	14,202,097
ending fund balances	\$ 28,285,200	\$ 59,224,111			
<b>Community Facilities District #1</b>					
beginning fund balances	\$ 2,311,700	\$ 2,272,481			
revenue	3,852,800	575,271	15%	-59%	1,407,124
expenditures	4,873,300	931,552	19%	-37%	1,477,228
ending fund balances	\$ 1,291,200	\$ 1,916,200			
<b>Community Facilities District #2</b>					
beginning fund balances	\$ 1,254,700	\$ 3,109,905			
revenue	1,438,400	577,733	40%	-80%	2,822,892
expenditures	1,752,000	918,465	52%	-15%	1,083,673
ending fund balances	\$ 941,100	\$ 2,769,173			

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