

CITY OF FLORENCE
Audit Committee Meeting
December 2, 2013
Conference Room - City Hall
250 Hwy 101, Florence, OR 97439
541-997-3436

AGENDA ITEM #3c-1

CITY OF FLORENCE – June 30, 2013 FINANCIAL AUDIT RESULTS

WARNING! This is a 65 + page document

- i. Review the City's basic financial statements and notes.
- ii. Audit comments and disclosures required by state regulations.

DRAFT

CITY OF FLORENCE, OREGON
FISCAL YEAR ENDED JUNE 30, 2013
WITH
INDEPENDENT AUDITORS' REPORT

DRAFT

REPORT PREPARED BY
CITY OF FLORENCE, FINANCE DEPARTMENT

CITY OF FLORENCE, OREGON

Principal City Officials

June 30, 2013

ELECTED OFFICIALS

Mayor

Nola Xavier,
250 Hwy. 101
Florence, OR 97439

Term Expiration

2015

Council Members

Sue Roberts, President
250 Hwy. 101
Florence, OR 97434

2015

Brian Jagoe, Vice President
250 Hwy. 101
Florence, OR 97434

2015

Joshua Greene
250 Hwy. 101
Florence, OR 97434

2017

Joe Henry
250 Hwy. 101
Florence, OR 97434

2017

ADMINISTRATIVE OFFICIALS

Jacque Betz

City Manager

Erin Reynolds

Finance Director

CITY OF FLORENCE, OREGON

Statement of Net Position

June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 4,436,481	\$ 2,456,851	\$ 6,893,332
Due from other governments	5,425	-	5,425
Accounts, net	450,945	717,426	1,168,371
Taxes	196,842	-	196,842
Inventories	-	115,177	115,177
Internal balances	280,000	140,000	420,000
Prepaid expenses	74,102	-	74,102
Notes Receivable	99,046	196,541	295,587
Special assessments	1,587,697	-	1,587,697
Other	-	-	-
Capital assets not being depreciated	547,477	1,707,405	2,254,882
Capital assets net of accumulated depreciation	<u>12,812,168</u>	<u>29,119,680</u>	<u>41,931,848</u>
Total Assets	<u>20,490,183</u>	<u>34,453,080</u>	<u>54,943,263</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	281,564	268,384	549,948
Payroll and relate payables	85,274	17,949	103,223
Deposits payable	20,000	-	20,000
Interest payable	62,821	52,291	115,112
Interfund loans	312,000	108,000	420,000
Compensated absences	329,834	124,432	454,266
Noncurrent liabilities:			
Due within one year	690,063	838,678	1,528,741
Due in more than one year	<u>4,899,604</u>	<u>14,466,243</u>	<u>19,365,847</u>
Total Liabilities	<u>6,681,160</u>	<u>15,875,977</u>	<u>22,557,137</u>
Net Financial Position			
Invested in Capital Assets, Net of Related Debt	7,769,978	15,522,164	23,292,142
Restricted for:			
Debt service	40,796	-	40,796
System development	-	687,974	687,974
Road maintenance	898,543	-	898,543
Culture and recreation	55,618	-	55,618
Events Cetner Endowment	79,741	-	79,741
Unrestricted	<u>4,964,347</u>	<u>2,366,965</u>	<u>7,331,312</u>
Total Net Financial Position	<u>\$ 13,809,023</u>	<u>\$ 18,577,103</u>	<u>\$ 32,386,126</u>

See accompanying notes to financial statements.

CITY OF FLORENCE, OREGON

Statement of Activities

Year ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 900,195	\$ 538,935	\$ 433,492	\$ -	\$ 72,232		\$ 72,232
Public safety	2,474,282	165,374	13,708	-	(2,295,200)		(2,295,200)
Economic development	1,908,364	-	-	-	(1,908,364)		(1,908,364)
Highways and streets	1,109,846	301,980	1,075,753	188,701	456,588		456,588
Culture and recreation	144,573	-	-	-	(144,573)		(144,573)
Interest on long-term debt	345,360	-	-	-	(345,360)		(345,360)
Total Governmental Activities	<u>6,882,620</u>	<u>1,006,289</u>	<u>1,522,953</u>	<u>188,701</u>	<u>(4,164,677)</u>		<u>(4,164,677)</u>
Business-Type Activities							
Water	1,114,454	1,975,383	-	1,006,649		1,867,578	1,867,578
Wastewater	1,643,715	2,798,397	-	261,736		1,416,418	1,416,418
Stormwater	144,002	519,685	-	-		375,683	375,683
Other	756,192	327,024	-	286,738	-	(142,430)	(142,430)
Total Business-Type Activities	<u>3,658,363</u>	<u>5,620,489</u>	<u>-</u>	<u>1,555,123</u>		<u>3,517,249</u>	<u>3,517,249</u>
Total Activities	<u>\$ 10,540,983</u>	<u>\$ 6,626,778</u>	<u>\$ 1,522,953</u>	<u>\$ 1,743,824</u>	<u>(4,164,677)</u>	<u>3,517,249</u>	<u>(647,428)</u>
General revenues:							
Property taxes					2,534,509	-	2,534,509
Franchise and lodging tax					731,280	-	731,280
Gain (loss) on disposition of capital assets					-	(10,469)	(10,469)
Interest and investment earnings					54,099	26,895	80,994
Transfers in (out)					1,471,690	(1,031,422)	440,268
Total general revenues and transfers					4,791,578	(1,014,996)	3,776,582
Change in net assets					626,901	2,502,253	3,129,154
Net financial position, beginning restated					13,182,122	16,074,850	29,256,972
Net financial position, ending					<u>\$ 13,809,023</u>	<u>\$ 18,577,103</u>	<u>\$ 32,386,126</u>

See accompanying notes to financial statements.

CITY OF FLORENCE, OREGON
GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2013

	<u>General Fund (001)</u>	<u>Street Fund (002)</u>	<u>Florence Urban Renewal Agency (980)</u>
Assets			
Cash and cash equivalents	\$ 1,992,968	\$ 330,071	\$ 446,611
Accounts receivable	322,237	67,791	-
Property taxes receivable	152,567	-	19,438
Assessments receivable	-	28,202	-
Due from other governmental entity	4,882	-	543
Due from other funds	49,073	-	-
Prepaid expenses	48,048	26,054	-
Notes receivable	-	-	-
Interfund loan receivable	-	-	-
	<u>\$ 2,569,775</u>	<u>\$ 452,118</u>	<u>\$ 466,592</u>
Liabilities and Deferred Inflows of Resources			
Liabilities			
Accounts payable and accrued expenses	\$ 87,032	\$ 107,561	\$ 85,932
Accrued payroll liabilities	76,511	850	-
Deposits payable	-	20,000	-
Interfund loan payable	-	312,000	-
Due to other governmental fund	-	-	-
Deferred Inflows of Resources			
Unavailable revenue - property taxes	144,822	-	18,453
Unavailable revenue - special assessments	140,065	28,202	-
Unavailable revenue - note receivable	-	-	-
	<u>448,430</u>	<u>468,613</u>	<u>104,385</u>
Fund Balance			
Nonspendable:			
Prepaid items	48,048	-	-
Endowments	-	-	-
Advances to other funds	-	-	-
Restricted for:			
Capital projects	41,000	-	-
Urban renewal projects	-	-	362,207
Tourism	-	-	-
911 operations	-	-	-
System development	-	-	-
Assigned to:			
Debt service payments	-	-	-
Unassigned	<u>2,032,297</u>	<u>(16,495)</u>	<u>-</u>
	<u>2,121,345</u>	<u>(16,495)</u>	<u>362,207</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance			
	<u>\$ 2,569,775</u>	<u>\$ 452,118</u>	<u>\$ 466,592</u>

<u>Florence Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 275,145	\$ 1,382,734	\$ 4,427,529
-	60,917	450,945
-	24,837	196,842
1,559,495	-	1,587,697
-	-	5,425
-	-	49,073
-	-	74,102
-	99,046	99,046
-	280,000	280,000
<u>\$ 1,834,640</u>	<u>\$ 1,847,534</u>	<u>\$ 7,170,659</u>

\$ -	\$ -	\$ 280,525
-	-	77,361
-	-	20,000
-	-	312,000
-	49,073	49,073
-	23,576	186,851
1,559,118	-	1,727,385
-	99,046	99,046
<u>1,559,118</u>	<u>171,695</u>	<u>2,752,241</u>

-	-	48,048
-	79,741	79,741
-	280,000	280,000
-	-	41,000
-	-	362,207
-	8	8
-	12,999	12,999
-	338,543	338,543
275,522	684,548	960,070
-	280,000	2,295,802
<u>275,522</u>	<u>1,675,839</u>	<u>4,418,418</u>
<u>\$ 1,834,640</u>	<u>\$ 1,847,534</u>	<u>\$ 7,170,659</u>

DRAFT

CITY OF FLORENCE, OREGON

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Assets

June 30, 2013

Total Government Fund Balances \$ 4,418,418

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources in governmental funds but are reported in the statement of net assets at their net depreciated value:

Capital assets not being depreciated	547,477	
Capital assets being depreciated	20,872,763	
Accumulated depreciation	<u>(8,060,595)</u>	13,359,645

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds:

Deferred revenue	-	2,013,282
------------------	---	-----------

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds:

Accrued interest payable	(62,821)	
Compensated absences	(329,834)	
Long-term debt	<u>(5,589,667)</u>	<u>(5,982,322)</u>

Net Assets of Governmental Activities in the Statement of Net Assets \$ 13,809,023

CITY OF FLORENCE, OREGON
GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year ended June 30, 2013

	General Fund (001)	Street Fund (002)	Florence Urban Renewal Agency (980)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for services	\$ 27,529	\$ -	\$ -
Taxes	1,892,694	-	247,868
Franchise taxes	487,205	-	-
Intergovernmental	334,568	1,203,747	-
Grants and contributions	112,632	2,072	-
Licenses and fees	252,392	280,379	-
Fines and forfeits	245,659	-	-
Assessments	-	7,158	-
Investment earnings	17,765	2,186	7,438
Other revenue	13,355	7,644	321
Total Revenues	<u>3,383,799</u>	<u>1,503,186</u>	<u>255,627</u>
Expenditures:			
Personal services	2,836,482	53,422	-
Materials and services	1,067,367	227,456	50,451
Capital Outlay	233,314	1,365,387	1,336,657
Debt service			
Principal	21,988	80,429	-
Interest expense	3,286	10,711	-
Total Expenses	<u>4,162,437</u>	<u>1,737,405</u>	<u>1,387,108</u>
Excess (deficiency) of revenues over expenditures	<u>(778,638)</u>	<u>(234,219)</u>	<u>(1,131,481)</u>
Other Financing Sources (Uses):			
Transfers in	1,148,545	-	-
Transfers out	(76,126)	(135,370)	(310,003)
Loan proceeds	90,000	250,000	-
Total other financing sources (uses)	<u>1,162,419</u>	<u>114,630</u>	<u>(310,003)</u>
Change in fund balance	383,781	(119,589)	(1,441,484)
Beginning Fund Balance	<u>1,737,564</u>	<u>103,094</u>	<u>1,803,691</u>
Ending Fund Balance	<u>\$ 2,121,345</u>	<u>\$ (16,495)</u>	<u>\$ 362,207</u>

Florence Debt Service Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 179,331	\$ 206,860
-	568,739	2,709,301
-	-	487,205
-	58,635	1,596,950
-	-	114,704
-	-	532,771
-	-	245,659
22,664	-	29,822
12,798	13,930	54,117
-	-	21,320
<u>35,462</u>	<u>820,635</u>	<u>5,998,709</u>
-	-	2,889,904
-	-	1,345,274
-	-	2,935,358
780,000	457,731	1,340,148
<u>309,611</u>	<u>161,035</u>	<u>484,643</u>
<u>1,089,611</u>	<u>618,766</u>	<u>8,995,327</u>
<u>(1,054,149)</u>	<u>201,869</u>	<u>(2,996,618)</u>
1,009,690	310,003	2,468,238
(9,358)	(465,691)	(996,548)
-	-	340,000
<u>1,000,332</u>	<u>(155,688)</u>	<u>1,811,690</u>
(53,817)	46,181	(1,184,928)
<u>329,339</u>	<u>1,629,658</u>	<u>5,603,346</u>
<u>\$ 275,522</u>	<u>\$ 1,675,839</u>	<u>\$ 4,418,418</u>

CITY OF FLORENCE, OREGON

Governmental Funds

Reconciliation of Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2013

Amounts reported for governmental activities in the statement of activities are different because of the following:

Net Change in Fund Balances - Total Governmental Funds

\$ (1,184,928)

The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Current year depreciation \$ (640,056)

Expenditures for capital assets 1,422,905 782,849

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:

Change in deferred revenue 39,122

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest 3,030

Change in accrued absences (13,320)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This is the amount by which proceeds exceeds repayments.

Proceeds of long-term debt (340,000)

Debt service principal payments 1,340,148 1,340,148

Change in Net Assets of Governmental Activities

\$ 626,901

See accompanying notes to financial statements.

CITY OF FLORENCE, OREGON

Proprietary Funds

Balance Sheet

June 30, 2013

Business-Type Activities - Enterprise Fund

	<u>Water Operations</u>	<u>Wastewater Operations</u>	<u>Stormwater Operations</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
Assets						
Current assets:						
Cash and cash equivalents	\$ 746,786	\$ 834,186	\$ 496,462	\$ 379,417	\$ 2,456,851	\$ 8,952
Accounts receivable	274,593	397,467	44,426	940	717,426	-
Notes receivable	13,040	141,947	32,676	8,878	196,541	-
Inventories	74,519	22,410	-	18,248	115,177	-
Total current assets	<u>1,108,938</u>	<u>1,396,010</u>	<u>573,564</u>	<u>407,483</u>	<u>3,485,995</u>	<u>8,952</u>
Noncurrent assets:						
Interfund loan receivable	140,000	-	-	-	140,000	-
Capital assets net of accumulated depreciation	<u>6,897,088</u>	<u>17,663,111</u>	<u>1,055,159</u>	<u>5,211,727</u>	<u>30,827,085</u>	<u>-</u>
Total noncurrent assets	<u>7,037,088</u>	<u>17,663,111</u>	<u>1,055,159</u>	<u>5,211,727</u>	<u>30,967,085</u>	<u>-</u>
Total assets	<u>\$ 8,146,026</u>	<u>\$ 19,059,121</u>	<u>\$ 1,628,723</u>	<u>\$ 5,619,210</u>	<u>\$ 34,453,080</u>	<u>\$ 8,952</u>
Liabilities and Net Assets						
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	\$ 203,806	\$ 53,851	\$ 6,542	\$ 4,185	\$ 268,384	\$ 1,039
Payroll and related payables	5,555	7,586	1,049	3,759	17,949	7,913
Interest payable	11,395	27,028	1,536	12,332	52,291	-
Compensated absences	38,166	47,124	14,338	24,804	124,432	-
Interfund advances	-	-	108,000	-	108,000	-
Current portion of long-term debt	<u>341,196</u>	<u>285,229</u>	<u>35,038</u>	<u>177,215</u>	<u>838,678</u>	<u>-</u>
Total current liabilities	600,118	420,818	166,503	222,295	1,409,734	8,952
Noncurrent liabilities:						
Noncurrent portion of long-term debt	<u>1,996,789</u>	<u>11,714,540</u>	<u>325,801</u>	<u>429,113</u>	<u>14,466,243</u>	<u>-</u>
Total Liabilities	<u>2,596,907</u>	<u>12,135,358</u>	<u>492,304</u>	<u>651,408</u>	<u>15,875,977</u>	<u>8,952</u>
Net Financial Position						
Invested in capital assets, net of related debt	4,559,103	5,663,342	694,320	4,605,399	15,522,164	-
Restricted for:						
System development	280,653	345,799	61,522	-	687,974	-
Unrestricted	<u>709,363</u>	<u>914,622</u>	<u>380,577</u>	<u>362,403</u>	<u>2,366,965</u>	<u>-</u>
Total Net Financial Position	<u>5,549,119</u>	<u>6,923,763</u>	<u>1,136,419</u>	<u>4,967,802</u>	<u>18,577,103</u>	<u>-</u>
Total Liabilities and Net Financial Position	<u>\$ 8,146,026</u>	<u>\$ 19,059,121</u>	<u>\$ 1,628,723</u>	<u>\$ 5,619,210</u>	<u>\$ 34,453,080</u>	<u>\$ 8,952</u>

See accompanying notes to financial statements.

CITY OF FLORENCE, OREGON

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Financial Position

For the Year Ended June 30, 2013

	<u>Business-Type Activities - Enterprise Fund</u>					
	<u>Water Operations</u>	<u>Wastewater Operations</u>	<u>Stormwater Operations</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
Operating Revenues						
Charges for Services	\$ 1,967,964	\$ 2,798,068	\$ 519,685	\$ 323,372	\$ 5,609,089	\$ -
Internal Charges	-	-	-	-	-	489,479
Other revenue	7,419	329	-	3,652	11,400	-
Total Operating Revenues	<u>1,975,383</u>	<u>2,798,397</u>	<u>519,685</u>	<u>327,024</u>	<u>5,620,489</u>	<u>489,479</u>
Operating Expenses						
Personal Services	330,020	402,075	61,659	215,501	1,009,255	419,500
Materials and services	265,933	427,741	49,013	309,015	1,051,702	70,138
Depreciation	416,182	574,739	31,414	203,479	1,225,814	-
Total Operating Expenses	<u>1,012,135</u>	<u>1,404,555</u>	<u>142,086</u>	<u>727,995</u>	<u>3,286,771</u>	<u>489,638</u>
Operating Income (Loss)	<u>963,248</u>	<u>1,393,842</u>	<u>377,599</u>	<u>(400,971)</u>	<u>2,333,718</u>	<u>(159)</u>
Non-operating revenues (expenses)						
Grants and contributions	1,006,649	261,736	-	286,738	1,555,123	-
Interest income	3,428	18,637	2,173	2,657	26,895	-
Loss on disposed capital assets	-	(5,119)	(5,350)	-	(10,469)	-
Interest expense	(102,319)	(239,160)	(1,916)	(28,197)	(371,592)	-
Total non-operating revenues (expenses)	<u>907,758</u>	<u>36,094</u>	<u>(5,093)</u>	<u>261,198</u>	<u>1,199,957</u>	<u>-</u>
Income (loss) before capital contributions	1,871,006	1,429,936	372,506	(139,773)	3,533,675	(159)
Transfers in	-	-	-	231,403	231,403	-
Transfers out	(462,438)	(666,214)	(84,839)	(49,334)	(1,262,825)	-
Change in Net Financial Position	<u>1,408,568</u>	<u>763,722</u>	<u>287,667</u>	<u>42,296</u>	<u>2,502,253</u>	<u>(159)</u>
Beginning Net Financial Position	<u>4,140,551</u>	<u>6,160,041</u>	<u>848,752</u>	<u>4,925,506</u>	<u>16,074,850</u>	<u>159</u>
Ending Net Assets	<u>\$ 5,549,119</u>	<u>\$ 6,923,763</u>	<u>\$ 1,136,419</u>	<u>\$ 4,967,802</u>	<u>\$ 18,577,103</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF FLORENCE, OREGON

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds				Total	Internal Service Fund
	Water Operations	Wastewater Operations	Storm Drain Operations	Non-Major Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 1,956,208	\$ 2,763,843	\$ 518,585	\$ 327,024	\$ 5,565,660	\$ 15,732
Other operating cash receipts	7,419	329	-	2,252	10,000	-
Cash payments to employees	(327,457)	(399,748)	(61,200)	(210,908)	(999,313)	(418,351)
Cash payments to suppliers for goods and services	(191,767)	(474,022)	(45,406)	(328,964)	(1,040,159)	(77,908)
Payments for interfund services used	-	-	-	-	-	489,479
Net cash provided (used) by operating activities	<u>1,444,403</u>	<u>1,890,402</u>	<u>411,979</u>	<u>(210,596)</u>	<u>3,536,188</u>	<u>8,952</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	231,403	231,403	-
Transfers out	(462,438)	(666,214)	(84,839)	(49,334)	(1,262,825)	-
Grants and contributions	-	261,736	-	286,738	548,474	-
Repayment of interfund loan	(99,000)	-	(54,000)	-	(153,000)	-
Net cash provided (used) by noncapital financing activities	<u>(561,438)</u>	<u>(404,478)</u>	<u>(138,839)</u>	<u>468,807</u>	<u>(635,948)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(1,530,702)	(1,585,032)	(125,029)	(31,055)	(3,271,818)	-
Principal paid on capital debt	(1,897,657)	(588,037)	(34,143)	(178,311)	(2,698,148)	-
Interest paid on capital debt	(107,042)	(334,209)	(6,622)	(33,075)	(480,948)	-
Issuance of debt	1,681,848	865,662	-	-	2,547,510	-
Grants received	1,378,896	-	-	-	1,378,896	1,378,896
Net cash provided (used) by capital and related financing activities	<u>(474,657)</u>	<u>(1,641,616)</u>	<u>(165,794)</u>	<u>(242,441)</u>	<u>(2,524,508)</u>	<u>1,378,896</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	4,515	18,637	4,308	2,657	30,117	-
Principal received on installment note	58,000	8,422	-	5,197	71,619	-
Principal received on interfund advance	-	99,000	-	-	99,000	-
Net cash provided (used) by investing activities	<u>62,515</u>	<u>126,059</u>	<u>4,308</u>	<u>7,854</u>	<u>200,736</u>	<u>-</u>
Net change in cash and cash equivalents	470,823	(29,633)	111,654	23,624	576,468	8,952
Cash and cash equivalents:						
Cash and cash equivalents at beginning of year	<u>275,963</u>	<u>863,819</u>	<u>384,808</u>	<u>355,793</u>	<u>1,880,383</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 746,786</u>	<u>\$ 834,186</u>	<u>\$ 496,462</u>	<u>\$ 379,417</u>	<u>\$ 2,456,851</u>	<u>\$ 8,952</u>

See accompanying notes to financial statements.

CITY OF FLORENCE, OREGON

Proprietary Funds

Statement of Cash Flows, continued

For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds					
	Water Operations	Wastewater Operations	Storm Drain Operations	Non-Major Enterprise Funds	Total	Internal Service Fund
Reconciliation of operating income to net cash provided (used) by operating activities						
Operating income (loss)	\$ 963,248	\$ 1,393,842	\$ 377,599	\$ (400,971)	\$ 2,333,718	\$ (159)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation and amortization	416,182	574,739	31,414	203,479	1,225,814	-
(Increase) decrease in assets:						
Accounts receivable	(11,756)	(34,224)	(1,099)	2,252	(44,827)	15,732
Inventories	(5,522)	(1,917)	-	3,386	(4,053)	-
Increase (decrease) in liabilities:						
Accounts payable and accrued expenses	55,859	(44,364)	3,607	(23,335)	(8,233)	(7,770)
Payroll and related expenses	<u>26,392</u>	<u>2,326</u>	<u>458</u>	<u>4,593</u>	<u>33,769</u>	<u>1,149</u>
 Net cash provided (used) by operating activities	 <u>\$ 1,444,403</u>	 <u>\$ 1,890,402</u>	 <u>\$ 411,979</u>	 <u>\$ (210,596)</u>	 <u>\$ 3,536,188</u>	 <u>\$ 8,952</u>

See accompanying notes to financial statements.

CITY OF FLORENCE
FIDUCIARY FUNDS
Statement of Net Position
For the Year Ended June 30, 2013

Agency

Assets

Cash and cash equivalents \$ 36,176

Total Assets \$ 36,176

Liabilities

Amount held for others \$ 36,176

Total Liabilities 36,176

DRAFT

See accompanying notes to financial statements.

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 1. - Summary of Significant Accounting Policies

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and four-member council. As required by Generally Accepted Accounting Principles these financial statements present the government and its component unit, Florence Urban Renewal Agency, a separate legal entity for which the City is considered to be financially accountable.

Blended component units Florence Urban Renewal Agency was formed to plan, direct, and manage certain projects within Florence. Pursuant to ORS 457.055 and under Lane County's order no. 86-8-27-1H, the City Council has appointed a nine member board as governing body of the Agency. The Agency was formed by the City as a separate legal entity to implement these programs in the revitalization plan of the City. Upon completion, all projects constructed become assets of the City The Urban Renewal Agency General Fund and Urban Renewal Agency Debt Service Fund are reported as governmental fund types.

B. Government-wide and fund financial statements

The government-wide financial statements display information about the City a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the statement of net financial position and the statement of activities.

The statement of activities demonstrates the degree to which the direct and allocated indirect expenses of a given function or program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Indirect expenses* are those costs, usually administrative in nature, that support all City functions and programs and enable direct services to be provided. *Program revenues* include 1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide and proprietary funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

Governmental fund financial statements 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 City 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. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 1. - Summary of Significant Accounting Policies, continued

The City reports the following major governmental funds:

- *General Fund.* This is the government's primary operating fund. It accounts for all of the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise taxes, and state shared revenues. Primary expenditures are for general government and public safety.
- *Street Fund.* This fund was established as a requirement of ORS 366.815. Monies received from the State of Oregon (gasoline tax apportionment) and Lane County are major sources of revenue. These monies are to be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets, and roadside rest areas in this state.
- *Florence Urban Renewal Agency.* This fund is used to account for the revenue and expenditures under the Urban Renewal Plan. The primary source of revenue is taxes.
- *Florence Debt Service Fund.* This fund is used to account for revenues and expenditures related to the servicing of general long-term debt: The funds combined into the fund for reporting purposes are as follows:

Spruce Street LID Bond Fund. This fund is used to account for special assessment revenue from a local improvement district (LID) and the servicing of related bonded debt incurred for the improvement of Spruce Street.

FFC 2010B Bond Fund. This fund is used to account for the full-faith and credit bonds that were issued in November of 2010. Bond proceeds were used to finance new projects for the Justice Center and Stormwater and Wastewater operations as well as retire the Clean Water State Revolving Loan Fund Debt.

Debt Service Fund. This fund is used to account for the LOCAP program series 2011 note.

Bancroft Bond Fund. This fund is used to account for special assessment revenue from local improvement districts.

Additionally, the City reports the following nonmajor governmental funds within the governmental fund type:

- *Special Revenue Funds.* These funds account for revenues derived from specific taxes or other earmarked revenue sources, including state gas tax and state revenue sharing entitlements, which are legally restricted to expenditures for specified purposes.
- *Debt Service Fund.* These funds are used to retire general obligation bonds and urban renewal bond principal and interest from property taxes.
- *Permanent Fund.* This fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

The City reports each of its three proprietary funds as major funds. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent three segments of operations – Water, Wastewater, and Stormwater. The City reports the following proprietary funds:

- *Water Operations*

Water Fund. This fund accounts for the financial activities of the city-owned water utility operations. Sales of water and related charges are the major revenue sources.

Water Systems Development Fund. This fund accounts for monies accumulated from water systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 1. - Summary of Significant Accounting Policies, continued

- *Wastewater Operations*

Wastewater Fund. This fund accounts for the financial activities of the city-owned sewer service. Wastewater charges are the major revenue sources.

Wastewater Systems Development Fund. This fund accounts for monies accumulated from wastewater systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.

- *Stormwater Operations*

Stormwater Operations Fund. This fund accounts for the financial activities of the city-owned storm drainage system. Revenues consist primarily of stormwater charges.

Stormwater Systems Development Fund. This fund accounts for monies accumulated from storm drainage systems development charges for facility expansion or improvement. The use of these funds is restricted by City ordinance.

Additionally, the City reports the following nonmajor proprietary funds within the proprietary fund type:

- *Events Center Operations*

Events Center Operations Fund. This fund is used to account for the activities financed and operated for the Florence Events Center.

Events Center Debt Service Fund. This fund is used to account for the payment of the bonded debt incurred to construct the Events Center that opened its doors in 1996. Resources to pay this debt are derived from an Intergovernmental Agreement (IGA) with Lane County that provides the City with resources to pay the debt service requirements each year up to \$190,000. The agreement also states that the amount in excess of debt service payments can be used for the Events Center operations budget.

- *Airport Operations.* This fund administers all airport operations for the City.

Additionally, the City reports an *internal service fund* to account for the service of the Public Works Administration Fund provided to other funds of the City. The City also reports an *agency fund*, which accounts for funds held by the City in trust for the Municipal Court.

The Agency fund is used for tracking of activities for the municipal court; and various other collection and escrow agent activities. The assets are held in trust for individuals, private organizations, or other organizations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The City allocates charges as reimbursement for services provided by the general fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, *general revenues* include all taxes.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Significant operating expenses include personnel, contracted services, repairs and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 1. - Summary of Significant Accounting Policies, continued

D. Assets, liabilities, and net assets or equity

1. Cash and investments

For the purposes of the statement of cash flows the City considers all highly liquid investments with an original maturity of three months or less when purchased, to be cash equivalents.

Investments included in cash and cash equivalents are reported at fair value. The City invests in the State of Oregon Local Government Investment Pool, which is authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated based on a fund's portion of the total investment balance. The City maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

2. Receivables

Uncollected property taxes receivable collected within sixty days following year end are considered measurable and available and are recognized as revenues. All other uncollected property taxes receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue. Property taxes are assessed and become a lien against the property as of July 1 each year and are payable in three installments on November 15, February 15, and May 15 following the lien date. Taxes unpaid and outstanding on May 16 are considered delinquent.

Assessments receivable are recognized at the time property owners are assessed for property improvements. Assessments receivable expected to be collected within sixty days following year end and are considered measurable and available and are recognized as revenue. All other assessments receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue.

Receivables for grants and state shared revenues, included in accounts receivable are recorded as revenues in governmental fund types as earned. Receivables of the proprietary fund types are recorded as revenues as earned, including services earned but not billed.

3. Interfund loans receivables/payables

Short-term interfund loans are classified as "Due to and due from other funds". Long-term interfund loans are classified as "interfund loan receivable" and "interfund loan payable".

4. Inventories

Inventories in the Airport, Water and Wastewater Funds consist of aviation fuel held for sale as well as expendable supplies held for maintenance and improvements. Inventories are stated at cost using the consumption method.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, street lights, etc.) are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Donated capital assets are recorded at their estimated fair market value at the time received. Capital assets are defined by the City as assets with an initial, individual cost of \$2,500 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest costs were capitalized during the year ended June 30, 2013.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 1. - Summary of Significant Accounting Policies, continued

<u>Asset</u>	<u>Years</u>
Buildings	40
Improvements	25
Infrastructure	25-40
Vehicles	5
Furniture & Equipment	5

Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

6. Compensated absences

Accumulated vested vacation pay is accrued as it is earned. For governmental funds, accumulated vested vacation pay is maintained separately and represents a reconciling item between the fund level and government-wide presentations. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

Funds used to liquidate accrued compensated absences included the general fund, street fund, water fund, wastewater fund, event center fund, storm water fund, and public works administration fund.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the bonds-outstanding method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund equity

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

Non-spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

Committed – Includes items committed by the City Council, by formal council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes items assigned for specific uses, authorized by the City. Assignments of fund balance can be done at any time, including after the fiscal year end date.

Unassigned – This is the residual classification used for those balances not assigned to another category.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned, and unassigned fund balance.

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 1. - Summary of Significant Accounting Policies, continued

9. Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted requires that management make estimates and assumptions which affect the reporting amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimated.

Note 2. - Cash and Cash Equivalents

The City maintains a cash and investment pool for its cash and cash equivalents in which each fund participates. Cash and investments comprise the following:

Petty Cash	\$	1,100
Deposits with financial institutions		1,438,927
Local government investment pool		5,373,564
Endowment		79,741
Total	\$	<u>6,893,332</u>

A. Interest rate risk

The City of Florence does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP. As of June 30, 2013, 71% of the investments in the LGIP mature within 93 days, 9% mature within 94 days to one year, and 20% mature within one to three years.

B. Credit risk

State statutes authorize the City of Florence to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Oregon Local Government Investment Pool, among others. The City has no investment policy that would further limit its investment choices.

C. Concentration of credit risk

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for custodial officer), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS shall be assumed to be part of this investment policy immediately upon being enacted.

The City has a concentration in the Local Government Investment Pool representing 77.95% of cash and cash equivalents at June 30, 2013.

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 2. - Cash and Cash Equivalents, continued

D. Custodial credit risk -- deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2013, none of the City's bank balances were exposed to credit risk.

Note 3. - Property Taxes and Assessments Receivable

Property taxes receivable, which have been collected within sixty days subsequent to year end, are considered measurable and available and are therefore recognized as revenue.

All other property taxes receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue. Real and personal property taxes are levied as of July 1 of each fiscal year on values assessed as of that date. Property taxes attach as an enforceable lien on both real and personal property as of July 1 and are due and payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Lane County and remitted to the City.

Assessments receivable are amounts billed to property owners upon completion of the benefiting project.

Uncollected taxes and assessments are deemed to be substantially collectible or recoverable through liens. Therefore, no allowance for uncollectible accounts has been established.

Note 4. - Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	7/1/2012 Beginning Balance	Additions	Deletions	6/30/213 Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 492,232	\$ -	\$ -	\$ 492,232
Construction in progress	913,769	-	(858,524)	55,245
Total capital assets, not being depreciated	<u>1,406,001</u>	<u>-</u>	<u>(858,524)</u>	<u>547,477</u>
Capital assets, being depreciated:				
Buildings and improvements	7,201,192	1,452,228	(11,685)	8,641,735
Equipment and vehicles	2,080,074	283,040	(530,749)	1,832,365
Infrastructure	9,723,508	675,155	-	10,398,663
Total capital assets being depreciated	19,004,774	2,410,423	-	20,872,763
Less accumulated depreciation for:				
Buildings and improvements	(2,474,980)	(207,631)	11,685	(2,670,926)
Equipment and vehicles	(1,573,299)	(169,019)	530,755	(1,211,563)
Infrastructure	(3,785,700)	(392,406)	-	(4,178,106)
Total accumulated depreciation	<u>(7,833,979)</u>	<u>(769,056)</u>	<u>542,440</u>	<u>(8,060,595)</u>
Total capital assets, being depreciated, net	<u>11,170,795</u>	<u>1,641,367</u>	<u>542,440</u>	<u>12,812,168</u>
Governmental activities capital assets, net	<u>\$ 12,576,796</u>	<u>\$ 1,641,367</u>	<u>\$ 542,440</u>	<u>\$ 13,359,645</u>

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 4. - Capital Assets, continued

	7/1/2012 Beginning Balance	Additions	Deletions	6/30/2013 Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,687,327	\$ -	\$ -	\$ 1,687,327
Construction in progress	4,741,707	20,077	(4,741,706)	20,078
Total capital assets, not being depreciated	<u>6,429,034</u>	<u>20,077</u>	<u>(4,741,706)</u>	<u>1,707,405</u>
Capital assets, being depreciated:				
Buildings and improvements	26,591,188	-	-	26,591,188
Utility systems	11,760,742	526,264	-	12,287,006
Equipment and vehicles	2,255,430	594,753	(64,988)	2,785,195
Infrastructure	322,588	1,997,784	-	7,320,372
Total capital assets being depreciated	40,929,948	8,118,801	(64,988)	48,983,761
Less accumulated depreciation for:				
Buildings and improvements	(8,731,787)	(715,319)	-	(9,447,106)
Utility systems	(8,006,184)	(408,154)	-	(8,414,338)
Equipment and vehicles	(1,942,098)	(84,492)	52,192	(1,974,398)
Infrastructure	(10,390)	(17,849)	-	(28,239)
Total accumulated depreciation	<u>(18,690,459)</u>	<u>(1,225,814)</u>	<u>52,192</u>	<u>(19,864,081)</u>
Total capital assets, being depreciated, net	<u>22,239,489</u>	<u>6,892,987</u>	<u>(12,796)</u>	<u>29,119,680</u>
Business-type activities capital assets, net	<u>\$ 28,668,523</u>	<u>\$ 6,913,064</u>	<u>\$ (4,754,502)</u>	<u>\$ 30,827,085</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 79,345
Public safety	143,395
Economic development	24,051
Highways and streets	473,112
Culture and recreation	49,153
Total depreciation expense - governmental activities	<u>\$ 769,056</u>
Business-type activities:	
Water enterprise	\$ 109,340
Wastewater enterprise	416,182
Stormwater enterprise	574,739
Events Center enterprise	31,414
Airport enterprise	94,139
Total depreciation expense - business-type activities	<u>\$ 1,225,814</u>

Note 5. - Interfund Receivables, Payables, Transfers, and Loans

A. Interfund receivables and payables

As of June 30, 2013, Nonmajor Governmental Funds owed the General Fund 49,073 due to negative cash balances in the City's pooled cash account.

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 5. - Interfund Receivables, Payables, Transfers, and Loans, continued

B. Interfund transfers

The interfund transfer activity for the year ended June 30, 2013 was as follows:

	Transfers Out:							Totals
	General Fund	Street Fund	Nonmajor Governmental Funds	Water Enterprise	Wastewater Enterprise	Stormwater Enterprise	Nonmajor Enterprise Funds	
Transfers In:								
General Fund	\$ -	\$ 63,952	\$ 262,300	\$ 296,015	\$ 431,264	\$ 45,680	\$ 49,333	\$ 1,148,544
Florence Debt Service Fund	48,114	22,471	9,358	45,691	866,914	17,142	-	1,009,690
Public Works Administration	-	48,947	-	166,423	234,950	39,159	-	489,479
Nonmajor Enterprise Funds	<u>28,012</u>	<u>-</u>	<u>203,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,403</u>
	<u>\$ 76,126</u>	<u>\$ 135,370</u>	<u>\$ 475,049</u>	<u>\$ 508,129</u>	<u>\$ 1,533,128</u>	<u>\$ 101,981</u>	<u>\$ 49,333</u>	<u>\$ 2,879,116</u>

C. Interfund receivable, payable

The composition of interfund balances as of June 30, 2013 was as follows:

Receivable Fund	Payable Fund		
	Street Fund	Storm Water Enterprise	Totals
Nonmajor Governmental Funds	\$ 240,000	\$ 20,000	\$ 260,000
Water Enterprise	<u>72,000</u>	<u>34,000</u>	<u>106,000</u>
	<u>\$ 312,000</u>	<u>\$ 54,000</u>	<u>\$ 366,000</u>

Note 6. - Long-Term Debt

During the year ended June 30, 2013, long-term liability activity was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable	\$ 3,424,736	\$ -	\$ (368,345)	\$ 3,056,391	\$ -
Notes payable	<u>2,446,474</u>	<u>340,000</u>	<u>(280,199)</u>	<u>2,506,275</u>	<u>-</u>
Total long-term debt	5,871,210	340,000	(648,544)	5,562,666	-
Compensated absences	<u>196,393</u>	<u>9,009</u>	<u>-</u>	<u>205,402</u>	<u>205,402</u>
Total Governmental activities	<u>\$ 6,067,603</u>	<u>\$ 349,009</u>	<u>\$ (648,544)</u>	<u>\$ 5,768,068</u>	<u>\$ 205,402</u>
Business-type activities:					
Bonds payable	\$ 8,515,531	\$ -	\$ (855,266)	\$ 7,660,265	\$ -
Notes payable	5,278,576	1,070,661	(198,821)	6,150,416	-
Special assessments	1,590,000	1,476,848	(1,590,000)	1,476,848	-
Capital lease payable	<u>71,451</u>	<u>-</u>	<u>(27,057)</u>	<u>44,394</u>	<u>-</u>
Total long-term debt	15,455,558	2,547,509	(2,671,144)	15,331,923	-
Compensated absences	<u>120,120</u>	<u>4,311</u>	<u>-</u>	<u>124,431</u>	<u>124,431</u>
Business-type activities long-term liabilities	<u>\$ 15,575,678</u>	<u>\$ 2,551,820</u>	<u>\$ (2,671,144)</u>	<u>\$ 15,456,354</u>	<u>\$ 124,431</u>

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 6. - Long-Term Debt, continued

A. Bonds payable

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as twenty-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding at June 30, 2013 are as follows:

Governmental Activities

During 2008, the City issued \$1,635,000 of advanced refunded general obligation debt at 3.50% on its 1998 advanced refunded general obligation debt for the justice center. Semiannual payments are made from assessments on the property benefiting from the improvements. Bond principal and interest is payable semiannually through September 2014. \$ 599,523

During 2010, the City issued \$8,750,000 of full faith and credit & refunding obligations debt with \$8,310,000 at 3.064% and \$440,000 at 3.75%. This bond was used to fund projects for enterprise funds as well as governmental funds. The governmental portion was \$633,247. Semiannual payments are made from assessments on the property benefiting from the improvements. Bond principal and interest is payable semiannually through December 2030. 554,750

During 2010, the City issued \$1,478,000 of limited tax improvement bonds at 3.81% for the Spruce St LID. Semiannual payments are made from assessments on the property benefiting from the improvements. Bond principal and interest is payable semiannually through December 2030. 1,380,000

During 2011, the City issued \$1,245,000 of full faith and credit & refunding obligations debt at 4.14% for the Local Oregon Capital Assets Program (LOCAP). This bond was used to fund projects for enterprise funds as well as governmental funds. The governmental portion was \$562,804. Semiannual payments are made from assessments on the property benefiting from the improvements. Bond principal and interest is payable semiannually through June 2031. 522,118

Total bonds payable \$ 3,056,391

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 6. - Long-Term Debt, continued

Annual debt service requirements to maturity for bonds payable are as follows:

Fiscal Year	GO Refunding Series 2008		FFC Refunding Series 2010B (Governmental)		Spruce St. LID Bond 2010		LOCAP Series 2011C (Governmental)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 294,761	\$ 15,575	\$ 23,743	\$ 6,109	\$ 40,000	\$ 48,443	\$ 20,342	\$ 20,589
2015	304,762	5,250	24,244	5,640	45,000	47,887	22,603	20,184
2016	-	-	24,579	4,927	45,000	47,145	22,603	19,511
2017	-	-	25,247	4,316	50,000	46,155	22,603	18,635
2018	-	-	25,749	3,569	50,000	44,955	24,863	17,474
2019-23	-	-	140,743	41,129	325,000	198,451	133,355	73,490
2023-28	-	-	172,805	35,277	460,000	126,296	160,478	44,512
2029-32	-	-	117,640	4,500	365,000	23,849	115,271	8,106
	<u>\$ 599,523</u>	<u>\$ 20,825</u>	<u>\$ 554,750</u>	<u>\$ 105,467</u>	<u>\$ 1,380,000</u>	<u>\$ 583,181</u>	<u>\$ 522,118</u>	<u>\$ 222,501</u>

The City also issues bonds where income derived from acquired or constructed assets is pledged to pay debt service. Revenue bonds outstanding are as follows as of June 30, 2013:

Business Type Activities

On July 1, 2004, the City issued bonds in the amount of \$1,480,000 at 3.37% (average) for 1995 full faith and credit refunding obligations. Bond principal and interest is payable semiannually through August 2015. \$ 425,000

During 2010, the City issued \$8,750,000 of full faith and credit & refunding obligations debt with \$8,310,000 at 3.064% and \$440,000 at 3.75%. This bond was used to fund projects for enterprise funds as well as governmental funds. The business type portion was \$8,412,645. Bond principal and interest is payable semiannually through December 2030. 6,594,482

During 2011, the City issued \$1,245,000 of full faith and credit & refunding obligations debt at 4.14% for the Local Oregon Capital Assets Program (LOCAP). This bond was used to fund projects for enterprise funds as well as governmental funds. The business type portion was \$690,713. Bond principal and interest is payable semiannually through June 2031. 640,783

Total bonds payable \$ 7,660,265

Annual debt service requirements to maturity for bonds payable are as follows:

Fiscal Year	FFC Refunding 2004		FFC Refunding Series 2010B (Business Type)		LOCAP Series 2011C (Governmental)	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 135,000	\$ 14,899	\$ 710,307	\$ 191,354	\$ 24,966	\$ 25,268
2015	140,000	9,398	725,314	175,750	27,740	24,772
2016	150,000	3,281	735,318	158,066	27,740	23,945
2017	-	-	755,327	138,266	27,740	22,871
2018	-	-	770,333	117,957	30,306	21,975
2019-23	-	-	2,500,803	238,976	198,367	93,187
2023-28	-	-	230,406	51,375	203,878	58,859
2029-32	-	-	166,674	8,946	100,046	13,180
	<u>\$ 425,000</u>	<u>\$ 27,578</u>	<u>\$ 6,594,482</u>	<u>\$ 1,080,690</u>	<u>\$ 640,783</u>	<u>\$ 284,057</u>

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 6. - Long-Term Debt, continued

B. General obligation notes payable

General obligation notes payable consist of three long-term notes obtained from the Special Public Works Fund of the Oregon Economic Development Department, one long-term note from the State of Oregon Revolving Fund and one local improvement district bond anticipation note from U.S. Bank National Association. The following schedule provides specific information about these notes:

Governmental Activities

On September 27, 2010, the City received proceeds in the amount of \$89,950 from US Bank for an asphalt zipper. Loan principal and interest is payable annually at 4.242% through October 2013.	\$ 22,975
On July 8, 2011, the Florence Urban Renewal Agency received proceeds in the amount of \$2,500,000 from Oregon Pacific Bank to finance the Old Town Infrastructure Project. Loan principal and interest is payable semiannually at 3.75% through October 15, 2015.	2,045,000
On October 3, 2011, the City received proceeds in the amount of \$317,322 from Oregon Pacific Bank. The funds were used to purchase vehicles and equipment for enterprise funds as well as governmental funds. The governmental portion was \$202,322. Loan principal and interest is payable annually at 3.75% through October 2015.	129,957
On November 26, 2012, the City received proceeds in the amount of \$595,000 from Siuslaw Bank to finance the purchase of vehicles and equipment. The government portion was \$340,000. Loan principal and interest is payable semiannually at 3.5% through November 2017.	308,343
Total notes payable	<u>\$ 2,506,275</u>

Annual debt service requirements to maturity for notes payable are as follows:

Fiscal Year	U.S. Bank Asphalt Zipper		FURA Capital Projects		OPB Capital Projects (Governmental)		Siuslaw Bank (Governmental)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 22,975	\$ 978	\$ 190,000	\$ 118,609	\$ 50,600	\$ 4,474	\$ 64,370	\$ 10,381
2015	-	-	190,000	107,051	52,542	2,532	66,674	8,077
2016	-	-	190,000	95,770	26,815	515	69,047	5,704
2017	-	-	170,000	84,544	-	-	71,533	3,218
2018	-	-	160,000	74,508	-	-	36,719	657
2019-23	-	-	730,000	235,530	-	-	-	-
2024-28	-	-	415,000	37,599	-	-	-	-
	<u>\$ 22,975</u>	<u>\$ 978</u>	<u>\$ 2,045,000</u>	<u>\$ 753,611</u>	<u>\$ 129,957</u>	<u>\$ 7,521</u>	<u>\$ 308,343</u>	<u>\$ 28,037</u>

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 6. - Long-Term Debt, continued

Business Type Activities

During 1994 the City received 1,147,000 of financing from Special Public Works Fund of the Oregon Economic Development Department (OEDD) to finance expansion of the City's water plant. Annual payments on the 20 year loan are made from revenues from the water users. The annual interest rate is 5.8%. Loan principal and interest is payable annually through December 2014.	\$ 180,881
On June 21, 1995, the City received \$120,000 of financing from Special Public Works Fund of the Oregon Economic Development Department (OEDD) to finance improvements to the City's water system. The annual interest rate is 6%. Loan principal and interest is payable annually through December 2014.	18,871
On September 6, 1996, the City received proceeds in the amount of \$611,000 from the Special Public Works Fund of the Oregon Economic Development Department (OEDD) for systems improvements for the airport business park infrastructure. Loan principal and interest is payable annually at 5.33% through December 2016.	181,328
On August 31, 2010, the City entered into a loan agreement with the Oregon Business Development Department to receive a loan in the amount of \$657,057 to permanently finance the Florence Wastewater Transmission Line & Intersection Improvements. Loan interest rate is variable between 2% and 4%. Loan principal and interest is payable annually through December 2034.	629,143
On February 12, 2010, the City entered into an agreement with the State of Oregon Department of Environmental Quality for a loan in the amount of \$4,923,260 to finance rehabilitation to a major wastewater trunk sewer. Loan principal payments commence upon completion of the project. The loan has a twenty year maturity with loan fees of 0.5% of the outstanding balance payable annually.	4,835,057
On October 3, 2011, the City received proceeds in the amount of \$317,322 from Oregon Pacific Bank. The funds were used to purchase vehicles and equipment for enterprise funds as well as governmental funds. The business type portion was \$115,000. Loan principal and interest is payable annually at 3.75% through October 2015.	73,878
On November 26, 2012, the City received proceeds in the amount of \$595,000 from Siuslaw Bank to finance the purchase of vehicles and equipment. The business type portion was \$255,000. Loan principal and interest is payable semiannually at 3.5% through November 2017.	<u>231,258</u>
Total notes payable	<u>\$ 6,150,416</u>

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 6. - Long-Term Debt, continued

Annual debt service requirements to maturity for notes payable are as follows:

Fiscal Year	Water System Improvement		Water System Improvement		Special Public Works Fund - Airport		Special Public Works Fund	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 87,892	\$ 10,491	\$ 9,161	\$ 1,132	\$ 42,215	\$ 9,972	\$ 18,858	\$ 21,551
2015	92,989	5,393	9,710	583	42,611	7,651	18,927	21,181
2016	-	-	-	-	48,030	5,308	23,998	20,811
2017	-	-	-	-	48,472	2,666	24,070	20,337
2018	-	-	-	-	-	-	24,143	19,865
2019-23	-	-	-	-	-	-	122,431	88,811
2023-28	-	-	-	-	-	-	146,156	66,885
2029-33	-	-	-	-	-	-	171,329	36,562
2033-37	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	79,231	4,811
	<u>\$ 180,881</u>	<u>\$ 15,884</u>	<u>\$ 18,871</u>	<u>\$ 1,715</u>	<u>\$ 181,328</u>	<u>\$ 25,597</u>	<u>\$ 629,143</u>	<u>\$ 300,814</u>

Water Treatment Plant	Principal	Interest	OPB Capital Projects (Business Type)		Siuslaw Bank (Governmental)	
			Principal	Interest	Principal	Interest
\$ 246,164	\$ -	\$ -	\$ 28,761	\$ 2,543	\$ 48,277	\$ 7,786
246,164	-	-	29,865	1,439	50,006	6,058
246,164	-	-	15,252	293	51,785	4,278
246,164	-	-	-	-	53,650	2,413
246,164	-	-	-	-	27,540	493
1,230,820	-	-	-	-	-	-
1,230,820	-	-	-	-	-	-
1,142,597	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 4,835,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,878</u>	<u>\$ 4,275</u>	<u>\$ 231,258</u>	<u>\$ 21,028</u>

C. Special assessments

The City has issued special assessment debt in past years for construction of streets and water system expansion. These bonds will be repaid from amounts levied against property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency.

Business Type Activities

During 2013, the City issued \$1,460,000 of Water GO bonds for refunding of existing General Obligation Water Bonds for water system improvements. The bond pays interest of 2.11%. The bond matures in June 2022. Loan principal and interest is payable semiannually through June 2022.

\$ 1,476,848

Annual debt service requirements to maturity for special assessment debt are as follows:

Fiscal Year	Water System Improvement	
	Principal	Interest
2014	\$ 164,094	\$ 31,681
2015	164,094	27,699
2016	164,094	24,237
2017	164,094	20,774
2018	164,094	17,312
2019-22	<u>656,378</u>	<u>34,624</u>
	<u>\$ 1,476,848</u>	<u>\$ 156,327</u>

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 6. - Long-Term Debt, continued

Debt defeasance

During 2013, the City received \$1,476,848 from U.S. Bank to fund a defeasance of \$1,624,675 of the outstanding 2003 General Obligation bonds with an interest rate of 2.11%. The U.S. Bank funds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased portion of the 2003 General Obligation bonds. As a result, \$1,624,675 of the 2003 General Obligation bonds are considered to be defeased and the liability for the amount defeased is not reported as part of the City's long-term debt. This resulted in an economic gain of \$161,505 over the remaining bond term to the City.

D. Capital lease

The City has entered into a lease agreement for financing the acquisition of certain equipment. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is an analysis of equipment leased under capital lease as of June 30, 2013:

	<u>Lease Obligation</u>	<u>Equipment Carrying Value</u>
Stormwater Fund:		
Elgin Crosswind Sweeper, 5.07%, \$11,811 semiannual payments including interest, final payment due February 7, 2015	\$ 44,394	\$ -

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2013.

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 23,621
2015	23,622
Total minimum lease payments	47,243
Less amount representing interest	<u>(2,849)</u>
Total minimum lease payments	<u>\$ 44,394</u>

Note 7. - Pension Plan

A. Plan description

The City contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the City's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying City employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 7. - Pension Plan, continued

B. Funding policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The City is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan.

The OPERF rate in effect for the year ended June 30, 2013 was 10.38% and the annual pension cost was \$427,583. This was comprised of \$259,371 in employer contributions and \$168,212 of employee contributions. The OPSRP rates in effect for the year ended June 30, 2013 were 6.57% for general employees 9.28% for police and fire employees. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

C. Annual pension cost

The following table presents three-year trend information for the City's employee pension plan:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 438,070	100%	\$ -
6/30/12	523,713	100%	-
6/30/13	427,583	100%	-

D. Other postemployment benefits

To accommodate for the GASB Statement No. 45 requirement that governmental employers account for and report the annual cost of OPEB, the City worked with City County Insurance Services, the City's insurance carrier, to complete a valuation done. Milliman Consultants, an actuarial firm, performed the GASB 45 valuation for the City and concluded that the City has no OPEB liability under GASB 45. Their finding was based on the fact that all medical and dental coverage offered by the City to its employees and retirees are community rated. This means that the medical and dental coverage premiums paid the City and its employees and retirees are not determined with regard to claims experience or demographic characteristics of 'the City' covered population. The City does not pay for any portion of the premiums for its retirees' medical, dental, or life insurance coverage.

Note 8. - Intergovernmental Agreement

In December of 2008, the City's Urban Renewal Agency entered into an intergovernmental agreement with Siuslaw Public Library District. The Agency will assist the District in repaying financing obtained by the district in the amount of \$315,000 to fund the Library expansion project. Payments for this financing were \$32,480 for the year ended June 30, 2013.

Note 9. - Risk Management

The City is exposed to various risks of loss related to errors and omissions; automobile; damage to or destruction of assets; bodily injury; and worker's compensation for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

Note 10. - Risk Management

Management of the City believes that total amount of liability, if any, which may arise from claims and lawsuits pending against the City beyond that, which is covered by insurance, would not have a material effect on the City's financial condition.

CITY OF FLORENCE, OREGON

Notes to Financial Statements

June 30, 2013

Note 7. - Pension Plan, continued

Note 11. -Implementation of New Accounting Guidance, reclassification

In the year ended June 30, 2013 the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement requires retroactively restating financial statements, for all periods presented. Additionally during the year the City changed the Airport fund froma Special Revenue Fund to an Enerprise fund. The cumulative effect of applying this Statement and the change in reporting is reported as a restatement of 2012 beginning net position and bond issuance costs as follows.

	2012		
	Bond issuance cost net	Change in aiport Reporting	Net Position, beginning of year
As originally stated	\$ 166,472	\$ -	\$ 17,030,816
Implementation of GASB 65	(166,472)	-	(166,472)
Change in Airport reporting	-	(3,682,222)	(3,682,222)
As restated	\$ (166,472)	\$ (3,682,222)	\$ 13,182,122

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

CITY OF FLORENCE, OREGON
GENERAL FUND (001)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Charges for services	\$ 38,250	\$ 38,250	\$ 27,529	\$ (10,721)
Taxes	1,890,638	1,890,638	1,892,694	2,056
Franchise taxes	512,448	512,448	487,205	(25,243)
Intergovernmental	343,390	343,390	334,568	(8,822)
Grants and contributions	65,875	65,875	112,632	46,757
Licenses and fees	256,735	256,735	252,392	(4,343)
Fines and forfeits	234,600	234,600	245,659	11,059
Investment earnings	14,433	14,433	17,765	3,332
Other revenue	11,730	11,730	13,355	1,625
Total revenues	3,368,099	3,368,099	3,383,799	15,700
Expenditures:				
Personal services	3,151,158	3,151,158	2,836,482	314,676
Materials and services	1,126,149	1,126,149	1,067,367	58,782
Capital Outlay	446,000	446,000	233,314	212,686
Debt service:				
Principal	13,608	13,608	21,988	(8,380)
Interest expense	1,772	1,772	3,286	(1,514)
Contingency	450,000	450,000	-	450,000
Total expenditures	5,188,687	5,188,687	4,162,437	1,026,250
Excess revenues under expenditures	(1,820,588)	(1,820,588)	(778,638)	1,041,950
Other financing sources (uses):				
Transfers in	1,322,836	1,322,836	1,148,545	(174,291)
Transfers out	(76,126)	(76,126)	(76,126)	-
Loan proceeds	120,000	120,000	90,000	(30,000)
Total other financing sources (uses)	1,366,710	1,366,710	1,162,419	(204,291)
Net change in fund balances	(453,878)	(453,878)	383,781	837,659
Fund Balance:				
Beginning of year	1,650,000	1,650,000	1,737,564	87,564
End of year	\$ 1,196,122	\$ 1,196,122	\$ 2,121,345	\$ 925,223

CITY OF FLORENCE, OREGON
STREET FUND (002)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Licenses and fees	\$ 265,824	\$ 265,824	\$ 280,379	\$ 14,555
Intergovernmental	1,193,096	1,193,096	1,203,747	10,651
Grants and contributions	800,000	800,000	2,072	(797,928)
Assessments	12,598	12,598	7,158	(5,440)
Investment earnings	3,474	3,474	2,186	(1,288)
Other revenue	1,000	1,000	7,644	6,644
Total revenues	2,275,992	2,275,992	1,503,186	(772,806)
Expenditures:				
Personal services	61,259	61,259	53,422	7,837
Materials and services	246,400	246,400	227,456	18,944
Capital Outlay	2,690,400	2,690,400	1,365,387	1,325,013
Debt service:				
Principal	57,138	57,138	80,429	(23,291)
Interest expense	6,494	6,494	10,711	(4,217)
Contingency	110,000	110,000	-	110,000
Total expenditures	3,171,691	3,171,691	1,737,405	1,434,286
Excess revenues under expenditures	(895,699)	(895,699)	(234,219)	661,480
Other financing sources (uses):				
Transfers in	400,000	400,000	-	(400,000)
Transfers out	(256,106)	(256,106)	(239,370)	16,736
Loan proceeds	450,000	450,000	250,000	(200,000)
Total other financing sources (uses)	593,894	593,894	10,630	(583,264)
Net change in fund balances	(301,805)	(301,805)	(223,589)	78,216
Fund Balance:				
Beginning of year	390,000	390,000	519,094	129,094
End of year	<u>\$ 88,195</u>	<u>\$ 88,195</u>	<u>\$ 295,505</u>	<u>\$ 207,310</u>

CITY OF FLORENCE, OREGON
FLORENCE URBAN RENEWAL AGENCY (980)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 291,000	\$ 291,000	\$ 247,868	\$ (43,132)
Investment earnings	6,000	6,000	7,438	1,438
Other revenue	300	300	321	21
Total revenues	<u>297,300</u>	<u>297,300</u>	<u>255,627</u>	<u>(41,673)</u>
Expenditures:				
Materials and services	64,500	64,500	50,451	14,049
Capital Outlay	1,800,000	1,860,000	1,336,657	523,343
Debt service:				
Contingency	<u>338,000</u>	<u>278,000</u>	-	<u>278,000</u>
Total expenditures	<u>2,202,500</u>	<u>2,202,500</u>	<u>1,387,108</u>	<u>815,392</u>
Excess revenues under expenditures	(1,905,200)	(1,905,200)	(1,131,481)	773,719
Other financing sources (uses):				
Transfers out	<u>(311,000)</u>	<u>(311,000)</u>	<u>(310,003)</u>	<u>997</u>
Net change in fund balances	(2,216,200)	(2,216,200)	(1,441,484)	774,716
Fund Balance:				
Beginning of year	<u>2,370,000</u>	<u>2,370,000</u>	<u>1,803,691</u>	<u>(566,309)</u>
End of year	<u>\$ 153,800</u>	<u>\$ 153,800</u>	<u>\$ 362,207</u>	<u>\$ 208,407</u>

CITY OF FLORENCE, OREGON
FLORENCE DEBT SERVICE FUND

Combining Balance Sheet

June 30, 2013

	Spruce Street LID Bond Fund (151)	FFC 2010B Bond Fund (152)	Debt Service Fund (153)	Bancroft Bond Fund (160)	Total
Assets					
Cash and cash equivalents	\$ 270,902	\$ 2,821	\$ 1,422	\$ -	\$ 275,145
Accounts receivable	1,559,495	-	-	-	1,559,495
Total assets	<u>\$ 1,830,397</u>	<u>\$ 2,821</u>	<u>\$ 1,422</u>	<u>\$ -</u>	<u>\$ 1,834,640</u>
Deferred Inflows of Resources					
Unavailable revenue - special assessments	\$ 1,559,118	\$ -	\$ -	\$ -	\$ 1,559,118
Fund Balance					
Restricted for:					
Debt service	271,279	2,821	1,422	-	275,522
Total Deferred Inflows of Resources and Fund Balance	<u>\$ 1,830,397</u>	<u>\$ 2,821</u>	<u>\$ 1,422</u>	<u>\$ -</u>	<u>\$ 1,834,640</u>

DRAFT

CITY OF FLORENCE, OREGON
FLORENCE DEBT SERVICE FUND

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2013

	Spruce Street LID Bond Fund (151)	FFC 2010B Bond Fund (152)	Debt Service Fund (153)	Bancroft Bond Fund (160)	Total Florence Debt Service Fund
Revenues:					
Assessments	\$ 22,664	\$ -	\$ -	\$ -	\$ 22,664
Investment earnings	<u>12,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,798</u>
Total Revenues	<u>35,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,462</u>
Expenditures:					
Debt service					
Principal	40,000	695,000	45,000	-	780,000
Interest expense	<u>49,283</u>	<u>213,571</u>	<u>46,757</u>	<u>-</u>	<u>309,611</u>
Total Expenses	<u>89,283</u>	<u>908,571</u>	<u>91,757</u>	<u>-</u>	<u>1,089,611</u>
Excess (deficiency) of revenues over expenditures	<u>(53,821)</u>	<u>(908,571)</u>	<u>(91,757)</u>	<u>-</u>	<u>(1,054,149)</u>
Other Financing Sources (Uses):					
Transfers in	9,358	908,575	91,757	-	1,009,690
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,358)</u>	<u>(9,358)</u>
Total other financing sources (uses)	<u>9,358</u>	<u>908,575</u>	<u>91,757</u>	<u>(9,358)</u>	<u>1,000,332</u>
Change in fund balance	(44,463)	4	-	(9,358)	(53,817)
Beginning Fund Balance	<u>315,742</u>	<u>2,817</u>	<u>1,422</u>	<u>9,358</u>	<u>329,339</u>
Ending Fund Balance	<u>\$ 271,279</u>	<u>\$ 2,821</u>	<u>\$ 1,422</u>	<u>\$ -</u>	<u>\$ 275,522</u>

COMBINING STATEMENTS

Nonmajor Governmental Funds

DRAFT

CITY OF FLORENCE, OREGON
NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2013

	Total Special Revenue Funds	Total Debt Service Funds	Events Center Endowment	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 619,706	\$ 683,287	\$ 79,741	\$ 1,382,734
Accounts receivable	60,917	-	-	60,917
Taxes	-	24,837	-	24,837
Interfund loan receivable	280,000	-	-	280,000
Notes receivable	99,046	-	-	99,046
 Total assets	 \$ 1,059,669	 \$ 708,124	 \$ 79,741	 \$ 1,847,534
 Liabilities and Deferred Inflows of Resources				
Liabilities				
Due to other governmental fund	49,073	-	-	49,073
 Deferred Inflows of Resources				
Unavailable revenue - note receivable	\$ 99,046	\$ -	\$ -	\$ 99,046
Unavailable revenue - property taxes	-	23,576	-	23,576
 Total Liabilities and Deferred Inflows of Resources	 148,119	 23,576	 -	 171,695
 Nonspendable:				
Endowment	-	-	79,741	79,741
Advances to other funds	280,000	-	79,741	359,741
Restricted for:				
911 operations	8	-	-	8
Tourism	12,999	-	-	12,999
System development	618,543	-	-	618,543
Debt service	-	684,548	-	684,548
 Total fund balance	 911,550	 684,548	 79,741	 1,675,839
 Total Deferred Inflows of Resources and Fund Balance	 \$ 1,059,669	 \$ 708,124	 \$ 79,741	 \$ 1,847,534

CITY OF FLORENCE, OREGON
NONMAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2013

	Total Special Revenue Funds	Total Debt Service Funds	Events Center Endowment (180)	Total Nonmajor Governmental Funds
Revenues:				
Charges for services	\$ 179,331	\$ -	\$ -	\$ 179,331
Taxes	244,075	324,664	-	568,739
Intergovernmental	58,635	-	-	58,635
Investment earnings	7,993	2,546	3,391	13,930
Total Revenues	490,034	327,210	3,391	820,635
Expenditures:				
Debt service				
Principal	-	457,731	-	457,731
Interest expense	-	161,035	-	161,035
Total Expenses	-	618,766	-	618,766
Excess (deficiency) of revenues over expenditures	490,034	(291,556)	3,391	201,869
Other Financing Sources (Uses):				
Transfers in	-	310,003	-	310,003
Transfers out	(462,300)	-	(3,391)	(465,691)
Total other financing sources (uses)	(462,300)	310,003	(3,391)	(155,688)
Change in fund balance	27,734	18,447	-	46,181
Beginning Fund Balance	883,816	666,101	79,741	1,629,658
Ending Fund Balance	\$ 911,550	\$ 684,548	\$ 79,741	\$ 1,675,839

CITY OF FLORENCE, OREGON
SPRUCE STREET LID FUND (151)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Assessments	\$ 40,000	\$ 40,000	\$ 22,664	\$ (17,336)
Investment earnings	49,283	49,283	12,798	(36,485)
Total revenues	<u>89,283</u>	<u>89,283</u>	<u>35,462</u>	<u>(53,821)</u>
Expenditures:				
Debt service:				
Principal	40,000	40,000	40,000	-
Interest expense	49,283	49,283	49,283	-
Total expenditures	<u>89,283</u>	<u>89,283</u>	<u>89,283</u>	<u>-</u>
Excess revenues over (under) expenditures	-	-	(53,821)	(53,821)
Other financing sources (uses):				
Transfers in	-	-	9,358	9,358
Net change in fund balances	-	-	(44,463)	(44,463)
Fund Balance:				
Beginning of year	<u>335,000</u>	<u>335,000</u>	<u>315,742</u>	<u>(19,258)</u>
End of year	<u>\$ 335,000</u>	<u>\$ 335,000</u>	<u>\$ 271,279</u>	<u>\$ (63,721)</u>

DRAFT

CITY OF FLORENCE, OREGON
FFC 2010B BOND FUND (152)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Expenditures:				
Debt service:				
Principal	695,000	695,000	695,000	-
Interest expense	<u>213,575</u>	<u>213,575</u>	<u>213,571</u>	<u>4</u>
Total expenditures	<u>908,575</u>	<u>908,575</u>	<u>908,571</u>	<u>4</u>
Excess revenues under expenditures	(908,575)	(908,575)	(908,571)	4
Other financing sources (uses):				
Transfers in	<u>908,575</u>	<u>908,575</u>	<u>908,575</u>	<u>-</u>
Net change in fund balances	-	-	4	4
Fund Balance:				
Beginning of year	<u>2,817</u>	<u>2,817</u>	<u>2,817</u>	<u>-</u>
End of year	<u>\$ 2,817</u>	<u>\$ 2,817</u>	<u>\$ 2,821</u>	<u>\$ 4</u>

DRAFT

CITY OF FLORENCE, OREGON
DEBT SERVICE FUND (153)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Expenditures:				
Debt service:				
Principal	45,000	45,000	45,000	-
Interest expense	<u>46,757</u>	<u>46,757</u>	<u>46,757</u>	<u>-</u>
Total expenditures	<u>91,757</u>	<u>91,757</u>	<u>91,757</u>	<u>-</u>
Excess revenues under expenditures	(91,757)	(91,757)	(91,757)	-
Other financing sources (uses):				
Transfers in	<u>91,757</u>	<u>91,757</u>	<u>91,757</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund Balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>1,422</u>	<u>1,422</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,422</u>	<u>\$ 1,422</u>

DRAFT

CITY OF FLORENCE, OREGON
BANCROFT BOND FUND (160)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Other financing sources (uses):				
Transfers out	-	-	(9,358)	(9,358)
Net change in fund balances	-	-	(9,358)	(9,358)
Fund Balance:				
Beginning of year	-	-	9,358	9,358
End of year	\$ -	\$ -	\$ -	\$ -

DRAFT

CITY OF FLORENCE, OREGON
NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2013

	911 Emergency Fund (008)	Room Tax Fund (015)	Street System Devel Fund (111)	Total Nonmajor Special Revenue Funds
Assets				
Cash and cash equivalents	\$ 1,163	\$ -	\$ 618,543	\$ 619,706
Accounts receivable	11,836	49,081	-	60,917
Interfund loan receivable	-	-	280,000	280,000
Notes receivable	-	-	99,046	99,046
	<u>\$ 12,999</u>	<u>\$ 49,081</u>	<u>\$ 997,589</u>	<u>\$ 1,059,669</u>
Total assets				
	<u>\$ 12,999</u>	<u>\$ 49,081</u>	<u>\$ 997,589</u>	<u>\$ 1,059,669</u>
Liabilities and Deferred Inflows of Resources				
Liabilities				
Due to other funds	\$ -	\$ 49,073	\$ -	\$ 49,073
Deferred Inflows of Resources				
Unavailable revenue - note receivable	-	-	99,046	99,046
	<u>-</u>	<u>-</u>	<u>99,046</u>	<u>99,046</u>
Total Liabilities and Deferred Inflows of Resources	<u>-</u>	<u>49,073</u>	<u>99,046</u>	<u>148,119</u>
Fund Balance				
Nonspendable:				
Advances to other funds	-	-	280,000	280,000
Restricted:				
911 operations	12,999	-	-	12,999
Tourism	-	8	-	8
System development	-	-	618,543	618,543
	<u>12,999</u>	<u>8</u>	<u>618,543</u>	<u>631,550</u>
Total fund balance	<u>12,999</u>	<u>8</u>	<u>898,543</u>	<u>911,550</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 12,999</u>	<u>\$ 49,081</u>	<u>\$ 997,589</u>	<u>\$ 1,059,669</u>

CITY OF FLORENCE, OREGON
NONMAJOR SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2013

	911 Emergency Fund (008)	Room Tax Fund (015)	Street System Devel Fund (111)	Total Nonmajor Special Revenue Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Charges for services	\$ 165,374	\$ -	\$ 13,957	\$ 179,331
Taxes	-	244,075	-	244,075
Intergovernmental	58,635	-	-	58,635
Investment earnings	53	-	7,940	7,993
Total Revenues	<u>224,062</u>	<u>244,075</u>	<u>21,897</u>	<u>490,034</u>
Other Financing Sources (Uses):				
Transfers out	<u>(216,500)</u>	<u>(245,800)</u>	<u>-</u>	<u>(462,300)</u>
Change in fund balance	7,562	(1,725)	21,897	27,734
Beginning Fund Balance	<u>5,437</u>	<u>1,733</u>	<u>876,646</u>	<u>883,816</u>
Ending Fund Balance	<u>\$ 12,999</u>	<u>\$ 8</u>	<u>\$ 898,543</u>	<u>\$ 911,550</u>

DRAFT

CITY OF FLORENCE, OREGON
911 EMERGENCY FUND (008)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Charges for services	\$ 145,000	\$ 145,000	\$ 165,374	\$ 20,374
Intergovernmental	321,500	321,500	58,635	(262,865)
Investment earnings	-	-	53	53
Total revenues	<u>466,500</u>	<u>466,500</u>	<u>224,062</u>	<u>(242,438)</u>
Expenditures:				
Capital Outlay	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Excess revenues over expenditures	216,500	216,500	224,062	7,562
Other financing sources (uses):				
Transfers out	<u>(216,500)</u>	<u>(216,500)</u>	<u>(216,500)</u>	<u>-</u>
Net change in fund balances	-	-	7,562	7,562
Fund Balance:				
Beginning of year	<u>5,000</u>	<u>5,000</u>	<u>5,437</u>	<u>437</u>
End of year	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 12,999</u>	<u>\$ 7,999</u>

DRAFT

CITY OF FLORENCE, OREGON
ROOM TAX FUND (015)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 250,000	\$ 250,000	\$ 244,075	\$ (5,925)
Excess revenues over expenditures	250,000	250,000	244,075	(5,925)
Other financing sources (uses):				
Transfers out	(250,000)	(250,000)	(245,800)	4,200
Net change in fund balances	-	-	(1,725)	(1,725)
Fund Balance:				
Beginning of year	-	-	1,733	1,733
End of year	\$ -	\$ -	\$ 8	\$ 8

DRAFT

CITY OF FLORENCE, OREGON
STREET SYSTEMS DEVELOPMENT FUND (111)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Charges for services	\$ 14,800	\$ 14,800	\$ 13,957	\$ (843)
Investment earnings	<u>-</u>	<u>-</u>	<u>7,940</u>	<u>7,940</u>
Excess revenues over expenditures	14,800	14,800	21,897	7,097
Other financing sources (uses):				
Transfers in	100,000	100,000	100,000	-
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>400,000</u>
Net change in fund balances	(285,200)	(285,200)	121,897	407,097
Fund Balance:				
Beginning of year	<u>468,172</u>	<u>468,172</u>	<u>496,646</u>	<u>28,474</u>
End of year	<u>\$ 182,972</u>	<u>\$ 182,972</u>	<u>\$ 618,543</u>	<u>\$ 435,571</u>

DRAFT

CITY OF FLORENCE, OREGON
NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2013

	<u>General Obligation Bond Fund (145)</u>	<u>Urban Renewal Debt Service (981)</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets			
Cash and cash equivalents	\$ 431,368	\$ 251,919	\$ 683,287
Taxes	<u>24,837</u>	<u>-</u>	<u>24,837</u>
Total assets	<u>\$ 456,205</u>	<u>\$ 251,919</u>	<u>\$ 708,124</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	<u>\$ 23,576</u>	<u>\$ -</u>	<u>\$ 23,576</u>
Fund Balance			
Restricted for:			
Debt service	<u>432,629</u>	<u>251,919</u>	<u>684,548</u>
Total Deferred Inflows of Resources and Fund Balance	<u>\$ 456,205</u>	<u>\$ 251,919</u>	<u>\$ 708,124</u>

DRAFT

CITY OF FLORENCE, OREGON
NONMAJOR DEBT SERVICE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2013

	General Obligation Bond Fund (145)	Urban Renewal Debt Service (981)	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$ 324,664	\$ -	\$ 324,664
Investment earnings	1,652	894	2,546
Total Revenues	326,316	894	327,210
Expenditures:			
Debt service			
Principal	282,731	175,000	457,731
Interest expense	26,032	135,003	161,035
Total Expenses	308,763	310,003	618,766
Excess (deficiency) of revenues over expenditures	17,553	(309,109)	(291,556)
Other Financing Sources (Uses):			
Transfers in	-	310,003	310,003
Total other financing sources (uses)	-	310,003	310,003
Change in fund balance	17,553	894	18,447
Beginning Fund Balance	415,076	251,025	666,101
Ending Fund Balance	\$ 432,629	\$ 251,919	\$ 684,548

CITY OF FLORENCE, OREGON
GENERAL OBLIGATION BOND FUND (145)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 308,363	\$ 308,363	\$ 324,664	\$ 16,301
Investment earnings	500	500	1,652	1,152
Total revenues	<u>308,863</u>	<u>308,863</u>	<u>326,316</u>	<u>17,453</u>
Expenditures:				
Debt service:				
Principal	282,731	282,731	282,731	-
Interest expense	<u>26,032</u>	<u>26,032</u>	<u>26,032</u>	<u>-</u>
Total expenditures	<u>308,763</u>	<u>308,763</u>	<u>308,763</u>	<u>-</u>
Excess revenues over expenditures	100	100	17,553	17,453
Fund Balance:				
Beginning of year	<u>406,760</u>	<u>406,760</u>	<u>415,076</u>	<u>8,316</u>
End of year	<u>\$ 406,860</u>	<u>\$ 406,860</u>	<u>\$ 432,629</u>	<u>\$ 25,769</u>

DRAFT

CITY OF FLORENCE, OREGON
FLORENCE URBAN RENEWAL AGENCY DEBT SERVICE FUND (981)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Investment earnings	\$ 800	\$ 800	\$ 894	\$ 94
Expenditures:				
Debt service:				
Principal	175,000	175,000	175,000	-
Interest expense	<u>136,800</u>	<u>136,800</u>	<u>135,003</u>	<u>1,797</u>
Total expenditures	<u>311,800</u>	<u>311,800</u>	<u>310,003</u>	<u>1,797</u>
Excess revenues under expenditures	(311,000)	(311,000)	(309,109)	1,891
Other financing sources (uses):				
Transfers in	<u>311,000</u>	<u>311,000</u>	<u>310,003</u>	<u>(997)</u>
Net change in fund balances	-	-	894	894
Fund Balance:				
Beginning of year	<u>250,800</u>	<u>250,800</u>	<u>251,025</u>	<u>225</u>
End of year	<u>\$ 250,800</u>	<u>\$ 250,800</u>	<u>\$ 251,919</u>	<u>\$ 1,119</u>

DRAFT

CITY OF FLORENCE, OREGON
EVENTS CENTER ENDOWMENT FUND (180)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Investment earnings	\$ 3,500	\$ 3,500	\$ 3,391	\$ (109)
Expenditures:				
Materials and services	1,200	1,200	-	1,200
Excess revenues over expenditures	2,300	2,300	3,391	1,091
Other financing sources (uses):				
Transfers out	(3,500)	(3,500)	(3,391)	109
Net change in fund balances	(1,200)	(1,200)	-	1,200
Fund Balance:				
Beginning of year	81,000	81,000	79,741	(1,259)
End of year	\$ 79,800	\$ 79,800	\$ 79,741	\$ (59)

DRAFT

CITY OF FLORENCE, OREGON
NONMAJOR ENTERPRISE FUNDS

Combining Balance Sheet

June 30, 2013

	Events Center Fund (016)	Events Center Debt Service Fund (018)	Airport Operations Fund (130)	Adjustments	Total
Assets					
Cash and cash equivalents	\$ 327,346	\$ 26,494	\$ 25,577	\$ -	\$ 379,417
Accounts receivable	940	-	8,878	-	9,818
Inventories	-	-	18,248	-	18,248
Capital assets, net	-	-	-	2,218,820	2,218,820
	<u>\$ 328,286</u>	<u>\$ 26,494</u>	<u>\$ 52,703</u>	<u>\$ 2,218,820</u>	<u>\$ 2,626,303</u>
Total Assets	<u>\$ 328,286</u>	<u>\$ 26,494</u>	<u>\$ 52,703</u>	<u>\$ 2,218,820</u>	<u>\$ 2,626,303</u>
Liabilities					
Accounts payable and accrued expenses	\$ 4,180	\$ -	\$ 5	\$ -	\$ 4,185
Accrued payroll liabilities	3,759	-	-	-	3,759
Deferred revenue	-	-	8,878	(8,878)	-
Long-term debt	-	-	-	606,328	606,328
	<u>7,939</u>	<u>-</u>	<u>8,883</u>	<u>597,450</u>	<u>614,272</u>
Total Liabilities	<u>7,939</u>	<u>-</u>	<u>8,883</u>	<u>597,450</u>	<u>614,272</u>
Net Assets					
Ending Net Assets	317,957	26,494	43,820	1,621,370	2,009,641
Total Liabilities and Net Assets	<u>\$ 325,896</u>	<u>\$ 26,494</u>	<u>\$ 52,703</u>	<u>\$ 2,218,820</u>	<u>\$ 2,623,913</u>

CITY OF FLORENCE, OREGON
NONMAJOR ENTERPRISE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Net Assets

Year ended June 30, 2013

	Events Center Fund (016)	Events Center Debt Service Fund (018)	Airport Operations Fund (130)	Adjustments	Total Nonmajor Enterprise Funds
Revenues:					
Charges for services	\$ 237,640	\$ -	\$ 85,732	\$ -	\$ 323,372
Grants and contributions	104,567	-	-	-	104,567
Intergovernmental	-	182,171	-	-	182,171
Interest income	617	-	2,040	-	2,657
Other revenue	4,084	-	4,765	(5,197)	3,652
Total Revenues	346,908	182,171	92,537	(5,197)	616,419
Expenses:					
Personal services	214,838	-	-	663	215,501
Materials and services	223,341	-	74,726	13,338	311,405
Depreciation	-	-	-	203,479	203,479
Capital Outlay	44,318	-	-	(44,318)	-
Debt service					
Principal	-	135,000	43,311	(178,311)	-
Interest expense	-	20,749	12,326	(4,878)	28,197
Total Expenses	482,497	155,749	130,363	(10,027)	758,582
Excess (deficiency) of revenues over expenditures	(135,589)	26,422	(37,826)	4,830	(142,163)
Capital transfers, net:					
Transfers in	203,391	-	28,012	-	231,403
Transfers out	(49,334)	-	-	-	(49,334)
Total capital contributions	154,057	-	28,012	-	182,069
Change in fund balance	18,468	26,422	(9,814)	4,830	39,906
Beginning Fund Balance/ Net Assets	299,489	72	53,634	4,569,921	4,923,116
Ending Fund Balance / Net Assets	\$ 317,957	\$ 26,494	\$ 43,820		\$ 4,963,022

CITY OF FLORENCE, OREGON
EVENTS CENTER FUND (016)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Charges for services	\$ 270,055	\$ 270,055	\$ 237,640	\$ (32,415)
Grants and contributions	124,250	124,250	104,567	(19,683)
Investment earnings	100	100	617	517
Other revenue	500	500	4,084	3,584
Total revenues	<u>394,905</u>	<u>394,905</u>	<u>346,908</u>	<u>(47,997)</u>
Expenditures:				
Personal services	246,415	246,415	214,838	31,577
Materials and services	286,660	286,660	223,341	63,319
Capital Outlay	75,000	75,000	44,318	30,682
Total expenditures	<u>608,075</u>	<u>608,075</u>	<u>482,497</u>	<u>125,578</u>
Excess revenues under expenditures	<u>(213,170)</u>	<u>(213,170)</u>	<u>(135,589)</u>	<u>77,581</u>
Other financing sources (uses):				
Transfers in	203,500	203,500	203,391	(109)
Transfers out	(65,297)	(65,297)	(49,334)	15,963
Total other financing sources (uses)	<u>138,203</u>	<u>138,203</u>	<u>154,057</u>	<u>15,854</u>
Net change in fund balances	<u>(74,967)</u>	<u>(74,967)</u>	<u>18,468</u>	<u>93,435</u>
Fund Balance:				
Beginning of year	<u>200,000</u>	<u>200,000</u>	<u>(299,489)</u>	<u>(499,489)</u>
End of year	<u>\$ 125,033</u>	<u>\$ 125,033</u>	<u>\$ (281,021)</u>	<u>\$ (406,054)</u>

CITY OF FLORENCE, OREGON
EVENTS CENTER DEBT SERVICE FUND (018)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Intergovernmental	\$ 182,171	\$ 182,171	\$ 182,171	\$ -
Expenditures:				
Debt service:				
Principal	135,000	135,000	135,000	-
Interest expense	<u>20,755</u>	<u>20,755</u>	<u>20,749</u>	<u>6</u>
Total expenditures	<u>155,755</u>	<u>155,755</u>	<u>155,749</u>	<u>6</u>
Excess revenues over expenditures	<u>26,416</u>	<u>26,416</u>	<u>26,422</u>	<u>6</u>
Net change in fund balances	26,416	26,416	26,422	6
Fund Balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>72</u>	<u>72</u>
End of year	<u>\$ 26,416</u>	<u>\$ 26,416</u>	<u>\$ 26,494</u>	<u>\$ 78</u>

DRAFT

CITY OF FLORENCE, OREGON
AIRPORT OPERATIONS FUND (130)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Charges for services	\$ 89,186	\$ 89,186	\$ 85,732	\$ (3,454)
Investment earnings	1,020	1,020	2,040	1,020
Other revenue	5,400	5,400	4,765	(635)
Total revenues	<u>95,606</u>	<u>95,606</u>	<u>92,537</u>	<u>(3,069)</u>
Expenditures:				
Materials and services	86,430	86,430	74,726	11,704
Debt service:				
Principal	43,311	43,311	43,311	-
Interest expense	12,326	12,326	12,326	-
Total expenditures	<u>142,067</u>	<u>142,067</u>	<u>130,363</u>	<u>11,704</u>
Excess revenues under expenditures	(46,461)	(46,461)	(37,826)	8,635
Other financing sources (uses):				
Transfers in	<u>28,012</u>	<u>28,012</u>	<u>28,012</u>	<u>-</u>
Net change in fund balances	(18,449)	(18,449)	(9,814)	8,635
Fund Balance:				
Beginning of year	<u>40,570</u>	<u>40,570</u>	<u>53,634</u>	<u>13,064</u>
End of year	<u>\$ 22,121</u>	<u>\$ 22,121</u>	<u>\$ 43,820</u>	<u>\$ 21,699</u>

**CITY OF FLORENCE, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 1,890,638	\$ 1,890,638	\$ 1,892,694	\$ 2,056
Franchise taxes	512,448	512,448	487,205	(25,243)
Licenses and fees	256,735	256,735	252,392	(4,343)
Intergovernmental	343,390	343,390	334,568	(8,822)
Grants and contributions	65,875	65,875	112,632	46,757
Fines and forfeitures	234,600	234,600	245,659	11,059
Charges for services	38,250	38,250	27,529	(10,721)
Interest revenue	14,433	14,433	17,765	3,332
Miscellaneous revenue	11,730	11,730	13,355	1,625
Donation	-	-	-	-
Total revenues	3,368,099	3,368,099	3,383,799	15,700
EXPENDITURES:				
Community development program	575,092	575,092	497,205	77,887
Municipal Court Program	257,201	257,201	241,158	16,043
Police program	2,373,394	2,373,394	2,295,055	78,339
Administrative program	1,210,512	1,210,512	870,778	339,734
Parks program	166,214	166,214	164,316	1,898
Non-Departmental	232,400	232,400	170,051	62,349
Contingency	450,000	450,000	-	450,000
Total expenditures	5,264,813	5,264,813	4,238,563	1,026,250
Revenues over (under) expenditures	(1,896,714)	(1,896,714)	(854,764)	1,041,950
OTHER FINANCING SOURCES (USES):				
Issuance of debt	120,000	120,000	90,000	(30,000)
Transfers in	1,322,836	1,322,836	1,148,545	(174,291)
Transfers out	-	-	-	-
Total other financing sources (uses)	1,442,836	1,442,836	1,238,545	(204,291)
Net changes in fund balances	(453,878)	(453,878)	383,781	837,659
FUND BALANCE, BEGINNING	1,650,000	1,650,000	1,737,564	87,564
FUND BALANCE, ENDING	\$ 1,196,122	\$ 1,196,122	\$ 2,121,345	\$ 925,223

CITY OF FLORENCE, OREGON
STREETS PROGRAM (funds 002/111)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Licenses and fees	\$ 265,824	\$ 265,824	\$ 280,379	\$ 14,555
Intergovernmental	1,193,096	1,193,096	1,203,747	10,651
System development fees	14,800	14,800	13,957	
Grants and contributions	800,000	800,000	2,072	(797,928)
Assessments	12,598	12,598	7,158	(5,440)
Interest revenue	3,474	3,474	10,126	6,652
Miscellaneous revenue	1,000	1,000	7,644	6,644
Total revenues	2,290,792	2,290,792	1,525,083	(764,866)
EXPENDITURES:				
Streets Program	3,427,797	3,427,797	1,976,775	1,451,022
Total expenditures	3,427,797	3,427,797	1,976,775	1,451,022
Revenues over (under) expenditures	(1,137,005)	(1,137,005)	(451,692)	686,156
OTHER FINANCING SOURCES (USES):				
Issuance of debt	450,000	450,000	250,000	(200,000)
Transfers in	500,000	500,000	100,000	(400,000)
Total other financing sources (uses)	950,000	950,000	350,000	(600,000)
Net changes in fund balances	(187,005)	(187,005)	(101,692)	86,156
FUND BALANCE, BEGINNING	858,172	858,172	1,015,740	157,568
FUND BALANCE, ENDING	\$ 671,167	\$ 671,167	\$ 914,048	\$ 243,724

CITY OF FLORENCE, OREGON
PUBLIC WORKS ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Licenses and fees	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,785,000	1,785,000	1,247,957	(537,043)
Assessments	-	-	-	-
System development fees	55,600	55,600	28,677	(26,923)
Grants and contributions	30,000	30,000	20,428	(9,572)
Charges for services	5,315,974	5,315,974	5,267,599	(48,375)
Interest revenue	8,355	8,355	24,238	15,883
Miscellaneous revenue	8,160	8,160	8,835	675
Total revenues	7,203,089	7,203,089	6,597,734	(605,355)
EXPENDITURES:				
Water Program	4,202,137	4,202,137	4,817,499	615,362
Wastewater Program	5,330,488	5,330,488	4,003,377	(1,327,111)
Stormwater Program	632,668	632,668	415,022	(217,646)
Public Works Administration Program	526,990	526,990	489,638	(37,352)
Contingency	-	-	-	-
Total expenditures	10,692,283	10,692,283	9,725,536	(966,747)
Revenues over (under) expenditures	(3,489,194)	(3,489,194)	(3,127,802)	(1,572,102)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	1,492,000	1,492,000	2,547,510	(1,002,559)
Transfers in	683,990	683,990	646,479	(139,912)
Transfers out	-	-	-	360,939
Total other financing sources (uses)	2,175,990	2,175,990	3,193,989	(781,532)
Net changes in fund balances	(1,313,204)	(1,313,204)	66,187	(2,353,634)
FUND BALANCE, BEGINNING*****	2,199,705	2,199,705	2,449,347	(610,371)
FUND BALANCE, ENDING	\$ 886,501	\$ 886,501	\$ 2,515,534	\$ (2,964,005)

CITY OF FLORENCE, OREGON
FLORENCE (COMBINED) DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 182,171	\$ 182,171	\$ 182,171	\$ -
Assessments	40,000	40,000	22,664	(17,336)
Interest revenue	49,283	49,283	12,798	(36,485)
Total revenues	<u>271,454</u>	<u>271,454</u>	<u>217,633</u>	<u>(53,821)</u>
EXPENDITURES:				
Principal	915,000	915,000	915,000	-
Interest and fees	330,370	330,370	330,360	10
Total expenditures	<u>1,245,370</u>	<u>1,245,370</u>	<u>1,245,360</u>	<u>10</u>
Revenues over (under) expenditures	(973,916)	(973,916)	(1,027,727)	(53,811)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Transfers in	1,000,332	1,000,332	1,000,332	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,000,332</u>	<u>1,000,332</u>	<u>1,000,332</u>	<u>-</u>
Net changes in fund balances	26,416	26,416	(27,395)	(53,811)
FUND BALANCE, BEGINNING	<u>337,817</u>	<u>337,817</u>	<u>329,410</u>	<u>(8,407)</u>
FUND BALANCE, ENDING	<u>\$ 364,233</u>	<u>\$ 364,233</u>	<u>\$ 302,015</u>	<u>\$ (62,218)</u>

FUND CONSISTS OF SUB-FUNDS #018,151,152,153,160

CITY OF FLORENCE, OREGON
Schedule of Property Tax Transactions and Outstanding Balances
For the Year Ended June 30, 2013

Fiscal Year	Uncollected Balances July 01, 2012	2011-2012 Levy	Discount	Adjustment and Corrections	Collections	Uncollected Balances June 30, 2013
2011-12	\$ -	\$ 2,293,378	\$ (58,136)	\$ (6,040)	\$ (2,156,306)	\$ 72,896
2010-11	74,819	-	63	(3,848)	(28,518)	42,516
2009-10	48,207	-	9	(1,344)	(15,490)	31,382
2008-09	32,348	-	-	(948)	(11,513)	19,887
2007-08	8,379	-	1	(658)	(4,187)	3,535
2006-07	2,617	-	2	(204)	(417)	1,998
2005-06	1,632	-	2	(188)	(145)	1,301
Prior	4,169	-	1	(86)	(195)	3,889
Totals	\$ 172,171	\$ 2,293,378	\$ (58,058)	\$ (13,316)	\$ (2,216,771)	\$ 177,404

DRAFT