



City of Florence, Oregon
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

CITY OF FLORENCE, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2023

Prepared by:

Finance Department of the City of Florence

Anne Baker, Administrative Services Director

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INTRODUCTORY SECTION

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City of Florence

250 Hwy 101, Florence, OR 97439
www.ci.florence.or.us

February 21, 2024

Honorable Mayor Rob Ward
Members of the Florence City Council
Citizens of Florence, Oregon

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. Thus, we are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Florence, Oregon (City) for the fiscal year ended June 30, 2023, together with the unmodified opinion therein of our independent certified public accountants, SingerLewak.

Management has the full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for that purpose. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various fund of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

It is the responsibility of SingerLewak, as the independent accountants, to express an opinion of the fairness of the basic financial statements which have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). The independent accounts have attested to the fairness of the basic financial statements with an unmodified opinion as presented in the Independent Auditor's Report.

In addition to the annual audit, the City is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Circular A-133 and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits if the amount of federal grants received is \$750,000 or greater. This fiscal year, the City did not meet the minimum required to mandate the Single Audit, however, because the City received funding through the American Rescue Plan Act (ARPA), the audit contains an Attestation, or review of its ARPA funding and uses. The Attestation can be found in a separate report.

This report includes all funds of the City including the Florence Urban Renewal Agency (FURA), an urban renewal agency. Financial data for FURA are included in these statements as a blended component unit.



Public Works
2675 Kingwood St.
(541) 997-4106

**City Manager /
City Recorder**
900 Greenwood St.
(541) 997-3437

**Community Development:
Planning & Building**
2675 Kingwood St.
(541) 997-8237

**Finance /
Utility Billing**
2675 Kingwood St.
(541) 997-3436

Justice Center
900 Greenwood St.
(541) 997-3515

Florence Events Center
715 Quince St.
(541) 997-1994



Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A is located immediately following the report of the independent auditors, beginning on page 4.

FLORENCE, OREGON PROFILE

Incorporated in 1893, Florence is a scenic seaside community at the confluence of the Siuslaw River and the Pacific Ocean. The City is located along the Pacific Coast Scenic Byway (Highway 101), only one hour west of Eugene, and is served by a marina and boasts its own airport.



Florence’s Historic Old Town is a charming 1900s fishing village that is built along the Siuslaw River. The Siuslaw River Bridge, which connects Highway 101 across the Siuslaw River, is visible from much of Old Town. The iconic bridge, designed by Conde B. McCullough along with four others, was completed in March of 1936 as a part of the Coast Bridge Project.

The City is governed by a directly elected nonpartisan Mayor with a two-year term who leads a four-member City Council elected to four-year overlapping terms. A full-time City Manager administers the affairs of the City for the Council, and supervises a staff of six department directors and 65 permanent employees. Florence lies

within Lane County, which has five commissioners, elected by district.

The City provides police, emergency dispatch, municipal court, water, sewer, and surface water utilities. The City has an urban renewal agency, the Florence Urban Renewal Agency, which is staffed by City personnel and overseen by a separate nine-member board that includes three City Councilors.

The City owns and operates a convention and performing arts center, home to many annual events such as the Winter Music Festival, the Florence Festival of Books, the Florence Home and Garden Show. The Florence Events Center (FEC) is also home to the Last Resort Players theater company and the Rotary Club of Florence.

The City of Florence resides in Lane County, which has a population of 384,374. As of July 1, 2023 the City had an estimated population of 9,832 (Portland State University).

Population: City of Florence and Lane County

| Year | City of Florence | Percent Change | Lane County | Percent Change |
|-------------|------------------|----------------|-------------|----------------|
| 1980 Census | 4,411 | - | 275,828 | - |
| 1990 Census | 5,171 | 17.2% | 282,912 | 2.6% |
| 2000 Census | 7,263 | 40.5% | 322,959 | 14.2% |
| 2010 Census | 8,466 | 16.6% | 351,715 | 8.9% |
| 2020 Census | 9,396 | 11.0% | 382,986 | 8.9% |

Source: Portland State University population research



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ECONOMIC OUTLOOK AND CONDITION

Tourism makes up the major portion of the City's economic base. The Oregon Dunes and Honeyman State Park are popular attractions that bring many out of town, state, and country visitors to the area. Old Town is home to many boutique shops and restaurants popular with visiting tourists. The City receives a 4% surcharge on all lodging stays within city limits that have a duration of 29 days or less. In conjunction with the Florence Area Chamber of Commerce, this funding is used to promote tourism and tourist activities for Florence and the surrounding area. Tourism has rebounded for the Florence area after the nation-wide shut-down from COVID. The increase in number of person trips and spending per person per trip increased, but slowed from the previous year as recovery from the effects of COVID completed.

Coastal region visitor volume and average spending in calendar year 2023 (source: Travel Oregon, Travelstats.com):

| | |
|------------------------------|---------------------------|
| Person Trips | 5.5 million (up 4.5% YOY) |
| Spending per person per trip | \$522.1 (up 6.9% YOY) |

Unemployment for Lane County fell from 3.9% in 2022 to 3.8% in 2023. The unemployment rate has decreased 7.3% since 2020.

One factor in measuring the economic condition of a community is its overall real market value. For properties within the City, the real market value increased 7.3 percent from \$1.94 billion to \$2.3 billion (\$393.2 million) in the last fiscal year.

In April of 2023, the City entered into a \$13.6 million financing agreement with Banner Bank. The funding is to be used to finance several equipment purchases and projects throughout the City. Interest payments on the four issues were made in June of 2023 with regular principal and interest payments to start in December of 2023.

MAJOR INITIATIVES

Administration

FURA worked with the Florence Area Chamber of Commerce to install flower baskets and banners along Highway 101.

Economic Development worked with the Florence Urban Renewal Agency to complete the Disposition and Development Agreement (DDA) with Braun Hospitality for the Quince Street property across from the Florence Events Center.

The City Recorder managed the local election filing process for City Council openings.

Facilitated the disbursement of the Community Development Block Grant funding for the rehabilitation of owner-occupied housing.

Supported the efforts of the Public Arts Committee.

Supported and staffed the Transportation System Plan Update.

Administrative Services

Completed the 2023-25 biennial budget process.

Awarded the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 2021-22 Annual Comprehensive Financial Report.

The City continues to be recognized by the Government Finance Officers Association of the United States and Canada for the presentation of its Adopted Budget.

Community Development

Increased land-use fees for the first time since 2007 and building fees for the first time since 2005.

Work is nearly complete for two long-range planning efforts: the Transportation Systems Plan Update and the Housing Implementation Plan phase and related code updates.

Updated the Building Inspection Service program with new state rules for contracted services.

Public Safety

The Police Department established a drone program, which included the training of officers as pilots.

Maintained compliance with Criminal Justice Information Services (CJIS) and Federal Crime Reporting.

Parks

Began the replacement of Miller Park's "Fort Miller" with public outreach for input in the design of the new equipment.

Successfully obtained a LWCF grant to fund the Rolling Dunes tennis courts, including the replacement of the restroom facility and picnic shelter.

Florence Events Center

Deployed live-streaming technologies for virtual option and utilization in theatre productions.

Re-established the FEC volunteer crews to assist with set-up and tear-down of events.

Streets

Completed the 9th Street Roadway and Water Improvements project.

Working on the following projects:

- Rhododendron Drive reconstruction – Wildwinds to 35th Street
- Safe Routes to School on 35th Street from Highway 101 to Rolling Dunes Park.

Completed the annual chip/fog seal program.

Water

Successful well rehabilitation of wells #1 and #14, which included the pump and motor in Well #4.

Recognized as an Outstanding Performer by Oregon Health Authority, Drinking Water Services.

Wastewater

Completed the engineering and design phase of the UV System Upgrade project.

Purchased and accepted delivery of a new combination sewer cleaner.

Stormwater

Completed the 31st Street stormwater culvert improvement project.

Public Works Administration

Completed an evaluation of the Justice Center HVAC system.

Successfully applied for five grants to fund: the engineering and design of the Airport runway, taxiway, apron and taxi lane, the Siuslaw Estuary Trail, replacement of the Miller Park playground equipment, and the expansion of pickleball at Rolling Dunes Park.

CITY FLORENCE WORK PLAN

The City's Work Plan is developed based on the City's mission and goals. These goals represent the City's areas of focus for the City moving forward toward the City's mission and were ratified by the Council in early 2023.

Mission

To meet community expectations for municipal services, provide a vision for civic improvements, maintain a quality environment, and position Florence to have an economically viable and sustainable future.

Goals

1. City Service Delivery: Sustain and improve the delivery of cost effective and efficient services, including public safety, to the citizens of Florence and our visitors.
2. Livability & Quality of Life: Sustain and improve the City's livability and quality of life for Florence residents and visitors.
3. Economic Development: Create a strategy and actions aimed towards sustaining and expanding the Florence economy.
4. Communication & Trust: Sustain and improve the City's communication program and strengthen citizen trust.
5. Financial & Organizational Sustainability: Sustain and improve the City's financial position, City-wide policies, and the infrastructure networks to support current and future needs.

The City's Work Plan outlines the main priorities developed by the City Council. The Work Plan includes projects the City intends to undertake during the biennium the Plan has been approved for and also the strategies in achieving those priorities. The Plan is approved by Council biennially in conjunction with the budget process.

BUDGET AND APPROPRIATIONS

The City budgets all funds biennially. The General Fund, special revenue funds, and debt service funds are budgeted on the modified accrual basis of accounting. The enterprise funds and internal service funds are budgeted use full accrual method of accounting.

The General Fund is appropriated by program while all other funds are appropriated by category.

RELEVANT FINANCIAL POLICIES

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of control should not exceed the benefits likely to be derived; 2) the valuation of costs and benefits require estimates and judgements by management. To assure that credible and timely information is prepared in the most efficient manner possible, accounting policies, procedures, and systems, together with related internal controls, are monitored and reviewed when necessary to meet changing requirements.

Financial and Accounting Policies

This report is prepared in conformance with the guidelines for financial reporting developed by the GFOA and the GASB, including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the City at June 30, 2023, the results of operations of such funds, and cash flow of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

During the Fiscal Year 2022-2023, the City utilized a total of 17 funds, of which eight are governmental fund types and nine are proprietary fund types. The modified accrual basis of accounting is used for the governmental fund types (General, Special Revenue, and Debt Service). The accrual basis is used for the proprietary fund types (Enterprise and Internal Service).

Cash Management

Cash not required for current operations is invested in accordance with the City's written investment policy. City funds are pooled for investment purposes; investment instruments may include U.S. Treasury securities, Government-Sponsored Enterprises, and the State of Oregon Local Government Investment Pool. Additional cash and investment information is included in the notes to the financial statements.

Debt Management

The City has the following outstanding obligations: full faith and credit refunding obligations, and direct placement notes. The City's current General Obligation rating from Moody's and S&P (Standards & Poors) is A. The Administrative Services Director manages the City debt and is responsible for evaluating funding needs and determining the appropriate means to raise necessary funds.

Independent Audit

Oregon Revised Statutes (ORS) 297.405-597-555 require an annual audit by independent certified public accountants. The accounting firm of SingerLewak performed the audit for the fiscal year ended June 30, 2022. This audit is conducted in accordance with generally accepted accounting standards, Government Auditing Standards, and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the City with the Certificate of Achievement for Excellence in Financial Reporting for the first time. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Annual Comprehensive Financial Report with contents that conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This year's financial report is intended to meet the Certificate of Achievement Program's requirements and will be submitted to GFOA for their consideration of another certificate award.

The GFOA has also awarded the City with the Distinguished Budget Presentation Award (Budget Award) for its biennial budget consecutively for the last nine years. To receive this award, a government must satisfy nationally recognized guidelines for effective budget presentation to assess how well the budget services as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgements

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of Administrative Services and the certified public accountants of SingerLewak. Each has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Florence City Council, preparation of this report would not have been possible.

Respectfully submitted,



Anne Baker, CPFO, MAcc
Administrative Services Director

CITY OF FLORENCE, OREGON
OFFICERS AND MEMBERS OF THE GOVERNING BODY
AS OF JUNE 30, 2023

MAYOR

Robert B. Ward, Jr.

CITY COUNCIL MEMBERS

Sally Wantz – Council President

William Meyer – Council Vice President

Jo Beaudreau - Councilor

Robert Carp - Councilor

ADMINISTRATIVE OFFICIALS

Erin Reynolds, City Manager

Anne Baker, Administrative Services Director

MAILING ADDRESS

250 Hwy. 101
Florence, Oregon 97439

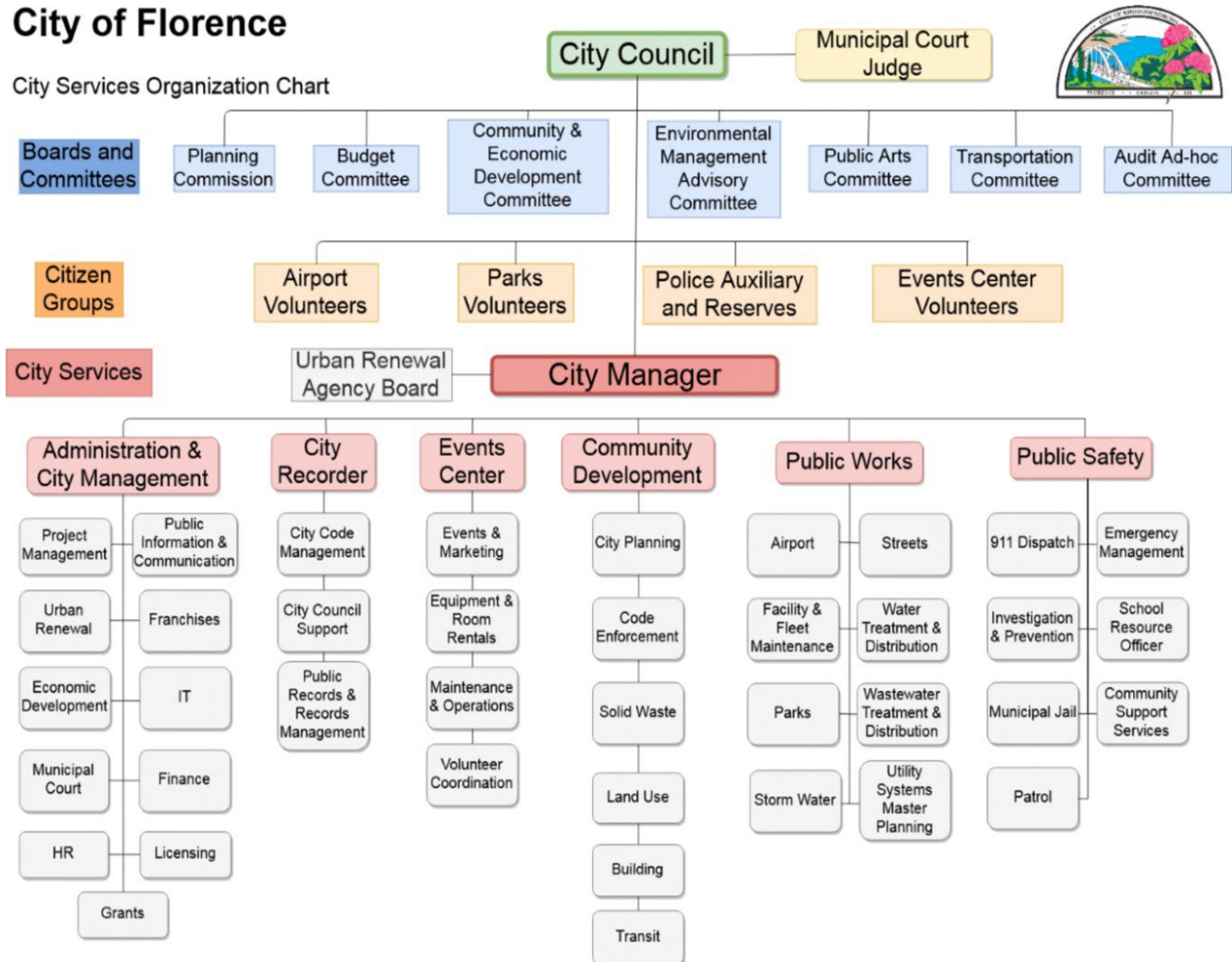
CITY OF FLORENCE, OREGON

ORGANIZATIONAL CHART

AS OF JUNE 30, 2023

City of Florence

City Services Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Florence
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the beginning net position of the governmental and business-type activities, the beginning fund balances of the non-major governmental funds, and the beginning net position of the Stormwater Fund have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages a – f and the other "Required Supplementary Information", as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Honorable Mayor and Members of City Council
City of Florence, Oregon
Independent Auditor's Report
February 21, 2024

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB schedules on pages 53 – 57, as listed in the table of contents under required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules of revenues, expenditures and changes in fund balance – budget to actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information for the year ended June 30, 2023 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with audited standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The actual amounts for the year ended June 30, 2022 included in the schedule of revenues, expenditures and changes in fund balance – budget to actual, as listed in the table of contents under required supplementary information, were audited by other auditors whose report thereon dated February 10, 2023, expressed unmodified opinions on the respective financial statements and the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the year ended June 30, 2022.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

Honorable Mayor and Members of City Council
City of Florence, Oregon
Independent Auditor's Report
February 21, 2024

The City's basic financial statements for the year ended June 30, 2022 (not presented herein), were audited by other auditors whose report thereon dated February 10, 2023, expressed unmodified opinions on the respective financial statements including the governmental activities, the business-type activities, each major fund, and the and the aggregate remaining fund information. The report by the other auditors dated February 10, 2023, stated that the combining financial statements and individual fund schedules for the year ended June 30, 2022 were subject to the auditing procedures applied in the audit of the 2022 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respect in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated February 21, 2024, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

February 21, 2024

By:



Brad Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Florence, Oregon
Management's Discussion and Analysis
June 30, 2023

The "Management's Discussion and Analysis" (MD&A) section of the City of Florence, Oregon's (the City) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the financial activities of the City of Florence for the fiscal year ended June 30, 2023. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the basic financial statements, the notes to the financial statements and the City's "Letter of Transmittal" contained in the ACFR. In an effort to make the MD&A more readable, all amounts have been rounded to the nearest million or, in some cases, the nearest thousand.

Financial Highlights

The City's governmental activities assets totaled \$35.2 million at June 30, 2023, consisting of \$26.4 million in net capital assets, \$6.5 million in cash and cash equivalents and \$2.3 million in receivables and other assets. The City's governmental activities liabilities totaled \$16.2 million at June 30, 2023, consisting of \$15.1 million in noncurrent liabilities and \$1.1 million in accounts payable and other current liabilities. Total net position was \$19.4 million, of which \$15.5 million were invested in capital assets, net of related debt, \$3.7 million was restricted and the remaining \$0.2 million was unrestricted.

The City's governmental activities net position increased by \$869,094 or 4.7 percent, which included a prior period adjustment increasing net position by \$928,600. Overall governmental activities revenue increased \$1.3 million or 12.2 percent. Contributing to the increase were increases in capital grants and contributions (97.7%) and charges for services (121.4%). Operating grants decreased \$1.7 million (59.1%). The City received roughly \$2.1 million more in charges for services due to increased fees paid for permitting services due to several large building projects started during the year.

The City's business-type activities assets totaled \$50.7 million at June 30, 2023, consisting of \$36.4 million in capital assets, \$13.1 million in cash and cash equivalents and \$1.2 million in receivables and other assets. The City's business-type activities liabilities totaled \$18.3 million at June 30, 2023, consisting of \$18.0 million in noncurrent liabilities and \$0.3 million in accounts payable and other liabilities. Total net position was \$32.2 million of which \$26.5 million was invested in capital assets, net of related debt, \$1.1 million was restricted, and the remaining \$4.6 million was unrestricted.

The City's business-type activities net position increased by \$729,914 or 2.3 percent, which included a prior period adjustment increasing net position by \$118,624. Business-type activities revenue increased \$1.3 million at June 30, 2023. The City adjusted utility rates (water, wastewater or stormwater) in fiscal year 2023 to reflect the current costs of providing the services. Future increases of approximately the consumer price index based on the CPI-W for March – February are anticipated.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Florence's basic financial statements. The City of Florence's basic financial statements are comprised of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 position presents information on all of the City of Florence's assets, and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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).

Both of the government-wide financial statements distinguish functions of the City of Florence that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Florence include administration, community development, public safety, parks, transportation, and non-departmental. The business-type activities include an events center, airport, water, wastewater and stormwater services.

Fund financial statements. A fund is a grouping 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 financing 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 government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Florence maintains nine individual governmental funds, which includes one fund from a blended component unit, the Florence Urban Renewal Agency. 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, Florence Urban Renewal Agency, and the Debt Service Fund.

Data for the remaining funds are combined into a single aggregate presentation. Individual fund data for each of the remaining funds is provided in the form of combining schedules in the other supplemental information.

Proprietary Funds. The City of Florence maintains two types of proprietary funds, Enterprise Funds and the Internal Service Fund – Public Works. The internal service fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Florence uses five enterprise funds to account for its water, wastewater, stormwater, events center, and airport activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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, or other governments. Custodial funds account for resources received and held in a fiduciary capacity for the municipal court. They are custodial in nature and are reported using the economic resources measurement focus.

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

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including financial information and disclosures that are required by the GASB, but are not considered a part of the basic financial statements. Budgetary comparison schedules for major governmental funds are presented immediately following the notes to the basic financial statements.

Other Supplementary Information. The combining statements, referred to earlier in connection with 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. Combining and individual fund statements and schedules can be found beginning on page 62 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Florence, assets and deferred outflows exceeded liabilities and deferred inflows by \$51.6 million as of June 30, 2023.

The City of Florence's net investment in capital assets reflects its investment in capital assets (e.g., land, buildings, infrastructure, 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 - Net Position as of June 30
(Thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|-------------------------|-----------|--------------------------|-----------|-----------|-----------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$ 8,814 | \$ 7,222 | \$ 14,305 | \$ 4,521 | \$ 23,119 | \$ 11,743 |
| Net capital assets | 26,382 | 26,843 | 36,411 | 36,819 | 62,793 | 63,662 |
| Total assets | 35,196 | 34,065 | 50,716 | 41,340 | 85,912 | 75,405 |
| Deferred outflow of resources | 1,878 | 1,724 | 662 | 689 | 2,540 | 2,413 |
| Long-term liabilities | 15,110 | 14,010 | 18,027 | 8,795 | 33,137 | 22,805 |
| Other liabilities | 1,110 | 939 | 282 | 480 | 1,392 | 1,419 |
| Total liabilities | 16,220 | 14,949 | 18,309 | 9,275 | 34,529 | 24,224 |
| Deferred inflow of resources | 1,491 | 2,347 | 875 | 1,290 | 2,366 | 3,637 |
| Net position: | | | | | | |
| Net investment in capital assets | 15,539 | 15,914 | 26,464 | 29,192 | 42,003 | 45,106 |
| Restricted for: | | | | | | |
| Public safety | 630 | 442 | - | - | 630 | 442 |
| Urban renewal | 936 | 676 | - | - | 936 | 676 |
| Tourism/economic development | 193 | 48 | - | - | 193 | 48 |
| Transportation | 582 | 132 | - | - | 582 | 132 |
| System development | 129 | 173 | 1,056 | 1,119 | 1,185 | 1,292 |
| Debt service | 1,089 | 475 | - | - | 1,089 | 475 |
| Net OPEB benefits | 76 | 51 | 27 | 20 | 103 | 71 |
| Specific purpose grants | 19 | 3 | - | - | 19 | 3 |
| Event Center, non-expendable | - | - | - | 88 | - | 88 |
| Unrestricted | 170 | 579 | 4,647 | 1,045 | 4,817 | 1,624 |
| Total net position | \$ 19,363 | \$ 18,493 | \$ 32,194 | \$ 31,464 | \$ 51,557 | \$ 49,957 |

At the end of the current and past fiscal years, the City of Florence is able to report positive balances of net position in its governmental activities, business-like activities, and the government as a whole.

Governmental activities. Governmental activities increased the City of Florence's net position \$0.9 million or 4.7 percent. The City issued direct placement debt in the amount of \$640,700. Key elements affecting net position are as follows:

General Fund

- Franchise fees continue to be steady
- Property taxes received are leveling off as the real estate market stabilizes
- Charges for services accounts for the majority of the revenue increases as building permits were increased for the first time in several years.
- Overall revenues in the fund increased \$625,317 from the prior year

Street Fund

- Intergovernmental revenue decreased 52% as grant funded projects are closed out. The majority of intergovernmental revenue is from the City's share of the Oregon State Highway Apportionment.
- Expenditures are \$338,295 less than reported last fiscal year. Capital outlay decreased \$761,840 as the 9th Street project was wrapped up.

ARPA Fund

- The City was awarded and received a total of \$2,032,574 in ARPA grant dollars. \$1,478,400 was used under the grant's revenue recovery. Approximately \$554,174 remains and is ear-marked for capital projects in Old Town.

Table 2 - Changes in Net Position
(Thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|------------------|--------------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenue | | | | | | |
| Program revenue | | | | | | |
| Charges for services | \$ 3,822 | \$ 1,726 | \$ 8,303 | \$ 6,932 | \$ 12,125 | \$ 8,658 |
| Operating grants and contributions | 794 | 2,839 | 150 | 247 | 944 | 3,086 |
| Capital grants and contributions | 1,162 | 588 | 546 | 1,250 | 1,708 | 1,838 |
| General revenue | | | | | | |
| Property taxes | 3,825 | 3,668 | - | - | 3,825 | 3,668 |
| Franchise and lodging taxes | 2,050 | 1,718 | - | - | 2,050 | 1,718 |
| Grants not restricted | - | - | 250 | - | 250 | - |
| Investment earnings | 188 | 31 | 184 | 26 | 372 | 57 |
| Miscellaneous revenue | 15 | - | 319 | - | 334 | - |
| Total revenue | <u>11,856</u> | <u>10,570</u> | <u>9,752</u> | <u>8,455</u> | <u>21,608</u> | <u>19,025</u> |
| Expenses | | | | | | |
| Governmental activities | | | | | | |
| Administration | 3,224 | 2,452 | - | - | 3,224 | 2,452 |
| Community development | 1,302 | 920 | - | - | 1,302 | 920 |
| Public safety | 3,912 | 3,481 | - | - | 3,912 | 3,481 |
| Parks | 406 | 297 | - | - | 406 | 297 |
| Transportation | 1,622 | 922 | - | - | 1,622 | 922 |
| Non-departmental | 407 | 686 | - | - | 407 | 686 |
| Interest expense | 360 | 381 | - | - | 360 | 381 |
| Business-type activities | | | | | | |
| Water | - | - | 3,215 | 2,153 | 3,215 | 2,153 |
| Wastewater | - | - | 4,071 | 2,987 | 4,071 | 2,987 |
| Stormwater | - | - | 822 | 630 | 822 | 630 |
| Events center | - | - | 1,270 | 557 | 1,270 | 557 |
| Airport | - | - | 445 | 317 | 445 | 317 |
| Total expenses | <u>11,233</u> | <u>9,139</u> | <u>9,823</u> | <u>6,644</u> | <u>21,056</u> | <u>15,783</u> |
| Change in net position before transfers | 623 | 1,431 | (71) | 1,811 | 552 | 3,242 |
| Transfers | <u>(682)</u> | <u>618</u> | <u>682</u> | <u>(618)</u> | <u>-</u> | <u>-</u> |
| Change in net position | <u>(59)</u> | <u>2,049</u> | <u>611</u> | <u>1,193</u> | <u>552</u> | <u>3,242</u> |
| Net position, beginning | 18,493 | 16,359 | 31,464 | 30,271 | 49,957 | 46,630 |
| Restatement | 929 | 85 | 119 | - | 1,048 | 85 |
| Net position, beginning, as restated | <u>19,422</u> | <u>16,444</u> | <u>31,583</u> | <u>30,271</u> | <u>51,005</u> | <u>46,715</u> |
| Net position, ending | <u>\$ 19,363</u> | <u>\$ 18,493</u> | <u>\$ 32,194</u> | <u>\$ 31,464</u> | <u>\$ 51,557</u> | <u>\$ 49,957</u> |

Business-type activities. Business-type activities increased the City of Florence's net position by \$736,571, or 2.3 percent. The City issued direct placement debt in the amount of \$9.5 million. Key elements of this increase are as follows:

Water Funds

- Water utility rates were increased 5.8 percent, which contributed to the increase in charges for services
- An increase in materials and services led to a decrease in net position of (\$7,803)
- Capital contributions from system development charges were down \$77,272
- A reorganization of personnel within Public Works cause personnel services to decrease \$3,766 even as costs for personnel continue to rise
- A total of \$1.2 million in capital projects were completed during the fiscal year

Wastewater Funds

- Wastewater utility rates were increased 5.8 percent, which contributed to increased charges for services
- Capital contributions from system development charges were down \$95,673
- Personnel services decrease from the previous year (\$77,006) due to departmental reorganization
- A total of \$716,613 in capital projects were completed during the fiscal year

Stormwater Funds

- Stormwater utility rates increased 5.8 percent, contributing to increased charges for services
- Personnel costs decreased with the reorganization by \$29,750
- During the year, \$35,659 was invested in capital asset projects which have yet to be completed

Financial Analysis of the City's Funds

As noted earlier, the City of Florence uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Florence's governmental funds reported combined ending fund balances of \$6.3 million, an increase of \$1.25 million in comparison with the prior year. The increase is mainly attributable to a prior period adjustment to correct a \$928,600 error in the ARPA Fund revenue recognized in the year ended June 30, 2022.

The general fund is the chief operating fund of the City of Florence. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3.3 million, an increase of \$0.21 million, or 6.8 percent.

Proprietary funds. The City of Florence's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Debt was issued in late spring 2023 and many projects being financed with this issue were started, but have yet to be completed.

Unrestricted net position as of June 30, 2023 of the City's proprietary funds is as follows:

- Water Funds \$1.6 million, an increase of \$1.7 million
- Wastewater Funds \$2.0 million, an increase of \$1.4 million
- Stormwater Funds \$0.63 million, an increase of \$0.16 million
- Airport Fund \$0.31 million, a decrease of \$0.16 million
- Events Center Fund \$0.46 million, an increase of \$0.16 million
- Internal Service Fund \$0.01 million, an increase of \$0.5 million

General Fund Budgetary Highlights

The City adopted a biennial budget for the two-year biennium of July 1, 2021 to June 30, 2023. The fiscal year 2023 allocated General Fund budget for revenues was \$8.1 million. Actual revenue for the fiscal year was \$7.9 million. A negative variance in revenue of \$0.2 million resulted from intergovernmental revenue, franchise fees, and charges for services fell \$0.85 million short of estimates. Licenses, permits and fees were \$0.49 million over budget estimates and other revenue categories were near budgeted amounts.

The fiscal year 2023 actual General Fund expenditures totaled \$7.3 million. All General Fund program budgets were underspent relative to appropriated budgets for the biennium.

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, 2023, amounts to \$62.8 million (net of accumulated depreciation). This represents a decrease of \$0.9 million. Governmental activities capital assets decreased \$0.5 million, 1.72% resulting from depreciation outpacing the addition of new assets. The business-type activities realized a decrease of \$0.5 million, 1.43%. Depreciation on assets was greater than the value of assets being added. For the year ended June 30, 2023, depreciation expense totaled \$1.3 million and \$2.3 million for governmental activities and business-type activities, respectively.

The investment in capital assets includes land, buildings and improvements, utility infrastructure, vehicles and equipment, park facilities, roads and work in progress within these various categories, net of depreciation.

The City implemented GASB Statement 87, *Leases*, for fiscal year 2021-22. GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The City's leases are considered capital assets and are included as such in the Notes to the Basic Financial Statements, in Note 7. The City's net value of the right to use lease assets at June 30, 2023 are \$93,039.

The City implemented GASB Statement 96, *subscription-based information technology arrangements* (SBITA), for fiscal year 2022-23. GASB 96 establishes guidance on the financial reporting for SBITAs for government end users. After the review of the City's SBITA's, it was determined the value were not material to the financial statements and they are not presented.

The following table summarizes the City of Florence's capital assets as of June 30, 2023:

Table 3 - Capital Assets as of June 30th
(Thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------------|-------------------------|----------|--------------------------|----------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 2,034 | \$ 2,031 | \$ 1,868 | \$ 1,868 | \$ 3,902 | \$ 3,899 |
| Buildings and improvements | 6,938 | 7,242 | 14,434 | 15,277 | 21,372 | 22,519 |
| Equipment and vehicles | 739 | 694 | 2,210 | 1,795 | 2,949 | 2,489 |
| Utility systems | - | - | 10,056 | 9,271 | 10,056 | 9,271 |
| Infrastructure | 15,796 | 15,734 | 7,453 | 7,815 | 23,249 | 23,549 |
| Right-to-use lease equipment | 87 | 130 | 6 | 9 | 93 | 139 |
| Construction in progress | 788 | 1,012 | 384 | 903 | 1,172 | 1,915 |
| Capital assets, net of depreciation | 26,382 | 26,843 | 36,411 | 36,938 | 62,793 | 63,781 |

Additional information on the City of Florence's capital assets can be found in note 7 – Capital Assets.

Long-term debt. At the end of the fiscal year, the City of Florence had total long-term liabilities outstanding of \$27.3 million. \$10.13 million in direct borrowings were issued in April 2023. During fiscal year 2023 the City paid principal on outstanding debt totaling \$1.2 million. The City paid its debt service payments timely during the year and was in compliance with required debt covenants.

Table 4 - Outstanding Long-term Debt Obligations as of June 30th
(Thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|-------------------------|----------|--------------------------|--------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Bonds payable | \$ 1,384 | \$ 1,518 | \$ 716 | \$ 792 | \$ 2,100 | \$ 2,310 |
| Unamortized bond premium | 12 | 12 | 15 | 17 | 27 | 29 |
| Notes payable | 9,316 | 9,233 | 15,757 | 6,734 | 25,073 | 15,967 |
| Leases | 88 | 132 | 6 | 9 | 94 | 141 |
| Total | 10,800 | 10,895 | 16,494 | 7,552 | 27,294 | 18,447 |

Additional information on the City of Florence's long-term debt and liabilities can be found in note 8 – Long-term Debt.

Economic Factors and Next Year's Budgets and Rates

In preparing the budget for the 2021-23 biennium, City management presented two-year spending in addition to a six-year financial plan for consideration and approval by the City's Budget Committee and City Council. The budget included updated assumptions for inflation and adjustments to utility rates and other City fees and charges for the two-year period. City utility rates were increased annually by the CPI-W, with additional phased-in adjustments to address equity considerations identified in the utility rate study, street revenue was increased to provide additional funding for street maintenance. Other fees and charges were adjusted to recover costs associated with inflation.

The City raised rates in alignment with the CPI, except for its utilities. Utility rates were increased 5.8 percent.

The local economy shows signs moderate growth, with additional real estate development, and increased tourism. Increases to property valuation is leveling off, and revenue forecasts were adjusted accordingly. Personnel costs, due to the increased cost of PERS and health care above inflation, are still outpacing increases in revenue. The City continues to offset this disparity by retaining its staff size, investing in technology where beneficial, thus becoming more efficient. Additionally, the City continues to outsource various functions where cost savings can be realized.

Annual inflation is projected to remain stable, with rates for the next fiscal year in the 3.0 percent to 4.0 percent range, while local population growth is projected to remain at or below 1.0 percent annually. Development activity is trending upward with two multi-unit complexes under construction. The proposed development of the Quince Street property across from the Florence Event Center is expected to increase the utilization of the Center in the years to come.

Requests for information

This financial report is designed to provide a general overview of the City of Florence's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Director, 250 Highway 101, Florence, 97439.

BASIC FINANCIAL STATEMENTS

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CITY OF FLORENCE, OREGON
STATEMENT OF NET POSITION
June 30, 2023

| | Governmental Activities | Business-type Activities | Totals |
|---|------------------------------------|-------------------------------------|---------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 6,546,052 | \$ 13,100,651 | \$ 19,646,703 |
| Internal balances | 317,625 | (317,625) | - |
| Receivables, net | 1,325,152 | 981,069 | 2,306,221 |
| Inventory | 38,612 | 122,790 | 161,402 |
| Prepaid items | 173,978 | 299 | 174,277 |
| Lease receivable | 111,498 | 391,519 | 503,017 |
| Note receivable | 225,000 | - | 225,000 |
| Net other postemployment benefit asset | 75,941 | 26,760 | 102,701 |
| Capital assets: | | | |
| Capital assets, nondepreciable | 2,821,867 | 2,252,004 | 5,073,871 |
| Capital assets, net of accumulated depreciation | <u>23,560,067</u> | <u>34,159,288</u> | <u>57,719,355</u> |
| Total assets | <u>35,195,792</u> | <u>50,716,755</u> | <u>85,912,547</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related items | 1,815,279 | 639,653 | 2,454,932 |
| Other postemployment benefit related items | <u>62,671</u> | <u>22,085</u> | <u>84,756</u> |
| Total deferred outflows of resources | <u>1,877,950</u> | <u>661,738</u> | <u>2,539,688</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 433,001 | 142,717 | 575,718 |
| Accrued interest payable | 54,314 | 58,963 | 113,277 |
| Retainage payable | 49,104 | 79,571 | 128,675 |
| Deposits | 20,000 | - | 20,000 |
| Unearned revenue | 554,174 | - | 554,174 |
| Long-term liabilities: | | | |
| Due within one year | 1,309,985 | 1,094,342 | 2,404,327 |
| Due in more than one year | <u>13,799,310</u> | <u>16,933,048</u> | <u>30,732,358</u> |
| Total liabilities | <u>16,219,888</u> | <u>18,308,641</u> | <u>34,528,529</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related items | 1,316,571 | 463,921 | 1,780,492 |
| Other postemployment benefit related items | 63,205 | 22,271 | 85,476 |
| Leases | <u>111,498</u> | <u>389,287</u> | <u>500,785</u> |
| Total deferred inflows of resources | <u>1,491,274</u> | <u>875,479</u> | <u>2,366,753</u> |
| NET POSITION | | | |
| Net investment in capital assets | 15,539,326 | 26,463,581 | 42,002,907 |
| Restricted for: | | | |
| Public safety | 630,245 | - | 630,245 |
| Tourism | 192,841 | - | 192,841 |
| Urban renewal projects | 935,623 | - | 935,623 |
| Transportation | 582,190 | - | 582,190 |
| System development | 128,777 | 1,056,175 | 1,184,952 |
| Debt service | 1,088,955 | - | 1,088,955 |
| Net OPEB benefits | 75,941 | 26,760 | 102,701 |
| Specific purpose grants | 18,643 | - | 18,643 |
| Unrestricted | <u>170,039</u> | <u>4,647,857</u> | <u>4,817,896</u> |
| Total net position | <u>\$ 19,362,580</u> | <u>\$ 32,194,373</u> | <u>\$ 51,556,953</u> |

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | Total |
|--|----------------------|-------------------------|--|--|--|-----------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | |
| Governmental activities: | | | | | | | |
| Administration | \$ 3,223,099 | \$ 1,947,377 | \$ 117,646 | \$ - | \$ (1,158,076) | \$ - | \$ (1,158,076) |
| Community development | 1,301,985 | 425,289 | 200,706 | 279,406 | (396,584) | - | (396,584) |
| Public safety | 3,911,683 | 497,308 | 337,456 | 70,764 | (3,006,155) | - | (3,006,155) |
| Parks | 405,907 | 52,400 | 137,833 | - | (215,674) | - | (215,674) |
| Transportation | 1,622,142 | 868,266 | - | 811,519 | 57,643 | - | 57,643 |
| Non-departmental | 407,421 | 31,400 | - | - | (376,021) | - | (376,021) |
| Interest | 360,309 | - | - | - | (360,309) | - | (360,309) |
| Total governmental activities | <u>11,232,546</u> | <u>3,822,040</u> | <u>793,641</u> | <u>1,161,689</u> | <u>(5,455,176)</u> | <u>-</u> | <u>(5,455,176)</u> |
| Business-type activities: | | | | | | | |
| Water | 3,214,676 | 2,805,157 | - | 156,646 | - | (252,873) | (252,873) |
| Wastewater | 4,070,908 | 4,220,693 | - | 207,084 | - | 356,869 | 356,869 |
| Stormwater | 822,121 | 718,902 | - | 69,191 | - | (34,028) | (34,028) |
| Airport | 444,729 | 131,191 | - | 112,797 | - | (200,741) | (200,741) |
| Events center | 1,269,829 | 426,570 | 149,745 | - | - | (693,514) | (693,514) |
| Total business-type activities | <u>9,822,263</u> | <u>8,302,513</u> | <u>149,745</u> | <u>545,718</u> | <u>-</u> | <u>(824,287)</u> | <u>(824,287)</u> |
| Total primary government | \$ 21,054,809 | \$ 12,124,553 | \$ 943,386 | \$ 1,707,407 | (5,455,176) | (824,287) | (6,279,463) |
| General revenues: | | | | | | | |
| Property taxes | | | | | 3,824,311 | - | 3,824,311 |
| Franchise fees | | | | | 1,124,092 | - | 1,124,092 |
| Transient lodging tax | | | | | 618,289 | - | 618,289 |
| Other taxes | | | | | 307,994 | - | 307,994 |
| Grants and contributions not restricted to specific programs | | | | | - | 250,000 | 250,000 |
| Unrestricted investment earnings | | | | | 188,499 | 184,372 | 372,871 |
| Miscellaneous | | | | | 14,845 | 318,845 | 333,690 |
| Transfers | | | | | <u>(682,360)</u> | <u>682,360</u> | <u>-</u> |
| Total general revenues and transfers | | | | | <u>5,395,670</u> | <u>1,435,577</u> | <u>6,831,247</u> |
| Change in net position | | | | | (59,506) | 611,290 | 551,784 |
| Net position at beginning of year | | | | | 18,493,486 | 31,464,459 | 49,957,945 |
| Prior period adjustment - Note 3 | | | | | 928,600 | 118,624 | 1,047,224 |
| Net position at beginning of year, as restated | | | | | <u>19,422,086</u> | <u>31,583,083</u> | <u>51,005,169</u> |
| Net position at end of year | | | | | \$ 19,362,580 | \$ 32,194,373 | \$ 51,556,953 |

See notes to financial statements

CITY OF FLORENCE, OREGON

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023**

| | <u>General</u> | <u>Street</u> | <u>Florence Urban Renewal Agency</u> | <u>Debt Service</u> | <u>Total Nonmajor Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------------|--------------------------|--|----------------------------|-------------------------------------|---|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 3,295,505 | \$ 592,883 | \$ 906,130 | \$ 574,909 | \$ 1,176,625 | \$ 6,546,052 |
| Receivables, net | 613,284 | 161,077 | 29,823 | 289,046 | 231,922 | 1,325,152 |
| Inventory | - | 38,612 | - | - | - | 38,612 |
| Prepaid items | 173,978 | - | - | - | - | 173,978 |
| Lease receivable | 111,498 | - | - | - | - | 111,498 |
| Notes receivable | - | - | - | 225,000 | - | 225,000 |
| Total assets | <u>\$ 4,194,265</u> | <u>\$ 792,572</u> | <u>\$ 935,953</u> | <u>\$ 1,088,955</u> | <u>\$ 1,408,547</u> | <u>\$ 8,420,292</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts payable and accrued liabilities | \$ 383,331 | \$ 12,501 | \$ 330 | \$ - | \$ 36,839 | \$ 433,001 |
| Retainage payable | - | 49,104 | - | - | - | 49,104 |
| Deposits | - | 20,000 | - | - | - | 20,000 |
| Unearned revenue | - | - | - | - | 554,174 | 554,174 |
| Total liabilities | <u>383,331</u> | <u>81,605</u> | <u>330</u> | <u>-</u> | <u>591,013</u> | <u>1,056,279</u> |
| Deferred inflows of resources | | | | | | |
| Unavailable revenue - property taxes | 89,273 | - | 20,784 | - | - | 110,057 |
| Unavailable revenue - SDC and assessments | 127,276 | - | - | 514,046 | - | 641,322 |
| Unavailable revenue - other | 2,925 | 37,688 | - | - | 144,549 | 185,162 |
| Leases | 111,498 | - | - | - | - | 111,498 |
| Total deferred inflows of resources | <u>330,972</u> | <u>37,688</u> | <u>20,784</u> | <u>514,046</u> | <u>144,549</u> | <u>1,048,039</u> |
| Fund balances | | | | | | |
| Nonspendable | 173,978 | 38,612 | - | - | - | 212,590 |
| Restricted: | | | | | | |
| Public safety | - | - | - | - | 630,245 | 630,245 |
| Tourism | - | - | - | - | 24,097 | 24,097 |
| Urban renewal projects | - | - | 914,839 | - | - | 914,839 |
| Transportation | - | 526,244 | - | - | - | 526,244 |
| System development | - | 108,423 | - | - | - | 108,423 |
| Debt service | - | - | - | 574,909 | - | 574,909 |
| Specific purpose grants | - | - | - | - | 18,643 | 18,643 |
| Unassigned | 3,305,984 | - | - | - | - | 3,305,984 |
| Total fund balances | <u>3,479,962</u> | <u>673,279</u> | <u>914,839</u> | <u>574,909</u> | <u>672,985</u> | <u>6,315,974</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 4,194,265</u> | <u>\$ 792,572</u> | <u>\$ 935,953</u> | <u>\$ 1,088,955</u> | <u>\$ 1,408,547</u> | <u>\$ 8,420,292</u> |

See notes to financial statements

CITY OF FLORENCE, OREGON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2023

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

| | | |
|---|--------------|----------------------|
| Total fund balances - total governmental funds | | \$ 6,315,974 |
| Internal balances result from the allocation of the activity in the internal service fund to the governmental and business-type activities | | 317,625 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 26,381,934 |
| The statement of net position reports a net other postemployment benefit asset for its participation in the OPERS retirement plan. | | 75,941 |
| Other long-term assets that are not available to pay for current period expenditures and therefore, are deferred or unavailable revenue in the funds. | | |
| Unavailable revenue - property taxes | 110,057 | |
| Unavailable revenue - SDC, assessments and other | 826,484 | |
| | | 936,541 |
| Deferred outflows related to the pension and OPEB are not financial resources, and therefore, are not reported in the funds. | | |
| Deferred outflows of resources - pension | 1,815,279 | |
| Deferred outflows of resources - OPEB | 62,671 | |
| | | 1,877,950 |
| Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Bonds and notes payable | (10,699,868) | |
| Unamortized premium on bonds payable | (11,527) | |
| Leases | (88,234) | |
| Net pension liability | (3,785,680) | |
| Total OPEB liability | (193,680) | |
| Compensated absences | (330,306) | |
| Accrued interest payable | (54,314) | |
| Deferred inflows of resources - pension | (1,316,571) | |
| Deferred inflows of resources - OPEB | (63,205) | |
| | | (16,543,385) |
| Net position of governmental activities | | \$ 19,362,580 |

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

| | General | Street | Florence Urban Renewal Agency | Debt Service | Total Nonmajor Funds | Total Governmental Funds |
|---|---------------------|-------------------|-------------------------------------|-------------------|----------------------------|--------------------------------|
| Revenues | | | | | | |
| Property taxes | \$ 3,075,653 | \$ - | \$ 765,660 | \$ - | \$ 473,740 | \$ 4,315,053 |
| Franchise fees | 1,003,839 | 120,253 | - | - | - | 1,124,092 |
| Licenses, permits and fees | 413,686 | - | - | - | - | 413,686 |
| Fines and forfeitures | 156,064 | - | - | - | - | 156,064 |
| Charges for services | 2,120,780 | 507,441 | - | - | 150,797 | 2,779,018 |
| Intergovernmental | 940,482 | 811,519 | 200,706 | - | 310,617 | 2,263,324 |
| Interest | 82,385 | 24,001 | 23,495 | 30,122 | 28,496 | 188,499 |
| Miscellaneous | 81,598 | 2,245 | 8 | 203,733 | 169 | 287,753 |
| Total revenues | 7,874,487 | 1,465,459 | 989,869 | 233,855 | 963,819 | 11,527,489 |
| Expenditures | | | | | | |
| Current | | | | | | |
| Administration | 2,745,791 | - | - | - | 189,666 | 2,935,457 |
| Community development | 1,010,024 | - | 238,365 | - | - | 1,248,389 |
| Public safety | 2,782,652 | - | - | - | 827,996 | 3,610,648 |
| Parks | 352,913 | - | - | - | - | 352,913 |
| Transportation | - | 946,471 | - | - | - | 946,471 |
| Non-departmental | 147,937 | - | - | 602 | - | 148,539 |
| Debt service | | | | | | |
| Principal | - | - | - | 691,413 | - | 691,413 |
| Interest | - | - | - | 361,413 | - | 361,413 |
| Capital outlay | 284,890 | 539,343 | 44,455 | - | 5,530 | 874,218 |
| Total expenditures | 7,324,207 | 1,485,814 | 282,820 | 1,053,428 | 1,023,192 | 11,169,461 |
| Excess (deficiency) of revenues over expenditures | 550,280 | (20,355) | 707,049 | (819,573) | (59,373) | 358,028 |
| Other financing sources (uses) | | | | | | |
| Issuance of long-term obligations | - | 640,700 | - | - | - | 640,700 |
| Transfers in | 435,100 | 137,000 | - | 937,485 | 547,000 | 2,056,585 |
| Transfers out | (602,554) | (413,477) | (468,454) | - | (1,254,460) | (2,738,945) |
| Total other financing sources (uses) | (167,454) | 364,223 | (468,454) | 937,485 | (707,460) | (41,660) |
| Net change in fund balances | 382,826 | 343,868 | 238,595 | 117,912 | (766,833) | 316,368 |
| Fund balances at beginning of year | 3,097,136 | 329,411 | 676,244 | 456,997 | 511,218 | 5,071,006 |
| Prior period adjustment - Note 3 | - | - | - | - | 928,600 | 928,600 |
| Fund balances at beginning of year, as restated | 3,097,136 | 329,411 | 676,244 | 456,997 | 1,439,818 | 5,999,606 |
| Fund balances at end of year | \$ 3,479,962 | \$ 673,279 | \$ 914,839 | \$ 574,909 | \$ 672,985 | \$ 6,315,974 |

See notes to 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
Year Ended June 30, 2023

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

| | | |
|--|-----------|-------------------------|
| Net change in fund balances - total governmental funds | \$ | 316,368 |
| <p>Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:</p> | | |
| Acquisition of capital assets | | 872,623 |
| Depreciation and amortization | | <u>(1,333,420)</u> |
| | | (460,797) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds | | (156,014) |
| The changes in net pension liability (asset) and deferred inflows and outflows are reported as pension expense on the statement of activities. | | (171,427) |
| The changes in other postemployment benefit liability (asset) and deferred outflows are reported as other postemployment benefit expense on the statement of activities. | | 13,312 |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p> | | |
| Amortization of bond premiums | | 957 |
| Change in accrued interest payable | | 146 |
| Change in compensated absences | | <u>(14,214)</u> |
| | | (13,111) |
| <p>The issuance of long-term debt 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 position.</p> | | |
| Issuance of notes | | (640,700) |
| Lease principal payments | | 43,825 |
| Bond and note principal payments | | <u>691,413</u> |
| | | <u>94,538</u> |
| Change in Net Position of Governmental Activities | \$ | <u>(377,131)</u> |

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

| | Business-type Activities | | | | | Internal Service | |
|---|----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|----------------------------|
| | Water | Wastewater | Stormwater | Airport | Nonmajor Events Center | Total Enterprise Funds | Public Works |
| ASSETS | | | | | | | |
| Current assets | | | | | | | |
| Cash and cash equivalents | \$ 3,690,138 | \$ 6,464,656 | \$ 1,412,417 | \$ 157,779 | \$ 503,906 | \$ 12,228,896 | \$ 871,755 |
| Receivables, net | 315,145 | 403,940 | 71,076 | 135,907 | 54,826 | 980,894 | 175 |
| Inventory | 86,091 | 15,875 | - | 20,824 | - | 122,790 | - |
| Prepaid items | - | - | - | - | 299 | 299 | - |
| Current portion of lease receivable | 8,359 | - | - | 15,391 | - | 23,750 | - |
| Total current assets | <u>4,099,733</u> | <u>6,884,471</u> | <u>1,483,493</u> | <u>329,901</u> | <u>559,031</u> | <u>13,356,629</u> | <u>871,930</u> |
| Noncurrent assets | | | | | | | |
| Capital assets: | | | | | | | |
| Capital assets, nondepreciable | 174,628 | 435,648 | 35,659 | 1,365,074 | 236,584 | 2,247,593 | 4,411 |
| Capital assets, net of accumulated depreciation | 9,931,302 | 14,220,075 | 2,370,517 | 2,373,884 | 1,327,071 | 30,222,849 | 3,936,439 |
| Total capital assets | <u>10,105,930</u> | <u>14,655,723</u> | <u>2,406,176</u> | <u>3,738,958</u> | <u>1,563,655</u> | <u>32,470,442</u> | <u>3,940,850</u> |
| Lease receivable | 85,275 | - | - | 282,494 | - | 367,769 | - |
| Net OPEB asset | 5,730 | 6,180 | 3,094 | - | 1,613 | 16,617 | 10,143 |
| Total noncurrent assets | <u>10,196,935</u> | <u>14,661,903</u> | <u>2,409,270</u> | <u>4,021,452</u> | <u>1,565,268</u> | <u>32,854,828</u> | <u>3,950,993</u> |
| Total assets | <u>14,296,668</u> | <u>21,546,374</u> | <u>3,892,763</u> | <u>4,351,353</u> | <u>2,124,299</u> | <u>46,211,457</u> | <u>4,822,923</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Pension related items | 136,964 | 147,725 | 73,965 | - | 38,545 | 397,199 | 242,454 |
| Other postemployment benefit related items | 4,729 | 5,100 | 2,554 | - | 1,331 | 13,714 | 8,371 |
| Total deferred outflows of resources | <u>141,693</u> | <u>152,825</u> | <u>76,519</u> | <u>-</u> | <u>39,876</u> | <u>410,913</u> | <u>250,825</u> |
| LIABILITIES | | | | | | | |
| Current liabilities | | | | | | | |
| Accounts payable and accrued liabilities | 53,009 | 30,597 | 2,515 | 3,414 | 16,045 | 105,580 | 37,137 |
| Accrued interest payable | 17,943 | 30,715 | 2,853 | - | - | 51,511 | 7,452 |
| Retainage payable | 74,348 | - | 5,223 | - | - | 79,571 | - |
| Compensated absences | 25,171 | 21,394 | 7,334 | - | 9,143 | 63,042 | 68,157 |
| Current portion of lease payable | 792 | 2,462 | - | - | - | 3,254 | - |
| Current portion of bonds and notes payable | 201,012 | 541,624 | 37,937 | - | - | 780,573 | 170,083 |
| Current portion of total OPEB liability | 1,977 | 2,132 | 1,068 | - | 556 | 5,733 | 3,500 |
| Total current liabilities | <u>374,252</u> | <u>628,924</u> | <u>56,930</u> | <u>3,414</u> | <u>25,744</u> | <u>1,089,264</u> | <u>286,329</u> |
| Noncurrent liabilities | | | | | | | |
| Lease payable | 601 | 1,867 | - | - | - | 2,468 | - |
| Bonds and notes payable | 4,583,861 | 7,562,651 | 733,944 | - | - | 12,880,456 | 2,657,145 |
| Net pension liability | 285,632 | 308,073 | 154,250 | - | 80,383 | 828,338 | 505,626 |
| Total OPEB liability | 12,636 | 13,629 | 6,824 | - | 3,557 | 36,646 | 22,369 |
| Total noncurrent liabilities | <u>4,882,730</u> | <u>7,886,220</u> | <u>895,018</u> | <u>-</u> | <u>83,940</u> | <u>13,747,908</u> | <u>3,185,140</u> |
| Total liabilities | <u>5,256,982</u> | <u>8,515,144</u> | <u>951,948</u> | <u>3,414</u> | <u>109,684</u> | <u>14,837,172</u> | <u>3,471,469</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | | | |
| Leases | 91,402 | - | - | 297,885 | - | 389,287 | - |
| Pension related items | 99,336 | 107,141 | 53,644 | - | 27,955 | 288,076 | 175,845 |
| Other postemployment benefit related items | 4,769 | 5,143 | 2,575 | - | 1,342 | 13,829 | 8,442 |
| Total deferred inflows of resources | <u>195,507</u> | <u>112,284</u> | <u>56,219</u> | <u>297,885</u> | <u>29,297</u> | <u>691,192</u> | <u>184,287</u> |
| NET POSITION | | | | | | | |
| Net investment in capital assets | 7,097,314 | 10,536,130 | 2,126,643 | 3,738,958 | 1,563,655 | 25,062,700 | 1,400,881 |
| Restricted for: | | | | | | | |
| System development | 312,269 | 541,549 | 202,357 | - | - | 1,056,175 | - |
| Net OPEB benefits | 5,730 | 6,180 | 3,094 | - | 1,613 | 16,617 | 10,143 |
| Unrestricted | 1,570,559 | 1,987,912 | 629,021 | 311,096 | 459,926 | 4,958,514 | 6,968 |
| Total net position | <u>\$ 8,985,872</u> | <u>\$ 13,071,771</u> | <u>\$ 2,961,115</u> | <u>\$ 4,050,054</u> | <u>\$ 2,025,194</u> | <u>31,094,006</u> | <u>\$ 1,417,992</u> |

Reconciliation to business-type activities:

Adjustment to reflect internal service fund balances
related to business-type activities

1,100,367

Net position of business-type activities

\$ 32,194,373

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2023

| | Business-type Activities | | | | | Total Enterprise Funds | Internal Service |
|--|--------------------------|----------------------|---------------------|---------------------|------------------------|------------------------|---------------------|
| | Water | Wastewater | Stormwater | Airport | Nonmajor Events Center | | Public Works |
| Operating revenues | | | | | | | |
| Charges for services | \$ 2,384,282 | \$ 3,708,293 | \$ 589,902 | \$ 89,691 | \$ 388,570 | \$ 7,160,738 | \$ 1,641,621 |
| Total operating revenues | 2,384,282 | 3,708,293 | 589,902 | 89,691 | 388,570 | 7,160,738 | 1,641,621 |
| Operating expenses | | | | | | | |
| Personnel services | 445,614 | 401,107 | 245,536 | - | 276,401 | 1,368,658 | 740,275 |
| Materials and services | 1,627,889 | 1,995,654 | 312,865 | 209,614 | 823,060 | 4,969,082 | 393,146 |
| Depreciation and amortization | 607,950 | 1,038,659 | 113,405 | 190,209 | 129,250 | 2,079,473 | 190,388 |
| Total operating expenses | 2,681,453 | 3,435,420 | 671,806 | 399,823 | 1,228,711 | 8,417,213 | 1,323,809 |
| Operating income (loss) | (297,171) | 272,873 | (81,904) | (310,132) | (840,141) | (1,256,475) | 317,812 |
| Nonoperating revenues (expenses) | | | | | | | |
| Grants | - | - | - | 112,797 | 149,745 | 262,542 | 250,000 |
| Interest income | 39,296 | 74,647 | 25,257 | 16,354 | 15,063 | 170,617 | 13,755 |
| Miscellaneous | 36,744 | 37,419 | 2,078 | 52,347 | 144,087 | 272,675 | 30,249 |
| Interest expense | (77,809) | (81,039) | (10,728) | - | - | (169,576) | (77,965) |
| Total nonoperating revenues (expenses) | (1,769) | 31,027 | 16,607 | 181,498 | 308,895 | 536,258 | 216,039 |
| Income (loss) before capital contributions and transfers | (298,940) | 303,900 | (65,297) | (128,634) | (531,246) | (720,217) | 533,851 |
| Capital contributions | 156,646 | 207,084 | 69,191 | - | - | 432,921 | - |
| Transfers in | 134,491 | - | - | 48,000 | 499,869 | 682,360 | - |
| Change in net position | (7,803) | 510,984 | 3,894 | (80,634) | (31,377) | 395,064 | 533,851 |
| Net position at beginning of year | 8,993,675 | 12,560,787 | 2,838,597 | 4,130,688 | 2,056,571 | 30,580,318 | 884,141 |
| Prior period adjustment - Note 3 | - | - | 118,624 | - | - | 118,624 | - |
| Net position at beginning of year, as restated | 8,993,675 | 12,560,787 | 2,957,221 | 4,130,688 | 2,056,571 | 30,698,942 | 884,141 |
| Net position at end of year | \$ 8,985,872 | \$ 13,071,771 | \$ 2,961,115 | \$ 4,050,054 | \$ 2,025,194 | \$ 31,094,006 | \$ 1,417,992 |

Reconciliation to business-type activities:

| | |
|--|-------------------|
| Change in net position - total enterprise funds | \$ 395,064 |
| Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds | 216,226 |
| Change in net position of the business-type activities | \$ 611,290 |

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

| | Business-type Activities | | | | | Internal Service | |
|---|--------------------------|---------------------|---------------------|---------------------|------------------------|------------------------|-------------------|
| | Water | Wastewater | Stormwater | Airport | Nonmajor Events Center | Total Enterprise Funds | Public Works |
| Cash flows from operating activities | | | | | | | |
| Receipts from customers and users | \$ 2,365,781 | \$ 3,690,664 | \$ 591,792 | \$ 87,802 | \$ 333,744 | \$ 7,069,783 | \$ 1,641,446 |
| Payments to suppliers | (1,684,389) | (2,068,262) | (322,360) | (213,627) | (830,168) | (5,118,806) | (358,798) |
| Payments to employees | (428,072) | (466,399) | (238,927) | - | (294,434) | (1,427,832) | (772,058) |
| Net cash provided by (used in) operating activities | 253,320 | 1,156,003 | 30,505 | (125,825) | (790,858) | 523,145 | 510,590 |
| Cash flows from noncapital financing activities | | | | | | | |
| Payments on interfund loan | - | - | - | (177,276) | - | (177,276) | - |
| Other receipts | 35,833 | 37,419 | 2,078 | 59,625 | 144,087 | 279,042 | 30,249 |
| Transfers in | 134,491 | - | - | 48,000 | 499,869 | 682,360 | - |
| Net cash provided by (used in) noncapital financing activities | 170,324 | 37,419 | 2,078 | (69,651) | 643,956 | 784,126 | 30,249 |
| Cash flows from capital and related financing activities | | | | | | | |
| System development charges received | 80,668 | 138,285 | 51,621 | - | - | 270,574 | - |
| Grants | - | - | - | 469,510 | 149,745 | 619,255 | 250,000 |
| Acquisition of capital assets | (360,156) | (1,021,281) | (35,659) | (125,331) | (31,997) | (1,574,424) | (164,586) |
| Issuance of long-term obligations | 3,375,000 | 5,119,900 | 600,000 | - | - | 9,094,900 | 398,400 |
| Principal paid on long-term obligations | (98,040) | (285,905) | (17,500) | - | - | (401,445) | (144,539) |
| Interest paid on long-term obligations | (64,163) | (63,311) | (9,131) | - | - | (136,605) | (76,773) |
| Net cash provided by (used in) capital and related financing activities | 2,933,309 | 3,887,688 | 589,331 | 344,179 | 117,748 | 7,872,255 | 262,502 |
| Cash flows from investing activities | | | | | | | |
| Interest on investments | 37,975 | 74,647 | 25,257 | 9,076 | 15,063 | 162,018 | 13,755 |
| Net cash provided by (used in) investing activities | 37,975 | 74,647 | 25,257 | 9,076 | 15,063 | 162,018 | 13,755 |
| Net increase (decrease) in cash and cash equivalents | 3,394,928 | 5,155,757 | 647,171 | 157,779 | (14,091) | 9,341,544 | 817,096 |
| Cash and cash equivalents at beginning of year | 295,210 | 1,308,899 | 765,246 | - | 517,997 | 2,887,352 | 54,659 |
| Cash and cash equivalents at end of year | \$ 3,690,138 | \$ 6,464,656 | \$ 1,412,417 | \$ 157,779 | \$ 503,906 | \$ 12,228,896 | \$ 871,755 |
| Reconciliation of operating income (loss) to net cash provide by (used in) operating activities | | | | | | | |
| Operating income (loss) | \$ (297,171) | \$ 272,873 | \$ (81,904) | \$ (310,132) | \$ (840,141) | \$ (1,256,475) | \$ 317,812 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | | | |
| Depreciation and amortization | 607,950 | 1,038,659 | 113,405 | 190,209 | 129,250 | 2,079,473 | 190,388 |
| (Increase) decrease in assets and deferred outflows: | | | | | | | |
| Receivables, net | (18,501) | (17,629) | 1,890 | (1,889) | (54,826) | (90,955) | (175) |
| Inventories | (52,691) | (154) | - | 2,542 | - | (50,303) | - |
| Net OPEB asset | (1,907) | (949) | (1,034) | - | (144) | (4,034) | (2,469) |
| Deferred outflows - Pension related items | (10,963) | 24,702 | (6,050) | - | 9,892 | 17,581 | 10,491 |
| Deferred outflows - OPEB related items | (712) | 397 | (389) | - | 213 | (491) | (306) |
| Increase (decrease) in liabilities and deferred inflows: | | | | | | | |
| Accounts payable and accrued liabilities | (3,026) | (70,405) | (9,495) | (6,555) | (7,108) | (96,589) | 34,348 |
| Compensated absences liability | 5,397 | (7,432) | (200) | - | 3,762 | 1,527 | 4,799 |
| Lease payable | (783) | (2,049) | - | - | - | (2,832) | - |
| Net pension liability | 89,447 | 39,603 | 48,506 | - | 4,966 | 182,522 | 111,787 |
| Total OPEB liability | (212) | (4,526) | (99) | - | (1,586) | (6,423) | (3,892) |
| Deferred inflows - Pension related items | (65,342) | (118,214) | (35,118) | - | (35,350) | (254,024) | (154,744) |
| Deferred inflows - OPEB related items | 1,834 | 1,127 | 993 | - | 214 | 4,168 | 2,551 |
| Net cash provided by (used in) operating activities | \$ 253,320 | \$ 1,156,003 | \$ 30,505 | \$ (125,825) | \$ (790,858) | \$ 523,145 | \$ 510,590 |

See notes to financial statements

CITY OF FLORENCE, OREGON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023

| | <u>Custodial Funds</u> |
|--|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 61,028 |
| Total assets | <u>61,028</u> |
| NET POSITION | |
| Restricted for: | |
| Individuals, organizations and other governments | <u>61,028</u> |
| Total net position | <u><u>\$ 61,028</u></u> |

See notes to financial statements.

CITY OF FLORENCE, OREGON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2023

| | Custodial Funds |
|---|----------------------------|
| ADDITIONS | |
| Fees and assessments collected for other governments | \$ 211,472 |
| Victim restitution | 5,975 |
| Unapplied bonds | 4,538 |
| Total additions | 221,985 |
| DEDUCTIONS | |
| Fees and assessments distributed to other governments | 201,297 |
| Victim restitution payments | 1,574 |
| Bond refunds | 4,104 |
| Total deductions | 206,975 |
| Change in net position | 15,010 |
| Net position at beginning of year | 46,018 |
| Net position at end of year | \$ 61,028 |

See notes to financial statements.

NOTE 1 – FINANCIAL REPORTING ENTITY

The City of Florence, Oregon (the “City”) was incorporated under the general laws of the State of Oregon. The City is governed by the Mayor and Council Members who are elected to office by voters within the City. The City Council exercises supervisory responsibilities over City operations, but day-to-day management operations are the responsibility of the City Manager, who reports to the Mayor and City Council.

The accompanying financial statements present all activities, funds and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of these criteria, the City is a primary government with one blended component unit — Florence Urban Renewal Agency.

Blended Component Unit

The Florence Urban Renewal Agency (the “Agency”) was established in 2006 under the provisions of Oregon Revised Statutes (ORS), Chapter 457. The Agency was formed to plan, direct and manage certain projects within the City. 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 the governing body for the Agency. The Agency was formed by the City as a separate legal entity to implement programs in the revitalization plan of the City. Upon completion, all projects constructed become assets of the City. The Agency is a blended component unit of the City and is reported as special revenue fund in the City’s basic financial statements. Separate financial statements of the Agency can be obtained from the City’s Finance Department or viewed on the City’s website.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and fund financial statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting and financial statement presentation

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

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

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 government considers revenues to be available if they are collected within 60 days of the current fiscal year-end. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes, franchise fees, assessment liens, and federal and state grants. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, long-term leases and claims and judgments, are recorded only when payment is due.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation (continued)

The City reports the following major governmental funds:

- *General Fund* – is the main operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.
- *Streets Program* – This program reports activity from the following budgeted funds:
 - *Street Fund* – was established as a requirement of Oregon Revised Statutes 366.815. Monies received from the State of Oregon (gasoline tax apportionment), the City’s street maintenance fee, and grants are the major sources of revenue. These monies are to be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets, sidewalks, bike lanes and paths.
 - *Street System Development Fund* – accounts for major street improvements. The primary source of revenues is street system development charges on new construction within the City. The use of these funds is restricted by State statute and City ordinance.
- *Florence Urban Renewal Agency Fund* – accounts for the activities associated with the City’s Urban Renewal Plan. The primary resources are debt proceeds, grants, and developer contributions.
- *Debt Service Fund* – accounts for special assessment revenue from a local improvement district (LID) and principal and interest payment activity.

The City reports the following major proprietary funds:

- *Water Operations* – This program reports activity from the following budgeted funds:
 - *Water Fund* - accounts for the provision of water services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the water system and billing and collection activities. The primary source of revenue is user fees and charges.
 - *Water System Development Fund* – accounts for monies accumulated from water system development charges for facility explanation or improvement. The use of these funds is restricted by State statute and City ordinance.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation (continued)

- *Wastewater Operations* – This program reports activity from the following budgeted funds:
 - *Wastewater Fund* – accounts for the provision of wastewater services to the residents of the City. Activities of the fund include administration, operations and maintenance of the wastewater system and billing and collection activities. The primary source of revenue is user fees and charges.
 - *Wastewater System Development Fund* - accounts for monies accumulated from wastewater system development charges for facility explanation or improvement. The use of these funds is restricted by State statute and City ordinance.
- *Stormwater Operations* – This program reports activity from the following budgeted funds:
 - *Stormwater Fund* – accounts for the provision of storm drainage services to the residents of the City. Activities of the fund include administration, operations and maintenance of the storm drainage system and billing and collection activities. The primary source of revenue is user fees and charges.
 - *Stormwater System Development Fund* - accounts for monies accumulated from stormwater system development charges for facility explanation or improvement. The use of these funds is restricted by State statute and City ordinance.
- *Airport Fund* – accounts for all activities of the City’s municipal airport. Expenses include facility and grounds maintenance, aviation fuel, and capital investment. The primary source of revenues are fuel sales, ground leases, land sales, and intergovernmental grants.

The City also reports the following nonmajor governmental and proprietary fund types:

- *Special Revenue* – accounts for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities.
- *Enterprise* – accounts for the operations of predominately self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.
- *Internal Service* – accounts for the cost of providing services to other funds of the City which are charged a fee on a cost reimbursement basis for those services.
- *Fiduciary* – custodial funds account for resources received and held in a fiduciary capacity for the municipal court. This fund accounts for the fees and assessments related to court assessments collected on behalf of other governments, as well as money received from parolees making restitution, restitution payments to victims and restitution forfeitures.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

Receivables

Uncollected property taxes are reported in governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred inflows of resources. Property taxes collected within 60 days of the end of the current period are considered measurable and available and are recognized as revenue.

Property taxes - Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Property taxes are assessed as of January 1 and become a lien against the property as of July 1 of each year on all taxable property. Property taxes are due and payable in three installments following the lien date on November 15, February 15 and May 15. Discounts are allowed if the amount due or two-thirds of the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

User charges receivable - User charges receivables are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off or establishes an allowance, as of year-end, for all balances that have not been collected by the time the financial statements are issued.

Lease receivable - Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the City, reduced by principal payments received.

Inventories and prepaid items

Inventories are valued at cost, on a first-in, first-out basis and consist of materials and supplies maintained for system maintenance and operation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government and fund financial statements.

Capital assets

Capital assets, which include property, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, storm sewers, sewers and similar items) and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the statement of net position in the proprietary funds. Capital assets are defined by the City as assets with an initial, individual cost of \$10,000 or more and having an estimated useful life extending beyond a single reporting period. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets (continued)

The cost of normal maintenance and repairs that do not add to the value or materially extend the useful lives of the assets are not capitalized. Major capital assets and improvements are capitalized as projects are constructed.

Depreciation expense is allocated in the statement activities by program/function. Capital assets are depreciated using the straight-line method over estimated useful lives as follows:

| Asset Type | Useful Life |
|-------------------------|---------------|
| Buildings | 40 years |
| Improvements | 25 years |
| Infrastructure | 25 - 40 years |
| Vehicles | 5 years |
| Furniture and equipment | 5 years |

Depreciation is recorded in the year the assets are acquired or retire from the date of acquisition or to the date of disposition. Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in the operations of the current period.

Lease assets - Lease assets are asset which the City leases for a term of more than one year. The value of leases is determined by the net present value of the leases using the interest rate implicit in the lease or, if not determinable, at the City’s incremental borrowing rate at the time of the lease agreement and are amortized over the term of the agreement.

Long-term liabilities

In the government-wide and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Premiums, discounts and deferred amounts on refunding are amortized over the life of the related debt issue. Bond and note payable is reported net of the unamortized bond premium or discount.

In the governmental fund financial statements, the present value of the lease payments, the face amount of the debt issues and premiums received on debt issuances are reported as other financing sources. Issuance costs are reported as debt service expenditures.

Compensated absences

Compensated absences, such as vacation and compensation time, are accrued as they are earned. For governmental funds, compensated absences is maintained separately and represents a reconciling item between 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 resources is reported as an expenditure and a fund liability of the fund that will pay it.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employee Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other postemployment benefits

For purposes of measuring the other postemployment benefit (OPEB) asset and liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the City's two separate plans, the OPERS Retirement Health Insurance Account (RHIA) and the Implicit Rate Subsidy and additions to/deductions from the RHIA and Implicit Rate Subsidy's fiduciary net position have been determined on the same basis as they are reported by OPERS and the Implicit Rate Subsidy. For this purpose, the benefit payments of both plans are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which is reported at cost.

Deferred outflow / inflows of resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide and the proprietary fund statements report deferred outflows of resources related to pensions and OPEB.

In addition to liabilities, the statements of net position will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The balance sheet of governmental funds will report deferred inflows related to unavailable revenues, which are deferred and recognized as an inflow of resources in the period that the amounts become available, as well as leases. The government-wide and the proprietary fund statements report deferred outflows of resources related to leases, pensions and OPEB.

Net position

Government-wide and proprietary fund financial statements

In the government-wide and proprietary fund financial statements, equity is classified as net position and displayed in three components:

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position (continued)

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt” are reported as “unrestricted net position.”

In the government-wide and proprietary fund financial statements, 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.

Fund balance

Governmental fund type fund balance reporting

Governmental type fund balances are to be properly reported within one of the fund balance categories list below:

Non-spendable – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid items.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the City Manager to assign fund balance amounts.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balance (continued)

Unassigned – The residual classification for the government’s General Fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Risk management

The City is exposed to various risks of loss related to errors and omissions, automobile, damage to and destruction of assets, bodily injury, and worker’s compensation for which the City carries commercial insurance. The City participates in the County Insurance Services (CIS), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CIS for insurance coverage. Predetermined limits and deductible amounts are stated in the policy. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

NOTE 3 – RESTATEMENT OF BEGINNING BALANCES

The beginning net position of governmental activities and the beginning fund balance of the ARPA Fund have been increased \$928,600 to correct an error in the revenue that was recognized in the year ended June 30, 2022, under the American Rescue Plan Act.

The beginning net position in the Stormwater Fund has been increased \$118,624 to correct an error related to accumulated depreciation that was recognized in prior years.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2023, the City’s cash, cash equivalents and investments are as follows:

| | | |
|--|----|--------------------------------|
| Deposits with financial institutions | \$ | 346,808 |
| State of Oregon Local Government Investment Pool | | 19,358,973 |
| Cash on hand | | <u>1,950</u> |
| Total cash and cash equivalents | | <u><u>\$19,707,731</u></u> |

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The City maintains a pool of cash and cash equivalents that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents. Interest earned on pooled cash and cash equivalents is allocated to participating funds based upon their combined cash and cash equivalents balances.

Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all noninterest-bearing accounts and the aggregate of all interest-bearing accounts at each institution.

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the City's deposits. As of June 30, 2023, none of the City's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

Credit Risk. Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Concentration of Credit Risk: The City does not have a formal policy that places a limit on the amount that may be invested in any one issuer.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

State of Oregon Local Government Investment Pool (continued)

Interest Rate Risk: The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

NOTE 5 – RECEIVABLES

The City's receivables at June 30, 2023, are as follows:

| | Governmental Activities / Funds | | | | | Totals |
|---------------------------------|---------------------------------|-------------------|----------------------------|-------------------|-----------------------------------|---------------------|
| | General | Street | Urban Renewal Agency | Debt Service | Nonmajor Governmental Funds | |
| Accounts | \$ 176,849 | \$ 79,922 | \$ 3,887 | \$ - | \$ 231,922 | \$ 492,580 |
| User charges | - | 42,706 | - | - | - | 42,706 |
| Assessments | 127,276 | 17,334 | - | 289,046 | - | 433,656 |
| Property taxes | 118,460 | - | 25,936 | - | - | 144,396 |
| System development charges | - | 21,348 | - | - | - | 21,348 |
| Grants | 190,699 | - | - | - | - | 190,699 |
| Allowance for doubtful accounts | - | (233) | - | - | - | (233) |
| Total | \$ 613,284 | \$ 161,077 | \$ 29,823 | \$ 289,046 | \$ 231,922 | \$ 1,325,152 |

| | Business-Type Activities / Proprietary Funds | | | | | | Totals |
|---------------------------------|--|-------------------|------------------|-------------------|------------------------------|-------------------------------------|-------------------|
| | Water | Wastewater | Stormwater | Airport | Nonmajor Events Center | Internal Service Public Works | |
| Accounts | \$ - | \$ - | \$ - | \$ - | \$ 54,826 | \$ 175 | \$ 55,001 |
| System development charges | 75,978 | 68,799 | 17,570 | - | - | - | 162,347 |
| Grants | - | - | - | 134,018 | - | - | 134,018 |
| User charges | 240,491 | 337,112 | 53,755 | 1,889 | - | - | 633,247 |
| Allowance for doubtful accounts | (1,324) | (1,971) | (249) | - | - | - | (3,544) |
| Total | \$ 315,145 | \$ 403,940 | \$ 71,076 | \$ 135,907 | \$ 54,826 | \$ 175 | \$ 981,069 |

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 FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – LEASE RECEIVABLES

| | Balance at July 1, 2022 | Additions | Payments | Balance at June 30, 2023 |
|--|----------------------------|------------------|------------------|-----------------------------|
| <i>Governmental activities:</i> | | | | |
| Commercial ground leases Interest between 2.38% and 3.61%, total annual principal and interest payments range from \$4,500 to \$12,100, due 2031 | \$ 123,812 | \$ 5,238 | \$ 17,552 | \$ 111,498 |
| | <u>90,694</u> | <u>10,964</u> | <u>8,024</u> | <u>93,634</u> |
| | <u>\$ 401,428</u> | <u>\$ 10,964</u> | <u>\$ 20,873</u> | <u>\$ 391,519</u> |

| | Balance at July 1, 2022 | Additions | Payments | Balance at June 30, 2023 |
|---|----------------------------|------------------|------------------|-----------------------------|
| <i>Business-type activities:</i> | | | | |
| Airport building leases Interest between 2.11% and 3.37%, total annual principal and interest payments range from \$3,726 to \$20,571, due 2044 | \$ 310,734 | \$ - | \$ 12,849 | \$ 297,885 |
| Water tower leases Interest between 1.38% and 1.83%, total annual principal and interest payments range from \$29,000 to \$34,500, due 2032 | 90,694 | 10,964 | 8,024 | 93,634 |
| Total business-type activities | <u>\$ 401,428</u> | <u>\$ 10,964</u> | <u>\$ 20,873</u> | <u>\$ 391,519</u> |

As of June 30, 2023, the future maturities of lease receivables are as follows:

| Fiscal Year | Governmental activities | | Business-Type Activities | |
|-------------|-------------------------|------------------|--------------------------|------------------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 14,285 | \$ 3,674 | \$ 25,672 | \$ 8,360 |
| 2025 | 14,396 | 3,226 | 22,844 | 7,917 |
| 2026 | 14,869 | 2,753 | 23,598 | 7,460 |
| 2027 | 15,358 | 2,263 | 24,375 | 6,989 |
| 2028 | 15,865 | 1,757 | 25,125 | 6,504 |
| 2029-2033 | 36,725 | 2,174 | 114,938 | 25,221 |
| 2034-2038 | - | - | 79,088 | 15,038 |
| 2039-2043 | - | - | 64,061 | 5,816 |
| 2044 | - | - | 11,818 | 399 |
| Total | <u>\$ 111,498</u> | <u>\$ 15,847</u> | <u>\$ 391,519</u> | <u>\$ 83,704</u> |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

| | Balance at July 1, 2022 | Additions | Deletions | Balance at June 30, 2023 |
|--|----------------------------|-------------------|-------------------|-----------------------------|
| <u><i>Governmental activities</i></u> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 2,031,030 | \$ 2,996 | \$ - | \$ 2,034,026 |
| Construction in progress | 1,012,104 | 566,882 | 791,145 | 787,841 |
| Total capital Assets, not being depreciated | <u>3,043,134</u> | <u>569,878</u> | <u>791,145</u> | <u>2,821,867</u> |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 12,485,763 | 30,000 | - | 12,515,763 |
| Vehicles and equipment | 3,215,293 | 232,298 | - | 3,447,591 |
| Infrastructure | 24,652,294 | 831,592 | - | 25,483,886 |
| Right-to-use lease equipment | 244,748 | - | - | 244,748 |
| Total capital assets being depreciated | <u>40,598,098</u> | <u>1,093,890</u> | <u>-</u> | <u>41,691,988</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 5,244,140 | 333,133 | - | 5,577,273 |
| Vehicles and equipment | 2,521,643 | 187,440 | - | 2,709,083 |
| Infrastructure | 8,918,186 | 770,000 | - | 9,688,186 |
| Right-to-use lease equipment | 114,532 | 42,847 | - | 157,379 |
| Total accumulated depreciation | <u>16,798,501</u> | <u>1,333,420</u> | <u>-</u> | <u>18,131,921</u> |
| Total capital assets being depreciated, net | <u>23,799,597</u> | <u>(239,530)</u> | <u>-</u> | <u>23,560,067</u> |
| Governmental activities capital assets, net | <u>\$ 26,842,731</u> | <u>\$ 330,348</u> | <u>\$ 791,145</u> | <u>\$ 26,381,934</u> |
| <u><i>Business-type activities</i></u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 1,868,428 | \$ - | \$ - | \$ 1,868,428 |
| Construction in progress | 902,982 | 394,019 | 913,425 | 383,576 |
| Total capital assets, not being depreciated | <u>2,771,410</u> | <u>394,019</u> | <u>913,425</u> | <u>2,252,004</u> |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 33,968,266 | 43,840 | - | 34,012,106 |
| Utility systems | 18,881,485 | 1,226,045 | - | 20,107,530 |
| Vehicles and equipment | 5,627,190 | 856,854 | - | 6,484,044 |
| Infrastructure | 11,382,183 | 136,026 | - | 11,518,209 |
| Right-to-use lease equipment | 15,356 | - | - | 15,356 |
| Total capital assets being depreciated, net | <u>69,874,480</u> | <u>2,262,765</u> | <u>-</u> | <u>72,137,245</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 18,691,362 | 885,784 | - | 19,577,146 |
| Utility systems | 9,610,153 | 441,164 | - | 10,051,317 |
| Vehicles and equipment | 3,832,589 | 441,634 | - | 4,274,223 |
| Infrastructure | 3,567,082 | 498,503 | - | 4,065,585 |
| Right-to-use lease equipment | 6,910 | 2,776 | - | 9,686 |
| Total accumulated depreciation | <u>35,708,096</u> | <u>2,269,861</u> | <u>-</u> | <u>37,977,957</u> |
| Total capital assets being depreciated, net | <u>34,166,384</u> | <u>(7,096)</u> | <u>-</u> | <u>34,159,288</u> |
| Business-type activities capital assets, net | <u>\$ 36,937,794</u> | <u>\$ 386,923</u> | <u>\$ 913,425</u> | <u>\$ 36,411,292</u> |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

| | |
|--|---------------------|
| <i>Governmental activities</i> | |
| Administration | \$ 124,531 |
| Community development | 24,195 |
| Public safety | 202,993 |
| Parks | 51,045 |
| Transportation | 671,774 |
| Non-departmental | <u>258,882</u> |
| Total depreciation and amortization expense - governmental activities | <u>\$ 1,333,420</u> |
| <i>Business-type activities</i> | |
| Water | \$ 607,950 |
| Wastewater | 1,038,659 |
| Stormwater | 113,405 |
| Airport | 190,209 |
| Events center | 129,250 |
| Public works admin | <u>190,388</u> |
| Total depreciation and amortization expense - business-type activities | <u>\$ 2,269,861</u> |

NOTE 8 – LONG-TERM LIABILITIES

For the year ended June 30, 2023, changes in long-term liabilities were as follows:

| | Outstanding July 1, 2022 | Additions | Reductions | Outstanding June 30, 2023 | Due Within One Year |
|---|-----------------------------|---------------------|---------------------|------------------------------|------------------------|
| <i>Governmental activities</i> | | | | | |
| Long-term debt | | | | | |
| Bonds payable | \$ 1,518,061 | \$ - | \$ 134,184 | \$ 1,383,877 | \$ 141,327 |
| Unamortized bond premium | <u>12,484</u> | - | <u>957</u> | <u>11,527</u> | <u>1,289</u> |
| Total bonds payable | 1,530,545 | - | 135,141 | 1,395,404 | 142,616 |
| Notes from direct borrowings | 9,232,520 | 640,700 | 557,229 | 9,315,991 | 774,740 |
| Leases | <u>132,059</u> | - | <u>43,825</u> | <u>88,234</u> | <u>36,122</u> |
| Total long-term debt | 10,895,124 | 640,700 | 736,195 | 10,799,629 | 953,478 |
| Compensated absences | 316,092 | 349,285 | 335,071 | 330,306 | 330,306 |
| Net pension liability | 2,602,477 | 1,183,203 | - | 3,785,680 | - |
| Total OPEB liability | <u>196,656</u> | - | <u>2,976</u> | <u>193,680</u> | <u>26,201</u> |
| Total long-term liabilities - governmental activities | <u>\$14,010,349</u> | <u>\$ 2,173,188</u> | <u>\$ 1,074,242</u> | <u>\$15,109,295</u> | <u>\$ 1,309,985</u> |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – LONG-TERM LIABILITIES (Continued)

| | Outstanding July 1, 2022 | Additions | Reductions | Outstanding June 30, 2023 | Due Within One Year |
|--|-----------------------------|---------------------|-------------------|------------------------------|------------------------|
| <i>Business-type activities</i> | | | | | |
| Long-term debt | | | | | |
| Bonds payable | \$ 791,939 | \$ - | \$ 75,817 | \$ 716,122 | \$ 78,673 |
| Unamortized bond premium | 16,465 | - | 1,516 | 14,949 | 1,673 |
| Total bonds payable | <u>808,404</u> | <u>-</u> | <u>77,333</u> | <u>731,071</u> | <u>80,346</u> |
| Notes from direct borrowings | 6,734,054 | 9,493,300 | 470,168 | 15,757,186 | 870,310 |
| Unamortized note premium | 806 | - | 806 | - | - |
| Total notes payable | <u>6,734,860</u> | <u>9,493,300</u> | <u>470,974</u> | <u>15,757,186</u> | <u>870,310</u> |
| Leases | 8,554 | - | 2,832 | 5,722 | 3,254 |
| Total long-term debt | 7,551,818 | 9,493,300 | 551,139 | 16,493,979 | 953,910 |
| Compensated absences | 124,873 | 119,031 | 112,705 | 131,199 | 131,199 |
| Net pension liability | 1,039,655 | 294,309 | - | 1,333,964 | - |
| Total OPEB liability | <u>78,563</u> | <u>-</u> | <u>10,315</u> | <u>68,248</u> | <u>9,233</u> |
| Total long-term liabilities - business-type activities | <u>\$ 8,794,909</u> | <u>\$ 9,906,640</u> | <u>\$ 674,159</u> | <u>\$ 18,027,390</u> | <u>\$ 1,094,342</u> |

Bonds outstanding at June 30, 2023 were as follows:

| Purpose | Governmental Activities | Business-Type Activities |
|--|----------------------------|-----------------------------|
| During 2010, the City issued \$8,750,000 of full faith and credit refunding obligations debt with \$8,310,000 at 3.064% and \$440,000 at 3.75%. This bond was used to fund projects for governmental funds totaling \$600,000 and enterprise funds totaling \$8,150,000. Bond principal and interest are payable semiannually through December 2030. | \$ 285,000 | \$ 380,000 |
| During 2010, the City issued \$1,478,000 of limited tax improvement bonds at 3.81% for Spruce St. LID. Semiannual payments are made from assessments on the property benefiting from the improvements. Bond principal and interest are payable semiannually through December 2030. | 825,000 | - |
| During 2011, the City issued \$1,245,000 of full faith and credit refunding obligations debt at 4.14% for the Local Oregon Capital Asset Program (LOCAP). This bond was used to fund projects for governmental funds totaling \$558,980 and enterprise funds totaling \$686,020. Bond principal and interest are payable semiannually through June 2031. | <u>273,877</u> | <u>336,122</u> |
| Total bonds outstanding | 1,383,877 | 716,122 |
| Less: current portion | <u>141,327</u> | <u>78,673</u> |
| Long-term portion | <u>\$ 1,242,550</u> | <u>\$ 637,449</u> |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Direct placement notes payable outstanding at June 30, 2023 were as follows:

| Purpose | Governmental Activities | Business-Type Activities |
|---|----------------------------|-----------------------------|
| In March 2018, the City received proceeds in the amount of \$3,395,000 from Banner Bank to finance improvements to City Hall, the Justice Center and to purchase land. Principal and interest are payable semiannually at 4.375% through December 2037. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; but the Note shall not be subject to acceleration. | \$ 2,656,823 | \$ - |
| In June 2019, the City received proceeds in the amount of \$3,150,000 from Banner Bank to finance the projects of the Florence Urban Renewal Agency. Principal and interest are payable semiannually at 3.3% through March 2039. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; but the Note shall not be subject to acceleration. | 2,646,792 | - |
| In June 2019, the City received proceeds in the amount of \$150,000 from Banner Bank to finance the projects of the Florence Urban Renewal Agency. Interest only payments at 5.3% are required semiannually through March 1, 2024. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; but the Note shall not be subject to acceleration. | 150,000 | - |
| During 2018, the City termed out its tax-exempt non-revolving line of credit with Banner Bank. Annual principal and interest payments are required semiannually. The interest rate for the line of credit is 2.92% through December 15, 2026 at which point the interest rate will become variable, with a maximum rate of 5.25% through December 15, 2031, when the maximum rate increase to 7.2%. The minimum interest rate for years 11 through 20 is 2.75%. The note payable has a scheduled maturity are detailed with the projects below. If an event of default occurs, the Bank may exercise any remedy available at law or in equity but the Note shall not be subject to acceleration. The projects funded and their balances outstanding are as follows: | | |
| <i>Street Project</i> - improvements to City streets and related issuance costs in the original amount of \$1,300,000. This portion of the note matures on December 1, 2026. | 498,448 | - |
| <i>Agency</i> - \$3,700,000 was allocated to finance and refinance the projects of the Florence Urban Renewal Agency. This portion of the note matures on December 1, 2036. | 2,723,228 | - |
| <i>Water Project</i> - improvements to City's water system and related issuance costs in the original amount of \$1,500,000. This portion of the note matures on December 1, 2036. | - | 1,104,040 |
| <i>Facility Project</i> - improvements to City's public works facility and related issuance costs in the original amount of \$3,300,000. This portion of the note matures on December 1, 2036. | - | 2,428,828 |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – LONG-TERM LIABILITIES (Continued)

| Purpose | Governmental Activities | Business-Type Activities |
|---|----------------------------|-----------------------------|
| <p>In August 2010, the City entered into a loan agreement with the Oregon Business Development Department (OBDD) to receive a loan in the amount of \$657,057 to permanently finance the Florence Wastewater Transition Line & Intersection Improvements. Loan interest rate is variable between 2% and 4%. Loan principal and interest is payable annually through December 2034. Upon the event of default OBDD may declare the loan immediately due and payable, declare the City ineligible to receive future awards from the OBDD, withhold all or a portion of any amounts otherwise due to the City, or foreclosing liens or security interests upon collateral.</p> | - | 313,466 |
| <p>In February 2010, the City entered into an agreement with the State of Oregon Department of Environmental Quality (DEQ) for a loan in the amount of \$4,923,260 to finance rehabilitation to a major wastewater trunk sewer. Loan principal payments commenced upon completion of the project in June 2013. The loan has a 20-year maturity with loan fees of 0.5% of the outstanding balance payable annually. Upon the event of a default, DEQ may declare the loan immediately due and payable, appoint a receiver to operate the facility, set and collect utility rates, direct the State Treasurer to withhold amounts due, or pursue any other legal or equitable remedy it may have.</p> | - | 2,417,552 |
| <p>In April 2023, the City entered into an agreement with Banner Bank to to finance equipment and capital project costs across various funds. The agreement totals \$13,634,000 of which \$10,781,600 of the proceeds are tax-exempt and \$2,852,400 are taxable. The agreement includes an option to make periodic draws as needed during the first 24-months. The allocation interest rate and maturity is as follows:</p> | | |
| 7-year tax exempt - interest rate of 4.45% maturing December 2030 | 210,000 | 596,600 |
| 7-year taxable - interest rate of 5.7% maturing December 2030 | 130,700 | 521,700 |
| 20-year tax exempt - interest rate of 4.55% maturing December 2043 | - | 6,475,000 |
| 20-year taxable - interest rate of 5.7% maturing December 2030 | 300,000 | 1,900,000 |
| Total notes outstanding | 9,315,991 | 15,757,186 |
| Less: current portion | 774,740 | 870,310 |
| Long-term portion | \$ 8,541,251 | \$ 14,886,876 |

For the year ended June 30, 2023, the City had authorized \$13,634,000 of long-term debt to finance various projects. Of this amount, the City has drawn down \$12,175,000 and has a remaining \$3,500,000 of available funding that have not yet been issued.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Future maturities of long-term debt

As of June 30, 2023, the future maturities of long-term debt are as follows:

| Fiscal Year | Governmental Activities | | | | | | |
|--------------|-------------------------|-------------------|------------------|--------------------------------|---------------------|----------------------|---------------------|
| | Bonds Payable | | Bond Premium | Direct Placement Notes Payable | | Total | |
| | Principal | Interest | Amortization | Principal | Interest | Principal | Interest |
| 2024 | \$ 141,327 | \$ 54,802 | \$ 1,289 | \$ 774,740 | \$ 314,211 | \$ 916,067 | \$ 370,302 |
| 2025 | 148,572 | 49,012 | 1,304 | 646,238 | 284,763 | 794,810 | 335,079 |
| 2026 | 153,572 | 42,930 | 1,304 | 667,979 | 263,021 | 821,551 | 307,255 |
| 2027 | 167,959 | 36,548 | 1,392 | 614,984 | 240,525 | 782,943 | 278,465 |
| 2028 | 175,102 | 29,495 | 1,464 | 559,058 | 220,960 | 734,160 | 251,919 |
| 2029-2033 | 597,345 | 41,298 | 4,774 | 2,917,909 | 807,729 | 3,515,254 | 853,801 |
| 2034-2038 | - | - | - | 2,817,763 | 304,516 | 2,817,763 | 304,516 |
| 2039-2043 | - | - | - | 317,320 | 23,331 | 317,320 | 23,331 |
| Total | \$ 1,383,877 | \$ 254,085 | \$ 11,527 | \$ 9,315,991 | \$ 2,459,056 | \$ 10,699,868 | \$ 2,724,668 |

| Fiscal Year | Business-Type Activities | | | | | | |
|--------------|--------------------------|-------------------|------------------|--------------------------------|---------------------|----------------------|---------------------|
| | Bonds Payable | | Bond Premium | Direct Placement Notes Payable | | Total | |
| | Principal | Interest | Amortization | Principal | Interest | Principal | Interest |
| 2024 | \$ 78,673 | \$ 28,639 | \$ 1,673 | \$ 870,310 | \$ 573,423 | \$ 948,983 | \$ 603,736 |
| 2025 | 81,428 | 25,448 | 1,690 | 901,625 | 546,359 | 983,053 | 573,497 |
| 2026 | 81,428 | 22,142 | 1,690 | 928,835 | 518,149 | 1,010,263 | 541,981 |
| 2027 | 87,041 | 18,837 | 1,804 | 957,269 | 488,713 | 1,044,311 | 509,354 |
| 2028 | 89,898 | 15,168 | 1,901 | 986,788 | 458,199 | 1,076,686 | 475,268 |
| 2029-2033 | 297,653 | 22,128 | 6,191 | 4,832,703 | 1,846,795 | 5,130,356 | 1,875,114 |
| 2034-2038 | - | - | - | 3,391,835 | 1,076,735 | 3,391,835 | 1,076,735 |
| 2039-2043 | - | - | - | 2,887,821 | 396,968 | 2,887,821 | 396,968 |
| Total | \$ 716,122 | \$ 132,362 | \$ 14,949 | \$ 15,757,186 | \$ 5,905,342 | \$ 16,473,308 | \$ 6,052,653 |

Leases payable

Leases payable outstanding as of June 30, 2023 are as follows:

| | Original Amount | Outstanding July 1, 2022 | Additions | Payments | Outstanding June 30, 2023 |
|---|--------------------|-----------------------------|-----------|-----------|------------------------------|
| <u>Governmental activities:</u> | | | | | |
| Copier leases | | | | | |
| Interest between 1.23%, monthly payments of | | | | | |
| principal and interest of \$4,214, due 2025 | | | | | |
| | \$ 244,748 | \$ 132,059 | \$ - | \$ 43,825 | \$ 88,234 |
| | | | | | (36,122) |
| | | | | | \$ 52,112 |
| <u>Business-type activities:</u> | | | | | |
| Copier leases | | | | | |
| Interest between 1.23%, monthly payments of | | | | | |
| principal and interest of \$264, due 2025 | | | | | |
| | \$ 15,356 | \$ 8,554 | \$ - | \$ 2,832 | \$ 5,722 |
| | | | | | (3,254) |
| | | | | | \$ 2,468 |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Future maturities – leases payable

As of June 30, 2023, the future maturities of leases payable are as follows:

| Fiscal Year | Governmental activities | | Business-Type Activities | |
|-------------|-------------------------|---------------|--------------------------|--------------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 52,112 | \$ 812 | \$ 3,254 | \$ 52 |
| 2025 | 36,122 | 183 | 2,468 | 13 |
| Total | <u>\$ 88,234</u> | <u>\$ 995</u> | <u>\$ 5,722</u> | <u>\$ 65</u> |

Funds used to liquidate compensated absences, leases, pension and OPEB liabilities include the General, Water, Wastewater, Stormwater, Airport, Event Center and the Internal Service - Public Works Administration Funds.

NOTE 9 – INTERFUND TRANSACTIONS AND BALANCES

During the year ended June 30, 2023, interfund transfers were as follows:

| Transfers out: | Transfers in | | | | | | | Totals |
|--------------------------------|-------------------------|-------------------|-------------------|--------------------------|-------------------|------------------|------------------------|---------------------|
| | Governmental activities | | | Business-type activities | | | | |
| | General | Debt Service | Street | Governmental Nonmajor | Water | Airport | Nonmajor Events Center | |
| <u>Governmental activities</u> | | | | | | | | |
| General | \$ - | \$ 55,554 | \$ - | \$ 547,000 | \$ - | \$ - | \$ - | \$ 602,554 |
| Street | - | 413,477 | - | - | - | - | - | 413,477 |
| Urban Renewal Agency | - | 468,454 | - | - | - | - | - | 468,454 |
| Nonmajor Governmental | 435,100 | - | 137,000 | - | 134,491 | 48,000 | 499,869 | 1,254,460 |
| Totals | <u>\$ 435,100</u> | <u>\$ 937,485</u> | <u>\$ 137,000</u> | <u>\$ 547,000</u> | <u>\$ 134,491</u> | <u>\$ 48,000</u> | <u>\$ 499,869</u> | <u>\$ 2,738,945</u> |

Transfers are budgeted and recognized to move financial resources from the Room Tax Fund to the Events Center Fund to fund operations. Additionally, transfers are recorded to move financial resources to the Debt Service Fund to fund the repayment of debt. During the year, transfers were also made between the ARPA Fund and the General, Street, Water, Airport and Events Center Funds to expend American Rescue Plan Act federal money received on allowable costs.

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS

Plan description

Employees of the City are provided with pensions through Oregon Public Employees Retirement Systems (OPERS). The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

Plan description (continued)

OPERS produces an independently audited Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>.

Description of benefit terms

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier One/Tier Two retirement benefit (Chapter 238)

Tier One/Tier Two Retirement Benefit Plan is closed to new members hired on or after August 29, 2003.

Pension benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Death benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in a OPERS-covered job, or
- the member was on an official leave of absence from a OPERS-covered job at the time of death.

Disability benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit changes after retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

Pension benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Police and fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP) (continued)

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member.

Disability benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

Contributions

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

Contributions (continued)

Tier 1/Tier 2 employer contribution rates are 16.82%. The OPSRP employer contribution rates are 13.18% for general service employees and 17.54% for police and fire employees. Employer contributions for the year ended June 30, 2023 were \$644,114.

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Net pension liability

At June 30, 2023, the City reported a liability of \$5,119,644 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The City's proportion of the net pension liability was actuarially determined based on a projection of the City's long-term contributions effort to the pension plan relative to the long-term projected contributions effort of all participating employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL).

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

Normal Cost Rate: The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

UAL Rate: A UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions. The employer's projected long-term contribution effort does not include payments toward the current value of transition liabilities and pre-SLGRP liabilities.

At June 30, 2022, the City's proportion was 0.03343549%, which was an increase of 0.00299937% from its proportion measured as of June 30, 2021.

Pension expense

For the year ended June 30, 2023, the City recognized pension expense of \$729,154.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Net differences between projected and actual investment earnings
- Changes in employer proportion since the prior measurement date
- Differences between employer contributions and employer's proportionate share of system contributions
- Contributions subsequent to the measurement date

CITY OF FLORENCE, OREGON
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NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (Continued)

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are:

Fiscal Year ended June 30, 2022 - 5.5 years
 Fiscal Year ended June 30, 2021 - 5.4 years
 Fiscal Year ended June 30, 2020 - 5.3 years
 Fiscal Year ended June 30, 2019 - 5.2 years
 Fiscal Year ended June 30, 2018 - 5.2 years
 Fiscal Year ended June 30, 2017 - 5.3 years
 Fiscal Year ended June 30, 2016 - 5.3 years
 Fiscal Year ended June 30, 2015 - 5.4 years
 Fiscal Year ended June 30, 2014 - 5.6 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

Deferred inflows of resources and deferred outflows of resources (Continued)

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 248,517 | \$ 31,927 |
| Changes in assumptions | 803,300 | 7,339 |
| Net difference between projected and actual earnings on pension plan investments | - | 915,293 |
| Changes in proportionate share | 759,001 | 29,702 |
| Differences between contributions and proportionate share of system contributions | - | 796,231 |
| Contributions subsequent to the measurement date | 644,114 | - |
| | <u>\$ 2,454,932</u> | <u>\$ 1,780,492</u> |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (Continued)

Deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement in the amount of \$644,114 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Years ending June 30:</u> | |
|------------------------------|------------------|
| 2024 | \$ 29,796 |
| 2025 | (82,590) |
| 2026 | (341,028) |
| 2027 | 434,125 |
| 2028 | (9,977) |
| | <u>\$ 30,326</u> |

Actuarial methods and assumptions used in developing the total pension liability

The total pension liability measured as of June 30, 2022 was based on an actuarial valuation as of December 31, 2020 using the following methods and assumptions:

| | |
|---|--|
| Experience study report | 2020, published July 20, 2021 |
| Actuarial cost method | Entry age normal |
| Inflation rate | 2.4% |
| Long-term expected rate of return | 6.9% |
| Discount rate | 6.9% |
| Administrative expenses – Tier 1/Tier 2 | \$40.9 million per year added to normal cost |
| Administrative expenses – OPSRP | \$8 million per year added to normal cost |
| Projected salary increases | 3.4% |

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing the total pension liability (Continued)

| | |
|-----------------------------------|---|
| Cost of living adjustments (COLA) | Blend of 2% COLA and graded COLA (1.25%/.015) in accordance with <i>Moro</i> decision; blend based on service |
| Mortality | <p>Healthy retirees and beneficiaries: Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> |

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

UAL amortization

The Tier 1/Tier 2 UAL amortization period was reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized. Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tire 2 UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.

The OPSRP UAL as of December 31, 2007 is amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed period 16-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing the total pension liability (Continued)

Discount rate

The discount rate used to measure the total pension liability was 6.9%, a reduction from 7.2% from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed asset allocation:

| Asset Class | Target Allocation |
|-------------------------|-------------------|
| Cash | 0.00% |
| Debt securities | 20.00% |
| Public equity | 30.00% |
| Private equity | 20.00% |
| Real estate | 12.50% |
| Real assets | 7.50% |
| Diversifying strategies | 7.50% |
| Risk parity | 2.50% |
| | 100.00% |

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both the actuary’s capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing total pension liability (continued)

Long-Term Expected Rate of Return¹

| Asset Class | Target Allocation | Annual | 20-Year Annualized | Annual |
|--------------------------------------|--------------------|--------------------------------|--------------------|--------------------|
| | | Arithmetic Return ² | Geometric Mean | Standard Deviation |
| Global Equity | 30.62% | 7.11% | 5.85% | 17.05% |
| Private Equity | 25.50 | 11.35 | 7.71 | 30.00 |
| Core Fixed Income | 23.75 | 2.80 | 2.73 | 3.85 |
| Real Estate | 12.25 | 6.29 | 5.66 | 12.00 |
| Master Limited Partnerships | 0.75 | 7.65 | 5.71 | 21.30 |
| Infrastructure | 1.50 | 7.24 | 6.26 | 15.00 |
| Commodities | 0.63 | 4.68 | 3.10 | 18.85 |
| Hedge Fund of Funds – Multi-strategy | 1.25 | 5.42 | 5.11 | 8.45 |
| Hedge Fund Equity – Hedge | 0.63 | 5.85 | 5.31 | 11.05 |
| Hedge Fund – Macro | 5.62 | 5.33 | 5.06 | 7.90 |
| US Cash | -2.50 ³ | 1.77 | 1.76 | 1.20 |
| Assumed Inflation – Mean | | | 2.40% | 1.65% |

¹Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

²The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

³Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

NOTE 10 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing total pension liability (continued)

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS independent actuary’s opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Changes in actuarial methods and assumptions

There have been no changes in actuarial methods or assumptions since the December 31, 2020 valuation used for determining the collective net pension liability that are expected to have a significant effect on the City’s proportionate share of the collective net pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

| | 1% Lower | Current Discount Rate | 1% Higher |
|---|--------------|--------------------------|--------------|
| Proportionate share of net pension liability | \$ 9,079,246 | \$ 5,119,644 | \$ 1,805,640 |

NOTE 11 – DEFINED CONTRIBUTION PLAN – OPERS INDIVIDUAL ACCOUNT PROGRAM

Plan description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

NOTE 11 – DEFINED CONTRIBUTION PLAN – OPERS INDIVIDUAL ACCOUNT PROGRAM

Pension benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Pension benefits (continued)

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit Pension Plan. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 1, 2021) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

The City makes the employee contributions of 6% of covered payroll to the IAP. Contributions for the year ended June 30, 2023 were \$243,478.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN – OPERS RHIA

Plan description

The City contributes to the Oregon PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. The RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. Contributions are mandatory for each employer that is a member of PERS.

The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf

Description of benefit terms

All benefits of the System are established by the legislature pursuant to Oregon Revised Statutes Chapters 238 and 238A.

The RHIA is closed to new members hired on or after August 29, 2003.

Other Postemployment Healthcare benefits

Eligible retired members receive a monthly healthcare benefit for life up to \$60 toward the monthly cost health insurance.

To be eligible, the member must:

- 1) Have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS
- 2) Receive both Medicare Parts A and B coverage
- 3) Enroll in a PERS-sponsored health plan

Surviving spouse or dependent benefits

A surviving spouse or dependent of a deceased retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

Contributions

OPERS funding policy provides for periodic member and employer contributions at the rates established by the Public Employees Retirement Board, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN – OPERS RHIA
(Continued)

Contributions (continued)

The City contributed 0.06% of PERS-covered salaries for Tier 1 and Tier 2 members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100%, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2023, the City made contributions in the amount of \$104 to the RHIA.

Net OPEB liability (asset)

At June 30, 2023, the City reported an (asset) of \$102,701 for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2022, the City's proportion was 0.02890270%, which was an increase of 0.00823728% from its proportion measured as of June 30, 2021.

OPEB expense

For the year ended June 30, 2023, the City recognized OPEB revenue from this plan of \$20,824.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal Year ended June 30, 2022 – 2.5 years
- Fiscal Year ended June 30, 2021 – 2.7 years
- Fiscal Year ended June 30, 2020 – 2.9 years
- Fiscal Year ended June 30, 2019 – 3.1 years

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN – OPERS RHIA
(Continued)

Contributions (continued)

Fiscal Year ended June 30, 2018 – 3.3 years
Fiscal Year ended June 30, 2017 – 3.7 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ - | \$ 2,783 |
| Changes in assumptions | 804 | 3,423 |
| Net difference between projected and actual earnings on investments | - | 7,832 |
| Changes in proportionate share | - | 14,862 |
| Contributions subsequent to the measurement date | 104 | - |
| | \$ 908 | \$ 28,900 |

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$104 will be recognized as an adjustment to the net OPEB (asset) / liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Years ending June 30:</u> | |
|------------------------------|-------------|
| 2024 | \$ (16,712) |
| 2025 | (8,950) |
| 2026 | (4,943) |
| 2027 | 2,509 |
| 2028 | - |
| | \$ (28,096) |

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN – OPERS RHIA
(Continued)

Actuarial methods and assumptions used in developing total OPEB liability

Except as identified below, actuarial methods and assumptions used in developing the total OPEB liability are the same as those used to develop the total PERS pension liability as discussed in Note 11.

Retiree healthcare participation

Healthy retirees are assumed to participate 32% of the time while disabled retirees are assumed to participate 20% of the time.

Healthcare cost trend rate

A healthcare cost trend rate is not utilized in the actuarial valuation as statute stipulates a \$60 monthly payment to retirees for health insurance.

Depletion date projection

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS (OPERS):

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is OPERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN – OPERS RHIA
(Continued)

Sensitivity of the proportionate share of the net OPEB liability/(asset) to changes in the discount rate

The following presents the proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.9%, as well as what the proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

| | 1% Lower | Current Discount Rate | 1% Higher |
|---|-------------|--------------------------|--------------|
| Proportionate share of net OPEB liability(asset) | \$ (92,563) | \$ (102,701) | \$ (111,393) |

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY

Plan description and benefits provided

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003, are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

Plan membership

As of July 1, 2022, there were 61 active employees, 6 eligible retirees, and 2 spouses of eligible retirees for a total of 69 plan members.

Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the City are as follows:

| | | |
|-------------------------|----|-----|
| For retirees | \$ | 545 |
| For spouses of retirees | | 610 |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2023, the City reported a total OPEB liability of \$261,928. The total OPEB liability was measured as of June 30, 2022 and determined by an valuation date of July 1, 2022.

| | Total OPEB Liability |
|--|-------------------------|
| Balance as of June 30, 2022 | \$ 275,219 |
| Changes for the year: | |
| Service cost | 27,066 |
| Interest | 6,140 |
| Differences between expected and actual experience | 26,845 |
| Changes in assumptions or other inputs | (37,054) |
| Benefit payments | (36,288) |
| Balance as of June 30, 2023 | \$ 261,928 |

For the year ended June 30, 2023, the City recognized OPEB expense of \$31,946. As of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 43,477 | \$ 6,806 |
| Changes in assumptions | 4,937 | 49,770 |
| Changes in proportionate share | - | - |
| Contributions subsequent to the measurement date | 35,434 | - |
| | \$ 83,848 | \$ 56,576 |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (continued)

Deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date in the amount of \$35,434 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Years ending June 30:</u> | | \$ | |
|------------------------------|--|----|---------|
| 2024 | | | (1,260) |
| 2025 | | | (1,260) |
| 2026 | | | 43 |
| 2027 | | | 367 |
| 2028 | | | (1,490) |
| Thereafter | | | (4,562) |

Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee’s pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee’s service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

Actuarial methods and assumptions used in developing total OPEB liability

| | |
|----------------------------|---|
| Valuation Date | July 1, 2022 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Inflation Rate | 2.4% |
| Projected Salary Increases | 3.4% |
| Mortality | Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees. Future mortality improvement: Generational Unisex Social Security Data Scale |
| Withdrawal | Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date. |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Actuarial methods and assumptions used in developing total OPEB liability (continued)

| | |
|------------------------------------|---|
| Actuarial Assumptions (continued): | |
| Retirement | Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, duration of service, and employment classification. |
| Future Retiree Coverage | 35% of active members were assumed to elect coverage upon retirement. 60% of male members and 35% of female members who elect coverage upon retirement are also assumed to elect spouse coverage. |
| Lapse Rate | Retirees for whom the Employer will never pay any portion of the health care premiums are assumed to have a 5% probability of lapsing (dropping) coverage per year. |

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 2.16%.

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

| <u>Years</u> | <u>Pre-65 Trend</u> |
|--------------|---------------------|
| 2022 | 4.25% |
| 2023 | 6.75% |
| 2024 | 6.50% |
| 2025 | 6.00% |
| 2026 | 5.25% |
| 2027 | 5.00% |
| 2028-2029 | 4.75% |
| 2030 | 4.50% |
| 2031-2065 | 4.25% |
| 2066-2071 | 4.00% |
| 2072+ | 3.75% |

Dental costs are assumed to increase 4.00% in all future years.

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Sensitivity of the City’s total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the City total OPEB liability calculated using the discount rate of 3.54%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

Discount Rate

| | 1% Lower | Current Discount Rate | 1% Higher |
|-----------------------------|------------|--------------------------|------------|
| City's Total OPEB liability | \$ 282,758 | \$ 261,928 | \$ 242,988 |

Healthcare Cost Trend Rate

| | 1% Lower | Current Trend Rate | 1% Higher |
|-----------------------------|------------|-----------------------|------------|
| City's Total OPEB liability | \$ 235,344 | \$ 261,928 | \$ 294,030 |

Aggregate balances – OPEB

The balances of the City’s two OPEB plans are aggregated and displayed in the financial statements as follows:

| | Oregon PERS RHIA Plan | Implicit Rate Subsidy | Total OPEB at June 30, 2023 |
|--------------------------------|--------------------------|--------------------------|--------------------------------|
| Net OPEB asset | \$ 102,701 | \$ - | \$ 102,701 |
| Deferred outflows of resources | 908 | 83,848 | 84,756 |
| Total OPEB liability | - | (261,928) | (261,928) |
| Deferred inflows of resources | (28,900) | (56,576) | (85,476) |
| OPEB expense (revenue) | 74,709 | (234,656) | (159,947) |

CITY OF FLORENCE, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION

As of June 30, 2023, the amount of net position restricted by enabling legislation is as follows:

Governmental activities

| | |
|--|------------|
| System development – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made | \$ 128,777 |
|--|------------|

| | |
|---|---------|
| Transportation – street maintenance fees and funding are restricted for the maintenance of public streets | 582,190 |
|---|---------|

Governmental activities (continued)

| | |
|--|------------|
| Public safety – 911 telephone taxes and user fees from various special districts are restricted for the operation for the Western Lane County Public Safety Answering Point (PSAP) | \$ 630,245 |
|--|------------|

| | |
|---|---------|
| Tourism – room taxes are restricted to help support the Florence Events Center and to fund tourism-related projects | 192,841 |
|---|---------|

| | |
|--|---------|
| Urban renewal projects – taxes are restricted to improving and redeveloping designated areas (community development) | 935,623 |
|--|---------|

Business-type activities

| | |
|--|-----------|
| System development – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made | 1,056,175 |
|--|-----------|

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Under terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under terms of the grant. Such audits could lead to reimbursement to the grantor agencies. The City believes disallowances, if any, will be immaterial.

NOTE 16 - NEWLY ISSUED ACCOUNTING STANDARDS

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The statement improves financial reporting by addressing issues related to public-private partnership arrangements (PPPs) by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs) by requiring governments engaged in APAs that contain multiple components to recognize each component as a separate arrangement, and when related to operating or maintaining a nonfinancial asset, to report an outflow of resources in the period to which payments relate. Implementation of this standard had no impact on the City's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users, including defining a SBITA, establishing that a SBITA results in an intangible right-to-use subscription asset and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. Implementation of this standard had no impact on the City's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF FLORENCE, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | | Actual | | | Variance |
|---|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | FY 2021-22 | FY 2022-23 | Total | |
| Revenues | | | | | | |
| Property taxes | \$ 5,881,500 | \$ 5,881,500 | \$ 2,921,984 | \$ 3,075,653 | \$ 5,997,637 | \$ 116,137 |
| Franchise fees | 2,146,300 | 2,146,300 | 1,031,775 | 1,003,839 | 2,035,614 | (110,686) |
| Licenses, permits and fees | 376,000 | 376,000 | 451,723 | 413,686 | 865,409 | 489,409 |
| Fines and forfeitures | 395,800 | 395,800 | 151,288 | 156,064 | 307,352 | (88,448) |
| Charges for services | 4,093,400 | 4,093,400 | 1,772,917 | 2,120,780 | 3,893,697 | (199,703) |
| Intergovernmental | 1,711,600 | 2,339,300 | 857,054 | 940,482 | 1,797,536 | (541,764) |
| Miscellaneous | 104,000 | 104,000 | 62,429 | 163,983 | 226,412 | 122,412 |
| Total revenues | <u>14,708,600</u> | <u>15,336,300</u> | <u>7,249,170</u> | <u>7,874,487</u> | <u>15,123,657</u> | <u>(212,643)</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Administration | 2,550,900 | 2,550,900 | 881,982 | 1,194,631 | 2,076,613 | 474,287 |
| Administrative services | 2,691,600 | 2,766,600 | 1,165,080 | 1,551,160 | 2,716,240 | 50,360 |
| Community development | 2,003,400 | 2,003,400 | 910,720 | 1,010,024 | 1,920,744 | 82,656 |
| Public safety | 5,240,600 | 5,240,600 | 2,366,544 | 2,495,728 | 4,862,272 | 378,328 |
| Municipal court | 673,800 | 598,800 | 276,327 | 286,924 | 563,251 | 35,549 |
| Parks | 696,500 | 696,500 | 304,542 | 352,913 | 657,455 | 39,045 |
| Non-departmental | 246,800 | 874,500 | 129,540 | 147,937 | 277,477 | 597,023 |
| Capital outlay | 968,000 | 968,000 | 121,646 | 284,890 | 406,536 | 561,464 |
| Contingency | 2,002,700 | 2,002,700 | - | - | - | 2,002,700 |
| Total expenditures | <u>17,074,300</u> | <u>17,702,000</u> | <u>6,156,381</u> | <u>7,324,207</u> | <u>13,480,588</u> | <u>4,221,412</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,365,700)</u> | <u>(2,365,700)</u> | <u>1,092,789</u> | <u>550,280</u> | <u>1,643,069</u> | <u>4,008,769</u> |
| Other financing sources (uses) | | | | | | |
| Issuance of long-term debt | 705,000 | 705,000 | - | - | - | (705,000) |
| Transfers in | - | - | - | 435,100 | 435,100 | 435,100 |
| Transfers out | (1,215,100) | (1,215,100) | (606,377) | (602,554) | (1,208,931) | 6,169 |
| Total other financing sources (uses) | <u>(510,100)</u> | <u>(510,100)</u> | <u>(606,377)</u> | <u>(167,454)</u> | <u>(773,831)</u> | <u>(263,731)</u> |
| Net change in fund balance | (2,875,800) | (2,875,800) | 486,412 | 382,826 | 869,238 | 3,745,038 |
| Fund balance at beginning of year/biennium | 2,875,800 | 2,875,800 | 2,548,114 | 3,097,136 | 2,548,114 | (327,686) |
| Prior period adjustment | - | - | 62,610 | - | 62,610 | 62,610 |
| Fund balance at beginning of year/biennium, as restated | <u>2,875,800</u> | <u>2,875,800</u> | <u>2,610,724</u> | <u>3,097,136</u> | <u>2,610,724</u> | <u>(265,076)</u> |
| Fund balance at end of year/biennium | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,097,136</u> | <u>\$ 3,479,962</u> | <u>\$ 3,479,962</u> | <u>\$ 3,479,962</u> |

CITY OF FLORENCE, OREGON
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | | Actual | | Total | Variance |
|--|-------------|-------------|-------------------|-------------------|-------------------|-------------------|
| | Original | Final | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | | |
| Franchise fees | \$ 188,000 | \$ 188,000 | \$ 123,440 | \$ 120,253 | \$ 243,693 | \$ 55,693 |
| Charges for services | 976,100 | 976,100 | 478,409 | 484,767 | 963,176 | (12,924) |
| Intergovernmental | 5,134,500 | 5,280,100 | 1,689,824 | 811,519 | 2,501,343 | (2,778,757) |
| Miscellaneous | 4,800 | 4,800 | 64,491 | 22,807 | 87,298 | 82,498 |
| Total revenues | 6,303,400 | 6,449,000 | 2,356,164 | 1,439,346 | 3,795,510 | (2,653,490) |
| Expenditures | | | | | | |
| Personnel services | 139,400 | 139,400 | 21,500 | 63,847 | 85,347 | 54,053 |
| Materials and services | 1,390,300 | 1,535,900 | 501,227 | 882,421 | 1,383,648 | 152,252 |
| Capital outlay | 6,062,700 | 5,862,700 | 1,301,183 | 539,343 | 1,840,526 | 4,022,174 |
| Contingency | 746,300 | 746,300 | - | - | - | 746,300 |
| Total expenditures | 8,338,700 | 8,284,300 | 1,823,910 | 1,485,611 | 3,309,521 | 4,974,779 |
| Excess (deficiency) of revenues over expenditures | (2,035,300) | (1,835,300) | 532,254 | (46,265) | 485,989 | 2,321,289 |
| Other financing sources (uses) | | | | | | |
| Issuance of long-term debt | 2,500,000 | 2,500,000 | - | 640,700 | 640,700 | (1,859,300) |
| Transfers in | 180,000 | 180,000 | 90,000 | 227,000 | 317,000 | 137,000 |
| Transfers out | (773,900) | (973,900) | (409,508) | (413,477) | (822,985) | 150,915 |
| Total other financing sources (uses) | 1,906,100 | 1,706,100 | (319,508) | 454,223 | 134,715 | (1,571,385) |
| Net change in fund balance | (129,200) | (129,200) | 212,746 | 407,958 | 620,704 | 749,904 |
| Fund balance at beginning of year/biennium | 129,200 | 129,200 | (80,598) | 156,898 | (80,598) | (209,798) |
| Prior period adjustment | - | - | 24,750 | - | 24,750 | 24,750 |
| Fund balance at beginning of year/biennium, as restated | 129,200 | 129,200 | (55,848) | 156,898 | (55,848) | (185,048) |
| Fund balance at end of year/biennium - budgetary basis | \$ - | \$ - | 156,898 | 564,856 | \$ 564,856 | \$ 564,856 |
| Reconciliation to generally accepted accounting principles | | | | | | |
| Street Fund is budgeted as an individual fund but is combined with the Street System Development Fund for GAAP reporting | | | 172,513 | 108,423 | | |
| Fund balance at end of year - GAAP basis | | | \$ 329,411 | \$ 673,279 | | |

CITY OF FLORENCE, OREGON
FLORENCE URBAN RENEWAL AGENCY - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | | Actual | | Total | Variance |
|---|--------------|--------------|-------------------|-------------------|-------------------|-------------------|
| | Original | Final | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | | |
| Property taxes | \$ 1,200,000 | \$ 1,200,000 | \$ 616,775 | \$ 765,660 | \$ 1,382,435 | \$ 182,435 |
| Intergovernmental | 400,000 | 400,000 | 234,987 | 200,706 | 435,693 | 35,693 |
| Miscellaneous | 8,000 | 8,000 | 3,392 | 23,503 | 26,895 | 18,895 |
| Total revenues | 1,608,000 | 1,608,000 | 855,154 | 989,869 | 1,845,023 | 237,023 |
| Expenditures | | | | | | |
| Materials and services | 708,100 | 708,100 | 245,300 | 238,365 | 483,665 | 224,435 |
| Capital outlay | 515,000 | 515,000 | 157,174 | 44,455 | 201,629 | 313,371 |
| Debt service | 937,200 | 937,200 | 468,454 | 468,454 | 936,908 | 292 |
| Contingency | 859,100 | 859,100 | - | - | - | 859,100 |
| Total expenditures | 3,019,400 | 3,019,400 | 870,928 | 751,274 | 1,622,202 | 1,397,198 |
| Excess (deficiency) of revenues over expenditures | (1,411,400) | (1,411,400) | (15,774) | 238,595 | 222,821 | 1,634,221 |
| Other financing sources (uses) | | | | | | |
| Transfers in | 81,000 | 81,000 | - | - | - | (81,000) |
| Total other financing sources (uses) | 81,000 | 81,000 | - | - | - | (81,000) |
| Net change in fund balance | (1,330,400) | (1,330,400) | (15,774) | 238,595 | 222,821 | 1,553,221 |
| Fund balance at beginning of year/biennium | 1,330,400 | 1,330,400 | 692,018 | 676,244 | 692,018 | (638,382) |
| Fund balance at end of year/biennium | \$ - | \$ - | \$ 676,244 | \$ 914,839 | \$ 914,839 | \$ 914,839 |

CITY OF FLORENCE, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30,

| Year Ended June 30, | City's proportion of the net pension liability (asset) | City's proportionate share of the net pension liability (asset) | City's covered payroll | City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|--------------------------------|---|--|---------------------------------------|---|---|
| 2022 | 0.03343549% | \$ 5,119,644 | \$ 3,860,936 | 133% | 85% |
| 2021 | 0.03043612% | 3,642,132 | 3,739,002 | 97% | 88% |
| 2020 | 0.02742937% | 5,986,032 | 3,695,621 | 162% | 76% |
| 2019 | 0.02788294% | 4,823,081 | 3,762,260 | 128% | 80% |
| 2018 | 0.02703036% | 4,094,744 | 3,669,227 | 112% | 82% |
| 2017 | 0.02733098% | 3,684,226 | 3,257,585 | 113% | 83% |
| 2016 | 0.02535152% | 3,805,852 | 3,354,642 | 113% | 81% |
| 2015 | 0.02730409% | 1,567,653 | 3,238,206 | 48% | 92% |
| 2014 | 0.02378761% | (539,197) | 3,154,516 | -17% | 104% |
| 2013 | 0.02378761% | 1,213,917 | 3,015,337 | 40% | 92% |

Note: The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

CITY OF FLORENCE, OREGON
SCHEDULE OF PENSION CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended *

| Year Ended June 30, | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | City's covered payroll | Contributions as a percent of covered payroll |
|------------------------------------|--|---|---|---------------------------------------|--|
| 2023 | \$ 644,114 | \$ 644,114 | \$ - | \$ 3,993,080 | 16.13% |
| 2022 | 614,091 | 614,091 | - | 3,860,936 | 15.91% |
| 2021 | 543,812 | 543,812 | - | 3,739,002 | 14.54% |
| 2020 | 450,246 | 450,246 | - | 3,695,621 | 12.18% |
| 2019 | 312,862 | 312,862 | - | 3,762,260 | 8.32% |
| 2018 | 331,774 | 331,774 | - | 3,669,227 | 9.04% |
| 2017 | 227,630 | 227,630 | - | 3,257,585 | 6.99% |
| 2016 | 239,728 | 239,728 | - | 3,354,642 | 7.15% |
| 2015 | 228,397 | 228,397 | - | 3,238,206 | 7.05% |
| 2014 | 251,436 | 251,436 | - | 3,154,516 | 7.97% |

Note: The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

CITY OF FLORENCE, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET OTHER POST EMPLOYMENT BENEFIT LIABILITY (ASSET)
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30, *

| <u>Year Ended June 30,</u> | <u>City's proportion of the net pension liability (asset)</u> | <u>City's proportionate share of the net pension liability (asset)</u> | <u>City's covered payroll</u> | <u>City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u> | <u>Plan fiduciary net position as a percentage of the total pension liability</u> |
|--------------------------------|---|--|---------------------------------------|---|---|
| 2022 | 0.02890270% | \$ (102,701) \$ | 3,860,936 | -3% | 195% |
| 2021 | 0.02066542% | (70,965) | 3,739,002 | -2% | 184% |
| 2020 | 0.01608306% | (32,771) | 3,695,621 | -1% | 150% |
| 2019 | 0.02969519% | (57,381) | 3,762,260 | -2% | 144% |
| 2018 | 0.03019437% | (33,705) | 3,669,227 | -1% | 124% |
| 2017 | 0.02881056% | (12,024) | 3,257,585 | 0% | 109% |

Note: The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the year for which the required supplementary information is available.

CITY OF FLORENCE, OREGON
SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended *

| Year Ended June 30, | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | City's covered payroll | Contributions as a percent of covered payroll |
|------------------------------------|--|---|---|---------------------------------------|--|
| 2023 | \$ 104 | \$ 104 | \$ - | \$ 3,993,080 | 0.00% |
| 2022 | 7,985 | 7,985 | - | 3,860,936 | 0.21% |
| 2021 | 17,668 | 17,668 | - | 3,739,002 | 0.47% |
| 2022 | 1,149 | 1,149 | - | 3,695,621 | 0.03% |
| 2019 | 14,718 | 14,718 | - | 3,762,260 | 0.39% |
| 2018 | 14,620 | 14,620 | - | 3,669,227 | 0.40% |
| 2017 | 14,494 | 14,494 | - | 3,257,585 | 0.44% |

Note: The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

CITY OF FLORENCE, OREGON
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
IMPLICIT SUBSIDY
Last 10 Plan Years*

| | Years Ended June 30, | | | | |
|---|----------------------|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Total OPEB Liability | | | | | |
| Service cost | \$ 27,066 | \$ 26,288 | \$ 20,928 | \$ 18,602 | \$ 17,474 |
| Interest on total OPEB liability | 6,140 | 6,358 | 10,718 | 11,711 | 10,129 |
| Effect of economic/demographic gains or losses | 26,845 | - | (10,517) | - | 41,955 |
| Effect of assumptions changes or inputs | (37,054) | 990 | (7,720) | 7,335 | (17,222) |
| Benefit payments | (36,288) | (39,458) | (35,016) | (37,666) | (30,002) |
| Net change in total OPEB liability | (13,291) | (5,822) | (21,607) | (18) | 22,334 |
| Total OPEB liability - beginning | 275,219 | 281,041 | 302,648 | 302,666 | 280,332 |
| Total OPEB liability - ending | \$ 261,928 | \$ 275,219 | \$ 281,041 | \$ 302,648 | \$ 302,666 |
| Covered employee payroll | \$ 3,993,080 | \$ 3,860,936 | \$ 3,739,002 | \$ 3,695,621 | \$ 3,762,260 |
| Total OPEB liability as a percentage of covered payroll | 6.56% | 7.13% | 7.52% | 8.19% | 8.04% |

Note: The amounts presented for each fiscal year were actuarial determined at July 1 and rolled forward to the measurement date.

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the year for which the required supplementary information is available.

CITY OF FLORENCE, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 1 – BUDGETING INFORMATION

Budget policies and budgetary control

The City implemented a biennial budget effective July 1, 2021 for the biennium ending June 30, 2023. Appropriations are for the biennial period. Appropriations lapse at the end of the biennial period.

The City begins its budgeting process by appointing Budget Committee members in the fall preceding the biennial period in which the budget will be used. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. After public notices and a hearing, the City Council adopts a final budget, appropriations are made, and a tax levy declared no later than June 30th.

The City Council resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriation. The City established the levels of budgetary control at the personnel services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds except for the General Fund where budgetary control is established at the department level.

Expenditures cannot legally exceed appropriations, except in the case of grant receipts and bond sale proceeds, which could not be reasonably estimated at the time the budget was adopted. Supplemental appropriations and appropriation transfers may occur with notice and City Council action.

For the year ended June 30, 2023, expenditures exceeded appropriations as follows:

| <u>Fund</u> | <u>Budget Category</u> | <u>Amount</u> |
|-------------------|------------------------|---------------|
| Room Tax Fund | Materials and Services | \$ 10,701 |
| Event Center Fund | Materials and Services | 46,435 |

Budgetary differences

Revenues

| | |
|--|---------------------|
| Total Street Fund revenues - budgetary basis - FY2022-23 | \$ 1,439,346 |
| Revenues of separately budgeted funds which are included in the Street Fund on the governmental fund financial statements: | |
| Street System Development Fund - FY2022-23 | <u>26,113</u> |
| Total revenues reported on the statement of revenues, expenditures and changes in fund balance - governmental funds | <u>\$ 1,465,459</u> |

CITY OF FLORENCE, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 1 – BUDGETING INFORMATION (Continued)

Budgetary differences (continued)

Expenditures

| | |
|--|--------------|
| Total Street Fund expenditures - budgetary basis - FY2022-23 | \$ 1,485,611 |
| Expenditures of separately budgeted funds which are included in the Street Fund on the governmental fund financial statements: | |
| Street System Development Fund - FY2022-23 | 203 |
| Total expenditures reported on the statement of revenues, expenditures and changes in fund balance - governmental funds | \$ 1,485,814 |

Other Financing Sources (Uses)

| | |
|---|------------|
| Total Street Fund other financing sources(uses) - budgetary basis | \$ 454,223 |
| Other financing sources (uses) of separately budgeted funds which are included in the Street Fund on the governmental fund financial statements | |
| Street System Development Fund - FY2022-23 | (90,000) |
| Total other financing sources (uses) reported on the statement of revenues, expenditures and changes in fund balance - governmental funds | \$ 364,223 |

Beginning Fund Balance

| | |
|---|------------|
| Total Street Fund beginning fund balance - budgetary basis | \$ 156,898 |
| Beginning fund balance of separately budgeted funds which are included in the Street Fund on the governmental fund financial statements | |
| Street System Development Fund - FY2022-23 | 172,513 |
| Total beginning fund balance reported on the statement of revenues, expenditures and changes in fund balance - governmental funds | \$ 329,411 |

Ending Fund Balance

| | |
|--|------------|
| Total Street Fund ending fund balance - budgetary basis | \$ 564,856 |
| Ending fund balance of separately budgeted funds which are included in the Street Fund on the governmental fund financial statements | |
| Street System Development Fund - FY2022-23 | 108,423 |
| Total ending fund balance reported on the statement of revenues, expenditures and changes in fund balance - governmental funds | \$ 673,279 |

NOTE 2 – PENSION INFORMATION

Changes in Benefit Terms and Assumptions

Benefit terms – The 2013 Oregon Legislature made a series of changes to PERS that lowered the projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions that the 2013 Oregon Legislature made to future System COLA through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Benefits (continued) – A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049 signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 total pension liability as a reduction to the liability.

A legislative change that occurred after the December 31, 2019 actuarial valuation date affected the plan provisions reflected for June 2021 financial reporting liability calculations. Senate Bill 111 enacted in June 2021, provided an increased pre-retirement death benefit for members who die on or after their early retirement age. For GASB 68, the benefits valued in the total pension liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 111 was reflected in the June 30, 2021 total pension liability. The increase in the total pension liability resulting from Senate Bill 111, measured as of June 30, 2021, is shown in Exhibit A as the “Effect of plan changes” during the measurement period. While Senate Bill 111 also made changes to certain aspects of the System’s funding and administration, the change in the death benefit provision is the only change that affects the measured total pension liability. As a result, the death benefit provision is the only difference between June 30, 2020 and June 30, 2021.

Assumptions – The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and the June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.5% and lowering of the assumed inflation to 2.5%. For June 30, 2018, the long-term expected rate of return was lowered to 7.2%. For June 30, 2021, the long-term expected rate of return was lowered to 6.9% and the inflation rate was lowered to 2.4%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave and vacation pay were updated.

There were no changes for the year ended June 30, 2022.

CITY OF FLORENCE, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 2 – OTHER POST EMPLOYMENT BENEFIT INFORMATION (OPEB) – OPERS RHIA

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

| | | | | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarial valuation: | 12/31/19 | 12/31/17 | 12/31/15 | 12/31/13 |
| Effective period: | 07/2021 - 07/2023 | 07/2019 - 07/2021 | 07/2017 - 07/2019 | 07/2016 - 07/2017 |
| Actuarial assumptions: | | | | |
| Inflation rate | 2.40% | 2.50% | 2.50% | 2.75% |
| Projected salary increase | 3.40% | 3.50% | 3.50% | 3.75% |
| Investment rate of return | 6.90% | 7.20% | 7.20% | 7.75% |

NOTE 3 – OTHER POST EMPLOYMENT BENEFIT INFORMATION (OPEB) – IMPLICIT SUBSIDY

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in Assumptions

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

| Years Ended | Discount Rate |
|-------------|---------------|
| 2023 | 3.54% |
| 2022 | 2.16% |
| 2021 | 2.21% |
| 2020 | 3.50% |
| 2019 | 3.87% |

**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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CITY OF FLORENCE, OREGON
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | | Actual | | Total | Variance |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| | Original | Final | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | | |
| Intergovernmental | \$ 1,239,000 | \$ 1,239,000 | \$ 468,454 | \$ 468,454 | 936,908 | \$ (302,092) |
| Miscellaneous | 170,000 | 170,000 | 182,601 | 233,855 | 416,456 | 246,456 |
| Total revenues | 1,409,000 | 1,409,000 | 651,055 | 702,309 | 1,353,364 | (55,636) |
| Expenditures | | | | | | |
| Materials and services | 1,700 | 1,800 | 492 | 602 | 1,094 | 706 |
| Debt service | 2,829,000 | 2,828,900 | 1,264,609 | 1,274,138 | 2,538,747 | 290,153 |
| Total expenditures | 2,830,700 | 2,830,700 | 1,265,101 | 1,274,740 | 2,539,841 | 290,859 |
| Excess (deficiency) of revenues over expenditures | (1,421,700) | (1,421,700) | (614,046) | (572,431) | (1,186,477) | 235,223 |
| Other financing sources (uses) | | | | | | |
| Transfers in | 1,372,000 | 1,372,000 | 688,495 | 690,343 | 1,378,838 | 6,838 |
| Total other financing sources (uses) | 1,372,000 | 1,372,000 | 688,495 | 690,343 | 1,378,838 | 6,838 |
| Net change in fund balance | (49,700) | (49,700) | 74,449 | 117,912 | 192,361 | 242,061 |
| Fund balance at beginning of year/biennium | 531,000 | 531,000 | 382,548 | 456,997 | 382,548 | (148,452) |
| Fund balance at end of year/biennium | \$ 481,300 | \$ 481,300 | \$ 456,997 | \$ 574,909 | \$ 574,909 | \$ 93,609 |

CITY OF FLORENCE, OREGON
COMBINING BALANCE SHEET
STREET FUND
June 30, 2023

| | <u>Street</u> | <u>Street System Development</u> | <u>Total Street Fund</u> |
|---|--------------------------|--------------------------------------|------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 485,454 | \$ 107,429 | \$ 592,883 |
| Receivables, net | 139,729 | 21,348 | 161,077 |
| Inventory | <u>38,612</u> | <u>-</u> | <u>38,612</u> |
| Total assets | <u>\$ 663,795</u> | <u>\$ 128,777</u> | <u>\$ 792,572</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 12,501 | \$ - | \$ 12,501 |
| Retainage payable | 49,104 | - | 49,104 |
| Deposits | <u>20,000</u> | <u>-</u> | <u>20,000</u> |
| Total liabilities | <u>81,605</u> | <u>-</u> | <u>81,605</u> |
| Deferred inflows of resources | | | |
| Unavailable revenue - other | <u>17,334</u> | <u>20,354</u> | <u>37,688</u> |
| Total deferred inflows of resources | <u>17,334</u> | <u>20,354</u> | <u>37,688</u> |
| FUND BALANCES | | | |
| Nonspendable | 38,612 | - | 38,612 |
| Restricted: | | | |
| Transportation | 526,244 | - | 526,244 |
| System development | <u>-</u> | <u>108,423</u> | <u>108,423</u> |
| Total fund balances | <u>564,856</u> | <u>108,423</u> | <u>673,279</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 663,795</u> | <u>\$ 128,777</u> | <u>\$ 792,572</u> |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
STREET FUND
Year Ended June 30, 2023

| | <u>Street</u> | <u>Street System Development</u> | <u>Eliminations</u> | <u>Total Street Fund</u> |
|---|--------------------------|--------------------------------------|---------------------|------------------------------|
| Revenues | | | | |
| Franchise fees | \$ 120,253 | \$ - | \$ - | \$ 120,253 |
| Charges for services | 484,767 | 22,674 | - | 507,441 |
| Intergovernmental | 811,519 | - | - | 811,519 |
| Interest | 20,562 | 3,439 | - | 24,001 |
| Miscellaneous | 2,245 | - | - | 2,245 |
| Total revenues | <u>1,439,346</u> | <u>26,113</u> | <u>-</u> | <u>1,465,459</u> |
| Expenditures | | | | |
| Current | | | | |
| Transportation | 946,268 | 203 | - | 946,471 |
| Capital outlay | 539,343 | - | - | 539,343 |
| Total expenditures | <u>1,485,611</u> | <u>203</u> | <u>-</u> | <u>1,485,814</u> |
| Excess (deficiency) of revenues over expenditures | <u>(46,265)</u> | <u>25,910</u> | <u>-</u> | <u>(20,355)</u> |
| Other financing sources (uses) | | | | |
| Issuance of long-term obligations | 640,700 | - | - | 640,700 |
| Transfers in | 227,000 | - | (90,000) | 137,000 |
| Transfers out | (413,477) | (90,000) | 90,000 | (413,477) |
| Total other financing sources (uses) | <u>454,223</u> | <u>(90,000)</u> | <u>-</u> | <u>364,223</u> |
| Net change in fund balances | 407,958 | (64,090) | - | 343,868 |
| Fund balances at beginning of year | <u>156,898</u> | <u>172,513</u> | <u>-</u> | <u>329,411</u> |
| Fund balances at end of year | <u>\$ 564,856</u> | <u>\$ 108,423</u> | <u>\$ -</u> | <u>\$ 673,279</u> |

CITY OF FLORENCE, OREGON
STREET SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | | Actual | | Total | Variance |
|--|-------------|-------------|----------------|----------------|-------------------|-------------------|
| | Original | Final | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | | |
| Charges for services | \$ 80,000 | \$ 80,000 | \$ 72,450 | \$ 22,674 | \$ 95,124 | \$ 15,124 |
| Miscellaneous | 1,500 | 1,500 | 848 | 3,439 | 4,287 | 2,787 |
| Total revenues | 81,500 | 81,500 | 73,298 | 26,113 | 99,411 | 17,911 |
| Expenditures | | | | | | |
| Materials and services | 1,000 | 1,000 | 199 | 203 | 402 | 598 |
| Contingency | 13,700 | 13,700 | - | - | - | 13,700 |
| Total expenditures | 14,700 | 14,700 | 199 | 203 | 402 | 14,298 |
| Excess (deficiency) of revenues over expenditures | 66,800 | 66,800 | 73,099 | 25,910 | 99,009 | 32,209 |
| Other financing sources (uses) | | | | | | |
| Transfers out | (180,000) | (180,000) | (90,000) | (90,000) | (180,000) | - |
| Total other financing sources (uses) | (180,000) | (180,000) | (90,000) | (90,000) | (180,000) | - |
| Net change in fund balance | (113,200) | (113,200) | (16,901) | (64,090) | (80,991) | 32,209 |
| Fund balance at beginning of year/biennium | 113,200 | 113,200 | 189,414 | 172,513 | 189,414 | 76,214 |
| Fund balance at end of year/biennium | \$ - | \$ - | 172,513 | 108,423 | \$ 108,423 | \$ 108,423 |
| Reconciliation to generally accepted accounting principles | | | | | | |
| Street System Development Fund is budgeted as an individual fund but is combined with the Street Fund for GAAP reporting | | | (172,513) | (108,423) | | |
| Fund balance at end of year - GAAP basis | | | \$ - | \$ - | | |

CITY OF FLORENCE, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

| | <u>Special Revenue</u> | | | <u>Total</u> |
|---|---|--------------------------|--------------------------|----------------------------|
| | <u>9-1-1 Emergency Services</u> | <u>Room Tax</u> | <u>ARPA</u> | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 580,437 | \$ 23,371 | \$ 572,817 | \$ 1,176,625 |
| Receivables, net | 50,096 | 181,826 | - | 231,922 |
| Total assets | <u>\$ 630,533</u> | <u>\$ 205,197</u> | <u>\$ 572,817</u> | <u>\$ 1,408,547</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 288 | \$ 36,551 | \$ - | \$ 36,839 |
| Unearned revenue | - | - | 554,174 | 554,174 |
| Total liabilities | <u>288</u> | <u>36,551</u> | <u>554,174</u> | <u>591,013</u> |
| Deferred inflows of resources | | | | |
| Unavailable revenue - other | - | 144,549 | - | 144,549 |
| Total deferred inflows of resources | <u>-</u> | <u>144,549</u> | <u>-</u> | <u>144,549</u> |
| FUND BALANCES | | | | |
| Restricted: | | | | |
| Public safety | 630,245 | - | - | 630,245 |
| Tourism | - | 24,097 | - | 24,097 |
| Specific purpose grants | - | - | 18,643 | 18,643 |
| Total fund balances | <u>630,245</u> | <u>24,097</u> | <u>18,643</u> | <u>672,985</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 630,533</u> | <u>\$ 205,197</u> | <u>\$ 572,817</u> | <u>\$ 1,408,547</u> |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

| | Special Revenue | | | Debt Service | |
|---|--------------------------------|-------------------------|-------------------------|----------------------------|--------------------------|
| | 9-1-1 Emergency Services | Room Tax | ARPA | General Obligation Debt | Total |
| Revenues | | | | | |
| Transient lodging tax | \$ - | \$ 473,740 | \$ - | \$ - | \$ 473,740 |
| Charges for services | 150,797 | - | - | - | 150,797 |
| Intergovernmental | 310,617 | - | - | - | 310,617 |
| Interest | 13,339 | - | 15,157 | - | 28,496 |
| Miscellaneous | 169 | - | - | - | 169 |
| Total revenues | <u>474,922</u> | <u>473,740</u> | <u>15,157</u> | <u>-</u> | <u>963,819</u> |
| Expenditures | | | | | |
| Current | | | | | |
| Administration | - | 189,666 | - | - | 189,666 |
| Public safety | 827,996 | - | - | - | 827,996 |
| Capital outlay | 5,530 | - | - | - | 5,530 |
| Total expenditures | <u>833,526</u> | <u>189,666</u> | <u>-</u> | <u>-</u> | <u>1,023,192</u> |
| Excess (deficiency) of revenues over expenditures | <u>(358,604)</u> | <u>284,074</u> | <u>15,157</u> | <u>-</u> | <u>(59,373)</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | 547,000 | - | - | - | 547,000 |
| Transfers out | - | (308,269) | (928,600) | (17,591) | (1,254,460) |
| Total other financing sources (uses) | <u>547,000</u> | <u>(308,269)</u> | <u>(928,600)</u> | <u>(17,591)</u> | <u>(707,460)</u> |
| Net change in fund balances | 188,396 | (24,195) | (913,443) | (17,591) | (766,833) |
| Fund balances at beginning of year | 441,849 | 48,292 | 3,486 | 17,591 | 511,218 |
| Prior period adjustment - Note 3 | - | - | 928,600 | - | 928,600 |
| Fund balances at beginning of year, as restated | <u>441,849</u> | <u>48,292</u> | <u>932,086</u> | <u>17,591</u> | <u>1,439,818</u> |
| Fund balances at end of year | <u>\$ 630,245</u> | <u>\$ 24,097</u> | <u>\$ 18,643</u> | <u>\$ -</u> | <u>\$ 672,985</u> |

CITY OF FLORENCE, OREGON
9-1-1 EMERGENCY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | Actual | | Total | Variance |
|---|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | |
| Charges for services | \$ 368,400 | \$ 150,797 | \$ 150,797 | \$ 301,594 | \$ (66,806) |
| Intergovernmental | 666,300 | 185,759 | 310,617 | 496,376 | (169,924) |
| Miscellaneous | 2,000 | 2,540 | 13,508 | 16,048 | 14,048 |
| Total revenues | <u>1,036,700</u> | <u>339,096</u> | <u>474,922</u> | <u>814,018</u> | <u>(222,682)</u> |
| Expenditures | | | | | |
| Personnel services | 1,328,200 | 614,042 | 613,545 | 1,227,587 | 100,613 |
| Materials and services | 441,800 | 189,158 | 214,451 | 403,609 | 38,191 |
| Capital outlay | 502,100 | 126,414 | 5,530 | 131,944 | 370,156 |
| Contingency | 289,500 | - | - | - | 289,500 |
| Total expenditures | <u>2,561,600</u> | <u>929,614</u> | <u>833,526</u> | <u>1,763,140</u> | <u>798,460</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,524,900)</u> | <u>(590,518)</u> | <u>(358,604)</u> | <u>(949,122)</u> | <u>575,778</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | 1,094,000 | 547,000 | 547,000 | 1,094,000 | - |
| Total other financing sources (uses) | <u>1,094,000</u> | <u>547,000</u> | <u>547,000</u> | <u>1,094,000</u> | <u>-</u> |
| Net change in fund balance | (430,900) | (43,518) | 188,396 | 144,878 | 575,778 |
| Fund balance at beginning of year/biennium | 460,900 | 485,367 | 441,849 | 485,367 | 24,467 |
| Fund balance at end of year/biennium | <u>\$ 30,000</u> | <u>\$ 441,849</u> | <u>\$ 630,245</u> | <u>\$ 630,245</u> | <u>\$ 600,245</u> |

CITY OF FLORENCE, OREGON
ROOM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | Actual | | Total | Variance |
|---|-------------|------------------|------------------|------------------|------------------|
| | | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | |
| Transient lodging tax | \$ 960,300 | \$ 562,800 | \$ 473,740 | \$ 1,036,540 | \$ 76,240 |
| Intergovernmental | 68,800 | - | - | - | (68,800) |
| Total revenues | 1,029,100 | 562,800 | 473,740 | 1,036,540 | 7,440 |
| Expenditures | | | | | |
| Materials and services | 405,500 | 226,535 | 189,666 | 416,201 | (10,701) |
| Contingency | 24,000 | - | - | - | 24,000 |
| Total expenditures | 429,500 | 226,535 | 189,666 | 416,201 | 13,299 |
| Excess (deficiency) of revenues over expenditures | 599,600 | 336,265 | 284,074 | 620,339 | 20,739 |
| Other financing sources (uses) | | | | | |
| Transfers out | (599,700) | (307,635) | (308,269) | (615,904) | (16,204) |
| Total other financing sources (uses) | (599,700) | (307,635) | (308,269) | (615,904) | (16,204) |
| Net change in fund balance | (100) | 28,630 | (24,195) | 4,435 | 4,535 |
| Fund balance at beginning of year/biennium | 100 | 19,662 | 48,292 | 19,662 | 19,562 |
| Fund balance at end of year/biennium | \$ - | \$ 48,292 | \$ 24,097 | \$ 24,097 | \$ 24,097 |

CITY OF FLORENCE, OREGON

ARPA FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year and Biennium Ended June 30, 2023

| | Budget | Actual | | Total | Variance |
|---|--------------|-----------------|------------------|------------------|------------------|
| | | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | |
| Intergovernmental | \$ 2,031,500 | \$ 549,800 | \$ - | \$ 549,800 | \$ (1,481,700) |
| Miscellaneous | 2,500 | 3,486 | 15,157 | 18,643 | 16,143 |
| Total revenues | 2,034,000 | 553,286 | 15,157 | 568,443 | (1,465,557) |
| Expenditures | | | | | |
| Materials and services | 1,478,400 | 549,800 | - | 549,800 | 928,600 |
| Capital outlay | 555,600 | - | - | - | 555,600 |
| Total expenditures | 2,034,000 | 549,800 | - | 549,800 | 1,484,200 |
| Excess (deficiency) of revenues over expenditures | - | 3,486 | 15,157 | 18,643 | 18,643 |
| Other financing sources (uses) | | | | | |
| Transfers out | - | - | (928,600) | (928,600) | (928,600) |
| Total other financing sources (uses) | - | - | (928,600) | (928,600) | (928,600) |
| Net change in fund balance | - | 3,486 | (913,443) | (909,957) | (909,957) |
| Fund balance at beginning of year/biennium | - | - | 3,486 | - | 3,486 |
| Prior period adjustment | - | - | 928,600 | 928,600 | 928,600 |
| Fund balance at beginning of year/biennium, as restated | - | - | 932,086 | 928,600 | 932,086 |
| Fund balance at end of year/biennium | \$ - | \$ 3,486 | \$ 18,643 | \$ 18,643 | \$ 22,129 |

CITY OF FLORENCE, OREGON
GENERAL OBLIGATION DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | Actual | | Total | Variance |
|---|-------------|------------------|-------------|-------------|-------------|
| | | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | |
| Property taxes | \$ 116,900 | \$ 115,452 | \$ - | \$ 115,452 | \$ (1,448) |
| Total revenues | 116,900 | 115,452 | - | 115,452 | (1,448) |
| Expenditures | | | | | |
| Debt service | 167,600 | 167,556 | - | 167,556 | 44 |
| Total expenditures | 167,600 | 167,556 | - | 167,556 | 44 |
| Excess (deficiency) of revenues over expenditures | (50,700) | (52,104) | - | (52,104) | (1,404) |
| Other financing sources (uses) | | | | | |
| Transfers out | (19,200) | - | (17,591) | (17,591) | 1,609 |
| Total other financing sources (uses) | (19,200) | - | (17,591) | (17,591) | 1,609 |
| Net change in fund balance | (69,900) | (52,104) | (17,591) | (69,695) | 205 |
| Fund balance at beginning of year/biennium | 69,900 | 69,695 | 17,591 | 69,695 | (205) |
| Fund balance at end of year/biennium | \$ - | \$ 17,591 | \$ - | \$ - | \$ - |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF NET POSITION
WATER FUND
June 30, 2023

| | <u>Water</u> | <u>Water System Development Charges</u> | <u>Total Water Fund</u> |
|---|---------------------|---|---------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 3,453,847 | \$ 236,291 | \$ 3,690,138 |
| Receivables, net | 239,167 | 75,978 | 315,145 |
| Inventory | 86,091 | - | 86,091 |
| Current portion of lease receivable | 8,359 | - | 8,359 |
| Total current assets | <u>3,787,464</u> | <u>312,269</u> | <u>4,099,733</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Capital assets, nondepreciable | 174,628 | - | 174,628 |
| Capital assets, net of accumulated depreciation | 9,931,302 | - | 9,931,302 |
| Total capital assets | 10,105,930 | - | 10,105,930 |
| Lease receivable | 85,275 | - | 85,275 |
| Net OPEB asset | 5,730 | - | 5,730 |
| Total noncurrent assets | <u>10,196,935</u> | <u>-</u> | <u>10,196,935</u> |
| Total assets | <u>13,984,399</u> | <u>312,269</u> | <u>14,296,668</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related items | 136,964 | - | 136,964 |
| Other postemployment benefit related items | 4,729 | - | 4,729 |
| Total deferred outflows of resources | <u>141,693</u> | <u>-</u> | <u>141,693</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 53,009 | - | 53,009 |
| Accrued interest payable | 17,943 | - | 17,943 |
| Retainage payable | 74,348 | - | 74,348 |
| Compensated absences | 25,171 | - | 25,171 |
| Current portion of lease payable | 792 | - | 792 |
| Current portion of bonds and notes payable | 201,012 | - | 201,012 |
| Current portion of total OPEB liability | 1,977 | - | 1,977 |
| Total current liabilities | <u>374,252</u> | <u>-</u> | <u>374,252</u> |
| Noncurrent liabilities | | | |
| Lease payable | 601 | - | 601 |
| Bonds and notes payable | 4,583,861 | - | 4,583,861 |
| Net pension liability | 285,632 | - | 285,632 |
| Total OPEB liability | 12,636 | - | 12,636 |
| Total noncurrent liabilities | <u>4,882,730</u> | <u>-</u> | <u>4,882,730</u> |
| Total liabilities | <u>5,256,982</u> | <u>-</u> | <u>5,256,982</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Leases | 91,402 | - | 91,402 |
| Pension related items | 99,336 | - | 99,336 |
| Other postemployment benefit related items | 4,769 | - | 4,769 |
| Total deferred inflows of resources | <u>195,507</u> | <u>-</u> | <u>195,507</u> |
| NET POSITION | | | |
| Net investment in capital assets | 7,097,314 | - | 7,097,314 |
| Restricted for: | | | |
| System development | - | 312,269 | 312,269 |
| Net OPEB benefits | 5,730 | - | 5,730 |
| Unrestricted | 1,570,559 | - | 1,570,559 |
| Total net position | <u>\$ 8,673,603</u> | <u>\$ 312,269</u> | <u>\$ 8,985,872</u> |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER FUND
Year Ended June 30, 2023

| | <u>Water</u> | <u>Water System Development Charges</u> | <u>Eliminations</u> | <u>Total Water Fund</u> |
|---|----------------------------|---|---------------------|---------------------------------|
| Operating revenues | | | | |
| Charges for services | \$ 2,384,282 | \$ - | \$ - | \$ 2,384,282 |
| Total operating revenues | <u>2,384,282</u> | <u>-</u> | <u>-</u> | <u>2,384,282</u> |
| Operating expenses | | | | |
| Personnel services | 445,614 | - | - | 445,614 |
| Materials and services | 1,627,686 | 203 | - | 1,627,889 |
| Depreciation and amortization | 607,950 | - | - | 607,950 |
| Total operating expenses | <u>2,681,250</u> | <u>203</u> | <u>-</u> | <u>2,681,453</u> |
| Operating income (loss) | <u>(296,968)</u> | <u>(203)</u> | <u>-</u> | <u>(297,171)</u> |
| Nonoperating revenues (expenses) | | | | |
| Interest income | 31,903 | 7,393 | - | 39,296 |
| Miscellaneous | 36,744 | - | - | 36,744 |
| Interest expense | (77,809) | - | - | (77,809) |
| Total nonoperating revenues (expenses) | <u>(9,162)</u> | <u>7,393</u> | <u>-</u> | <u>(1,769)</u> |
| Income (loss) before capital contributions and transfers | (306,130) | 7,190 | - | (298,940) |
| Capital contributions | - | 156,646 | - | 156,646 |
| Transfers in | 334,491 | - | (200,000) | 134,491 |
| Transfers out | - | (200,000) | 200,000 | - |
| Change in net position | 28,361 | (36,164) | - | (7,803) |
| Net position at beginning of year | <u>8,645,242</u> | <u>348,433</u> | <u>-</u> | <u>8,993,675</u> |
| Net position at end of year | <u>\$ 8,673,603</u> | <u>\$ 312,269</u> | <u>\$ -</u> | <u>\$ 8,985,872</u> |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF CASH FLOWS
WATER FUND
Year Ended June 30, 2023

| | <u>Water</u> | <u>Water System Development Charges</u> | <u>Eliminations</u> | <u>Total Water Fund</u> |
|---|----------------------------|---|---------------------|---------------------------------|
| Cash flows from operating activities | | | | |
| Receipts from customers and users | \$ 2,365,781 | \$ - | \$ - | \$ 2,365,781 |
| Payments to suppliers | (1,684,186) | (203) | - | (1,684,389) |
| Payments to employees | (428,072) | - | - | (428,072) |
| Net cash provided by (used in) operating activities | <u>253,523</u> | <u>(203)</u> | <u>-</u> | <u>253,320</u> |
| Cash flows from noncapital financing activities | | | | |
| Receipts on interfund loan | - | 53,223 | (53,223) | - |
| Payments on interfund loan | (53,223) | - | 53,223 | - |
| Other receipts | 35,833 | - | - | 35,833 |
| Transfers in | 134,491 | - | - | 134,491 |
| Net cash provided by (used in) noncapital financing activities | <u>117,101</u> | <u>53,223</u> | <u>-</u> | <u>170,324</u> |
| Cash flows from capital and related financing activities | | | | |
| Transfers in | 200,000 | - | (200,000) | - |
| Transfers out | - | (200,000) | 200,000 | - |
| System development charges received | - | 80,668 | - | 80,668 |
| Acquisition of capital assets | (360,156) | - | - | (360,156) |
| Issuance of long-term obligations | 3,375,000 | - | - | 3,375,000 |
| Principal paid on long-term obligations | (98,040) | - | - | (98,040) |
| Interest paid on long-term obligations | (64,163) | - | - | (64,163) |
| Net cash provided by (used in) capital and related financing activities | <u>3,052,641</u> | <u>(119,332)</u> | <u>-</u> | <u>2,933,309</u> |
| Cash flows from investing activities | | | | |
| Interest on investments | 30,582 | 7,393 | - | 37,975 |
| Net cash provided by (used in) investing activities | <u>30,582</u> | <u>7,393</u> | <u>-</u> | <u>37,975</u> |
| Net increase (decrease) in cash and cash equivalents | 3,453,847 | (58,919) | - | 3,394,928 |
| Cash and cash equivalents at beginning of year | - | 295,210 | - | 295,210 |
| Cash and cash equivalents at end of year | <u>\$ 3,453,847</u> | <u>\$ 236,291</u> | <u>\$ -</u> | <u>\$ 3,690,138</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Operating income (loss) | \$ (296,968) | \$ (203) | \$ - | \$ (297,171) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Depreciation and amortization | 607,950 | - | - | 607,950 |
| (Increase) decrease in assets and deferred outflows: | | | | |
| Receivables, net | (18,501) | - | - | (18,501) |
| Inventories | (52,691) | - | - | (52,691) |
| Net OPEB asset | (1,907) | - | - | (1,907) |
| Deferred outflows - Pension related items | (10,963) | - | - | (10,963) |
| Deferred outflows - OPEB related items | (712) | - | - | (712) |
| Increase (decrease) in liabilities and deferred inflows: | | | | |
| Accounts payable and accrued liabilities | (3,026) | - | - | (3,026) |
| Compensated absences liability | 5,397 | - | - | 5,397 |
| Lease payable | (783) | - | - | (783) |
| Net pension liability | 89,447 | - | - | 89,447 |
| Total OPEB liability | (212) | - | - | (212) |
| Deferred inflows - Pension related items | (65,342) | - | - | (65,342) |
| Deferred inflows - OPEB related items | 1,834 | - | - | 1,834 |
| Net cash provided by (used in) operating activities | <u>\$ 253,523</u> | <u>\$ (203)</u> | <u>\$ -</u> | <u>\$ 253,320</u> |

CITY OF FLORENCE, OREGON

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year and Biennium Ended June 30, 2023

| | Budget | | Actual | | Total | Variance |
|--|--------------|--------------|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | | |
| Charges for services | \$ 4,705,400 | \$ 4,705,400 | \$ 2,259,438 | \$ 2,412,066 | \$ 4,671,504 | \$ (33,896) |
| Intergovernmental | 1,921,800 | 2,152,000 | 115,578 | - | 115,578 | (2,036,422) |
| Miscellaneous | 22,000 | 22,000 | 18,442 | 66,415 | 84,857 | 62,857 |
| Total revenues | 6,649,200 | 6,879,400 | 2,393,458 | 2,478,481 | 4,871,939 | (2,007,461) |
| Expenditures | | | | | | |
| Personnel services | 824,800 | 844,800 | 391,078 | 428,072 | 819,150 | 25,650 |
| Materials and services | 3,074,000 | 3,304,200 | 1,341,421 | 1,673,407 | 3,014,828 | 289,372 |
| Capital outlay | 3,535,000 | 3,515,000 | 849,996 | 372,278 | 1,222,274 | 2,292,726 |
| Debt service | 477,300 | 477,300 | 145,556 | 162,183 | 307,739 | 169,561 |
| Contingency | 1,192,100 | 1,192,100 | - | - | - | 1,192,100 |
| Total expenditures | 9,103,200 | 9,333,400 | 2,728,051 | 2,635,940 | 5,363,991 | 3,969,409 |
| Excess (deficiency) of revenues over expenditures | (2,454,000) | (2,454,000) | (334,593) | (157,459) | (492,052) | 1,961,948 |
| Other financing sources (uses) | | | | | | |
| Issuance of long-term debt | 1,680,000 | 1,680,000 | - | 3,375,000 | 3,375,000 | 1,695,000 |
| Transfers in | 500,000 | 500,000 | 300,000 | 334,491 | 634,491 | 134,491 |
| Total other financing sources (uses) | 2,180,000 | 2,180,000 | 300,000 | 3,709,491 | 4,009,491 | 1,829,491 |
| Net change in fund balance | (274,000) | (274,000) | (34,593) | 3,552,032 | 3,517,439 | 3,791,439 |
| Fund balance at beginning of year/biennium | 274,000 | 274,000 | 48,218 | 13,625 | 48,218 | (225,782) |
| Fund balance at end of year/biennium | \$ - | \$ - | 13,625 | 3,565,657 | \$ 3,565,657 | \$ 3,565,657 |
| Reconciliation to generally accepted accounting principles | | | | | | |
| Water Fund is budgeted as an individual fund but is combined with the Water System Development Fund for GAAP reporting | | | 348,433 | 240,401 | | |
| Inventory | | | 33,400 | 86,091 | | |
| Capital assets, net | | | 10,349,375 | 10,105,930 | | |
| Lease receivable | | | 90,694 | 93,634 | | |
| Net OPEB asset | | | 3,823 | 5,730 | | |
| Deferred outflows related to pensions | | | 126,001 | 136,964 | | |
| Deferred outflows related to OPEB | | | 4,017 | 4,729 | | |
| Accrued interest payable | | | (4,075) | (17,943) | | |
| Compensated absences | | | (19,774) | (25,171) | | |
| Lease liability | | | (2,176) | (1,393) | | |
| Bonds and notes payable | | | (1,508,135) | (4,784,873) | | |
| Net pension liability | | | (196,185) | (285,632) | | |
| Total OPEB liability | | | (14,825) | (14,613) | | |
| Unavailable revenues | | | 27,784 | 71,868 | | |
| Deferred inflows - leases | | | (90,694) | (91,402) | | |
| Deferred inflows related to pensions | | | (164,678) | (99,336) | | |
| Deferred inflows related to OPEB | | | (2,935) | (4,769) | | |
| Net position at end of year - GAAP basis | | | \$ 8,993,675 | \$ 8,985,872 | | |

CITY OF FLORENCE, OREGON
WATER SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | Actual | | Total | Variance |
|---|-------------|----------------|----------------|-------------------|-------------------|
| | | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | |
| Charges for services | \$ 240,000 | \$ 226,232 | \$ 84,778 | \$ 311,010 | \$ 71,010 |
| Miscellaneous | 10,000 | 1,780 | 7,393 | 9,173 | (827) |
| Total revenues | 250,000 | 228,012 | 92,171 | 320,183 | 70,183 |
| Expenditures | | | | | |
| Materials and services | 500 | 199 | 203 | 402 | 98 |
| Contingency | 139,700 | - | - | - | 139,700 |
| Total expenditures | 140,200 | 199 | 203 | 402 | 139,798 |
| Excess (deficiency) of revenues over expenditures | 109,800 | 227,813 | 91,968 | 319,781 | 209,981 |
| Other financing sources (uses) | | | | | |
| Transfers out | (500,000) | (300,000) | (200,000) | (500,000) | - |
| Total other financing sources (uses) | (500,000) | (300,000) | (200,000) | (500,000) | - |
| Net change in fund balance | (390,200) | (72,187) | (108,032) | (180,219) | 209,981 |
| Fund balance at beginning of year/biennium | 390,200 | 420,620 | 348,433 | 420,620 | 30,420 |
| Fund balance at end of year/biennium | \$ - | 348,433 | 240,401 | \$ 240,401 | \$ 240,401 |
| Reconciliation to generally accepted accounting principles | | | | | |
| Water System Development Fund is budgeted as an individual fund but is combined with the Water Fund for GAAP reporting. | | (348,433) | (240,401) | | |
| Fund balance at end of year - GAAP basis | | \$ - | \$ - | | |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF NET POSITION
WASTEWATER FUND
June 30, 2023

| | <u>Wastewater</u> | <u>Wastewater System Development Charges</u> | <u>Total Wastewater Fund</u> |
|---|-----------------------------|--|--------------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 5,991,906 | \$ 472,750 | \$ 6,464,656 |
| Receivables, net | 335,141 | 68,799 | 403,940 |
| Inventory | 15,875 | - | 15,875 |
| Total current assets | <u>6,342,922</u> | <u>541,549</u> | <u>6,884,471</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Capital assets, nondepreciable | 435,648 | - | 435,648 |
| Capital assets, net of accumulated depreciation | 14,220,075 | - | 14,220,075 |
| Total capital assets | <u>14,655,723</u> | <u>-</u> | <u>14,655,723</u> |
| Net OPEB asset | 6,180 | - | 6,180 |
| Total noncurrent assets | <u>14,661,903</u> | <u>-</u> | <u>14,661,903</u> |
| Total assets | <u>21,004,825</u> | <u>541,549</u> | <u>21,546,374</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related items | 147,725 | - | 147,725 |
| Other postemployment benefit related items | 5,100 | - | 5,100 |
| Total deferred outflows of resources | <u>152,825</u> | <u>-</u> | <u>152,825</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 30,597 | - | 30,597 |
| Accrued interest payable | 30,715 | - | 30,715 |
| Compensated absences | 21,394 | - | 21,394 |
| Current portion of lease payable | 2,462 | - | 2,462 |
| Current portion of bonds and notes payable | 541,624 | - | 541,624 |
| Current portion of total OPEB liability | 2,132 | - | 2,132 |
| Total current liabilities | <u>628,924</u> | <u>-</u> | <u>628,924</u> |
| Noncurrent liabilities | | | |
| Lease payable | 1,867 | - | 1,867 |
| Bonds and notes payable | 7,562,651 | - | 7,562,651 |
| Net pension liability | 308,073 | - | 308,073 |
| Total OPEB liability | 13,629 | - | 13,629 |
| Total noncurrent liabilities | <u>7,886,220</u> | <u>-</u> | <u>7,886,220</u> |
| Total liabilities | <u>8,515,144</u> | <u>-</u> | <u>8,515,144</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Pension related items | 107,141 | - | 107,141 |
| Other postemployment benefit related items | 5,143 | - | 5,143 |
| Total deferred inflows of resources | <u>112,284</u> | <u>-</u> | <u>112,284</u> |
| NET POSITION | | | |
| Net investment in capital assets | 10,536,130 | - | 10,536,130 |
| Restricted for: | | | |
| System development | - | 541,549 | 541,549 |
| Net OPEB benefits | 6,180 | - | 6,180 |
| Unrestricted | 1,987,912 | - | 1,987,912 |
| Total net position | <u>\$ 12,530,222</u> | <u>\$ 541,549</u> | <u>\$ 13,071,771</u> |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WASTEWATER FUND
Year Ended June 30, 2023

| | <u>Wastewater</u> | <u>Wastewater System Development Charges</u> | <u>Eliminations</u> | <u>Total Wastewater Fund</u> |
|---|-----------------------------|--|---------------------|--------------------------------------|
| Operating revenues | | | | |
| Charges for services | \$ 3,708,293 | \$ - | \$ - | \$ 3,708,293 |
| Total operating revenues | <u>3,708,293</u> | <u>-</u> | <u>-</u> | <u>3,708,293</u> |
| Operating expenses | | | | |
| Personnel services | 401,107 | - | - | 401,107 |
| Materials and services | 1,995,208 | 446 | - | 1,995,654 |
| Depreciation and amortization | <u>1,038,659</u> | <u>-</u> | <u>-</u> | <u>1,038,659</u> |
| Total operating expenses | <u>3,434,974</u> | <u>446</u> | <u>-</u> | <u>3,435,420</u> |
| Operating income (loss) | <u>273,319</u> | <u>(446)</u> | <u>-</u> | <u>272,873</u> |
| Nonoperating revenues (expenses) | | | | |
| Interest income | 61,945 | 12,702 | - | 74,647 |
| Miscellaneous | 37,419 | - | - | 37,419 |
| Interest expense | <u>(81,039)</u> | <u>-</u> | <u>-</u> | <u>(81,039)</u> |
| Total nonoperating revenues (expenses) | <u>18,325</u> | <u>12,702</u> | <u>-</u> | <u>31,027</u> |
| Income (loss) before capital contributions and transfers | 291,644 | 12,256 | - | 303,900 |
| Capital contributions | - | 207,084 | - | 207,084 |
| Transfers in | 200,000 | - | (200,000) | - |
| Transfers out | <u>-</u> | <u>(200,000)</u> | <u>200,000</u> | <u>-</u> |
| Change in net position | 491,644 | 19,340 | - | 510,984 |
| Net position at beginning of year | <u>12,038,578</u> | <u>522,209</u> | <u>-</u> | <u>12,560,787</u> |
| Net position at end of year | <u>\$ 12,530,222</u> | <u>\$ 541,549</u> | <u>\$ -</u> | <u>\$ 13,071,771</u> |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF CASH FLOWS
WASTEWATER FUND
Year Ended June 30, 2023

| | Wastewater | Wastewater System Development Charges | Eliminations | Total Wastewater Fund |
|---|----------------------------|---|--------------------|-----------------------------|
| Cash flows from operating activities | | | | |
| Receipts from customers and users | \$ 3,690,664 | \$ - | \$ - | \$ 3,690,664 |
| Payments to suppliers | (2,067,816) | (446) | - | (2,068,262) |
| Payments to employees | (466,399) | - | - | (466,399) |
| Net cash provided by (used in) operating activities | <u>1,156,449</u> | <u>(446)</u> | <u>-</u> | <u>1,156,003</u> |
| Cash flows from noncapital financing activities | | | | |
| Other receipts | <u>37,419</u> | <u>-</u> | <u>-</u> | <u>37,419</u> |
| Net cash provided by (used in) noncapital financing activities | <u>37,419</u> | <u>-</u> | <u>-</u> | <u>37,419</u> |
| Cash flows from capital and related financing activities | | | | |
| Transfers in | 200,000 | - | (200,000) | - |
| Transfers out | - | (200,000) | 200,000 | - |
| System development charges received | - | 138,285 | - | 138,285 |
| Acquisition of capital assets | (1,021,281) | - | - | (1,021,281) |
| Issuance of long-term obligations | 5,119,900 | - | - | 5,119,900 |
| Principal paid on long-term obligations | (285,905) | - | - | (285,905) |
| Interest paid on long-term obligations | (63,311) | - | - | (63,311) |
| Net cash provided by (used in) capital and related financing activities | <u>3,949,403</u> | <u>(61,715)</u> | <u>-</u> | <u>3,887,688</u> |
| Cash flows from investing activities | | | | |
| Interest on investments | <u>61,945</u> | <u>12,702</u> | <u>-</u> | <u>74,647</u> |
| Net cash provided by (used in) investing activities | <u>61,945</u> | <u>12,702</u> | <u>-</u> | <u>74,647</u> |
| Net increase (decrease) in cash and cash equivalents | 5,205,216 | (49,459) | - | 5,155,757 |
| Cash and cash equivalents at beginning of year | <u>786,690</u> | <u>522,209</u> | <u>-</u> | <u>1,308,899</u> |
| Cash and cash equivalents at end of year | <u>\$ 5,991,906</u> | <u>\$ 472,750</u> | <u>\$ -</u> | <u>\$ 6,464,656</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Operating income (loss) | \$ 273,319 | \$ (446) | \$ - | \$ 272,873 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Depreciation and amortization | 1,038,659 | - | - | 1,038,659 |
| (Increase) decrease in assets and deferred outflows: | | | | |
| Receivables, net | (17,629) | - | - | (17,629) |
| Inventories | (154) | - | - | (154) |
| Net OPEB asset | (949) | - | - | (949) |
| Deferred outflows - Pension related items | 24,702 | - | - | 24,702 |
| Deferred outflows - OPEB related items | 397 | - | - | 397 |
| Increase (decrease) in liabilities and deferred inflows: | | | | |
| Accounts payable and accrued liabilities | (70,405) | - | - | (70,405) |
| Compensated absences liability | (7,432) | - | - | (7,432) |
| Lease payable | (2,049) | - | - | (2,049) |
| Net pension liability | 39,603 | - | - | 39,603 |
| Total OPEB liability | (4,526) | - | - | (4,526) |
| Deferred inflows - Pension related items | (118,214) | - | - | (118,214) |
| Deferred inflows - OPEB related items | 1,127 | - | - | 1,127 |
| Net cash provided by (used in) operating activities | <u>\$ 1,156,449</u> | <u>\$ (446)</u> | <u>\$ -</u> | <u>\$ 1,156,003</u> |

CITY OF FLORENCE, OREGON
WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | | Actual | | Total | Variance |
|--|--------------|--------------|----------------------|----------------------|---------------------|---------------------|
| | Original | Final | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | | |
| Charges for services | \$ 6,750,400 | \$ 6,750,400 | \$ 3,449,746 | \$ 3,728,506 | \$ 7,178,252 | \$ 427,852 |
| Intergovernmental | 3,070,900 | 3,070,900 | 281 | - | 281 | (3,070,619) |
| Miscellaneous | 11,100 | 11,100 | 71,896 | 99,364 | 171,260 | 160,160 |
| Total revenues | 9,832,400 | 9,832,400 | 3,521,923 | 3,827,870 | 7,349,793 | (2,482,607) |
| Expenditures | | | | | | |
| Personnel services | 969,100 | 979,100 | 482,611 | 466,399 | 949,010 | 30,090 |
| Materials and services | 3,811,400 | 3,841,400 | 1,840,158 | 1,989,689 | 3,829,847 | 11,553 |
| Capital outlay | 5,660,000 | 5,620,000 | 207,229 | 1,029,003 | 1,236,232 | 4,383,768 |
| Debt service | 874,100 | 874,100 | 320,252 | 349,218 | 669,470 | 204,630 |
| Contingency | 1,527,400 | 1,527,400 | - | - | - | 1,527,400 |
| Total expenditures | 12,842,000 | 12,842,000 | 2,850,250 | 3,834,309 | 6,684,559 | 6,157,441 |
| Excess (deficiency) of revenues over expenditures | (3,009,600) | (3,009,600) | 671,673 | (6,439) | 665,234 | 3,674,834 |
| Other financing sources (uses) | | | | | | |
| Issuance of long-term debt | 2,610,000 | 2,610,000 | - | 5,119,900 | 5,119,900 | 2,509,900 |
| Transfers in | 200,000 | 200,000 | - | 200,000 | 200,000 | - |
| Total other financing sources (uses) | 2,810,000 | 2,810,000 | - | 5,319,900 | 5,319,900 | 2,509,900 |
| Net change in fund balance | (199,600) | (199,600) | 671,673 | 5,313,461 | 5,985,134 | 6,184,734 |
| Fund balance at beginning of year/biennium | 199,600 | 199,600 | 311,316 | 982,989 | 311,316 | 111,716 |
| Fund balance at end of year/biennium | \$ - | \$ - | 982,989 | 6,296,450 | \$ 6,296,450 | \$ 6,296,450 |
| Reconciliation to generally accepted accounting principles | | | | | | |
| Wastewater Fund is budgeted as an individual fund but is combined with the Wastewater System Development Fund for GAAP reporting | | | 522,209 | 477,898 | | |
| Inventory | | | 15,721 | 15,875 | | |
| Capital assets, net | | | 14,673,101 | 14,655,723 | | |
| Net OPEB asset | | | 5,231 | 6,180 | | |
| Deferred outflows related to pensions | | | 172,427 | 147,725 | | |
| Deferred outflows related to OPEB | | | 5,497 | 5,100 | | |
| Accrued interest payable | | | (11,583) | (30,715) | | |
| Compensated absences | | | (28,826) | (21,394) | | |
| Lease liability | | | (6,378) | (4,329) | | |
| Bonds and notes payable | | | (3,271,686) | (8,104,275) | | |
| Net pension liability | | | (268,470) | (308,073) | | |
| Total OPEB liability | | | (20,287) | (15,761) | | |
| Unavailable revenues | | | 20,213 | 63,651 | | |
| Deferred inflows related to pensions | | | (225,355) | (107,141) | | |
| Deferred inflows related to OPEB | | | (4,016) | (5,143) | | |
| Net position at end of year - GAAP basis | | | \$ 12,560,787 | \$ 13,071,771 | | |

CITY OF FLORENCE, OREGON
WASTEWATER SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | Actual | | Total | Variance |
|---|-------------|----------------|----------------|-------------------|-------------------|
| | | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | |
| Charges for services | \$ 360,000 | \$ 292,860 | \$ 143,433 | \$ 436,293 | \$ 76,293 |
| Miscellaneous | 4,000 | 1,635 | 12,702 | 14,337 | 10,337 |
| Total revenues | 364,000 | 294,495 | 156,135 | 450,630 | 86,630 |
| Expenditures | | | | | |
| Materials and services | 2,200 | 715 | 446 | 1,161 | 1,039 |
| Contingency | 359,300 | - | - | - | 359,300 |
| Total expenditures | 361,500 | 715 | 446 | 1,161 | 360,339 |
| Excess (deficiency) of revenues over expenditures | 2,500 | 293,780 | 155,689 | 449,469 | 446,969 |
| Other financing sources (uses) | | | | | |
| Transfers out | (200,000) | - | (200,000) | (200,000) | - |
| Total other financing sources (uses) | (200,000) | - | (200,000) | (200,000) | - |
| Net change in fund balance | (197,500) | 293,780 | (44,311) | 249,469 | 446,969 |
| Fund balance at beginning of year/biennium | 197,500 | 228,429 | 522,209 | 228,429 | 30,929 |
| Fund balance at end of year/biennium | \$ - | 522,209 | 477,898 | \$ 477,898 | \$ 477,898 |
| Reconciliation to generally accepted accounting principles | | | | | |
| Wastewater System Development Fund is budgeted as an individual fund but is combined with the Wastewater Fund for GAAP reporting. | | (522,209) | (477,898) | | |
| Fund balance at end of year - GAAP basis | \$ - | \$ - | \$ - | | |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF NET POSITION
STORMWATER FUND
June 30, 2023

| | <u>Stormwater</u> | <u>Stormwater System Development Charges</u> | <u>Total Stormwater Fund</u> |
|---|----------------------------|--|--------------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 1,262,511 | \$ 149,906 | \$ 1,412,417 |
| Receivables, net | 53,506 | 17,570 | 71,076 |
| Total current assets | <u>1,316,017</u> | <u>167,476</u> | <u>1,483,493</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Capital assets, nondepreciable | 35,659 | - | 35,659 |
| Capital assets, net of accumulated depreciation | 2,370,517 | - | 2,370,517 |
| Total capital assets | <u>2,406,176</u> | <u>-</u> | <u>2,406,176</u> |
| Net OPEB asset | 3,094 | - | 3,094 |
| Total noncurrent assets | <u>2,409,270</u> | <u>-</u> | <u>3,094</u> |
| Total assets | <u>3,725,287</u> | <u>167,476</u> | <u>3,892,763</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related items | 73,965 | - | 73,965 |
| Other postemployment benefit related items | 2,554 | - | 2,554 |
| Total deferred outflows of resources | <u>76,519</u> | <u>-</u> | <u>76,519</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 2,515 | - | 2,515 |
| Accrued interest payable | 2,853 | - | 2,853 |
| Retainage payable | 5,223 | - | 5,223 |
| Compensated absences | 7,334 | - | 7,334 |
| Current portion of bonds and notes payable | 37,937 | - | 37,937 |
| Current portion of total OPEB liability | 1,068 | - | 1,068 |
| Total current liabilities | <u>56,930</u> | <u>-</u> | <u>56,930</u> |
| Noncurrent liabilities | | | |
| Bonds and notes payable | 733,944 | - | 733,944 |
| Net pension liability | 154,250 | - | 154,250 |
| Total OPEB liability | 6,824 | - | 6,824 |
| Total noncurrent liabilities | <u>895,018</u> | <u>-</u> | <u>895,018</u> |
| Total liabilities | <u>951,948</u> | <u>-</u> | <u>951,948</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Pension related items | 53,644 | - | 53,644 |
| Other postemployment benefit related items | 2,575 | - | 2,575 |
| Total deferred inflows of resources | <u>56,219</u> | <u>-</u> | <u>56,219</u> |
| NET POSITION | | | |
| Net investment in capital assets | 2,126,643 | - | 2,126,643 |
| Restricted for: | | | |
| System development | 34,881 | 167,476 | 202,357 |
| Net OPEB benefits | 3,094 | - | 3,094 |
| Unrestricted | <u>629,021</u> | <u>-</u> | <u>629,021</u> |
| Total net position | <u>\$ 2,793,639</u> | <u>\$ 167,476</u> | <u>\$ 2,961,115</u> |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
STORMWATER FUND
Year Ended June 30, 2023

| | <u>Stormwater</u> | <u>Stormwater System Development Charges</u> | <u>Eliminations</u> | <u>Total Stormwater Fund</u> |
|---|----------------------------|--|---------------------|--------------------------------------|
| Operating revenues | | | | |
| Charges for services | \$ 589,902 | \$ - | \$ - | \$ 589,902 |
| Total operating revenues | <u>589,902</u> | <u>-</u> | <u>-</u> | <u>589,902</u> |
| Operating expenses | | | | |
| Personnel services | 245,536 | - | - | 245,536 |
| Materials and services | 312,662 | 203 | - | 312,865 |
| Depreciation and amortization | <u>113,405</u> | <u>-</u> | <u>-</u> | <u>113,405</u> |
| Total operating expenses | <u>671,603</u> | <u>203</u> | <u>-</u> | <u>671,806</u> |
| Operating income (loss) | <u>(81,701)</u> | <u>(203)</u> | <u>-</u> | <u>(81,904)</u> |
| Nonoperating revenues (expenses) | | | | |
| Interest income | 20,775 | 4,482 | - | 25,257 |
| Miscellaneous | 2,078 | - | - | 2,078 |
| Interest expense | <u>(10,728)</u> | <u>-</u> | <u>-</u> | <u>(10,728)</u> |
| Total nonoperating revenues (expenses) | <u>12,125</u> | <u>4,482</u> | <u>-</u> | <u>16,607</u> |
| Income (loss) before capital contributions and transfers | (69,576) | 4,279 | - | (65,297) |
| Capital contributions | - | 69,191 | - | 69,191 |
| Transfers in | 100,000 | - | (100,000) | - |
| Transfers out | <u>-</u> | <u>(100,000)</u> | <u>100,000</u> | <u>-</u> |
| Change in net position | 30,424 | (26,530) | - | 3,894 |
| Net position at beginning of year | 2,644,591 | 194,006 | - | 2,838,597 |
| Prior period adjustment - Note 3 | <u>118,624</u> | <u>-</u> | <u>-</u> | <u>118,624</u> |
| Net position at beginning of year, as restated | <u>2,763,215</u> | <u>194,006</u> | <u>-</u> | <u>2,957,221</u> |
| Net position at end of year | <u>\$ 2,793,639</u> | <u>\$ 167,476</u> | <u>\$ -</u> | <u>\$ 2,961,115</u> |

CITY OF FLORENCE, OREGON
COMBINING STATEMENT OF CASH FLOWS
STORMWATER FUND
Year Ended June 30, 2023

| | <u>Stormwater</u> | <u>Stormwater System Development Charges</u> | <u>Eliminations</u> | <u>Total Stormwater Fund</u> |
|---|----------------------------|--|---------------------|--------------------------------------|
| Cash flows from operating activities | | | | |
| Receipts from customers and users | \$ 591,792 | \$ - | \$ - | \$ 591,792 |
| Payments to suppliers | (322,157) | (203) | - | (322,360) |
| Payments to employees | (238,927) | - | - | (238,927) |
| Net cash provided by (used in) operating activities | <u>30,708</u> | <u>(203)</u> | <u>-</u> | <u>30,505</u> |
| Cash flows from noncapital financing activities | | | | |
| Other receipts | <u>2,078</u> | <u>-</u> | <u>-</u> | <u>2,078</u> |
| Net cash provided by (used in) noncapital financing activities | <u>2,078</u> | <u>-</u> | <u>-</u> | <u>2,078</u> |
| Cash flows from capital and related financing activities | | | | |
| Transfers in | 100,000 | - | (100,000) | - |
| Transfers out | - | (100,000) | 100,000 | - |
| System development charges received | - | 51,621 | - | 51,621 |
| Acquisition of capital assets | (35,659) | - | - | (35,659) |
| Issuance of long-term obligations | 600,000 | - | - | 600,000 |
| Principal paid on long-term obligations | (17,500) | - | - | (17,500) |
| Interest paid on long-term obligations | (9,131) | - | - | (9,131) |
| Net cash provided by (used in) capital and related financing activities | <u>637,710</u> | <u>(48,379)</u> | <u>-</u> | <u>589,331</u> |
| Cash flows from investing activities | | | | |
| Interest on investments | <u>20,775</u> | <u>4,482</u> | <u>-</u> | <u>25,257</u> |
| Net cash provided by (used in) investing activities | <u>20,775</u> | <u>4,482</u> | <u>-</u> | <u>25,257</u> |
| Net increase (decrease) in cash and cash equivalents | 691,271 | (44,100) | - | 647,171 |
| Cash and cash equivalents at beginning of year | <u>571,240</u> | <u>194,006</u> | <u>-</u> | <u>765,246</u> |
| Cash and cash equivalents at end of year | <u>\$ 1,262,511</u> | <u>\$ 149,906</u> | <u>\$ -</u> | <u>\$ 1,412,417</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Operating income (loss) | \$ (81,701) | \$ (203) | \$ - | \$ (81,904) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Depreciation and amortization | 113,405 | - | - | 113,405 |
| (Increase) decrease in assets and deferred outflows: | | | | |
| Receivables, net | 1,890 | - | - | 1,890 |
| Net other postemployment benefits asset | (1,034) | - | - | (1,034) |
| Deferred outflows - Pension related items | (6,050) | - | - | (6,050) |
| Deferred outflows - OPEB related items | (389) | - | - | (389) |
| Increase (decrease) in liabilities and deferred inflows: | | | | |
| Accounts payable and accrued liabilities | (9,495) | - | - | (9,495) |
| Compensated absences liability | (200) | - | - | (200) |
| Net pension liability | 48,506 | - | - | 48,506 |
| Total other postemployment benefits liability | (99) | - | - | (99) |
| Deferred inflows - Pension related items | (35,118) | - | - | (35,118) |
| Deferred inflows - OPEB related items | 993 | - | - | 993 |
| Net cash provided by (used in) operating activities | <u>\$ 30,708</u> | <u>\$ (203)</u> | <u>\$ -</u> | <u>\$ 30,505</u> |

CITY OF FLORENCE, OREGON
STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | | Actual | | Total | Variance |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | | |
| Charges for services | \$ 1,177,900 | \$ 1,177,900 | \$ 581,684 | \$ 595,876 | \$ 1,177,560 | \$ (340) |
| Intergovernmental | 960,000 | 960,000 | 18 | - | 18 | (959,982) |
| Miscellaneous | 1,000 | 1,000 | 2,822 | 22,853 | 25,675 | 24,675 |
| Total revenues | <u>2,138,900</u> | <u>2,138,900</u> | <u>584,524</u> | <u>618,729</u> | <u>1,203,253</u> | <u>(935,647)</u> |
| Expenditures | | | | | | |
| Personnel services | 472,400 | 472,400 | 216,006 | 238,928 | 454,934 | 17,466 |
| Materials and services | 583,700 | 653,700 | 299,254 | 312,045 | 611,299 | 42,401 |
| Capital outlay | 1,910,000 | 1,840,000 | 139,549 | 36,276 | 175,825 | 1,664,175 |
| Debt service | 140,300 | 140,300 | 23,651 | 26,629 | 50,280 | 90,020 |
| Contingency | 594,900 | 594,900 | - | - | - | 594,900 |
| Total expenditures | <u>3,701,300</u> | <u>3,701,300</u> | <u>678,460</u> | <u>613,878</u> | <u>1,292,338</u> | <u>2,408,962</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,562,400)</u> | <u>(1,562,400)</u> | <u>(93,936)</u> | <u>4,851</u> | <u>(89,085)</u> | <u>1,473,315</u> |
| Other financing sources (uses) | | | | | | |
| Issuance of long-term debt | 840,000 | 840,000 | - | 600,000 | 600,000 | (240,000) |
| Transfers in | 200,000 | 200,000 | 100,000 | 100,000 | 200,000 | - |
| Total other financing sources (uses) | <u>1,040,000</u> | <u>1,040,000</u> | <u>100,000</u> | <u>700,000</u> | <u>800,000</u> | <u>(240,000)</u> |
| Net change in fund balance | (522,400) | (522,400) | 6,064 | 704,851 | 710,915 | 1,233,315 |
| Fund balance at beginning of year/biennium | <u>522,400</u> | <u>522,400</u> | <u>597,364</u> | <u>603,428</u> | <u>597,364</u> | <u>74,964</u> |
| Fund balance at end of year/biennium | \$ - | \$ - | 603,428 | 1,308,279 | \$ 1,308,279 | \$ 1,308,279 |
| Reconciliation to generally accepted accounting principles | | | | | | |
| Stormwater Fund is budgeted as an individual fund but is combined with the Stormwater System Development Fund for GAAP reporting | | | 194,006 | 152,274 | | |
| Capital assets, net | | | 2,365,298 | 2,406,176 | | |
| Net OPEB asset | | | 2,060 | 3,094 | | |
| Deferred outflows related to pensions | | | 67,915 | 73,965 | | |
| Deferred outflows related to OPEB | | | 2,165 | 2,554 | | |
| Accrued interest payable | | | (560) | (2,853) | | |
| Compensated absences | | | (7,534) | (7,334) | | |
| Bonds and notes payable | | | (190,076) | (771,881) | | |
| Net pension liability | | | (105,744) | (154,250) | | |
| Total OPEB liability | | | (7,991) | (7,892) | | |
| Unavailable revenues | | | 5,974 | 15,202 | | |
| Deferred inflows related to pensions | | | (88,762) | (53,644) | | |
| Deferred inflows related to OPEB | | | (1,582) | (2,575) | | |
| Net position at end of year - GAAP basis | | | \$ 2,838,597 | \$ 2,961,115 | | |

CITY OF FLORENCE, OREGON
STORMWATER SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | Actual | | Total | Variance |
|---|-------------|----------------|----------------|-------------------|-------------------|
| | | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | |
| Charges for services | \$ 150,000 | \$ 81,712 | \$ 53,989 | \$ 135,701 | \$ (14,299) |
| Miscellaneous | 3,000 | 1,068 | 4,482 | 5,550 | 2,550 |
| Total revenues | 153,000 | 82,780 | 58,471 | 141,251 | (11,749) |
| Expenditures | | | | | |
| Materials and services | 1,000 | 655 | 203 | 858 | 142 |
| Contingency | 341,000 | - | - | - | 341,000 |
| Total expenditures | 342,000 | 655 | 203 | 858 | 341,142 |
| Excess (deficiency) of revenues over expenditures | (189,000) | 82,125 | 58,268 | 140,393 | 329,393 |
| Other financing sources (uses) | | | | | |
| Transfers out | (200,000) | (100,000) | (100,000) | (200,000) | - |
| Total other financing sources (uses) | (200,000) | (100,000) | (100,000) | (200,000) | - |
| Net change in fund balance | (389,000) | (17,875) | (41,732) | (59,607) | 329,393 |
| Fund balance at beginning of year/biennium | 389,000 | 211,881 | 194,006 | 211,881 | (177,119) |
| Fund balance at end of year/biennium | \$ - | 194,006 | 152,274 | \$ 152,274 | \$ 152,274 |
| Reconciliation to generally accepted accounting principles | | | | | |
| Stormwater System Development Fund is budgeted as an individual fund but is combined with the Stormwater Fund for GAAP reporting. | | (194,006) | (152,274) | | |
| Fund balance at end of year - GAAP basis | \$ - | \$ - | | | |

CITY OF FLORENCE, OREGON
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | | Actual | | Total | Variance |
|---|------------------|------------------|---------------------|---------------------|-------------------|-------------------|
| | Original | Final | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | | |
| Charges for services | \$ 120,000 | \$ 120,000 | \$ 73,322 | \$ 87,802 | \$ 161,124 | \$ 41,124 |
| Intergovernmental | 613,500 | 709,500 | 613,731 | 112,797 | 726,528 | 17,028 |
| Miscellaneous | 395,600 | 195,600 | 64,576 | 68,701 | 133,277 | (62,323) |
| Total revenues | <u>1,129,100</u> | <u>1,025,100</u> | <u>751,629</u> | <u>269,300</u> | <u>1,020,929</u> | <u>(4,171)</u> |
| Expenditures | | | | | | |
| Materials and services | 369,600 | 465,600 | 187,120 | 203,846 | 390,966 | 74,634 |
| Capital outlay | 600,000 | 600,000 | 398,441 | 128,557 | 526,998 | 73,002 |
| Contingency | 175,000 | 175,000 | - | - | - | 175,000 |
| Total expenditures | <u>1,144,600</u> | <u>1,240,600</u> | <u>585,561</u> | <u>332,403</u> | <u>917,964</u> | <u>322,636</u> |
| Excess (deficiency) of revenues over expenditures | <u>(15,500)</u> | <u>(215,500)</u> | <u>166,068</u> | <u>(63,103)</u> | <u>102,965</u> | <u>318,465</u> |
| Other financing sources (uses) | | | | | | |
| Sale of capital assets | - | 200,000 | 224,114 | - | 224,114 | 24,114 |
| Transfers in | - | - | - | 48,000 | 48,000 | 48,000 |
| Total other financing sources (uses) | <u>-</u> | <u>200,000</u> | <u>224,114</u> | <u>48,000</u> | <u>272,114</u> | <u>72,114</u> |
| Net change in fund balance | (15,500) | (15,500) | 390,182 | (15,103) | 375,079 | 390,579 |
| Fund balance at beginning of year/biennium | <u>15,500</u> | <u>15,500</u> | <u>(86,696)</u> | <u>303,486</u> | <u>(86,696)</u> | <u>(102,196)</u> |
| Fund balance at end of year/biennium | \$ - | \$ - | 303,486 | 288,383 | \$ 288,383 | \$ 288,383 |
| Reconciliation to generally accepted accounting principles | | | | | | |
| Inventory | | | 23,366 | 20,824 | | |
| Capital assets, net | | | 3,803,836 | 3,738,958 | | |
| Lease receivable | | | 310,734 | 297,885 | | |
| Unavailable revenues | | | - | 1,889 | | |
| Deferred inflows - leases | | | (310,734) | (297,885) | | |
| Net position at end of year - GAAP basis | | | \$ 4,130,688 | \$ 4,050,054 | | |

CITY OF FLORENCE, OREGON
EVENTS CENTER FUND (NONMAJOR)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | Actual | | Total | Variance |
|---|-------------|---------------------|---------------------|-------------------|-------------------|
| | | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | |
| Charges for services | \$ 572,200 | \$ 140,445 | \$ 388,570 | \$ 529,015 | \$ (43,185) |
| Intergovernmental | 467,700 | 137,734 | 149,745 | 287,479 | (180,221) |
| Miscellaneous | 73,000 | 99,355 | 159,150 | 258,505 | 185,505 |
| Total revenues | 1,112,900 | 377,534 | 697,465 | 1,074,999 | (37,901) |
| Expenditures | | | | | |
| Personnel services | 532,000 | 142,672 | 294,433 | 437,105 | 94,895 |
| Materials and services | 1,249,500 | 472,874 | 823,061 | 1,295,935 | (46,435) |
| Capital outlay | 1,162,000 | 20,600 | 31,997 | 52,597 | 1,109,403 |
| Debt service | 95,000 | - | - | - | 95,000 |
| Contingency | 217,600 | - | - | - | 217,600 |
| Total expenditures | 3,256,100 | 636,146 | 1,149,491 | 1,785,637 | 1,470,463 |
| Excess (deficiency) of revenues over expenditures | (2,143,200) | (258,612) | (452,026) | (710,638) | 1,432,562 |
| Other financing sources (uses) | | | | | |
| Issuance of long-term debt | 1,200,000 | - | - | - | (1,200,000) |
| Transfers in | 544,600 | 307,635 | 499,869 | 807,504 | 262,904 |
| Total other financing sources (uses) | 1,744,600 | 307,635 | 499,869 | 807,504 | (937,096) |
| Net change in fund balance | (398,600) | 49,023 | 47,843 | 96,866 | 495,466 |
| Fund balance at beginning of year/biennium | 398,600 | 446,120 | 495,143 | 446,120 | 47,520 |
| Fund balance at end of year/biennium | \$ - | 495,143 | 542,986 | \$ 542,986 | \$ 542,986 |
| Reconciliation to generally accepted accounting principles | | | | | |
| Capital assets, net | | 1,660,908 | 1,563,655 | | |
| Net OPEB asset | | 1,469 | 1,613 | | |
| Deferred outflows related to pensions | | 48,437 | 38,545 | | |
| Deferred outflows related to OPEB | | 1,544 | 1,331 | | |
| Compensated absences | | (5,381) | (9,143) | | |
| Net pension liability | | (75,417) | (80,383) | | |
| Total OPEB liability | | (5,699) | (4,113) | | |
| Deferred inflows related to pensions | | (63,305) | (27,955) | | |
| Deferred inflows related to OPEB | | (1,128) | (1,342) | | |
| Net position at end of year - GAAP basis | | \$ 2,056,571 | \$ 2,025,194 | | |

CITY OF FLORENCE, OREGON
PUBLIC WORKS ADMIN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

| | Budget | Actual | | Total | Variance |
|---|------------------|-------------------|---------------------|-------------------|-------------------|
| | | FY 2021-22 | FY 2022-23 | | |
| Revenues | | | | | |
| Charges for services | \$ 2,968,500 | \$ 1,343,301 | \$ 1,641,621 | \$ 2,984,922 | \$ 16,422 |
| Intergovernmental | 265,400 | 7,378 | 250,000 | 257,378 | (8,022) |
| Miscellaneous | - | 941 | 44,004 | 44,945 | 44,945 |
| Total revenues | <u>3,233,900</u> | <u>1,351,620</u> | <u>1,935,625</u> | <u>3,287,245</u> | <u>53,345</u> |
| Expenditures | | | | | |
| Personnel services | 1,784,500 | 745,474 | 772,058 | 1,517,532 | 266,968 |
| Materials and services | 766,800 | 334,259 | 359,152 | 693,411 | 73,389 |
| Capital outlay | 770,000 | 103,361 | 198,580 | 301,941 | 468,059 |
| Contingency | 65,500 | - | - | - | 65,500 |
| Total expenditures | <u>3,386,800</u> | <u>1,183,094</u> | <u>1,329,790</u> | <u>2,512,884</u> | <u>873,916</u> |
| Excess (deficiency) of revenues over expenditures | <u>(152,900)</u> | <u>168,526</u> | <u>605,835</u> | <u>774,361</u> | <u>927,261</u> |
| Other financing sources (uses) | | | | | |
| Issuance of long-term debt | 520,000 | - | 398,400 | 398,400 | (121,600) |
| Transfers out | (477,000) | (219,610) | (221,312) | (440,922) | 36,078 |
| Total other financing sources (uses) | <u>43,000</u> | <u>(219,610)</u> | <u>177,088</u> | <u>(42,522)</u> | <u>(85,522)</u> |
| Net change in fund balance | (109,900) | (51,084) | 782,923 | 731,839 | 841,739 |
| Fund balance at beginning of year/biennium | <u>109,900</u> | <u>102,954</u> | <u>51,870</u> | <u>102,954</u> | <u>(6,946)</u> |
| Fund balance at end of year/biennium | \$ - | 51,870 | 834,793 | \$ 834,793 | \$ 834,793 |
| Reconciliation to generally accepted accounting principles | | | | | |
| Capital assets, net | | 3,966,652 | 3,940,850 | | |
| Net OPEB asset | | 7,674 | 10,143 | | |
| Deferred outflows related to pensions | | 252,945 | 242,454 | | |
| Deferred outflows related to OPEB | | 8,065 | 8,371 | | |
| Accrued interest payable | | (6,260) | (7,452) | | |
| Compensated absences | | (63,358) | (68,157) | | |
| Bonds and notes payable | | (2,573,367) | (2,827,228) | | |
| Net pension liability | | (393,839) | (505,626) | | |
| Total OPEB liability | | (29,761) | (25,869) | | |
| Deferred inflows related to pensions | | (330,589) | (175,845) | | |
| Deferred inflows related to OPEB | | (5,891) | (8,442) | | |
| Net position at end of year - GAAP basis | | \$ 884,141 | \$ 1,417,992 | | |

STATISTICAL SECTION

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Schedule 1

CITY OF FLORENCE, OREGON
NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 7,806,799 | \$ 9,045,594 | \$ 8,749,180 | \$ 8,085,240 | \$ 8,006,878 | \$ 9,679,655 | \$ 12,397,367 | \$ 14,532,904 | \$ 15,914,226 | \$ 15,539,326 |
| Restricted | 2,277,005 | 2,393,646 | 1,550,089 | 3,295,378 | 2,134,564 | 5,947,813 | 3,486,628 | 1,781,734 | 1,999,828 | 3,656,057 |
| Unrestricted | 4,735,280 | 3,432,140 | 1,748,741 | 1,313,947 | 2,668,369 | 603,247 | 255,367 | 44,109 | 579,432 | 170,039 |
| Total governmental activities net position | 14,819,084 | 14,871,380 | 12,048,010 | 12,694,565 | 12,809,811 | 16,230,715 | 16,139,362 | 16,358,747 | 18,493,486 | 19,365,422 |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | 16,092,100 | 17,175,593 | 19,600,617 | 19,297,256 | 23,816,426 | 26,174,884 | 27,375,453 | 29,267,265 | 29,192,130 | 26,463,581 |
| Restricted | 835,798 | 1,270,735 | 1,057,007 | 1,123,542 | 940,845 | 943,472 | 1,049,695 | 1,029,658 | 1,227,169 | 1,089,592 |
| Unrestricted | 2,918,049 | 3,074,893 | 3,050,498 | 5,032,928 | 2,407,575 | 1,575,438 | 851,146 | (26,359) | 1,045,160 | 4,647,857 |
| Total business-type activities net position | 19,845,947 | 21,521,221 | 23,708,122 | 25,453,726 | 27,164,846 | 28,693,794 | 29,276,294 | 30,270,564 | 31,464,459 | 32,201,030 |
| Total City of Florence | | | | | | | | | | |
| Net investment in capital assets | 23,898,899 | 26,221,187 | 28,349,797 | 27,382,496 | 31,823,304 | 35,854,539 | 39,772,820 | 43,800,169 | 45,106,356 | 42,002,907 |
| Restricted | 3,112,803 | 3,664,381 | 2,607,096 | 4,418,920 | 3,075,409 | 6,891,285 | 4,536,323 | 2,811,392 | 3,226,997 | 4,745,649 |
| Unrestricted | 7,653,329 | 6,507,033 | 4,799,239 | 6,346,875 | 5,075,944 | 2,178,685 | 1,106,513 | 17,750 | 1,624,592 | 4,817,896 |
| Total City of Florence net position | \$ 34,665,031 | \$ 36,392,601 | \$ 35,756,132 | \$ 38,148,291 | \$ 39,974,657 | \$ 44,924,509 | \$ 45,415,656 | \$ 46,629,311 | \$ 49,957,945 | \$ 51,566,452 |

Source: City of Florence Audited Financial Statements

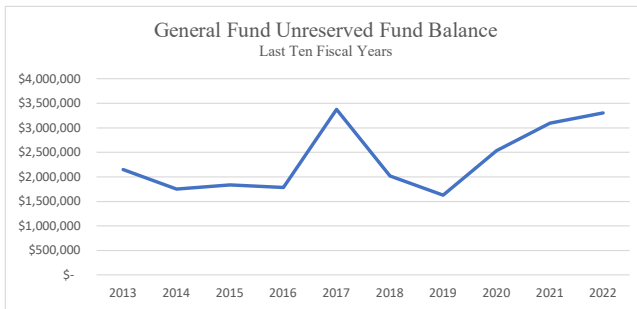
Schedule 2
CITY OF FLORENCE, OREGON
CHANGES IN NET POSITION
 Last Ten Fiscal Years (thousands)
 (accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Administration | \$ 1,019,476 | \$ 986,949 | \$ 1,423,748 | \$ 1,425,135 | \$ 1,816,801 | \$ 2,029,060 | \$ 2,216,213 | \$ 2,601,893 | \$ 2,451,872 | \$ 3,223,099 |
| Community development | 534,384 | 715,076 | 1,376,252 | 1,122,411 | 814,792 | 830,721 | 801,269 | 1,012,867 | 920,504 | 1,301,985 |
| Public Safety | 2,775,343 | 2,662,133 | 3,696,842 | 3,624,860 | 3,172,966 | 3,247,340 | 3,521,290 | 3,837,381 | 3,481,115 | 3,911,683 |
| Parks | 177,293 | 175,572 | 164,905 | 174,977 | 172,065 | 205,266 | 258,707 | 261,353 | 297,214 | 405,907 |
| Transportation | 825,052 | 803,012 | 912,297 | 920,785 | 1,016,683 | 1,058,870 | 1,208,977 | 1,281,447 | 921,529 | 1,622,142 |
| Non-departmental | - | - | - | - | 405,137 | 395,052 | 115,055 | 136,136 | 685,874 | 407,421 |
| Interest on long-term debt | 178,899 | 206,611 | 355,761 | 211,975 | 258,623 | 329,086 | 415,731 | 398,275 | 381,376 | 360,309 |
| Total governmental activities | 5,510,447 | 5,549,353 | 7,929,805 | 7,480,143 | 7,657,067 | 8,095,395 | 8,537,242 | 9,529,352 | 9,139,484 | 11,232,546 |
| Business-type activities | | | | | | | | | | |
| Water | 1,618,232 | 1,327,709 | 1,621,414 | 1,685,517 | 1,841,688 | 1,985,964 | 2,141,121 | 2,045,635 | 2,152,585 | 3,214,676 |
| Wastewater | 2,014,310 | 1,948,766 | 2,508,116 | 2,327,154 | 2,407,923 | 2,667,424 | 2,948,543 | 2,784,746 | 2,987,245 | 4,070,908 |
| Stormwater | 194,736 | 160,751 | 217,544 | 211,443 | 262,831 | 366,590 | 473,219 | 442,297 | 629,625 | 822,121 |
| Events Center | 631,063 | 697,132 | 860,264 | 932,866 | 864,686 | 800,512 | 774,499 | 370,584 | 557,317 | 1,269,829 |
| Airport | 178,068 | 169,861 | 167,378 | 166,376 | 202,901 | 197,856 | 263,277 | 273,677 | 317,160 | 444,729 |
| Total business-type activities | 4,636,409 | 4,304,219 | 5,374,716 | 5,323,356 | 5,580,029 | 6,018,346 | 6,600,659 | 5,916,939 | 6,643,932 | 9,822,263 |
| Total Expenses | \$ 10,146,856 | \$ 9,853,572 | \$ 13,304,521 | \$ 12,803,499 | \$ 13,237,096 | \$ 14,113,741 | \$ 15,137,901 | \$ 15,446,291 | \$ 15,783,416 | \$ 21,054,809 |
| Program Revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Administration | \$ 598,311 | \$ 713,696 | \$ 686,608 | \$ 703,566 | \$ 753,794 | \$ 718,130 | \$ 1,028,731 | \$ 674,278 | \$ 474,712 | \$ 1,947,377 |
| Community development | - | - | 3,025 | - | - | - | - | - | 461,709 | 425,289 |
| Public safety | 175,902 | 145,779 | 145,867 | 298,350 | 374,369 | 285,524 | 246,949 | 292,233 | 263,382 | 497,308 |
| Parks | - | - | - | - | - | - | 500,082 | 617,690 | 537,241 | 52,400 |
| Transportation | 317,840 | 310,063 | 332,695 | 340,762 | 390,019 | 466,720 | - | - | - | 868,266 |
| Non-departmental | - | - | - | - | - | - | - | - | - | 31,400 |
| Operating grants and contributions | 1,019,322 | 170,974 | 951,743 | 754,614 | 1,123,568 | 1,386,899 | 1,073,822 | 1,700,178 | 2,839,237 | 793,641 |
| Capital grants and contributions | 111,826 | 248,191 | 29,342 | 1,443,244 | 84,630 | 3,224,944 | 390,245 | 563,062 | 576,647 | 1,161,689 |
| Total governmental activities | 2,223,201 | 1,588,703 | 2,149,280 | 3,540,536 | 2,726,380 | 6,082,217 | 3,239,829 | 3,847,441 | 5,152,928 | 5,777,370 |
| Business-type activities | | | | | | | | | | |
| Water | 2,018,879 | 2,112,750 | 2,207,751 | 2,126,622 | 2,229,385 | 2,166,627 | 2,271,239 | 2,386,465 | 2,255,258 | 2,805,157 |
| Wastewater | 2,906,147 | 3,006,947 | 3,138,562 | 3,114,118 | 3,472,585 | 3,260,296 | 3,370,135 | 3,352,281 | 3,510,382 | 4,220,693 |
| Stormwater | 506,606 | 512,494 | 522,140 | 528,209 | 540,219 | 538,824 | 564,102 | 560,853 | 581,686 | 718,902 |
| Events Center | 296,985 | 318,218 | 338,038 | 339,053 | 446,959 | 390,883 | 315,538 | 43,557 | 233,833 | 426,570 |
| Airport | 84,765 | 79,475 | 99,578 | 164,237 | 194,110 | 154,937 | 135,192 | 122,203 | 350,601 | 131,191 |
| Operating grants and contributions | - | - | 192,476 | - | - | 2,500 | 12,256 | 264,871 | 246,875 | 149,745 |
| Capital grants and contributions | 487,939 | 379,416 | 266,673 | 442,606 | 498,519 | 1,319,990 | 721,585 | 708,621 | 1,250,447 | 545,718 |
| Total business-type activities | 6,301,321 | 6,409,300 | 6,765,218 | 6,714,845 | 7,381,777 | 7,834,057 | 7,390,047 | 7,438,851 | 8,429,082 | 8,997,976 |
| Total Program Revenues | \$ 8,524,522 | \$ 7,998,003 | \$ 8,914,498 | \$ 10,255,381 | \$ 10,108,157 | \$ 13,916,274 | \$ 10,629,876 | \$ 11,286,292 | \$ 13,582,010 | \$ 14,775,346 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (3,287,246) | \$ (3,960,650) | \$ (5,780,525) | \$ (3,939,607) | \$ (4,930,687) | \$ (2,013,178) | \$ (5,297,413) | \$ (5,681,911) | \$ (3,986,556) | \$ (5,455,176) |
| Business-type activities | 1,664,912 | 2,105,081 | 1,390,502 | 1,391,489 | 1,801,748 | 1,815,711 | 789,388 | 1,521,912 | 1,785,150 | (824,287) |
| Total Net (Expense)/Revenue | \$ (1,622,334) | \$ (1,855,569) | \$ (4,390,023) | \$ (2,548,118) | \$ (3,128,939) | \$ (197,467) | \$ (4,508,025) | \$ (4,159,999) | \$ (2,201,406) | \$ (6,279,463) |
| General Revenues and Transfers | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | \$ 2,930,383 | \$ 2,678,996 | \$ 2,784,247 | \$ 2,965,478 | \$ 3,046,132 | \$ 3,230,831 | \$ 3,385,338 | \$ 3,563,559 | \$ 3,668,544 | \$ 3,824,311 |
| Franchise taxes & other taxes | 768,863 | 1,301,961 | 527,434 | 1,149,316 | 1,028,691 | 1,144,253 | 1,115,569 | 1,260,683 | 1,155,215 | 1,432,086 |
| Transient lodging tax | - | 319,287 | 367,729 | 352,748 | 409,343 | 414,195 | 294,222 | 489,891 | 562,801 | 618,289 |
| Grants & contributions not restricted | - | - | - | (181,101) | - | - | - | - | - | - |
| Unrestricted investment earnings | 46,151 | 29,839 | 33,158 | 65,758 | 95,141 | 85,203 | 116,456 | 36,275 | 30,721 | 203,344 |
| Transfers in (out) | 427,475 | 362,221 | 393,249 | 129,500 | 238,800 | 559,600 | 294,475 | 550,889 | 618,040 | (682,360) |
| Total governmental activities | 4,172,872 | 4,692,304 | 4,105,817 | 4,481,699 | 4,818,107 | 5,434,082 | 5,206,060 | 5,901,297 | 6,035,321 | 5,395,670 |
| Business-type activities | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | - | 191,764 | - | - | - | - | - | - | - | - |
| Grants & contributions not restricted | - | - | - | 181,101 | - | - | - | - | - | 250,000 |
| Unrestricted investment earnings | 31,407 | 32,496 | 40,989 | 79,047 | 95,833 | 136,824 | 87,587 | 23,247 | 26,861 | 503,217 |
| Transfers in (out) | (427,475) | (362,221) | (393,249) | (129,500) | (238,800) | (559,600) | (294,475) | (550,889) | (618,040) | 682,360 |
| Total business-type activities | (396,068) | (137,961) | (352,260) | 130,648 | (142,967) | (422,776) | (206,888) | (527,642) | (591,179) | 1,435,577 |
| Total General Revenues and Transfers | \$ 3,776,804 | \$ 4,554,343 | \$ 3,753,557 | \$ 4,612,347 | \$ 4,675,140 | \$ 5,011,306 | \$ 4,999,172 | \$ 5,373,655 | \$ 5,444,142 | \$ 6,831,247 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 885,626 | \$ 731,654 | \$ (1,674,708) | \$ 542,092 | \$ (112,580) | \$ 3,420,904 | \$ (91,353) | \$ 219,386 | \$ 2,048,765 | \$ (59,506) |
| Business-type activities | 1,268,844 | 1,967,120 | 1,038,242 | 1,522,137 | 1,658,781 | 1,392,935 | 582,500 | 994,270 | 1,193,971 | 611,290 |
| Total Change in Net Position | \$ 2,154,470 | \$ 2,698,774 | \$(636,466) | \$ 2,064,229 | \$ 1,546,201 | \$ 4,813,839 | \$ 491,147 | \$ 1,213,656 | \$ 3,242,736 | \$ 551,784 |
| Net position - beginning | 32,510,561 | 34,665,031 | 36,392,601 | 35,756,132 | 38,148,291 | 39,974,657 | 44,924,509 | 45,415,656 | 46,629,312 | 49,957,945 |
| Prior period adjustments | - | (971,204) | (3) | 327,930 | 280,165 | 136,013 | - | - | 85,897 | 1,047,224 |
| Net position - ending | \$ 34,665,031 | \$ 36,392,601 | \$ 35,756,132 | \$ 38,148,291 | \$ 39,974,657 | \$ 44,924,509 | \$ 45,415,656 | \$ 46,629,312 | \$ 49,957,945 | \$ 51,556,953 |

Source: City of Florence Audited Financial Statements

Schedule 3
CITY OF FLORENCE, OREGON
GOVERNMENTAL FUND BALANCES
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 47,140 | \$ 53,383 | \$ 1,633,553 | \$ 66,842 | \$ 588,890 | \$ 91,642 | \$ 79,764 | \$ 10,627 | \$ - | \$ 173,978 |
| Committed | 280,000 | 280,000 | - | - | - | - | - | - | - | - |
| Unassigned | 2,151,094 | 1,751,988 | 1,834,013 | 1,787,273 | 3,376,255 | 2,018,179 | 1,628,141 | 2,537,487 | 3,097,136 | 3,305,984 |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | 276,177 | 10,839 | 10,609 | 3,238,131 | 3,487,440 | - | - | 250 | 24,750 | 38,612 |
| Restricted | 1,501,489 | 2,473,646 | 1,950,972 | 3,284,539 | 2,134,564 | 12,591,218 | 3,446,395 | 1,757,856 | 1,949,120 | 2,797,400 |
| Committed | 941,176 | - | - | - | - | - | - | - | - | - |
| Assignend | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | (1,386,206) | (3,227,292) | (3,987,440) | (6,990,048) | 80,640 | - | - | - |
| Total all other governmental funds | 2,718,842 | 2,484,485 | 575,375 | 3,295,378 | 1,634,564 | 5,601,170 | 3,527,035 | 1,758,106 | 1,973,870 | 2,836,012 |
| Total fund balances of governmental funds | \$5,197,076 | \$4,569,856 | \$4,042,941 | \$5,149,493 | \$5,599,709 | \$7,710,991 | \$5,234,940 | \$4,306,220 | \$5,071,006 | \$6,315,974 |



General Fund Unreserved/Unassigned Fund Balance and Annual Percentage Change
 Last Ten Fiscal Years

| Fiscal Year | Fund Balance | % Change |
|-------------|--------------|----------|
| 2013 | \$ 2,151,094 | - |
| 2014 | 1,751,988 | -18.55% |
| 2015 | 1,834,013 | 4.68% |
| 2016 | 1,787,273 | -2.55% |
| 2017 | 3,376,255 | 88.91% |
| 2018 | 2,018,179 | -40.22% |
| 2019 | 1,628,141 | -19.33% |
| 2020 | 2,537,487 | 55.85% |
| 2021 | 3,097,136 | 22.06% |
| 2022 | 3,305,984 | 6.74% |

Source: City of Florence Audited Financial Statements

Schedule 3

CITY OF FLORENCE, OREGON
CHANGES IN GOVERNMENTAL FUND BALANCES

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-------------------|---------------------|---------------------|---------------------|-------------------|---------------------|-----------------------|---------------------|-------------------|-------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 3,144,823 | \$ 2,992,196 | \$ 2,820,857 | \$ 3,273,753 | \$ 3,603,210 | \$ 3,843,449 | \$ 3,679,418 | \$ 4,045,669 | \$ 4,203,059 | \$ 4,315,053 |
| Franchise fees | 486,086 | 481,719 | 527,434 | 917,267 | 1,028,691 | 1,144,253 | 1,115,568 | 1,260,683 | 1,155,215 | 1,124,092 |
| Licenses and permits | 584,210 | 334,337 | 335,309 | 378,089 | 281,348 | 258,469 | 286,683 | 325,952 | 451,723 | 413,686 |
| Intergovernmental | 978,013 | 1,096,795 | 917,171 | 1,258,612 | 1,162,749 | 4,500,588 | 1,491,895 | 2,228,891 | 3,517,424 | 2,263,324 |
| Charges for services | 199,994 | 462,352 | 486,671 | 795,971 | 1,114,150 | 989,088 | 2,549,990 | 2,795,167 | 2,474,573 | 2,779,018 |
| Fines and forfeitures | 274,705 | 255,566 | 211,265 | 205,114 | 230,361 | 214,989 | 217,781 | 195,258 | 151,288 | 156,064 |
| Interest and miscellaneous | 278,619 | 637,525 | 612,910 | 1,504,933 | 293,589 | 327,579 | 244,267 | 326,231 | 314,220 | 476,252 |
| Total Revenues | 5,946,450 | 6,260,490 | 5,911,617 | 8,333,739 | 7,714,098 | 11,278,415 | 9,585,602 | 11,177,851 | 12,267,502 | 11,527,489 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Administration | 952,122 | 1,056,843 | 1,267,781 | 1,350,257 | 1,805,071 | 2,032,231 | 2,168,073 | 2,515,552 | 2,518,897 | 2,935,457 |
| Community development | 510,173 | 691,025 | 1,280,823 | 1,011,828 | 740,316 | 766,367 | 714,557 | 813,720 | 910,720 | 1,248,389 |
| Public safety | 2,576,863 | 2,700,386 | 2,822,637 | 2,859,704 | 2,747,979 | 2,692,751 | 3,254,706 | 3,515,083 | 3,446,071 | 3,610,648 |
| Parks | 120,870 | 129,575 | 120,873 | 124,600 | 127,986 | 166,124 | 257,778 | 254,317 | 304,542 | 352,913 |
| Transportation | 291,450 | 285,152 | 317,833 | 322,250 | 331,997 | 364,660 | 715,823 | 738,242 | 522,926 | 946,471 |
| Non-departmental | - | - | - | - | 401,979 | 361,130 | 121,232 | 141,168 | 679,832 | 148,539 |
| Capital outlay | 460,613 | 1,429,465 | 1,177,377 | 3,582,557 | 3,682,675 | 5,451,140 | 3,155,287 | 2,638,523 | 1,706,417 | 874,218 |
| Debt service | | | | | | | | | | |
| Principal | 702,913 | 747,872 | 2,803,679 | 513,153 | 700,803 | 698,817 | 944,218 | 942,303 | 969,039 | 691,413 |
| Interest | 230,266 | 209,613 | 341,164 | 314,122 | 358,876 | 432,963 | 474,192 | 485,235 | 463,126 | 361,413 |
| Total Expenditures | 5,845,270 | 7,249,931 | 10,132,167 | 10,078,471 | 10,897,682 | 12,966,183 | 11,805,866 | 12,044,143 | 11,521,570 | 11,169,461 |
| Excess (Deficiency) of Revenues over Expenditures | 101,180 | (989,441) | (4,220,550) | (1,744,732) | (3,183,584) | (1,687,768) | (2,220,264) | (866,292) | 745,932 | 358,028 |
| Other financing sources (uses) | | | | | | | | | | |
| Issuance of debt/loan proceeds | 250,000 | - | 2,382,679 | 2,617,321 | 3,395,000 | 3,239,450 | - | - | - | 640,700 |
| Transfers in | 1,322,806 | 1,363,804 | 2,052,894 | 3,244,500 | 1,565,500 | 1,944,300 | 2,223,800 | 2,043,573 | 1,703,949 | 2,056,585 |
| Transfers out | (895,331) | (1,001,583) | (741,935) | (3,115,000) | (1,326,700) | (1,384,700) | (2,479,587) | (2,106,001) | (1,791,974) | (2,738,945) |
| Total other financing sources (uses) | 677,475 | 362,221 | 3,693,638 | 2,746,821 | 3,633,800 | 3,799,050 | (255,787) | (62,428) | (88,025) | (41,660) |
| Net change in fund balance | \$ 778,655 | \$ (627,220) | \$ (526,912) | \$ 1,002,089 | \$ 450,216 | \$ 2,111,282 | \$ (2,476,051) | \$ (928,720) | \$ 657,907 | \$ 316,368 |
| Debt service as a percentage of noncapital expenditures | 17.2% | 16.4% | 35.0% | 12.4% | 14.7% | 14.9% | 16.2% | 14.8% | 14.6% | 10.2% |

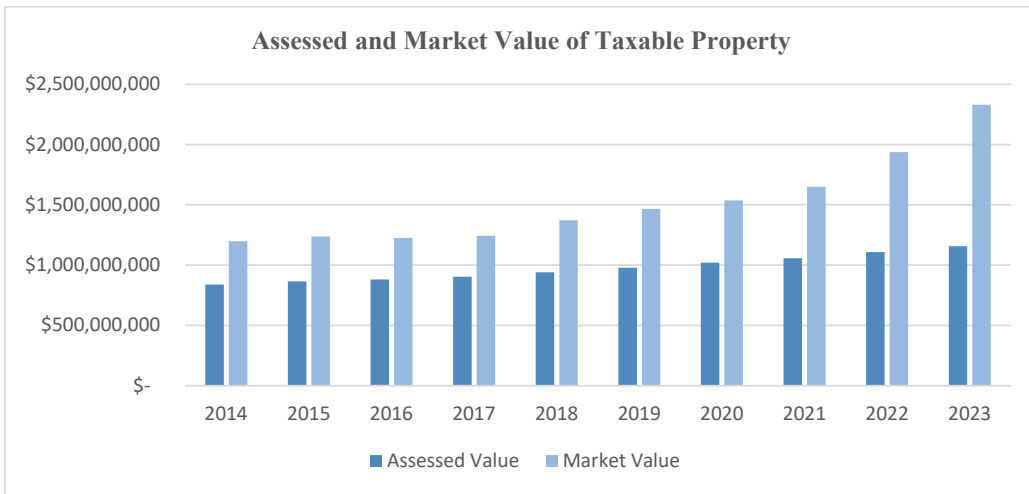
Source: City of Florence Audited Financial Statements

CITY OF FLORENCE, OREGON

ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Taxable Assessed Value | Direct Tax Rate Per \$1,000 of Assessed Value | Urban Renewal District Assessed Value | Total Assessed Value | Estimated Market Value | Assessed Value as a % of Market Value |
|----------------------------|------------------------|---|---------------------------------------|----------------------|------------------------|---------------------------------------|
| 2014 | \$ 813,163,226 | \$ 3.5393 | \$ 24,385,105 | \$ 837,548,331 | \$ 1,197,822,022 | 69.92% |
| 2015 | 838,040,607 | 3.4406 | 26,557,328 | 864,597,935 | 1,238,117,316 | 69.83% |
| 2016 | 852,775,333 | 3.3252 | 28,220,985 | 880,996,318 | 1,226,269,574 | 71.84% |
| 2017 | 871,894,882 | 3.3505 | 31,068,716 | 902,963,598 | 1,242,714,606 | 72.66% |
| 2018 | 902,212,696 | 3.3943 | 37,714,565 | 939,927,261 | 1,371,856,710 | 68.51% |
| 2019 | 933,720,234 | 3.4324 | 44,215,774 | 977,936,008 | 1,465,722,838 | 66.72% |
| 2020 | 971,062,765 | 3.4300 | 48,395,956 | 1,019,458,721 | 1,536,830,998 | 66.34% |
| 2021 | 1,006,642,419 | 3.4279 | 50,620,781 | 1,057,263,200 | 1,649,048,531 | 64.11% |
| 2022 | 1,052,827,325 | 3.4004 | 55,354,336 | 1,108,181,661 | 1,936,882,815 | 57.21% |
| 2023 | 1,088,472,785 | 3.3705 | 68,826,226 | 1,157,299,011 | 2,330,086,864 | 49.67% |



Source: Lane County Tax Reports

Schedule 6

CITY OF FLORENCE, OREGON

DIRECT AND OVERLAPPING TAX RATES¹

Last Ten Fiscal Years

| Fiscal Year Ended June 30, | City of Florence Direct Rates | | | | Total Direct Rate | Overlapping Rates | | | | | | | | Total Direct & Overlapping Rates |
|----------------------------------|-------------------------------|--|-------------------------------------|------------------------------|-------------------------|------------------------------|-------------|-----------------------------------|----------------|--------------------|------------------------------|------------------------------------|------------------------------|---|
| | City of Florence | General Obligation Debt Service | Total Before Urban Renewal | Florence Urban Renewal | | Lane Community College | Lane ESD | Siuslaw School District 97J | Lane County | Port of Siuslaw | Siuslaw Public Library | Siuslaw Valley Fire & Rescue | Western Lane Ambulance | |
| 2014 | \$ 2.7778 | \$ 0.4060 | \$ 3.1838 | \$ 0.3555 | \$ 3.5393 | \$ 0.8466 | \$ 0.2168 | \$ 5.3873 | \$ 1.8973 | \$ 0.1432 | \$ 0.5013 | \$ 0.9111 | \$ 0.7605 | \$ 14.2034 |
| 2015 | 2.7732 | 0.2898 | 3.0630 | 0.3776 | 3.4406 | 0.8426 | 0.2164 | 5.3837 | 1.8921 | 0.1429 | 0.5005 | 1.1034 | 0.7600 | 14.2822 |
| 2016 | 2.7694 | 0.1692 | 2.9386 | 0.3866 | 3.3252 | 0.8000 | 0.2161 | 5.3808 | 1.7884 | 0.1427 | 0.4998 | 1.1019 | 0.7596 | 14.0145 |
| 2017 | 2.7626 | 0.1720 | 2.9346 | 0.4159 | 3.3505 | 0.8206 | 0.2156 | 5.3859 | 1.6303 | 0.1424 | 0.4986 | 1.0994 | 0.7588 | 13.9021 |
| 2018 | 2.7463 | 0.1633 | 2.9096 | 0.4847 | 3.3943 | 0.8216 | 0.2143 | 5.3527 | 1.6230 | 0.1415 | 0.4956 | 1.0926 | 0.7570 | 13.8926 |
| 2019 | 2.7317 | 0.1569 | 2.8886 | 0.5438 | 3.4324 | 0.8170 | 0.2132 | 5.2949 | 1.7515 | 0.1408 | 0.4930 | 1.0872 | 0.7554 | 13.9854 |
| 2020 | 2.7252 | 0.1553 | 2.8805 | 0.5495 | 3.4300 | 0.8117 | 0.2127 | 4.4581 | 1.7836 | 0.1405 | 0.4918 | 1.4674 | 0.7547 | 13.5505 |
| 2021 | 2.7241 | 0.1497 | 2.8738 | 0.5541 | 3.4279 | 0.9332 | 0.2126 | 4.4565 | 1.7831 | 0.1404 | 0.4916 | 1.4667 | 0.7545 | 13.6665 |
| 2022 | 2.7181 | 0.1065 | 2.8246 | 0.5758 | 3.4004 | 0.9245 | 0.2121 | 4.4484 | 1.7934 | 0.1401 | 0.4906 | 1.4635 | 0.7539 | 13.6269 |
| 2023 | 2.6909 | - | 2.6909 | 0.6796 | 3.3705 | 0.9113 | 0.2100 | 4.4113 | 1.7813 | 0.1387 | 0.4856 | 1.4481 | 0.3008 | 13.0576 |

¹ Per \$1,000 of assessed value

Source: Lane County Tax Code Area Report

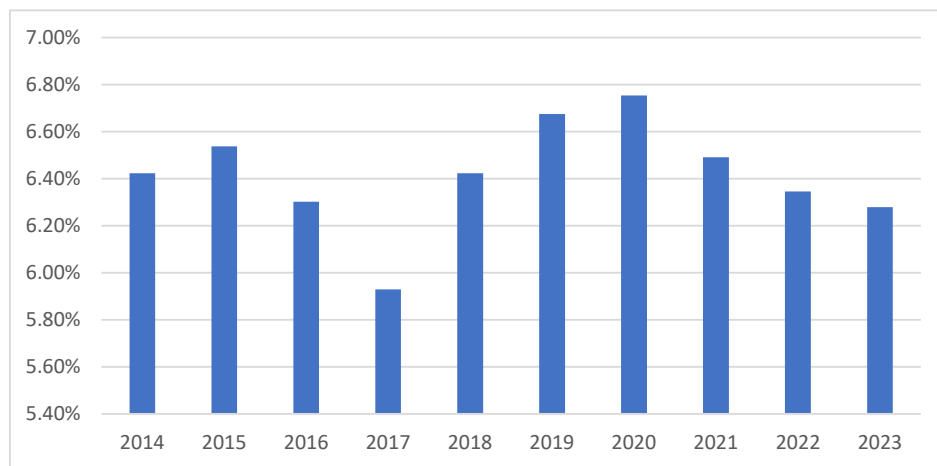
**CITY OF FLORENCE, OREGON
PRINCIPAL PROPERTY TAX PAYERS**

Fiscal Years 2013-14¹ and 2022-23

| Taxpayer | 2022-23 Taxable Assessed Value | Rank | % of Total Taxable Assessed Value | 2013-14 Taxable Assessed Value | Rank | % of Total Taxable Assessed Value |
|--|---|------|--|---|------|--|
| Charter Communications | \$ 11,625,000 | 1 | 1.07% | \$ 5,951,500 | 4 | 0.73% |
| Fred Meyer Stores, INC | 10,286,271 | 2 | 0.95% | 7,883,573 | 1 | 0.97% |
| Central Lincoln PUD | 10,397,000 | 3 | 0.96% | 6,668,000 | 3 | 0.82% |
| Spruce Partners, LLC | 8,651,831 | 4 | 0.79% | 6,937,550 | 2 | 0.85% |
| AIC Real Estate SPE 126, LLC | 6,362,285 | 5 | 0.58% | | | |
| APIC Florence Holdings, LLC | 5,561,214 | 6 | 0.51% | | | |
| Oregon Pacific Banking Co. | 5,073,116 | 7 | 0.47% | 4,209,697 | 8 | 0.52% |
| Lumen Technologies | 3,876,000 | 8 | 0.36% | | | |
| Matias Edwin M & Lamport Inna | 3,266,088 | 9 | 0.30% | | | |
| Van Devender Kenneth J | 3,242,100 | 10 | 0.30% | | | |
| Columbia State Bank | | | | 4,976,338 | 5 | 0.61% |
| On Par Properties, LLC | | | | 4,971,054 | 6 | 0.61% |
| Safeway, Inc. Store #363 | | | | 4,434,469 | 7 | 0.55% |
| Cuddeback C0 | | | | 3,197,184 | 9 | 0.39% |
| Hanson Robert J | | | | 3,006,500 | 10 | 0.37% |
| | <u>\$ 68,340,905</u> | | <u>6.28%</u> | <u>\$ 52,235,865</u> | | <u>6.42%</u> |
| Total taxable assessed value, all properties | <u>\$ 1,088,472,785</u> | | | <u>\$ 813,163,226</u> | | |

Percentage of Total Assessed Value for Top Ten Taxpayers

Last Ten Fiscal Years



¹Earliest available information

Source: Lane County Tax Assessor

CITY OF FLORENCE, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Tax Levy as Extended by Assessor ¹ | Collected First Year of Levy | Percent Collected | Collected in Subsequent Years | Total Collections to Date | Percentage of Levy as Extended |
|-------------------------------|--|---------------------------------|-------------------|----------------------------------|------------------------------|-----------------------------------|
| 2014 | \$ 2,661,466 | \$ 2,514,092 | 94.46% | \$ 91,866 | \$ 2,605,958 | 97.91% |
| 2015 | 2,639,277 | 2,498,478 | 94.67% | 61,353 | 2,559,831 | 96.99% |
| 2016 | 2,572,312 | 2,435,544 | 94.68% | 59,934 | 2,495,478 | 97.01% |
| 2017 | 2,644,551 | 2,507,373 | 94.81% | 58,528 | 2,565,901 | 97.03% |
| 2018 | 2,721,388 | 2,602,813 | 95.64% | 48,123 | 2,650,935 | 97.41% |
| 2019 | 2,816,794 | 2,692,823 | 95.60% | 46,211 | 2,739,034 | 97.24% |
| 2020 | 2,929,252 | 2,795,131 | 95.42% | 35,682 | 2,830,813 | 96.64% |
| 2021 | 3,941,555 | 3,770,221 | 95.65% | 43,084 | 3,813,305 | 96.75% |
| 2022 | 3,131,507 | 2,991,485 | 95.53% | 25,773 | 3,017,259 | 96.35% |
| 2023 | 3,128,387 | 2,999,342 | 95.88% | - | 2,999,342 | 95.88% |

¹The City has chosen to calculate the property tax collection rate based on the gross amount of the levy as extended by the Lane County Assessor. The resulting rate is a lower percentage, but for comparative purposes it can be applied to future years' levies without having to estimate discounts and adjustments. This method of calculating the collection rate is the same one used for the budget.

There are three ways in which property tax revenue can be adversely affected by a slow-down in the economy: 1) market value falls below assessed value; 2) assessed value falls; and 3) the rate of tax collection falls. Because of the healthy gap between market values and assessed values, there would be a lag time before a downturn would directly affect the market value limit on assessed value. The possibility of assessed values falling drastically quickly is remote. It is more likely that the rate of assessed value growth will slow. Lower collection rates would have a more immediate effect. A one percentage point drop in collection rates would translate into a \$250,000 reduction in current tax revenues. The City did not realize any reduction in the collection rate for the 2020-21 fiscal year, but the 2020-21 fiscal year dropped .96%. The City will monitor the collection rate going forward to gauge its effect on future revenue.

Source: Lane County Tax Assessor

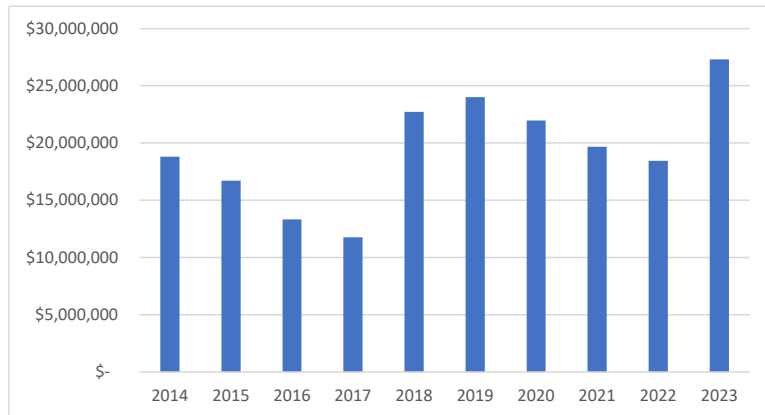
Schedule 9

CITY OF FLORENCE, OREGON
SCHEDULE OF DEBT PER CAPITA

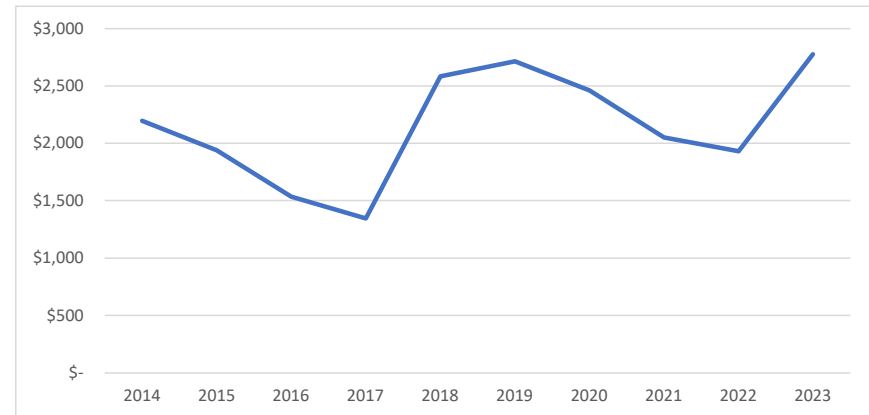
Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Governmental Activities | | | | | | Business-Type Activities | | | | Total Outstanding Debt | % of Personal Income | Debt per Capita |
|----------------------------|--------------------------|-----------------------------|-------------------------------|---------------|---------------------|---------|-----------------------------|---------------|---------------------|--------|------------------------|----------------------|-----------------|
| | General Obligation Bonds | Full Faith and Credit Bonds | Limited Tax Improvement Bonds | Notes Payable | Unamortized Premium | Leases | Full Faith and Credit Bonds | Notes Payable | Unamortized Premium | Leases | | | |
| 2014 | \$ 304,762 | \$ 806,537 | \$ 1,340,000 | \$ 2,428,324 | \$ - | \$ - | \$ 8,102,744 | \$ 5,823,540 | \$ - | \$ - | \$ 18,805,907 | 137.32% | \$ 2,196 |
| 2015 | - | 985,963 | 1,295,000 | 2,071,054 | - | - | 7,046,114 | 5,309,110 | - | - | 16,707,241 | 113.91% | 1,938 |
| 2016 | 984,566 | 938,821 | 1,250,000 | 261,470 | - | - | 4,985,238 | 4,899,367 | - | - | 13,319,462 | 86.81% | 1,535 |
| 2017 | 820,472 | 890,634 | 1,200,000 | 139,599 | - | - | 4,200,741 | 4,501,855 | - | - | 11,753,301 | 72.22% | 1,344 |
| 2018 | 656,378 | 840,854 | 1,150,000 | 7,966,837 | - | - | 3,404,415 | 8,702,528 | - | - | 22,721,012 | 133.42% | 2,583 |
| 2019 | 492,284 | 793,390 | 1,095,000 | 10,832,895 | - | - | 2,579,598 | 8,216,880 | - | - | 24,010,047 | 136.74% | 2,713 |
| 2020 | 328,190 | 741,441 | 1,035,000 | 10,295,722 | 14,960 | - | 1,738,753 | 7,752,687 | 51,234 | - | 21,957,987 | 115.63% | 2,460 |
| 2021 | 164,094 | 672,857 | 970,000 | 9,772,370 | 13,871 | - | 862,143 | 7,197,925 | 23,589 | - | 19,676,849 | 93.12% | 2,050 |
| 2022 | - | 618,061 | 900,000 | 9,232,520 | 12,484 | 132,059 | 791,939 | 6,734,054 | 16,465 | 8,554 | 18,446,136 | 85.86% | 1,929 |
| 2023 | - | 558,877 | 825,000 | 9,315,991 | 11,527 | 88,234 | 716,122 | 15,757,186 | 14,949 | 5,722 | 27,293,608 | n/a | 2,776 |

Total Outstanding Debt (Governmental and Business-Type)
 Last Ten Fiscal Years



Debt per Capita (Governmental and Business-Type)
 Last Ten Fiscal Years



Sources:

City of Florence Audited Financial Statements

CITY OF FLORENCE, OREGON

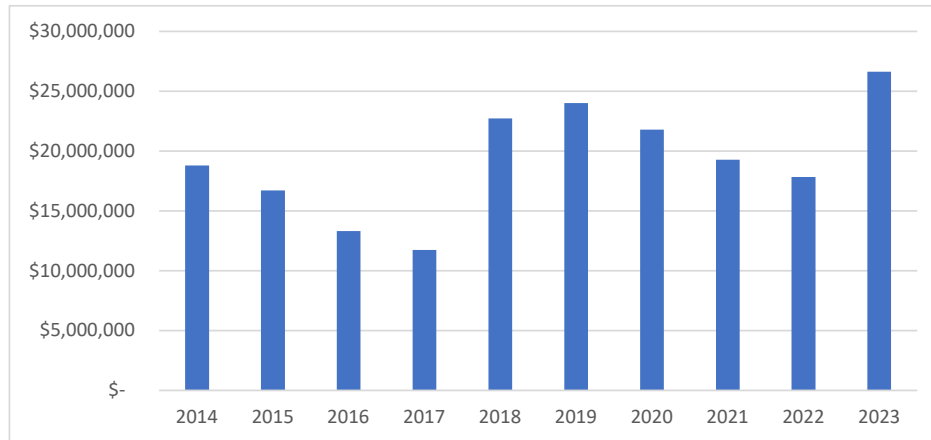
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE

Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Population | Assessed Value | General Obligation Bonds | Unamortized Premium | General Revenue Obligations | Less: Amounts Available in Debt Service Funds | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt Per Capita | Net Bonded Debt as a Percent of Personal Income |
|----------------------------|------------|----------------|--------------------------|---------------------|-----------------------------|---|-----------------|--|----------------------------|---|
| 2014 | 8,565 | \$ 813,163,226 | \$ 304,762 | \$ - | \$ 18,501,145 | \$ - | \$ 18,805,907 | 2.31% | \$ 2,195.67 | 137.32% |
| 2015 | 8,620 | 838,040,607 | - | - | 16,707,241 | - | 16,707,241 | 1.99% | 1,938.20 | 113.91% |
| 2016 | 8,680 | 852,775,333 | 984,566 | - | 12,334,896 | - | 13,319,462 | 1.56% | 1,534.50 | 86.81% |
| 2017 | 8,745 | 871,894,882 | 820,472 | - | 10,932,829 | - | 11,753,301 | 1.35% | 1,344.00 | 72.22% |
| 2018 | 8,795 | 902,212,696 | 656,378 | - | 22,064,634 | - | 22,721,012 | 2.52% | 2,583.40 | 133.42% |
| 2019 | 8,850 | 933,720,234 | 492,284 | - | 23,517,763 | - | 24,010,047 | 2.57% | 2,713.00 | 136.74% |
| 2020 | 8,925 | 971,062,765 | 328,190 | 66,194 | 21,563,603 | 167,661 | 21,790,326 | 2.24% | 2,441.49 | 114.75% |
| 2021 | 9,600 | 1,006,642,419 | 164,094 | 37,460 | 19,475,295 | 382,548 | 19,294,301 | 1.92% | 2,009.82 | 91.31% |
| 2022 | 9,561 | 1,052,827,325 | - | 28,949 | 18,276,574 | 456,997 | 17,848,526 | 1.70% | 1,866.81 | 83.08% |
| 2023 | 9,832 | 1,088,472,785 | - | 26,476 | 27,173,176 | 574,909 | 26,624,743 | 2.45% | 2,707.97 | n/a |

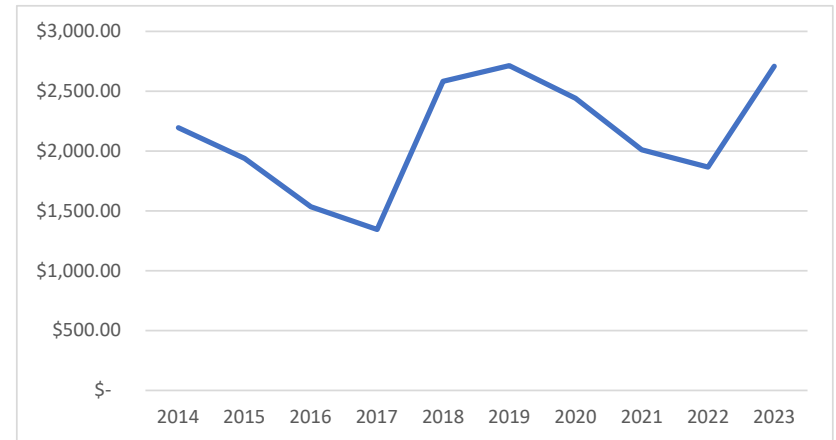
Net General Bonded Debt

Last Ten Fiscal Years



Net General Bonded Debt Per Capita

Last Ten Fiscal Years



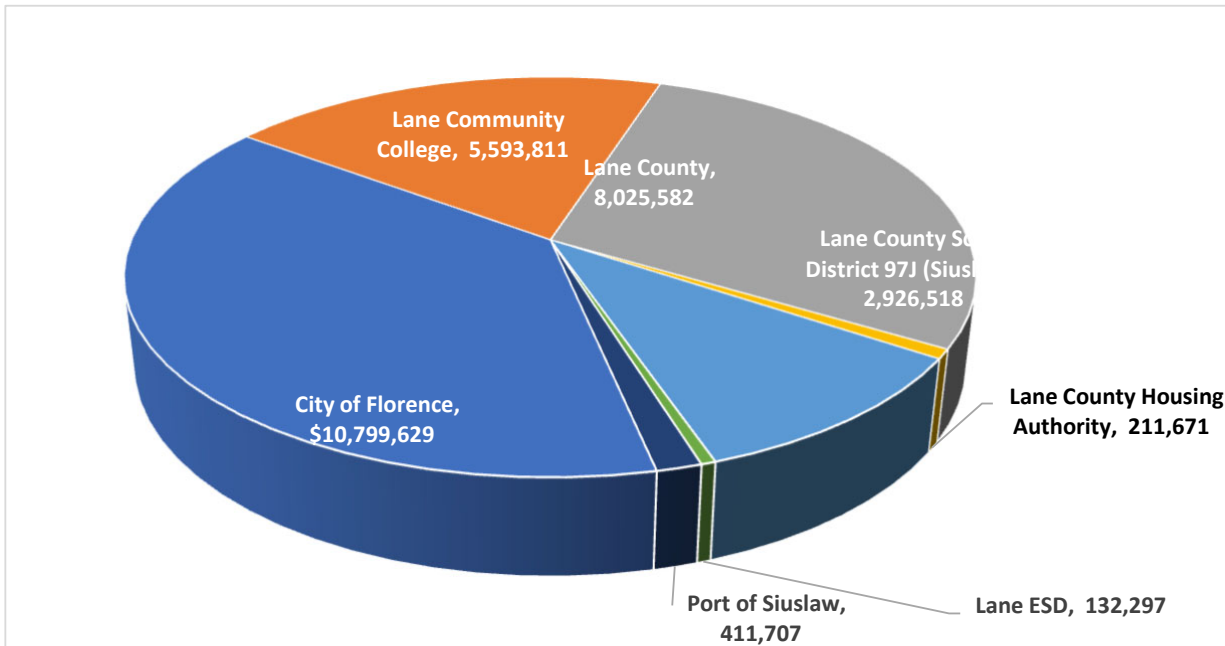
CITY OF FLORENCE, OREGON

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2023

| Jurisdiction | Net Outstanding Debt | Percentage Applicable to the City of Florence ¹ | Amount Applicable to the City of Florence |
|---|----------------------|--|---|
| DIRECT DEBT | | | |
| City of Florence | \$ 10,799,629 | 100.00% | \$ 10,799,629 |
| OVERLAPPING DEBT | | | |
| Lane Community College | 209,970,000 | 2.66% | 5,593,811 |
| Lane County | 296,540,863 | 2.71% | 8,025,582 |
| Lane County Housing Authority | 7,821,113 | 2.71% | 211,671 |
| Lane County School District 97J (Siuslaw) | 5,720,000 | 51.16% | 2,926,518 |
| Lane ESD | 4,876,958 | 2.71% | 132,297 |
| Port of Siuslaw | 943,039 | 43.66% | 411,707 |
| Total overlapping debt | 525,871,973 | | 17,301,586 |
| Total direct and overlapping debt | \$ 536,671,602 | | \$ 28,101,215 |

Direct and Overlapping Debt Applicable to the City of Florence



Source: State of Oregon, Treasury Department

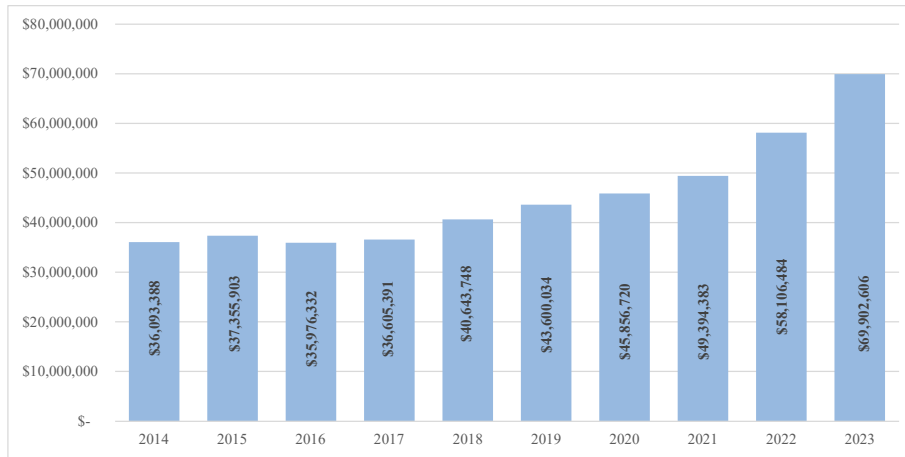
¹The overlapping debt percentage is determined by the percent of real market value the City shares with other issuers. This data is provided to the Treasury Department annually by the Oregon Department of Revenue.

**CITY OF FLORENCE, OREGON
COMPUTATION OF LEGAL DEBT MARGIN**

Last Ten Fiscal Years

| | Fiscal Years | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Debt limitation | \$ 35,934,661 | \$ 37,143,519 | \$ 36,788,087 | \$ 37,281,438 | \$ 41,155,701 | \$ 43,971,685 | \$ 46,104,930 | \$ 49,471,456 | \$ 58,106,484 | \$ 69,902,606 |
| Total net debt applicable to limitation | (158,727) | (212,384) | 811,755 | 676,047 | 511,953 | 371,651 | 248,210 | 77,073 | - | - |
| Legal debt margin | \$ 36,093,388 | \$ 37,355,903 | \$ 35,976,332 | \$ 36,605,391 | \$ 40,643,748 | \$ 43,600,034 | \$ 45,856,720 | \$ 49,394,383 | \$ 58,106,484 | \$ 69,902,606 |
| Ratio of net debt applicable to the debt limitation | -0.44% | -0.57% | 2.21% | 1.81% | 1.24% | 0.85% | 0.54% | 0.16% | 0.00% | 0.00% |

Legal Debt Margin
Last Ten Fiscal Years



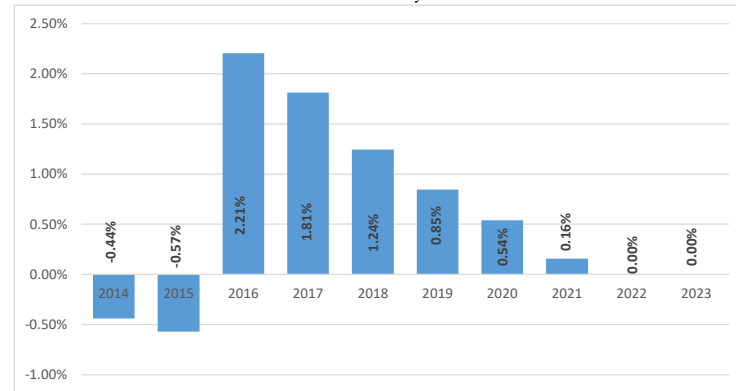
The state-mandated legal debt margin for general obligation debt is three percent of true cash value (market value). The legal debt margin is a direct function of the true cash value of properties in the City and the City's net general obligation debt. The City's legal debt margin has increased by 34.7 percent (\$22,678,053) over the last ten years. During that same period, the City's true cash value increased 30.1 percent (\$381,937,383) and the City's general obligation debt decreased

Sources: Lane County Assessor and Notes to the Basic Financial Statements

Legal debt margin calculation for Fiscal Year

| | |
|---|------------------|
| Real market value of Taxable Property | \$ 2,330,086,864 |
| General obligation debt limit - 3% of real market value | 3% |
| General obligation debt limit | 69,902,606 |
| Gross general obligation bonded debt principal | |
| Wastewater bonds | \$ - |
| Less: Debt service funds available | |
| Wastewater bonds | - |
| Net debt subject to three percent limitation | - |
| Legal debt margin | \$ 69,902,606 |

Ratio of the Net Debt Applicable to the Debt Limitation
Last ten fiscal years



CITY OF FLORENCE, OREGON
PLEGGED REVENUE COVERAGE

Last Ten Fiscal Years

Wastewater Revenue Debt (Coverage requirement equals 105%)

| Fiscal Year Ended June 30, | Operating Revenues | Less: | | Net Available Resources | Debt Service | | | Coverage Percentage |
|----------------------------------|-----------------------|-----------------------|--------------|-------------------------------|--------------|------------|--------------|------------------------|
| | | Operating Expenses | Depreciation | | Principal | Interest | Total | |
| 2014 | \$ 2,906,147 | \$ 1,537,203 | \$ 812,421 | \$ 2,181,365 | \$ 917,783 | \$ 201,818 | \$ 1,119,601 | 194.8% |
| 2015 | 3,006,947 | 1,569,768 | 810,145 | 2,247,324 | 932,280 | 197,047 | 1,129,327 | 199.0% |
| 2016 | 3,138,562 | 2,012,846 | 806,631 | 1,932,347 | 965,366 | 199,230 | 1,164,596 | 165.9% |
| 2017 | 3,114,118 | 1,822,760 | 837,373 | 2,128,731 | 984,413 | 178,056 | 1,162,469 | 183.1% |
| 2018 | 3,472,585 | 1,896,308 | 862,691 | 2,438,968 | 998,983 | 156,374 | 1,155,357 | 211.1% |
| 2019 | 3,260,296 | 2,125,681 | 957,735 | 2,092,350 | 1,013,308 | 132,340 | 1,145,648 | 182.6% |
| 2020 | 3,370,136 | 2,948,543 | 980,534 | 1,402,127 | 1,037,144 | 107,599 | 1,144,743 | 122.5% |
| 2021 | 3,352,281 | 2,784,746 | 1,005,643 | 1,573,178 | 1,051,759 | 69,365 | 1,121,124 | 140.3% |
| 2022 | 3,510,384 | 3,395,037 | 1,043,365 | 1,158,712 | 283,880 | 38,851 | 322,731 | 359.0% |
| 2023 | 3,708,293 | 3,435,628 | 1,038,659 | 1,311,324 | 285,904 | 61,481 | 347,385 | 377.5% |

**CITY OF FLORENCE, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS**

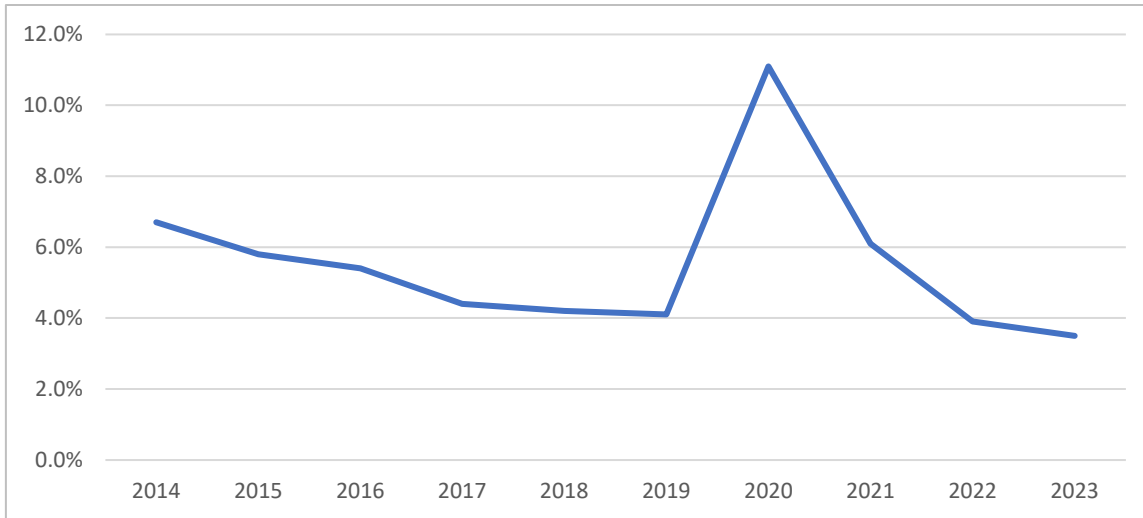
Last Ten Fiscal Years

| Fiscal Year Ended June 30, | City of Florence Population ¹ | Lane County ² | | Per Capita Personal Income | Florence School Enrollment ³ | Unemployment Rate Lane County ⁴ |
|-------------------------------|---|--------------------------|--------------------------------|-------------------------------|--|---|
| | | Population | Personal Income (thousands) | | | |
| 2014 | 8,565 | 358,273 | \$ 13,695,183 | \$ 38,226 | n/a | 6.7% |
| 2015 | 8,620 | 362,257 | 14,666,799 | 40,487 | n/a | 5.8% |
| 2016 | 8,680 | 369,201 | 15,343,064 | 41,557 | n/a | 5.4% |
| 2017 | 8,745 | 375,689 | 16,273,772 | 43,317 | n/a | 4.4% |
| 2018 | 8,795 | 378,807 | 17,030,077 | 44,957 | 1,370 | 4.2% |
| 2019 | 8,850 | 382,064 | 17,559,531 | 45,960 | 1,303 | 4.1% |
| 2020 | 8,925 | 382,986 | 18,989,468 | 49,583 | 1,356 | 11.1% |
| 2021 | 9,600 | 383,958 | 21,131,525 | 55,146 | 1,252 | 6.1% |
| 2022 | 9,561 | 382,302 | 21,483,599 | 56,188 | 1,180 | 3.9% |
| 2023 | 9,832 | 384,374 | n/a | n/a | 1,211 | 3.5% |

The population of Florence increased 1,267 (14.79%) from 2014 to 2023.

* 2023 Population Estimate

Unemployment Rates, Lane County
Last Ten Years



Sources:

¹Portland State University, Population Research and Census Center

²U.S. Department of Commerce, Bureau of Economic Analysis (Data for Lane County)

³Siuslaw School District 97J

⁴State of Oregon Employment Department

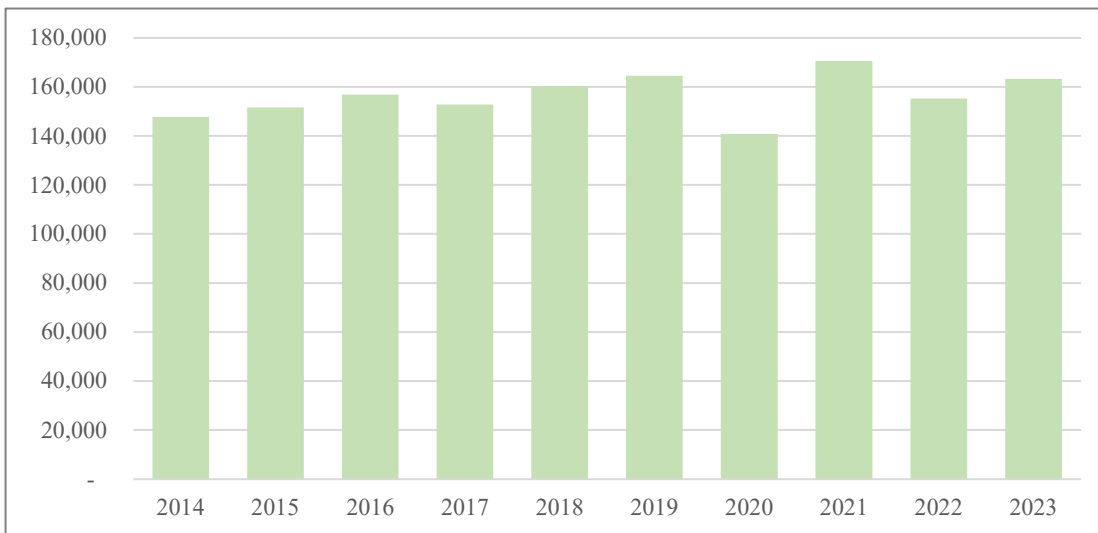
CITY OF FLORENCE, OREGON
FLORENCE AREA PRINCIPAL EMPLOYERS

Fiscal year 2023

| Employer | Number of Employees | Rank | Percent of Total Employment |
|---|---------------------|------|-----------------------------|
| Peace Harbor Medical Center | 484 | 1 | 0.30% |
| Siuslaw School District, 97J | 127 | 2 | 0.08% |
| City of Florence | 68 | 3 | 0.04% |
| Total | 679 | | 0.42% |
| Total Employment Lane County ¹ | 163,200 | | |

¹As of April 2023

Employment, Lane County
 Last ten years



Sources:

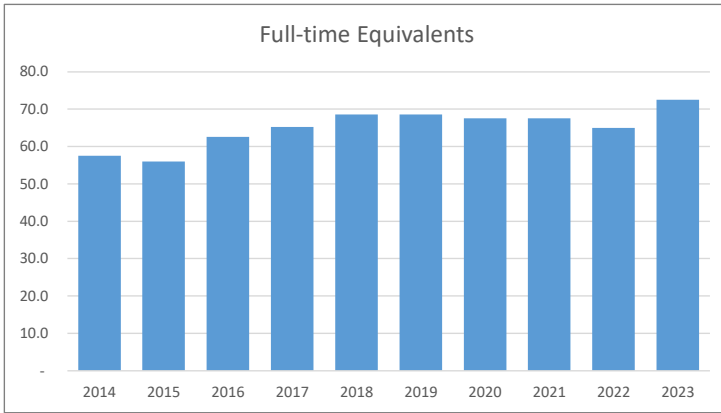
- Oregon Department of Education
- Oregon Employment Department
- Employers

CITY OF FLORENCE, OREGON
EMPLOYEE FULL-TIME EQUIVALENTS BY FUNCTION

Last Ten Fiscal Years

| Function | Fiscal Years | | | | | | | | | |
|---|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Administration | 7.5 | 7.5 | 11.6 | 5.5 | 5.6 | 5.6 | 4.0 | 4.0 | 4.0 | 6.0 |
| Administrative Services | - | - | - | 7.0 | 7.0 | 7.0 | 7.5 | 7.5 | 7.0 | 6.5 |
| Community Development | 3.5 | 4.0 | 5.0 | 4.0 | 6.0 | 6.0 | 6.0 | 6.0 | 5.0 | 5.0 |
| Municipal Court | 2.5 | 2.0 | - | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Public Safety | 23.0 | 22.5 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 24.0 | 26.0 |
| Parks | 1.0 | 1.0 | 1.0 | 0.7 | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 2.0 |
| Transportation | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Total Governmental Activities | 38.5 | 38.0 | 43.6 | 45.2 | 47.6 | 47.6 | 46.5 | 46.5 | 45.0 | 48.5 |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | | |
| Enterprise | | | | | | | | | | |
| Water | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 6.0 | 5.0 |
| Wastewater | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.5 |
| Stormwater | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 |
| Events Center | 3.0 | 3.0 | 4.0 | 4.0 | 4.0 | 4.0 | 3.0 | 3.0 | 3.0 | 2.0 |
| Total Enterprise | 14.0 | 14.0 | 15.0 | 15.0 | 16.0 | 16.0 | 15.0 | 15.0 | 16.0 | 15.5 |
| Internal Service | | | | | | | | | | |
| Public Works Administration | 5.0 | 4.0 | 4.0 | 5.0 | 5.0 | 5.0 | 6.0 | 6.0 | 4.0 | 8.5 |
| Total Internal Services | 5.0 | 4.0 | 4.0 | 5.0 | 5.0 | 5.0 | 6.0 | 6.0 | 4.0 | 8.5 |
| Total Business-type Activities | 19.0 | 18.0 | 19.0 | 20.0 | 21.0 | 21.0 | 21.0 | 21.0 | 20.0 | 24.0 |
| Total City-wide Full-time Equivalent | 57.5 | 56.0 | 62.6 | 65.2 | 68.6 | 68.6 | 67.5 | 67.5 | 65.0 | 72.5 |

Total Full-time Equivalents
 Last Ten Fiscal Years



| Fiscal Year Ended June 30, | Total FTE | Annual Percentage Change | Total Percentage Change From 2011 |
|----------------------------|-----------|--------------------------|-----------------------------------|
| 2014 | 57.5 | - | - |
| 2015 | 56.0 | -2.61% | -2.6% |
| 2016 | 62.6 | 11.79% | 8.9% |
| 2017 | 65.2 | 4.15% | 13.4% |
| 2018 | 68.6 | 5.21% | 19.3% |
| 2019 | 68.6 | 0.00% | 19.3% |
| 2020 | 67.5 | -1.60% | 17.4% |
| 2021 | 67.5 | 0.00% | 17.4% |
| 2022 | 65.0 | -3.70% | 13.0% |
| 2023 | 72.5 | 11.54% | 26.1% |

Source: City of Florence Adopted Budget

CITY OF FLORENCE, OREGON
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

| Function | Fiscal Years | | | | | | | | | |
|---|--------------|-------|------------|------------|------------|------------|------------|----------|-----------|------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Administration | | | | | | | | | | |
| Ordinances adopted | 12 | n/a | n/a | 18 | 12 | 15 | 8 | 11 | 18 | 10 |
| Public records requests | 12 | n/a | n/a | 26 | 41 | 39 | 24 | 20 | 294 | 145 |
| Total website sessions | 107,632 | n/a | n/a | 95,121 | 98,249 | 105,665 | 113,117 | 125,000 | 141,020 | 27,000 |
| Administrative Services | | | | | | | | | | |
| GFOA Budget Award | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Recruitments | 15 | n/a | 10 | 13 | 12 | 5 | 8 | 8 | 20 | 15 |
| Number of utility customers | n/a | n/a | n/a | 4,525 | 4,385 | 4,741 | 4,255 | 3,845 | 3,840 | 4,271 |
| Community Development | | | | | | | | | | |
| Type 1 applications processed | n/a | n/a | n/a | 28 | 58 | 54 | 33 | 17 | 27 | 33 |
| Type 2 administrative reviews | n/a | n/a | n/a | 24 | 14 | 13 | 12 | 10 | 23 | 12 |
| Type 3 quasi-judicial applications | n/a | n/a | n/a | 36 | 32 | 34 | 30 | 24 | 40 | 24 |
| Dwelling building permits | n/a | n/a | n/a | 41 | 44 | 49 | 46 | 50 | 31 | 48 |
| Commercial building permits | n/a | n/a | n/a | - | 3 | 5 | 3 | 7 | 53 | 5 |
| Dog complaints filed | n/a | n/a | n/a | 149 | 135 | 126 | 95 | 130 | 77 | 150 |
| Nuisance complaints processed | n/a | n/a | n/a | 58 | 52 | 71 | 75 | 69 | 100 | 71 |
| Municipal Court | | | | | | | | | | |
| Total cases filed | 2,098 | n/a | 2,055 | 1,875 | 2,052 | 1,772 | 1,569 | 1,250 | 1,063 | 2,635 |
| Misdemeanor cases | 541 | n/a | 660 | 612 | 585 | 509 | 480 | 500 | 403 | 1,293 |
| Violations | 1,557 | n/a | 1,395 | 1,263 | 1,467 | 1,263 | 1,089 | 800 | 660 | 1,343 |
| Public Safety | | | | | | | | | | |
| Traffic citations | 1,650 | 1,484 | 1,266 | 1,343 | 1,420 | 1,356 | 655 | 689 | 639 | 1,401 |
| Arrests | 690 | 599 | 752 | 841 | 929 | 958 | 709 | 746 | 684 | 603 |
| DUII arrests | n/a | n/a | n/a | 39 | 53 | 61 | 43 | 52 | 41 | 40 |
| Total inmates | 539 | 490 | 405 | 436 | 540 | 500 | 369 | 376 | 381 | 434 |
| Parks | | | | | | | | | | |
| Developed park acres | n/a | n/a | 54.23 | 54.23 | 54.23 | 57.57 | 57.57 | 59.00 | 59.00 | 57.57 |
| Acres of mowed turf | n/a | n/a | 12.70 | 12.70 | 12.70 | 12.70 | 12.70 | 12.70 | 12.70 | 12.70 |
| Transportation | | | | | | | | | | |
| City-wide average PCI rating | 71 | 71 | 71 | 72 | 73 | 74 | 73 | 72 | 70 | 74 |
| Lane miles chip/fog sealed | n/a | n/a | n/a | 1.72 | 1.30 | 2.20 | 2.06 | 3.16 | 1.30 | 1.90 |
| Signs inspected/cleaned/replaced | n/a | n/a | n/a | 445 | 445 | 445 | 445 | 450 | 445 | 500 |
| Airport | | | | | | | | | | |
| Runway light checks | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 300 |
| QA/QC on fuel/fuel systems | n/a | n/a | n/a | 272 | 270 | 270 | 272 | 272 | 272 | 300 |
| Business Park lots leased | n/a | n/a | n/a | 1 | 2 | 5 | 19 | 19 | 13 | 8 |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | | |
| Enterprise | | | | | | | | | | |
| Water | | | | | | | | | | |
| Total gallons water produced (millions) | 364 | 393 | 379 | 372 | 410 | 419 | 433 | 445 | 426 | 400 |
| % of water samples meeting standards | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Water loss percentage | 3.7% | 5.3% | 4.6% | 4.6% | 4.4% | 4.6% | 4.0% | 4.7% | 4.2% | 3.9% |
| Wastewater | | | | | | | | | | |
| Wastewater plant flows (millions/gal) | 263 | 273 | 294 | 372 | 410 | 270 | 265 | 275 | 268 | 270 |
| Solids produced (wet tons) | 538 | 680 | 1,734 | 620 | 760 | 784 | 745 | 780 | 841 | 800 |
| Wastewater lines cleaned (lineal feet) | 34,003 | 6,990 | 36,669 | 36,669 | 2,859 | 13,091 | 10,707 | 25,000 | 8,464 | 10,000 |
| Stormwater | | | | | | | | | | |
| Streets cleaned (miles) | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,130 | 1,150 | 1,180 | 1,150 | 1,180 |
| Catch basin sumps cleaned | 900 | 913 | 913 | 900 | 915 | 450 | 500 | 500 | 500 | 500 |
| Annual stream/creek inspections | n/a | n/a | n/a | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Events Center | | | | | | | | | | |
| Multi-day conferences | n/a | n/a | n/a | 4 | 4 | 4 | 2 | 2 | 3 | 5 |
| Total events | 316 | n/a | n/a | 386 | 386 | 392 | 8 | 8 | 178 | 299 |
| Theater usage days | n/a | n/a | 169 | 148 | 137 | 137 | 4 | - | 50 | 99 |
| Box office gross ticket sales | \$ 173,000 | n/a | \$ 203,622 | \$ 185,300 | \$ 185,300 | \$ 210,000 | \$ 140,060 | \$ 7,077 | \$ 80,257 | \$ 165,000 |
| Internal Service | | | | | | | | | | |
| Public Works Administration | | | | | | | | | | |
| Capital projects managed | n/a | n/a | n/a | 4 | 5 | 6 | 4 | 6 | 6 | 5 |
| Facility inspections per month | n/a | n/a | n/a | 3 | 4 | 3 | 4 | 4 | 4 | 6 |
| Vehicles maintained | n/a | n/a | n/a | 31 | 31 | 40 | 45 | 47 | 47 | 55 |
| OSHA safety violations | n/a | n/a | n/a | - | - | - | - | - | - | - |

Source: City of Florence Adopted Budget
 Information tracked has changed over the last ten years. Activities listed are those that are currently tracked. Data for prior years is included when available.

CITY OF FLORENCE, OREGON
CAPITAL ASSETS BY FUNCTION

Last Ten Fiscal Years

| Function | Fiscal Years | | | | | | | | | |
|---------------------------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| GOVERNMENTAL | | | | | | | | | | |
| Administration | | | | | | | | | | |
| City Hall | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Safety | | | | | | | | | | |
| Justice Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Jail | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parks | | | | | | | | | | |
| Developed park sites | 13 | 13 | 13 | 13 | 13 | 14 | 14 | 14 | 15 | 16 |
| Acres of park land | 154 | 154 | 154 | 154 | 154 | 157 | 197 | 197 | 198 | 202 |
| Transportation | | | | | | | | | | |
| Miles of streets | 77 | 77 | 77 | 79 | 79 | 79 | 79 | 79 | 79 | 82 |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | | |
| Water | | | | | | | | | | |
| Miles of water lines | 65 | 66 | 66 | 66 | 66 | 66.81 | 66.98 | 67.05 | 67.05 | 67.74 |
| Number of water hookups | 3855 | 3860 | 3862 | 3882 | 3902 | 3922 | 3961 | 4020 | 4816 | 4171 |
| Number of treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Wastewater | | | | | | | | | | |
| Miles of sanitary sewer lines | 65 | 65 | 65 | 65 | 65 | 69.49 | 69.49 | 70.65 | 70.65 | 70.89 |
| Pump stations | 38 | 38 | 38 | 38 | 39 | 39 | 39 | 39 | 39 | 38 |
| Number of sewer hookups | 3610 | 3625 | 3644 | 3663 | 3682 | 3700 | 3774 | 3850 | 4817 | 4000 |
| Stormwater | | | | | | | | | | |
| Number of storm sewer lines | 33.25 | 33.25 | 33.51 | 33.51 | 33.51 | 33.51 | 34.46 | 34.46 | 34.46 | 34.73 |

Source: City of Florence Asset Records

COMPLIANCE SECTION

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**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

Honorable Mayor and Members of the City Council
City of Florence
Florence, Oregon

We have audited the basic financial statements of the City of Florence, Oregon (the "City") as of and for the year ended June 30, 2023, and have issued our report thereon dated February 21, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295)
- Indebtedness limitations, restrictions and repayment
- Budgets legally required (ORS Chapter 294)
- Insurance and fidelity bonds in force or required by law
- Programs funded from outside sources
- Highway revenues used for public highways, roads, and streets
- Authorized investment of surplus funds (ORS Chapter 294)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

Honorable Mayor and Members of the City Council
 City of Florence, Oregon
 Independent Auditor's Report Required by Oregon State Regulations
 February 21, 2024

Budgets legally required (ORS Chapter 294)

The City's published financial summary, Form LB-1, did not agree with the amounts on the detailed budget sheets as required by ORS 294.438 as follows:

| | LB-1 | Budget | Variance |
|-------------------|---------------|---------------|------------|
| 2019-2021 Actual | | | |
| Resources | \$ 49,849,368 | \$ 49,434,211 | \$ 415,157 |
| Requirements | 43,941,240 | 43,595,778 | 345,462 |
| 2021-2023 Adopted | | | |
| Resources | 71,880,100 | 71,699,300 | 180,800 |
| Requirements | 71,880,100 | 71,699,300 | 180,800 |

In the 2023-25 biennial budget document, the historical information for years ended June 30, 2019 through 2021 did not agree to actual amounts as reported in the audited financial statements for those years, as required by ORS 294.358 for the Debt Service, 9-1-1 Services, Airport, Events Center, Water, Wastewater and Stormwater funds.

In addition, the Budget Committee meeting online publication was not published on the municipal corporation's website at least 10 days prior to the meeting, as required by ORS 294.426.

OAR 162-010-0230 Internal Control

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

Restriction of Use

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

Singer Lewak LLP

February 21, 2024

By:



Brad Bingenheimer, Partner