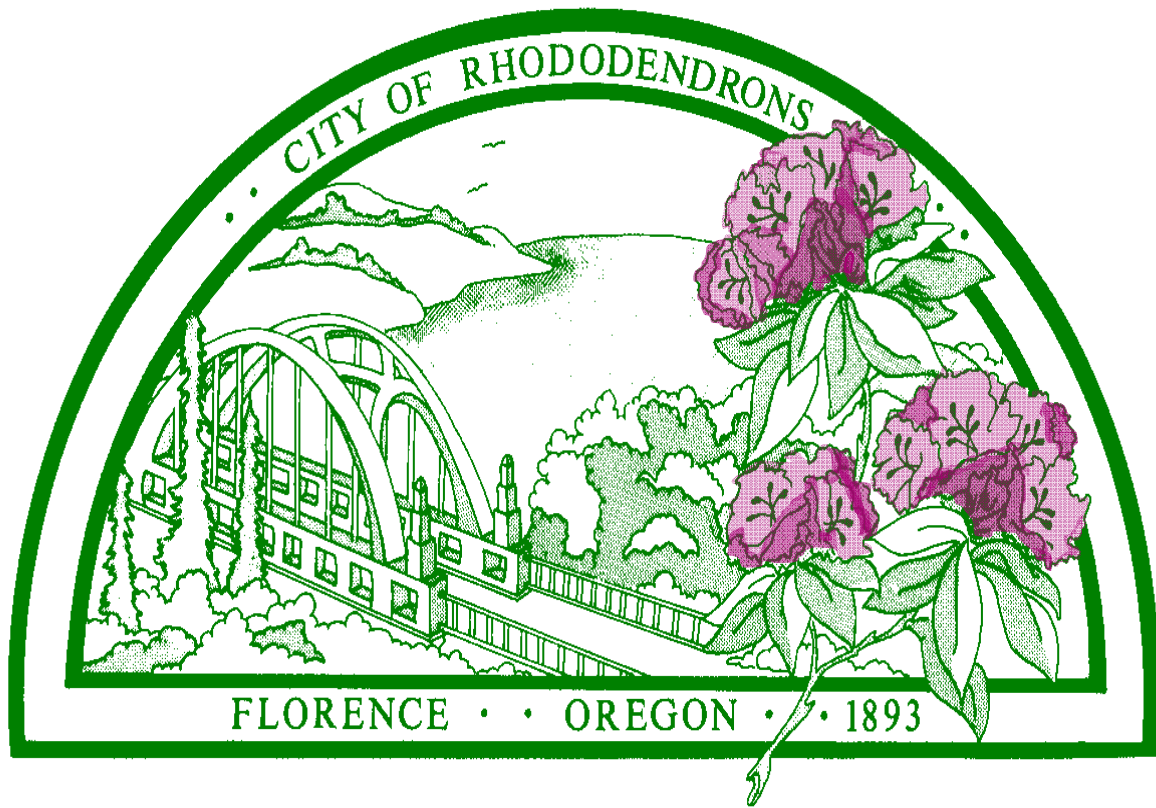


# CITY OF FLORENCE, OREGON



FINANCIAL STATEMENTS  
FOR THE YEAR ENDED

JUNE 30, 2009

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## **INTRODUCTORY SECTION**

**CITY OF FLORENCE, OREGON  
PRINCIPAL OFFICIALS**

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**ELECTED OFFICIALS**

Mayor	Phil Brubaker
Council President	Nola Xavier
Council Vice President	Alan Burns
Councilor	Dave Franzen
Councilor	Sue Roberts

**STATUTORY OFFICIALS**

Budget Committee

Mayor	Phil Brubaker
Council President	Nola Xavier
Council Vice President	Alan Burns
Councilor	Dave Franzen
Councilor	Sue Roberts
Member	KC Short
Member	John Murphey
Member	Vacant
Member	Pat Zeh
Member	Phil Zoller

**STAFF**

City Manager	Robert Willoughby
Assistant City Manager	Jacque Morgan
City Recorder	Barbara Miller
Finance Director	Dave Armstrong
Public Works Director	Mike Miller
Police Chief	Maurice Sanders
Community Development Director	Sandra Belson
Florence Events Center Director	Kevin Rhodes

**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Merina & Company, LLP, West Linn, Oregon



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## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Council  
City of Florence, Oregon  
Florence, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Florence, Oregon, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Florence, Oregon's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Florence, Oregon, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Florence, Oregon's basic financial statements. The introductory section and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in cursive script that reads "Merina & Company".

Merina & Company, LLP  
West Linn, Oregon  
December 22, 2009

## **Management's Discussion and Analysis**

The management of the City of Florence offers readers of the City of Florence's financial statements this narrative overview and analysis of the financial activities of the City of Florence for the fiscal year ended June 30, 2009.

### **Financial Highlights**

**Net Assets** - The assets of the City of Florence exceeded its liabilities at the close of the most recent fiscal year by \$23,255,332. Of this amount, \$4,724,056 may be used to meet the government's ongoing obligations to citizens and creditors.

**Change in Net Assets** - The City's total net assets increased by \$677,774, mostly due to increased revenue in the wastewater utility. There was also a prior period adjustment for \$95,643 to include assets of the Florence Urban Renewal Agency.

**Governmental Funds** - As of the close of the fiscal year, the City of Florence's governmental funds reported combined ending fund balances of \$3,565,265.

At the end of the fiscal year, unreserved fund balance for the general fund was \$859,542 or 24% percent of total general fund expenditures.

The City of Florence's total debt decreased by \$528,077 during the fiscal year. The decrease is attributable to debt payments made during the fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Florence's basic financial statements. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Florence's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Florence's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Florence is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). The governmental activities of the City of Florence include general government, public safety, highways and streets, airport, culture and recreation, and community development. The business type activities include water, wastewater, stormwater, and the operation of the Florence Events Center.

**Fund financial statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Florence, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Florence can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Florence maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, Grant projects Fund, and Bancroft Bond Fund. All of these funds are considered to be major funds.

Data from the other nine non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the other supplementary information described below.

**Proprietary Funds.** Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent 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 four segments of operations: Water, Wastewater, Storm Water, and Florence Events Center operation.

**Fiduciary funds.** Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

**Notes to the Basic Financial Statements.** The notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

**Required Supplementary Information.** Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Budgetary comparison schedule for major governmental funds are presented immediately following the notes to the basic financial statements.

**Other Supplementary Information.** The combining statements for the non-major governmental funds and budgetary comparison schedules for both the non-major governmental funds and the proprietary funds are presented immediately following the required supplementary information.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City of Florence, assets exceeded liabilities by \$23,255,332 at the close of the most recent fiscal year.

By far the largest portion of the City of Florence’s net assets (76%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Florence uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Florence’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table 1**  
**Summary of Net Assets**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash and investments	\$ 3,443,642	\$ 4,551,292	\$ 1,825,419	\$ 2,752,612	\$ 5,269,061	\$ 7,303,904
Other assets	812,252	610,016	715,815	724,351	1,528,067	1,334,367
Capital assets	12,490,310	11,982,246	22,267,907	21,386,679	34,758,217	33,368,925
<b>Total assets</b>	<b>16,746,204</b>	<b>17,143,554</b>	<b>24,809,141</b>	<b>24,863,642</b>	<b>41,555,345</b>	<b>42,007,196</b>
Other Liabilities	400,276	759,387	451,629	789,679	851,905	1,549,066
Long term debt outstanding	4,646,875	4,838,052	12,801,233	13,138,133	17,448,108	17,976,185
<b>Total liabilities</b>	<b>5,047,151</b>	<b>5,597,439</b>	<b>13,252,862</b>	<b>13,927,812</b>	<b>18,300,013</b>	<b>19,525,251</b>
<b>Net assets:</b>						
Invested in capital assets, net of debt	8,139,353	7,387,088	9,629,543	8,439,392	17,768,896	15,826,480
Restricted for debt service	-	-	860,244	860,244	860,244	860,244
Unrestricted (deficit)	3,559,700	4,159,027	1,066,492	1,636,194	4,626,192	5,795,221
<b>Total net assets</b>	<b>\$ 11,669,053</b>	<b>\$ 11,546,115</b>	<b>\$ 11,556,279</b>	<b>\$ 10,935,830</b>	<b>\$ 23,255,332</b>	<b>\$ 22,481,945</b>

A portion of the City of Florence’s net assets represent resources that are invested in capital assets, net of related debt. Of the remaining balance, \$860,244 is restricted for future debt service, and \$4,626,192 is unrestricted and may be used to meet the City’s ongoing obligations to citizens and creditors.

**Governmental activities.** Governmental activities increased the City of Florence’s net assets by \$57,295.

**Business-type activities.** Business-type activities increased the City of Florence’s net assets by \$620,449.

**Table 2**  
**Governmental and Proprietary Activities**

	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008

**REVENUES**

Program revenues						
Charges for services	\$ 647,359	\$ 706,231	\$ 5,094,636	\$ 4,268,705	\$ 5,741,995	\$ 4,974,936
Operating grants and contributions	301,503	131,578	-	-	301,503	131,578
Capital grants and contributions	57,101	-	182,171	182,171	239,272	182,171
General revenues						
Taxes	3,341,726	2,934,201	-	-	3,341,726	2,934,201
Franchise fees	477,832	478,708	-	-	477,832	478,708
Grants and contribution not restricted	-	-	-	-	-	-
Interest and investment earnings	85,391	242,172	51,072	128,498	136,463	370,670
Fines and forfeitures	252,373	237,082	-	-	252,373	237,082
Miscellaneous revenues	121,449	339,062	41,663	24,851	163,112	363,913
<b>Total Revenues</b>	<b>5,284,734</b>	<b>5,069,034</b>	<b>5,369,542</b>	<b>4,604,225</b>	<b>10,654,276</b>	<b>9,673,259</b>

**EXPENSES**

Programs	5,152,193	4,975,254	4,824,339	4,717,636	9,976,532	9,692,890
<b>Total Expenses</b>	<b>5,152,193</b>	<b>4,975,254</b>	<b>4,824,339</b>	<b>4,717,636</b>	<b>9,976,532</b>	<b>9,692,890</b>
Excess (deficiency) before transfers	132,541	93,780	545,203	(113,411)	677,744	(19,631)
Transfers in(out)	(75,246)	(23,795)	75,246	23,795	-	-
Change in net assets	57,295	69,985	620,449	(89,616)	677,744	(19,631)
Beginning net assets	11,546,115	11,476,130	10,935,830	11,025,446	22,481,945	22,501,576
Prior period adjustment	95,643	-	-	-	95,643	-
<b>Ending net assets</b>	<b>\$ 11,699,053</b>	<b>\$ 11,546,115</b>	<b>\$ 11,556,279</b>	<b>\$ 10,935,830</b>	<b>\$ 23,255,332</b>	<b>\$ 22,481,945</b>

**Financial Analysis of the City's funds**

**Governmental funds.** The focus of the City of Florence's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Florence's financing requirements. In particular, unreserved fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the City of Florence's governmental funds reported combined ending fund balances of \$3,565,265. Approximately 91% percent of this total amount (\$3,248,668) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed. The general fund increased by \$122,967 in 2009. The Street fund, Grants Projects fund, and Bancroft Bond fund, changed by (\$550,378), \$55,439 and (\$46,545) respectively. All other governmental funds experienced a net change in their fund balances of (\$185,641).

**Proprietary funds.** The combined water operations had a decrease in net assets of \$165,910. Net assets in wastewater operations increased by \$643,810. Net assets in storm water operations increased by \$62,679. The combined events center operations had an increase in net assets of \$79,852.

**General Fund Budgetary Highlights**

There were no significant changes to the budget of the General Fund during the 2008-2009 year.

**Capital Asset and Debt Administration**

**Capital assets.** The City of Florence’s investment in capital assets for its governmental and business type activities as of June 30, 2009 amounts to \$34,758,217 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, infrastructure and improvements, utility systems, equipment and vehicles, and construction in process.

**Table 3**  
**Capital Assets at Year-end**  
**(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 1,857,306	\$ 1,857,306	\$ 322,253	\$ 322,253	\$ 2,179,559	\$ 2,179,559
Buildings and improvements	6,803,050	6,677,832	23,447,405	23,201,859	30,250,455	29,879,691
Infrastructure and improvements	6,520,807	6,417,951	-	-	6,520,807	6,417,951
Utility systems	-	-	10,683,449	8,516,634	10,683,449	8,516,634
Equipment and vehicles	1,768,183	1,753,121	1,864,368	1,724,469	3,632,551	3,477,590
Construction in process	2,351,767	1,589,824	371,079	1,050,550	2,722,846	2,640,374
Less accumulated depreciation	<u>(6,810,803)</u>	<u>(6,313,788)</u>	<u>(14,420,646)</u>	<u>(13,429,086)</u>	<u>(21,231,449)</u>	<u>(19,742,874)</u>
Total	<u>\$ 12,490,310</u>	<u>\$ 11,982,246</u>	<u>\$ 22,267,908</u>	<u>\$ 21,386,679</u>	<u>\$ 34,758,218</u>	<u>\$ 33,368,925</u>

**Table 4**  
**Change in Capital Assets**

	Governmental Activities		Business-type Activities		Total Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Beginning balance	\$ 11,982,246	\$ 10,955,100	\$ 21,386,679	\$ 20,867,557	\$ 33,368,925	\$ 31,822,657
Additions	1,128,266	1,554,864	2,744,730	1,512,802	3,872,996	3,067,666
Depreciation	(538,708)	(527,718)	(1,008,391)	(993,680)	(1,547,099)	(1,521,398)
Deletions, net of depreciation	(81,494)	-	(855,110)	-	(936,604)	-
Ending balance	<u>\$ 12,490,310</u>	<u>\$ 11,982,246</u>	<u>\$ 22,267,908</u>	<u>\$ 21,386,679</u>	<u>\$ 34,758,218</u>	<u>\$ 33,368,925</u>

Additional information on the City’s capital assets can be found in the notes to the basis financial statements – note 4.

**Long-term debt.** At the end of the fiscal year, the City of Florence had total long-term debt outstanding of \$16,989,320. \$1,663,579 is a 2008 advanced refunded general obligation bond for the City’s Justice Center that houses our police department, municipal court, and Lane County’s justice court. Street improvement debt amounts to a total of \$334,335 outstanding. \$2,000,000 is a bridge loan for construction of the Spruce Street LID. A note payable for \$326,637 to provide infrastructure improvements to our airport industrial park rounds out the governmental activities debt. Of the business-type debt, \$2,617,450 is attributable to water system improvements; \$8,965,018 is outstanding on wastewater collection and treatment improvements, and \$935,000 is attributable to events center operations. Capital leases include \$120,895 in Stormwater for a street sweeper, and \$26,406 in the General Fund for a police car.

**Table 5**  
**Outstanding Debt at Year-end**

<b>Governmental Activities</b>	<u>2009</u>	<u>2008</u>
Justice Center advance refunding (2008)	\$ 1,663,579	\$ -
Justice Center advance refunding (1998A)	-	1,850,000
GO bonds, series 1994 (1994A)	120,000	155,000
General Fund – Capital lease for police car	26,406	-
Limited tax improvement bonds, series 1998	200,000	215,000
Industrial park - airport	326,637	357,175
2 <sup>nd</sup> Street parking lot	14,335	17,983
	<hr/>	<hr/>
Spruce Street LID bridge loan	2,000,000	2,000,000
	<hr/>	<hr/>
Sub-total	4,350,957	4,595,158
	<hr/>	<hr/>
<b>Business-type Activities</b>		
Water refunding revenue bonds (1998)	120,000	175,000
Sewer revenue bonds (1999)	-	25,000
2004 Refinancing of 1995 Event Center bonds	935,000	1,050,000
Wastewater facilities construction	8,323,915	8,876,185
Water plant expansion (1994)	50,613	57,458
Water system improvements	486,837	553,138
Water system improvements (2003)	1,960,000	2,075,000
Storm Water - Capital lease for street sweeper	120,895	137,744
OECD loan - Wastewater	641,103	-
Unamortized discount	-	(2,238)
	<hr/>	<hr/>
Sub-total	12,638,363	12,947,287
	<hr/>	<hr/>
Total	<u>\$ 16,989,320</u>	<u>\$ 17,542,445</u>

State statutes limit the amount of general obligation debt an Oregon city may issue to 3% of total assessed value of all taxable property within its boundary. The current debt limitation for the City of Florence is approximately \$23,000,000. Only \$1,663,579 of the outstanding debt is counted within the statutory limitation as the remaining debt is either wholly or partially financed by revenues other than a general tax levy.

Additional information on the City’s long-term debt can be found in the notes to the basic financial statements – note 6.

**Requests for information.** This financial report is designed to provide a general overview of the City of Florence's financial condition. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Florence, 250 Highway 101, Florence, Oregon 97439.





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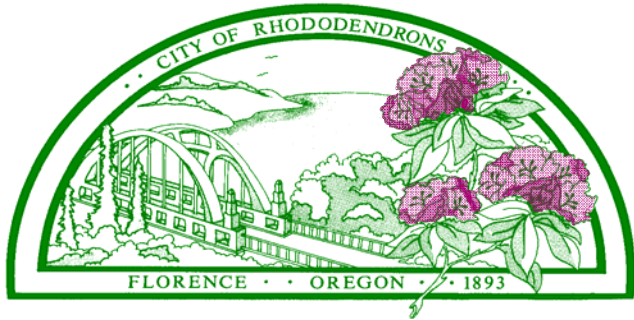
## **BASIC FINANCIAL STATEMENTS**

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds
  - Fiduciary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.



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**CITY OF FLORENCE, OREGON**  
**STATEMENT OF NET ASSETS**  
**June 30, 2009**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,443,642	\$ 1,825,419	\$ 5,269,061
Property taxes receivable	136,595	-	136,595
Due from other governments	4,772	-	4,772
Accounts receivable	252,427	569,551	821,978
Grants receivable	185,994	-	185,994
Interest receivable	42	-	42
Notes receivable	111,743	-	111,743
Bond costs	-	33,505	33,505
Inventories	-	112,759	112,759
	<u>4,135,215</u>	<u>2,541,234</u>	<u>6,676,449</u>
Noncurrent assets:			
Assessments receivable	120,679	-	120,679
Capital assets, net	12,490,310	22,267,907	34,758,217
	<u>12,610,989</u>	<u>22,267,907</u>	<u>34,878,896</u>
	<u>\$ 16,746,204</u>	<u>\$ 24,809,141</u>	<u>\$ 41,555,345</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 243,026	\$ 290,468	\$ 533,494
Interest payable	157,250	161,161	318,411
Current portion of long-term debt	2,658,345	1,132,125	3,790,470
	<u>3,058,621</u>	<u>1,583,754</u>	<u>4,642,375</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	1,988,530	11,669,108	13,657,638
	<u>1,988,530</u>	<u>11,669,108</u>	<u>13,657,638</u>
	<u>5,047,151</u>	<u>13,252,862</u>	<u>18,300,013</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,139,353	9,629,543	17,768,896
Restricted for:			
Debt Service	-	860,244	860,244
Other purposes	-	-	-
Unrestricted	3,559,700	1,066,492	4,626,192
	<u>11,699,053</u>	<u>11,556,279</u>	<u>23,255,332</u>
	<u>\$ 16,746,204</u>	<u>\$ 24,809,141</u>	<u>\$ 41,555,345</u>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF FLORENCE, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2009**

Functions/Programs	Expenses	Program Revenues			Net Expense Revenue and Change in Net Asset		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
Governmental activities:							
General government	\$ 1,084,751	\$ 291,585	\$ 223,689	\$ -	\$ (569,477)	\$ -	\$ (569,477)
Public safety	2,587,982	125,121	-	-	(2,462,861)	-	(2,462,861)
Economic development	471,779	175,136	77,814	-	(218,829)	-	(218,829)
Highways and streets	291,254	43,079	-	-	(248,175)	-	(248,175)
Airport	224,557	12,438	-	57,101	(155,018)	-	(155,018)
Culture and recreation	285,402	-	-	-	(285,402)	-	(285,402)
Interest on long-term debt	206,468	-	-	-	(206,468)	-	(206,468)
Total governmental activities	5,152,193	647,359	301,503	57,101	(4,146,230)	-	(4,146,230)
Business type activities:							
Water Operations	1,552,488	1,430,034	-	-	-	(122,454)	(122,454)
Wastewater Operations	2,205,314	2,903,541	-	-	-	698,227	698,227
Events Center Operations	670,894	304,140	-	182,171	-	(184,583)	(184,583)
Storm Water	395,643	456,921	-	-	-	61,278	61,278
Total business type activities	4,824,339	5,094,636	-	182,171	-	452,468	452,468
Total government	\$ 9,976,532	\$ 5,741,995	\$ 301,503	\$ 239,272	(4,146,230)	452,468	(3,693,762)
General revenues:							
Taxes:							
Property taxes					2,706,820	-	2,706,820
Public Service taxes and state revenue sharing					634,906	-	634,906
Franchise fees					477,832	-	477,832
Interest and investment earnings					85,391	51,072	136,463
Miscellaneous revenues					121,449	41,663	163,112
Fines and forfeitures					252,373	-	252,373
Transfers in (out)					(75,246)	75,246	-
Total general revenues and transfers					4,203,525	167,981	4,371,506
Change in net assets					57,295	620,449	677,744
Net assets - beginning					11,546,115	10,935,830	22,481,945
Prior period adjustment					95,643	-	95,643
Net assets - ending					\$ 11,699,053	\$ 11,556,279	\$ 23,255,332

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS**  
**Major Governmental Funds**

**General Fund**

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**Street Fund**

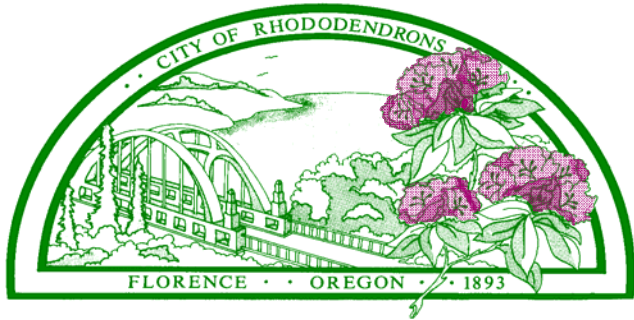
The Street Fund is used to account for maintenance and construction of the City's streets. State gasoline taxes, Lane County urban transition revenues, and assessments for street improvements are used to finance various street projects and ongoing maintenance.

**Grants Projects Fund**

The Grant Projects Fund accounts for major capital grant projects.

**Bancroft Bond Fund**

The Bancroft Bond Fund is used to account for special assessments receivable and the servicing of related bonded debt. The fund is financed through special assessment principal and interest collections.



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**CITY OF FLORENCE, OREGON**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2009**

	General Fund	Street Fund	Grants Projects Fund	Bancroft Bond Fund	Other Governmental	Total Governmental
<b>ASSETS</b>						
Cash and cash equivalents	\$ 806,709	\$ 39,583	\$ -	\$ 752,780	\$ 1,844,570	\$ 3,443,642
Property taxes receivable	110,039	-	-	-	26,556	136,595
Due from other governments	4,772	-	-	-	-	4,772
Accounts receivable	105,531	30,881	-	-	116,015	252,427
Assessments receivable	-	85,417	-	35,262	-	120,679
Grants receivable	-	607	185,387	-	-	185,994
Interest receivable	-	-	-	-	42	42
Notes receivable	-	-	-	-	111,743	111,743
Due from other funds	92,791	-	-	-	-	92,791
Total assets	<u>\$ 1,119,842</u>	<u>\$ 156,488</u>	<u>\$ 185,387</u>	<u>\$ 788,042</u>	<u>\$ 2,098,926</u>	<u>\$ 4,348,685</u>

**LIABILITIES AND FUND BALANCES**  
**LIABILITIES:**

Accounts payable and accrued expenses	\$ 157,581	\$ 33,134	\$ 17,059	\$ -	\$ 35,252	\$ 243,026
Due to other funds	-	-	91,791	-	1,000	92,791
Deferred revenue	102,719	85,417	-	35,262	224,205	447,603
Total liabilities	<u>260,300</u>	<u>118,551</u>	<u>108,850</u>	<u>35,262</u>	<u>260,457</u>	<u>783,420</u>

**FUND BALANCES:**

Reserved for:						
Debt service	-	-	-	-	316,597	316,597
Unreserved, reported in:						
General fund	859,542	-	-	-	-	859,542
Special revenue fund	-	37,937	76,537	-	1,521,872	1,636,346
Debt service fund	-	-	-	752,780	-	752,780
Total fund balance	<u>859,542</u>	<u>37,937</u>	<u>76,537</u>	<u>752,780</u>	<u>1,838,469</u>	<u>3,565,265</u>
Total liabilities and fund balance	<u>\$ 1,119,842</u>	<u>\$ 156,488</u>	<u>\$ 185,387</u>	<u>\$ 788,042</u>	<u>\$ 2,098,926</u>	

Amounts reported in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

12,490,310

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

447,603

Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.

-

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(4,804,125)

Net Assets

\$ 11,699,053

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF FLORENCE, OREGON**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2009**

	General Fund	Street Fund	Grants Projects Fund	Bancroft Bond Fund	Other Governmental	Total Governmental
<b>REVENUES:</b>						
Taxes	\$ 1,949,236	\$ -	\$ -	\$ -	\$ 731,969	\$ 2,681,205
Franchise taxes	477,832	-	-	-	-	477,832
Licenses and fees	137,378	-	-	-	17,376	154,754
Intergovernmental	196,787	373,132	-	-	64,987	634,906
Assessments	-	14,405	-	7,658	28,674	50,737
Grants and contributions	-	-	223,686	-	134,918	358,604
Fines and forfeitures	252,373	-	-	-	-	252,373
Charges for services	120,015	-	-	-	202,368	322,383
Permits	-	-	-	-	110,327	110,327
Interest revenue	32,551	9,430	-	15,957	27,453	85,391
Miscellaneous revenue	80,706	7,796	-	-	32,947	121,449
<b>Total revenues</b>	<b>3,246,878</b>	<b>404,763</b>	<b>223,686</b>	<b>23,615</b>	<b>1,351,019</b>	<b>5,249,961</b>
<b>EXPENDITURES:</b>						
Current:						
General government	305,229	442,300	5,101	-	337,229	1,089,859
Public safety	2,422,636	-	-	-	-	2,422,636
Economic development	452,577	-	-	-	-	452,577
Highways and streets	-	-	-	-	388	388
Airport	-	-	-	-	167,621	167,621
Culture and recreation	205,286	-	-	-	35,115	240,401
Capital outlay	130,696	512,841	163,146	-	220,579	1,027,262
Debt service:						
Principal	-	-	-	50,000	2,020,434	2,070,434
Interest	-	-	-	20,160	95,483	115,643
<b>Total expenditures</b>	<b>3,516,424</b>	<b>955,141</b>	<b>168,247</b>	<b>70,160</b>	<b>2,876,849</b>	<b>7,586,821</b>
Revenues over (under) expenditures	(269,546)	(550,378)	55,439	(46,545)	(1,525,830)	(2,336,860)
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	40,759	-	-	-	1,767,189	1,807,948
Transfers in	351,754	-	-	-	-	351,754
Transfers out	-	-	-	-	(427,000)	(427,000)
<b>Total other financing sources (uses)</b>	<b>392,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,340,189</b>	<b>1,732,702</b>
Net changes in fund balances	122,967	(550,378)	55,439	(46,545)	(185,641)	(604,158)
<b>FUND BALANCES, BEGINNING</b>	<b>736,575</b>	<b>588,315</b>	<b>21,098</b>	<b>799,325</b>	<b>1,928,467</b>	<b>4,073,780</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,643</b>	<b>95,643</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 859,542</b>	<b>\$ 37,937</b>	<b>\$ 76,537</b>	<b>\$ 752,780</b>	<b>\$ 1,838,469</b>	<b>\$ 3,565,265</b>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF FLORENCE, OREGON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2009**

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Amounts reported in the statement of activities are different because:

Net change in fund balances \$ (604,158)

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	(538,708)	
Capital asset additions	<u>1,046,772</u>	508,064

Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds. (1,674,175)

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 exceeded repayments.

Debt service principal payments	1,900,125	
Accrued interest expense	<u>(72,540)</u>	1,827,585

Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (21)

Change in net assets of governmental activities \$ 57,295

## **FUND FINANCIAL STATEMENTS**

### **Proprietary Funds**

#### **Enterprise 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 four segments of operations – Water, Wastewater, Events Center, and Storm Water. Included in these segments are:

#### **Water Operations**

##### **Water Fund**

The Water Fund accounts for the operation of the City's water utility system. The primary source of revenues consists of water sales.

##### **Water System Development Fund**

The Water System Development Fund accounts for system development fees charged on new construction. The proceeds are used to finance major expansions of the water system.

#### **Wastewater Operations**

##### **Wastewater Fund**

The Wastewater Fund accounts for the operation of the City's wastewater system. The primary source of revenue consists of charges for wastewater services.

##### **Wastewater System Development Fund**

The Wastewater System Development Fund accounts for system development fees on new construction. The proceeds are used to finance major expansions of the wastewater system.

#### **Events Center Operations**

##### **Events Center Fund**

The Events Center Fund is used to account for the operation of the Florence Events Center. The revenue sources consist of admission fees, charges for services, and room tax revenues.

##### **Events Center Reserve Fund**

The Events Center Reserve Fund is used to account for the capital reserve for the Florence Events Center.

##### **Events Center Debt Service Fund**

The Events Center Debt Service Fund is used to account for the lease-purchase financing arrangement for the construction of the Florence Events Center. The debt service fund is financed primarily through a twenty-year intergovernmental agreement with Lane County.

## **Storm Water**

### **Storm Water Fund**

The Storm Drain Utility Fund is used to account for the City's storm drain system. The primary source of revenue are assessments.

### **Storm Water SDC Fund**

The Storm Water SDC funds accounts for system development charges assessed to finance expansions of the storm water system.

For Generally Accepted Accounting Principles purposes, these aforementioned funds are consolidated and included as four separate Enterprises funds.

## **Internal Service Funds**

These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

### **Internal Service Fund**

The Internal Service Fund is used to account for administrative services departments including City Council/Mayor, City Manager, and Finance. Administrative expenses are apportioned to each receiving fund or department based on a time and effort study.

**CITY OF FLORENCE, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**  
**June 30, 2009**

	Business-Type Activities - Enterprise Funds					Governmental
	Water Operations	Wastewater Operations	Events Center Operations	Storm Water	Total	Internal Service Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 561,908	\$ 953,073	\$ 217,079	\$ 93,359	\$ 1,825,419	\$ -
Accounts receivables	203,122	295,844	2,787	67,798	569,551	-
Inventories	74,620	38,139	-	-	112,759	-
Bond costs	-	-	33,505	-	33,505	-
Total current assets	<u>839,650</u>	<u>1,287,056</u>	<u>253,371</u>	<u>161,157</u>	<u>2,541,234</u>	<u>-</u>
Capital assets, net	<u>5,823,290</u>	<u>13,291,529</u>	<u>2,429,229</u>	<u>723,859</u>	<u>22,267,907</u>	<u>-</u>
Total assets	<u>\$ 6,662,940</u>	<u>\$ 14,578,585</u>	<u>\$ 2,682,600</u>	<u>\$ 885,016</u>	<u>\$ 24,809,141</u>	<u>\$ -</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable	\$ 80,406	\$ 102,511	\$ 40,811	\$ 12,587	\$ 236,315	\$ -
Payroll liabilities	15,116	21,844	10,269	6,924	54,153	-
Interest payable	26,544	119,402	12,751	2,464	161,161	-
Current portion of long-term debt	<u>305,632</u>	<u>633,312</u>	<u>157,115</u>	<u>36,066</u>	<u>1,132,125</u>	<u>-</u>
Total current liabilities	<u>427,698</u>	<u>877,069</u>	<u>220,946</u>	<u>58,041</u>	<u>1,583,754</u>	<u>-</u>
<b>NONCURRENT LIABILITIES:</b>						
Noncurrent portion of long-term debt	<u>2,362,284</u>	<u>8,393,643</u>	<u>810,000</u>	<u>103,181</u>	<u>11,669,108</u>	<u>-</u>
Total non current liabilities	<u>2,362,284</u>	<u>8,393,643</u>	<u>810,000</u>	<u>103,181</u>	<u>11,669,108</u>	<u>-</u>
Total liabilities	<u>2,789,982</u>	<u>9,270,712</u>	<u>1,030,946</u>	<u>161,222</u>	<u>13,252,862</u>	<u>-</u>
<b>NET ASSETS:</b>						
Invested in capital assets, net of related debt	3,205,841	4,326,509	1,494,229	602,964	9,629,543	-
Restricted for:						
Debt service	-	860,244	-	-	860,244	-
Unrestricted	<u>667,117</u>	<u>121,120</u>	<u>157,425</u>	<u>120,830</u>	<u>1,066,492</u>	<u>-</u>
Total net assets	<u>3,872,958</u>	<u>5,307,873</u>	<u>1,651,654</u>	<u>723,794</u>	<u>11,556,279</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 6,662,940</u>	<u>\$ 14,578,585</u>	<u>\$ 2,682,600</u>	<u>\$ 885,016</u>	<u>\$ 24,809,141</u>	<u>\$ -</u>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF FLORENCE, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS**  
**For the Fiscal Year Ended June 30, 2009**

	Business-Type Activities - Enterprise Funds					Governmental
	Water Operations	Wastewater Operations	Events Center Operations	Storm Water	Total	Internal Service Fund
<b>OPERATING REVENUES:</b>						
System development fees	\$ 101,439	\$ 50,158	\$ -	\$ -	\$ 151,597	\$ -
Charges for services	1,328,595	2,853,383	304,140	456,921	4,943,039	874,353
Intergovernmental	-	-	182,171	-	182,171	-
Miscellaneous income	13,623	6,757	21,283	-	41,663	-
Total operating revenues	<u>1,443,657</u>	<u>2,910,298</u>	<u>507,594</u>	<u>456,921</u>	<u>5,318,470</u>	<u>874,353</u>
<b>OPERATING EXPENSES:</b>						
Materials and services	596,619	845,672	247,159	169,464	1,858,914	187,646
Personal services	440,398	544,492	279,840	178,407	1,443,137	686,728
Depreciation	388,408	478,074	101,919	39,991	1,008,392	-
Total operating expenses	<u>1,425,425</u>	<u>1,868,238</u>	<u>628,918</u>	<u>387,862</u>	<u>4,310,443</u>	<u>874,374</u>
Operating income (loss)	18,232	1,042,060	(121,324)	69,059	1,008,027	(21)
<b>NON-OPERATING INCOME (EXPENSE):</b>						
Interest income	9,675	33,826	6,152	1,419	51,072	-
Interest expense	(127,063)	(337,076)	(41,976)	(7,781)	(513,896)	-
Total non-operating income (expenses)	<u>(117,388)</u>	<u>(303,250)</u>	<u>(35,824)</u>	<u>(6,362)</u>	<u>(462,824)</u>	<u>-</u>
Net income (loss) before transfers	(99,156)	738,810	(157,148)	62,697	545,203	(21)
<b>TRANSFERS:</b>						
Transfers in (out)	(66,754)	(95,000)	237,000	-	75,246	-
Change in net assets	(165,910)	643,810	79,852	62,697	620,449	(21)
<b>NET ASSETS, BEGINNING</b>	<u>4,038,868</u>	<u>4,664,063</u>	<u>1,571,802</u>	<u>661,097</u>	<u>10,935,830</u>	<u>21</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 3,872,958</u>	<u>\$ 5,307,873</u>	<u>\$ 1,651,654</u>	<u>\$ 723,794</u>	<u>\$ 11,556,279</u>	<u>\$ -</u>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF FLORENCE, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2009**

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water Operations	Wastewater Operations	Events Center Operations	Storm Water	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 1,439,465	\$ 2,906,135	\$ 504,807	\$ 457,057	\$ 5,307,464	\$ 853,927
Cash paid to employees and others for salaries and benefits	(466,583)	(557,064)	(273,627)	(171,937)	(1,469,211)	(686,728)
Cash paid to suppliers and others	(531,153)	(1,272,363)	(210,368)	(159,277)	(2,173,161)	(205,307)
Net cash provided by operating activities	441,729	1,076,708	20,812	125,843	1,665,092	(38,108)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Transfers in (out)	(66,754)	(95,000)	237,000	-	75,246	-
Net cash provided by non-capital financing activities	(66,754)	(95,000)	237,000	-	75,246	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of capital assets	(325,615)	(1,287,963)	-	(276,043)	(1,889,621)	-
Debt principal payments	(240,909)	63,834	(115,000)	(16,849)	(308,924)	-
Interest paid	(130,492)	(344,083)	(43,497)	(6,773)	(524,845)	-
Bond costs	-	-	4,787	-	4,787	-
Net cash provided by capital and related financing activities	(697,016)	(1,568,212)	(153,710)	(299,665)	(2,718,603)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	9,675	33,826	6,152	1,419	51,072	-
Net cash provided by investing activities	9,675	33,826	6,152	1,419	51,072	-
Net increase in cash and cash equivalents	(312,366)	(552,678)	110,254	(172,403)	(927,193)	(38,108)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>874,274</b>	<b>1,505,751</b>	<b>106,825</b>	<b>265,762</b>	<b>2,752,612</b>	<b>38,108</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>\$ 561,908</b>	<b>\$ 953,073</b>	<b>\$ 217,079</b>	<b>\$ 93,359</b>	<b>\$ 1,825,419</b>	<b>\$ -</b>

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 18,232	\$ 1,042,060	\$ (121,324)	\$ 69,059	\$ 1,008,027	\$ (21)
Adjustments						
Depreciation and amortization	388,408	478,074	101,919	39,991	1,008,392	-
Decrease (increase) in:						
Accounts receivable and due from other funds	(4,192)	(4,163)	(2,787)	136	(11,006)	-
Inventories	1,774	12,982	-	-	14,756	-
Increase (decrease) in:						
Accounts payable and accrued expenses	63,692	(439,673)	36,791	10,187	(329,003)	(17,661)
Payroll liabilities	(747)	1,397	122	1,130	1,902	-
Deferred revenue	-	-	-	-	-	(20,426)
Accrued compensated absences	(25,438)	(13,969)	6,091	5,340	(27,976)	-
Net cash provided by operating activities	\$ 441,729	\$ 1,076,708	\$ 20,812	\$ 125,843	\$ 1,665,092	\$ (38,108)

The accompanying notes are an integral part of the basic financial statements.



**FUND FINANCIAL STATEMENTS**  
**Fiduciary Funds**

These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results.

**Agency Funds**

**Municipal Court Agency Fund**

The Municipal Court Agency Fund is used to account for bail held by the City pending the outcome of judicial action.

**CITY OF FLORENCE, OREGON**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**June 30, 2009**

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	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and cash equivalents	<u>\$ 20,460</u>
Total assets	<u><u>\$ 20,460</u></u>
<b>LIABILITIES:</b>	
Accounts payable and accrued expenses	<u>\$ 20,460</u>
Total liabilities	20,460
<b>NET ASSETS:</b>	<u>-</u>
Total liabilities and net assets	<u><u>\$ 20,460</u></u>

*The accompanying notes are an integral part of the basic financial statements.*

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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**1. Summary of Significant Accounting Policies**

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**A. Description of Reporting Entity**

The City is a municipal corporation governed by an elected mayor and four-member council. As required by GAAP, these financial statements present the government and its component unit (Florence Urban Renewal Agency), entities for which the government is considered to be financially accountable.

Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The Florence Urban Renewal Agency has a June 30 year-end. The Florence Urban Renewal Agency is governed by the City Council of the City of Florence

Florence Urban Renewal Agency – The 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 Urban Renewal Agency General Fund and Urban Renewal Agency Debt Service Fund are reported as governmental fund types.

**B. Basic Financial Statements**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include all the financial activities of the City, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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Fund financial statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, and fiduciary, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements and are detailed in the supplemental information.

**C. Basis of Presentation**

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The new GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds for 2009:

- *General Fund*
- *Street Fund*
- *Bancroft Bond Fund*
- *Grants Projects Fund*

The City reports each of its four 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 five segments of operations – Water, Wastewater, Events Center, and Storm Water. The City reports the following proprietary funds:

- *Water Operations*
- *Wastewater Operations*
- *Events Center Operations*
- *Storm Water Operations*

Fiduciary Funds reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's only fiduciary funds are agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The agency funds of the City are:

- *Municipal Court Agency Fund*

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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Internal Service Funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

**D. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The government-wide financial statements and the Proprietary Funds Financial Statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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, long-term compensated absences are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

A deferred revenue liability arises in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable deferred revenue consists primarily of uncollected property taxes and assessments not deemed available to financial operation of the current period. In the government-wide Statement of Net Assets, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the Governmental Fund Balance Sheet for unavailable deferred revenue is eliminated. Note that deferred revenues also arise outside the scope of measurement focus and bases of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures only to the extent that they are expended to be liquidated with expendable financial

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements. 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 non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's Water, Wastewater, Storm Water, and Events Center Funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and overheads, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The proprietary financial statements have incorporated all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**E. 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.

**F. 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

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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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.

**G. Interfund Loans Receivables/Payables**

Short-term interfund loans are classified as “Due to and due from other funds.”

**H. Inventories**

Inventories in the Water and Wastewater Funds consist of expendable supplies held for maintenance and improvements. Inventories are stated at cost using the consumption method.

**I. 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, 2009.



**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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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:

<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.

**J. Deferred Revenues**

Deferred revenues represent uncollected property taxes and other revenues not deemed available to finance operations of the current period.

**K. 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, building program fund, water fund, wastewater fund, event center fund, and the storm water fund.

**L. Net Assets and Fund Equity**

In the government-wide financial statements and proprietary funds financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt represents capital assets less accumulated depreciation less outstanding principal of related debt. Net assets invested in capital assets, net of related debt does not include the unspent proceeds of capital debt. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The nonexpendable portion of permanent funds is reported as a component of restricted net assets. The City's other restricted net assets are temporarily restricted (ultimately expendable) assets. All other net assets are considered unrestricted.

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**M. Use of Restricted Resources**

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources, as they are needed.

**N. 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.

**2. Cash and Cash Equivalents**

At June 30, 2009 investments included in cash and cash equivalents consist of the following:

	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Investments in the State Treasurer’s Local Government Investment Pool	0.00	\$ 5,130,292

**A. Interest rate risk**

The City of Florence does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**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. The State Treasurer’s Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Pool is not registered with the SEC as an investment company.

The City’s investment in the Local Government Investment Pool is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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**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 finds 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% of cash and cash equivalents at June 30, 2009.

**D. Custodial credit risk – deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned. Oregon Revised Statutes chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. The Public Funds Collateralization Program was created by the Office of the State Treasurer to facilitate bank depository, custodian and public official compliance with ORS 295. Bank depositors, which are part of a shared liability pool, are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. ORS 295 sets the specific value of the collateral, as well as the type of collateral that are acceptable. Oregon Revised Statutes require the depository institution to pledge collateral against any public funds deposits in excess of deposit insurance amounts. Depositories are required to pledge collateral valued from 10% to 110% of their quarter-end public fund deposits. The total bank balance, at June 30, 2009, shown on the bank statements was \$1,579,092. Of these deposits, \$554,234 was covered by federal depository insurance. The remaining balance of \$1,085,138 was uninsured, but collateralized with securities held by the pledging financial institution's agent, but not in the government's name.

**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.

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2009 was as follows:

<b>Primary Government</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Capital Assets, non-depreciable:</b>				
Land	\$ 1,857,306	\$ -	\$ -	\$ 1,857,306
Construction in progress	1,589,824	843,437	(81,494)	2,351,767
Total capital assets, non-depreciable	3,447,130	843,437	(81,494)	4,209,073
<b>Capital assets, depreciable:</b>				
Buildings and improvements	6,677,832	125,218	-	6,803,050
Equipment and vehicles	1,753,121	56,755	(41,693)	1,768,183
Infrastructure	6,417,951	102,856	-	6,520,807
Total capital assets, depreciable	14,848,904	284,829	(41,693)	15,092,040
Total	18,296,034	1,128,266	(123,187)	19,301,113
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(2,339,246)	(198,541)	-	(2,537,787)
Equipment and vehicles	(1,409,935)	(89,981)	41,693	(1,458,223)
Infrastructure	(2,564,607)	(250,186)	-	(2,814,793)
Total accumulated depreciation	(6,313,788)	(538,708)	41,693	(6,810,803)
Net depreciable capital assets	8,535,116	(253,879)	-	8,281,237
<b>Net capital assets</b>	<b>\$ 11,982,246</b>	<b>\$ 589,558</b>	<b>\$ (81,494)</b>	<b>\$ 12,490,310</b>
<b>Business-type activities totals</b>				
<b>Capital Assets, non-depreciable:</b>				
Land	\$ 322,253	\$ -	\$ -	\$ 322,253
Construction in progress	1,050,550	175,639	(855,110)	371,079
Total capital assets, non-depreciable	1,372,803	175,639	(855,110)	693,332
<b>Capital assets, depreciable:</b>				
Building and improvements	23,201,859	245,546	-	23,447,405
Utility systems	8,516,634	2,166,815	-	10,683,449
Equipment and vehicles	1,724,469	156,730	(16,831)	1,864,368
Total capital assets, depreciable	33,442,962	2,569,091	(16,831)	35,995,222
Total	34,815,765	2,744,730	(871,941)	36,688,554
<b>Less accumulated depreciation for:</b>				
Building and improvements	(6,628,442)	(702,356)	-	(7,330,798)
Utility systems	(5,399,063)	(231,857)	-	(5,630,920)
Equipment and vehicles	(1,401,581)	(74,178)	16,831	(1,458,928)
Total accumulated depreciation	(13,429,086)	(1,008,391)	16,831	(14,420,646)
Net depreciable capital assets	20,013,876	1,560,700	-	21,574,576
<b>Net capital assets</b>	<b>\$ 21,386,679</b>	<b>\$ 1,736,339</b>	<b>\$ (855,110)</b>	<b>\$ 22,267,908</b>

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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Depreciation expense was charged to functions/programs as follows:

<b>Governmental activities:</b>	
General government	\$ (1,168)
Public safety	(135,974)
Economic development	(13,715)
Highways & streets	(290,861)
Airport	(54,904)
Culture and recreation	(42,086)
Total depreciation expense - governmental activities	<u>\$ (538,708)</u>
<b>Business-type activities:</b>	
Events Center	\$ (101,919)
Wastewater	(388,407)
Water	(478,074)
Storm Water	(39,991)
Total depreciation expense - business-type activities	<u>\$ (1,008,391)</u>

**5. Interfund Receivables, Payables, and Transfers**

**A. Interfund Receivables and Payables**

Interfund balances which represent unsettled overdrafts of pooled cash as of June 30, 2009, are as follows:

	<u>Due to Other Funds</u>	<u>Due From Other Funds</u>
General Fund	\$ -	\$ 92,791
Grants Project Fund	91,791	-
911 Emergency Fund	1,000	-
	<u>\$ 92,791</u>	<u>\$ 92,791</u>

**B. Interfund Transfers**

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General Fund	\$ 351,754	\$ -
Total Major Governmental Funds	<u>351,754</u>	<u>-</u>
Non-major Governmental Funds:		
911 Emergency Fund	-	190,000
RTMP Grant Fund	-	74,000
Room Tax Fund	-	163,000
Total Non-major Governmental Funds	<u>-</u>	<u>427,000</u>
Proprietary Funds:		
Water Fund	300,000	366,754
Wastewater Fund	-	95,000
Events Center	237,000	-
Total Proprietary Funds	<u>537,000</u>	<u>461,754</u>
Total All Funds	<u>\$ 888,754</u>	<u>\$ 888,754</u>

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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Interfund transfers are used to pay for administrative services provided by the general fund and contribute to the cost of capital projects.

**6. Long Term Debt**

During the year ended June 30, 2009, long-term liability activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds payable	\$ 1,850,000	\$ 1,668,189	\$ (1,854,610)	\$ 1,663,579	\$ 260,000
Capital lease payable	-	40,759	(14,353)	26,406	12,834
Notes payable	2,375,158	-	(34,186)	2,340,972	2,039,593
Special assessments	370,000	-	(50,000)	320,000	50,000
Total bonds and notes payable	<u>4,595,158</u>	<u>1,708,948</u>	<u>(1,953,149)</u>	<u>4,350,957</u>	<u>2,362,427</u>
Compensated absences	242,894	295,918	(242,894)	295,918	295,918
Total governmental activities	<u>\$ 4,838,052</u>	<u>\$ 2,004,866</u>	<u>\$ (2,196,043)</u>	<u>\$ 4,646,875</u>	<u>\$ 2,658,345</u>
<b>Business-type Activities</b>					
Bonds payable	\$ 1,247,762	\$ -	\$ (192,762)	\$ 1,055,000	\$ 182,762
Capital lease payable	137,744	-	(16,849)	120,895	17,714
Notes payable	9,486,781	641,103	(625,416)	9,502,468	648,779
Special assessments	2,075,000	-	(115,000)	1,960,000	120,000
Total bonds and notes payable	<u>12,947,287</u>	<u>641,103</u>	<u>(950,027)</u>	<u>12,638,363</u>	<u>969,255</u>
Compensated absences	190,846	162,870	(190,846)	162,870	162,870
Total business-type activities	<u>\$13,138,133</u>	<u>\$ 803,973</u>	<u>\$ (1,140,873)</u>	<u>\$12,801,233</u>	<u>\$ 1,132,125</u>

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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**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, 2009 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.	<u>\$ 1,663,579</u>
Total bonds payable	<u><u>\$ 1,663,579</u></u>

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

Governmental Activities			
Year Ending June 30,	Principal	Interest	Total
2010	\$ 265,532	\$ 52,675	\$ 318,207
2011	235,532	44,099	279,631
2012	280,532	35,262	315,794
2013	285,532	25,550	311,082
2014	295,532	15,575	311,107
2015-2019	300,919	5,250	306,169
Total	\$ 1,663,579	\$ 178,411	\$ 1,841,990

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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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, 2009:

Business Type Activities

---

On August 1, 1998, the City issued bonds in the amount of \$640,000 at 3.50% - 4.80% for water plant expansion. Bond principal and interest is payable semiannually through April 2011.	\$ 120,000
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.	935,000
Total bonds payable	\$ 1,055,000

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

Business Type Activities

---

Year Ending June 30,	Principal	Interest	Total
2010	\$ 185,000	\$ 39,763	\$ 224,763
2011	185,000	32,351	217,351
2012	125,000	24,878	149,878
2013	135,000	20,096	155,096
2014	135,000	14,899	149,899
2015-2019	290,000	12,679	302,679
Total	\$ 1,055,000	\$ 144,666	\$ 1,199,666



**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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**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

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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 5.32% through December 2016.	\$ 326,637
On March 15, 2004, the City received proceeds in the amount of \$31,793 from the Oregon Housing and Community Services program for improvements to the 2 <sup>nd</sup> Street parking lot. Loan principal and interest is payable annually at 3.00% through March 2019.	14,335
On December 19, 2007, the City received proceeds in the amount of \$2,000,000 for Spruce Street local improvements. The note was extended on December 1, 2009 and is due June 1, 2010 or upon completion of the project, whichever is earlier. The note bears interest at 1.6% and is payable at the maturity date.	<u>2,000,000</u>
Total notes payable	<u>\$ 2,340,972</u>

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

Governmental Activities			
Year Ending June 30,	Principal	Interest	Total
2010	\$ 39,593	\$ 18,322	\$ 57,915
2011	40,021	16,273	56,294
2012	40,469	14,205	54,674
2013	39,561	12,080	51,641
2014	42,215	9,972	52,187
2015-2019	<u>139,113</u>	<u>15,625</u>	<u>154,738</u>
Total	<u>340,972</u>	<u>\$ 86,477</u>	<u>\$ 427,449</u>
Anticipation Note	<u>\$ 2,000,000</u>		
Total	<u>\$ 2,340,972</u>		

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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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.	\$ 486,837
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.	50,613
During 1998 the City received \$12,043,197 of financing from the State Revolving Fund for expansion of the wastewater system. This project was completed in fiscal year 2001-2002. Loan principal and interest is payable semiannually through February 2021. The annual interest rate is 3.4%	<u>8,323,915</u>
Total notes payable	<u>\$ 8,861,365</u>

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

Business-Type Activities			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 648,779	\$ 311,928	\$ 960,707
2011	673,048	287,655	960,703
2012	698,265	262,440	960,705
2013	724,466	236,238	960,704
2014	751,692	209,012	960,704
2015-2019	3,731,674	637,141	4,368,815
2020-2024	<u>1,633,441</u>	<u>70,630</u>	<u>1,704,071</u>
Total	<u>\$ 8,861,365</u>	<u>\$ 2,015,044</u>	<u>\$ 10,876,409</u>

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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**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.

Governmental Activities

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During 1994 the City issued \$610,000 of series 1994 of GO bonds. This Series bond pays interest of 4.90% -6.20%. The bond matures in September 2012. Loan principal and interest is payable semiannually through September 2012.	\$ 120,000
During 1998-99 the City issued \$ 350,000 Limited Tax Improvement bonds (Series 1998). This Series 1998 bond pays interest of 3.80% - 5.10%. Loan principal and interest is payable semiannually through September 2018.	<u>200,000</u>
Total special assessments	<u>\$ 320,000</u>

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

Governmental Activities

---

Year Ending June 30,	Principal	Interest	Total
2010	\$ 50,000	\$ 16,110	\$ 66,110
2011	50,000	13,275	63,275
2012	50,000	10,425	60,425
2013	50,000	7,560	57,560
2014	20,000	5,610	25,610
2015-2019	<u>100,000</u>	<u>12,750</u>	<u>112,750</u>
Total	<u>\$ 320,000</u>	<u>\$ 65,730</u>	<u>\$ 385,730</u>

Business-Type Activities

---

During 2003, the City issued \$2,670,000 of Water GO bonds for water system improvement. The bond pays interest of 2.00% - 4.60%. The bond matures in June 2022. Loan principal and interest is payable semiannually through June 2022.	<u>\$ 1,960,000</u>
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**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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

<u>Business-Type Activities</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 120,000	\$ 82,313	\$ 202,313
2011	125,000	78,413	203,413
2012	125,000	71,694	196,694
2013	130,000	66,718	196,718
2014	135,000	61,351	196,351
2015-2019	775,000	230,989	1,005,989
2020-2024	<u>550,000</u>	<u>51,290</u>	<u>601,290</u>
Total	<u>\$ 1,960,000</u>	<u>\$ 642,768</u>	<u>\$ 2,602,768</u>

**D. Capital Leases**

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 leases as of June 30, 2009.

	<u>Lease Obligation</u>	<u>Equipment Carrying Value</u>
General Fund:		
Ford Crown Victoria, 5.75%, \$14,353 annual payments, final payment due December 17, 2010	\$ 26,406	\$ 26,406
Stormwater Fund:		
Elgin Crosswind Sweeper, 5.07%, \$11,811 semiannual payments including interest, final payment due February 07, 2015.	<u>120,895</u>	<u>120,895</u>
Total	<u>\$ 147,301</u>	<u>\$ 147,301</u>

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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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, 2009.

<u>Years ending</u> <u>June 30,</u>	<u>General</u> <u>Fund</u> <u>Amount</u>
2010	\$ 37,974
2011	37,974
2012	23,621
2013	23,622
2014	23,621
2015-2019	23,622
2020-2024	-
Total minimum lease payments	170,434
Less amount representing interest	<u>(23,133)</u>
Present value of future minimum lease payments	<u>\$ 147,301</u>

**E. Interim Financing Loan**

On May 2, 2008 the City entered into a loan agreement with the Oregon Economic and Community Development Department to receive a loan in the amount of \$1,144,500 to finance the Florence Wastewater Transmission Line & Intersection Improvements. The maximum term of the loan is 2.5 years and has an annual interest rate of 2.91%. As of June 30, 2009, the City had drawn \$641,103 on the loan.

**7. Jointly Governed Organization**

High speed communication corporations have installed fiber optic lines through cities from Bandon to Florence without providing local governments and commercial companies an opportunity to connect to world markets through their high speed communication systems. Lack of such communication opportunities could hinder economic development within the South Central Coast area. Meetings of representatives from Coos Bay/North Bend, Bandon, Coquille, Florence, Douglas, Cottage Grove, Coos County, Lane County, Reedsport, Eugene, Springfield and high-speed communication consultants were held and it was decided that the communities should form the Fiber South Consortium for the control and operation of a fiber optic system. The consortium successfully negotiated with Williams Communication Corporation for fiber lines for use by the Consortium. As of June 30, 2009, the Consortium had not yet placed these fiber lines into use for local entities and companies needing high-speed communication capabilities.

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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**8. 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.

**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, 2009 was 9.82% and the annual pension cost was \$541,993. This was comprised of \$338,525 in employer contributions and \$203,468 of employee contributions. The OPSRP rates in effect for the year ended June 30, 2009 were 10.19% for general employees 13.46% 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.

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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**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>
6/30/07	\$ 465,961	100%	\$ -
6/30/08	452,879	100%	-
6/30/09	541,993	100%	-

**9. Intergovernmental Agreement**

In April of 1999, the City entered into an agreement with Siuslaw Rural Fire Protection District, pursuant to ORS 190.010. Under the agreement, the City turned over ownership of all assets of the fire department to the District on June 30, 1999. The City paid the sum of \$229,830 during the year ended June 30, 2009 to the District to provide fire protection and emergency services to the City. Adjustments to the amount of compensation to the District will be renegotiated annually. The amount negotiated for the fiscal year ending June 30, 2010 is \$277,000. The contract will remain in effect for an indefinite term, but may be terminated by either party with one-year advance notice.

**10. 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.

**11. Litigation**

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.

**12. Contingencies and Commitments**

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 will commence on or after January 1, 2010.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although the City expects such amounts, if any, to be immaterial.

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**

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After year-end, the City entered into several capital leases agreements for vehicles and computer software totaling approximately \$173,000.

**13. Prior Period Adjustment**

In fiscal year 2008, the Urban Renewal Fund was not included in the City's financial statements. A prior period adjustment has been made to correct this.





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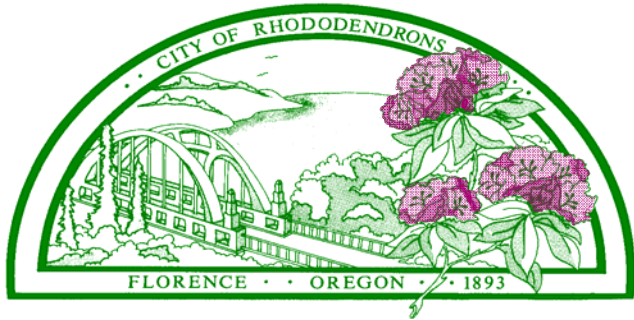
**REQUIRED SUPPLEMENTARY INFORMATION**

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

➤ Budgetary Comparison Schedules

- General Fund
- Street Fund
- Grants Projects Fund



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**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, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,844,350	\$ 1,844,350	\$ 1,949,236	\$ 104,886
Franchise taxes	415,000	415,000	477,832	62,832
Licenses and fees	127,000	127,000	137,378	10,378
Intergovernmental	173,000	173,000	196,787	23,787
Fines and forfeitures	240,000	240,000	252,373	12,373
Charges for services	159,000	159,000	120,015	(38,985)
Interest revenue	60,000	60,000	32,551	(27,449)
Miscellaneous revenue	54,200	54,200	80,706	26,506
Total revenues	<u>3,072,550</u>	<u>3,072,550</u>	<u>3,246,878</u>	<u>174,328</u>
<b>EXPENDITURES:</b>				
General government	306,597	311,597	305,229	6,368
Public safety	2,549,071	2,514,071	2,422,636	91,435
Economic development	470,435	470,435	452,577	17,858
Culture and recreation	222,356	222,356	205,286	17,070
Capital outlay	150,167	185,167	130,696	54,471
Contingency	136,246	131,246	-	131,246
Total expenditures	<u>3,834,872</u>	<u>3,834,872</u>	<u>3,516,424</u>	<u>318,448</u>
Revenues over (under) expenditures	(762,322)	(762,322)	(269,546)	492,776
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	-	-	40,759	40,759
Transfers in	337,322	337,322	351,754	14,432
Total other financing sources (uses)	<u>337,322</u>	<u>337,322</u>	<u>392,513</u>	<u>55,191</u>
Net changes in fund balances	(425,000)	(425,000)	122,967	547,967
<b>FUND BALANCE, BEGINNING</b>	<u>425,000</u>	<u>425,000</u>	<u>736,575</u>	<u>311,575</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 859,542</u>	<u>\$ 859,542</u>

**CITY OF FLORENCE, OREGON**  
**STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 560,000	\$ 560,000	\$ 373,132	\$ (186,868)
Assessments	10,000	10,000	14,405	4,405
Interest revenue	29,900	29,900	9,430	(20,470)
Miscellaneous revenue	10,200	10,200	7,796	(2,404)
Total revenues	610,100	610,100	404,763	(205,337)
<b>EXPENDITURES:</b>				
Personal service	94,552	94,552	88,744	5,808
Materials and service	369,852	369,852	353,556	16,296
Capital outlay	966,317	966,317	512,841	453,476
Contingency	9,379	9,379	-	9,379
Total expenditures	1,440,100	1,440,100	955,141	484,959
Revenues over (under) expenditures	(830,000)	(830,000)	(550,378)	279,622
Net changes in fund balances	(830,000)	(830,000)	(550,378)	279,622
<b>FUND BALANCES, BEGINNING</b>	830,000	830,000	588,315	(241,685)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 37,937	\$ 37,937

**CITY OF FLORENCE, OREGON**  
**GRANTS PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Grants and contributions	\$ 2,985,000	\$ 2,985,000	\$ 223,686	\$ (2,761,314)
Total revenues	<u>2,985,000</u>	<u>2,985,000</u>	<u>223,686</u>	<u>(2,761,314)</u>
<b>EXPENDITURES:</b>				
Personal service	19,664	19,664	2,034	17,630
Materials and service	129,201	129,201	3,067	126,134
Capital outlay	<u>2,851,135</u>	<u>2,851,135</u>	<u>163,146</u>	<u>2,687,989</u>
Total expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>168,247</u>	<u>2,831,753</u>
Net changes in fund balances	(15,000)	(15,000)	55,439	70,439
<b>FUND BALANCES, BEGINNING</b>	<u>15,000</u>	<u>15,000</u>	<u>21,098</u>	<u>6,098</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,537</u>	<u>\$ 76,537</u>

**CITY OF FLORENCE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2009**

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**Stewardship, Compliance, and Accountability**

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds, except the Fiduciary Funds, as required by Oregon Local Budget Law.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund and Internal Service Fund. Expenditure categories of personal services, materials and services, capital outlay, debt service transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. Management may not amend the budget without seeking the approval of the Council. The city had several appropriation transfers during the year-ended June 30, 2009. The city had a supplemental budget during the year-ended June 30, 2009. Appropriations lapse as of year-end.

Expenditures in the following funds exceeded appropriations for the year ended June 30, 2009:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount of Over- Expenditure</u>
Internal Service	City Manager	\$ 24,863
Urban Renewal	Debt Service	20,044



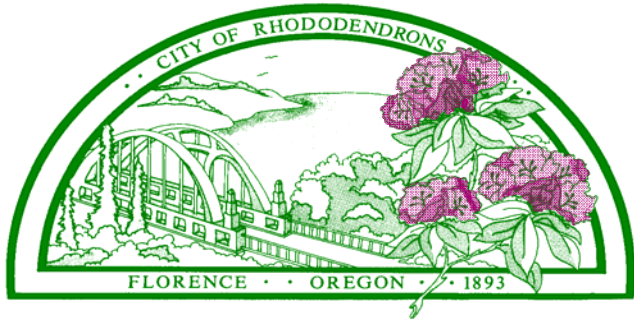
## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Other Financial Schedules



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## COMBINING STATEMENTS

### Nonmajor Governmental Funds

#### **Special Revenue Funds**

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

#### **Room Tax Fund**

The Room Tax Fund is used to account for The City's room tax receipts. These taxes are used to help support the Florence Events Center and to accomplish specific Chamber of Commerce and tourism-related projects.

#### **911 Emergency Fund**

The 911 Emergency Fund is used to account for revenue from the 911 telephone tax and user fees from various special districts for operation of the Western Lane County Public Safety Answering Point (PSAP).

#### **Rehab Loan Fund**

The Rehab Loan Fund was created to account for revenues and expenditures under the Community Development Block Grant Program. The federal program allows the City through grants to make low interest loans to low-income homeowners for housing rehabilitation through the Lane Regional Housing Rehabilitation Program. The City also uses some repaid CDBG monies to operate its own loan program.

#### **Airport Capital Project Fund**

The Airport Capital Project Fund is used to account for improvement/upgrade of the City's airport facilities.

#### **Building Program Fund**

The Building Program Fund accounts for the receipt of building-related revenues and contracted building inspection services.

#### **Airport Operations Fund**

The Airport Operations Fund is used to account for the development and operation of the City's public airport and Business Park.

#### **Street Systems Development Fund**

The Street Systems Development Fund is used to account for major street improvements. The primary source of revenues is street system development fees on new construction within the City.

#### **Urban Renewal Fund**

The Urban Renewal Fund is used to account for the revenue and expenditures under the Urban Renewal Plan. The primary source of revenues is taxes.

#### **RTMP Grant Fund**

The RTMP grant Fund accounts for Rural Tourism Marketing and Promotion grant funds.

#### **Debt Service Funds**

These funds are used to account for revenues and expenditures related to the servicing of general long-term debt:

#### **General Obligation Debt Service Fund**

The General Obligation Debt Service Fund is used to account for general obligation bonds. Currently, a bond for the construction of the Justice Center is accounted for in this fund.

**CITY OF FLORENCE, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2009**

	Total Nonmajor Special Revenue Funds	General Obligation Debt Service Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,529,550	\$ 315,020	\$ 1,844,570
Property taxes receivable	7,137	19,419	26,556
Accounts receivable	115,772	243	116,015
Interest receivable	-	42	42
Notes receivable	111,743	-	111,743
	<u>111,743</u>	<u>-</u>	<u>111,743</u>
Total assets	<u>\$ 1,764,202</u>	<u>\$ 334,724</u>	<u>\$ 2,098,926</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ 35,252	\$ -	\$ 35,252
Due to other funds	1,000	-	1,000
Deferred revenue	206,078	18,127	224,205
	<u>206,078</u>	<u>18,127</u>	<u>224,205</u>
Total liabilities	<u>242,330</u>	<u>18,127</u>	<u>260,457</u>
<b>FUND BALANCES:</b>			
Reserved for:			
Debt service	-	316,597	316,597
Unreserved, reported in:			
Special revenue fund	1,521,872	-	1,521,872
	<u>1,521,872</u>	<u>-</u>	<u>1,521,872</u>
Total fund equity	<u>1,521,872</u>	<u>316,597</u>	<u>1,838,469</u>
Total liabilities and fund equity	<u>\$ 1,764,202</u>	<u>\$ 334,724</u>	<u>\$ 2,098,926</u>

**CITY OF FLORENCE, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2009**

	Total Nonmajor Special Revenue Funds	General Obligation Debt Service Fund	Total
<b>REVENUES:</b>			
Taxes	\$ 396,318	\$ 335,651	\$ 731,969
Licenses and fees	17,376	-	17,376
Intergovernmental	64,987	-	64,987
Assessments	28,674	-	28,674
Grants and contributions	134,918	-	134,918
Charges for services	202,368	-	202,368
Permits	110,327	-	110,327
Interest revenue	26,551	902	27,453
Miscellaneous revenue	32,947	-	32,947
	<u>1,014,466</u>	<u>336,553</u>	<u>1,351,019</u>
Total revenues			
<b>EXPENDITURES:</b>			
General government	337,229	-	337,229
Highways and streets	388	-	388
Airport	167,621	-	167,621
Culture and recreation	35,115	-	35,115
Capital outlay	220,579	-	220,579
Debt service:			
Principal	129,538	1,890,896	2,020,434
Interest	20,578	74,905	95,483
	<u>911,048</u>	<u>1,965,801</u>	<u>2,876,849</u>
Total expenditures			
Revenues over (under) expenditures	103,418	(1,629,248)	(1,525,830)
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of debt	99,000	1,668,189	1,767,189
Transfers out	(427,000)	-	(427,000)
	<u>(328,000)</u>	<u>1,668,189</u>	<u>1,340,189</u>
Total other financing sources (uses)			
Net changes in fund balances	(224,582)	38,941	(185,641)
<b>FUND BALANCES, BEGINNING</b>	<u>1,650,811</u>	<u>277,656</u>	<u>1,928,467</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>95,643</u>	<u>-</u>	<u>95,643</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,521,872</u>	<u>\$ 316,597</u>	<u>\$ 1,838,469</u>

**CITY OF FLORENCE, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2009**

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	<u>Room Tax Fund</u>	<u>911 Emergency Fund</u>	<u>Rehab Loan Fund</u>	<u>Airport Capital Project Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,255	\$ -	\$ 104,473	\$ 8,477
Property taxes receivable	-	-	-	-
Accounts receivable	21,011	1,477	88,066	-
Notes receivable	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 28,266</u>	<u>\$ 1,477</u>	<u>\$ 192,539</u>	<u>\$ 8,477</u>
 <b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 8,408
Due to other funds	-	1,000	-	-
Deferred revenue	-	-	88,066	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>-</u>	<u>1,000</u>	<u>88,066</u>	<u>8,408</u>
 <b>FUND BALANCES:</b>				
Unreserved, reported in:				
Special revenue fund	<u>28,266</u>	<u>477</u>	<u>104,473</u>	<u>69</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund equity	<u>28,266</u>	<u>477</u>	<u>104,473</u>	<u>69</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund equity	<u>\$ 28,266</u>	<u>\$ 1,477</u>	<u>\$ 192,539</u>	<u>\$ 8,477</u>

<u>Building Program Fund</u>	<u>Airport Operations Fund</u>	<u>Street Systems Development Fund</u>	<u>Urban Renewal Fund</u>	<u>RTMP Grant Fund</u>	<u>Total</u>
\$ 194,253	\$ 334,165	\$ 636,165	\$ 243,955	\$ 807	\$ 1,529,550
-	-	-	7,137	-	7,137
-	4,411	-	807	-	115,772
-	111,349	-	394	-	111,743
<u>\$ 194,253</u>	<u>\$ 449,925</u>	<u>\$ 636,165</u>	<u>\$ 252,293</u>	<u>\$ 807</u>	<u>\$ 1,764,202</u>
\$ 18,265	\$ 5,070	\$ -	\$ 3,509	\$ -	\$ 35,252
-	-	-	-	-	1,000
-	111,349	-	6,663	-	206,078
<u>18,265</u>	<u>116,419</u>	<u>-</u>	<u>10,172</u>	<u>-</u>	<u>242,330</u>
<u>175,988</u>	<u>333,506</u>	<u>636,165</u>	<u>242,121</u>	<u>807</u>	<u>1,521,872</u>
<u>175,988</u>	<u>333,506</u>	<u>636,165</u>	<u>242,121</u>	<u>807</u>	<u>1,521,872</u>
<u>\$ 194,253</u>	<u>\$ 449,925</u>	<u>\$ 636,165</u>	<u>\$ 252,293</u>	<u>\$ 807</u>	<u>\$ 1,764,202</u>



**CITY OF FLORENCE, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2009**

	Room Tax Fund	911 Emergency Fund	Rehab Loan Fund	Airport Capital Project Fund
<b>REVENUES:</b>				
Taxes	\$ 218,475	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-
Intergovernmental	-	64,437	-	-
Assessments	-	-	-	-
Grants and contributions	-	-	-	57,101
Charges for services	-	125,121	-	-
Permits	-	-	-	-
Interest revenue	-	181	1,540	9
Miscellaneous revenue	-	-	-	-
Total revenues	<u>218,475</u>	<u>189,739</u>	<u>1,540</u>	<u>57,110</u>
<b>EXPENDITURES:</b>				
General government	-	-	-	-
Highways and streets	-	-	-	-
Airport	-	-	-	-
Culture and recreation	35,115	-	-	-
Capital outlay	-	-	-	57,752
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>35,115</u>	<u>-</u>	<u>-</u>	<u>57,752</u>
Revenues over (under) expenditures	183,360	189,739	1,540	(642)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	-	-	-	-
Transfers out	(163,000)	(190,000)	-	-
Total other financing sources (uses)	<u>(163,000)</u>	<u>(190,000)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	20,360	(261)	1,540	(642)
<b>FUND BALANCES, BEGINNING</b>	<u>7,906</u>	<u>738</u>	<u>102,933</u>	<u>711</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 28,266</u>	<u>\$ 477</u>	<u>\$ 104,473</u>	<u>\$ 69</u>

<u>Building Program Fund</u>	<u>Airport Operations Fund</u>	<u>Street Systems Development Fund</u>	<u>Urban Renewal Fund</u>	<u>RTMP Grant Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 177,843	\$ -	\$ 396,318
17,376	-	-	-	-	17,376
550	-	-	-	-	64,987
-	-	28,674	-	-	28,674
-	-	-	-	77,817	134,918
64,809	12,438	-	-	-	202,368
110,327	-	-	-	-	110,327
2,441	12,915	9,208	257	-	26,551
-	32,791	-	156	-	32,947
<u>195,503</u>	<u>58,144</u>	<u>37,882</u>	<u>178,256</u>	<u>77,817</u>	<u>1,014,466</u>
298,678	-	-	30,734	7,817	337,229
-	-	388	-	-	388
-	167,621	-	-	-	167,621
-	-	-	-	-	35,115
-	14,276	148,551	-	-	220,579
-	30,538	-	99,000	-	129,538
-	19,534	-	1,044	-	20,578
<u>298,678</u>	<u>231,969</u>	<u>148,939</u>	<u>130,778</u>	<u>7,817</u>	<u>911,048</u>
(103,175)	(173,825)	(111,057)	47,478	70,000	103,418
-	-	-	99,000	-	99,000
-	-	-	-	(74,000)	(427,000)
-	-	-	99,000	(74,000)	(328,000)
(103,175)	(173,825)	(111,057)	146,478	(4,000)	(224,582)
<u>279,163</u>	<u>507,331</u>	<u>747,222</u>	<u>-</u>	<u>4,807</u>	<u>1,650,811</u>
-	-	-	95,643	-	95,643
<u>\$ 175,988</u>	<u>\$ 333,506</u>	<u>\$ 636,165</u>	<u>\$ 242,121</u>	<u>\$ 807</u>	<u>\$ 1,521,872</u>

**CITY OF FLORENCE, OREGON**  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**For the Fiscal Year Ended June 30, 2009**

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	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<b>Municipal Court Agency Fund</b>				
Assets				
Cash	\$ 21,081	\$ -	\$ 621	\$ 20,460
Liabilities				
Other current liabilities	\$ 21,081	\$ -	\$ 621	\$ 20,460

## **BUDGETARY COMPARISON SCHEDULES**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Budgetary Comparison schedules includes the following:

- General Fund Schedule of Expenditures
- Special Revenue Funds
  - Room Tax Fund
  - 911 Emergency Fund
  - Rehab Loan Fund
  - Airport Capital Project Fund
  - Building Program Fund
  - Airport Operations Fund
  - Street Systems Development Fund
  - Urban Renewal Fund
  - RTMP Grant Fund
- Debt Service Funds
  - General Obligation Debt Service Fund
  - Bancroft Bond Fund

**CITY OF FLORENCE, OREGON**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Police operations:				
Personal services	\$ 1,876,161	\$ 1,876,161	\$ 1,816,371	\$ 59,790
Materials and services	434,410	399,410	368,589	30,821
Capital outlay	15,000	50,000	42,139	7,861
Subtotal	2,325,571	2,325,571	2,227,099	98,472
Municipal court:				
Personal services	146,151	146,151	139,458	6,693
Materials and services	115,446	115,446	117,446	(2,000)
Subtotal	261,597	261,597	256,904	4,693
Fire services:				
Materials and services	238,500	238,500	237,676	824
Subtotal	238,500	238,500	237,676	824
Parks:				
Personal services	147,965	147,965	143,005	4,960
Materials and services	74,391	74,391	62,281	12,110
Capital outlay	134,667	134,667	88,557	46,110
Subtotal	357,023	357,023	293,843	63,180
Planning and development:				
Personal services	283,002	283,002	277,195	5,807
Materials and services	187,433	187,433	175,382	12,051
Capital outlay	500	500	-	500
Subtotal	470,935	470,935	452,577	18,358
Non-departmental:				
Materials and services	45,000	50,000	48,325	1,675
Subtotal	45,000	50,000	48,325	1,675
Total expenditures	\$ 3,698,626	\$ 3,703,626	\$ 3,516,424	\$ 187,202

**CITY OF FLORENCE, OREGON**  
**ROOM TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 164,000	\$ 250,000	\$ 218,475	\$ (31,525)
Total revenues	164,000	250,000	218,475	(31,525)
<b>EXPENDITURES:</b>				
Materials and service	6,415	36,000	35,115	885
Capital outlay	28,700	28,700	-	28,700
Total expenditures	35,115	64,700	35,115	29,585
Revenues over (under) expenditures	128,885	185,300	183,360	(1,940)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(136,000)	(222,000)	(163,000)	59,000
Total other financing sources (uses)	(136,000)	(222,000)	(163,000)	59,000
Net changes in fund balances	(7,115)	(36,700)	20,360	57,060
<b>FUND BALANCES, BEGINNING</b>	7,115	8,000	7,906	(94)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ (28,700)	\$ 28,266	\$ 56,966

**CITY OF FLORENCE, OREGON**  
**911 EMERGENCY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 57,000	\$ 57,000	\$ 64,437	\$ 7,437
Charges for services	125,122	125,122	125,121	(1)
Interest revenue	200	200	181	(19)
	<u>182,322</u>	<u>182,322</u>	<u>189,739</u>	<u>7,417</u>
Total revenues				
	<u>182,322</u>	<u>182,322</u>	<u>189,739</u>	<u>7,417</u>
Revenues over (under) expenditures				
	<u>182,322</u>	<u>182,322</u>	<u>189,739</u>	<u>7,417</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(182,322)	(182,322)	(190,000)	(7,678)
	<u>(182,322)</u>	<u>(182,322)</u>	<u>(190,000)</u>	<u>(7,678)</u>
Total other financing sources (uses)				
	<u>(182,322)</u>	<u>(182,322)</u>	<u>(190,000)</u>	<u>(7,678)</u>
Net changes in fund balances	-	-	(261)	(261)
<b>FUND BALANCES, BEGINNING</b>	-	-	738	738
	<u>-</u>	<u>-</u>	<u>738</u>	<u>738</u>
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 477	\$ 477
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ 477</u>

**CITY OF FLORENCE, OREGON**  
**REHAB LOAN FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 2,300	\$ 2,300	\$ 1,540	\$ (760)
Loan repayments	15,000	15,000	-	(15,000)
Total revenues	17,300	17,300	1,540	(15,760)
<b>EXPENDITURES:</b>				
Materials and service	96,300	96,300	-	96,300
Total expenditures	96,300	96,300	-	96,300
Revenues over (under) expenditures	(79,000)	(79,000)	1,540	80,540
Net changes in fund balances	(79,000)	(79,000)	1,540	80,540
<b>FUND BALANCES, BEGINNING</b>	79,000	79,000	102,933	23,933
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 104,473	\$ 104,473



**CITY OF FLORENCE, OREGON**  
**AIRPORT CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Grants and contributions	\$ 100,000	\$ 100,000	\$ 57,101	\$ (42,899)
Interest revenue	-	-	9	9
Total revenues	100,000	100,000	57,110	(42,890)
<b>EXPENDITURES:</b>				
Capital outlay	100,000	100,000	57,752	42,248
Contingency	731	731	-	731
Total expenditures	100,731	100,731	57,752	42,979
Net changes in fund balances	(731)	(731)	(642)	89
<b>FUND BALANCES, BEGINNING</b>	731	731	711	(20)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 69	\$ 69

**CITY OF FLORENCE, OREGON**  
**BUILDING PROGRAM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses and fees	\$ 29,000	\$ 29,000	\$ 17,376	\$ (11,624)
Intergovernmental	600	600	550	(50)
Charges for services	74,000	74,000	64,809	(9,191)
Permits	196,500	196,500	110,327	(86,173)
Interest revenue	6,000	6,000	2,441	(3,559)
Total revenues	<u>306,100</u>	<u>306,100</u>	<u>195,503</u>	<u>(110,597)</u>
<b>EXPENDITURES:</b>				
Personal service	285,745	285,745	248,787	36,958
Materials and service	64,241	64,241	49,891	14,350
Contingency	156,114	156,114	-	156,114
Total expenditures	<u>506,100</u>	<u>506,100</u>	<u>298,678</u>	<u>207,422</u>
Revenues over (under) expenditures	(200,000)	(200,000)	(103,175)	96,825
Net changes in fund balances	(200,000)	(200,000)	(103,175)	96,825
<b>FUND BALANCES, BEGINNING</b>	<u>200,000</u>	<u>200,000</u>	<u>279,163</u>	<u>79,163</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,988</u>	<u>\$ 175,988</u>

**CITY OF FLORENCE, OREGON**  
**AIRPORT OPERATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 12,000	\$ 12,000	\$ 12,438	\$ 438
Interest revenue	17,570	17,570	12,915	(4,655)
Miscellaneous revenue	25,100	25,100	32,791	7,691
Total revenues	54,670	54,670	58,144	3,474
<b>EXPENDITURES:</b>				
Personal service	7,723	7,723	7,404	319
Materials and service	127,648	177,648	160,217	17,431
Capital outlay	15,000	15,000	14,276	724
Debt service:				
Principal	30,538	30,538	30,538	-
Interest	19,534	19,534	19,534	-
Contingency	90,044	40,044	-	40,044
Total expenditures	290,487	290,487	231,969	58,518
Net changes in fund balances	(235,817)	(235,817)	(173,825)	61,992
<b>FUND BALANCES, BEGINNING</b>	497,000	497,000	507,331	10,331
<b>FUND BALANCES, ENDING</b>	<u>\$ 261,183</u>	<u>\$ 261,183</u>	<u>\$ 333,506</u>	<u>\$ 72,323</u>

**CITY OF FLORENCE, OREGON**  
**STREET SYSTEMS DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Assessments	\$ 170,000	\$ 170,000	\$ 28,674	\$ (141,326)
Interest revenue	23,000	23,000	9,208	(13,792)
Total revenues	193,000	193,000	37,882	(155,118)
<b>EXPENDITURES:</b>				
Materials and service	1,000	1,000	388	612
Capital outlay	550,000	550,000	148,551	401,449
Contingency	382,000	382,000	-	382,000
Total expenditures	933,000	933,000	148,939	784,061
Net changes in fund balances	(740,000)	(740,000)	(111,057)	628,943
<b>FUND BALANCES, BEGINNING</b>	740,000	740,000	747,222	7,222
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 636,165	\$ 636,165

**CITY OF FLORENCE, OREGON**  
**URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 125,000	\$ 125,000	\$ 177,843	\$ 52,843
Interest revenue	-	-	257	257
Miscellaneous revenue	-	-	156	156
Total revenues	125,000	125,000	178,256	53,256
<b>EXPENDITURES:</b>				
Materials and service	31,000	31,000	30,734	266
Debt service:				
Principal	80,000	80,000	99,000	(19,000)
Interest	-	-	1,044	(1,044)
Contingency	54,000	54,000	-	54,000
Total expenditures	165,000	165,000	130,778	34,222
Revenues over (under) expenditures	(40,000)	(40,000)	47,478	87,478
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	-	-	99,000	99,000
Total other financing sources (uses)	-	-	99,000	99,000
Net changes in fund balances	(40,000)	(40,000)	146,478	186,478
<b>FUND BALANCES, BEGINNING</b>	60,000	60,000	95,643	35,643
<b>FUND BALANCES, ENDING</b>	\$ 20,000	\$ 20,000	\$ 242,121	\$ 222,121

**CITY OF FLORENCE, OREGON**  
**RTMP GRANT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Grants and contributions	\$ 70,000	\$ 78,000	\$ 77,817	\$ (183)
Total revenues	70,000	78,000	77,817	(183)
<b>EXPENDITURES:</b>				
Materials and service	6,000	7,900	7,817	83
Total expenditures	6,000	7,900	7,817	83
Revenues over (under) expenditures	64,000	70,100	70,000	(100)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(69,000)	(75,100)	(74,000)	1,100
Total other financing sources (uses)	(69,000)	(75,100)	(74,000)	1,100
Net changes in fund balances	(5,000)	(5,000)	(4,000)	1,000
<b>FUND BALANCES, BEGINNING</b>	5,000	5,000	4,807	(193)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 807	\$ 807

**CITY OF FLORENCE, OREGON**  
**GENERAL OBLIGATION DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 307,000	\$ 307,000	\$ 335,651	\$ 28,651
Interest revenue	500	500	902	402
Total revenues	<u>307,500</u>	<u>307,500</u>	<u>336,553</u>	<u>29,053</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	233,700	233,700	1,890,896	(1,657,196)
Interest	79,000	79,000	74,905	4,095
Contingency	<u>259,800</u>	<u>259,800</u>	<u>-</u>	<u>259,800</u>
Total expenditures	<u>572,500</u>	<u>572,500</u>	<u>1,965,801</u>	<u>(1,393,301)</u>
Revenues over (under) expenditures	(265,000)	(265,000)	(1,629,248)	(1,364,248)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	<u>-</u>	<u>-</u>	<u>1,668,189</u>	<u>1,668,189</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,668,189</u>	<u>1,668,189</u>
Net changes in fund balances	(265,000)	(265,000)	38,941	303,941
<b>FUND BALANCES, BEGINNING</b>	<u>265,000</u>	<u>265,000</u>	<u>277,656</u>	<u>12,656</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,597</u>	<u>\$ 316,597</u>

**CITY OF FLORENCE, OREGON**  
**BANCROFT BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Assessments	\$ 7,637	\$ 7,637	\$ 7,658	\$ 21
Interest revenue	26,387	26,387	15,957	(10,430)
Total revenues	34,024	34,024	23,615	(10,409)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	50,000	50,000	50,000	-
Interest	21,436	21,436	20,160	1,276
Contingency	752,588	752,588	-	752,588
Total expenditures	824,024	824,024	70,160	753,864
Net changes in fund balances	(790,000)	(790,000)	(46,545)	743,455
<b>FUND BALANCES, BEGINNING</b>	790,000	790,000	799,325	9,325
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 752,780	\$ 752,780





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## **BUDGETARY COMPARISON SCHEDULES**

### **Enterprise Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- Water Operations
  - Water Fund
  - Water System Development Fund
  
- Wastewater Operations
  - Wastewater Fund
  - Wastewater System Development Fund
  
- Events Center Operations
  - Events Center Fund
  - Events Center Reserve Fund
  - Events Center Debt Service Fund
  
- Storm Water
  - Storm Water Fund
  - Storm Water SDC Fund

**CITY OF FLORENCE, OREGON**  
**WATER OPERATIONS COMBINED**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Water Fund</u>	<u>Water System Development Fund</u>	<u>Total Water Operations</u>
<b>REVENUES:</b>			
Licenses and fees	\$ 44,388	\$ -	\$ 44,388
Assessments	-	57,051	57,051
Charges for services	1,328,595	-	1,328,595
Interest revenue	-	9,675	9,675
Miscellaneous revenue	13,623	-	13,623
	<u>1,386,606</u>	<u>66,726</u>	<u>1,453,332</u>
Total revenues			
<b>EXPENDITURES:</b>			
Personal service	466,364	-	466,364
Materials and service	564,244	44,562	608,806
Capital outlay	311,653	-	311,653
Debt service:			
Principal	243,147	-	243,147
Interest	130,492	-	130,492
	<u>1,715,900</u>	<u>44,562</u>	<u>1,760,462</u>
Total expenditures			
Revenues over (under) expenditures	(329,294)	22,164	(307,130)
<b>OTHER FINANCING SOURCES (USES):</b>			
Interfund loan proceeds (payments)	-	2,765	2,765
Transfers in	300,000	-	300,000
Transfers out	(66,754)	(300,000)	(366,754)
	<u>233,246</u>	<u>(297,235)</u>	<u>(63,989)</u>
Total other financing sources (uses)			
Net changes in fund balances	(96,048)	(275,071)	(371,119)
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>263,274</u>	<u>801,184</u>	<u>1,064,458</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 167,226</u>	<u>\$ 526,113</u>	<u>\$ 693,339</u>
		<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above		\$ 1,453,332	\$ 1,760,462
Transfers in/out		-	66,754
Expenditures capitalized		-	(325,614)
Debt service principal payments		-	(243,147)
Depreciation and amortization expense		-	388,408
Interest revenue/expense		-	(3,429)
Inventory		-	1,774
Change in accrued absences		-	(25,966)
		<u>1,453,332</u>	<u>1,619,242</u>
Total revenues and expenses - generally accepted accounting principles			
Change in net assets			<u>\$ (165,910)</u>

**CITY OF FLORENCE, OREGON**  
**WATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses and fees	\$ -	\$ -	\$ 44,388	\$ 44,388
Charges for services	1,449,600	1,449,600	1,328,595	(121,005)
Interest revenue	2,000	2,000	-	(2,000)
Miscellaneous revenue	10,000	10,000	13,623	3,623
Total revenues	<u>1,461,600</u>	<u>1,461,600</u>	<u>1,386,606</u>	<u>(74,994)</u>
<b>EXPENDITURES:</b>				
Personal service	499,030	499,030	466,364	32,666
Materials and service	652,276	652,276	564,244	88,032
Capital outlay	312,000	312,000	311,653	347
Debt service:				
Principal	243,147	243,147	243,147	-
Interest	130,693	130,693	130,492	201
Contingency	411,454	411,454	-	411,454
Total expenditures	<u>2,248,600</u>	<u>2,248,600</u>	<u>1,715,900</u>	<u>532,700</u>
Revenues over (under) expenditures	(787,000)	(787,000)	(329,294)	457,706
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	455,000	455,000	300,000	(155,000)
Transfers out	(68,000)	(68,000)	(66,754)	1,246
Total other financing sources (uses)	<u>387,000</u>	<u>387,000</u>	<u>233,246</u>	<u>(153,754)</u>
Net changes in fund balances	(400,000)	(400,000)	(96,048)	303,952
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>400,000</u>	<u>400,000</u>	<u>263,274</u>	<u>(136,726)</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,226</u>	<u>\$ 167,226</u>

**CITY OF FLORENCE, OREGON**  
**WATER SYSTEM DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Assessments	\$ 190,000	\$ 190,000	\$ 57,051	\$ (132,949)
Interest revenue	20,200	20,200	9,675	(10,525)
Total revenues	210,200	210,200	66,726	(143,474)
<b>EXPENDITURES:</b>				
Materials and service	77,000	77,000	44,562	32,438
Contingency	348,400	348,400	-	348,400
Total expenditures	425,400	425,400	44,562	380,838
Revenues over (under) expenditures	(215,200)	(215,200)	22,164	237,364
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	200	200	2,765	2,565
Transfers out	(455,000)	(455,000)	(300,000)	155,000
Total other financing sources (uses)	(454,800)	(454,800)	(297,235)	157,565
Net changes in fund balances	(670,000)	(670,000)	(275,071)	394,929
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	670,000	670,000	801,184	131,184
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 526,113	\$ 526,113

**CITY OF FLORENCE, OREGON**  
**WASTEWATER OPERATIONS COMBINED**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2009**

	Wastewater Fund	Wastewater System Development Fund	Total Wastewater Operations
<b>REVENUES:</b>			
Assessments	\$ -	\$ 50,158	\$ 50,158
Charges for services	2,853,383	-	2,853,383
Interest revenue	29,499	4,327	33,826
Miscellaneous revenue	6,757	-	6,757
Total revenues	<u>2,889,639</u>	<u>54,485</u>	<u>2,944,124</u>
<b>EXPENDITURES:</b>			
Personal service	558,461	-	558,461
Materials and service	833,969	1,157	835,126
Capital outlay	1,285,527	-	1,285,527
Debt service:			
Principal	577,270	-	577,270
Interest	344,083	-	344,083
Total expenditures	<u>3,599,310</u>	<u>1,157</u>	<u>3,600,467</u>
Revenues over (under) expenditures	(709,671)	53,328	(656,343)
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of debt	641,103	-	641,103
Transfers out	(95,000)	-	(95,000)
Total other financing sources (uses)	<u>546,103</u>	<u>-</u>	<u>546,103</u>
Net changes in fund balances	(163,568)	53,328	(110,240)
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>682,102</u>	<u>526,277</u>	<u>1,208,379</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 518,534</u>	<u>\$ 579,605</u>	<u>\$ 1,098,139</u>
		<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above		\$ 2,944,124	\$ 3,600,467
Transfers in/out		-	95,000
Expenditures capitalized		-	(1,287,963)
Debt service principal payments		-	(577,270)
Depreciation and amortization expense		-	478,074
Interest revenue/expense		-	(7,007)
Inventory		-	12,982
Change in accrued absences		-	(13,969)
Total revenues and expenses - generally accepted accounting principles		<u>2,944,124</u>	<u>2,300,314</u>
Change in net assets			<u>\$ 643,810</u>

**CITY OF FLORENCE, OREGON**  
**WASTEWATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 2,959,704	\$ 2,959,704	\$ 2,853,383	\$ (106,321)
Interest revenue	76,300	76,300	29,499	(46,801)
Miscellaneous revenue	7,500	7,500	6,757	(743)
Total revenues	<u>3,043,504</u>	<u>3,043,504</u>	<u>2,889,639</u>	<u>(153,865)</u>
<b>EXPENDITURES:</b>				
Personal service	582,253	582,253	558,461	23,792
Materials and service	881,650	881,650	833,969	47,681
Capital outlay	2,353,000	2,353,000	1,285,527	1,067,473
Debt service:				
Principal	577,270	577,270	577,270	-
Interest	356,083	356,083	344,083	12,000
Contingency	326,248	326,248	-	326,248
Total expenditures	<u>5,076,504</u>	<u>5,076,504</u>	<u>3,599,310</u>	<u>1,477,194</u>
Revenues over (under) expenditures	(2,033,000)	(2,033,000)	(709,671)	1,323,329
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	868,000	868,000	641,103	(226,897)
Transfers out	(95,000)	(95,000)	(95,000)	-
Total other financing sources (uses)	<u>773,000</u>	<u>773,000</u>	<u>546,103</u>	<u>(226,897)</u>
Net changes in fund balances	(1,260,000)	(1,260,000)	(163,568)	1,096,432
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>1,260,000</u>	<u>1,260,000</u>	<u>682,102</u>	<u>(577,898)</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,534</u>	<u>\$ 518,534</u>

**CITY OF FLORENCE, OREGON**  
**WASTEWATER SYSTEM DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Assessments	\$ 225,000	\$ 225,000	\$ 50,158	\$ (174,842)
Interest revenue	9,000	9,000	4,327	(4,673)
Total revenues	234,000	234,000	54,485	(179,515)
<b>EXPENDITURES:</b>				
Materials and service	2,760	2,760	1,157	1,603
Capital outlay	609,000	609,000	-	609,000
Contingency	102,240	102,240	-	102,240
Total expenditures	714,000	714,000	1,157	712,843
Revenues over (under) expenditures	(480,000)	(480,000)	53,328	533,328
<b>FUND BALANCE, BEGINNING</b>	480,000	480,000	526,277	46,277
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 579,605	\$ 579,605



**CITY OF FLORENCE, OREGON**  
**EVENTS CENTER OPERATIONS COMBINED**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2009**

	Events Center Fund	Events Center Reserve Fund	Events Center Debt Service Fund	Total Events Center Operations
<b>REVENUES:</b>				
Intergovernmental	\$ 27,839	\$ -	\$ 154,332	\$ 182,171
Charges for services	304,140	-	-	304,140
Interest revenue	4,843	1,309	-	6,152
Miscellaneous revenue	21,283	-	-	21,283
Total revenues	<u>358,105</u>	<u>1,309</u>	<u>154,332</u>	<u>513,746</u>
<b>EXPENDITURES:</b>				
Personal service	273,749	-	-	273,749
Materials and service	243,439	3,720	-	247,159
Debt service:				
Principal	-	-	115,000	115,000
Interest	-	-	38,710	38,710
Total expenditures	<u>517,188</u>	<u>3,720</u>	<u>153,710</u>	<u>674,618</u>
Revenues over (under) expenditures	(159,083)	(2,411)	622	(160,872)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	237,000	-	-	237,000
Total other financing sources (uses)	<u>237,000</u>	<u>-</u>	<u>-</u>	<u>237,000</u>
Net changes in fund balances	77,917	(2,411)	622	76,128
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>7,216</u>	<u>87,333</u>	<u>499</u>	<u>95,048</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 85,133</u>	<u>\$ 84,922</u>	<u>\$ 1,121</u>	<u>\$ 171,176</u>

	Revenues	Expenditures
Total revenue and expenditures above	\$ 513,746	\$ 674,618
Transfers in/out	237,000	-
Debt service principal payments	-	(115,000)
Depreciation and amortization expense	-	101,919
Interest revenue/expense	-	(1,521)
Change in accrued compensated absences	-	6,091
Bond costs	-	4,787
Total revenues and expenses - generally accepted accounting principles	<u>750,746</u>	<u>670,894</u>
Change in net assets		<u>\$ 79,852</u>

**CITY OF FLORENCE, OREGON**  
**EVENTS CENTER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 36,000	\$ 36,000	\$ 27,839	\$ (8,161)
Charges for services	344,750	344,750	304,140	(40,610)
Interest revenue	6,000	6,000	4,843	(1,157)
Miscellaneous revenue	12,500	12,500	21,283	8,783
Total revenues	399,250	399,250	358,105	(41,145)
<b>EXPENDITURES:</b>				
Personal service	277,626	277,626	273,749	3,877
Materials and service	314,514	314,514	243,439	71,075
Contingency	12,110	12,110	-	12,110
Total expenditures	604,250	604,250	517,188	87,062
Revenues over (under) expenditures	(205,000)	(205,000)	(159,083)	45,917
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	205,000	205,000	237,000	32,000
Total other financing sources (uses)	205,000	205,000	237,000	32,000
Net changes in fund balances	-	-	77,917	77,917
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	-	-	7,216	7,216
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 85,133	\$ 85,133

**CITY OF FLORENCE, OREGON**  
**EVENTS CENTER RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

---

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 2,000	\$ 2,000	\$ 1,309	\$ (691)
Total revenues	2,000	2,000	1,309	(691)
<b>EXPENDITURES:</b>				
Materials and service	12,000	12,000	3,720	8,280
Contingency	27,000	27,000	-	27,000
Total expenditures	39,000	39,000	3,720	35,280
Net changes in fund balances	(37,000)	(37,000)	(2,411)	34,589
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	37,000	37,000	87,333	50,333
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 84,922	\$ 84,922

**CITY OF FLORENCE, OREGON  
EVENTS CENTER DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2009**

---

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 154,000	\$ 154,000	\$ 154,332	\$ 332
Total revenues	154,000	154,000	154,332	332
<b>EXPENDITURES:</b>				
Debt service:				
Principal	115,000	115,000	115,000	-
Interest	39,059	39,059	38,710	349
Total expenditures	154,059	154,059	153,710	349
Net changes in fund balances	(59)	(59)	622	681
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	59	59	499	440
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 1,121	\$ 1,121

**CITY OF FLORENCE, OREGON**  
**STORM WATER COMBINED**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2009**

	Storm Water Fund	Storm Water SDC Fund	Total Storm Water
<b>REVENUES:</b>			
Assessments	\$ 425,936	\$ 29,748	\$ 455,684
Charges for services	1,237	-	1,237
Interest revenue	-	1,419	1,419
<b>Total revenues</b>	<b>427,173</b>	<b>31,167</b>	<b>458,340</b>
<b>EXPENDITURES:</b>			
Personal service	173,067	-	173,067
Materials and service	172,868	438	173,306
Capital outlay	185,522	86,679	272,201
Debt service:			
Principal	16,849	-	16,849
Interest	6,773	-	6,773
<b>Total expenditures</b>	<b>555,079</b>	<b>87,117</b>	<b>642,196</b>
Net changes in fund balances	(127,906)	(55,950)	(183,856)
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<b>254,250</b>	<b>71,252</b>	<b>325,502</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>\$ 126,344</b>	<b>\$ 15,302</b>	<b>\$ 141,646</b>

	Revenues	Expenditures
Total revenue and expenditures above	\$ 458,340	\$ 642,196
Expenditures capitalized	-	(276,043)
Debt service principal payments	-	(16,849)
Depreciation and amortization expense	-	39,991
Interest revenue/expense	-	1,008
Change in accrued compensated absences	-	5,340
<b>Total revenues and expenses - generally accepted accounting principles</b>	<b>458,340</b>	<b>395,643</b>
Change in net assets		<b>\$ 62,697</b>

**CITY OF FLORENCE, OREGON**  
**STORM WATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Assessments	\$ 395,000	\$ 395,000	\$ 425,936	\$ 30,936
Charges for services	2,200	2,200	1,237	(963)
Interest revenue	7,500	7,500	-	(7,500)
Total revenues	404,700	404,700	427,173	22,473
<b>EXPENDITURES:</b>				
Personal service	188,260	188,260	173,067	15,193
Materials and service	197,557	192,557	172,868	19,689
Capital outlay	189,289	194,289	185,522	8,767
Debt service:				
Principal	17,000	17,000	16,849	151
Interest	7,000	7,000	6,773	227
Contingency	25,594	25,594	-	25,594
Total expenditures	624,700	624,700	555,079	69,621
Revenues over (under) expenditures	(220,000)	(220,000)	(127,906)	92,094
Net changes in fund balances	(220,000)	(220,000)	(127,906)	92,094
<b>FUND BALANCE, BEGINNING</b>	220,000	220,000	254,250	34,250
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 126,344	\$ 126,344

**CITY OF FLORENCE, OREGON**  
**STORM WATER SDC FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Assessments	\$ 110,000	\$ 110,000	\$ 29,748	\$ (80,252)
Interest revenue	1,500	1,500	1,419	(81)
Total revenues	111,500	111,500	31,167	(80,333)
<b>EXPENDITURES:</b>				
Materials and service	1,000	1,000	438	562
Capital outlay	770,000	770,000	86,679	683,321
Contingency	140,500	140,500	-	140,500
Total expenditures	911,500	911,500	87,117	824,383
Revenues over (under) expenditures	(800,000)	(800,000)	(55,950)	744,050
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	750,000	750,000	-	(750,000)
Total other financing sources (uses)	750,000	750,000	-	(750,000)
Net changes in fund balances	(50,000)	(50,000)	(55,950)	(5,950)
<b>FUND BALANCE, BEGINNING</b>	50,000	50,000	71,252	21,252
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 15,302	\$ 15,302

**BUDGETARY COMPARISON SCHEDULES**  
**Internal Service Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

- Internal Service Fund



**CITY OF FLORENCE, OREGON**  
**INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2009**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
City council	\$ 31,350	\$ 31,350	\$ 28,276	\$ 3,074
City manager	386,582	386,582	411,445	(24,863)
Finance	393,418	393,418	346,257	47,161
City hall	89,030	89,030	88,396	634
Capital outlay	1,000	1,000	-	1,000
Total expenditures	901,380	901,380	874,374	27,006
Revenues over (under) expenditures	(901,380)	(901,380)	(874,374)	27,006
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	901,380	901,380	874,353	(27,027)
Total other financing sources (uses)	901,380	901,380	874,353	(27,027)
Net changes in fund balances	-	-	(21)	(21)
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	-	-	21	21
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ -	\$ -

	Revenues	Expenditures
Total revenue and expenditures above	\$ -	\$ 874,374
Transfers in/out	874,353	-
Gain/loss on disposal of capital assets	-	-
Total revenues and expenses - generally accepted accounting principles	874,353	874,374
Change in net assets		\$ (21)

## **OTHER FINANCIAL SCHEDULES**

**CITY OF FLORENCE, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**  
**For the Fiscal Year Ended June 30, 2009**

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<u>Fiscal Year</u>	<u>Property Taxes Receivable June 30, 2008</u>	<u>Levy as Extended by Assessor</u>	<u>Cancellations Discounts and Adjustments</u>	<u>Collections</u>	<u>Property Taxes Receivable June 30, 2009</u>
2008-2009	\$ -	\$ 2,564,705	\$ (73,319)	\$ (2,410,202)	\$ 81,184
2007-2008	66,333	-	(3,844)	(32,601)	29,888
2006-2007	23,335	-	(920)	(9,952)	12,463
2005-2006	10,907	-	(519)	(5,673)	4,715
2004-2005	4,674	-	(116)	(2,606)	1,952
2003-2004	2,132	-	(208)	(375)	1,549
2002-2003	1,889	-	(57)	(247)	1,585
2001 and Prior	3,613	-	(13)	(341)	3,259
Totals	<u>\$ 112,883</u>	<u>\$ 2,564,705</u>	<u>\$ (78,996)</u>	<u>\$ (2,461,997)</u>	<u>\$ 136,595</u>

Taxes receivable classified by fund:

General Fund	\$ 110,039
General Obligation Debt Service Fund	19,419
Urban Renewal	<u>7,137</u>
	<u>\$ 136,595</u>

**AUDIT COMMENTS AND DISCLOSURES  
REQUIRED BY STATE REGULATIONS**

**CITY OF FLORENCE, OREGON**  
**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS**  
**June 30, 2009**

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Introduction

Oregon Administrative Rules 162-10-000 through 162-10-330 incorporate the Minimum Standards for Audits of Oregon Municipal Corporations. These standards, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding section of this report. Required comments and disclosures related to our audit of such statements and schedules are contained in this section.

Internal Accounting Control

We have audited the financial statements of the City of Florence, Oregon for the year ended June 30, 2009 and have issued our report thereon dated December 22, 2009.

The management of the City of Florence, Oregon is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Because of inherent limitations in any internal control structure, errors or irregularities may never the less occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operations of policies and procedures may deteriorate.

In planning and performing our audit, we considered the City of Florence, Oregon's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Florence, Oregon's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Florence, Oregon's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

**CITY OF FLORENCE, OREGON**  
**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS**  
**June 30, 2009**

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A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Florence, Oregon's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Florence, Oregon's financial statements that is more than inconsequential will not be prevented or detected by the City of Florence, Oregon's internal control. We consider the two deficiencies described in a separately issued letter to management dated December 22, 2009 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Florence's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management, the Mayor and City Council, and the State of Oregon, Secretary of State, Division of Audits, and is not intended to be and should not be used by anyone other than these specified parties.

In connection with our audit:

Accounting Records

We found the accounting records of the City to be adequate for audit purposes considering the size and complexity of the municipal corporation.

Collateral

The City was in compliance with ORS Chapter 295 regarding collateral securing deposits for fiscal year ended June 30, 2009.

Indebtedness

During our audit, nothing came to our attention that caused us to believe the City was not in compliance with limitation and the provision of bond indentures and other agreements.

Budgets

We reviewed budgets adopted by the City for the current and ensuing fiscal year. Budget preparation and adoption procedures followed by the City appear to be in compliance with Oregon Local Budget Law (ORS Chapter 294.305 to 294.520), with the following exceptions:

**CITY OF FLORENCE, OREGON**  
**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS**  
**June 30, 2009**

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1. Expenditures in the following fund exceeded appropriations for the year ended June 30, 2009:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount of over-expenditure</u>
Internal Service Fund	City Manager	\$ 24,863
Urban Renewal Fund	Debt Service	20,044

2. The City did not adopt a supplemental budget prior to expenditures being incurred during June 2009.

Insurance and Fidelity Bonds

We reviewed policies relating to insurance and fidelity bond coverage and ascertained that such policies appeared to be in force. We are not competent by training to state whether the insurance policies covering City-owned property in force at June 30, 2009 are adequate.

Programs Funded from Outside Sources

We reviewed and tested, to the extent we considered necessary in the circumstances, transactions and reports relative to federal and state grant programs. The City appeared to have appropriate procedures for making expenditures on behalf of, and reporting for, such programs.

Highway Funds

The City was in compliance with legal requirements pertaining to the use of Highway Funds.

Investments

The City's investments for the year ended June 30, 2009 were tested and appear to be in compliance with Oregon Revised Statutes Chapter 294 with regard to legal restrictions pertaining to the investment of public funds.

Public Contracts and Purchasing

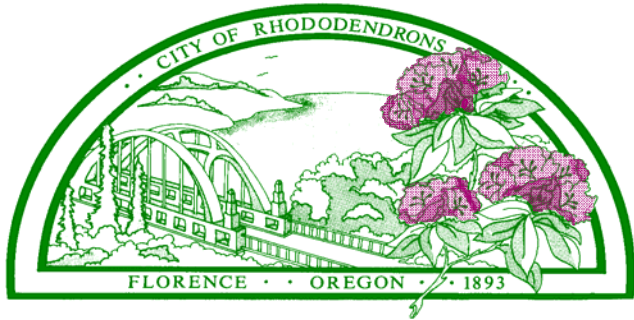
We reviewed and tested the City's procedures for awarding public contracts. The City appears to be in compliance with the cost accounting guidelines developed by the State of Oregon Executive Department with regard to the City's construction projects and ORS Chapter 279 in the awarding of public contracts and the construction of public improvements.

Independently Elected Officials

The Independently Elected Officials of the City do not receive and disburse funds. Accordingly a Schedule of Accountability for Independently Elected Officials is not included



Merina & Company, LLP  
 West Linn, Oregon  
 December 22, 2009



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