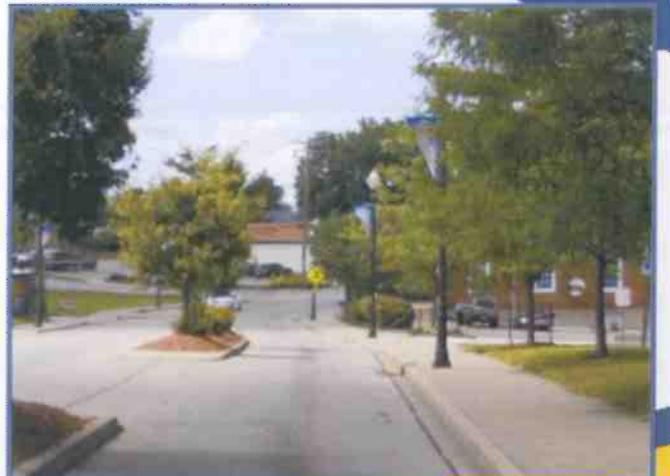
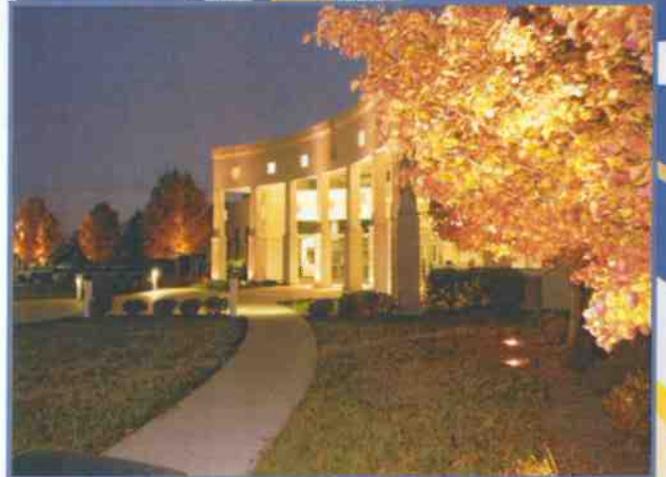


CITY OF

FLORENCE

KENTUCKY[®]

Fiscal Year 2014 / 2015 Budget



CITY OF FLORENCE, KENTUCKY

FISCAL 2015 BUDGET

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June 30, 2014

Honorable Mayor and City Council:

Executive Summary – Fiscal 2015 Operating Budget

The information in this document is to present the fiscal year 2015 operating budget for the City of Florence. The Department Heads and staff have worked very diligently to formulate a comprehensive budget for the operations of the City for the upcoming fiscal year.

Our budgeting process ensures rigorous management of expenses and revenues in departmental operating budgets. As always, we continue to closely review all of the city's expenditures and business practices to make certain that we are operating as efficiently as possible. The resulting budget follows our conservative budgetary principles, remains fiscally sound, and allows service delivery to occur in the manner our residents and businesses deserve and have come to expect.

The budget for fiscal year 2015 represents a comprehensive spending plan for all city funds. The budget reflects all known and estimated increases in costs as well as the estimated projections for the various sources of revenues. Our occupational license fees, insurance premium tax, payroll tax receipts, and real estate tax revenues are all dependent on economic conditions and as such these numbers will be subject to continued analysis and review.

The projected revenues for all funds totals \$47,094,650 and the projected for expenditures for all funds totals \$41,558,601. The projected revenues for FY 2015 represent a 2.7% decrease over the amended revenues for the FY 2014 budget. The overall decrease is a result of a decrease in the loss of one-time grant funds. The projected expenditures for FY 2015 represent a 3.4% decrease over the amended expenditures for the FY 2014 budget. The overall decrease is a result of a decline in capital projects for development in the City.

At the end of the previous fiscal year, the City's government funds reported combined ending fund balances of \$50,652,897, an increase of \$8,059,621 in comparison with the prior year. Approximately 68.95 percent of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is classified as nonspendable, committed to or assigned to indicate that it is not available for new spending because of constraints that have been placed on the use of these resources for specific purposes either internally or externally.

General Fund:

The General Fund revenue budget totals \$31,978,000 in fiscal year 2015. This compares to \$30,979,350 in revenue for fiscal year 2014 with much of the increase due to slight increases in property tax, insurance premium tax, payroll tax and occupational license fees..

General Fund expenditures in the proposed budget total \$25,857,567 which is a decrease of \$3.5 million from the \$29,250,647 that was approved in the amended fiscal 2014 budget. This budget figure includes operating and capital expenditures including transfers to other city funds. The operating expenditures are \$21.1 million, a 1.9% increase over those budgeted for fiscal year 2014. The city also has planned expenditures for capital items in the amount of \$4.7 million. This includes recurring equipment and vehicle replacement, multiple street projects, and debt service for previous capital expenditures.

The general fund is the chief operating fund of the City. At the end of the previous fiscal year, unassigned fund balance of the general fund was \$34,929,248 while total fund balance was \$46,009,442. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represented 128.34 percent of total general fund expenditures and transfers for that year, while total fund balance represents 169.06 percent of that same amount. The City also maintains a rainy day fund as a part of that fund balance.

Municipal Personnel:

A 1.1% cost of living adjustment (COLA) salary increase is budgeted for each employee of the City. This increase, upon its approval, will take effect July 1, 2014. Employees will also be considered for a step increase in accordance with the pay plan. Step increases would be effective January 1, 2015 if approved. Not all employees will be eligible for a step increase depending on the length of time step increases are provided for each authorized position classification in the pay plan. In addition, all full-time employees must be in their current position for at least one full year to be eligible for their first step increase for that position.

The City hired 6 additional firefighter EMT's/Paramedics in March 2014 through the assistance of a SAFER grant. The grant will pay for the personnel costs of the six individuals for a period of two years. The Public Services department went through a restructuring process as well but no additional personnel was hired. Job titles and job responsibilities were modified and created.

The County Employees Retirement System (CERS) approved rates for fiscal year 2015 have decreased for the second year. The rate for non-hazardous duty will decrease from 18.89% to 17.67%. The hazardous duty rate will decrease from 35.70% to 34.31%. Legislation passed by the 2013 Kentucky General Assembly in Senate Bill 2 (Pension Reform) is expected to stabilize CERS rates moving forward. Based on the actual 2014 rates, the decreases for fiscal 2015 are 6.4% and 3.9%, respectively.

The employee medical benefits are in the third year of a three year plan. Total plan costs spiked in the previous year due to multiple large claimants but are back down to a more normal level in fiscal 2014. As a result, the City will adhere to the third three of the three year plan without any changes in medical coverage for employees. FY 2016 will require the adoption of a new three year plan moving forward.

The City has also started a medical clinic on the campus of the Government Center as a way of cutting and controlling medical care costs of its employees.

Capital Expenditures and Major Initiatives:

The City only has one major capital project in next year which is included in the Infrastructure Fund budget. That would be the initiative to develop the infrastructure around a parcel of property on Mall Road to spur economic development. The cost of this project is \$3,000,000. A number of other capital items and initiatives are also included in this year's General Fund operating budget which will serve to enhance the City's ability to operate effectively as well as serve the citizens responsibly.

Some highlights of these initiatives follow:

Technology Initiatives:

- Adding additional EMC storage capacity
- Replacing core switches and routing
- Purchase wide-format printer/copier
- Update firewall
- Purchase postage machine

Public Safety initiatives:

- Purchase of seven cruisers
- Cruiser equipment
- Tasers and radar units
- Purchase of a fire engine
- Purchase of an ambulance
- Gear lockers

Public Services Initiatives:

- Annual street and sidewalk replacement
- Annual street striping maintenance
- Tandem dump truck
- One ton box truck
- One ton pickup truck
- Phase 2 of St. Jude street project
- Street lights – Houston Road

Recreational Initiatives:

- Replacement of playground surface at Southfork Park

Facility Initiatives:

- Master plan for Tanners garage facility

Outside Agencies:

The City Council has awarded the following amounts to outside agencies for the 2015 fiscal year.

Planning Commission – The budget request of \$337,000 represents a 1.8% increase over the approved 2014 budget of \$331,000 with most of the increase attributed to costs of personnel services.

Florence Community Chorus – The budget request of \$3,500 is the same amount that was approved in the 2014 budget. Funds will be used for the compensation for the pianist and Director.

Florence Community Band – The budget request of \$4,500 is the same amount that was approved in the 2014 budget. Funds will be used for music sheets, Director's fees, insurance and other various operating expenses.

OTHER FUNDS

Municipal Aid/LGEA Fund:

The Municipal Aid expenditures for street materials and street resurfacing projects are proposed at \$590,200. This is a decrease from the \$735,200 amended budget in fiscal 2014. The \$145,000 decrease is primarily attributable to the increases needed in the amended budget for snow removal costs for the past winter during fiscal year 2014.

Infrastructure Fund:

The Infrastructure Fund is the fund used by the City to carry out major street, sidewalk, and right-of-way maintenance and construction activities. The proposed revenues for fiscal year 2015 are \$4,680,000 which includes funding from the State in the amount of \$2.2 million for infrastructure improvements on mall Road. The proposed expenditures are \$5,135,000 which includes the Mall Road infrastructure improvements in the amount of \$3.5 million. Also included are the annual street, sidewalk, and storm sewer maintenance projects for a total of \$1,635,000.

Both proposed revenues and expenditures exceed the fiscal year 2014 budget due to the Mall Road infrastructure project.

Asset Forfeiture Fund:

The Asset Forfeiture Fund accounts for all funds received from seized assets and purchases made with those funds. The budgeted expenditures total \$101,335 which will be used for miscellaneous equipment and a potential redo of the property room. This compares to \$53,000 budgeted in fiscal year 2014.

Aquatic Center Fund:

The Aquatic Center Fund is used to account for the operations of the City's pool facility. The budgeted expenditures total \$628,950 compared to \$721,450 in fiscal year 2014. This is a decrease of \$92,500 or 12.8% due to a capital project in 2014 to re-coat and paint the slides at a cost of \$80,000.

Golf Course Fund:

The World of Golf Fund is responsible for the operations of the golf course facility. Total projected revenues of \$1,095,000 which cover the operating costs of the facility and produce an estimated net operating income of \$214,950. However, total projected expenditures will outpace total projected revenues and result in a projected net loss of \$230,950 due to depreciation and interest expense.

Water and Sewer Fund:

The Water and Sewer Fund accounts for the activities of the government's water and sewer sales and services to residential and commercial users. The projected revenues of \$8,276,500 will result in a slight decrease of \$115,000 compared to fiscal 2014. The revenue decrease is the result of the decommissioning of several pump stations producing a loss of sewer revenue fees.

Total projected expenses of \$7,919,599 are an increase over the amended FY 2014 expenses of \$7,809,830. The result of this increase is a rate increase passed on to the City by the Boone-Florence Water Commission which sells the City its water capacity.

Concluding Comments:

The preparation of the budget and the approval by the City Council is one of the most important functions that occurs at the end of every fiscal year. The budget is the initial structure of guiding the City starting the upcoming year by laying out anticipated operating and planned capital expenditures. The preparation process starts at the department level and proceeds through the review, final preparation and submission process to the Mayor and Council.

The budget brings with it a continuing conservative approach for the revenue amounts. The City of Florence has experienced some economic growth during the last two years and seems to have had a slight recovery in the areas of payroll tax and insurance premium taxes during the current fiscal year. The City has been successful in dealing with budget realities in a positive manner to remain financially sound. The budget for the 2015 fiscal year calls for core revenues remaining consistent with actual results for fiscal year 2014. It is anticipated that property tax revenue will remain constant with the level experienced during the prior fiscal year and that Council will not adopt a property tax increase for the fifth year in a row. The City expects slight growth in the remainder of the core revenue line items. The City has taken an extremely conservative approach to our expenditures to be able to continually provide the highest level of service for the residents. The City will once again reinforce the philosophy about only purchasing that which is deemed to be a necessity. The anticipated slow growth in the community is expected to continue until the economic situation turns around over the next couple of years. The rising cost of all types of insurance, including liability, workers compensation, and health and dental continues to be an annual struggle. In addition, health care reform costs, state mandated retirement contributions and rising motor fuel and utility costs are continuing to increase the annual growth of the City's expenditures. The City is constantly looking for ways to operate the departments more efficiently and effectively. In addition, some changes have been made to the employee benefits to assist in curtailing personnel cost increases in the future.

The Council continues to follow a rolling three year strategic plan and monitor the economic conditions to maintain a conservative approach to the City's finances.

The City continues to implement its annual plan to upgrade the City's infrastructure. Contractors were hired and are replacing certain sidewalks and curbs and are repaving City streets. The City has continuing plans to upgrade the water and sewer system as well as the storm water infrastructure during the upcoming year.

The successful enactment of the budget includes the commitment, support, and encouragement of our Mayor, City Council, residents, businesses, visitors, employees and volunteers combined. The best way to continue to grow is to make sure the City lays the foundation for a strong future:

sound city finances and second-to-none public services. The state of our city is strong and will continue to get better.

The City has so many people who work hard to keep us safe, so many people who work hard to protect us and take care of us, so many people who care about the way things develop and are maintained . . . and so many people who live here and appreciate it all.

CITY OF FLORENCE, KENTUCKY

LIST OF PRINCIPAL OFFICIALS

June 30, 2015

Mayor

Diane E. Whalen

Council Members

Larry Brown

Mel D. Carroll

Jason Kelly Huff

Julie A. Metzger-Aubuchon

David A. Osborne

Gary Winn

Staff

City Coordinator - Richard J. Lunnemann

City Clerk - Joe A. Christofield

Finance Director - Linda J. Chapman

City Attorney - Hugh O. Skees

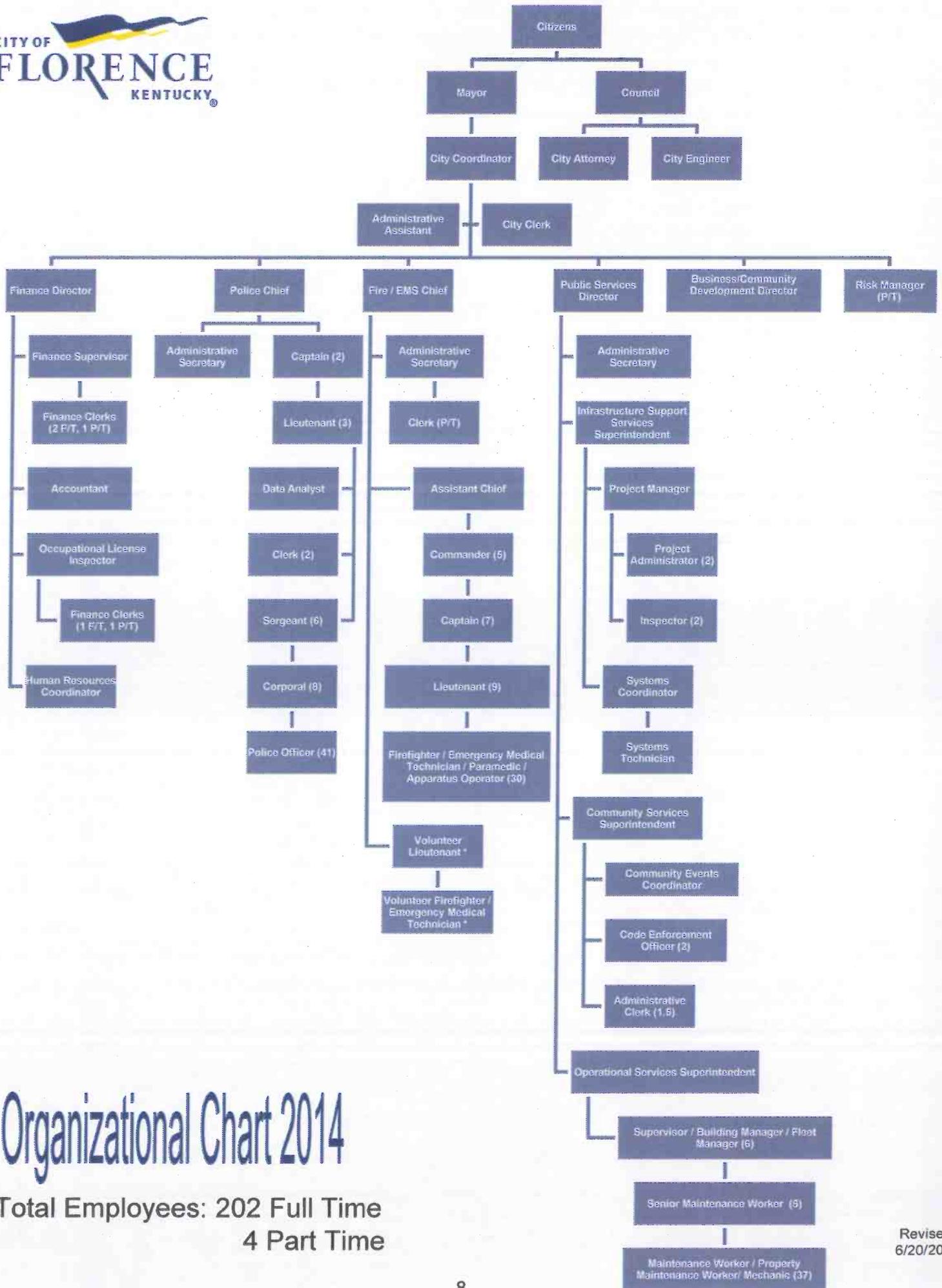
City Engineer - William R. Viox

Director of Public Services - Robert W. Townsend

Chief of Police - John V. McDermond

ABC Administrator - Karen Releford

Fire/E.M.S. Chief - Marc A. Muench



Organizational Chart 2014

Total Employees: 202 Full Time
4 Part Time

Revised:
6/20/2014

ORDINANCE NO. 0-14-14

AN ORDINANCE OF THE CITY OF FLORENCE, KENTUCKY, ADOPTING THE OFFICIAL BUDGET FOR THE 2014-2015 FISCAL YEAR OF THE CITY.

WHEREAS, a budget proposal has been prepared and submitted to the City Council by the Mayor as the executive authority of the City, and

WHEREAS, a budget message has been delivered to the City Council by the Mayor.

WHEREAS, the City Council has reviewed the proposed budget.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FLORENCE, KENTUCKY AS FOLLOWS:

SECTION I

That the budget of the City of Florence, Kentucky, for the fiscal year 2014-2015, a copy of which is attached hereto and incorporated herein, marked Exhibit "A", is hereby adopted and approved as the official budget of the City.

SECTION II

That a copy of the budget approved herein shall be available in the office of the City Clerk for public inspection.

PASSED AND APPROVED ON FIRST READING THIS 10th DAY OF June, 2014.

PASSED AND APPROVED ON SECOND READING AND PUBLICATION ORDERED THIS 24th DAY OF June, 2014.

APPROVED:



MAYOR

ATTEST:



CITY CLERK

ORDINANCE NO. 0-14-14

AN ORDINANCE OF THE CITY OF FLORENCE, KENTUCKY, ADOPTING THE OFFICIAL BUDGET FOR THE 2014-2015 FISCAL YEAR OF THE CITY.

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WHEREAS, a budget message has been delivered to the City Council by the Mayor.

WHEREAS, the City Council has reviewed the proposed budget.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FLORENCE, KENTUCKY AS FOLLOWS:

SECTION I

That the budget of the City of Florence, Kentucky, for the fiscal year 2014-2015, a copy of which is attached hereto and incorporated herein, marked Exhibit "A", is hereby adopted and approved as the official budget of the City.

SECTION II

That a copy of the budget approved herein shall be available in the office of the City Clerk for public inspection.

PASSED AND APPROVED ON FIRST READING THIS 10TH DAY OF JUNE, 2014. PASSED AND APPROVED ON SECOND READING AND PUBLICATION ORDERED THIS 24TH DAY OF JUNE, 2014.

APPROVED:


MAYOR

ATTEST:


CITY CLERK

CITY OF FLORENCE
ENACTED BUDGET
FISCAL YEAR 2014-15
Exhibit "A" to City of Florence Ordinance No. 0-14-2014

	General Fund	Municipal Aid Road Fund	Infrastructure Fund	Asset Forfeiture Fund	Aquatic Center Fund	Water and Sewer Fund	World of Golf Fund	Health and Dental Fund
RESOURCES AVAILABLE:								
Estimated Revenues & Transfers	31,978,000	846,200	6,180,000	25,900	515,100	8,276,500	1,195,000	2,697,300
Beginning Fund Balance	45,813,145	597,556	2,997,896	315,770	1,468,783	26,760,990	8,678,837	13,611,043
TOTAL RESOURCES AVAILABLE								
FOR APPROPRIATIONS	77,791,145	1,443,756	9,177,896	341,670	1,983,883	35,037,490	9,873,837	16,308,343
APPROPRIATIONS:								
Administrative	2,242,550							2,541,500
Public Services	4,521,050		5,135,000					
Police Services	7,467,100			201,335				
Fire / E.M.S. Services	6,722,650							
Parks / Recreation					628,950			
Capital Outlay	3,089,467	590,200						
Other Agencies	455,000							
Debt Service	1,629,000							
Water and Sewer						7,920,849		
Golf Course							1,325,950	
TOTAL EXPENDITURES	26,126,817	590,200	5,135,000	201,335	628,950	7,920,849	1,325,950	2,541,500
Transfers	1,925,000							
Estimated Fund Balance at Year-End	49,739,328	853,556	4,042,896	140,335	1,354,933	27,116,641	8,547,887	13,766,843
TOTAL BUDGET	77,791,145	1,443,756	9,177,896	341,670	1,983,883	35,037,490	9,873,837	16,308,343

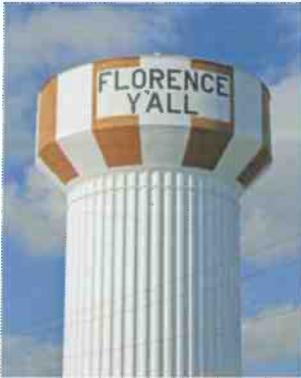
Note: The City's adopted budget in detail for Fiscal Year 2013-14 is available for public inspection at the Florence Government Center during normal business hours.

City of Florence, Kentucky

General Information

The City

Florence was formed in 1830 and was for most of its history a small community surrounded by farms. During World War II, what was to become the Northern Kentucky/Greater Cincinnati International Airport was constructed nearby. This, combined with the construction of Interstate 75 in the late 1950s, started the building boom that drastically changed the community and began the huge growth in population.



The famous Florence water tower landmark was built in 1974 to support a growing suburban infrastructure. The water tower was originally painted with the words "Florence Mall" to herald the future opening of the Greater Cincinnati area's premier shopping facilities. Following a reminder from the federal highway engineers about the illegality of advertising along the interstate highway system, officials creatively modified the M to "Florence Y'all". The economic success of the mall encouraged future development along Mall Road. In the 1980s and 1990s, the shopping district expanded on to Houston Road and Turfway Park.

Location

Florence is the largest and most industrialized city in Boone County. It is located in the east-central part of the county along I-75. It was designated as a third class city in 1958. Proximity to major transportation avenues have been an important force in the development of the city. The City is located 13.5 miles south of Cincinnati, Ohio and 70 miles north of Lexington and 88 miles northeast of Louisville in Kentucky. Florence covers an area of 10.6 square miles and has I-75 running through the middle of the City and is 5 miles from the airport. The City is in the 66th Legislative District, 11th Senatorial District and the 144th U.S. Congressional District.

Industry

In the 1950s the Northern Kentucky Industrial Foundation started the Florence Industrial Park which has grown to include 57 industries and employs 8,000 people. The opening of Interstate 75 in 1963, spurred additional industrial growth which led to the opening of the Florence Mall in 1976. The success of the commercial mall as a tri-state shopping destination encouraged further retail development in the City. A revitalization project of Mall Road was just completed in 2012.

Medical Facilities

Within the boundaries of Florence, St. Elizabeth has a 170 bed hospital and several medical centers. The hospital just recently underwent a \$5.0 million renovation to include a new outpatient

entrance and a Spine center. The new outpatient area was to make St Elizabeth Florence the premier facility in the Greater Cincinnati area. The new Spine Center is intended to allow patients to get all service performed in one location. Seven nursing facilities and rehab facilities are located in the city as well.

Recreation and Culture

Florence offers a wide range of recreational and cultural activities. The Florence Community band was started in 1984 and the Florence Community Chorus was organized in 1989.



The Florence Recreation and Parks Department opened a 20,000 square-foot park featuring the new Aquatic Center and a skate park in 2003. The Florence Aquatic Center has a swimming pool, a lazy river, a splash ground, a wading pool and other water activity areas. The center features its own swim and dive teams. The skate park contains skateboard ramps for all levels of activity and skill levels.



Also in 2003, Florence acquired a Frontier League baseball team, the Florence Freedom. The Freedom are members of the 12 team league that is composed of teams from Kentucky, Ohio, Indiana, Illinois, Michigan, Missouri and Pennsylvania. Their home is the UC Medical Center Stadium that sits next to Interstate 75. The stadium seats 4,500 and its lawn area allows for a maximum capacity of 7,000. The stadium also contains a playground. The baseball games are geared towards a family atmosphere. The Florence community has embraced the team.



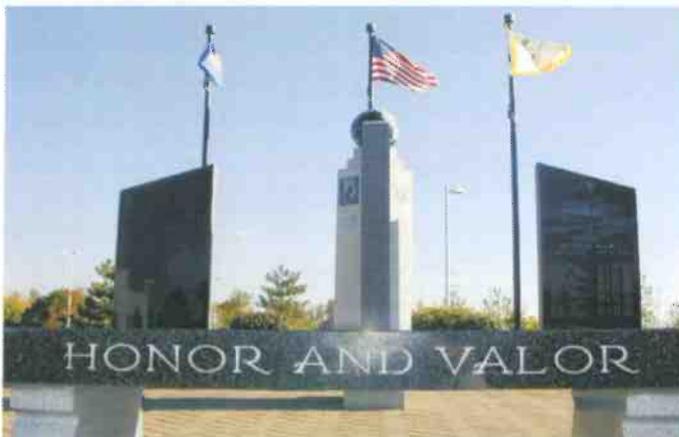
Florence has six additional municipal parks that provide recreational activities such as tennis, baseball, softball, fishing, basketball, corn hole, swing sets, splash ground and sand volleyball. Five of the municipal parks include restroom facilities and covered shelter areas. Throughout the City are located multiple walking trails and biking paths for additional enjoyment. Florence sponsors various events during the year.



The Florence World of Golf was completely reconstructed in 2011 and 2012. The course is located along Interstate 75 and adjacent to Woodspoint trail. It offers a Par 3 18-hole golf course, driving range, indoor driving range, analysis of your golf swing, golf lessons and play on a famous golf course via the golf simulator. The complex also has an 18-hole miniature golf area featuring attractions located throughout the state of Kentucky at each hole. The facility contains a concession/grill area, a pro shop, and has room available to rent for events.



The Florence Senior Center was opened in June 2012. It is a multi-purpose center with a kitchen, wellness room, computer lab, exercise room and activity room. It is managed by Senior Services of Northern Kentucky. Monthly activities include yoga stretch, euchre, crafts, canasta, art lessons, Wii bowling, bingo and zumba gold.



The Veterans Memorial of Boone County on the Florence campus was built to honor and remember all Boone County Veterans who served and gave the ultimate sacrifice so that we may have and enjoy freedom. It features a memorial honoring WWI, WWII, Korea, Vietnam and the "War on Terror". It also has a granite medal of Honor bench and four other granite benches in addition to six fully lit flagpoles.

Profile

The City of Florence is empowered to levy numerous sources of revenue including its major sources payroll tax, business license tax, insurance premiums tax and a property tax on both real and personal properties. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Florence operates under the Mayor/Council form of government. Legislative authority is vested in the City Council, consisting of six City Council members. The Mayor is the executive authority. The City Council is responsible, among other things for passing ordinances, adopting the budget and appointing members to various boards. The Mayor approves the hiring of all full time employees. The City Coordinator reports directly to the Mayor and is responsible for carrying out policies and ordinances of the City Council and is responsible for the development of short and long range planning, capital improvement programs and running the day-to-day operations of the city. The City Council is elected on a non-partisan basis. The Mayor serves based upon a 4 year term and the City Council serve based upon a 2 year term.

The City of Florence provides a full range of services, including a full time professional police force and full time professional fire protection; advanced life support medic services; street maintenance and improvement; water and sewer services; storm water collection; a full range of recreational facilities and activities; cultural events; planning and zoning and code enforcement.

Economic Condition and Outlook

Florence's location is a major factor in allowing it to become an economic force in the Greater Cincinnati/Northern Kentucky region. Also, the consistent and persistent effort put forth by Florence's elected and appointed officials and other community leaders over the past twenty years has positioned the City very well. However, the City is not immune from the national economic realities and that brings with it continuing unknowns for the current fiscal year

The City has continued to experience some growth and development during the current fiscal year the City's focus on financial management and economic development over the past decade has established the City as a center of commerce in the Northern Kentucky region. In 2013 and 2014, total private capital investments and job growth in the City have continued. The City's efforts are paying dividends and experiencing successes from large to small, all of which are very important to the community.

For example, this past year, Northern Kentucky University's Center for Economic Analysis and Development released a study about commuter-adjusted populations in the Greater Cincinnati region. The commuter-adjusted population is the expansion or contraction of the worker population throughout a typical workday.

Among all communities in northern Kentucky, Florence had the strongest net-inflow of workers, with our employment to residence ratio of 1.51 to 1. Boone County has the strongest employment to resident ratio among northern Kentucky counties at 1.21 to 1, which is behind only Hamilton County in the tri-state region. Kenton County's ratio is 0.84 to 1, and Campbell County's ratio is 0.68 to 1.

When we analyze the commercial real estate market in Florence, we shape up rather well in the region. Leasing and purchasing activity in the retail, industrial, and office sectors have been very active. On the retail side, our vacancy rate in the city is below 4%, which is one of the best performers in the region, where the regional retail vacancy is 8.4%. The industrial vacancy rate is under 2%, while the overall vacancy rate in the region is 6.7%. And, the professional office vacancy rate in Florence is 12%, with the region's rate at 20.6%. Overall, we fair better than most communities in the region. These are positive signs of the strength of our economy in Florence, but it does suggest, particularly on the industrial front, that future growth could be constrained without available industrial real estate coming onto the market.

Over several years, we have instituted sound, long-term financial practices, making the difficult choices, maintaining sufficient cash balances, modernizing operations of city departments, and maintaining our first-rate city services, while remaining sensitive to the economic challenges of our residents and businesses and holding our property tax rate at the 2008 level.

In the upcoming year, the budget includes infrastructure improvements on 25 streets through contracted work and 72 streets through in-house work. Proposed water line replacement will take place on St. Judes Circle. Finally, Public Services will continue to reline sanitary sewers in the Biggs and Fowler Creek sewer sheds and perform storm water improvements in the Bustetter, Coretta, and Pheasant watersheds. By proactively updating and replacing infrastructure now, future costs and emergency replacement of infrastructure will be kept to a minimum.

Park improvements completed this year included the addition of two new restroom facilities at Orleans and South Fork Park. The department completed the master plan for a neighborhood park located along Kentaboo Avenue and the city property at the convergence of Main Street, Dixie Highway, and Turfway Road.

The city has implemented a three-year budget plan. The three-year budget plan serves as a basis for a rolling three-year strategic plan for the City. This plan will carry out the City's vision as adopted by the City Council.

Community Profile and Demographics

The City of Florence, founded in 1830, is located in the northern most part of the state, situated in Boone County and is part of the Northern Kentucky Region, which ranks as one of the top growth areas in Kentucky. The City of Florence currently occupies a land area of 10.6 square miles and serves an estimated population of 31,088. The City of Florence is empowered to levy numerous sources of revenue including its major sources payroll tax, business license tax, insurance premiums tax and a property tax on both real and personal properties. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Florence operates under the Mayor/Council form of government. Legislative authority is vested in the City Council, consisting of six City Council members. The Mayor is the executive authority. The City Council is responsible, among other things for passing ordinances, adopting the budget and appointing members to various boards. The Mayor approves the hiring of all full time employees. The City Coordinator reports directly to the Mayor and is responsible for carrying out policies and ordinances of the City Council and is responsible for the development of short and long range planning, capital improvement programs and running the day-to-day operations of the city. The Mayor serves based upon a 4 year term and the City Council serve based upon a 2 year term.

The City of Florence provides a full range of services, full time professional police force and full time professional fire protection; advanced life support medic services; street maintenance and improvement; water and sewer services; storm water collection; a full range of recreational facilities and activities; cultural events; planning and zoning and code enforcement.

People QuickFacts	Florence	Kentucky
Population, 2012 estimate	31,088	4,379,730
Population, 2010 (April 1) estimates base	29,953	4,339,357
Population, percent change, April 1, 2010 to July 1, 2012	3.8%	0.9%
Population, 2010	29,951	4,339,367
Persons under 5 years, percent, 2010	8.2%	6.5%
Persons under 18 years, percent, 2010	24.6%	23.6%
Persons 65 years and over, percent, 2010	13.1%	13.3%
White alone, percent, 2010 (a)	87.1%	87.8%
Black or African American alone, percent, 2010 (a)	4.5%	7.8%
American Indian and Alaska Native alone, percent, 2010 (a)	0.2%	0.2%
Asian alone, percent, 2010 (a)	3.0%	1.1%
Native Hawaiian and Other Pacific Islander alone, percent, 2010 (a)	0.2%	0.1%
Two or More Races, percent, 2010	2.3%	1.7%
Hispanic or Latino, percent, 2010 (b)	5.5%	3.1%
Living in same house 1 year & over, percent, 2008-2012	80.5%	84.9%
Foreign born persons, percent, 2008-2012	6.5%	3.2%
Language other than English spoken at home, pct age 5+, 2008-2012	7.6%	4.8%
High school graduate or higher, percent of persons age 25+, 2008-2012	90.2%	82.4%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	23.5%	21.0%
Veterans, 2008-2012	2,453	319,678
Mean travel time to work (minutes), workers age 16+, 2008-2012	21.5	22.7
Housing units, 2010	13,447	1,927,164
Homeownership rate, 2008-2012	52.8%	68.7%
Housing units in multi-unit structures, percent, 2008-2012	48.0%	18.0%
Median value of owner-occupied housing units, 2008-2012	\$138,800	\$120,000
Households, 2008-2012	12,267	1,691,716
Persons per household, 2008-2012	2.43	2.49
Per capita money income in past 12 months (2012 dollars), 2008-2012	\$24,484	\$23,210
Median household income, 2008-2012	\$49,605	\$42,610
Persons below poverty level, percent, 2008-2012	12.6%	18.6%

Source: US Census Bureau State & County QuickFacts

CITY OF FLORENCE, KENTUCKY

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Median Income (2)	Median Age (2)	Unemployment Rate (3)
2004	24,801	\$ 883,163,610	\$ 35,610	32.9	4.2%
2005	25,443	\$ 933,732,657	\$ 36,699	34.7	4.6%
2006	26,188	\$ 1,034,033,180	\$ 39,485	33.1	4.0%
2007	26,710	\$ 1,053,762,920	\$ 39,452	33.1	4.5%
2008	27,281	\$ 1,122,558,588	\$ 41,148	34.1	5.4%
2009	27,745	\$ 1,183,712,680	\$ 42,664	34.2	9.7%
2010	28,381	\$ 1,374,860,783	\$ 48,443	34.9	9.7%
2011	29,951	\$ 1,474,907,044	\$ 49,244	35.7	9.1%
2012	30,687	N/A	\$ 49,605	36.0	7.1%
2013	31,088	N/A	\$ N/A	N/A	6.9%

(1) Census Bureau and Kentucky State Data Center

(2) Tri-County Economic Development Corporation

(3) Bureau of Labor Statistics Data and Kentucky State Data Center

CITY OF FLORENCE, KENTUCKY

Operating Indicators by Function

Last Five Fiscal Years

Function	Fiscal Year				
	2010	2011	2012	2013	2014
Police:					
Physical arrests	2,617	2,431	2,542	2,571	0
Traffic violations	6,729	6,385	4,664	4,487	0
Parking violations	307	513	224	120	0
Fire:					
Number of calls answered:					
Fire	2,381	2,486	2,367	2,416	0
Ambulance	5,772	6,091	6,364	6,380	0
Inspections	2,032	2,255	1,945	2,005	0
Highways and streets:					
Street resurfacing(lane miles)	7.05	7.62	8.44	9.11	0.00
Water:					
New connections	45	45	50	42	0
Water main breaks	24	55	37	62	0
Average daily consumption (thousands of gallons)	2,839	3,055	3,090	3,035	0

Source: Various city departments

CITY OF FLORENCE, KENTUCKY

Capital Asset Statistics by Function

Last Five Fiscal Years

Function	Fiscal Year				
	2010	2011	2012	2013	2014
Police:					
Stations	1	1	1	1	1
Patrol units	34	34	34	34	34
Fire:					
Fire stations	3	3	3	3	3
Highways and streets:					
Streets(miles)	160	168	168	169	169
Streetlights	1,134	1,977	1,977	2,103	2,103
Culture and recreation:					
Parks	9	9	9	9	9
Parks acreage	163.5	163.5	163.5	163.5	163.5
Swimming pools	1	1	1	1	1
Ball fields	2	2	2	2	2
Tennis courts	4	4	4	4	4
Water:					
Water mains	200	145	145	149	149
Fire hydrants	1,259	1,520	1,520	1,583	
Maximum daily capacity (thousands of gallons)	4,000	4,550	4,810	4,809	
Sewer:					
Contained sanitary/storm sewers (miles)	278	286	286	278	

Source: Various city departments

Budget Process

Every year the City Council adopts a budget for the next fiscal year. The City's fiscal year runs from July 1 of one year until June 30 of the following year. The budget is the City's business and financial plan for the one year period.

In accordance with City ordinance, Kentucky Revised Statutes 91A.030 and 83A.130 and prior to June 30, the Mayor submits to Council a proposed operating budget on a basis consistent with generally accepted accounting principles for the fiscal year commencing July 1. By July 1, the budget should be legally enacted through the passage of an ordinance by the members of Council. All appropriations will remain in effect until a supplemental budget amendment is passed or until a new budget is adopted.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds except the capital projects fund, which is not budgeted. Expenditures may not legally exceed budgeted appropriations at the department level. Any revisions to the budget that would alter total revenues of any fund and expenditures of any department must be approved by the Council; however, with proper approval by the City Coordinator, budgetary transfers within departments can be made. All appropriations lapse at fiscal year-end.

Governmental fund types like the General Fund and Special Revenue Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City applies all GASB pronouncements and FASB Statements and Interpretations, APB Opinions and Accounts Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement. The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of GAAP. This generally conforms to the way the City prepares its budget. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

It is important to recognize that the numbers in the budget are estimates. Various issues will arise during the course of a fiscal year that will impact the level of revenues and the level of spending. The City does maintain adequate reserves to protect from future unknowns. The preparation of the annual budget document is a lengthy process that involves various employees in all departments, all departments heads, the City Coordinator, Mayor and City Council.

The Florence budget calendar is presented following this narrative.

**City of Florence
2014 – 2015
Budget Calendar**

March 5	Issue FY 2014-2015 Budget Calendar
March 11	Budget worksheets due to Department Heads
March 18	Projected Salaries & Wages by Finance Department
March 21	Budget recommendations due from Department Heads to Finance Director
Week of March 24 th	Finance Director & City Coordinator Review
Week of March 24 th	Meet with Department Heads
Week of April 7 th	Review preliminary budget with Mayor
Week of April 7 th	Budget Books Prepared
April 25	Distribution of preliminary budget to City Council
April 29	Send out Notice of Special Call
April 30	Budget Retreat Budget presentation /comments & discussion
May 6	Budget discussion and presentations by other agencies: Florence Community Band, Florence Community Chorus and Urban Forest Commission
May 20	Proposed use hearing for Municipal Aid Road Fund
May 20	Budget discussion and presentations by other agencies: Boone County Planning Commission
June 3	FY 2013-14 budget amendment discussions
June 10	Mayor's Budget Address First reading of the FY 2014-15 Budget Ordinance First reading of amendments to FY 2013-14 budget
June 24	Second reading of the FY 2014-15 Budget Ordinance Second reading of amendments to FY 2013-14 budget
July 1	New budget becomes effective

Governmental Fund Structure

The City uses fund accounting to maintain its financial records during the year. Fund accounting is designed to help governments ensure and demonstrate legal compliance and achieve the goal of fiscal accountability. The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate reporting entity. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances which are segregated for the purpose of carrying on specific activities or attaining certain objectives. The City utilizes Governmental and Proprietary fund types.

Governmental Fund Types:

Governmental funds are those through which most governmental functions are typically financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund assets and liabilities is reported as funds balance. The City's governmental funds are as follows:

General Fund

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

Special Revenue Funds:

The Municipal Aid Road/LGEA Fund is used to account for funds received from the state for road improvements and snow removal.

The Infrastructure Fund is used to account for a designated portion of payroll taxes, storm water fees and grants to be used for the annual repairs to the City road infrastructure and storm water lines.

The Asset Forfeiture fund accounts for all funds received from seized assets and purchases made with those funds.

The Aquatic Center fund is used to account for the operations of the City's pool facility.

Proprietary Fund Types:

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City applies all GASB pronouncements and FASB Statements and Interpretations, APB Opinions

and Accounts Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement. The government reports the following proprietary funds:

The Water and Sewer Fund accounts for the activities of the government's water and sewer sales and services to residential and commercial users.

The World of Golf Fund is responsible for operations of the golf course.

The City's only internal service fund is the self-insurance fund for the City's health and dental costs.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Financial Policies

The City operates under certain fiscal policies with respect to budget, revenues, expenditures, debt, cash management and reserves. These policies assist in maintaining, developing and managing services and programs as efficiently and effectively as possible.

Budgetary Policies

The City shall adopt a balanced budget for each of its funds; where operating expenditures may not exceed anticipated revenues plus unreserved fund balance.

Budgetary control will be at the departmental level.

The City will not use debt or bond financing to fund current operating expenditures.

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of general accepted accounting principles (GAAP). In most cases this conforms to the way the City prepares its budget.

Planning

The City annually prepares a three-year rolling forecast. The forecast will include estimated operating costs and revenues. In addition, it will include the estimated capital costs for all departments for that period.

Revenue Policies

The City will strive to maintain a diversified and stable revenue system to guard it from unforeseeable short-term fluctuations in any one revenue source.

The City will estimate the annual revenues by an objective, analytical process, wherever practical.

The city will continue to pursue economic, commercial and industrial development and retention to provide an ongoing solid revenue base.

The City will establish and periodically review user charges, license and fees at a level to related to the cost of providing the service, except when the Mayor and Council determine that a subsidy is needed to better serve the public interest.

One-time revenues will only be used for one-time expenditures including capital and reserves.

Expenditure Policies

The city will maintain a budgetary control system to help it adhere to the adopted budget and will prepare monthly reports comparing actual expenditures to budgeted amounts.

The City will estimate the annual expenditures/expenses by an objective, analytical process, wherever practical.

Budgetary control will be at the departmental level with all departments having the opportunity to participate in the budget process.

Reserve Policies

The City Council has adopted guidelines for maintaining a minimum general fund balance in the amount of 17% of budgeted operating expenditures and recurring transfers. In either case, unusual items such as one time expenditures shall be excluded from the calculation.

In addition, Council has adopted a resolution and established a stabilization fund balance. This fund balance may only be used for operations to pay for expenditures when the unreserved fund balance falls below the minimum fund balance of 17% of expenditures and recurring transfers. Each December 31st, Mayor and Council shall determine if any funds are to be transferred to increase the stabilization fund balance.

Capital Improvement Policies

The City will continually update a multi-year plan for capital improvements. The City will enact an annual capital budget based on the multi-year plan.

All capital assets are capitalized at cost, or where cost is not available, estimated historical cost based on replacement value. The capitalization threshold of \$1,000 with a useful life in excess of two years. All capital assets will be updated for additions and retirements during the year.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class are as follows:

Buildings	30 years
Building Improvements	10-20 years
Public Domain Infrastructure	25-40 years
Vehicles	5-10 years
Office Equipment	3-10 years

Debt policies

The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. The City will not use long-term debt for current operations.

When applicable, the City shall review outstanding debt annually for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service costs.

The City will maintain a policy of full disclosure in financial reports and bond disclosures.

Investment and Cash Management Policies

The City of Florence's investment objectives are the preservation and protection of the organization's assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments. All investments will address safety, liquidity, and yield, in that order.

The City will purchase securities from qualified institutions and will invest only in direct obligations of the United States Government or in investments backed by the United States Government, or in any other investment allowed by Kentucky law.

The City will deposit all receipts on a timely basis and will be reconciled on a monthly basis.

Financial Reporting Policies

The objective of the City is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner.

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the organization.

The City will distribute a complete set of monthly financial statements to the following individuals:

1. Mayor,
2. Members of the Florence City Council,
3. City Coordinator, and
4. Department Heads and any other employee with budget-monitoring responsibilities.

The City will employ an independent accounting firm to perform an annual audit of the City's finances, and it will make the audit available to all required and interested parties. A formal presentation of the City's annual financial statements shall be provided by the Independent Auditor to the Florence City Council at a City Council meeting.

Schedule of Sources and Uses by Fund

General Fund

Description	Amended					
	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Budget	2015 Budget
Budgetary Fund Balance, July 1	\$ 19,669,479	\$ 31,906,215	\$ 34,937,147	\$ 40,092,828	\$ 46,009,442	\$ 45,813,145
Revenues						
Taxes	8,147,996	7,984,697	7,695,996	7,707,092	7,735,000	7,630,000
Licenses and Permits	19,177,295	19,721,524	20,925,823	19,083,822	18,295,000	19,195,000
Intergovernmental	2,844,713	6,836,609	5,008,430	2,238,846	803,350	1,045,000
Fines and Forfeitures	278,259	253,461	264,636	247,390	229,000	201,000
Charges for Services	3,986,878	4,137,141	4,004,705	3,603,041	3,732,000	3,652,000
Interest	301,510	275,512	217,705	165,645	100,000	175,000
Miscellaneous	130,424	143,105	118,920	85,140	85,000	80,000
Refunding Bonds Issued	-	6,720,000	5,640,000	-	-	-
Transfers In	8,760,894	-	163,176	-	-	-
Total Sources Available	63,297,448	77,978,264	78,976,538	73,223,804	76,988,792	77,791,145
Expenditures						
Administration	2,532,439	2,052,309	2,606,085	2,630,140	2,700,700	2,820,425
Police	7,291,855	6,990,521	7,100,006	7,481,911	7,639,997	7,715,092
Fire	6,915,893	5,724,424	6,242,126	6,042,289	6,508,650	7,465,250
Public Services	7,635,275	14,620,861	13,824,872	6,923,847	10,690,300	6,497,050
Debt Service	2,111,786	2,702,667	2,572,658	1,711,175	1,711,000	1,629,000
Payment to refunded bond escrow agent	-	6,080,000	5,020,000	-	-	-
Bond Discount	-	-	92,963	-	-	-
Transfers Out	4,903,985	4,870,335	1,425,000	2,425,000	1,925,000	1,925,000
Total Uses	31,391,233	43,041,117	38,883,710	27,214,362	31,175,647	28,051,817
Budgetary Fund Balance, June 30	\$ <u>31,906,215</u>	\$ <u>34,937,147</u>	\$ <u>40,092,828</u>	\$ <u>46,009,442</u>	\$ <u>45,813,145</u>	\$ <u>49,739,328</u>

Municipal Aid/LGEA Fund

Description	2010	2011	2012	2013	Amended	2015
	Actual	Actual	Actual	Actual	2014 Budget	Budget
Budgetary Fund Balance, July 1	\$ 183,761	\$ 329,286	\$ 475,631	\$ 576,509	\$ 670,556	\$ 597,556
Revenues						
Intergovernmental	460,485	520,440	565,067	601,780	535,000	719,000
Interest	1,921	3,647	2,781	1,987	2,200	2,200
Transfers In	262,058	125,000	125,000	125,000	125,000	125,000
Total Sources Available	908,225	978,373	1,168,479	1,305,276	1,332,756	1,443,756
Expenditures						
Public Services	578,939	502,742	591,970	634,720	735,200	590,200
Total Uses	578,939	502,742	591,970	634,720	735,200	590,200
Budgetary Fund Balance, June 30	\$ 329,286	\$ 475,631	\$ 576,509	\$ 670,556	\$ 597,556	\$ 853,556

Asset Forfeiture Fund

Description	2010	2011	2012	2013	Amended	2015
	Actual	Actual	Actual	Actual	2014 Budget	Budget
Budgetary Fund Balance, July 1	\$ 305,083	\$ 318,367	\$ 234,119	\$ 250,425	\$ 342,870	\$ 315,770
Revenues						
Uses of Property	44,614	88,942	40,183	116,425	25,000	25,000
Interest	2,592	2,620	1,336	865	900	900
Total Sources Available	352,289	409,929	275,638	367,715	368,770	341,670
Expenditures						
Police	33,922	175,810	25,213	24,845	53,000	201,335
Total Uses	33,922	175,810	25,213	24,845	53,000	201,335
Budgetary Fund Balance, June 30	\$ 318,367	\$ 234,119	\$ 250,425	\$ 342,870	\$ 315,770	\$ 140,335

Aquatic Center Fund

Description	2010		2011		2012		2013		Amended			
	Actual		Actual		Actual		Actual		2014	2015		
									Budget	Budget		
Budgetary Fund Balance, July 1	\$	1,205,363	\$	1,274,911	\$	1,227,125	\$	1,673,514	\$	1,623,633	\$	1,468,783
Revenues												
Charges for Services		342,432		366,018		394,589		309,513		360,100		309,800
Interest		9,023		10,465		6,777		5,218		6,000		4,800
Miscellaneous		1,113		838		987		352		500		500
Transfers In		250,000		200,000		700,000		200,000		200,000		200,000
Total Sources Available		<u>1,807,931</u>		<u>1,852,232</u>		<u>2,329,478</u>		<u>2,188,597</u>		<u>2,190,233</u>		<u>1,983,883</u>
Expenditures												
Public Services		<u>533,020</u>		<u>625,107</u>		<u>655,964</u>		<u>564,964</u>		<u>721,450</u>		<u>628,950</u>
Total Uses		<u>533,020</u>		<u>625,107</u>		<u>655,964</u>		<u>564,964</u>		<u>721,450</u>		<u>628,950</u>
Budgetary Fund Balance, June 30	\$	<u>1,274,911</u>	\$	<u>1,227,125</u>	\$	<u>1,673,514</u>	\$	<u>1,623,633</u>	\$	<u>1,468,783</u>	\$	<u>1,354,933</u>

Infrastructure Fund

Description	2010		2011		2012		2013		Amended			
	Actual		Actual		Actual		Actual		2014	2015		
									Budget	Budget		
Budgetary Fund Balance, July 1	\$	-	\$	-	\$	-	\$	-	\$	2,006,396	\$	2,997,896
Revenues												
Licenses and Permits		-		-		-		2,248,077		2,100,000		2,200,000
Intergovernmental		-		-		-		25,000		-		2,000,000
Charges for Services		-		-		-		450,000		450,000		475,000
Interest		-		-		-		3,593		1,500		5,000
Transfers In		-		-		-		1,000,000		1,500,000		1,500,000
Total Sources Available		<u>-</u>		<u>-</u>		<u>-</u>		<u>3,726,670</u>		<u>6,057,896</u>		<u>9,177,896</u>
Expenditures												
Public Services		<u>-</u>		<u>-</u>		<u>-</u>		<u>1,720,274</u>		<u>3,060,000</u>		<u>5,135,000</u>
Total Uses		<u>-</u>		<u>-</u>		<u>-</u>		<u>1,720,274</u>		<u>3,060,000</u>		<u>5,135,000</u>
Budgetary Fund Balance, June 30	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>2,006,396</u>	\$	<u>2,997,896</u>	\$	<u>4,042,896</u>

Health and Dental Fund

Description						Amended	
	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Budget	2015 Budget	
Budgetary Fund Balance, July 1	\$ 5,627,250	\$ 10,056,474	\$ 10,818,489	\$ 11,736,221	\$ 13,326,093	\$ 13,611,043	
Revenues							
Interest	48,997	81,765	62,043	39,036	40,000	20,000	
Employee Contributions	2,556,261	2,478,767	2,469,205	2,523,102	2,490,600	2,547,300	
Reinsurance Reimbursement	29,554	39,675	16,956	723,899	30,000	30,000	
FSA Contributions	148,813	125,325	129,767	100,818	100,000	100,000	
Transfer In	3,400,000	-	500,000	1,000,000	-	-	
Total Sources Available	<u>11,810,875</u>	<u>12,782,006</u>	<u>13,996,460</u>	<u>16,123,076</u>	<u>15,986,693</u>	<u>16,308,343</u>	
Expenditures							
Administrative Fees	284,268	288,268	293,072	349,501	490,650	451,500	
Wellness Program	24,456	21,925	26,172	17,517	30,000	30,000	
Clinic	-	-	-	-	85,000	100,000	
HRA Claims	92,847	104,759	103,629	106,973	70,000	60,000	
Health and Dental Claims	1,197,193	1,419,788	1,683,887	2,215,795	1,600,000	1,800,000	
Workers Compensation	21,095	6,871	34,569	2,672	-	-	
FSA Claims	134,542	121,906	118,910	104,525	100,000	100,000	
Total Uses	<u>1,754,401</u>	<u>1,963,517</u>	<u>2,260,239</u>	<u>2,796,983</u>	<u>2,375,650</u>	<u>2,541,500</u>	
Budgetary Fund Balance, June 30	\$ <u>10,056,474</u>	\$ <u>10,818,489</u>	\$ <u>11,736,221</u>	\$ <u>13,326,093</u>	\$ <u>13,611,043</u>	\$ <u>13,766,843</u>	

Golf Course Fund

Description						Amended	
	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Budget	2015 Budget	
Budgetary Fund Balance, July 1	\$ 1,855,119	\$ 4,425,040	\$ 8,763,713	\$ 8,816,175	\$ 8,713,287	\$ 8,678,837	
Revenues							
Interest	1,809	3,617	5,274	3,231	4,000	3,000	
Charges for Services	587,817	709,275	1,249,934	1,205,788	1,253,000	1,092,000	
Capital Contributions	1,635,075	3,745,335	-	-	-	-	
Transfer In	1,128,985	800,000	100,000	100,000	100,000	100,000	
Total Sources Available	<u>5,208,805</u>	<u>9,683,267</u>	<u>10,118,921</u>	<u>10,025,194</u>	<u>10,070,287</u>	<u>9,873,837</u>	
Expenditures							
Cost of Sales and Services	498,162	616,921	854,164	868,387	947,550	880,050	
Depreciation	77,271	146,362	314,938	323,041	320,000	325,000	
Loss on Disposal of Assets	47,497	9,774	-	233	-	-	
Interest Expense	160,835	146,496	133,644	120,246	123,900	120,900	
Total Uses	<u>783,765</u>	<u>919,553</u>	<u>1,302,746</u>	<u>1,311,907</u>	<u>1,391,450</u>	<u>1,325,950</u>	
Budgetary Fund Balance, June 30	\$ <u>4,425,040</u>	\$ <u>8,763,714</u>	\$ <u>8,816,175</u>	\$ <u>8,713,287</u>	\$ <u>8,678,837</u>	\$ <u>8,547,887</u>	

Water and Sewer Fund

Description	2010	2011	2012	2013	Amended	2015
	Actual	Actual	Actual	Actual	2014 Budget	Budget
Budgetary Fund Balance, July 1	\$ 23,952,752	\$ 24,377,704	\$ 24,884,905	\$ 25,369,919	\$ 26,179,320	\$ 26,760,990
Revenues						
Water Charges	4,981,938	5,379,423	5,528,080	5,800,744	5,750,000	5,750,000
Sewer Charges	2,266,947	2,334,449	2,298,287	2,235,289	2,350,000	2,250,000
Penalties	127,308	117,092	119,757	124,916	95,000	95,000
Tap in Fees	81,494	82,827	88,544	67,530	70,000	65,000
Meter Installations	50,301	44,123	43,951	36,460	35,000	30,000
Other Service Charges	35,712	42,850	34,818	43,460	61,500	56,500
Miscellaneous	42,355	83,143	65,644	53,116	10,000	10,000
Interest	46,732	49,738	32,823	19,313	20,000	20,000
Capital Contributions	138,068	-	-	-	-	-
Total Sources Available	<u>31,723,607</u>	<u>32,511,349</u>	<u>33,096,809</u>	<u>33,750,747</u>	<u>34,570,820</u>	<u>35,037,490</u>
Expenditures						
Cost of Sales and Services	5,750,937	6,241,875	6,334,557	6,149,790	6,453,500	6,501,950
Depreciation	1,476,318	1,260,704	1,300,509	1,343,222	1,275,000	1,345,000
Interest Expense	118,648	113,710	91,824	78,415	81,330	73,899
Transfer Out	-	10,155	-	-	-	-
Total Uses	<u>7,345,903</u>	<u>7,626,444</u>	<u>7,726,890</u>	<u>7,571,427</u>	<u>7,809,830</u>	<u>7,920,849</u>
Budgetary Fund Balance, June 30	\$ <u>24,377,704</u>	\$ <u>24,884,905</u>	\$ <u>25,369,919</u>	\$ <u>26,179,320</u>	\$ <u>26,760,990</u>	\$ <u>27,116,641</u>

**Approved Budget and Estimated Fund Balances
GOVERNMENTAL FUNDS**

	General Fund		Non-Major Governmental Funds		Total Governmental Funds	
	FY 2014 Amended	FY 2015 Approved	FY 2014 Amended	FY 2015 Approved	FY 2014 Amended	FY 2015 Approved
REVENUES						
Taxes	\$ 7,735,000	\$ 7,630,000	\$ -	\$ -	\$ 7,735,000	\$ 7,630,000
Licenses and permits	18,295,000	19,195,000	2,100,000	2,200,000	20,395,000	21,395,000
Intergovernmental	803,350	1,045,000	535,000	2,719,000	1,338,350	3,764,000
Fines and forfeitures	214,000	201,000	-	-	214,000	201,000
Charges for services	3,732,000	3,652,000	810,600	785,300	4,542,600	4,437,300
Uses of property	-	175,000	25,000	25,000	25,000	25,000
Interest	100,000	80,000	10,600	12,900	110,600	187,900
Miscellaneous	100,000	80,000	-	-	100,000	80,000
Total revenues	30,979,350	31,978,000	3,481,200	5,742,200	34,460,550	37,720,200
EXPENDITURES						
Current:						
Administration	2,244,100	2,242,550	-	-	2,244,100	2,242,550
Police	7,307,600	7,467,100	53,000	201,335	7,360,600	7,668,435
Fire	6,288,650	6,722,650	-	-	6,288,650	6,722,650
Public services	4,456,300	4,521,050	1,456,650	1,099,150	5,912,950	5,620,200
Other Agencies	450,000	455,000	-	-	450,000	455,000
Capital Outlay	6,792,997	3,089,467	3,060,000	5,255,000	9,852,997	8,344,467
Debt service:						
Principal	1,020,000	866,000	-	-	1,020,000	866,000
Interest	691,000	763,000	-	-	691,000	763,000
Total expenditures	29,250,647	26,126,817	4,569,650	6,555,485	33,820,297	32,682,302
Excess(deficiency) of revenues over(under) expenditures	1,728,703	5,851,183	(1,088,450)	(813,285)	640,253	5,037,898
OTHER FINANCING SOURCES(USES)						
Transfers in	-	-	1,825,000	1,825,000	1,825,000	1,825,000
Transfers out	(1,925,000)	(1,925,000)	-	-	(1,925,000)	(1,925,000)
Total other financing sources and uses	(1,925,000)	(1,925,000)	1,825,000	1,825,000	(100,000)	(100,000)
Net change in fund balances	(196,297)	3,926,183	736,550	1,011,715	540,253	4,937,898
Fund balances - beginning	46,009,442	45,813,145	4,643,455	5,380,005	50,652,897	51,193,150
Fund balances - ending	\$ 45,813,145	\$ 49,739,328	\$ 5,380,005	\$ 6,391,720	\$ 51,193,150	\$ 56,131,048

Approved Budget and Estimated Fund Balances PROPRIETARY FUNDS

	Water and Sewer		Golf Course		Totals	
	FY 2014 Amended	FY 2015 Approved	FY 2014 Amended	FY 2015 Approved	FY 2014 Amended	FY 2015 Approved
OPERATING REVENUES						
Charges for sales and services:						
Water fees	\$ 5,750,000	\$ 5,750,000	\$ -	\$ -	\$ 5,750,000	\$ 5,750,000
Sewer charges	2,350,000	2,250,000	-	-	2,350,000	2,250,000
Penalties	95,000	95,000	-	-	95,000	95,000
Tap in fees	70,000	65,000	-	-	70,000	65,000
Meter installations	35,000	30,000	-	-	35,000	30,000
Other service charges	61,500	56,500	-	-	61,500	56,500
Golf course revenues	-	-	1,153,000	1,092,000	1,153,000	1,092,000
Other services	-	-	-	-	-	-
Miscellaneous	10,000	10,000	-	-	10,000	10,000
Total operating revenues	<u>8,371,500</u>	<u>8,256,500</u>	<u>1,153,000</u>	<u>1,092,000</u>	<u>9,524,500</u>	<u>9,348,500</u>
OPERATING EXPENSES						
Cost of sales and services	6,453,500	6,501,950	947,550	880,050	7,401,050	7,382,000
Depreciation	1,275,000	1,345,000	320,000	325,000	1,595,000	1,670,000
Total operating expenses	<u>7,728,500</u>	<u>7,846,950</u>	<u>1,267,550</u>	<u>1,205,050</u>	<u>8,996,050</u>	<u>9,052,000</u>
NET OPERATING INCOME(LOSS)	<u>643,000</u>	<u>409,550</u>	<u>(114,550)</u>	<u>(113,050)</u>	<u>528,450</u>	<u>296,500</u>
NON-OPERATING REVENUES						
Interest income	20,000	20,000	4,000	3,000	24,000	23,000
Interest expense	(81,330)	(73,899)	(123,900)	(120,900)	(205,230)	(194,799)
Total non-operating income	<u>(61,330)</u>	<u>(53,899)</u>	<u>(119,900)</u>	<u>(117,900)</u>	<u>(181,230)</u>	<u>(171,799)</u>
Transfers	-	-	100,000	100,000	200,000	100,000
NET INCOME	<u>581,670</u>	<u>355,651</u>	<u>(134,450)</u>	<u>(130,950)</u>	<u>447,220</u>	<u>224,701</u>
NET POSITION-BEGINNING OF YEAR	<u>26,179,320</u>	<u>26,760,990</u>	<u>8,813,287</u>	<u>8,678,837</u>	<u>34,992,607</u>	<u>35,439,827</u>
NET POSITION-END OF YEAR	<u>\$ 26,760,990</u>	<u>\$ 27,116,641</u>	<u>\$ 8,678,837</u>	<u>\$ 8,547,887</u>	<u>\$ 35,439,827</u>	<u>\$ 35,664,528</u>

Departmental Structure

Administration

The Administration department consists of the Mayor's office, economic development, finance, human resources, information technology and risk management. The mayor's office provides the direction and supervision of all departments and functions of the City. The economic development function is to retain and attract businesses for the retail and business districts. The finance function ensures the collection of all revenues and the payment of all expenditures along with the maintenance of the budget process. Human resources ensure the adherence to the compensation plan and provide leadership and direction with all fringe benefits available to city employees. The information technology consists of recommendations from outsourced consultants to make annual improvements to the information infrastructure, annual capital replacements, licensing and software renewals. The risk management function strives to maintain the safety of the employees, initiates annual renewals of all forms of insurance, manages workers compensation claims and regulates OSHA issues.

Police

The Police department consists of the patrol and administrative divisions. The patrol division includes the SWAT team, manages the highway safety grant, the Honor Guard, the accident investigation team, and the canine unit. The administrative division includes the community resource unit, the volunteers in policing, the office staff, the crime scene investigation unit and the criminal investigation unit.

The SWAT team is comprised of officers that have specialized training for situations such as high risk/arrest warrants, barricaded subjects and hostage rescue. The management of the highway safety grant focuses on traffic safety and occupant safety. The Honor Guard is composed of officers who train basic drill and ceremony, with emphasis on color guard and flag etiquette. The accident investigation team investigates fatal, potentially fatal and serious traffic collisions. The canine unit performs searches of buildings, areas, articles and narcotic searches of both vehicles and buildings.

The community resource unit partners with the community to reduce crime in the City. The volunteers in policing assist the community resource unit as well as helping out with numerous public events. The office staff is the first point of contact for the public and handles all of the daily tasks. The crime scene investigation unit is responsible for evidence collection, preservation and processing crime scenes. The criminal investigation unit consists of detectives that are assigned to personal and property crimes.

Fire

The Fire and EMS department provides fire and rescue services, emergency medical services, code compliance and public fire education. The fire and rescue services are provided for EMS assists, structure fires, vehicles fires as well as vegetation fires. The emergency medical services utilizes Advanced Life Support training and equipment for all incidents. The code

compliance staff performs fire prevention inspections and enforces portions of the City Property Maintenance Code. The public fire education staff provides fire prevention and citizen CPR/first-aid training, the annual smoke detector blitz and safe car seat installation.

Public Services

The Public Services department consists of facilities management, fleet management, streets, grounds maintenance, parks and recreation and storm water. The facilities division maintains and manages the 21 City owned building structures. The fleet division maintains all City owned vehicles. The street division is responsible for 169 lane miles on more than 368 City streets. The grounds maintenance division manages 158 acres of mowed grass and 211,000 square feet of landscape beds. The parks and recreation division maintains and upgrades all City parks, grounds, paths and sidewalks. The storm water division is responsible for the management of the system as well as ensuring compliance with Federal standards.

Water/Sewer Administration

The water/sewer administration department provides for the collection of all utility bills and is the initial contact for utility system issues and questions.

Sewer

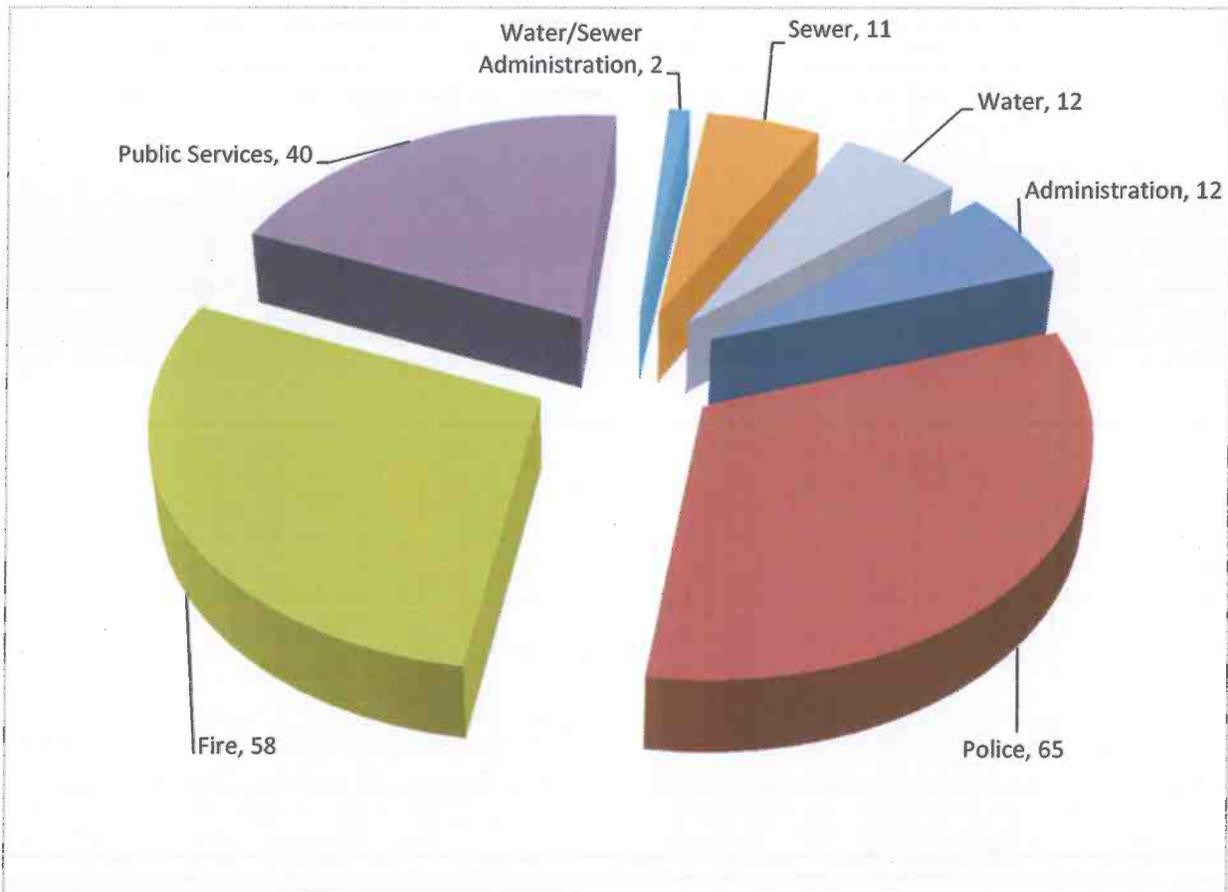
This department is responsible for the maintenance and management of 137 miles of sanitary sewer lines. The department provides project maintenance, preventative maintenance, repairs and regulatory compliance requirements for the system. Duties performed by departmental personnel include system cleaning, CCTV inspections, smoke and dye testing, floe monitoring, pump station maintenance and system repairs. The department is also responsible for the project management of contracted work, oversight of engineering studies, and inspection and acceptance of new construction by developers.

Water

The department maintains 149 miles of water lines and takes a very proactive role in providing potable water of the highest quality. The department uses many techniques in keeping the distribution system at a high level of performance. Included in those techniques are water distribution management studies, routine maintenance, preventative maintenance, rehabilitation, and replacement strategies.

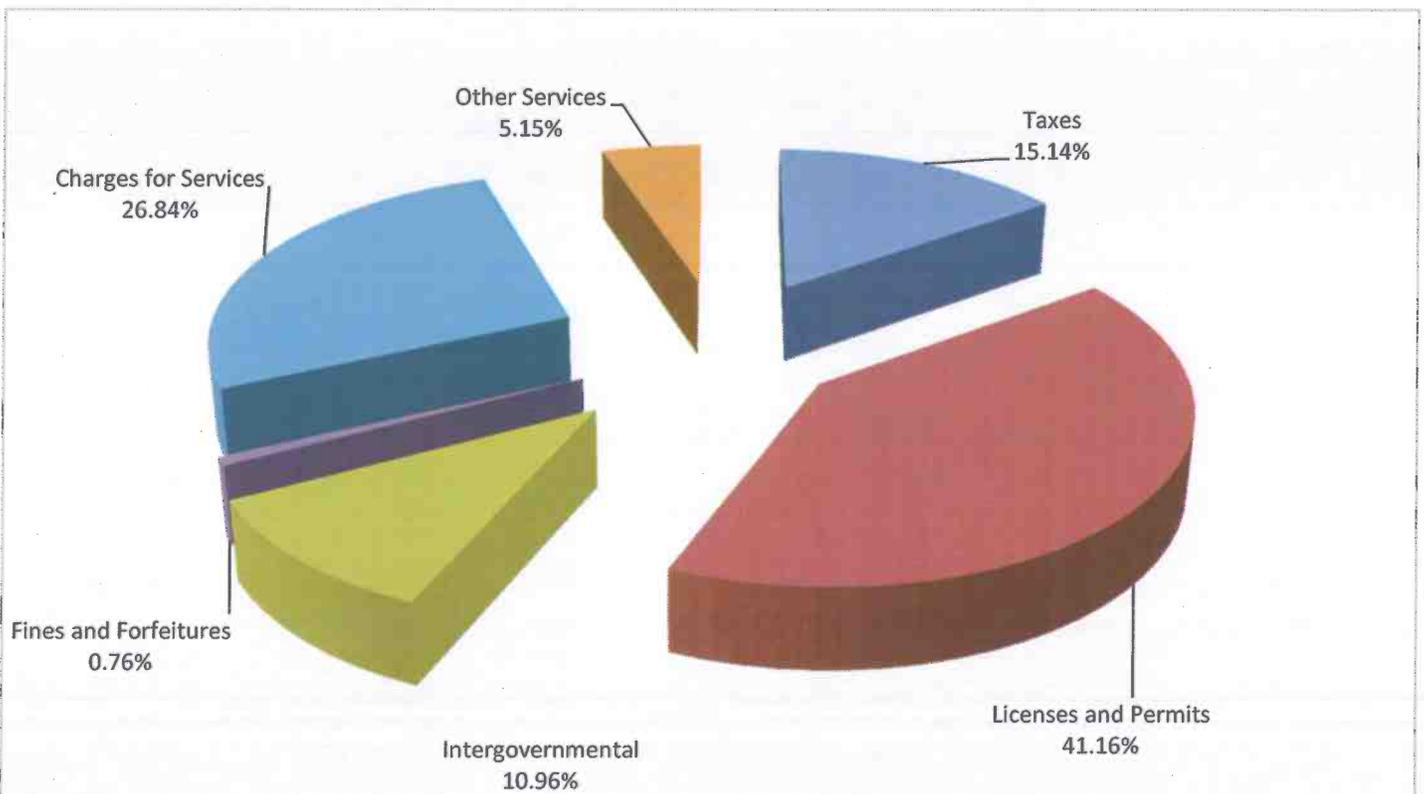
Personnel Summary Full-Time Employees

Personnel	2010	2011	2012	2013	2014	Budgeted 2015
Administration	12	12	12	12	12	12
Police	65	65	65	66	65	65
Fire	52	52	52	52	52	58
Public Services	40	40	40	40	40	40
Water/Sewer Administration	2	2	2	2	2	2
Sewer	11	11	11	11	11	11
Water	12	12	12	12	12	12
Total Full-Time	194	194	194	195	194	200



Where the Money Comes From All Funds

Revenues	2010 Actual	2011 Actual	2012 Actual	2013 Actual	Amended 2014 Budget	2015 Budget
Taxes	\$ 8,147,996	\$ 7,984,697	\$ 7,695,996	\$ 7,707,092	\$ 7,735,000	\$ 7,630,000
Licenses and Permits	19,177,295	19,721,524	20,925,823	21,331,899	20,395,000	21,395,000
Intergovernmental	3,305,198	7,357,049	5,573,497	2,865,626	1,338,350	3,764,000
Fines and Forfeitures	405,567	370,553	384,393	372,306	324,000	296,000
Charges for Services	12,333,519	13,096,106	13,642,908	13,751,825	13,611,600	13,205,300
Other Services	2,734,628	2,643,767	2,615,928	3,347,819	2,620,600	2,677,300
Uses of Property	44,614	88,942	40,183	116,425	25,000	25,000
Interest	412,584	427,364	328,739	238,888	623,100	700,900
Miscellaneous	173,892	227,086	185,551	138,608	97,000	95,500
Refunding Bonds Issued	-	6,720,000	5,640,000	-	-	-
Capital Contributions	1,773,143	3,745,335	-	-	-	-
Transfers In	13,801,937	1,125,000	1,588,176	2,425,000	425,000	425,000
Total Sources Available	\$ 62,310,373	\$ 63,507,423	\$ 58,621,194	\$ 52,295,488	\$ 47,194,650	\$ 50,214,000



REVENUE DISCUSSIONS

General Fund

The General Fund is the chief operating fund of the City which accounts for all the financial transactions not accounted for in another fund. All of the government's activities should be reported in this fund unless there is a specific reason to report the activity in another fund type.

Sources of Revenues

The City of Florence, Kentucky derives revenue from various different sources including property taxes, licenses and permits, grants, charges for services, fines and forfeitures and investment earnings. Due to the varying types of revenue, many different methods must be employed to project revenues. The projection method selected depends on the nature and materiality of the revenue source and the period of time over which the revenue is projected. The specific revenue projection techniques employed are discussed below.

Revenue Projection Techniques

Historical Data – This method predicts future revenue based on historical movements over time and assumes that historical trends will continue in the future.

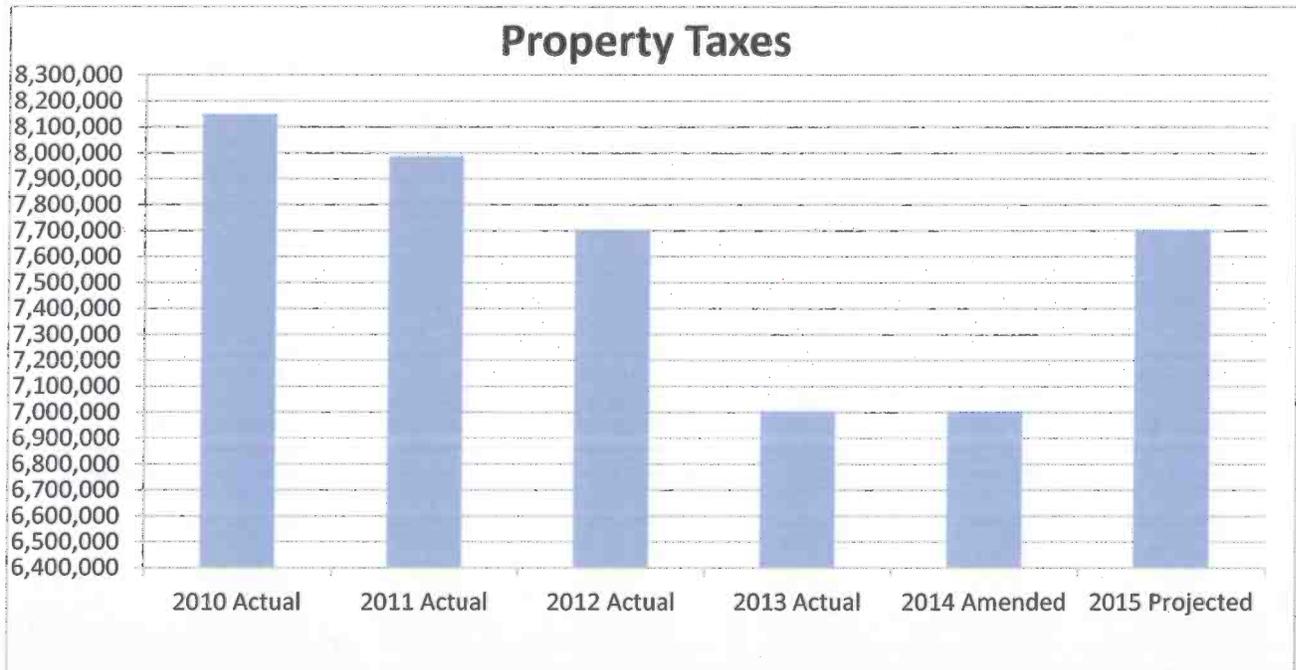
Facts and Circumstances – This method predicts future revenue on facts and circumstances uniquely affecting the revenue source. This method is often supported by certain documentation in the form of lease and or rental agreements, grant agreements, service contracts, statistical reports, etc. Projections may be adjusted for anticipated changes in the economy, legislation, inflation and demographics.

Current Data – This method predicts future revenue based on actual or annualized current year revenues and is often used when historical data and trends are not available or, if used, would result in an inaccurate revenue projection.

Property Taxes

The City follows Chapter 132 of the Kentucky Revised Statutes as it relates to property taxes. The City is subject to a recall petition if it levies a tax rate that will produce revenue greater than 4%, exclusive of revenue from net assessment growth, than would be produced by application of the tax rate that was levied in the preceding year to the preceding year's assessments. Property taxes attach as an enforceable lien on property. Property taxes are levied as of January 1 on property values assessed as of the same date as determined by the County Property Valuation Administration (PVA) these taxes are levied annually by ordinance in September. The taxes are billed on approximately October 1 and are due and payable on December 31. On January 1, the bill becomes delinquent and penalties and interest may be assessed by the City. A lien may be placed on the property on January 1. Total real property tax assessments were \$2,391,940,918 and tangible tax assessments were \$310,617,351. The

real tax rate was \$.246 per \$100 assesses and the personal property tax rate was \$.403 per \$100 assessed.



Occupational License Fees

Employees working within the City of Florence are to be taxed at a rate of 2.0% of their gross wages/compensation earned within the City of Florence. An annual cap on the taxable wage or compensation is set at an amount equal to the Federal Social Security maximum. All license fees are due 30 days after the end of each calendar quarter.

Businesses operating within the City of Florence are required to secure an occupational license. This license must be renewed annually by the 15th day of the fourth month after the business year-end. The annual occupational license fee is calculated by applying a rate of .001 or .1% on total gross receipts. The minimum fee is \$40 for business with total gross receipts from \$0-\$40,000. The maximum fee is \$10,000 for businesses with a total income of \$10,000,000 or more.

Insurance License Fees

A license fee is imposed on each insurance company which issues policies to residents or businesses within the corporate limits of the City. The fee on life insurance policies is 8% of the first year's premiums. The fee on all other forms of insurance policies such as automobile, fire, casualty, inland marine is 8% annually. All license fees are due 30 days after the end of each calendar quarter.

Other Taxes and License Fees

The City also collects omitted tangible tax, franchise tax, bank deposit tax and delinquent taxes. In addition, the City has various alcohol beverage fees that must be paid by persons or businesses that store, sell, purchase or transport alcoholic beverages.

Intergovernmental Revenues

Intergovernmental revenues consist of various grants that may be awarded during the fiscal year. Types of grant revenue received have been for road reconstruction, beautification projects, safety equipment, drug enforcement and traffic safety.

Fines and Forfeitures

This classification consists of code enforcement, false alarms, parking tickets and penalty and interest paid during the year.

Charges for Services

The primary sources of revenue are derived from EMS runs and the annual revenue received from the Florence Fire Protection District for providing fire and EMS services to the District. A new contract with the District was negotiated and approved by Council in April 2013. The City also derives revenue from various tenants that it rents to as well as from storm water charges that are assessed.

Interest

Interest income has been dropping due to cuts made by the financial institutions during the past couple of fiscal years. Cash flow has continued to improve.

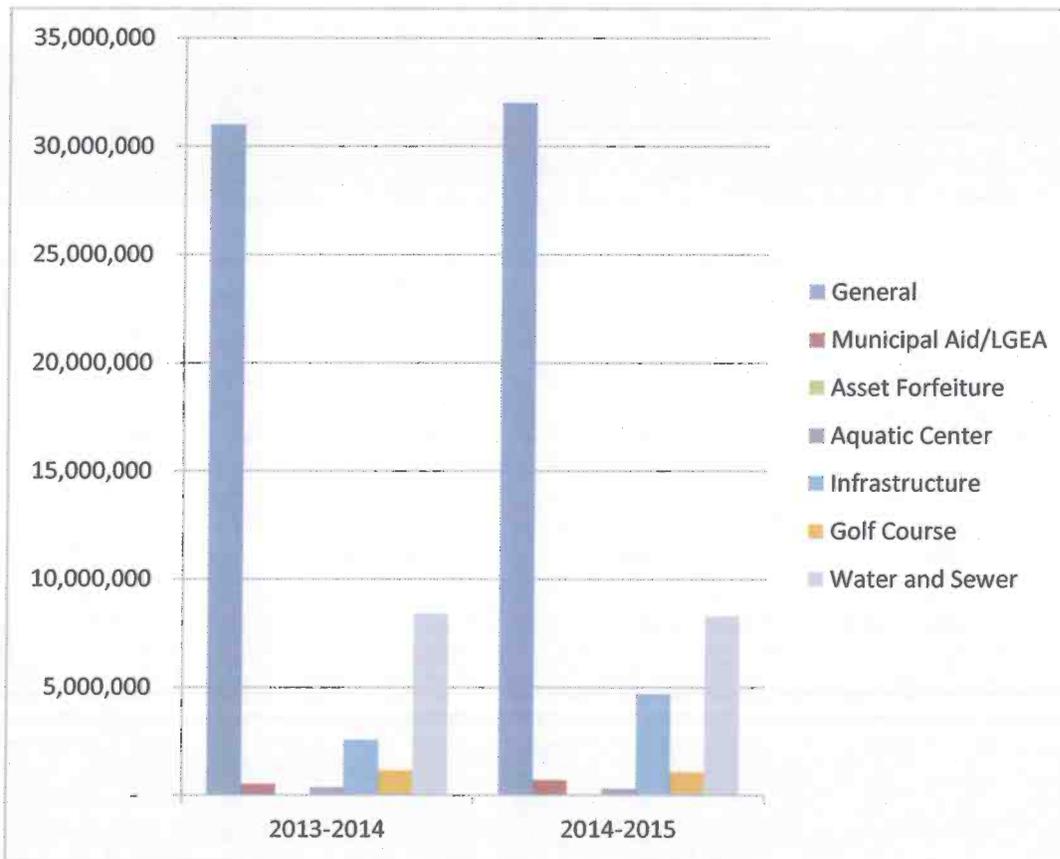
Miscellaneous Revenue

This classification consists of revenue that is not appropriate to be classified in any of the above mentioned categories. Sources of miscellaneous income include insurance claims, reimbursements, donations, auction and recreation fees.

Budget Revenue Comparisons By Fund Fiscal 2013-2014 to Fiscal 2014-2015

Fund	Amended		Change	
	Budget 2013-2014	Budget 2014-2015	From Prior Year	Percent Change
General	\$ 30,979,350	\$ 31,978,000	\$ 998,650	3.22%
Municipal Aid/LGEA	537,200	721,200	184,000	34.25%
Asset Forfeiture	25,900	25,900	-	0.00%
Aquatic Center	366,600	315,100	(51,500)	-14.05%
Infrastructure	2,551,500	4,680,000	2,128,500	83.42%
Golf Course	1,157,000	1,095,000	(62,000)	-5.36%
Water and Sewer	8,391,500	8,276,500	(115,000)	-1.37%
Total	\$ 44,009,050	\$ 47,091,700	\$ 3,082,650	7.00%

Total does not include transfers or internal service fund.



All Funds - Revenue Summary

001 General			Amended		Change	
ACCOUNT TITLE	Audit	Audit	Budget	Budget	From	Percent
	2011-2012	2012-2013	2013-2014	2014-2015	Prior Year	Change
Property Taxes (Less Disc.)	\$ 6,980,878	\$ 7,003,025	\$ 7,000,000	\$ 7,100,000	100,000	1.43%
Franchise Taxes	271,168	272,693	300,000	280,000	(20,000)	-6.67%
Cable Franchise Taxes	250,292	248,048	250,000	250,000	-	0.00%
Insurance Premium Taxes	3,751,078	4,098,924	3,800,000	4,000,000	200,000	5.26%
Bank Deposits Taxes	193,658	183,325	185,000	200,000	15,000	8.11%
Occupational Licenses	2,157,587	2,235,304	1,900,000	2,100,000	200,000	10.53%
Alcoholic Beverage Licenses	98,700	113,900	95,000	95,000	-	0.00%
Payroll Taxes	14,912,330	12,623,522	12,500,000	12,800,000	300,000	2.40%
Inspection Fees	6,129	12,172	-	-	-	0.00%
HB 413 Revenue	43,977	45,375	45,000	42,000	(3,000)	-6.67%
Grant Receipts	1,152,230	256,161	323,350	535,000	211,650	65.46%
Police Incentive	244,252	251,302	240,000	245,000	5,000	2.08%
Fire Incentive	192,596	209,306	195,000	223,000	28,000	14.36%
Bonds-Mail Road	3,360,470	1,455,872	-	-	-	0.00%
Rent - Nature Park Building	16,525	21,960	15,000	15,000	-	0.00%
Gov't Center-O/S Maint	10,039	10,039	10,000	10,000	-	0.00%
Gov't Center-Utilities	25,785	25,382	25,000	25,000	-	0.00%
Rent - Government Center	137,565	137,565	137,000	137,000	-	0.00%
Rent - Telecommunications	24,048	24,704	24,000	29,000	5,000	20.83%
Rent - State Office Building	172,884	173,204	173,000	173,000	-	0.00%
Rent - Land	22,740	22,740	23,000	23,000	-	0.00%
Storm Water Charges	675,443	238,538	225,000	210,000	(15,000)	-6.67%
Contractual Charges	80,000	90,000	90,000	90,000	-	0.00%
Rental - Baseball Prop.	180,240	66,000	110,000	110,000	-	0.00%
Service to Fire District	1,452,712	1,530,103	1,700,000	1,630,000	(70,000)	-4.12%
Ambulance Svc revenues	1,205,524	1,261,833	1,200,000	1,200,000	-	0.00%
Interest on Investments	217,705	165,645	100,000	175,000	75,000	75.00%
False alarm Fees	12,550	8,100	10,000	9,000	(1,000)	-10.00%
Penalty / Interest	217,267	212,257	175,000	150,000	(25,000)	-14.29%
Code Enforcement	31,129	25,263	25,000	25,000	-	0.00%
Parking Tickets	3,690	1,770	4,000	2,000	(2,000)	-50.00%
Drug Enforcement Agency	14,905	20,830	15,000	15,000	-	0.00%
Miscellaneous Revenue	82,520	24,207	25,000	25,000	-	0.00%
Seniot Ctr Funding	-	8,000	8,000	13,000	5,000	62.50%
Insurance Claims	740	19,850	20,000	15,000	(5,000)	-25.00%
Police Auction	20,525	20,732	20,000	15,000	(5,000)	-25.00%
Parks/Recreation	16,334	13,325	12,000	12,000	-	0.00%
Bond Proceeds	5,640,000	-	-	-	-	0.00%
Total General	\$ 43,876,215	\$ 33,130,976	\$ 30,979,350	\$ 31,978,000	998,650.00	3.22%

All Funds - Revenue Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
201 Municipal Aid/LGEA						
Municipal Aid	\$ 554,968	\$ 593,593	\$ 525,000	\$ 710,000	185,000	35.24%
LGEA Coal Severance	5,350	4,110	5,000	4,000	(1,000)	-20.00%
LGEA Mineral Severance	4,750	4,077	5,000	5,000	-	0.00%
Interest	2,781	1,986	2,200	2,200	-	0.00%
Total Municipal Aid/LGEA	\$ 567,849	\$ 603,766	\$ 537,200	\$ 721,200	184,000	34.25%
204 Asset Forfeiture						
Asset Forfeitures	\$ 40,183	\$ 116,425	\$ 25,000	\$ 25,000	-	0.00%
Interest	1,336	865	900	900	-	0.00%
Total Asset Forfeiture	\$ 41,519	\$ 117,290	\$ 25,900	\$ 25,900	0	0.00%
205 Aquatic Center						
Daily Admission	\$ 295,541	\$ 225,301	\$ 270,000	\$ 225,000	(45,000)	-16.67%
Memberships	60,436	52,410	55,000	50,000	(5,000)	-9.09%
Concessions	15,460	9,989	15,000	15,000	-	0.00%
Programs	21,835	20,927	19,000	19,000	-	0.00%
Locker Rental	1,317	886	1,100	800	(300)	-27.27%
Interest	6,777	5,218	6,000	4,800	(1,200)	-20.00%
Miscellaneous	987	352	500	500	-	0.00%
Total Aquatic Center	\$ 402,353	\$ 315,083	\$ 366,600	\$ 315,100	-51,500	-14.05%
203 Infrastructure Fund						
Payroll Taxes	\$ -	\$ 2,248,077	\$ 2,100,000	\$ 2,200,000	100,000	4.76%
Grants	-	25,000	-	2,000,000	2,000,000	100.00%
Storm Water	-	450,000	450,000	475,000	25,000	5.56%
Interest	-	3,593	1,500	5,000	3,500	233.33%
Total Infrastructure	\$ -	\$ 2,726,670	\$ 2,551,500	\$ 4,680,000	2,128,500	83.42%

All Funds - Revenue Summary

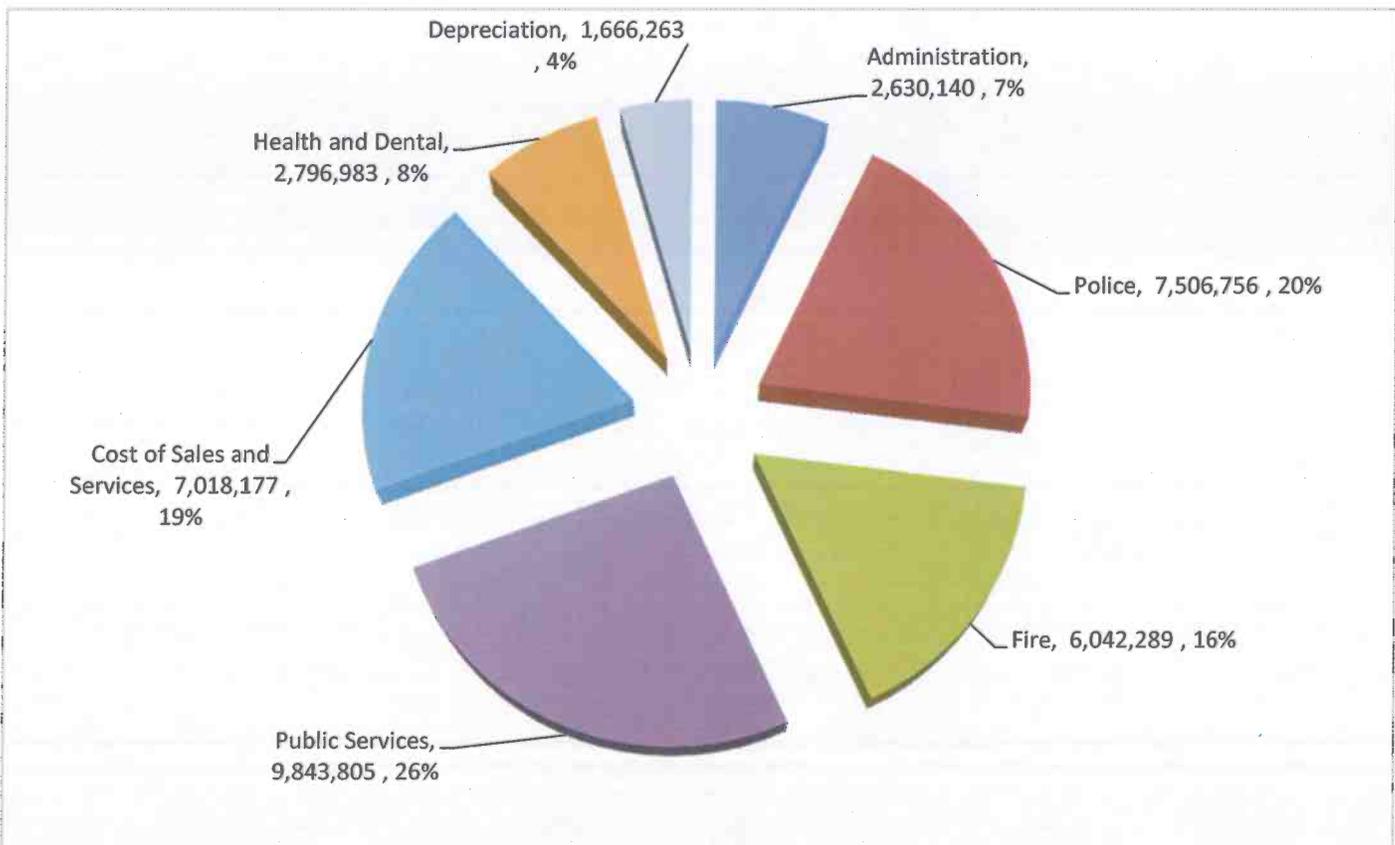
ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
501 Golf Course						
Greens Fees	\$ 280,737	\$ 262,226	\$ 265,000	\$ 260,000	\$ (5,000)	-1.89%
Driving Range	248,822	244,385	235,000	235,000	-	0.00%
Golf Carts	123,724	115,665	115,000	115,000	-	0.00%
Indoor Range	21,694	24,112	20,000	15,000	(5,000)	-25.00%
Miniature Golf	279,522	200,238	205,000	200,000	(5,000)	-2.44%
Junior Golf Revenue	59,323	57,721	60,000	60,000	-	0.00%
Golf Memberships	7,700	7,500	8,000	8,000	-	0.00%
Golf Simulator	20,762	20,112	18,000	15,000	(3,000)	-16.67%
Club Rental	1,847	2,015	2,000	2,000	-	0.00%
Club Repair	2,493	2,935	2,500	2,500	-	0.00%
Tournaments	4,196	3,224	4,500	3,500	(1,000)	-22.22%
Group lessons	25,393	23,208	25,000	25,000	-	0.00%
Private Lessons	60,371	91,158	95,000	65,000	(30,000)	-31.58%
Coupons	(108,485)	(104,151)	(95,000)	(95,000)	-	0.00%
Merchandise	75,821	94,605	70,000	70,000	-	0.00%
Hall Rental	1,760	531	1,000	1,000	-	0.00%
Food and beverage	42,664	38,916	38,000	35,000	(3,000)	-7.89%
Beer	43,932	42,671	40,000	35,000	(5,000)	-12.50%
Soft drinks	32,848	24,029	25,000	20,000	(5,000)	-20.00%
Fountain Drinks	8,215	11,721	10,000	10,000	-	0.00%
Liquor and wine	1,977	2,179	2,000	2,000	-	0.00%
Interest	5,274	3,231	4,000	3,000	(1,000)	-25.00%
Miscellaneous	8,919	36,365	4,000	5,000	1,000	25.00%
Video Games	1,787	993	3,000	500	(2,500)	-83.33%
Tips	3,911	3,429	-	2,500	2,500	100.00%
Total Golf Course	\$ 1,255,207	\$ 1,209,018	\$ 1,157,000	\$ 1,095,000	\$ (62,000)	-5.36%

All Funds - Revenue Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
503 Water and Sewer						
Water Sales	\$ 5,528,080	\$ 5,800,744	\$ 5,750,000	\$ 5,750,000	-	0.00%
Water Taps	28,375	24,334	25,000	25,000	-	0.00%
Sewer Receipts	2,298,287	2,235,289	2,350,000	2,250,000	(100,000)	-4.26%
Sewer Taps	60,169	43,196	45,000	40,000	(5,000)	-11.11%
Penalties	119,757	124,915	95,000	95,000	-	0.00%
Service Charge	34,818	43,460	30,000	30,000	-	0.00%
Meter Installation	43,951	36,460	35,000	30,000	(5,000)	-14.29%
Inspection Fees	1,450	1,790	2,500	2,500	-	0.00%
Miscellaneous	36,445	27,584	10,000	10,000	-	0.00%
Credit Card Fees	5,766	6,084	4,000	4,000	-	0.00%
Boone Florence Reimburse	21,983	17,659	25,000	20,000	(5,000)	-20.00%
Dividend/Interest Income	32,823	19,313	20,000	20,000	-	0.00%
Total Water and Sewer	\$ 8,211,904	\$ 8,380,828	\$ 8,391,500	\$ 8,276,500	(115,000)	-1.37%

Where the Money Goes All Funds

	2010	2011	2012	2013	Amended 2014	2015
Revenues	Actual	Actual	Actual	Actual	Budget	Budget
Administration	\$ 2,532,439	\$ 2,052,309	\$ 2,606,085	\$ 2,630,140	\$ 2,700,700	\$ 2,820,425
Police	7,325,777	7,166,331	7,125,219	7,506,756	7,692,997	7,916,427
Fire	6,915,893	5,724,424	6,242,126	6,042,289	6,508,650	7,465,250
Public Services	8,747,234	15,748,710	15,072,806	9,843,805	15,206,950	12,851,200
Cost of Sales and Services	6,249,099	6,858,796	7,188,721	7,018,177	7,401,050	7,382,000
Health and Dental	1,754,401	1,963,517	2,260,239	2,796,983	2,375,650	2,541,500
Depreciation	1,553,589	1,407,066	1,615,447	1,666,263	1,595,000	1,670,000
Loss on Disposal	47,497	9,774	-	233	-	-
Debt Service	2,391,269	2,962,873	2,798,126	1,909,836	1,916,230	1,823,799
Payment to Refunded Bond						
Escrow Agent	-	6,080,000	5,020,000	-	-	-
Bond Discount	-	-	92,963	-	-	-
Transfers Out	4,903,985	4,880,490	1,425,000	2,425,000	1,925,000	1,925,000
Total Uses	\$ 42,421,183	\$ 54,854,290	\$ 51,446,732	\$ 41,839,482	\$ 47,322,227	\$ 46,395,601



Expenditure Discussion

General Fund – FY 2014-15 operating expenditures for the General Fund increased by \$0.9 million, or 4.0%. This increase is primarily due to:

- SAFER Grant – The City was awarded a SAFER grant to hire an additional six firefighter EMT and paramedics, this increased the personnel costs in the fire department over last year.
- Drug task force – The City decided to move forward and establish a drug task force in the police department. In order to accomplish this, the City has committed to hiring three additional police officers.

General Fund – FY 2014-2015 capital expenditures decreased by \$3.6 million, or 43.4%. The decrease was primarily due to:

- Fire Substation – The City completed the construction of a fire substation in the amount of \$3.0 million in June 2014.
- CMAQ Grant – The City is also in the process of the completion of adding a turn lane on US 42 highway entering Mall Road retail district in the amount of \$580,000.

Special Revenue Expense Funds – Special Revenue Funds are made up of Municipal Aid/LGEA, Infrastructure, Asset Forfeiture and Aquatic Center Funds. FY 2014-15 expenditures for Special Revenue Expense Funds increased \$3.7 million, or 133.2%. This increase is primarily due to:

- Municipal Aid – Increase of \$35,000 due to street resurfacing projects.
- Infrastructure – Increase of \$3.5 million due to the development of a parcel of property on Mall Road that the City has agreed to provide infrastructure improvements for.
- Asset Forfeiture – Increase of \$148,000 due to expenditures related to the hiring of three additional police officers for the drug task force unit. In addition, the police department is going to re-construct the property room.
- Aquatic Center – Expenditures for this fund remain consistent with those of the previous year due to general operating and contractual obligations.

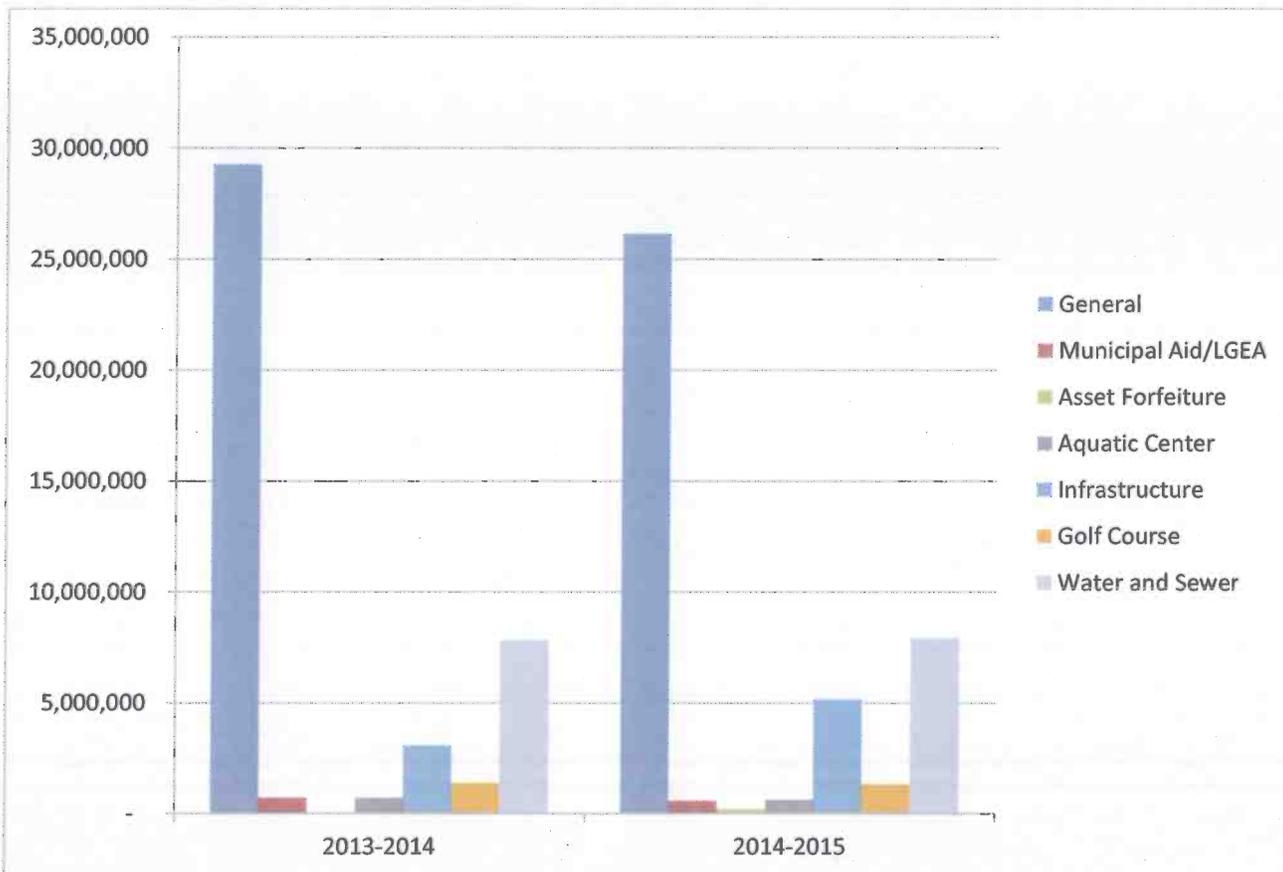
Enterprise Funds – The Enterprise Funds are made up of the Golf Course Fund and the Water and Sewer Fund. The FY 2014-15 expenditures for the Enterprise Funds increased by \$44,000, or 0.5%. This increase is primarily due to:

- Golf Course – The golf course expenses decreased by \$65,000 due to decline in some operational costs.
- Water and Sewer – The water and sewer fund expenses increased by \$109,000. The majority of this increase is due to a 5% increase in the cost of water that The City purchases from the Boon-Florence Water District.

Budget Appropriation Comparisons By Fund Fiscal 2013-2014 to Fiscal 2014-2015

Fund	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
General	\$ 29,250,647	\$ 26,126,817	\$ (3,123,830)	-10.68%
Municipal Aid/LGEA	735,200	590,200	(145,000)	-19.72%
Asset Forfeiture	53,000	201,335	148,335	279.88%
Aquatic Center	721,450	628,950	(92,500)	-12.82%
Infrastructure	3,060,000	5,135,000	2,075,000	67.81%
Golf Course	1,391,450	1,325,950	(65,500)	-4.71%
Water and Sewer	7,809,830	7,920,849	111,019	1.42%
Total	\$ 43,021,577	\$ 41,929,101	\$ (1,092,476)	-2.54%

Total does not include transfers or internal service fund.



All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
001 General Fund						
Administration/Finance						
Mayor/Council Salaries	\$ 116,043	\$ 119,477	\$ 122,000	\$ 124,000	\$ 2,000	1.64%
Salaries	526,889	540,683	542,000	550,000	8,000	1.48%
Education Incentive	1,551	1,553	1,600	1,600	-	0.00%
Temporary Employees	2,984	5,259	14,000	14,000	-	0.00%
Unscheduled	382	-	5,000	5,000	-	0.00%
F.I.C.A.	46,500	47,949	54,000	54,500	500	0.93%
Non-Hazardous Duty	102,292	106,993	113,000	110,000	(3,000)	-2.65%
Deferred Compensation	25,502	26,154	30,000	25,000	(5,000)	-16.67%
Health Insurance	107,814	108,300	105,000	110,000	5,000	4.76%
Dental Insurance	6,215	6,215	6,500	6,500	-	0.00%
Group Life	852	905	1,000	1,000	-	0.00%
Long Term Disability	672	872	1,000	1,950	950	95.00%
Workers Compensation	4,000	3,972	5,000	5,000	-	0.00%
Unemployment Insurance	-	5,382	10,000	10,000	-	0.00%
Volunteer/Employee Apprec	2,150	3,589	5,000	3,000	(2,000)	-40.00%
Special Attorney's Fees	179,826	145,612	188,500	188,500	-	0.00%
Accounting/Auditing Fees	8,264	11,000	11,000	10,000	(1,000)	-9.09%
Bank Service Charges	20,769	21,101	28,000	32,000	4,000	14.29%
Prop Valuation Admin Fees	50,000	50,000	50,000	50,000	-	0.00%
Computer Svcs - Prof Supp	182,516	184,885	195,500	195,500	-	0.00%
Code Enforcement Services	2,650	2,450	3,000	3,000	-	0.00%
Special Projects Codification	3,017	1,701	5,000	5,000	-	0.00%
Special Projects Consulting	183,600	183,600	220,000	220,000	-	0.00%
Special Studies Contracts	-	-	50,000	30,000	(20,000)	-40.00%
Hiring Expenditures	419	-	1,000	1,000	-	0.00%
Legal Advertising	5,770	5,066	15,000	15,000	-	0.00%
Community Relations	22,452	23,342	30,000	30,000	-	0.00%
Office Supplies	10,827	12,735	15,000	10,000	(5,000)	-33.33%
Mailing House	2,184	1,142	1,500	1,500	-	0.00%
Motor Fuels	2,056	1,563	2,000	2,000	-	0.00%
Local Telephone Service	15,453	16,361	15,500	16,500	1,000	6.45%
Liability Insurance	270,258	263,665	280,000	290,000	10,000	3.57%
Training & Travel	7,044	15,012	26,000	25,000	(1,000)	-3.85%
Equipment Repairs & Maint	10,156	10,922	13,500	13,500	-	0.00%
Vehicle Maintenance	923	531	1,000	1,000	-	0.00%
Prof. Memberships & Publ.	27,376	30,377	32,000	25,000	(7,000)	-21.88%
Postage	20,257	17,413	22,000	30,000	8,000	36.36%
Miscellaneous	7,719	8,882	12,000	15,000	3,000	25.00%
Cable TV / Recreation	6,239	3,094	7,000	7,000	-	0.00%
Ins Loss - Reimb of Deductible	37	12,954	4,500	4,500	-	0.00%
Total Administration/Finance	\$ 1,983,658	\$ 2,000,711	\$ 2,244,100	\$ 2,242,550	\$ (1,550)	-0.07%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
Public Services						
Salaries	\$ 1,739,136	\$ 1,793,180	\$ 1,820,000	\$ 1,940,000	\$ 120,000	6.59%
Education Incentive	3,178	3,174	4,000	4,000	-	0.00%
Temporary Employees	55,377	59,656	66,000	66,000	-	0.00%
Unscheduled	38,610	73,794	110,000	76,000	(34,000)	-30.91%
F.I.C.A.	130,372	136,641	153,000	165,000	12,000	7.84%
Non-Hazardous Duty	339,953	363,015	360,000	380,000	20,000	5.56%
Deferred Compensation	87,962	87,799	90,000	83,000	(7,000)	-7.78%
Health Insurance	444,707	457,673	470,000	440,000	(30,000)	-6.38%
Dental Insurance	26,101	25,863	27,300	28,000	700	2.56%
Group Life	3,927	3,862	4,000	4,000	-	0.00%
Long Term Disability	2,482	2,445	3,500	7,550	4,050	115.71%
Workers Compensation	41,815	49,491	55,000	50,000	(5,000)	-9.09%
Unemployment Insurance	-	850	10,000	10,000	-	0.00%
Employee Health Programs	4,951	6,694	6,000	6,000	-	0.00%
Special Engineering Fees	28,249	24,242	25,000	25,000	-	0.00%
Debris & Weed Cutting	21,508	18,684	20,000	20,000	-	0.00%
Contracted Services	10,519	11,018	9,000	12,000	3,000	33.33%
Special Studies	-	-	29,000	-	(29,000)	-100.00%
Hiring Expenses	-	885	2,000	2,000	-	0.00%
Community Relations	45,288	51,264	55,000	55,000	-	0.00%
Community Services Program	7,478	5,057	7,000	7,000	-	0.00%
Janitorial Supplies	19,458	15,447	20,000	20,000	-	0.00%
Office Supplies	3,200	4,811	6,000	6,000	-	0.00%
Maintenance Supplies	11,244	37,563	38,000	38,000	-	0.00%
Motor Fuels	125,951	127,340	140,000	130,000	(10,000)	-7.14%
Street Signs	11,668	24,874	21,000	21,000	-	0.00%
Program Supplies/Printing	3,562	4,203	4,000	4,000	-	0.00%
Small Tools	5,530	8,463	8,000	8,000	-	0.00%
Uniforms and Mats	16,724	14,695	15,000	15,000	-	0.00%
Utility Service - Street Lights	224,663	231,024	255,000	255,000	-	0.00%
Utility Service	214,846	207,909	210,000	210,000	-	0.00%
Local Telephone Service	20,897	23,990	23,000	23,000	-	0.00%
Rental of Equipment & Vehicles	3,950	3,964	5,000	5,000	-	0.00%
Custodial	5,576	8,748	8,000	15,000	7,000	87.50%
Training and Travel	5,880	6,842	17,000	15,000	(2,000)	-11.76%
Equipment Rep & Maint	65,332	57,355	61,000	61,000	-	0.00%
Vehicle Maintenance	50,224	43,630	50,000	50,000	-	0.00%
Building Maintenance	78,687	88,247	81,000	90,000	9,000	11.11%
Grounds Maintenance	74,739	85,611	83,000	90,000	7,000	8.43%
Storm Sewer Maintenance	57,656	66,307	65,000	65,000	-	0.00%
Memberships & Publications	1,884	2,545	3,000	3,000	-	0.00%
Miscellaneous	7,521	9,517	11,000	10,000	(1,000)	-9.09%
Insurance Loss - Reimb. of Ded	6,246	3,102	5,000	5,000	-	0.00%
Cemetery Expenditures	543	1,500	1,500	1,500	-	0.00%
Total Public Services	\$ 4,047,594	\$ 4,252,974	\$ 4,456,300	\$ 4,521,050	\$ 64,750	1.45%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit		Amended Budget		Change From Prior Year	Percent Change
	2011-2012	Audit 2012-2013	Budget 2013-2014	Budget 2014-2015		
Police						
Salaries	\$ 3,458,609	\$ 3,612,990	\$ 3,550,000	\$ 3,666,000	\$ 116,000	3.27%
Shift Differential	12,494	17,014	13,000	13,000	-	0.00%
Education Incentive	16,002	14,607	14,500	13,000	(1,500)	-10.34%
Training Incentive	180,704	182,488	200,000	209,000	9,000	4.50%
Unscheduled	169,116	190,743	230,500	225,500	(5,000)	-2.17%
F.I.C.A.	265,150	276,916	310,000	303,500	(6,500)	-2.10%
Non-Hazardous Duty	29,328	31,475	31,000	31,000	-	0.00%
Hazardous Duty	1,303,052	1,432,277	1,480,000	1,435,000	(45,000)	-3.04%
Deferred Compensation	5,768	6,374	6,500	6,500	-	0.00%
Health Insurance	780,850	790,887	805,000	835,000	30,000	3.73%
Dental Insurance	43,777	44,675	50,000	53,000	3,000	6.00%
Group Life	6,472	6,540	7,000	51,000	44,000	628.57%
Long Term Disability	4,937	4,734	6,000	11,500	5,500	91.67%
Workers Compensation	63,775	87,414	85,000	90,000	5,000	5.88%
Unemployment Insurance	-	-	10,000	10,000	-	0.00%
Employee Health Programs	2,003	2,240	2,000	2,000	-	0.00%
Contracted Services	5,556	7,177	10,000	10,000	-	0.00%
Hiring Expenditures	1,130	2,149	4,000	4,000	-	0.00%
Community Relations	17,715	19,028	16,000	16,000	-	0.00%
Office Supplies	4,981	5,072	6,000	6,000	-	0.00%
Crime Prevention	6,489	-	5,000	5,000	-	0.00%
Motor Fuels	209,408	209,174	219,600	219,600	-	0.00%
License Plates	494	1,044	500	500	-	0.00%
Technical Supplies	28,723	28,513	32,000	39,000	7,000	21.88%
Uniforms	40,298	32,602	39,000	39,000	-	0.00%
Clothing Allowance	6,172	6,492	6,500	6,500	-	0.00%
Local Telephone Service	26,229	27,382	28,000	28,000	-	0.00%
Training & Travel	22,561	29,395	49,000	47,000	(2,000)	-4.08%
Equipment Repairs & Maint	13,246	13,590	18,500	18,500	-	0.00%
Vehicle Maintenance	53,711	52,847	45,000	45,000	-	0.00%
Prof. Memberships & Publ.	6,082	4,021	4,000	4,000	-	0.00%
Miscellaneous	6,285	11,767	11,000	11,000	-	0.00%
Range Operations	287	157	3,000	3,000	-	0.00%
Ins Loss - Reimb of Dedct	898	861	2,000	2,000	-	0.00%
Printing & Publishing	1,351	757	2,000	2,000	-	0.00%
Canine Expenditures	2,812	4,028	4,000	4,000	-	0.00%
Revolving Vice/Informant Fund	-	-	500	500	-	0.00%
Immediate Care Fund	-	-	500	500	-	0.00%
Prisoner Medical Charges	-	-	1,000	1,000	-	0.00%
Total Police	\$ 6,796,465	\$ 7,157,430	\$ 7,307,600	\$ 7,467,100	\$ 159,500	2.18%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
Fire						
Salaries	\$ 1,931,126	\$ 1,999,602	\$ 2,105,150	\$ 2,260,000	\$ 154,850	7.36%
Education Incentive	22,105	21,117	25,000	22,000	(3,000)	-12.00%
Training Incentive	141,161	151,049	169,650	178,000	8,350	4.92%
Unscheduled	218,385	150,248	140,000	140,000	-	0.00%
Scheduled Overtime	762,648	789,287	899,350	970,000	70,650	7.86%
F.I.C.A.	210,443	212,917	254,950	273,000	18,050	7.08%
Non-Hazardous Duty	7,261	7,745	7,000	8,000	1,000	14.29%
Hazardous Duty	1,068,471	1,167,202	1,174,000	1,360,000	186,000	15.84%
Deferred Compensation	2,142	2,135	2,400	2,400	-	0.00%
Health Insurance	604,191	617,522	669,150	722,000	52,850	7.90%
Dental Insurance	35,683	36,939	44,000	45,000	1,000	2.27%
Group Life	5,180	5,338	5,000	6,000	1,000	20.00%
Long Term Disability	3,864	3,533	4,000	9,250	5,250	131.25%
Workers Compensation	45,519	70,662	65,000	75,000	10,000	15.38%
Unemployment insurance	-	-	10,000	10,000	-	0.00%
Employee Health Programs	11,379	15,417	16,000	16,000	-	0.00%
Medical Director	17,000	17,000	17,000	17,000	-	0.00%
Spec. Proj. - Vol. Progr.	419,122	47,318	52,000	52,000	-	0.00%
Hiring Expenditures	3,407	1,715	3,000	3,000	-	0.00%
Special Studies Contracts	-	-	40,000	-	(40,000)	-100.00%
Community Relations	6,773	3,280	5,000	5,000	-	0.00%
E.M.S. Billing	84,613	84,679	84,000	84,000	-	0.00%
Janitorial Supplies	6,701	6,654	8,000	10,000	2,000	25.00%
Office Supplies	2,809	3,835	5,000	5,000	-	0.00%
Motor Fuels	88,015	83,056	83,000	83,000	-	0.00%
Medical Supplies	64,314	69,908	65,000	65,000	-	0.00%
Fire Equipment-Personal	18,682	25,501	45,000	25,000	(20,000)	-44.44%
Fireground Equipment	6,627	20,596	20,000	20,000	-	0.00%
E.M.S. Equipment	6,343	5,634	10,000	10,000	-	0.00%
Uniforms	14,912	18,127	16,000	16,000	-	0.00%
Utility Service	41,695	43,338	41,000	41,000	-	0.00%
Local Telephone Service	27,485	30,135	30,000	30,000	-	0.00%
Training & Travel	14,695	30,337	43,000	43,000	-	0.00%
Equipment Repairs & Maint	28,053	34,952	35,000	35,000	-	0.00%
Building Maintenance	8,796	8,596	8,000	8,000	-	0.00%
Vehicle Maint - Fire Trk.	84,889	89,146	77,000	63,000	(14,000)	-18.18%
Prof. Memberships & Publ.	2,187	2,455	2,000	2,000	-	0.00%
Postage	914	758	1,000	1,000	-	0.00%
Miscellaneous	4,914	3,760	6,000	6,000	-	0.00%
Insurance Loss-Reim of Deduct	687	-	2,000	2,000	-	0.00%
Total Fire	\$ 6,023,191	\$ 5,881,493	\$ 6,288,650	\$ 6,722,650	\$ 434,000	6.90%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
Capital Outlay						
Computer Hardware	\$ 78,005	\$ 159,918	\$ 59,600	\$ 67,800	\$ 8,200	13.76%
Computer Software	19,300	41,595	25,000	21,000	(4,000)	-16.00%
Security System	99,133	725	-	-	-	0.00%
Web Site Maintenance	38,250	6,345	10,000	11,000	1,000	10.00%
Environmental/Infrastructure	26,000	15,000	15,000	16,000	1,000	6.67%
Virtual desktop Upgrade	-	99,945	-	-	-	0.00%
PD Video/Interview/recording	-	19,032	-	-	-	0.00%
Council Broadcast Equipment	-	128,966	-	-	-	0.00%
Wireless WOG/Tanners/FB3	-	-	22,000	-	(22,000)	-100.00%
Laptops/Toughbooks	1,232	9,000	20,000	-	(20,000)	-100.00%
Project Labor	-	1,035	25,000	35,000	10,000	40.00%
Disaster Recovery System	326,609	-	-	-	-	0.00%
Staff Car	-	20,667	-	-	-	0.00%
POS Aquatic Center	-	-	20,000	-	(20,000)	-100.00%
Telephone System	-	-	110,000	-	(110,000)	-100.00%
EMC Storage Capacity	-	-	-	85,000	85,000	100.00%
Core Switches and Routing	-	-	-	100,000	100,000	100.00%
Wide Format Copier-Printer	-	-	-	26,000	26,000	100.00%
Firewall Upgrade	-	-	-	20,000	20,000	100.00%
NetScaler MPX 5500	-	-	-	20,000	20,000	100.00%
Postage Machine	-	-	-	23,675	23,675	100.00%
Office Chairs	-	-	-	2,400	2,400	100.00%
Disab. Committee Expend.	707	-	2,000	2,000	-	0.00%
Municipal Building Alteration	42,037	41,347	115,000	44,000	(71,000)	-61.74%
Mowers	6,679	9,701	10,000	10,000	-	0.00%
Major Equipment PS	18,871	40,503	44,000	44,000	-	0.00%
Office Furniture	-	-	2,000	2,000	-	0.00%
Special Projects - Parks	71,291	259,325	90,000	150,000	60,000	66.67%
Replacement Equip - Parks	11,081	2,775	29,000	21,000	(8,000)	-27.59%
Highway Street Repairs	883,323	-	-	-	-	0.00%
Sidewalk Construction	90,002	-	-	-	-	0.00%
Manerlay RA Jones	200,000	-	-	-	-	0.00%
Storm Sewer	230,355	-	-	-	-	0.00%
Street Striping	69,416	65,088	95,000	100,000	5,000	5.26%
Mudjack machine	-	1,050	65,000	-	(65,000)	-100.00%
ATV Gator	9,218	-	-	-	-	0.00%
Leaf Vac	-	13,500	-	-	-	0.00%
One-Ton Dump	49,254	-	-	40,000	40,000	100.00%
Two-Ton Dumo	105,303	72,026	36,000	-	(36,000)	-100.00%
Truck - 4x4 Pickup	29,333	28,175	-	25,000	25,000	100.00%
Project-Main Street Overlay	-	507,008	-	-	-	0.00%
Project Sign Upgrade	28,013	4,713	18,000	18,000	-	0.00%
Street Lights - Houston	-	-	275,000	400,000	125,000	45.45%
Street Lights - Industrial	129,054	-	-	-	-	0.00%
Heavy Equipment-Loader	-	-	165,000	-	(165,000)	-100.00%
Heavy Equipment-Backhoe	-	42,114	80,000	-	(80,000)	-100.00%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
Capital Outlay-Continued						
Project-St. Jude Phase 1/2	\$ -	\$ -	\$ 400,000	\$ 400,000	\$ -	0.00%
Tandem Dump Truck	-	-	-	160,000	160,000	100.00%
Street Saw	-	-	-	20,000	20,000	100.00%
Tanners Master Plan	-	-	-	40,000	40,000	100.00%
Urban Forest Commission	50,021	64,344	70,000	70,000	-	0.00%
Major Equipment PD	17,542	28,385	35,000	15,000	(20,000)	-57.14%
Camera/Radio Grant	8,572	1,569	-	-	-	0.00%
Cruiser Equipment	13,332	58,880	63,297	52,992	(10,305)	-16.28%
Police Cruisers	221,476	209,063	216,000	175,000	(41,000)	-18.98%
Radios	17,685	3,041	-	2,000	2,000	100.00%
Firearms	2,600	-	2,000	3,000	1,000	50.00%
JAG	13,550	23,543	16,100	-	(16,100)	0.00%
Major Equipment FD	21,258	8,132	22,000	9,600	(12,400)	-56.36%
ALS Monitor/Defibrillators	98,696	-	-	-	-	0.00%
Ambulance	1,421	150,983	180,000	180,000	-	0.00%
Office/Station Furniture	1,378	1,680	18,000	3,000	(15,000)	-83.33%
Personal Protective Gear	75,972	-	-	-	-	0.00%
Staff Car	21,258	-	-	-	-	0.00%
Engine	-	-	-	550,000	550,000	100.00%
State Office Building-2008	161,855	163,975	161,000	158,000	(3,000)	-1.86%
Aquatic Ctr/Skate Park-2010	430,838	428,919	434,500	434,500	-	0.00%
Property	317,505	-	-	-	-	0.00%
Baseball Park-2011/2012	5,917,421	470,349	470,500	385,000	(85,500)	-18.17%
Government Center 2005	650,801	647,933	645,000	651,500	6,500	1.01%
Cost of Issuance	207,202	-	-	-	-	0.00%
City Enhancement	75,806	104,072	125,000	100,000	(25,000)	-20.00%
Mall Road	3,553,687	367,432	-	-	-	0.00%
World of Golf	150,154	6,627	-	-	-	0.00%
Fire Substation design	4,950	441,394	2,960,000	-	(2,960,000)	-100.00%
Turfway Road Grant	372,390	47,839	-	-	-	0.00%
Stadium Improvements	41,859	84,532	250,000	25,000	(225,000)	-90.00%
CMAQ US 42 Turn Lane	-	10,368	710,000	-	(710,000)	-100.00%
Wayfinding Signs	3,147	20,194	130,000	-	(130,000)	-100.00%
Park/Sr Citizen Bldg	2,857,077	123,869	-	-	-	0.00%
Main Street/Turfway	-	17,876	183,000	-	(183,000)	-100.00%
Goodridge Drive	406,250	-	-	-	-	0.00%
CareHere Clinic	-	-	80,000	-	-	0.00%
Total Capital Outlay	\$ 18,278,169	\$ 5,074,552	\$ 8,503,997	\$ 4,718,467	\$ (3,846,500)	-45.23%
Other Agencies						
Senior Center	\$ 33,898	\$ 127,202	\$ 150,000	\$ 150,000	\$ -	0.00%
Planning Commission	288,000	295,000	300,000	305,000	5,000	1.67%
Total Other Agencies	\$ 321,898	\$ 422,202	\$ 450,000	\$ 455,000	\$ 5,000	1.11%
Total General Fund	\$ 37,450,975	\$ 24,789,362	\$ 29,250,647	\$ 26,126,817	\$ (3,184,800)	-10.89%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
201 Municipal Aid/LGEA						
Bank Service Charges	\$ 172	\$ 174	\$ 200	\$ 200	-	0.00%
Street Materials	235,158	228,341	210,000	220,000	10,000	4.76%
Resurfacing Projects	333,301	323,176	225,000	230,000	5,000	2.22%
Snow Removal	23,339	83,029	300,000	140,000	(160,000)	-53.33%
Total Municipal Aid/LGEA	\$ 591,970	\$ 634,720	\$ 735,200	\$ 590,200	-145,000	-19.72%
204 Asset Forfeiture						
Bank Service Charges	\$ 174	\$ 178	\$ 150	\$ 185	35	23.33%
Miscellaneous	13,678	22,393	47,850	186,150	138,300	289.03%
Shooting Range	11,361	2,274	5,000	15,000	10,000	200.00%
Total Asset Forfeiture	\$ 25,213	\$ 24,845	\$ 53,000	\$ 201,335	148,335	279.88%
205 Aquatic Center						
Bank Service Charges	\$ 5,534	\$ 4,850	\$ 6,500	\$ 6,500	-	0.00%
Management Contract	378,450	370,000	380,000	380,000	-	0.00%
Supplies	1,867	1,131	1,000	1,000	-	0.00%
Utilities-Electric	46,541	44,207	58,000	58,000	-	0.00%
Utilities-Water	94,554	67,646	105,000	90,000	(15,000)	-14.29%
Utilities-Sewer	6,135	4,384	6,000	9,000	3,000	50.00%
Repairs and Maintenance	54,925	30,622	125,000	45,000	(80,000)	-64.00%
Telephone	628	679	700	700	-	0.00%
Miscellaneous	2,204	3,409	4,000	3,500	(500)	-12.50%
Annual Replacement Costs	65,216	37,911	250	250	-	0.00%
Refunds/Shortages	(91)	125	35,000	35,000	-	0.00%
Total Aquatic Center	\$ 655,963	\$ 564,964	\$ 721,450	\$ 628,950	-92,500	-12.82%
203 Infrastructure Fund						
Highway Street Repairs	\$ -	\$ 997,019	\$ 2,500,000	\$ 1,050,000	(1,450,000)	-58.00%
Sidewalk Construction	-	99,945	110,000	110,000	-	0.00%
Storm Sewer Improvements	-	660,185	450,000	475,000	25,000	5.56%
Mall Road Infrastructure	-	-	-	3,500,000	3,500,000	100.00%
Total Infrastructure	\$ -	\$ 1,757,149	\$ 3,060,000	\$ 5,135,000	2,075,000	67.81%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit		Amended		Change From Prior Year	Percent Change
	2011-2012	Audit 2012-2013	Budget 2013-2014	Budget 2014-2015		
501 Golf Course						
Clubhouse wages	\$ 95,493	\$ 78,989	\$ 90,000	\$ 80,000	(10,000)	-11.11%
Food and beverage Wages	51,057	29,429	50,000	40,000	(10,000)	-20.00%
Course Maintenance Wages	94,345	95,342	100,000	95,000	(5,000)	-5.00%
Putt Putt Wages	19,117	9,203	15,000	10,000	(5,000)	-33.33%
Management Wages	47,969	51,916	50,000	55,000	5,000	10.00%
Junior League Wages	22,642	31,302	45,000	35,000	(10,000)	-22.22%
FICA	26,136	23,655	26,000	26,000	-	0.00%
Pension	-	979	1,000	1,000	-	0.00%
Health Insurance	3,269	1,651	5,000	3,000	(2,000)	-40.00%
Workers Compensation	1,983	6,355	6,000	6,000	-	0.00%
Unemployment Insurance	7,236	9,295	10,000	10,000	-	0.00%
Legal Fees	-	-	1,000	1,000	-	0.00%
Accounting/Auditing Fees	3,000	3,000	3,500	3,500	-	0.00%
Bank Service Charges	35,153	32,803	38,000	40,000	2,000	5.26%
Private Lessons	21,541	60,741	60,000	40,000	(20,000)	-33.33%
Group Lessons	27,185	18,995	25,000	25,000	-	0.00%
Other Contractual	-	5	10,000	-	(10,000)	-100.00%
Management Fee	40,420	41,250	45,000	45,000	-	0.00%
Advertising	5,940	3,030	12,000	8,000	(4,000)	-33.33%
Cable TV/Music	3,771	3,442	4,000	4,000	-	0.00%
Janitorial Supplies	2,970	4,441	5,000	5,000	-	0.00%
Office Supplies	3,242	4,509	4,000	4,000	-	0.00%
Motor Fuels	12,981	12,008	13,000	13,000	-	0.00%
Licenses and Fees	3,150	4,975	4,000	4,000	-	0.00%
Equipment Expense	3,649	1,119	4,000	4,000	-	0.00%
Fertilizer	9,037	8,142	9,000	9,000	-	0.00%
Uniforms	2,117	2,629	2,500	1,000	(1,500)	-60.00%
Golf Course Supplies	6,265	5,062	6,000	6,000	-	0.00%
Miniature Golf Supplies	2,785	3,341	4,000	4,000	-	0.00%
Pro Shop Supplies	2,745	2,760	3,000	3,000	-	0.00%
Range Supplies	15,342	21,776	15,000	15,000	-	0.00%
Bar Supplies	658	-	1,000	1,000	-	0.00%
Fungicides/Herbicides	17,248	10,755	20,000	20,000	-	0.00%
Golf Simulator Supplies	396	1,732	2,000	3,000	1,000	50.00%
Maintenance Shop Supplies	2,540	2,359	3,000	3,000	-	0.00%
Food and Beverage Supplies	9,917	8,391	10,000	10,000	-	0.00%
Utilities - Electric	54,345	51,991	55,000	57,000	2,000	3.64%
Utilities - Water	5,139	8,365	5,000	5,000	-	0.00%
Utilities - Sewer	3,029	3,387	3,500	3,500	-	0.00%
Local Telephone Service	5,341	5,827	5,000	5,000	-	0.00%
Equipment Rental	4,123	1,866	4,000	4,000	-	0.00%
Liability Insurance	17,445	6,924	18,000	18,000	-	0.00%
Training & Travel	2,279	2,996	3,000	3,000	-	0.00%
Equipment Repairs & Maintenance	7,813	24,564	9,000	9,000	-	0.00%
Repairs and Maintenance	3,246	-	3,000	3,000	-	0.00%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
Golf Course Cont'd						
Building Maintenance	\$ 12,851	\$ 15,330	\$ 12,000	\$ 12,000	-	0.00%
Course Maintenance Supplies	7,436	7,284	7,000	7,000	-	0.00%
Course Maintenance Other	1,480	-	1,500	1,500	-	0.00%
Irrigation and Drainage	2,024	2,940	3,000	3,000	-	0.00%
Cart Repairs	3,442	1,153	3,000	3,000	-	0.00%
Club Repairs	3,136	1,385	2,500	2,500	-	0.00%
Prof. Memberships & Publ.	1,139	1,704	1,500	1,500	-	0.00%
Postage	115	231	750	750	-	0.00%
Miscellaneous	8,232	18,015	8,000	8,000	-	0.00%
Cash Over/Short	135	(240)	300	300	-	0.00%
Food COGS	25,973	25,728	25,000	25,000	-	0.00%
Beer COGS	17,024	17,026	17,000	17,000	-	0.00%
Soft Drink COGS	6,935	6,577	6,500	6,500	-	0.00%
Pro Shop COGS	52,742	64,385	45,000	45,000	-	0.00%
Fountain Drinks COGS	6,843	5,167	6,000	6,000	-	0.00%
Liquor/Wine COGS	597	401	1,000	1,000	-	0.00%
Depreciation Expense	314,938	323,275	320,000	325,000	5000	1.56%
Interest Expense	84,602	71,203	75,000	72,000	-3000	-4.00%
Amort of Loss on Defeasance	41,833	41,833	41,800	41,800	0	0.00%
Amort of Bond Issue Costs	6,160	6,160	6,000	6,000	0	0.00%
Amort Bond Discount	1,050	1,050	1,100	1,100	0	0.00%
Total Golf Course	\$ 1,302,746	\$ 1,311,908	\$ 1,391,450	\$ 1,325,950	(65,500)	-4.71%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
503 Water and Sewer						
Administration Department						
Administrative salaries	\$ 259,756	\$ 245,521	\$ 270,000	\$ 240,000	\$ (30,000)	-11.11%
Education Incentive	1,351	565	350	350	-	0.00%
Temporary Employees	-	14,877	1,000	1,000	-	0.00%
Overtime	-	-	1,000	1,000	-	0.00%
F.I.C.A.	18,769	17,612	20,800	18,500	(2,300)	-11.06%
Non-Hazardous	49,567	47,924	51,000	44,000	(7,000)	-13.73%
Deferred Comp	15,412	13,753	15,000	11,000	(4,000)	-26.67%
Health	50,498	47,580	48,000	44,000	(4,000)	-8.33%
Insurance-Dental	1,855	2,469	2,300	2,300	-	0.00%
Group Life Insurance	512	458	500	500	-	0.00%
Long Term Disability	383	360	500	750	250	50.00%
Workers Compensation	3,000	3,000	3,000	3,000	-	0.00%
Unemployment	-	5,382	10,000	10,000	-	0.00%
Employee Health Programs	714	714	1,000	1,000	-	0.00%
Legal fees	12,793	11,506	30,000	30,000	-	0.00%
Audit Fees	3,800	3,500	4,000	4,000	-	0.00%
Bank Service Charges	34,707	38,570	33,000	40,000	7,000	21.21%
Administrative Expense	80,000	90,000	90,000	90,000	-	0.00%
Modeling Fees	2,126	1,182	2,000	2,000	-	0.00%
Planning/Zoning Comm	30,000	32,000	32,000	32,000	-	0.00%
Community relations	-	-	1,000	1,000	-	0.00%
Hiring Expense	-	-	500	500	-	0.00%
Advertising	-	-	1,000	1,000	-	0.00%
Community Service Program	3,811	5,076	4,800	4,800	-	0.00%
Office Supplies	4,138	-	5,000	5,000	-	0.00%
Utilities	1,606	2,119	2,500	2,500	-	0.00%
Telephone Service	8,918	10,417	10,000	10,000	-	0.00%
Rent	6,622	6,622	7,000	7,000	-	0.00%
Maintenance Agreements	15,037	18,711	22,000	20,000	(2,000)	-9.09%
Insurance and Bonds	36,839	39,862	55,000	47,000	(8,000)	-14.55%
Travel/Training/Seminars	1,189	683	3,000	3,000	-	0.00%
Postage	18,707	19,185	22,000	25,000	3,000	13.64%
Miscellaneous	104,776	-	1,500	1,500	-	0.00%
Total Administration	\$ 766,886	\$ 679,648	\$ 750,750	\$ 703,700	\$ (110,550)	-14.73%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
Sanitary Sewer Department						
Sanitary Sewer Salaries	\$ 557,222	\$ 506,115	\$ 540,000	\$ 540,000	-	0.00%
Education Incentive	500	500	500	500	-	0.00%
Temporary Employees	1,356	1,536	9,000	9,000	-	0.00%
Overtime	29,310	23,491	40,000	35,000	(5,000)	-12.50%
F.I.C.A.	41,907	37,752	45,500	45,500	-	0.00%
Non-Hazardous	111,499	103,944	115,000	110,000	(5,000)	-4.35%
Deferred Comp	30,378	28,009	25,000	26,000	1,000	4.00%
Health	150,195	137,510	140,000	142,000	2,000	1.43%
Dental	9,551	8,708	10,000	10,000	-	0.00%
Group Life Insurance	1,314	1,199	1,500	2,000	500	33.33%
Long Term Disability	811	787	1,000	1,000	-	0.00%
Workers' Compensation	9,006	8,175	10,000	10,000	-	0.00%
Unemployment	-	-	10,000	10,000	-	0.00%
Employee Health programs	714	714	2,000	2,000	-	0.00%
Uniforms	5,824	7,779	9,000	9,000	-	0.00%
Sub Contract Maintenance	83,661	89,807	90,000	90,000	-	0.00%
Infiltration Program	52,889	73,542	68,000	68,000	-	0.00%
Hiring Expense	-	-	1,000	1,000	-	0.00%
Chemical Supplies	13,794	19,057	40,000	43,000	3,000	7.50%
Office Supplies	1,741	2,127	3,000	3,000	-	0.00%
Safety Supplies	2,003	5,757	7,000	7,000	-	0.00%
Motor Fuels	46,169	51,973	50,000	50,000	-	0.00%
Small Tools	-	250	5,000	5,000	-	0.00%
Electric	108,059	40,716	50,000	50,000	-	0.00%
Telephone	6,575	10,084	8,000	8,000	-	0.00%
Rent	6,622	6,622	7,000	7,000	-	0.00%
Training/Travel/Seminars	2,817	5,962	5,500	5,500	-	0.00%
Equipment Maintenance	44,722	39,710	41,000	43,000	2,000	4.88%
Building Maintenance	3,939	3,525	4,500	4,500	-	0.00%
Lift Station Maintenance	48,746	29,143	25,000	25,000	-	0.00%
Reimb of Deductible	1,431	2,758	4,000	4,000	-	0.00%
Total Sanitary Sewer	\$ 1,372,755	\$ 1,247,252	\$ 1,367,500	\$ 1,366,000	(1,500)	-0.11%

All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2011-2012	Audit 2012-2013	Amended Budget 2013-2014	Budget 2014-2015	Change From Prior Year	Percent Change
Water Department						
Water Salaries	\$ 443,840	\$ 482,246	\$ 480,000	\$ 515,000	\$ 35,000	7.29%
Education Incentive	1,836	1,842	2,000	2,000	-	0.00%
Temporary Employee	3,668	3,693	8,000	8,000	-	0.00%
Overtime	17,274	22,929	36,000	36,000	-	0.00%
F.I.C.A.	33,211	36,359	41,000	43,500	2,500	6.10%
Non-Hazardous	87,740	99,417	102,000	100,000	(2,000)	-1.96%
Deferred Comp	21,347	22,366	22,000	25,000	3,000	13.64%
Health	121,946	128,650	130,000	135,000	5,000	3.85%
Dental	5,903	6,636	6,500	7,500	1,000	15.38%
Insurance-Group Life	1,029	1,081	1,000	1,000	-	0.00%
Long Term Disability	601	635	750	1,250	500	66.67%
Workers' Compensation	8,704	11,266	10,000	12,000	2,000	20.00%
Unemployment	-	-	10,000	10,000	-	0.00%
Employee Health Programs	714	714	2,000	2,000	-	0.00%
Uniforms	7,366	7,016	8,000	8,000	-	0.00%
Water Purchases	3,229,454	3,202,037	3,200,000	3,250,000	50,000	1.56%
Hiring Expenses	-	-	1,000	1,000	-	0.00%
Lab Testing	14,262	18,607	20,000	20,000	-	0.00%
Office Supplies	1,983	2,098	3,000	3,000	-	0.00%
Safety Supplies	3,038	4,278	5,000	5,000	-	0.00%
Motor Fuels	30,601	21,585	35,000	35,000	-	0.00%
Small Tools	-	-	5,000	5,000	-	0.00%
Electric	18,526	10,205	22,000	22,000	-	0.00%
Telephone	6,575	7,090	10,000	10,000	-	0.00%
Rent	6,622	6,622	7,000	7,000	-	0.00%
Training	4,012	4,298	6,000	6,000	-	0.00%
Equipment Maintenance	23,166	19,398	31,000	31,000	-	0.00%
Building maintenance	1,413	3,471	6,000	6,000	-	0.00%
Meter Repair Maintenance	95,997	101,957	120,000	120,000	-	0.00%
Reimb of Deductible	4,086	-	5,000	5,000	-	0.00%
Total Water	\$ 4,194,914	\$ 4,226,496	\$ 4,335,250	\$ 4,432,250	\$ 97,000	2.24%
Depreciation	1,300,509	1,339,615	1,275,000	1,345,000	70,000	5.49%
Total Depreciation	\$ 1,300,509	\$ 1,339,615	\$ 1,275,000	\$ 1,345,000	\$ 70,000	5.49%
Interest/Amortization						
Interest Expense	80,833	52,520	55,000	48,000	(7,000)	-12.73%
Bond Issuance Costs	4,528	5,468	4,340	5,468	1,128	25.99%
Bond Discount	3,410	2,111	3,670	2,111	(1,559)	-42.48%
Loss on Defeasance	3,053	18,317	18,320	18,320	-	0.00%
Total Interest/Amortization	\$ 91,824	\$ 78,416	\$ 81,330	\$ 73,899	\$ (7,431)	-9.14%
Total Water and Sewer	\$ 7,726,888	\$ 7,571,427	\$ 7,809,830	\$ 7,920,849	\$ 47,519	0.61%

**Approved Budget and Estimated Fund Balances
GOVERNMENTAL FUNDS**

	General Fund		Non-Major Governmental Funds		Total Governmental Funds	
	FY 2014 Amended	FY 2015 Approved	FY 2014 Amended	FY 2015 Approved	FY 2014 Amended	FY 2015 Approved
REVENUES						
Taxes	\$ 7,735,000	\$ 7,630,000	\$ -	\$ -	\$ 7,735,000	\$ 7,630,000
Licenses and permits	18,295,000	19,195,000	2,100,000	2,200,000	20,395,000	21,395,000
Intergovernmental	803,350	1,045,000	535,000	2,719,000	1,338,350	3,764,000
Fines and forfeitures	214,000	201,000	-	-	214,000	201,000
Charges for services	3,732,000	3,652,000	810,600	785,300	4,542,600	4,437,300
Uses of property	-	175,000	25,000	25,000	25,000	25,000
Interest	100,000	80,000	10,600	12,900	110,600	187,900
Miscellaneous	100,000	80,000	-	-	100,000	80,000
Total revenues	30,979,350	31,978,000	3,481,200	5,742,200	34,460,550	37,720,200
EXPENDITURES						
Current:						
Administration	2,244,100	2,242,550	-	-	2,244,100	2,242,550
Police	7,307,600	7,467,100	53,000	201,335	7,360,600	7,668,435
Fire	6,288,650	6,722,650	-	-	6,288,650	6,722,650
Public services	4,456,300	4,521,050	1,456,650	1,099,150	5,912,950	5,620,200
Other Agencies	450,000	455,000	-	-	450,000	455,000
Capital Outlay	6,792,997	3,089,467	3,060,000	5,255,000	9,852,997	8,344,467
Debt service:						
Principal	1,020,000	866,000	-	-	1,020,000	866,000
Interest	691,000	763,000	-	-	691,000	763,000
Total expenditures	29,250,647	26,126,817	4,569,650	6,555,485	33,820,297	32,682,302
Excess(deficiency) of revenues over(under) expenditures	1,728,703	5,851,183	(1,088,450)	(813,285)	640,253	5,037,898
OTHER FINANCING SOURCES(USES)						
Transfers in	-	-	1,825,000	1,825,000	1,825,000	1,825,000
Transfers out	(1,925,000)	(1,925,000)	-	-	(1,925,000)	(1,925,000)
Total other financing sources and uses	(1,925,000)	(1,925,000)	1,825,000	1,825,000	(100,000)	(100,000)
Net change in fund balances	(196,297)	3,926,183	736,550	1,011,715	540,253	4,937,898
Fund balances - beginning	46,009,442	45,813,145	4,643,455	5,380,005	50,652,897	51,193,150
Fund balances - ending	\$ 45,813,145	\$ 49,739,328	\$ 5,380,005	\$ 6,391,720	\$ 51,193,150	\$ 56,131,048

**Approved Budget and Estimated Fund Balances
PROPRIETARY FUNDS**

	Water and Sewer		Golf Course		Totals	
	FY 2014 Amended	FY 2015 Approved	FY 2014 Amended	FY 2015 Approved	FY 2014 Amended	FY 2015 Approved
OPERATING REVENUES						
Charges for sales and services:						
Water fees	\$ 5,750,000	\$ 5,750,000	\$ -	\$ -	\$ 5,750,000	\$ 5,750,000
Sewer charges	2,350,000	2,250,000	-	-	2,350,000	2,250,000
Penalties	95,000	95,000	-	-	95,000	95,000
Tap in fees	70,000	65,000	-	-	70,000	65,000
Meter installations	35,000	30,000	-	-	35,000	30,000
Other service charges	61,500	56,500	-	-	61,500	56,500
Golf course revenues	-	-	1,153,000	1,092,000	1,153,000	1,092,000
Other services	-	-	-	-	-	-
Miscellaneous	10,000	10,000	-	-	10,000	10,000
Total operating revenues	8,371,500	8,256,500	1,153,000	1,092,000	9,524,500	9,348,500
OPERATING EXPENSES						
Cost of sales and services	6,453,500	6,501,950	947,550	880,050	7,401,050	7,382,000
Depreciation	1,275,000	1,345,000	320,000	325,000	1,595,000	1,670,000
Total operating expenses	7,728,500	7,846,950	1,267,550	1,205,050	8,996,050	9,052,000
NET OPERATING INCOME(LOSS)	643,000	409,550	(114,550)	(113,050)	528,450	296,500
NON-OPERATING REVENUES						
Interest income	20,000	20,000	4,000	3,000	24,000	23,000
Interest expense	(81,330)	(73,899)	(123,900)	(120,900)	(205,230)	(194,799)
Total non-operating income	(61,330)	(53,899)	(119,900)	(117,900)	(181,230)	(171,799)
Transfers	-	-	100,000	100,000	200,000	100,000
NET INCOME	581,670	355,651	(134,450)	(130,950)	447,220	224,701
NET POSITION-BEGINNING OF YEAR	26,179,320	26,760,990	8,813,287	8,678,837	34,992,607	35,439,827
NET POSITION-END OF YEAR	\$ 26,760,990	\$ 27,116,641	\$ 8,678,837	\$ 8,547,887	\$ 35,439,827	\$ 35,664,528

Summary of Outstanding Debt

The City of Florence has issued debt to fund major capital improvement projects. Total bonds outstanding at June 30, 2014 are as follows:

Bonds Payable

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Aquatic center and skate park projects(Series 2010)	2.00-3.875%	\$ 6,030,000
Land-Series 2003A	1.60-4.85%	90,000
Land-Series 2011 refunding	2.00-3.375%	3,015,000
Land-Series 2012 refunding	2.00-3.80%	2,450,000
General obligation refunding bonds(Series 2005A)	3.50-4.125%	6,445,000
Public project refunding bonds(Series 2008B)	3.20-4.00%	1,725,000
		<u>\$ 19,755,000</u>
Proprietary Fund Debt		
Water	2.50-4.20%	\$ 180,000
Water and Sewer System	1.45-2.50%	2,050,000
Golf Course	4.375%	1,070,000
		<u>\$ 3,300,000</u>

Future Debt Service Requirements

The following is a schedule of future debt service requirements to maturity at June 30, 2014 for bonds general activities and for business activities.

The City's general long-term debt service requirements to maturity at June 30, 2014, are as follows:

Fiscal Year June 30,	2010 GO Bonds		2011 GO Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 250,000	\$ 184,169	\$ 35,000	\$ 79,706
2016	250,000	17,916	130,000	78,056
2017	255,000	174,119	130,000	75,456
2018	260,000	168,968	130,000	72,856
2019	265,000	163,388	135,000	70,006
2020-2024	1,460,000	698,326	715,000	308,406
2024-2029	1,685,000	464,463	805,000	212,632
2029-2034	<u>1,605,000</u>	<u>112,552</u>	<u>935,000</u>	<u>79,842</u>
Total Debt Service	\$ <u>6,030,000</u>	\$ <u>1,983,901</u>	\$ <u>3,015,000</u>	\$ <u>976,960</u>

Fiscal Year June 30,	2003A GO Bonds		2012 GO Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 90,000	\$ 1,755	\$ 100,000	\$ 74,045
2016	-	-	100,000	72,045
2017	-	-	100,000	70,045
2018	-	-	95,000	68,095
2019	-	-	100,000	66,145
2020-2024	-	-	545,000	287,963
2025-2029	-	-	640,000	195,740
2030-2034	<u>-</u>	<u>-</u>	<u>770,000</u>	<u>75,080</u>
Total Debt Service	\$ <u>90,000</u>	\$ <u>1,755</u>	\$ <u>2,450,000</u>	\$ <u>909,158</u>

Fiscal Year June 30,	2005A GO Bonds		2008B GO Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 395,000	\$ 256,107	\$ 95,000	\$ 62,895
2016	405,000	241,789	100,000	59,855
2017	420,000	227,006	105,000	56,655
2018	435,000	211,256	105,000	53,295
2019	455,000	194,726	110,000	69,935
2020-2024	2,545,000	688,452	615,000	168,220
2025-2028	<u>1,790,000</u>	<u>149,736</u>	<u>595,000</u>	<u>60,800</u>
Total Debt Service	\$ <u>6,445,000</u>	\$ <u>1,969,072</u>	\$ <u>1,725,000</u>	\$ <u>531,655</u>

The City's proprietary fund debt service requirements to maturity at June 30, 2014 are as follows:

Fiscal Year June 30,	2003 Water System		2008A Golf Course	
	Principal	Interest	Principal	Interest
2015	\$ 180,000	\$ 3,060	\$ 340,000	\$ 46,812
2016	-	-	350,000	31,938
2017	-	-	380,000	16,624
2018	-	-	-	-
2019	-	-	-	-
Total Debt Service	\$ 180,000	\$ 3,060	\$ 1,070,000	\$ 95,374

Fiscal Year June 30,	2012 Water and Sewer System	
	Principal	Interest
2015	\$ 30,000	\$ 26,145
2016	210,000	33,405
2017	215,000	30,324
2018	220,000	23,980
2019	220,000	23,980
2020-2024	1,155,000	66,580
Total Debt Service	\$ 2,050,000	\$ 204,414

Changes in Long-Term Debt

During the year ended June 30, 2014, the following changes occurred in liabilities reported in the general long-term debt:

	June 30, 2013	Additions	Retirements	June 30, 2014	Amounts Amounts Due Within One Year
Compensated absences	\$ 1,179,369	\$ 435,168	\$ (779,972)	\$ 834,565	\$ 800,000
Bonds payable:					
Series 2003A	175,000	-	(85,000)	90,000	90,000
Series 2003B	150,000	-	(150,000)	-	-
Series 2005A	6,820,000	-	(375,000)	6,445,000	395,000
Series 2008B	1,820,000	-	(95,000)	1,725,000	95,000
Series 2010	6,275,000	-	(245,000)	6,030,000	250,000
Series 2011	3,050,000	-	(35,000)	3,015,000	35,000
Series 2012	2,485,000	-	(35,000)	2,450,000	100,000
Totals	\$ 21,954,369	\$ 435,168	\$ (1,799,972)	\$ 20,589,565	\$ 1,765,000

Changes in Business-Type Long-Term Liabilities

Long-term liability activity for business-type activities for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Retired	Balance June 30, 2014	Amounts Due Within One Year
Bonds payable-water/sewer	\$ 355,000	\$ -	\$ (175,000)	\$ 180,000	\$ 180,000
Bonds payable-water/sewer	2,075,000	-	(25,000)	2,050,000	30,000
Compensated absences	96,295	75,410	(91,425)	80,280	85,000
Bonds payable-golf course	1,395,000	-	(325,000)	1,070,000	340,000
	<u>\$ 3,921,295</u>	<u>\$ 75,410</u>	<u>\$ (616,425)</u>	<u>\$ 3,380,280</u>	<u>\$ 645,000</u>

Compensated absences are liquidated by the general fund. For business-type activities, compensated absences are liquidated by the respective enterprise fund.

The City has no intentions of issuing any further debt in fiscal year 2015.

Legal Debt Margin

The City is subject to a legal debt limitation not to exceed 10% of assessed property value pursuant to section 128 of the Commonwealth of Kentucky Constitution for the year ended June 30, 2014.

Legal Debt Margin Calculation

Taxable assessed value	\$ <u>2,703,928,949</u>
Debt limit(10% for total taxable assessed value)	<u>270,392,895</u>
Debt applicable to limit:	
General obligation bonds	20,825,000
Less: amount set aside for repayment general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>20,825,000</u>
Legal debt margin	<u><u>\$ 249,567,895</u></u>

Debt Service Payments

	<u>Actual 2011-2012</u>	<u>Actual 2012-2013</u>	<u>Amended Budget 2013-2014</u>	<u>Budget 2014-2015</u>
General Fund:				
Debt Service	\$ <u>2,572,658</u>	\$ <u>1,711,176</u>	\$ <u>1,711,000</u>	\$ <u>1,629,000</u>
	<u>Actual 2011-2012</u>	<u>Actual 2012-2013</u>	<u>Projected 2013-2014</u>	<u>Projected 2014-2015</u>
Water and Sewer Fund:				
Debt Service	\$ <u>261,103</u>	\$ <u>248,499</u>	\$ <u>244,507</u>	\$ <u>248,205</u>
Golf Course Fund:				
Debt Service	\$ <u>392,938</u>	\$ <u>384,594</u>	\$ <u>386,031</u>	\$ <u>386,812</u>

Capital Improvement Program

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets are reported in the governmental activities column of the government-wide statement of net assets. Capital assets used by the proprietary fund are reported in the business type activities column of the government-wide statement of net assets. The accounting and reporting treatment applied to capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized (recorded and accounted for). Capital assets are defined by the City as assets with an initial, individual minimum cost of \$1,000 with a useful life in excess of two years. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical costs, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class are as follows:

Buildings	30 years
Building Improvements	10-20 years
Public Domain Infrastructure	25-40 years
Vehicles	5-10 years
Office Equipment	3-10 years

General Fund

The General Fund is the main source where capital items are purchased using general tax dollars for all departments and most city projects. The city has no intent on issuing any more bonds in the future. All major capital projects have been constructed that were identified by the City. The philosophy currently adopted by the City is to maintain the current infrastructure and amenities that exist.

Municipal Aid Fund

The Municipal Aid Fund receives state gasoline tax funds that are used to do major street improvements each year according to the five year plan.

Infrastructure Fund

The Infrastructure Fund receives 25% of the annual payroll tax revenue collected to annually fund street, sidewalk and storm sewer improvements in accordance with the five year plan.

Water and Sewer Fund

The Water and Sewer Fund utilizes the user fees generated from each service to fund annual infrastructure and equipment needs.

CAPITAL IMPROVEMENT PLAN

GENERAL FUND (001)

Account Number	Account Description	FY 2015 BUDGET
5100	Computer Hardware	\$ 67,800
5100	Computer Software	21,000
5100	Web Site Maintenance	11,000
5100	Environmental/Infrastructure	16,000
5100	Project Labor	35,000
5100	EMC Storage Capacity	85,000
5100	Core Switches and Routing	100,000
5100	Wide-Format Copier/Printer	26,000
5100	Firewall	20,000
5100	NetScaler MPX 5500	20,000
5100	Postage Machine	23,675
5100	Office Chairs	2,400
ADMINISTRATION		<u>\$ 427,875</u>
5200	Disab. Committee Expend.	\$ 2,000
5200	Municipal Building Alteration	44,000
5200	Mowers	10,000
5200	Major Equipment	44,000
5200	Office Furniture	2,000
5200	Special Projects - Parks	150,000
5200	Replacement Equipment - Parks	21,000
5200	Street Striping	100,000
5200	Project Sign Upgrade	18,000
5200	Tandem Dump Truck	160,000
5200	One Ton Box Truck	40,000
5200	One Ton Pick Up Truck	25,000
5200	Street Saw	20,000
5200	Project-St. Jude Phase 2	400,000
5200	Project-Tanners Master Plan	40,000
5200	Street Lights - Houston Phase 2	400,000
5200	Urban Forest Commission	70,000
PUBLIC SERVICES		<u>\$ 1,546,000</u>
5300	Major Equipment	\$ 15,000
5300	Cruiser Equipment	52,992
5300	Police Cruisers	175,000
5300	Radios	2,000
5300	Firearms	3,000
POLICE		<u>\$ 247,992</u>
5500	Major Equipment	\$ -
5500	Engine	550,000
5500	Ambulance	180,000
5500	Office/Station Furniture	3,000
5500	Gear Lockers-Station #3	9,600
FIRE		<u>\$ 742,600</u>
5700	Debt Service - State Office Building-2008	\$ 158,000
5700	Debt Service - Aquatic Ctr/Skate Park-2010	434,500
5700	Debt Service - Baseball Park-2011/2012	385,000
5700	Debt Service - Government Center 2005	651,500
DEBT SERVICE		<u>\$ 1,629,000</u>
5900	Special Project - City Enhancement	\$ 100,000
5900	Special Project - Stadium Improvements	25,000
CITY PROJECTS		<u>\$ 125,000</u>
TOTAL GENERAL FUND		<u>\$ 4,718,467</u>

MUNICIPAL AID (201)

Account Number	Account Description	FY 2015 BUDGET
201-5200-520-62-02	Resurfacing Projects	\$ 230,000
TOTAL MUNICIPAL FUND		<u>230,000</u>

INFRASTRUCTURE FUND (203)

203-5200-520-62-04	Highway/Street Repairs	\$ 1,050,000
203-5200-520-62-06	Sidewalk Replacement	110,000
203-5200-520-62-14	Storm Sewer Improvements	475,000
203-5200-520-62-99	Mall Road Infrastructure	3,500,000
TOTAL INFRASTRUCTURE EXPENDITURES		<u>5,135,000</u>

ASSET FORFEITURE (204)

204-5300-530-59-01	Miscellaneous Expenditures	86,150
204-5300-530-64-15	Shooting Range	15,000
TOTAL ASSET FORFEITURE		<u>101,150</u>

WATER AND SEWER ENTERPRISE FUND(503)**SANITARY SEWER DEPARTMENT (5200)**

6200	Infrastructure Improvements	\$ 550,000
6200	Major Equipment	10,000
		<u>\$ 560,000</u>

WATER DISTRIBUTION DEPARTMENT (5300)

6300	Infrastructure Improvements	\$ 690,000
6300	Dixie Highway Relining	500,000
6300	Major Equipment	20,000
6300	Backhoe	80,000
6300	One Ton Utility truck	40,000
6300	Annexation Projects	10,000
		<u>\$ 1,340,000</u>

TOTAL WATER AND SEWER FUND \$ 1,900,000

TOTAL CAPITAL OUTLAY \$ 12,084,617

Glossary of Terms

Accrual Basis – The basis of accounting under which transactions are recognized when they occur, regardless of when related cash is actually received or spent.

Adopted Budget – Appropriation of funds by the City Council at the beginning of each fiscal year.

Property (Ad Valorem) Tax – Tax levied on the assessed value of real and personal property.

Appropriation – A general term used to denote the amount authorized in the budget for expenditure by a department or division.

Assessed Valuation – Appraised value of property adjusted by a classification factor, to determine the basis for distributing the tax burden to property owners.

Authorized Positions – Employee positions, which are authorized in the adopted budget, to be filled during the year.

Balanced Budget – Management of the financial plan with the objective of ensuring that expenditures do not exceed revenues.

Bond – A certificate of debt issued by a government to finance a capital expenditure or other liabilities in which payment of the original investment plus interest is guaranteed by a specified future date.

Budget – A financial plan for a specific period of time (fiscal year) incorporating an estimate of planned expenditures and financing sources.

Budget Amendment – A legal procedure utilized by the City staff and City Council to revise a budget appropriation during the fiscal year.

Budget Calendar – The schedule of key dates which the City staff follows in the preparation, adoption, and administration of the budget.

Budget Control – The control or management of governmental units or enterprises in accordance with an approved budget for the purpose of keeping expenditures within limitations of available appropriations and revenues.

Budget Document – The official publication prepared by the City Coordinator which presents the proposed budget to the citizens and governing body. The budget document is also available on the City's website at www.florence-ky.gov

Budget Message – A general discussion of the proposed budget presented in writing as part of the budget document. The transmittal letter explains the current budget issues compared to the background of financial experiences in recent years and present recommendations made by the City Coordinator.

Budget Ordinance – The official enactment by the Mayor and City Council legally authorizing City officials to obligate and expend resources.

Budgeted Positions – The number of positions scheduled for a department. However, the number of staff on board may vary from the budgeted position level because of employee terminations, delays in hiring, or other authorized changes in position or staff levels.

Capital Assets – Property and equipment with a unit value of \$1,000 or more (depending on asset classification) and an estimated useful life of five years or more.

Capital Budget – A financial plan of proposed capital expenditures and the means of financing them.

Capital Expenditures – A capital expenditure is a purchase of any item over a specified amount depending upon the type asset (i.e., small tools, vehicles, and infrastructure) with a useful life of five years or more. Items purchased meeting the criteria are tracked in the asset management system.

Compensated Absences – City employees are granted vacation and sick leave in varying amounts. The City records vested vacation and sick leave benefits as earned in the accounting records for GAAP basis only.

Comprehensive Plan – A long-term plan to control and direct the use and development of property in the City. It is also used to make strategic decisions regarding the water and sewage lines, infrastructure, and roads.

Debt Limit – A maximum amount of debt that can be legally incurred.

Debt Service Fund – A governmental fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Department – An administrative segment of the City that indicates management responsibility for an operation or a group of related activities within a functional area. Departments are the basic units of the budget.

Depreciation – The expensing of the cost of a capital asset over the estimated useful life of a capital asset. Only used in enterprise funds.

Enterprise Fund – An enterprise fund is used for governmental functions that are self-supporting. Enterprise funds belong to a group of funds called “proprietary” and account for operations that provide services to the community at large. The City utilizes an enterprise fund to account for the daily operations of the Water and Sewer and World of Golf, which are funded by charges to commercial and residential customers.

Expenditure – The outflow of funds paid for an asset, good, or service.

Fiscal Year (FY) – The City’s accounting period of twelve months, that begins July 1 and ends June 30.

Franchise Fee – An annual assessment paid by utilities for the privilege of doing business in the City of Florence.

Fund – An accounting entity that has a set of self-balancing accounts and records all financial transactions for specific activities or government functions. The City utilized the following fund types: general fund, special revenue funds, enterprise funds and an internal service fund.

Fund Balance – The total dollars remaining after current expenditures are subtracted from the sum of the beginning fund balance and current resources. The goal is to maintain a fund balance reserve of 17% or three months of the General Fund expenditure budget.

GAAP – Generally Accepted Accounting Principles – guidelines for financial accounting and reporting which set uniform minimum standards for accepted accounting practices. They encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. They provide a standard by which to measure financial presentations.

General Fund- The fund used to account for all financial activities of the City except those required to be accounted for in another fund.

General Obligation Bonds – Bonds that finance a variety of public projects such as streets, buildings and improvements. The repayment of these bonds is usually made from taxes but are backed by the full faith and credit of the City.

Governmental Funds – An accounting entity used to account for operations that rely mostly on current assets and current liabilities. Governmental funds include the General Fund and Special Revenue Funds.

Grants – Contributions by another government or other organization to support a particular function.

Infrastructure – The physical assets or foundation of the City, including parks, sidewalks, culverts, bridges, drainage, and street system. This term is also frequently used to describe specifically the City's street and drainage system.

Intergovernmental Revenue – Revenue received from other governments or local agencies.

Internal Service Fund – An accounting entity used to account for operations that provide services to City departments at cost. Like enterprise funds, internal service funds belong to the "proprietary" group of funds. The City's self-insurance fund for the health and dental insurance operations are accounted for through the use of an internal service fund.

Licenses & Permits – Fees collected for the issuance of licenses and permits such as occupational licenses.

NKADD – Northern Kentucky Area Development District. This is a state agency that helps local officials and citizens unite to provide for the planned growth of their area and provide technical and management assistance to local communities on a broad range of topics.

Modified Accrual Basis – The basis of accounting under which revenues are recognized when they become both measurable (i.e., an amount can be determined) and available to finance

expenditures of the current period. Available means collected in the current period or soon enough thereafter to be used to pay liabilities of the current period.

Operating Budget – The portion of the City budget pertaining to daily operations that provides basic services. The operating budget contains appropriations for such expenditures as salaries, fringe benefits, goods and services.

Operating Expenditures – Expenditures for goods and services which primarily benefit the current period and are not defined as capital or personal services.

Proprietary Funds – Accounting entities to account for operations similar to a private enterprise with a balance sheet that incorporates long-term debt obligations, assets and liabilities, and depreciation. Enterprise funds and internal service funds are “proprietary” funds.

Real Property – Immobile property such as land, natural resources above and below the ground, and buildings and fixed improvements to land.

Revenue – Funds that the City receives as income. It includes such items as taxes, license fees, service charges, fines, penalties, and grants.

Revenue Bond – Bonds whose principal and interest are payable from pledged revenue sources, and are not legally backed by the full faith and credit of the City.

Special Revenue Fund – A governmental fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specific purpose such as road, aquatic center and asset forfeitures.